

A black and white photograph of the New York City skyline at night, featuring prominent skyscrapers like the Empire State Building and the Chrysler Building. The image is partially obscured by a large, dark blue diagonal shape that cuts across the frame from the top left to the bottom right. A semi-transparent blue horizontal band is overlaid on the middle of the image, containing the title text.

NEW YORK CITY CONTRACT DELAYS: VOL. 2

AN ANALYSIS OF THE FINANCIAL IMPACT

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NEW YORK CITY CONTRACT DELAYS: VOL. 2

AN UPDATED ANALYSIS OF THE FINANCIAL IMPACT

This note is an addendum to [New York City Contract Delays: The Facts](#) which covered social service contracts registered in Fiscal 2017.¹ We've updated that earlier report for Fiscal 2018, examined registration delays by the type of award (e.g. discretionary, RFP, renewal, etc.) and, for the first time, compared the burden imposed by late registration with the financial resources of the affected nonprofits. (The earlier report also includes a detailed description of the City's contracting process which will not be repeated here.)

A nonprofit delivering services under an unregistered contract faces a growing cash flow burden associated with the unreimbursed expenses. It must also pay interest and fees on the debt it uses to finance this cash flow need – if it can be financed at all.² In theory, the cash flow impact only affects the timing, not the amount, of the money received by the nonprofit, but the financing cost is an absolute loss that comes directly out of the nonprofit's precious unrestricted net assets.

In aggregate, data from Fiscal 2018 suggest that contract delays have become slightly worse. In Fiscal 2018, social service contracts were registered an average of 221 days after their start date (210 days in 2017), only 11% of contracts were registered on time (9% in 2017), and a full 20% remained unregistered after one year (19% in 2017).³ These registration delays imposed a cash flow burden of approximately \$744 million on the nonprofits involved (up from \$675 million in 2017) before consideration of any delays in payment against those contracts after they were registered.

Despite the poor progress to date in actual results, encouraging policy discussions are underway to address endemic contract delays. The City Council has made recommendations to the Charter Revisions Commission to: (i) increase transparency and accountability in the pre-registration process; (ii) reduce contract delays by setting time limits for agency procurement processes; and (iii) identify problems earlier in the procurement process. The City Council Committee on Contracts has proposed bills to expedite the inter-agency oversight review process of large unregistered contracts and to require that the City pay interest on late payments. The New York City Comptroller Scott M. Stringer has proposed that each agency have a timeframe to complete its tasks and that the status of contracts should be tracked through a publicly available system. These are welcome developments at a time when New York needs healthy nonprofit partners more than ever.

We hope that this update note will provide useful background information for these

¹ That earlier report contains background information regarding the New York City's contracting process which will not be repeated here.

² Even a nonprofit that does not actually borrow from a bank (or its vendors) to finance late payments still incurs opportunity costs if the funds would otherwise have been invested in income producing assets. For a discussion of the dysfunctional ways that nonprofits finance their working capital see [Nonprofits, Sin and Shadow Loans](#).

³ The data in this report cover the 2,543 NYC contracts that were (i) issued to nonprofits by the seven social services agencies and (ii) registered in Fiscal 2018. These agencies are: Administration for Children's Services (ACS), Department of Education (DOE), Department of Health and Mental Hygiene (DOHMH), Department of Youth and Community Development (DYCD), Human Resource Administration (HRA), Department for the Aging (DFTA) and Department of Homeless Services (DHS). The data exclude contracts issued to nonprofits by the Department of Housing Preservation and Development (HPD) and the Department of Cultural Affairs (DCA). See <https://comptroller.nyc.gov/wp-content/uploads/documents/Still-Running-Late.pdf>

ongoing policy discussions while also helping nonprofits better plan for the cash flow risks associated with their New York City contracts.

City Contracts: A Financial Profile

Table 1 shows a summary of the 2,543 contracts issued by the City's seven social service agencies and registered in Fiscal 2018, representing \$5.9 billion of spending with 1,054 nonprofits. In aggregate, the contracts registered in Fiscal 2018 look very similar to those registered in Fiscal 2017 though the mix across agencies is significantly different.⁴

- The contracts had a median value of \$290,000 and a median term of one year. The average contract value (\$2.3 million) and average term (1.8 years) were larger as a result of a small number of significantly larger (and somewhat longer) contracts.
- DHS issued the largest contracts (median: \$8.5 million; average: \$19.7 million) representing 7% of the total number but 59% of the value.⁵
- RFPs represented the largest dollar volume of contracts (41% of dollars), followed by negotiated awards (29%) and then renewals (25%). Discretionary awards represented 42% of all contracts but only 3% of the total value given their small size (median: \$78,000; average: \$149,000).

Discretionary awards are important to City Council members and are also a vital source of funding for many small nonprofits. However, the large number of these generally tiny contracts exacerbates the late registration problem, as we will discuss in more detail later.

Retroactivity

Retroactivity is the delay between a contract's start date and its registration date.⁶ **Tables 2A-C** show the retroactivity of contracts registered in Fiscal 2018 along a number of dimensions.

- The "odds" that a given contract was registered on time were 11% (i.e. 89% were registered late) (**Table 2A**).
- Contracts were registered a median of 187 days (average: 221 days) after their start date. (**Table 2A**).
- Organizations could only be "pretty sure" (i.e. 80% sure) that a contract would be registered within 369 days (Fiscal 2017: 356 days). Organizations could only be

⁴ The \$3.5 billion in DHS contracts registered in Fiscal 2018 was a significant increase over Fiscal 2017 in large part because of several very large multi-year contracts including more than \$1.0 billion to shelter homeless people in commercial hotels. The volume of contracts entered into by ACS was lower in Fiscal 2018 since many multi-year contracts for Early Learning and Residential Foster Care were registered in 2017. ⁵ In economic terms, many DHS contracts overstate the amount of funds flowing to nonprofits as a meaningful portion of these payments flow through to the underlying for-profit property owner. (The amount of shelter payments flowing through to landlords is not in the public domain). The City's stated goal, to build at least 25 nonprofit-owned shelters, will be impossible without the development of a new City-supported financing mechanism for acquisition and pre-development costs. In the absence of such a mechanism, the City will continue paying the higher costs demanded by private, profit-seeking owners.

⁶ Note: The Comptroller's reports define "retroactivity" as the delay between a contract's start date and when it is submitted to the Comptroller's office for registration.

“really sure” (i.e. 95% sure) that a contract would be registered within 623 days. These figures are slightly worse than in Fiscal 2017. **(Table 2B).**

- Discretionary awards were 100% late with a median delay of 304 days, representing 84% of the contract term. Organizations could only be “pretty sure” (i.e. 80% sure) that a discretionary award would be registered within 448 days. Organizations could only be “really sure” (i.e. 95% sure) that a discretionary award would be registered within 694 days **(Table 2B).**
- Even excluding discretionary awards, 81% of contracts were late, but the median delay was only 62 days (versus 304 days for discretionary contracts). However, even for these non-discretionary contracts nonprofits still could only be “pretty sure” (i.e. 80%) that a contract would be registered within 217 days and could only be “really sure” (i.e. 95%) within 482 days. Although the median delay is much lower for non-discretionary contracts, these levels of uncertainty still make planning and cash flow management very difficult for nonprofits. **(Table 2B).**
- Contract renewals were registered far more quickly than other types of awards: 36% were registered before the start date; the median delay was 25 days; nonprofits could be “pretty sure” that a renewal would be registered within two months, and “really sure” within nine months. **(Table 2B).**
- Nonprofits beginning service on the start date would have completed 41% of the work under contracts before they were registered: 80% for one-year contracts (50% for non-discretionary/ 84% for discretionary); 5-11% for contracts of two-years or more. **(Table 2C).**

In aggregate, the retroactivity figures are slightly worse than in Fiscal 2017.

Discretionary Contracts

Discretionary awards are the only way that the City touches many nonprofits. In Fiscal 2018, 1,071 discretionary awards were given to 553 organizations of which 382 (i.e. 70%) did not receive any other support from the City. We estimate that roughly half of these discretionary-only organizations have budgets of under \$1.0 million.⁷ Many of these small organizations, while important to the City, do not have the capacity to secure or manage larger non-discretionary awards.

The \$160 million spread across these 1,071 discretionary contracts registered in Fiscal 2018 represent a particular challenge to timely and efficient procurement for several reasons:

- As indicated, the contracts are very small. The median size is \$78,000; more than one-third are \$50,000 or less; only 10% are over \$250,000.

⁷ These estimates come from matching contract-level information with data from the IRS Form 990. For nondiscretionary awards, only 10% of organizations have budgets under \$1.0 million.

- Discretionary awards are spread very thin: 60% of discretionary-only organizations received only one award and a further 25% received only two. This makes it hard to achieve efficiencies because the “pre-qualification” organizational information must be collected anew for many individual contracts without being reusable for others.
- Even for the smallest awards, City agencies must develop and negotiate a contract-by-contract scope of work even though the awards are only determined just prior to the beginning of the fiscal year. This is time consuming and virtually guarantees late registration.

As a result, it is no surprise that only 10% of discretionary contracts were registered within six months. In fact, nonprofits had to wait more than a year (448 days) to be “pretty sure” (i.e. 80%) that their discretionary awards would be registered and almost two years (694 days) to be very sure (95%).

The Financial Burden of Delays

A nonprofit delivering services under an unregistered contract faces a growing cash flow burden associated with the unreimbursed expenses:

- In total, we estimate that the burden imposed on nonprofits due to registration delays in 2018 was \$774 million: \$756 million in negative cash flow associated with the expenditures from the start day to the registration date and a further \$18 million in associated financing costs.⁸ **(Table 3A).**
- Because they are so late, discretionary contracts, which represented only 3% of the total contract value, represented 17% (e.g. \$127 million) of the cash flow burden imposed on nonprofits from late registration. **(Table 3A).**
- The total cash flow burden represented a staggering 34% of the annual contract value: 79% for discretionary awards and 30% (in aggregate) for the other types of awards. In other words, nonprofits receiving \$1.00 in annualized funding under contracts registered in Fiscal 2018 needed \$0.34 in financing to bridge the gap from when they started doing the work to when the contracts were registered **(Table 3B).**
- Although renewals are handled much more quickly than other types of awards on average, late registration still created a \$128 million burden, which was equal to 22% of the annualized value of the renewal contracts awarded.
- In Fiscal 2018, 128 organizations faced burdens of \$1.0 million or more from late registration: more than \$10 million (10); between \$5.0 million and \$10 million (19); between \$1.0 and \$5.0 million (99).

⁸ We are assuming a 1% fee plus annual interest of 5%; in the current environment, this is probably a low estimate. Of course, some nonprofits self-finance the cash need or borrow in other ways (e.g. by paying vendors late) but the costs remain real even if hidden.

- We estimate that the median nonprofit with delayed contracts suffered a cash flow burden equal to 0.5 months of revenue (i.e. one payroll cycle), a significant burden given the limited cash resources of most nonprofit organizations. In fact, we estimate that this median burden represented roughly 30% of the nonprofit's otherwise available cash. While even this typical burden is significant, a full 20% - roughly 200 organizations - had burdens representing more than two months of revenue and two-thirds of their otherwise available cash.⁹
- Nonprofits differ greatly in their reliance on City funding. IRS Form 990 data suggest that 20% of the organizations with City contracts earn more than 50% of their budget from the City with the remainder coming from federal, state and philanthropic sources. However, organizations with DHS contracts earned almost 90% of their revenue from City contracts making any associated delays in registration or payment very difficult to manage.

The Importance of Battleships

Although discretionary contracts are important to the organizations that receive them, the vast majority of social services spending is in the form of non-discretionary contracts concentrated in a relatively small number of large “battleship” organizations. Table 4 shows the largest 100 vendors to the City based on social services contracts registered in Fiscal 2018, excluding discretionary awards. The top 13 – roughly 1% of the organizations – received 6% of the contracts and accounted for 50% of the total contract value. The top 100 – roughly 10% of the organizations – accounted for 85% of the total contract value. The average value of the contracts awarded to each one these groups – \$48 million – was equal to the smallest 600 discretionary awards combined.

Addressing the Broader Problem

While the late-payment crisis is getting more attention from policymakers, understanding and addressing the root causes of registration delays will take time. Our earlier report recommended that the City consider four strategies to mitigate the negative impact of these delays on nonprofits: lend nonprofits the money against smaller unregistered contracts, make it easier to borrow against the larger ones, establish a SWAT team for large and late contracts, and collect fees/interest on late payments. The last two of these recommendations are included in proposals currently being discussed by City Council.

The analysis in this note suggests three other strategies that the City might consider:

- **Lend against discretionary awards or even outsource the process:** The large number of small discretionary awards is very difficult to manage from a procurement standpoint, yet these awards are important to the City and aren't going away anytime soon. For larger organizations, the delays endemic to small discretionary awards are merely a nuisance. But for smaller groups who rely upon

⁹ These cash figures are only used to illustrate the relative scale of the burden. For many organizations, the last electronically available Form 990 data is from 2016 and organizations which could not be matched were ignored for the purpose of the analysis.

these awards, the delays are very troublesome. It is impossible for commercial lenders to make loans against single discretionary awards given their small size and long delays. The City might consider establishing a fund to make advances against discretionary contracts.¹⁰ The total need is only about \$130 million. It should also consider mandating that all discretionary awards under a certain value – 90% are below \$250,000 – use a small number of pre-agreed model templates rather than requiring that the City agencies negotiate a scope of work for each contract. Better yet, the City should consider creating a separate process – perhaps even outsourced to a third-party – to handle procurement for these smaller discretionary awards so that City agencies can focus their resources on the larger non-discretionary contracts that they have formally awarded.

- **Advance against renewals:** Although the City registers renewals significantly more quickly than other types of awards, delayed renewal registrations still represented \$128 million of the burden in Fiscal 2018. While anecdotal evidence suggests that well-governed nonprofits are increasingly willing to withhold service under new contracts until they have been registered, this is nearly impossible under renewing contracts since it would require disrupting ongoing services for vulnerable people. All City renewals should come with an advance equal to 25% of the annual contract value that would be made available on the start date regardless of the registration status providing that services are being provided.
- **Adapt the process for the “battleships”:** The procurement process should recognize that while many organizations are virtually unknown to the City because they receive small and/or infrequent contracts, most of the services are provided by a small number of “battleship” organizations that do large volumes of business with the City year-in and year-out. The City should consider focusing more of its resources on evaluating the organizational capacity of these “battleships” and correspondingly less on the minutiae of their individual contracts. This is not to suggest that the City should have a preference for these groups when awarding contracts, but rather that the process should be different once a contract has been awarded. The City should work to assure itself that each of these “battleships” is well-governed, free from conflicts of interest, and has robust accounting, financial, and quality assurance processes in place. For those that are deemed to have these, the City should consider instituting more flexible master contracts and/or otherwise reducing the contract-level procurement burden. Although this would require inter-agency coordination and culture change, it would lead to better results for the City, for its most important nonprofit social service partners, and for the vulnerable people they serve.

¹⁰ While the City is prevented by state law from directly funding unregistered contracts, the [New York City Acquisition Fund](#) suggests that creative public-private solutions are possible that would bring private capital to the table provided an appropriately sized first-loss position by the City.

This is the Time for Timeliness

New York City needs healthy nonprofit partners more than ever; but these partners cannot be healthy without timely and predictable payments. While how much to pay nonprofits is a thorny political issue – there is only so much money to go around – paying promptly and predictably would seem much more straightforward. We are optimistic that the current discussions around procurement reform can finally lead to real change.

APPENDIX

TABLE 1 shows a summary of \$5.9 billion across 2,543 contracts registered in Fiscal 2018 issued by New York City's seven social service agencies. For example, DHS issued 176 contracts totaling \$3.5 billion with a median size of \$8.5 million (average \$19.8 million), a median term of 3.0 years (average 3.4 years) and annual spending of \$1.1 billion. All dollar figures in \$'000's. Below is similar information by the type of contract award.

Agency	Total	%	Total Value		Contract Size		Term (Years)		Annual Value
			\$'000's	%	Median	Avg	Median	Avg	\$'000s
ACS	62	2%	189,787	3%	\$977	\$3,061	1.0	1.7	81,379
DHS	176	7%	3,476,351	59%	\$8,472	\$19,752	3.0	3.4	1,064,947
HRA (DSS)	227	9%	691,091	12%	\$600	\$3,044	1.0	1.8	282,145
DOHMH	462	18%	508,695	9%	\$145	\$1,101	1.0	2.1	172,571
DFTA	271	11%	201,470	3%	\$170	\$743	1.0	1.4	115,640
DOE	468	18%	368,387	6%	\$538	\$787	2.0	1.7	210,149
DYCD	877	34%	446,367	8%	\$129	\$509	1.0	1.4	268,239
Total	2,543	100%	5,882,148	100%	\$290	\$2,313	1.0	1.8	2,195,071

Award Type	Total	%	Total Value		Contract Size	
			\$'000s	%	Median	Average
Discretionary	1,071	42%	160,034	3%	\$78	\$149
Negotiation	322	13%	1,688,344	29%	\$398	\$5,243
Other	192	8%	234,219	4%	\$602	\$1,220
Renewal	683	27%	1,426,717	25%	\$750	\$2,089
RFP	275	11%	2,372,835	41%	\$3,204	\$8,628
Total	2,543	100%	5,810,342	100%	\$290	\$2,313

For comparison, below are the figures for contracts registered in Fiscal 2017. Although the aggregate figures are very similar, ACS saw a drop in contract volume while DHS grew significantly.

Agency	Total Value				Contract Size		Term (Years)		Annual Value
	Total	%	\$'000's	%	Median	Avg	Median	Avg	\$'000s
ACS	259	11%	2,326,567	41%	\$3,322	\$8,983	2.0	2.2	901,150
DHS	104	4%	882,370	16%	\$3,533	\$8,484	3.0	3.1	356,134
HRA	231	9%	796,784	14%	\$1,535	\$3,449	3.0	2.5	249,028
DOHMH	314	13%	851,851	15%	\$141	\$2,713	1.0	1.7	305,340
DFTA	275	11%	212,395	4%	\$684	\$772	2.4	1.8	95,803
DOE	406	17%	229,102	4%	\$346	\$564	2.0	1.7	149,288
DYCD	859	35%	370,659	7%	\$144	\$432	1.0	1.6	229,338
Total	2,448	100%	5,669,728	100%	\$338	\$2,316	1.0	1.9	2,286,081

TABLE 2A shows a summary of delays between the start date and the registration date for the 2,543 contracts registered in Fiscal 2018 issued by New York City's seven social service agencies. In total 89% of the contracts were late, the average lateness was 221 days, 50% of contracts were registered within 187 days, 80% within 369 days and 95% within 623 days.

Key Retroactivity Statistics for 2018 by Agency (#, % Late, Avg. Delay, Distribution of Retroactivity in Days)							
Agency Type	#	% Late	Avg	20%	50%	80%	95%
ACS	62	90%	187	50	193	302	380
DHS	176	99%	201	61	122	322	541
HRA (DSS)	227	97%	262	100	262	396	536
DOHMH	462	92%	214	32	173	317	640
DFTA	271	94%	217	31	201	388	582
DOE	468	94%	196	32	83	371	672
DYCD	877	79%	236	-	220	375	636
Total	2,543	89%	221	33	187	369	623

Key Retroactivity Statistics for 2017 by Agency (#, % Late, Avg. Delay, Distribution of Retroactivity in Days)							
Agency Type	#	% Late	Avg	20%	50%	80%	95%
ACS	259	59%	51	-	6	95	258
DHS	104	100%	209	109	179	273	572
HRA	231	100%	250	100	270	378	477
DOHMH	314	84%	241	11	237	405	597
DFTA	275	99%	143	20	48	299	426
DOE	406	100%	278	68	245	435	647
DYCD	859	93%	225	76	193	343	523
Total	2448	91%	210	34	175	356	511

TABLE 2B shows a summary of delay between the start date and the registration date for the 2,543 contracts registered in Fiscal 2018 issued by New York City's seven social service agencies broken down by the type of award. For example, 100% of discretionary awards were late while only 64% of renewals were late.

% of Contracts Registered Late by Award Type and Agency						
Agency Name	Discretionary	Negotiation	Other	Renewal	RFP	Total
ACS	100%	86%	90%	80%	33%	90%
DHS	100%	100%	100%	100%	97%	99%
HRA (DSS)	100%	100%	100%	91%	94%	97%
DOHMH	100%	97%	77%	73%	100%	92%
DFTA	100%	87%	100%	91%	62%	94%
DOE	100%	100%	100%	90%	100%	94%
DYCD	100%	100%	100%	15%	100%	79%
Total	100%	97%	92%	64%	96%	89%

Key Retroactivity Statistics for 2018 by Award Type (#, % Late, Avg. Delay, Distribution of Retroactivity in Days)							
Award Type	#	% Late	Avg	20%	50%	80%	95%
Discretionary	1,071	100%	351	210	304	448	694
Negotiation	322	97%	196	30	94	324	682
Other	192	92%	219	39	190	361	569
Renewal	683	64%	56	-	25	74	262
RFP	275	96%	159	67	132	221	397
Total	2,543	89%	221	33	187	369	623

TABLE 2C the a summary of the delay between the start date and the registration date for the contracts registered in Fiscal 2018 as a percentage of the contract term. For example, renewal contracts awarded by the DOE were 8% through their term when registered. The second table shows associated cash flow burden from late contracts by agency and awards type.

Median Contract Term Completed at Registration by Agency and Type of Award						
Agency Name	Discretionary	Negotiation	Other	Renewal	RFP	Grand Total
ACS	74%	18%	23%	1%	0%	38%
DHS	100%	20%	100%	6%	5%	11%
DOHMH	69%	9%	3%	2%	6%	41%
DFTA	84%	9%	50%	2%	3%	54%
DOE	100%	100%	87%	8%	11%	12%
DYCD	88%	63%	41%	0%	16%	59%
HRA (DSS)	94%	24%	100%	9%	14%	66%
Total	84%	24%	37%	3%	11%	41%

TABLE 3A shows the estimated cash flow burden due to late registration by agency and type of award. For example, late renewal registrations account for \$128 million (18%) of the total \$744 million burden. All dollar figures in '000's.

Cash Flow Burden By Agency and Type of Award						
Agency Name	Discretionary	Negotiation	Other	Renewal	RFP	Grand Total
ACS	\$6,571	\$2,746	\$6,416	\$3,229	\$1,243	\$20,205
DHS	\$2,372	\$85,340	\$67,632	\$49,891	\$122,559	\$327,794
DOHMH	\$20,341	\$8,504	\$11,525	\$11,851	\$5,448	\$57,670
DFTA	\$15,604	\$4,838	\$1,723	\$7,022	\$620	\$29,807
DOE	\$6,562	\$23,681	\$16,618	\$25,716	\$11,946	\$84,523
DYCD	\$47,673	\$16,994	\$3,671	\$4,165	\$33,761	\$106,266
HRA (DSS)	\$28,667	\$28,534	\$634	\$26,565	\$33,571	\$117,972
Total	\$127,791	\$170,638	\$108,220	\$128,440	\$209,148	\$744,237
% of Total	17%	23%	14%	18%	28%	100%

TABLE 3B shows the burden as a percentage of the annual value of the contract. For all contracts registered in Fiscal 2018, the burden from late registration was 34% of the annual value, ranging from 79% for discretionary items to 22% for renewals.

Burden/Annualized Spending						
Agency Name	Discretionary	Negotiation	Other	Renewal	RFP	Grand Total
ACS	61%	27%	55%	7%	37%	25%
DHS	91%	17%	64%	36%	38%	31%
DOHMH	74%	31%	48%	16%	28%	33%
DFTA	83%	10%	60%	18%	10%	26%
DOE	97%	103%	69%	19%	55%	40%
DYCD	79%	29%	70%	5%	49%	40%
HRA (DSS)	84%	36%	43%	31%	41%	42%
Total	79%	23%	62%	22%	40%	34%

TABLE 4 shows the 100 nonprofits with the largest volume of contracts registered in Fiscal 2018.

Organization	Contracts	Total (\$'000's)
ACACIA NETWORK HOUSING INC	8	\$511,501
CHILDRENS COMMUNITY SERVICES INC	8	\$476,255
WOMEN IN NEED, INC.	13	\$296,670
SAMARITAN DAYTOP VILLAGE INC	14	\$250,752
CAMBA INC	22	\$203,515
CENTER FOR URBAN COMMUNITY SERVICES INC	10	\$191,367
BRONX PARENT HOUSING NETWORK INC	4	\$168,090
CORE SERVICES GROUP, INC.	9	\$168,062
PROJECT RENEWAL INC	6	\$157,966
BRONXWORKS INC	14	\$151,652
WEST SIDE FEDERATION FOR SR & SUPPORTIVE HOUSING INC	4	\$148,221
HOME/LIFE SERVICES, INC	5	\$123,488
AGUILA INC	3	\$100,660
SUS-URGENT HOUSING PROGRAMS INC	3	\$94,862
WESTHAB, INC.	2	\$91,628
SCO FAMILY OF SERVICES	17	\$71,708
URBAN RESOURCE INSTITUTE	7	\$65,897
COMMON GROUND MANAGEMENT DBA BREAKING GROUND MANAGEMENT	3	\$63,257
THE CHILDREN'S VILLAGE	7	\$61,756
BLACK VETERANS FOR SOCIAL JUSTICE	4	\$61,375
CATHOLIC CHARITIES NEIGHBORHOOD SERVICES INC	12	\$58,457
VOLUNTEERS OF AMERICA GREATER NEW YORK INC	9	\$57,080
HELP SOCIAL SERVICE CORPORATION	8	\$54,353
BOWERY RESIDENTS' COMMITTEE, INC.	3	\$53,048
HOMES FOR THE HOMELESS INC.	3	\$51,842
BETH ISRAEL MEDICAL CENTER	2	\$41,002
PRAXIS HOUSING INITIATIVES INC	3	\$40,129
SHELTERING ARMS CHILDREN AND FAMILY SERVICES, INC.	14	\$37,833
JEWISH ASSOCIATION FOR SERVICES FOR THE AGED	13	\$37,660
HARLEM UNITED COMMUNITY AIDS CENTER, INC.	5	\$37,590
AFRICAN AMERICAN PLANNING COMMISSION INC	1	\$37,555
GRAHAM-WINDHAM	5	\$37,282
PROJECT HOSPITALITY INC	10	\$33,890
COMUNILIFE INC	2	\$29,915
PERSONAL - TOUCH HOME CARE OF N.Y., INC.	2	\$28,858
CATHOLIC CHARITIES COMMUNITY SERVICES ARCHDIOCESE OF NY	7	\$26,294

YMCA OF GREATER NEW YORK	18	\$23,998
ST VINCENT'S SERVICES INC	6	\$21,044
UNIQUE PEOPLE SERVICES INC.	6	\$19,783
ST. NICKS ALLIANCE CORP.	7	\$19,303
CHILDREN'S RESCUE FUND - ICAHN HOUSE	2	\$19,115
HENRY STREET SETTLEMENT	4	\$18,576
AFRICAN AMERICAN PLANNING COMMISSION INC	1	\$18,119
MARAMONT CORP	1	\$17,958
THE SALVATION ARMY	1	\$17,564
RISEBORO COMMUNITY PARTNERSHIP INC	5	\$17,061
INSTITUTE FOR COMMUNITY LIVING, INC.	6	\$16,554
THE CHILD CENTER OF NY INC.	13	\$16,254
PEOPLE CARE INC.	1	\$16,211
SELFHELP COMMUNITY SERVICES, INC.	4	\$15,445
MONTEFIORE MEDICAL CENTER	1	\$15,318
URBAN PATHWAYS INC.	3	\$15,317
CHILD DEVELOPMENT CENTER OF THE MOSHOLU-MONTEFIORE COMM CTR	11	\$15,078
CATHOLIC SCHOOL REGION OF NORTHEAST-EAST BRONX	3	\$14,816
THE FLOATING HOSPITAL	2	\$14,471
THE BRIDGE INC.	4	\$14,140
NEW YORK UNIVERSITY	2	\$14,064
NEW YORK FOUNDATION FOR SENIOR CITIZENS GUARDIAN SERVICES IN	1	\$13,376
VISITING NURSE SERVICE OF NEW YORK HOMECARE II	2	\$13,022
GOOD SHEPHERD SERVICES	9	\$12,372
ST JOHNS RESIDENCE FOR BOYS INC.	1	\$12,199
SEBCO DEVELOPMENT INC.	2	\$12,068
NEW YORK FOUNDATION FOR SENIOR CITIZENS HOME ATTENDANT SVC	1	\$11,745
SAMUEL FIELD YM & YWHA INC.	11	\$11,467
ARBOR E&T LLC.	3	\$11,328
ANIMAL CARE AND CONTROL OF NEW YORK CITY, INC	1	\$11,318
COMMUNITY ACCESS INC.	6	\$11,238
HANAC INC.	6	\$10,939
BAILEY HOUSE, INC.	1	\$10,887
WEST END RESIDENCES HDFC, INC.	2	\$10,837
CATHOLIC SCHOOL REGION OF THE NORTHWEST & SOUTH BRONX	7	\$10,623
WESTON UNITED COMMUNITY RENEWAL INC.	3	\$10,589
NEIGHBORHOOD ASSOCIATION FOR INTERCULTURAL AFFAIRS INC.	2	\$10,560
SERVICES FOR THE UNDERSERVED, INC.	4	\$10,489
RIDGEWOOD BUSHWICK SENIOR CITIZENS COUNCIL INC.	4	\$10,486

ABOUT THIS RESEARCH NOTE

This research note draws upon our first-hand experience regarding the difficulty nonprofits have in managing the risks associated with late government payments and the frustration that incredulous board members feel that these late payments are accepted as “par for the course”. We’d like to thank the Office of the New York City Comptroller Scott M. Stringer for making available the data allowing us to quantify the extent of late payments and for its thoughtful recommendations on how to improve the situation. We’d also like to thank CitizenAudit.org for making available the data from the IRS Form 990.

SeaChange wishes to thank everyone who provided helpful feedback on an earlier draft of this research note. The views and opinions expressed in this report are those of SeaChange and do not necessarily reflect the views of these reviewers.

We welcome feedback from readers about their experiences in New York City or with other state, local or federal funding. We would be pleased to consider doing similar analyses for other local/state/federal funding streams where granular contract-level data are available.

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