

SLFRF and Refinanced Project Closeout FAQ

SLFRF deadlines and closeout process were addressed via OSC email communication on October 15, 2025 and OSC Office Hours on October 16, 2025. The following FAQ supplement these communications.

Background:

Per (C.R.S.) 24-75-226(4)(d)(II), as indicated by HB24-1466, subrecipients must return unspent SLFRF funds to the State of Colorado on December 11, 2026.

A subrecipient must spend money received from the fund or a recipient fund by December 11, 2026. On or before December 11, 2026, the subrecipient shall return to the state any remaining money under terms dictated by the state controller and thereafter the state controller shall transmit the money to the United States department of the treasury in accordance with the treasury's requirements.

Q: What does it mean that subrecipients must return unspent SLFRF by this date? Do they have the typical time period to submit invoices?

A: As stated in the statute “A subrecipient must spend money by December 11, 2026.” All expenses must be incurred by the subrecipient by December 11, 2026. Any expenses incurred by the subrecipient on or after December 12, 2026 are ineligible for reimbursement. Subrecipients may submit invoices after this date for expenses incurred on or before December 11, 2026 to be processed and paid in accordance with the grant agreement. The subrecipient shall disburse payment to the State for the amount of the project unspent less any outstanding invoices for work performed on or before December 11, 2026.

Q: What happens with the spending deadline if a grant agreement has SLFRF and another funding source?

A: Subrecipients may submit invoices after this date for expenses incurred on or before December 11, 2026 to be processed and paid in accordance with agreement. Costs on any other funding streams may continue to be incurred if the authorizing statute contains a project end date up to December 31, 2026.

Q: In contrast to grants, can agencies and contractors continue to expend SLFRF after December 11, 2026.

A: Yes. Agencies and contractors may continue to expend SLFRF after December 11, 2026, if the authorizing statute contains a project end date up to December 31, 2026. However agencies and contractors are encouraged to expend all SLFRF earlier if possible to ensure a timely closeout.

Q: What are the closeout timelines for SLFRF and Refinanced projects?

A: Closeout timelines follow [OSC closeout steps](#) for SLFRF and Refinanced projects. The following examples provide timelines, however they are dependent upon the project. If project spending concludes prior to the spending authority deadline, the project should be closed out early.

- SLFRF funded project ONLY:
 - December 11, 2026: Last day for subrecipients to incur costs
 - December 31, 2026: Last day for costs incurred by agency and contractors
 - January 25, 2027: All outstanding subrecipient invoices paid (including retainage)
 - January 31, 2027: Any remaining subrecipient SLFRF unspent money needs to be returned to State
 - February 14, 2027: All agency expenses and contractor invoices paid
 - February 26, 2027: Departments complete project reversions
 - March 5, 2027: All unspent funds reviewed with agency, OSC, and OFFSI in accordance with Treasury's requirements.
 - March 31, 2027: Project fully closed out per OSC process
- Refinance funded project ONLY:
 - December 31, 2026: Last day for costs incurred
 - February 14, 2027: All invoices and expenses paid
 - February 26, 2027: Departments complete project reversions
 - March 31, 2027: Project fully closed out per OSC process
- SLFRF AND Refinance funded project (blended):

- December 11, 2026: Last day for subrecipients to incur costs for SLFRF funds
- December 31, 2026: Last day for costs incurred for Refinance funds and for SLFRF by agency and contractors
- January 25, 2027: All subrecipient SLFRF expenses paid
- February 14, 2027: All agency expenses and contractor invoices paid
- February 26, 2027: Departments complete SLFRF project reversions
- March 5, 2027: All unspent SLFRF funds reviewed with agency, OSC, and OFFSI in accordance with Treasury's requirements.
- March 31, 2027: Project fully closed out per OSC process

Q: Per (C.R.S.) 24-75-226.5 (7), “On January 2, 2027, the state treasurer shall transfer all unexpended and unencumbered money in the cash fund, other than the money in the refinance discretionary account, to the general fund.” - What does this mean for projects that will still be paying Refinance funded project invoices during that time?

A: All costs must be incurred prior to the spending authority end date. Similar to statutory transfers as outlined in Alert #241, it is the expectation of the OSC that those transfers be completed as soon as practically feasible, but no later than March 31, 2027.

Q: Does OSC have any guidance on how to estimate the amount of Personal Services to pull off of December payroll for 12/31? Just a reasonable attempt at calculating a daily amount?

A: Similar to the invoicing process for contractors, the expectation is that the costs related to December 2026 Refi payroll can be estimated but is not specifically identifiable until payroll posts in January. December payroll costs should be reported in subsequent Gravity reporting cycles but no later than the March 31, 2027 cycle.

Q: How can agencies help to make closeouts go smoothly?

A: Agencies should work closely with strategy officers, contractors and subrecipients to monitor compliant and timely spending.

- Notify SLFRF subrecipients of the December 11, 2026 deadline
- Strongly encourage subrecipients to spend down their SLFRF funding first. It's imperative that subrecipients are clear on the end date of the SLFRF funding.

- Ensure that the appropriate SLFRF accounting codes are used when paying reimbursement requests.
- Provide any guidance to assist subrecipients with determining what funding must be spent. For grant agreements ending after December 11, 2026, propose a change in the end date of the grant agreement to December 11, 2026 or earlier to support the statutory requirement for the state to recapture any unspent SLFRF subrecipient funds by December 11, 2026. To allow for normal close-out processes, an end date of September 30, 2026 is suggested.
- Should modifications be needed, the OSC has created a [Funding Source and Period of Performance Change Letter](#) and [Subrecipient Cover Letter](#) to make revisions to funding and the end date of the agreement.
 - If budgetary or scope of work revisions are needed, the department must use the OSC's SLFRF Grant Agreement Amendment.