



## **Grantee Guidelines**

*Last updated December 2023*

The following policies and guidelines describe how The Colorado Trust and recipients of funds from The Colorado Trust administer and manage the use of grant funds. These guidelines should be used to inform grant applications, as well as serve as an effective tool for managing the business and operational aspects of the grant funding. These guidelines are in alignment with the [values of The Colorado Trust](#) and seek to amplify those values in the manner in which The Colorado Trust administers its funding and works alongside grantees.

These guidelines are intended to inform how grant funds from The Colorado Trust can and should be spent, and to help shape an informed and fruitful relationship between The Colorado Trust and grantees. These guidelines are not intended to supplant employer policies. Existing and potential grantees should consult with their leadership, human resources and their internal policies on how to appropriately implement activities and expend the funds granted to ensure that they align with these guidelines. Additionally, these guidelines complement the stipulations contained in the formal grant agreement as well as any formal funding opportunity announcement or request for applications; the guidelines are not intended to replace any such terms. To the extent inconsistencies exist between the grant agreement and this document, the terms of the grant agreement shall supersede this document.

These guidelines apply to all grantees of The Colorado Trust regardless of funding initiative. Grantees should refer to the specific request for proposal (RFP) and/or formal funding announcements for additional and supplemental language and stipulations, criteria and grantee requirements.

The Colorado Trust will regularly review and update its grantee guidelines to incorporate shifts in laws, policies and best practices, as well as reflect the current landscape at The Colorado Trust, in Colorado, and among existing and potential grantees.

Should questions arise about the applicability or interpretation of any of the guidelines, please [contact Colorado Trust staff](#).

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## **General**

**Mission and Vision Alignment.** All requests for funding support from The Colorado Trust must be aligned with [The Colorado Trust's vision and mission](#).

**Nondiscrimination Standards.** All of our grant agreements include language on nondiscriminatory legal requirements for grants. Grantees should abide by all protective legislation and civil rights laws that strictly prohibit discrimination based on race, sex, ethnicity, color, country of origin, sexual orientation, disability or age.

Considering this, The Colorado Trust expresses its commitment to establish partnerships with entities that aim to advance and support nondiscrimination, diversity, equity and inclusion, and anti-hate. The Colorado Trust encourages grantees and partners to operationalize diversity, equity and inclusion practices in their programs and operations.

If appropriate, guidance on [relevant civil rights laws](#)—including, but not limited to, the prohibition against sex discrimination and harassment, disability, religious freedom and consciousness, religious nondiscrimination, as well as Title VI's proscription against national origin discrimination impacting individuals with limited English proficiency—will be provided during the review of relevant grant applications and partnership agreements.

**Anti-Hate.** The Colorado Trust will not permit grants or impact investments to organizations that engage in “hateful activities,” which is defined to mean activities that incite or engage in violence, intimidation, harassment, threats or defamation targeting an individual or group based upon their actual or perceived race, color, religion, national origin (including an American Indian or Alaska Native tribe), ethnicity, immigration status, gender, gender identity, sexual orientation, political affiliation, age, physical or mental ability, marital or familial status, parental status, or military service.

**Amendments and Exceptions.** The Colorado Trust reserves the right to amend or permit exceptions to any of the grantee guidelines based on extenuating circumstances. Such requests from an existing grantee should be sent in writing to Colorado Trust staff. The request must be vetted through proper approval chains at The Colorado Trust (as determined by Colorado Trust staff and based upon the nature of the request), and the request and ultimate decision will be documented by Colorado Trust staff.

**Type of Grant.** The Colorado Trust provides both programmatic grants (to achieve a specific purpose) and general operating support grants. The difference between a programmatic grant and a general operating grant means that there will be different requirements and levels of oversight conducted both during the application and implementation phases of a grant, all in accordance with the nature of the grant funding.

**Conflict of Interest.** The grantee will not use Colorado Trust grant funds to provide a direct or indirect financial or business benefit to the families of its staff or board. Grantees are expected to have their own internal conflict of interest policy in place.

**Research.** The Colorado Trust does fund research—including, but not limited to, quantitative, qualitative, mixed-method research, or human and non-human subjects-based research—when it is deemed necessary to advance its health equity vision. Research focuses on collecting data around

established conclusions or theoretical outcomes that can be generalized and are managed by the research protocol. The Colorado Trust does not fund clinical trials and medical research.

It is imperative that all recipients of a research-oriented grant acknowledge the significance of safeguarding the rights and well-being of people participating in research, and comply scrupulously with all federal laws, U.S. Department of Health and Human Services regulations, and policies prescribed by the Colorado Department of Regulatory Agencies regarding human subject protection, as well as U.S. Department of Justice confidentiality commitments.

**Privacy Rules.** The Colorado Trust adheres to the spirit of the Health Information Portability and Accountability Act of 1996 (HIPAA) and related confidentiality policies and regulations. The Colorado Trust expects all grantees to do the same. In the execution of funded activities and program evaluation and reporting, The Colorado Trust will not request any individual identifying or confidential information on the people served by the grantees (including, but not limited to, name, address, citizenship status, birth date or Social Security number).

**Intellectual Property and Data Ownership.** The Colorado Trust permits the grantee to own and use all intellectual property that will be employed, developed or discovered by the grantee, partners or subcontractors during the performance of the funded activities. However, such property may be used by the grantee only to fulfill its charitable mission (i.e., activities recognized by the IRS as charitable and not resulting in “unrelated business taxable income” as defined in Section 512 of the Code), unless otherwise agreed in writing by The Colorado Trust.

The Colorado Trust will hold an irrevocable and perpetual, fully transferable and royalty-free license to (i) the works and matters created or discovered through the performance of funding activities, to use appropriately to further its charitable mission, and (ii) any other intellectual property incorporated into or used in connection with the funded work.

This clause includes data produced or collected by a grantee or subcontractor during the performance of the funded activities, regardless of the intent of such data. The grantee holds the responsibility to share what will be done with the data with the respective sources and other engaged parties, in addition to using it for internal purposes. Any data collected may be shared with Colorado Trust staff as a matter of evaluation or reporting requirements.

**Publications.** There are many opportunities for grantees to publish any number of written products on their funded work, lessons learned, collaborations or related topics. The Colorado Trust supports this dissemination of knowledge and agrees that it is necessary for continued and collegial growth in both the nonprofit and philanthropic sectors. Colorado Trust staff should be notified at least 30 days before publications regarding projects or work funded by The Colorado Trust, including, but not limited to, peer- and non-peer-reviewed articles for academic journals, white papers, manuals or briefs. Colorado Trust staff may request to review the publication in advance.

**Communications.** Sharing information about grants and explaining a partnership with The Colorado Trust can be an important part of advancing an organization’s work and efforts. Therefore, grantees are welcome and encouraged, but not required, to share the news of a grant award and associated activities with stakeholders and the broader community. The following guidelines can help support grantees and partners in discussing their relationship with The Colorado Trust.

**Name.** Please refer to The Colorado Trust as “The Colorado Trust” on the first reference; that is the foundation’s formal name. On second reference or later, the title can be shortened to “The Trust” or remain as “The Colorado Trust.” The word “The” at the start of the name should always be capitalized, even when not beginning a sentence.

**Logo.** The Colorado Trust provides [downloadable versions of its logo](#) for use by grantee and partner organizations in printed and online materials. Logo files in .eps, .jpg and .png file formats are [available online](#). The Colorado Trust’s logo should not be altered in any way without the express written consent of The Colorado Trust’s [Communications Department](#). The entire logo should be used in materials, not just a portion of it. The [logo usage guide](#) provides more information on the appropriate use of The Colorado Trust’s logo. Organizations can contact Colorado Trust staff for more information.

**Description.** If a grantee or partner organization would like to include a brief description of The Colorado Trust in written materials, the following verbatim statement can be used (without editing or altering): “The Colorado Trust is a statewide philanthropic foundation dedicated to ensuring all Coloradans have the opportunity to thrive.”

**Social Media.** If a grantee or partner organization wishes to publicize information about a grant award, programs or activities on social media and would like to tag The Colorado Trust, it is welcome and encouraged to do so:

- Facebook: [@TheColoradoTrust](#)
- Instagram: [@thecoloradotrust](#)
- Threads: @thecoloradotrust (mobile only)
- LinkedIn: <https://www.linkedin.com/company/the-colorado-trust>

**Funding Acknowledgment.** The Colorado Trust requires an acknowledgment of the funding support in any public or private presentation materials and publications. Such an acknowledgment should read as or similar to: “This work was supported, in part or wholly, by a grant from The Colorado Trust. The content and opinions contained herein do not necessarily represent the views of The Colorado Trust.” This statement can be amended to coincide with the required acknowledgments of other funding sources.

**Media Outreach.** If a grantee or partner organization is interested in publicizing information about a grant and/or work to media outlets and would like assistance or clarification on how to mention The Colorado Trust or a grant award, it should contact the assigned Colorado Trust staff member for assistance. This [press release template](#) (and many others available online for free) may be helpful to such efforts.

## **Financial Considerations**

**Financial Documentation Requirements.** The Colorado Trust reviews an organization's finances to determine the potential impact of its investment. The Colorado Trust reviews finances to assess an organization's financial management practices and financial health. An organization's finances help tell the story in a quantitative way.

**New Applicants:** For new applicants to The Colorado Trust or applicants who have not received funding in the past three calendar years, applicants must submit the financial documentation below. For applicants using a fiscal sponsor, an applicant may use the fiscal sponsor's financials instead of those of the applicant. If an applicant applied for funding within the past calendar year and was denied funding, the applicant does not need to resubmit financial documentation. The following documentation will be required based on the operating budget of the applicant entity.

### **Annual Operating Budget <\$250,000**

- Current-year operating budget, with differentiation between program vs. fundraising expenses
- Form 990 if the latest year is not publicly available.

### **Annual Operating Budget \$250,000-\$999,999**

- Current-year operating budget, with differentiation between program vs. fundraising expenses
- Form 990 if the latest year is not publicly available
- List of net assets and liabilities (statement of financial position/balance sheet)
- List of revenue and expenses with/without donor restrictions (statement of activities/income statement).

### **Annual Operating Budget \$1,000,000+**

- Current-year operating budget, with differentiation between program vs. fundraising expenses
- Form 990 if the latest year is not publicly available
- Audited financial statements with audit management letter for the most recent audit
  - Organizations who must complete a single audit based on federal government regulations can confirm they have uploaded their most recent audit to the Federal Audit Clearinghouse website for The Colorado Trust to review.

**Multiyear/Active Grantees:** For grantees that have active (current) agreements with The Colorado Trust for one or multiple consecutive years, The Colorado Trust aims to understand our grantees' financial situations on an annual basis. The Colorado Trust requests that grantees answer six financial assessment questions in an annual report to supplement publicly available financial documentation:

- Please provide a summary of your financial situation.
- Please describe the impact of The Colorado Trust's grant on your organization's financial situation, such as the ability to leverage additional funding.
- What has had the greatest impact on your organization's financial situation this year?

- Are your organization's unrestricted assets sufficient to cover three or more months of operating expenditures? If you answered “no” to this question, please provide your organization's budget for the current year.
- Are your organization's assets greater than the liabilities? If you answered “no” to this question, please provide your organization's most recent interim financial statements (statement of financial position/balance sheet and statement of activities/income statement).
- Has your organization received an unfavorable audit in the last year(s)? If you answered “yes” to this question, please provide the results of the unfavorable audit (including the management letter), internal audit plans, any corrective actions taken so far, and any additional planned corrective actions.

**Indirect Costs.** Grantees are responsible for determining the appropriate amount of indirect costs, if any, for each grant based on how funding of indirect costs will support the grant’s purpose. The Colorado Trust does not require a federally negotiated indirect cost rate agreement. Grantees can request no more than 25% of total direct costs as indirect costs.

The following items should be omitted from the total direct costs on which the indirect cost calculation is based: the majority of subcontractor costs, subawards arrangements, depreciation, and all capital costs including capital improvements (e.g., renovations) and business equipment.

The following are examples of what may be included in total direct costs on which the indirect cost calculation is based: salaries, benefits, consultant costs, travel expenses, conference and training expenses, communications, printing costs, fiscal sponsor fees, and programmatic and direct service costs. When calculating indirect costs, The Colorado Trust will allow up to 25% of total subcontractor costs to be included in the calculation.

**Expense Expenditure and Allocation.** To expend grant funds means to have spent them and have the expense documented and accounted for. To allocate grant funds means to have the funds formally dedicated as a pending expense, but not yet actually paid or spent. Allocation can happen by invoice, bills, purchase orders, written commitment, or contract. The Colorado Trust expects all grant funds to be formally allocated by the conclusion of a budget period, and expended by the time the final financial report is due. The Colorado Trust may request documentation of outstanding allocations at the end of a budget period, as part of financial reporting and annual or final closeout activities.

**Carryover.** If a grantee expects to have unallocated funds over 10% of the grant amount for a single year in a multiyear grant cycle, the grantee may request a carryover of the funds into the immediate subsequent grant year. Any unallocated funds under the 10% threshold will automatically be carried over into the subsequent grant year. The formal documented request must be made to Colorado Trust program staff 90 days before the scheduled end of the budget period. The grantee must submit a formal carryover request and revised budget for the subsequent budget period(s). With approval, unexpended grant funds from one year can be distributed over the remaining years of a multiyear grant. If the carryover amount is greater than 50% of the expiring grant year budget, The Colorado Trust may elect to reduce or postpone payment of funds for the next budget period.

**No-Cost Extensions.** All funds must be expended by the end of the grant cycle (for multiyear grants), or grantees must request a formal no-cost extension or return unexpended funds to The Colorado Trust. If at the end of the grant cycle, a grantee expects to have an unallocated balance over \$1,000.01 remaining, the grantee must work with Colorado Trust staff to submit a formal



documented request for a no-cost extension 90 days before the scheduled grant end date. Any monies at or under \$1,000 may be retained by the grantee. Any unallocated funds over \$1,000.01 will require a formal amendment process including a revised contract amendment and revised budget. Colorado Trust staff and the grantee will work together to decide an appropriate length of extension based on the outstanding project deliverables and the amount of funds remaining.

**Unexpended Funds.** All funds must be expended by the end of the grant cycle (for multiyear grants), or grantees must request a formal no-cost extension or return unexpended funds to The Colorado Trust. If no-cost extensions are not allowable, grantees should meet with Colorado Trust staff to discuss additional ways that money can be used to prevent the return of unused funds.

- If unused funds are at or below \$1,000, funds do not have to be returned to The Colorado Trust and may be allocated to organization needs.
- For unused funds that are over \$1,001.01, the standard amendment process to return funds will be used. Grantees will need to submit an amendment form outlining the amounts to be returned and a brief narrative on why these funds were not spent, to be used for the amendment process by Colorado Trust staff.

**Revenue Generation.** To support the diversification of revenue and funding to support the work of its community partners and support sustainability, The Colorado Trust allows the use of its grant funds to develop and operate activities and programs that serve to generate revenue. The grantee is required to comply with all applicable laws and regulations (i.e., local, state, tribal and/or federal) governing the generation and management of revenue, as well as The Colorado Trust's intellectual property guidelines. It is the expectation that the revenue generated from such approved activities will be reinvested in the organization, partnering organizations, community efforts or future programming. The Colorado Trust may request documentation regarding the revenue/income generated.

## **Allowable Expenses**

**Business Equipment.** For Colorado Trust grants, equipment is defined as a single item costing \$5,000 or more and usually includes long-lasting equipment and technology. The Colorado Trust permits such expenses. However, they must be part of the approved budget, and cannot be included in the calculation of total direct costs to determine indirect costs. Multiple items totaling more than \$5,000 (e.g., multiple laptop computers) are not considered equipment; they would be considered supplies. The cost of insuring equipment, whether purchased with grant funds or not, should not be included as a direct cost (this is an indirect cost). Rental expenses of such business equipment, instead of purchasing, are considered a direct cost and should be included under “Other” on The Colorado Trust’s budget template.

**Business Supplies.** For Colorado Trust grants, supplies are defined as those items needed for the completion of the activities of the grant. These items are generally short-lived and may include general office and desk supplies, computer hardware and software, electronics, books and preprinted media; these are all considered supplies.

**Food and Meals.** Grant funds may be used to purchase food and meals that directly support the project activities, but are not recommended for meals during regular staff meetings. Estimated food expenses must be included in the approved budget.

**Travel.** Grantees may use grant funds to cover the cost of travel that aligns with the objectives outlined in the funded project. Travel expenses can include, but are not limited to, transportation (e.g., airfare, rental cars, ground transportation, mileage reimbursement), lodging, meals, and incidental expenses. Grantees should refer to their internal travel policies to administer the funds provided for travel. Estimated travel expenses must be included in the approved budget narrative. International travel is an allowable expense; however, the expense must be justified and show benefit for the work being performed in Colorado.

**Subcontractors and Consultants.** Consultants and subcontractors provide professional services on behalf of the grantee.

- The contractor is directly paid by The Colorado Trust to deliver the project. The contractor is the grantee.
- Consulting services support the project but do not directly move the project towards its goals.
- A subcontractor directly supports the project moving towards its goals by carrying out a more significant portion of the project.

The grantee is the main party to the grant agreement/contract. Any subcontractors that are hired by the grantee to complete or perform any of the work after the execution of the grant agreement must receive prior approval by The Colorado Trust if the individual subcontracted and consultant amount costs more than \$10,000. The grant application should include an explanation of the work that consultants and subcontractors will be engaging in, as well as how and why they were selected to do that work.

Consultancy costs may be included in direct costs. When calculating indirect costs, The Colorado Trust will allow up to 25% of total subcontractor costs to be included.

**Community Member and Volunteer Compensation.** The Colorado Trust believes that establishing fair compensation practices for community members is necessary in demonstrating

our commitment to engaging community and recognizing the value of the voices of those with lived experiences. The following are examples of activities that qualify for community compensation: focus groups, surveys, community meeting presentations or attendance. Depending upon the circumstance, below may be used as forms of compensation or incentives:

**Gift Cards:** Gift cards are allowable project expenses when used as incentives within the project scope or as a token of appreciation. Gift cards may not be used as payment for services or anything that could be perceived as a service. Gift cards cannot be purchased from a business owned by a Colorado Trust or grantee staff member and should be a reasonable amount commensurate with the project activity or engagement.

**Stipends:** Stipends are allowable project expenses when used as payment for longer-term, voluntary services. The Colorado Trust will not set a minimum or maximum amount for a stipend amount but trusts each organization to set amounts reasonable and equitable to the time and effort provided by the recipient.

**Honoraria:** Honoraria are one-time “thank-yous” for contributions or services (e.g., conducting a presentation, providing expert advice), and are an allowable project expense. Unlike a stipend, an honorarium is not intended to cover any specific costs or expenses, but rather to recognize the value of the service provided. The Colorado Trust will not set a minimum or maximum amount for an honorarium but trusts each organization to set amounts reasonable and equitable to the time and effort provided by the recipient.

**Economic Harm Offsets:** An economic harm offset is a dollar amount paid to a participant to directly offset income lost due to participation in a grantee activity.

The provision of stipends and honoraria as part of project activities must be accompanied by a written communication to the community member that the funds are for stated voluntary services, may be reportable and taxable income, and may no longer be protected from liability claims. This documentation template should be included in the application package or made available upon request. The Colorado Trust can provide a template for the provision of stipends or honoraria, upon request.

The Colorado Trust will evaluate the forms of compensation proposed by grantees for all third-party participation and engagement. Grantees should keep in mind that honoraria and stipends may represent reportable and taxable income.

**Scholarships and Educational Expenses.** The Colorado Trust supports the use of grant funds to bolster access to education and educational opportunities for staff and leadership of the grantee or partnering organization and community members. The educational opportunities need to align with the purpose of the initiative. Grant funds can be used to support registration costs, tuition and associated expenses (e.g., travel, supplies, books, institutional fees) for classes, courses, seminars, trainings and fellowships. Grant funds can be used to support the educational expenses of staff, partner staff or community members. Documentation of the costs may be required.

**Subawards and Pass-Through Funding.** The Colorado Trust supports the provision of grant funds as subawards to other designated recipients and permits its grant funds to be used in such a manner. Subawards will be awarded through a subcontracting arrangement. It is the fiscal responsibility of the primary grantee/awardee to manage the responsible distribution and spending of the subawards and monitor the work performed by the subawardees. All subawardees

are required to adhere to The Colorado Trust's grantee guidelines and all stipulations laid out in the primary grant award and align with the grant initiative objectives. The Colorado Trust requires that a subaward arrangement be described in the grant application and the corresponding budget narrative, and may ask for more formal documentation including, but not limited to, letters of commitment from subawardees, signed subawardee agreement letters, and subawardee progress reports. The Colorado Trust reserves the right to review, approve, deny and/or discontinue subawardee funding. All subawarded funds need to be allocated by the end of the budget period, and expended by the time the final financial report is due.

The Colorado Trust may award funding to a fiscal agent who serves as an intermediary for subawarding funding to tax-exempt charitable entities. This process may be used when fiscal agents have established relationships with entities within a community or geographic area and the impact of working within those communities would be greater if funds flowed through a fiscal agent instead of directly through The Colorado Trust (see the section on Fiscal Sponsorship).

**Capacity Building.** Capacity building and technical assistance resources are meant to support organizational goals and strategy outcomes. The Colorado Trust defines capacity building as the processes through which people, organizations, groups, or communities obtain, improve, strengthen and/or retain specific capacities (e.g., skills, knowledge, tools or other resources) to deliver programs, enhance organizational infrastructure, take risks, build connections, innovate, and iterate. Given the specific grant, Colorado Trust funds may be used to support capacity-building activities. To discuss capacity-building assistance needs and opportunities, grantees and partners should contact assigned Colorado Trust staff.

**Attending or Presenting at Conferences, Meetings and Trainings.** Attendance (and associated expenses) at virtual and/or in-person conferences or trainings as necessary to complete the approved work in a grantee work plan, as well as support growth, sustainability and overall capacity building, are allowed. Additionally, The Colorado Trust allows the use of grant funds to support conference presentations on a grantee or partner's funded work. These expenses should be included in the approved budget, and The Colorado Trust should be notified of any accepted or invited conference presentations. Colorado Trust staff may request to review the presentation materials in advance of the actual presentation. The Colorado Trust supports the inclusion of community members in such conference presentations and encourages grantees to explore community inclusion in such opportunities. The Colorado Trust requires an acknowledgment of the funding support in the presentation materials, and should read as or similar to the following: "This work was supported, in part or wholly, by a grant from The Colorado Trust. The content and opinions contained herein do not necessarily represent the views of The Colorado Trust."

**Hosting Meetings and Convenings.** Awarded funding may be used to host meetings, trainings and/or conferences, provided these expenditures are approved within the project's plan and budget. Expenditures attributed to a Colorado Trust grant should be directly relevant to the project's plan. Acceptable expenses include, but are not limited to, securing venues, provision of necessary resources, consultancy and speaker remuneration, food and beverage, translation and interpretation, participant assistance expenses, entertainment, audio-visual expenses, printing, marketing, participant and registration management, and transportation costs.

**Translation and Interpretation.** The Colorado Trust allows the use of grant funds for language interpretation and translation that support the implementation of funded activities.

**Child Care.** The Colorado Trust allows the use of Colorado Trust grants monies to pay for child care services in support of funded activities. The Colorado Trust asks our partners to follow the guidelines under the [Colorado Statute of Early Childhood Programs and Services](#), including, but not limited to, the following:

- **Licensing Requirement.** All child care providers paid with funding provided by The Colorado Trust must be licensed by the State of Colorado. This includes both center- and home-based child care providers.
- **Insurance Requirement.** All contracted child care providers must have liability insurance that covers accidents and injuries that may occur on their premises.
- **Background Checks.** All contracted child care providers must undergo comprehensive background checks to ensure the safety and well-being of the children in their care.

**Lobbying.** The Colorado Trust is a private philanthropic organization; as such, we have restrictions on how grant funds can be used for political activities. Funds cannot be used for political campaigns, to influence elections (including, but not limited to, special districts and school boards), nor to influence enactment or modification of pending legislation. No funds can be used for grassroots lobbying activities directed at inducing members of the public to contact their elected representatives to urge support of, or opposition to, proposed or pending legislation or appropriations or any regulation, administrative action, or order issued by the executive branch of any federal, state or local government. All grantees must follow applicable state and/or local disclosure and reporting requirements. Funds can be used for educating the public on personal health decisions and choices, researching policy alternatives and their impacts, holding nonpartisan and/or bipartisan forums for candidates, working with legislative bodies on policy approaches to health issues as part of normal executive-legislative relationships, and conducting educational campaigns that explain both the advantages and disadvantages of certain public policies or that demonstrate the efficacy and possible ineffectiveness of certain measures, as long as those communications are widely disseminated, balanced in their analysis, and avoid an express call to action concerning specific legislation. For more information on allowable expenses, please contact Colorado Trust staff. For further information on lobbying in the nonprofit sector, please visit the [Bolder Advocacy](#) website.

**Sustainability.** The Colorado Trust acknowledges that its support is temporary, and has a vested interest in supporting how grantees can transform such temporary financial support into longer-term, effective programming. Sustainability activities should be included in the approved budget and work plan, and should not exceed 15% of the total direct costs for any given budget period. Sustainability activities may include, but are not limited to, staff (re)training, grant writing, development training, fundraising, networking, or conference presentations.

**Environmental Friendliness.** The Colorado Trust encourages grantees to adopt sustainable and environmentally friendly practices in their programs and operations, and grantees may use a portion of their award to cover the increased costs of being more environmentally friendly. Examples of this include recycling costs for the office, costs to rent an electric vehicle during funded travel, etc. We elevate projects, services and programs that consider potential environmental impacts, and expect organizations to follow federal, state and local environmental standards, where applicable.

## **Grantee Eligibility and Monitoring**

The Colorado Trust requires all awarded grantees to participate in grant monitoring activities with an assigned Colorado Trust staff member. Grant monitoring includes any activities completed by The Colorado Trust staff to support an awarded grantee towards its goal of completing the funded objectives and deliverables stated in their approved application. This includes, but is not limited to, participating in regularly scheduled check-in calls, completing written reports, sharing any relevant updates from the grantee organization or project, or any follow-up meetings. Colorado Trust staff will work collaboratively to monitor the performance of the grant and assist in areas where technical assistance might be necessary; grantees may request additional support and monitoring as needs arise.

**Grantee Viability.** To be eligible for Colorado Trust funding, your organization must be a tax-exempt, charitable organization, government agency, or tribal nation or entity; and based in Colorado or with an active Colorado chapter.

If an organization is fiscally sponsored, the organization must be based in Colorado or have an active Colorado chapter, and the fiscal sponsor must have an active 501(c)(3) nonprofit tax status.

To remain eligible, an organization must complete all required progress and financial reports (see Grant Compliance). If at any point the organization's charitable status changes, The Colorado Trust reserves the right to terminate the grant.

The Colorado Trust, at its discretion, may choose to fund other types of organizations than those named above. If you have questions about your tax exemption status, The Colorado Trust advises seeking legal consultation.

Resources:

- Colorado Secretary of State [Startup Guide for Charities](#)
- Colorado Secretary of State [Charities and Fundraisers Registration FAQs](#)
- IRS Tax-Exempt [Starting Out](#)
- IRS Tax-Exempt [Resource Library](#)

**Multiple Grants.** Entities may have more than one active grant from The Colorado Trust at any one time. A currently active grant with The Colorado Trust does not necessarily guarantee future funding, or increase the chances of obtaining future or additional funding.

**Site Visits.** As part of monitoring for existing grantees and activities, The Colorado Trust staff may conduct site visits with grantees and/or their partners. The purpose of site visits is to monitor grant progress, but also to deepen relationships and contextual knowledge of the community work. Site visits may be required (and thusly regularly scheduled) as part of the grant's stipulations, conducted on an ad-hoc basis, held to attend specific grantee events, or held to deal with specific issues or concerns. The agenda for any site visit, and the necessary attendees, will be jointly discussed and developed with the grantee in advance of the visit. Site visits can also be conducted virtually or be a "reverse" site visit (where the grantee comes to The Colorado Trust's office in Denver). The purposes remain the same, and similar processes should be followed regarding attendees and content.

**Evaluation.** The Colorado Trust prioritizes strategic learning and may require grantees to provide regular and final reports that contain data and information on the evaluation of the programs or

services funded by The Colorado Trust. Evaluation, as a specific form of research, focuses on collecting data on the processes used and outcomes achieved during the implementation of a funded program or activities and is co-managed by both the grantee and The Colorado Trust. Grantees may be required to participate in evaluation activities as outlined by The Colorado Trust. Evaluation activities may include, but are not limited to, completing reports, surveys, interviews, convenings, participating in activities held by The Colorado Trust's evaluation partner, or any other activities set forth by the grant initiative.

The Colorado Trust also encourages and may require grantees to undertake their own evaluation activities as a part of project implementation, quality assurance and improvement, examination of their own success and progress, as well as alignment with their own goals and objectives.

Occasionally, The Colorado Trust engages third-party evaluators to perform evaluation and compile reports on grant initiatives, community concerns that may influence policy actions, or distinct programmatic requirements. This would be a Colorado Trust-led evaluation activity and would seek to engage multiple grantees. These reports are freely available to grantees and the broader community, and they can be [accessed on The Colorado Trust's website](#). Evaluation reports may incorporate images of grantees, their initiatives, and/or communities if permissions have been granted by the grantee.

**Reporting.** Grantees may be required to submit progress reports, financial reports, or any other requested reports by designated dates as outlined in the grant agreement. These can be submitted via the grants management portal, email or other means as identified by Colorado Trust staff.

It is important to review the terms and conditions of the grant agreement to carefully identify the evaluation and reporting requirements. Additionally, reporting requirements may apply and are specific to the grant award, and may include periodic and annual financial reports and programmatic reports.

**Budget and Grant Amendments.** The Colorado Trust supports the notion that a grantee may need to amend certain elements of the grant agreement. Colorado Trust grantees should discuss with their assigned Colorado Trust staff member any significant changes to the approved scope of work or approved budget before submitting a formal documented request 90 days before the proposed change. An amendment request will be generally initiated by the grantee; however, circumstances may dictate that an amendment be initiated by The Colorado Trust. The Colorado Trust understands the amendment process includes a collaborative discussion and negotiation between The Colorado Trust and the grantee; however, the final decision remains with The Colorado Trust to approve or deny an amendment request. The following changes (one or multiple in combination) to an existing grant necessitate a formal amendment:

- Change in the end/termination date of the grant agreement (including ending the agreement early and no-cost extension requests)
- A significant change in the scope of work (i.e., major activities, major deliverables or outputs, or overall nature of the work)
- Changes to the budget (i.e., moving an amount equal to or greater than 25% of the total grant period budget or \$100,000 or more from one budget category to another)
- Change in the total award amount (either a request for additional funds, a carryover request, or a request to reduce the total amount)
- Reassignment of the grant award or transfer to another entity.

All requests for budget and grant amendments should be completed on a request for amendment form, which can be [obtained from The Colorado Trust's website](#) or through Colorado Trust staff. All requests must include a narrative describing how the grantee proposes to spend the grant funds, an estimate of the expected change in the grant period, and any budgetary modifications that would result if the amendment were granted. The grantee will be notified regarding the decision to approve or decline the request. If a request is approved, then The Colorado Trust's grants management staff will generate a grant amendment document that must be signed by an authorized officer of the grantee and returned to The Colorado Trust.

A change in personnel that has a 25% or larger allocation on the project budget is a significant event. However, it does not necessitate an amendment, unless such a shift will lead to one of the aforementioned rationales for an amendment. Rather, the grantee should formally notify assigned Colorado Trust staff in writing of the change in the personnel.

**Grant Compliance.** The Colorado Trust monitors grantee compliance—that is, not underperformance of project activities—with the following requirements that are necessary to ensure funds are spent in alignment with The Colorado Trust's vision, mission and values, and legal requirements:

- Meet requirements as a charitable 501(c)(3) entity federally and locally (the State of Colorado's [Charitable Solicitations Act](#) and its regulations are available online), fiscal sponsor/fiscally sponsored agency, government agency, churches or tribal nation based in Colorado or with an active Colorado chapter
- Comply with the fully executed grant agreement, including, but not limited to, expenditure of funds for designated purposes and timely submission of grant reports
- Meet any additional programmatic requirements, such as attending grantee convenings, participating in required evaluation activities, etc. as specified in these guidelines
- Provide timely communication to requests from Colorado Trust staff regarding funding, including notification of key leadership changes (e.g., chief executive officer, executive director) and program staff.

Grantees are found to be noncompliant with Colorado Trust funding if they do not meet the above requirements and/or requirements outlined in their grant agreement. Colorado Trust staff are committed to helping to support grantees to address compliance issues before there becomes a documented instance of noncompliance.

If a grantee is unable to prevent an issue that will make them noncompliant with funding, they will be required to complete a performance improvement plan that outlines the steps needed to resolve the noncompliance issue.

**Corrective Action.** Noncompliance, failure to address noncompliance issues, or violation of these guidelines could result in corrective action, including, but not limited to, a performance improvement plan, a delay in funding, reduction in grant award totals, discontinuation of funding, and inability to apply for grant funds from The Colorado Trust in the future. Grantees will be notified of such a decision and supporting rationale in writing from Colorado Trust staff. Grantees can appeal any such decision by submitting their concerns and subsequent requests in writing to Colorado Trust staff within 14 days of receiving the written notice of corrective action. Additionally, The Colorado Trust reserves the right to request documentation regarding the responsible and appropriate expenditure of Colorado Trust grant funds at any time.



**Early Termination.** All Colorado Trust grants have designated start and end dates (i.e., grant cycle). The Colorado Trust, at its sole option, may terminate its obligations under the grant contract at any time if, in The Colorado Trust's judgment, 1) the grantee becomes unable to carry out the purposes of the grant; 2) the grantee fails to comply with any of the terms or conditions of the contract; 3) performance of its obligations could subject The Colorado Trust to taxes or other payments, penalties or fines of any kind; or 4) the continued grantee relationship could jeopardize The Colorado Trust's tax-exempt status or benefits under federal or state law. A grantee may request that the grant period be shortened as well, for any of the aforementioned reasons, thus terminating the grant early. There is no penalty for early termination of a grant agreement. However, the grantee may be required to return unexpended grant funds to The Colorado Trust, sign an amended grantee agreement designating the revised end date, and be required to submit the necessary final reports at an earlier designated date.

**Grant Closeout.** Grantees will participate in final closeout activities with a Colorado Trust staff member. The final grant closeout communication will review the processes and expectations for all final programmatic and financial grant reports, processes for the return of unexpended funds, and any other necessary follow-up steps for the grantee. The final grant closeout communication is held during the last month of the grant contract.

## **Fiscal Sponsorship**

The Colorado Trust primarily awards grants to organizations that qualify for exemption as a public charity under Section 501(c)(3) of the Internal Revenue Code. However, The Colorado Trust recognizes that not every charitable endeavor has the infrastructure required to become a formal tax-exempt organization. The Colorado Trust promotes collaboration and understands that public charity organizations working together on a common endeavor often need to identify a fiscal sponsor or lead organization to accept grant funding on behalf of a collaborative model. Therefore, The Colorado Trust will consider funding a fiscal sponsor for a project conducted by an organization or collaboration that is not recognized as a public charity by the IRS.

The roles and responsibilities of a fiscal sponsor or fiscal agent and the sponsored project should be negotiated and documented in a written agreement (see the section on fiscal agents for a definition of fiscal agents). Every sponsorship is different, but the basic roles are outlined for reference below:

**Fiscal Sponsors.** The fiscal sponsor must have 501(c)(3) nonprofit tax status. The fiscal sponsor must exercise oversight, control and discretion over funds. The fiscal sponsor is considered the grantee by The Colorado Trust and therefore is responsible for all legal aspects of the grant. As the grantee, the fiscal sponsor agrees to be accountable to The Colorado Trust for:

- Applying for funding, including employee identification numbers and any financial information
- Retaining control and discretion over funds
- Meeting reporting requirements, including programmatic and financial outcomes of the grant
- Communication with Colorado Trust staff and the project on a regular basis.

Entities that are serving as fiscal sponsors for subawarding funds assume the following responsibilities for their subawarded funds:

- Providing a review process for how agencies awarded were selected and how the subawardee's mission and values align with the funding initiative
- Confirming requirements for funding are met by subawardees including confirming 501(c)(3) status or having an established fiscal sponsorship in place
- Having a legally binding grant agreement signed between the fiscal sponsor and the entity it is subawarding to that meets grant agreement standards established by The Colorado Trust
- Ensuring that subgrantees meet reporting requirements and other requirements outlined in the grant agreement and/or program outline.

A fiscal sponsor should be well-informed of the risks and have the organizational structure and capacity to manage and accept these risks before agreeing to serve as a fiscal sponsor. The mission statement of the fiscal sponsor must align with the mission statement of the sponsored organization (project, organization, individual or collaborative) it represents. Administrative fees should not be more than 10% of the grant award, and funding awarded through The Colorado Trust can be used to cover these fees.

**Fiscally Sponsored Entities.** Fiscally sponsored entities are charitable entities that have not obtained a tax-exempt status and require a fiscal sponsor to obtain donations or grant funding, such as through The Colorado Trust. When fiscally sponsored, entities must agree to communicate regularly with their fiscal sponsor and comply with all recordkeeping and reporting requirements as needed for the fiscal sponsor to fulfill their legal obligations for funds to The Colorado Trust.

**Fiscal Sponsorship Agreements.** The Colorado Trust’s grant agreement is between The Colorado Trust and the fiscal sponsor. However, a condition of the grant requires the fiscal sponsor and the sponsored organization it serves to establish the clearest possible understanding regarding each of their roles and responsibilities and requires a copy of an agreement between the fiscal sponsor and sponsored organization before releasing grant funds. This agreement should include:

- Type of [fiscal sponsorship model](#)
- Timelines for the sponsorship, including start and end date
- Termination provision
- Mission alignment between the sponsor/sponsee
- Timeline for review and renewal of fiscal sponsorship
- Any fiscal sponsorship fees and related terms (including amount and purpose).

A sample fiscal sponsor agreement template can be provided. Alternative agreements may be used; however, all of the components listed above must be present.

**Fiscal Agents.** A fiscal agency refers to an arrangement with an established charity that has 501(c)(3) tax exemption to act as the legal agent for a project. However, unlike a fiscal sponsorship arrangement, a fiscal agent does not retain ultimate discretion over the use of funds. The Colorado Trust does not award grants to organizations affiliated with fiscal agents unless the charitable organization has qualified for exemption as a public charity under Section 501(c)(3) of the Internal Revenue Code (the “grantee”). The exempt organization (grantee) may contract with a fiscal agent to provide various administrative services for the grantee. However, The Colorado Trust’s contract is between The Colorado Trust and the tax-exempt 501(c)(3) grantee and not the fiscal agent. The grantee is accountable to The Colorado Trust for all programmatic and financial outcomes of the grant.

**Fees.** Administrative fees to support the fiscal sponsorship or agent should not be more than 10% of the grant award, and funding awarded through The Colorado Trust can be used to cover these fees. The fiscal sponsorship fee can be included as a direct cost when calculating indirect costs.