Report Finds 50% of Contracts Not Approved Until After Start Date

A report released by New York State Comptroller Thomas P. DiNapoli found 50 percent of the contracts in 2019 between Not-for-Profit (NFP) organizations and the state were not processed until after the contract start date. DiNapoli’s report showed that no progress has been made in the past year, with the percentage of late contracts increasing slightly from 47 percent in 2018.

“The failure of state agencies to process contracts on time is unacceptable and harms service providers in fields like healthcare, care for the disabled, education and homeless services, which in turn erodes service delivery to vulnerable populations,” said Doug Sauer, Chief Executive Officer of the New York Council of Nonprofits, Inc. “In this COVID-era, nonprofits are critical to the health, welfare and recovery of our communities and this issue can be the last straw that breaks the camel’s back for many.”

In order to make improvements, DiNapoli recommends:

- State agencies should take responsibility for their critical roles, and make prompt contracting a priority. This remains the most important action needed to achieve on-time contracts.
- The Not-for-Profit Contracting Advisory Committee should meet regularly to address new and continuing barriers to prompt contracting success.
- State agencies and NFPs should increase their use of the Grants Gateway, and use the contract tracking tools in the Gateway to identify and address processing delays.
- State agencies should use electronic means to pay prompt contracting interest and ensure that the NFPs receive what is required by law.
- State agencies should pay any interest due with the first payment under a contract to help NFPs avoid cash flow problems.

Report: 2019 Calendar Year Not-For-Profit Prompt Contracting Annual Report