



March 12, 2025

The Honorable Senator Kate Lieber  
The Honorable Representative Dacia Grayber  
Oregon Legislature  
900 Court Street NE  
Salem Oregon 97301

Dear Senator Kate Lieber and Representative Dacia Grayber,

RE: Senate Bill 602 - Task Force on Modernizing Nonprofit Grant Funding and Contracting Recommendations

Susan Matlack Jones & Associates joins with Oregon's nonprofits to ask you to support the [recommendations of the state Task Force on Modernizing Grant Funding and Contracting](#) by passing Senate Bill 602. The recommendations are designed to improve the process and outcomes of government grants and contracts by empowering nonprofits to deliver critical services efficiently and cost effectively to Oregonians.

Susan Matlack Jones & Associates is an accounting and bookkeeping firm specializing in nonprofit accounting. Founded in 1986, we currently work with over 100 nonprofits, the vast majority of them in Oregon.

Many of our clients receive funding through the State of Oregon and we have seen firsthand the difficulties of managing these contracts for small nonprofits. When a nonprofit receives government funding, the organization will incur additional administrative costs to handle the funding as it typically adds complications to their accounting. We have seen small nonprofits strategically not apply for government funding for this very reason. We have also seen clients incur interest expense by using a line of credit while waiting for reimbursement from government agencies. This is particularly damaging for small nonprofits as government grants typically do not cover the full administrative costs of the program they are funding due to caps on administrative rates. Nonprofits have to rely on other funding sources to cover costs like interest incurred or other administrative costs, and nonprofits that are primarily funded through the government may have little or no other resources to pull from.

Senate Bill 602, if enacted, improves and streamlines how government grants and contracts are structured and administered. The Bill would make important changes such as encouraging state



agencies to make advance payments for grant funds equivalent to one-quarter of the annual contract value. This would eliminate the need for a nonprofit to rely on a line of credit, thus incurring interest expense, to fund programming covered by government contracts.

To review all of the task force's findings and recommendations, we encourage you to read the full [report](#).

We hope that we can count on your leadership in guiding the passage of Senate Bill 602. Thank you.

Sincerely,

Erin Zollenkopf  
CEO  
Susan Matlack Jones & Associates

Cc Senate Rules Committee