



August 2025

SWGMG Updates

NICRA survey results

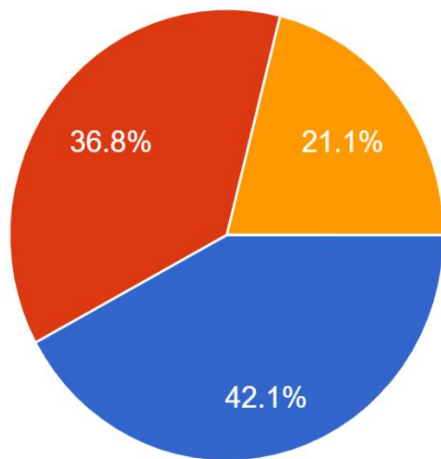
- OSC updating the [Indirect Cost Policy](#)
- 19 submissions
 - THANK YOU!



Survey Question 1

Do you allow subrecipients to use their NICRA or a De Minimis Rate for ALL state funded grant programs or just SOME?

19 responses



- We allow NICRA or De Minimis Rate for ALL state funded grants
- We allow NICRA or De Minimis Rate for SOME state funded grants
- No we do not allow for any use of a NICRA/De Minimis Rate for state funded grants

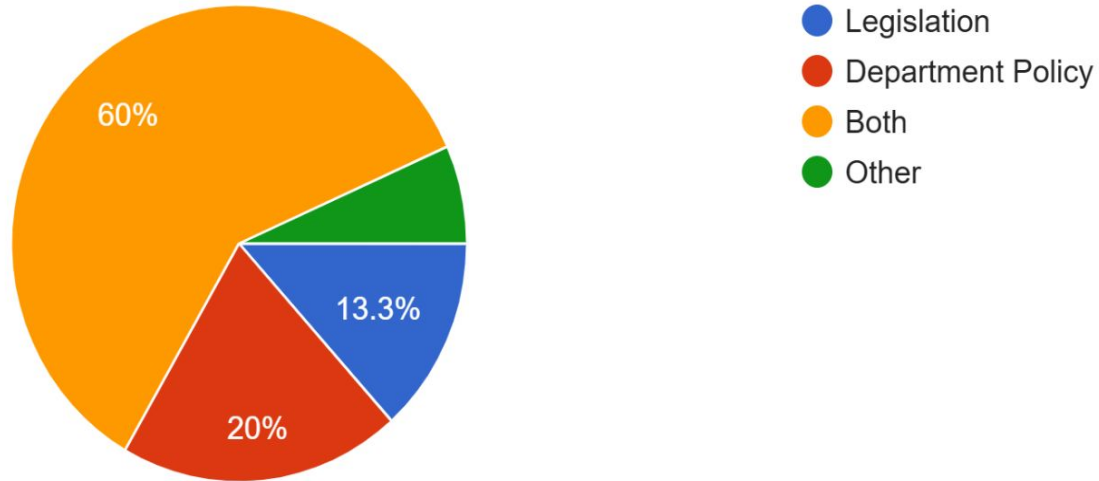
If you do not allow a NICRA or De Minimis rate for state funded grants, provide a brief description as to why it is not allowed.

- Exploring allowing all state grant recipients the opportunity to use the 15% de minimis on modified total direct
- Prior to ARPA funding the agency rarely received federal grants and not every program was familiar with indirect cost rates. However, after receiving federal funding agency now sees the benefit of an indirect cost rate for subrecipients.
- Agency projects are typically for construction projects where the subrecipient is not doing the majority of the work. Agency offers a grant administration or indirect cost rate of 15% to ensure the bulk of the funding goes to purpose of the grant which is the work being performed.
- Requests for indirect costs has been historically low so agency does not offer in the RFA.

Survey Question 2

Is the use of the NICRA or De Minimis Rate determined by legislation or department policy?

15 responses



Provide any additional information that you would like to share regarding the use of a NICRA or de minimis rate for state grant funds.

- Unless state statutes are changed, how would we not honor a grantee's election to collect either their negotiated rate or a de minimis rate?
- Allowing indirect rates can ease the burden of managing grants on organizations with limited capacity and experience. I am in full support of expanding the availability of indirect rates and of sufficient resources/training/policy being communicated both to state agencies and to subrecipients.
- Starting last October, we began allowing for the updated de minimis rate of 15%
- We have seen circumstances where the entity has a NICRA, and they apply for a new NICRA to their federal entity, however the NICRA then expires while they are awaiting responses or new NICRA approval.
 - What is best practice in this case when an entity has demonstrated they are communicating with their federal entity but not getting a response?

Feedback Continued

- Allowing grantees to use part of their awarded funds toward IDC helps their agencies cover costs, and many of them have policies in their agencies that direct them to have indirect in their budgets for all incoming grants. I believe that allowing them to budget indirect costs is better customer service for the agencies we fund.
- We handle this on a funding source by funding source basis. We first review the statute that provided the funds to our agency. If specific guidance exists, we follow that guidance provided for limits, definitions, allowable expenses, de minimis allowances, and documentation requirements. We also determine whether the OSPB or the Office of the State Controller puts a limit on the allowable administrative or indirect expenses for grantees for the specific funding source.
- If the statute does not speak to allowable admin expenses, our Division will allow administrative expenses that are associated with the program that are reasonable and necessary. Administrative expenses may be direct or indirect, but must be related to the administration of the program or project. These expenses do not come out of our Division's admin budget unless the statute requires that (if it is coming out of our admin budget, the amounts must be approved by the Division budget manager and admin will be limited).
- For state funds, where there is no statute prohibiting indirect funds, and DOH administers a federally funded program that is substantially the same (i.e. clients, services, complexity, data and evaluation) as the state-funded program, DOH may determine that it is reasonable to set the admin rate and/or indirect rate policy to be the same as the federal program, including de minimis levels and/or documentation requirements. DOH reserves the right to require additional backup documentation.

Next Steps

- OSC will meet internally to discuss the feedback and make appropriate revisions to the state policy.
 - Most likely, this will be released for review by Controllers, Grants staff, procurement officials, etc.
- Updated policy will be posted to the OSC website.

Grant Agreement Templates & Modification Tools

- Grant Agreement templates and the modification tools were once again remediated to ensure proper accessibility
 - Third party vendor made corrections
 - Updated version were added back to the website in July
- As of August 6, 2025, new language regarding accessibility was added to:
 - Grant Agreement
 - Intergovernmental Grant Agreement
 - Interagency Grant Agreement
 - Model Small Dollar Grant Award & Content
 - Grant Amendment

Grant Agreement

T. Indemnification

iv. Accessibility Indemnification

Grantee shall indemnify, save, hold harmless, and assume liability on behalf of the State, its officers, employees, agents and assignees (collectively the “Indemnified Parties”), for any and all costs, expenses, claims, damages, liabilities, court awards, attorney fees and related costs, and other amounts incurred by any of the Indemnified Parties in relation to Contractor’s noncompliance with §§24-85-101, et seq., C.R.S., or the *Accessibility Standards for Individuals with a Disability* as established by the Office of Information Technology pursuant to Section §24-85-103, C.R.S. State employees are considered third parties for the purposes of this section.

V. Accessibility

- i. Grantee shall comply with the *Accessibility Standards for Individuals with a Disability*, as adopted by the Office of Information Technology pursuant to §24-85-103 C.R.S.
- ii. The State may require Grantee’s compliance with the *Accessibility Standards for Individuals with Disability* adopted by the Office of Information Technology pursuant to §24-85-103 C.R.S. is determined and tested by a qualified third party selected by the State. The State may ask the Grantee to review the selection of the third party. Grantee shall be responsible for all costs associated with the third-party vendor’s assessment. If Grantee is not in compliance as determined by the third-party vendor, at the State’s request and at the State’s direction, Grantee shall promptly take all necessary actions to come into compliance using a State-approved vendor, at no additional cost to the State.

Grant Agreement (continued)

Drafter's Notes:

Note to Drafters If the contractor/grantee refuses to agree to the accessibility terms or has requested changes to the template language and the contractor/grantee provides a product that is essential to State operations, but the product is inaccessible, the State agency shall contact the Office of the State Controller to determine how to proceed. The Office of the State Controller may consult with the Office of the Attorney General in these situations.

Note to Drafters: If deemed appropriate, the following language may be added to this section after negotiations with the grantee. This language is in addition to, and not in lieu of, the Accessibility language already included: “Accessibility Compliance. The parties understand that the compliance obligations include the requirement that contractor/grantee work with the State Agency or public entity to meet at least one of the compliance options set forth in the Accessibility Standards for Individuals with a Disability rule (8 CCR 1501-11), including providing reasonable accommodations or meeting the technical standards, as applicable.”

Intergovernmental Grant Agreement

K. Accessibility

- i. Grantee shall indemnify, save, hold harmless, and assume liability on behalf of the State, its officers, employees, agents and assignees (collectively the “Indemnified Parties”) for any and all costs, expenses, claims, damages, liabilities, court awards, attorney fees and related costs, and other amounts incurred by any of the Indemnified Parties in relation to Grantee’s noncompliance with §§24-85-101, et seq., C.R.S., or the *Accessibility Standards for Individuals with a Disability* as established by the Office of Information Technology pursuant to Section §24-85-103, C.R.S. State employees are considered third parties for the purposes of this section.
- ii. Grantee shall comply with the *Accessibility Standards for Individuals with a Disability*, as adopted by the Office Of Information Technology pursuant to §24-85-103 C.R.S.
- iii. The State may require Grantee’s compliance with the *Accessibility Standards for Individuals with a Disability* adopted by the Office of Information Technology pursuant to §24-85-103 C.R.S. is determined and tested by a qualified third party selected by the State. The State may ask the Grantee to review the selection of the third party. Grantee shall be responsible for all costs associated with the third-party vendor’s assessment. If Grantee is not in compliance as determined by the third-party vendor, at the State’s request and at the State’s direction, Grantee shall promptly take all necessary actions to come into compliance using a State-approved vendor, at no additional cost to the State.

Intergovernmental Grant Agreement (continued)

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Note to Drafters: If this grant agreement is with a governmental that is legally prohibited from indemnifying the state, then this section may be deleted.

Interagency Grant Agreement

E. Accessibility

- i. Grantee shall comply with the *Accessibility Standards for Individuals with a Disability*, as adopted by the Office of Information Technology pursuant to §24-85-103 C.R.S.
- ii. The State may require Grantee's compliance with the *Accessibility Standards for Individuals with a Disability* adopted by the Office of Information Technology pursuant to §24-85-103 C.R.S. is determined and tested by a qualified third party selected by the State. The State may ask the Grantee to review the selection of the third party. Grantee shall be responsible for all costs associated with the third-party vendor's assessment. If Grantee is not in compliance as determined by the third-party vendor, at the State's request and at the State's direction, Grantee shall promptly take all necessary actions to come into compliance using a State-approved vendor, at no additional cost to the State

Drafter Notes:

1. Note to Drafters If the contractor/grantee refuses to agree to the accessibility terms or has requested changes to the template language and the contractor/grantee provides a product that is essential to State operations, but the product is inaccessible, the State agency shall contact the Office of the State Controller to determine how to proceed. The Office of the State Controller may consult with the Office of the Attorney General in these situations.
2. Note to Drafters: **Accessibility Compliance.** The parties understand that the compliance obligations include the requirement that contractor/grantee work with the State Agency or public entity to meet at least one of the compliance options set forth in the *Accessibility Standards for Individuals with a Disability rule* (8 CCR 1501-11), including providing reasonable accommodations or meeting the technical standards, as applicable.

Small Dollar Grant Agreement Template

39. Grantee shall comply with the *Accessibility Standards for Individuals with a Disability*, as adopted by the Office of Information Technology pursuant to §24-85-103 C.R.S. The State may require Grantee's compliance with the *Accessibility Standards for Individuals with a Disability* adopted by the Office of Information Technology pursuant to §24-85-103 C.R.S. is determined and tested by a qualified third party selected by the State. The State may ask the Grantee to review the selection of the third party. Grantee shall be responsible for all costs associated with the third-party vendor's assessment. If Grantee is not in compliance as determined by the third-party vendor, at the State's request and at the State's direction, Grantee shall promptly take all necessary actions to come into compliance using a State-approved vendor, at no additional cost to the State. Grantee shall indemnify, save, hold harmless, and assume liability on behalf of the State, its officers, employees, agents and assignees (collectively the "Indemnified Parties"), for any and all costs, expenses, claims, damages, liabilities, court awards, attorney fees and related costs, and other amounts incurred by any of the Indemnified Parties in relation to Contractor's noncompliance with §§24-85-101, et seq., C.R.S., or the *Accessibility Standards for Individuals with a Disability* as established by the Office of Information Technology pursuant to Section §24-85-103, C.R.S. State employees are considered third parties for the purposes of this section.

Grant Amendment Tool

Drafter's Note:

Note to Drafters: If the Agreement that is being amended herein does not contain provisions relating to accessibility indemnification, compliance, and testing, those provisions must be added via amendment. See sections 17.T.iv and 17.V of the Grant Agreement contract template for applicable language.

Grant Agreement Templates & Modification Tools (continued)

- Grant agreement will have additional language added in the coming weeks...stay tuned
 - Always refer to [Crosswalk of Changes](#)
- Updated tribal grant agreements - COMING SOON

Policy and guidance updates

- New policy:
 - Accessibility and State Contracts, Grants and Other Agreements - Templates and Terms
 - Accompany's the OSC initial policy on requiring agencies to use the approved and accessible OSC templates
 - Additions due to HB 25-1152 and in effect August 6, 2025
 - All public entities are required to ensure contractors/subrecipients are using following the same state mandated accessibility requirements
 - All grants and contracts templates must be accessible
- Updated policies:
 - Conflict of Interest - COMING SOON!
- Updated guidance documents
 - [OSC Guide to Monitoring Subrecipients](#)
 - [OSC Guide for State Agency Compliance with the OMB Uniform Guidance](#)
 - OSC OMB Subrecipient Guidance (Procurement) - COMING SOON!
- OSC will have the following forms in a easy to use web form due to web accessibility requirements:
 - SLFRF Subrecipient Closeout Checklist
 - Standard version will follow
 - Risk Assessment Form
 - Subrecipient vs Contractor Determination Tool

Grant Manager 101- Transition to LMS

July 2025

Begin Planning & Work on the Rewrite of GM101

- Topics will be expanded
- Additional topics could include: indirect costs, additional policies, etc.
- Inclusion of state funded grant requirements where applicable

August 2025

Discontinuation of Department GM101

- Final department training October 2025
- Continue work on rewrite of GM101
- Introduction to LMS platforms

September 2025

Continue Work on GM101

- Work on reformatting the content of the training
- Identify the LMS platform to be used
 - Ensuring system is accessible by every agency
- Determine a proposed launch date

October - December 2025

Begin Transition to LMS

- Work on moving rewritten GM101 to LMS based on guidance from LMS manager
- Update SWGMG group of any updates and/or proposed launch date during the November 2025 SWGMG meeting

Grant Accounting 101



Grant Accounting 101- Where are we?

- Will be on the LMS platform
- Current slide deck will be reviewed by accounting staff and a CORE specialist
- Hoping to release on platform shortly after the GM101

SLFRF Updates

SLFRF Reporting Updates

Just the numbers:

- \$3,838,761,789.60 Fully Obligated
- \$3,715,758,483.16 Spent
- \$113,003,306.74 Left to Spend



Reach out to the OSC or your Strategy Officer if your project is not going to spend all of the obligated amount

- We can reallocate and spend elsewhere under Treasury FAQs

SLFRF Updates - General

- [State of Colorado Annual Performance Plan](#) - submitted end of July
- Roughly 1/3 of all SLFRF projects end on 12/31/26
 - If your project has completed spending, please closeout out the project early using the [Department Closeout Process](#)
 - NOTE: Gov's Office Final Performance Narrative is NOT the same as the Department Closeout Process and must also be done
- Department Closeout refresher training - quarterly starting next quarter
- SLFRF and Single Audits
 - Subrecipients that spent \$1m+ in SLFRF funding are subject to Single Audit requirements, however refinanced funding is not subject to Single Audit but could be subject to State Audit.
 - Office of the State Auditor [FAQ](#)
- Next SLFRF Office Hours - [Thursday, September 18th @ 3pm](#)

SLFRF Updates - KPMG

- Round 2 transaction monitoring to begin shortly (2 depts only)
- Round 3 risk assessment work wrapping up
 - Draft reports sent to all departments
 - 4 reports being finalized
- New activities kicking off soon
 - Department senior leadership “Future Proofing Grants” training
 - DoB, Fund Use Documentation, Subrecipient Management, and Anti-Fraud, Waste, and Abuse Framework
 - Individual department training
 - SLFRF closeout readiness
 - SLFRF fraud investigation support

Federal Funds Updates

Potential Changes to the Uniform Guidance (2 CFR 200)

- Rumors swirling regarding MORE changes to the UG
 - Likely by end of calendar year
 - Indirect costs and others
- Compliance supplement update
 - Historically has been released in May
 - Several national associations have written to OMB expressing concern over the delay
 - Vital to accountability and timely submission of Single Audits

Reviewing Agreements, Certifications & Acknowledgments Training

- Trainings held by Colorado Attorney General's Office
- Announcements and registration will come from the OSC Grants Office
- Trainings will be held twice a year
- Intended for those that have signatory delegation only

Changing Grant Landscape

- Federal funds that were previously frozen released as of July 28th
- New attestations for those receiving federal funds after April 21, 2025
 - New, renewals, supplemental, or continuation awards
- Increased federal monitoring - programmatic and financial

Executive Order

August 7th EO - [“Improving Oversight of Federal Grantmaking”](#)

- Reshapes federal funding to align grant making with administration priorities
- Structural change for how discretionary grants are designed, reviewed, awarded and terminated
 - No longer aligns with statutory mission or programmatic objectives
- Senior political appointees approve NoFAs and awards
 - Appointees can use “independent judgment” and not rely on SME/peer reviews
- Peer review is optional and advisory (not determinative)
 - Redefines role of peer reviews
- Revise Terms and Conditions to allow for termination of convenience if priorities change
 - Can be used if grantees use awards in a manner that is inconsistent with policy objectives
 - Existing awards may be amended to add in new termination for convenience language

Executive Order cont.

- Recipients may need to request approval for every drawdown + provide written justification
 - Creates huge administrative burden
- Preference will be given to entities with lower indirect cost rates
- Plain language requirements
 - Could limit narrative complexity and not allow applicants to demonstrate program design nuances
 - Reduces reliance on legal/technical writers
- Research and academic funding restricted or redirected
 - Prioritize “rigorous, reproducible” work
- Administrative and legal implications for PTEs
 - PTEs must comply with revised conditions of award
 - Does not exempt subrecipients ---> lower tier subrecipients will be impacted too
 - Restrictions on eligibility, draw downs, termination, etc.
 - Increases the complexity of compliance

Open Discussion

1. How has the federal funding changes and uncertainty affected your program or processes?
2. What specifics are you hearing from your federal funding agencies on potential changes?
3. If OMB moves forward with limiting indirect cost rates or de minimis rates, how will this affect your subrecipients and programs?
4. How are you communicating with your subrecipients the potential for major changes to the way grants are managed?

Next Meeting

November 19, 2025 @ 9:00am

