

Non-Profit Task Force
Recommended Practices from other Cities
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This list of initial recommendations are taken from conversations and documents from “A Better Contract for New York – A Joint Task Force to Get Nonprofits Paid on Time”, Bennett Midland consultants, the Non-Profit Finance Fund, and Los Angeles’ “Nonprofit Action Recommendations for Mayor Bass”. I am not listing every recommendation, but some of those I think would be impactful and possibly implementable in Philadelphia.

- There is a need for data to inform decisions at all levels. This goes along with process mapping (also being done in Baton Rouge and Chicago) to understand where the pain points and bottlenecks may be. We know from experience that just observing a process will lead to its improvement. We do not even know how many non-profits receive Notices to Proceed before or how long before they receive contracts or receive payments – we do know it is extremely common.
- There should be a standardization of information for organizations that do work for the City regularly (either yearly or on multiple contracts). In NYC they call this a “Document Vault”, in LA a “Lock Box” that all of the basic proforma information exists and does not need to be filled out and reviewed for each contract if up to date.
- In Philly there is not really a centralized process since different Departments do things differently. There could be some centralization or standardization – maybe using the best Departments as the model (although we know there are other considerations that add complexity – e.g., Federal or State matching or requirements)
- Renewals should go through an expedited process (which is what we have been doing, at least on the bidding side) – Procurement and Finance should be fast if the budget was previously approved and the organization has done the work satisfactorily before. Proforma contracts shouldn’t need to be signed by top level officials if that slows down the process
- There should be a transparent tracking system that allows organizations to understand where their contract is in the system and will allow us to identify where the bottlenecks lie
- Payments made within 30 days of invoicing
- Allow for interest (on Lines of Credit or other financing) or other costs associated with delays to be reimbursable on contracts when City payments are delayed
- Take into account inflation and wage increases over a multi year contract by increasing over time
- Set up a Fund to both pay a portion of costs up-front when a Notice to Proceed is issued or when payments are delayed for work already completed. Start-up grants provided to newer smaller non-profits
- Create an accountable Navigator position that can work across Departments to provide updates and to cut through red tape
- A Steering Committee should continue to exist within the government of the top levels within the agencies involved and include non-profits in designing the processes that will impact them
- Hiring a consultant to help to process map and make recommendations is a good idea