



NEW HAMPSHIRE
CENTER
FOR NONPROFITS

2024 REPORT

Challenges in Government Grants and Contracts: Survey Insights from New Hampshire Nonprofits



Background

The University of New Hampshire Survey Center conducted a survey on behalf of the New Hampshire Center for Nonprofits to identify the key challenges New Hampshire nonprofit organizations face in managing grants and contracts with local, state, and federal governments. A survey invitation was distributed to nonprofit organizations by the New Hampshire Center for Nonprofits on September 17th, 2024. Data checks were applied to ensure that multiple respondents from the same organization were not included in the final results. Overall, one hundred two (102) participants completed the survey between September 17 and October 12, 2024.

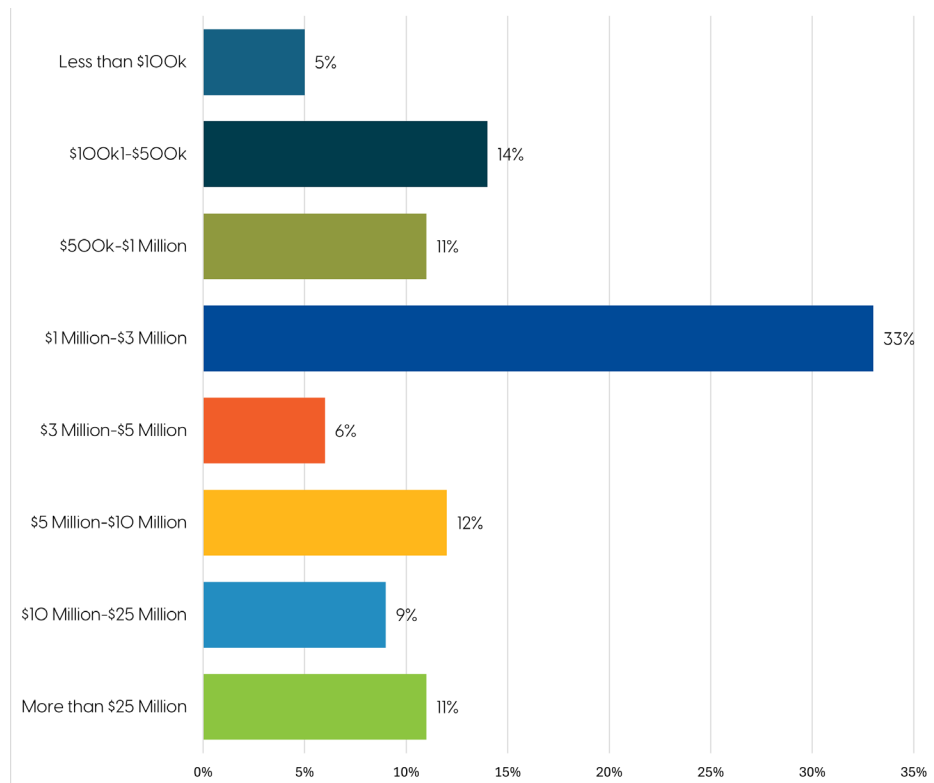
Respondents

The majority of respondents were human services organizations, followed by housing organizations. This reflects the public sector's reliance on nonprofits to deliver these essential services. The respondents represent a wide range of budget sizes. Among those contracting with state government agencies, most reported working with the New Hampshire Department of Health and Human Services, followed by the Department of Education and the Department of Justice.

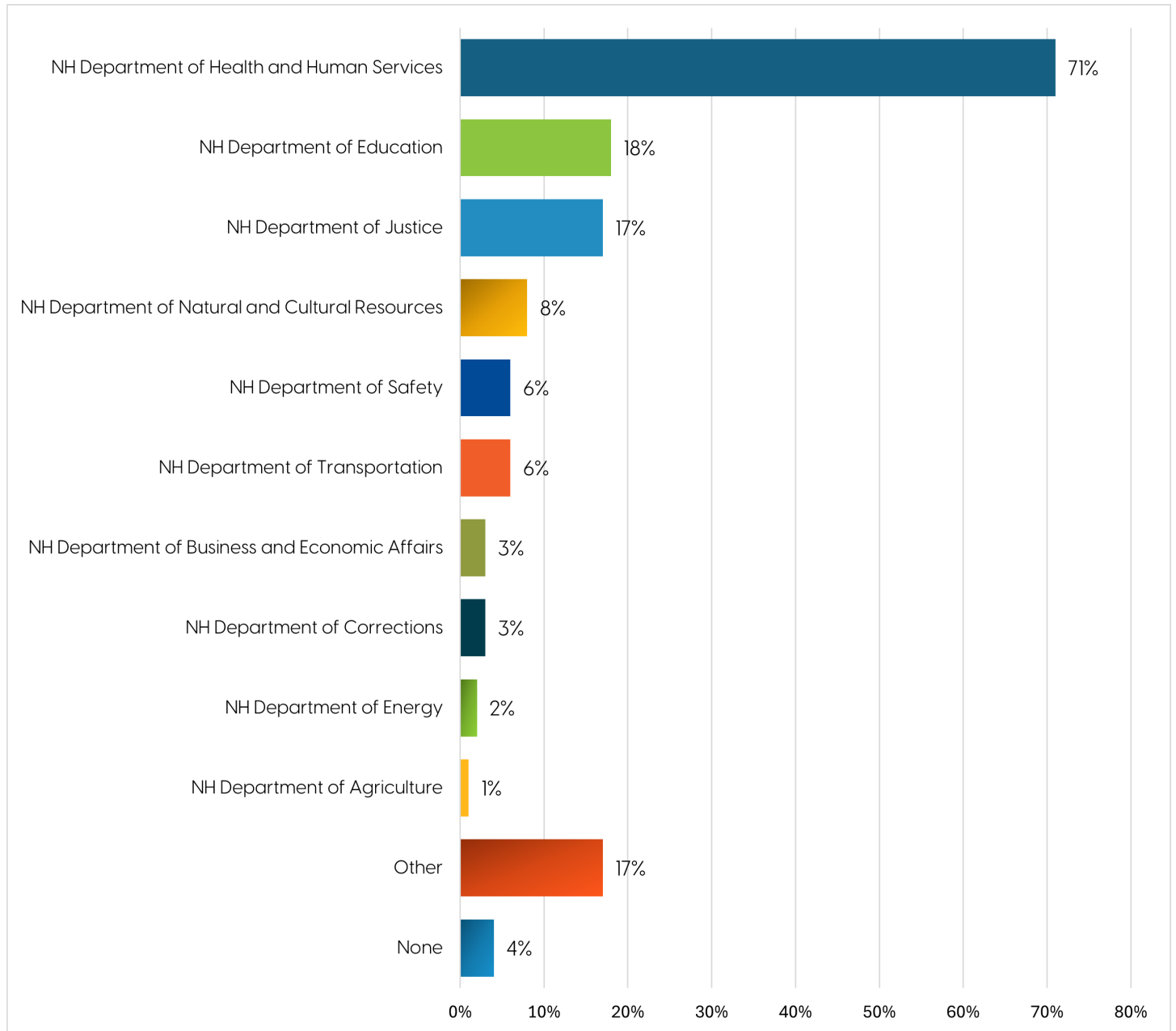
Mission Areas

Of the organizations that participated in the survey, 31% were Human Service organizations. Other mission areas each comprised between 6% and 9% and included Healthcare (6%), Environment (6%), Education (8%), Behavioral Health/Substance Use Disorders Services (8%), Arts, Culture & Humanities (8%) and Housing/Homelessness (9%). 25% of responding organizations selected "other" as their mission focus.

Budget Size



Government Agencies: Which New Hampshire government agencies are responding nonprofits currently contracted with?

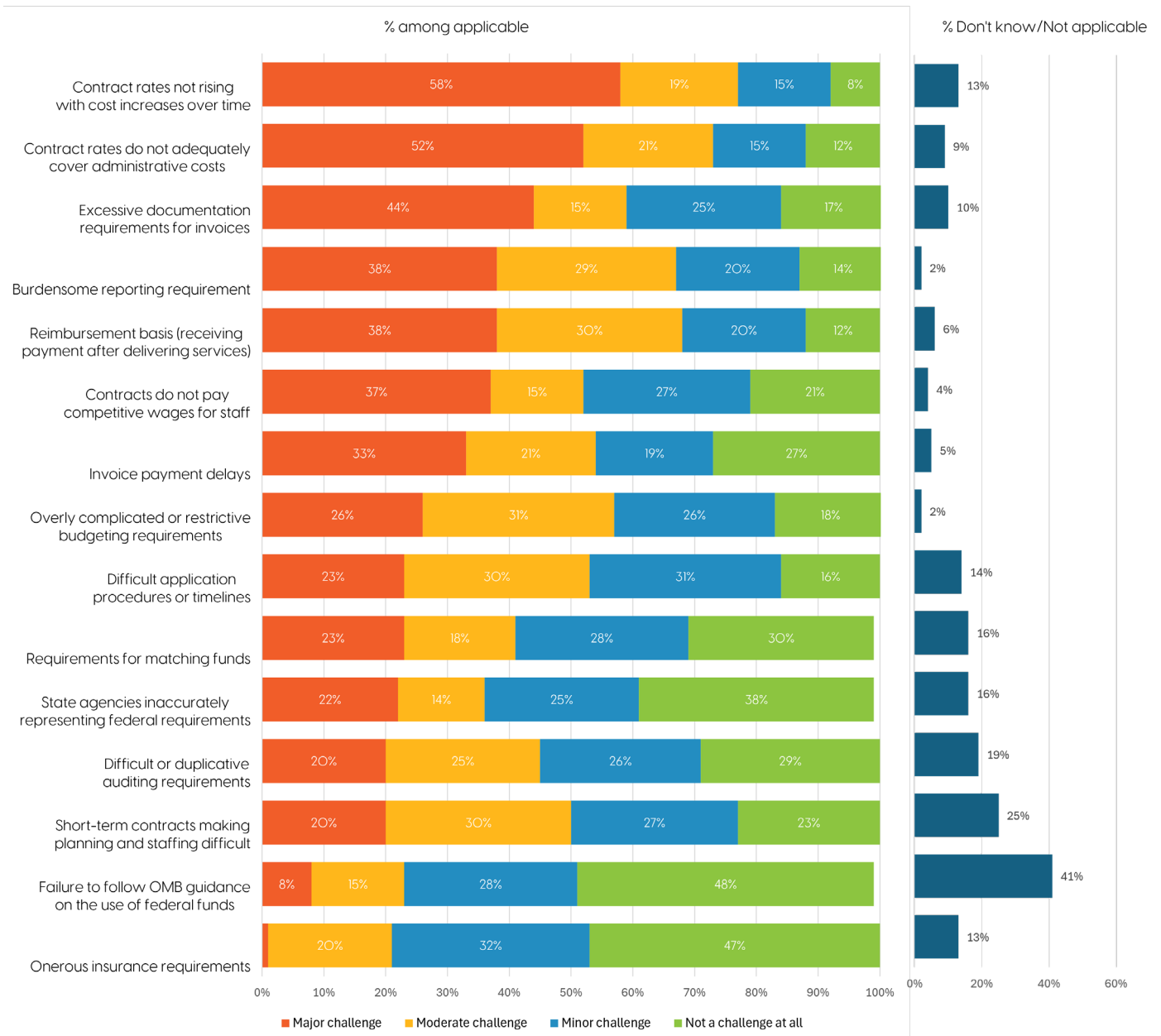


Challenges

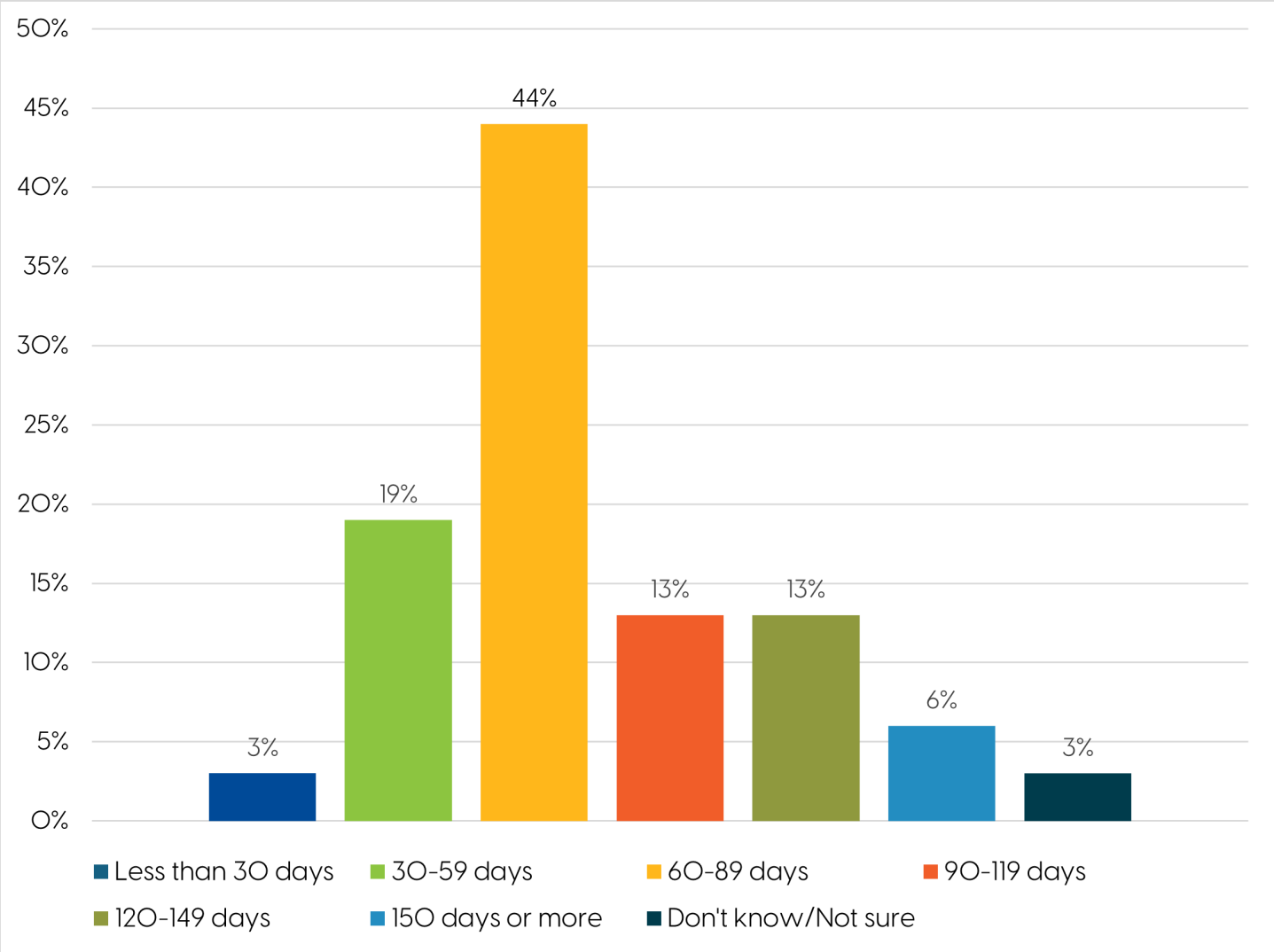
When asked what challenges their organization faces in dealing with government agency contracts, respondents most often cite: **1)** contract rates not rising with cost increases or not adequately covering administrative costs; **2)** delays in reimbursement, and: **3)** excessive documentation requirements. One quarter of respondents say that government agencies are in arrears over \$100,000.

Among those who say that invoice payment delays are a major challenge, three-quarters (75%) say that payments are typically past due or delayed for 60 days or more.

Challenging Issues: To what extent, if at all, are the following issues a challenge to your organization?



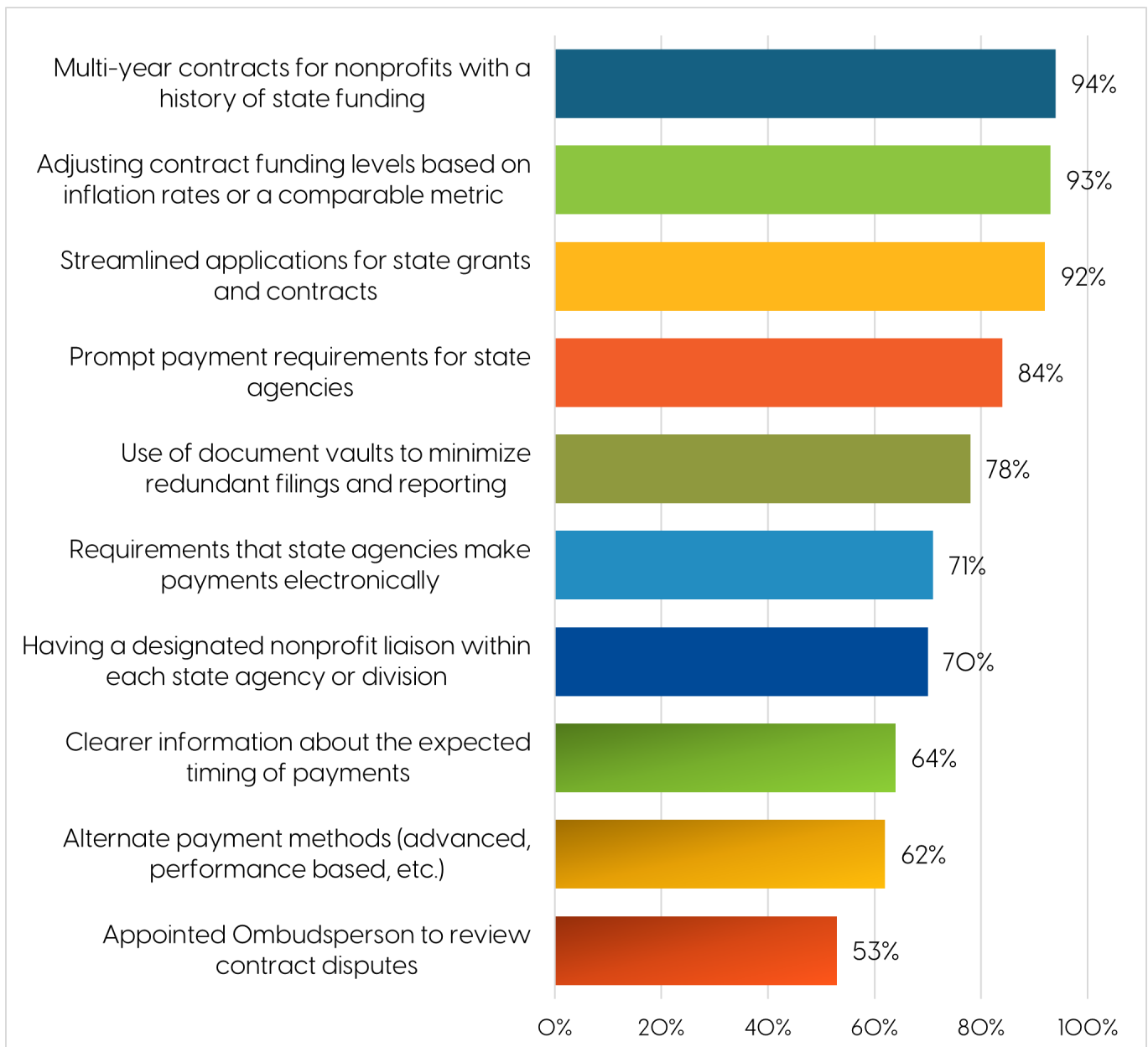
Payment Delays: When an organization indicated that delays in invoice payments is a challenge, about how long is the payment typically past due or delayed?



Policy Solutions

Respondents were asked to identify policy solutions to current government contracting challenges. Ninety-four (94%) percent of respondents say that multi-year contracts for nonprofits with a history of state funding would help, ninety-three percent (93%) say that adjusting contract funding levels based on inflation rates or a comparable metric would help, and eighty-four percent (84%) said that prompt payment requirements from state agencies would help. Other policy recommendations included the use of document vaults to minimize redundant filings and reporting at seventy-eight percent (78%), requirements that state agencies make payments electronically at seventy-one percent (71%), and having a designated nonprofit liaison within each state agency or division at sixty-nine percent (69%).

How much, if at all, would the following policy solutions help with the challenges your organization is experiencing with your government grants and contracts?



Recommendations

The survey confirms anecdotal concerns expressed by New Hampshire nonprofits about inefficiencies in the state agency contracting system that are impacting service delivery. In addition, the survey also identifies a consensus around recommended changes in policies and practices. The NH Center for Nonprofits thanks the over one hundred nonprofit survey respondents and urges lawmakers and key state agency leads to move forward with the reforms necessary to better align state agency outputs with more sustainable nonprofit business models. These reforms will not only improve nonprofit financial stability, they will also improve service delivery to Granite Staters and their communities.



Increasing the number of multi-year contracts whenever possible will improve program budgeting, contract execution, and service outcomes.



Prompt payment requirements for state agencies will address arrearages and improve business practices and sustainability.



Modernization of contracting practices, like document vaults, electronic payments, and alternative payment models will lessen administrative burdens for both state agencies and nonprofits.



A third party and independent reviewer, like a designated nonprofit liaison or an ombudsperson, will help resolve questions and concerns related to the contracting process between state agencies and nonprofits.