



Policies & Procedures of the
State Board of the
Great Outdoors Colorado Trust Fund

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Contents

- 1. Personnel and Office Administration3**
 - 1.1. Hiring, Evaluation, Supervision, and Administration of Employees3**
 - 1.2. Delegation of Authority to Sign Contracts3**
 - 1.3. Delegation of Authority for Administration of Employee Plans and Programs5**
 - 1.4. Solicitation and Award of Professional Services6**
 - 1.5. Recordkeeping.....6**
 - 1.6. Contracting with State Agencies for Administrative Support.....6**
- 2. Finance and Accounting.....7**
 - 2.1. Annual Report7**
 - 2.2. Basis of Accounting7**
 - 2.3. Cash Deposits and Investments7**
 - 2.4. Transfer or Disbursement of Funds8**
 - 2.5. Finance Committee Oversight, Monthly Close, and Reporting9**
 - 2.6. Fixed Assets9**
 - 2.7. Payment in Lieu of Taxes9**
 - 2.8. Spending Plan and Opportunity for Public Comment10**
 - 2.9. Substitution of Funds10**
 - 2.10. Multiyear and Annual Spending Plans11**
 - 2.11. Program Purposes, Eligibility, Categorization and Discretionary Authority13**
- 3. Competitive Grant Programs.....19**
 - 3.1. Condemnation.....19**
 - 3.2. Fair Market Value.....19**
 - 3.3. Funding Parameters19**
 - 3.4. Project Scope and Project Modifications21**
 - 3.5. Property Acquisition and Due Diligence.....22**
- 4. Colorado Parks and Wildlife23**
 - 4.1. Colorado Parks and Wildlife Memorandum of Agreement23**
 - 4.2. Wildlife Purpose Funds for Access.....23**
- 5. Project Loans24**
 - 5.1. Property Acquisition Loans24**
 - 5.2. Non-Acquisition Loans24**



1. Personnel and Office Administration

1.1. Hiring, Evaluation, Supervision, and Administration of Employees

Policy Statement: The executive director is responsible for hiring, evaluation, supervision, and administration of all GOCO employees. However, the hiring and evaluation of the executive director will remain the responsibility of the board.

An employee handbook of organization guidelines will be maintained and signed by each employee upon acceptance of employment with GOCO. The employee handbook will establish and clearly communicate policies consistent with best practices for the management of nonprofit and government entities. This handbook may be updated at the discretion of the executive director to address any significant changes related to employment at GOCO.

As part of this handbook, the executive director shall maintain and execute a comprehensive approach to performance management and compensation that will apply to all employees, except the executive director, on an annual basis. The performance management approach shall specify an approach to measuring employees' performance regarding key job attributes, goals, and professional development opportunities. The compensation approach should seek to balance equitable compensation, rewards for job performance, and fiscal prudence.

Consistent with the organization's recordkeeping policy and procedures, personnel files must be retained on all GOCO employees in a locked cabinet or in a secure electronic file. Files will contain at a minimum: letter of hire, resume or application, job description, W-4, I-9 form, benefits information, performance evaluation materials, and details of compensation over time.

Procedural Document Included by Reference: The State Board of the Great Outdoors Colorado Trust Fund Employee Handbook

Constitutional Mandate: 6(2)(f)

1.2. Delegation of Authority to Sign Contracts

Policy Statement: The executive director and staff director or officer who has primary responsibility for managing GOCO's finances (each, an "Authorized Officer," and together, the "Authorized Officers") are hereby granted authority with respect to authorizing, approving, and executing contracts within the limits of the annual operating budget as approved by the board. This includes grant agreements, Memorandum of Agreements, Memorandum of Understanding, or Intergovernmental Agreements for the purpose of implementing programs or projects approved by the board.

Procedural Document Included by Reference: None



Constitutional Mandate: 6(2)(f)



1.3. Delegation of Authority for Administration of Employee Plans and Programs

Policy Statement: The State Board of the Great Outdoors Colorado Trust Fund sponsors and maintains plans and programs (collectively “Plans and Programs”) on behalf of its employees and their beneficiaries, including but not limited to, the following:

- a) The State Board of the Great Outdoors Colorado Trust Fund Pension Plan as amended and restated, adopted January 15, 2016;
- b) The State Board of the Great Outdoors Colorado Trust Fund Compensation Plan as amended and restated, adopted January 1, 2009;
- c) A number of health and welfare benefit plans:
 1. health savings accounts (“HSA”);
 2. flexible spending accounts (“FSA”) related to commuter, parking, and dependent care expenses;
 3. medical insurance;
 4. dental insurance;
 5. life insurance;
 6. accidental death and dismemberment insurance;
 7. long-term disability insurance; and
 8. short-term disability insurance.

The board has determined that greater efficiency and consistency is achieved by delegating administrative authority for Plans and Programs from time to time. As such, the Authorized Officers, with input of legal counsel and third party expertise as necessary, are hereby granted authority with respect to all Plans and Programs. Authorized Officers have full power and authority to take any and all necessary and appropriate actions, which otherwise would require approval of the board, including amendment of Plans and Programs, provided such amendments are administrative in nature with no additional fiscal impacts on GOCO, and/or are required by changes in law. Substantive changes to the overall scope or nature of the Plans and Programs that have substantial fiscal impacts on GOCO shall remain subject to the board’s discretion and approval.

Procedural Document Included by Reference: None

Constitutional Mandate: 6(2)(f)



1.4. Solicitation and Award of Professional Services

Policy Statement: Professional services obtained for the purposes of carrying out the program and mission of GOCO with a full contract value over \$25,000 and/or extending over multiple years should use a competitive bid process. The bid process should have criteria established to ensure successful completion of the project within a reasonable timeline and cost ceiling.

The board acknowledges that there are occasions when professional services must be purchased from a specific vendor or a sole-source purchase. This may be the case if the service requires particular expertise that only one supplier may provide. Research must be performed and documented to demonstrate that, to the best of the purchaser's belief, only one vendor is capable of delivering the required good or service.

Procedural Document Included by Reference: None

Constitutionnel Mandate: Mandate 6(2)(f)

1.5. Recordkeeping

Policy Statement: It is the policy of the board that GOCO staff should maintain, with updates to assure compliance with the Bylaws of the Board and with best practices as needed, specific procedures for responding to public requests for access to the records of the organization, as well as a clear record retention schedule for all departments and functions of the organization, covering a variety of document types and media, including but not limited to grants, payroll, accounting, contracts, general operations, and information technology.

Procedural Document Included by Reference: Record Retention & Request Procedures

Constitutional Mandate: Section 6(2)(a)

1.6. Contracting with State Agencies for Administrative Support

Policy Statement: The board shall, at its discretion, consider and adopt a resolution regarding the board's determination as to whether it is reasonably feasible under then-current circumstances for the board to contract with the Department of Natural Resources or other state agency for necessary administrative support. Consistent with the board's determination and depending on whether any such contract is then in place, the board shall then proceed to enter into one or more such contracts, terminate such contract(s), or take no further action at that time.

Procedural Document Included by Reference: None

Constitutional Mandate: Section 6(2)(f)



2. Finance and Accounting

Procedural Document Included by Reference for All Policies: Accounting Procedures Manual

2.1. Annual Report

Policy Statement: Under Article XXVII, GOCO is to submit an annual report to the citizens, the Governor, and the General Assembly. The annual report will include audited financial information for the most recently completed fiscal year and the budget for the current fiscal year. The date of publication of this report is to be before January 15.

Constitutional Mandate: 6(2)(c)

2.2. Basis of Accounting

Policy Statement: Financial reporting will be based on a modified accrual basis. The fiscal year of the Trust Fund will continue to be concurrent with the state's fiscal year (7/1 to 6/30). Payables will be effectively reported on an accrual basis (when incurred) and Lottery proceeds will be reported on an accrual basis, when proceeds are available from the Colorado Lottery Commission.

Constitutional Mandate: 6(2)(a)

2.3. Cash Deposits and Investments

Policy Statement: Funds will be left on deposit with the State of Colorado Treasury. The funds will earn interest while within the state's single collateral pool for all public funds.

The funds for GOCO's operating expenses should be transferred periodically from the State of Colorado Treasury to a qualified financial institution. The executive director is authorized to designate a financial institution as a depository for GOCO's operating funds. The operating account is used to pay for expenses such as payroll, office rent, administrative expenses, marketing/communications expenses, and professional services.

Constitutional Mandate: 6(2)(a)



2.4. Transfer or Disbursement of Funds

Policy Statement: The Authorized Officers are hereby granted signatory authority to transfer or disburse GOCO Funds via wire or check. The GOCO controller and director of communications are hereby designated as alternate signatories to transfer or disburse GOCO Funds via wire or check. Given those designations, transfer or disbursement of GOCO Funds via wire or check shall occur according to the following schedule:

Type of Transfer or Disbursement	Required Signatories	Alternate Signatories
1. State Treasury to grantee, any amount	1. Executive Director AND 2. Authorized Officer	Controller may substitute for authorized officer, but not executive director, on emergent basis
2. State Treasury to GOCO operating, any amount	1. Executive Director AND 2. Authorized Officer	Controller may substitute for executive director OR authorized officer on emergent basis
3. Board approved operating expense under \$2,000	1. Executive Director OR 2. Authorized Officer	None
4. Board approved operating expense over \$2,000	1. Executive Director AND 2. Authorized Officer	Director of communications may substitute for executive director OR authorized officer on emergent basis

Constitutional Mandate: 6(2)(a)



2.5. Finance Committee Oversight, Monthly Close, and Reporting

Policy Statement: GOCO staff will provide the Finance Committee financial reports at least four times during the fiscal year of all appropriations, disbursements, changes in fund balances, and verification that all disbursements are within authorized budget or within the grant amounts awarded. Additionally, a “Management Discussion & Analysis” will be prepared discussing the year-to-date results compared to operating budget. GOCO staff will prepare and retain monthly reports showing budget vs. actual expenditures and reconciliations of balance sheet accounts for such time as is consistent with the organization’s recordkeeping policy.

Constitutional Mandate: 6(2)(a)

2.6. Fixed Assets

Policy Statement: Fixed Assets will be capitalized based on a policy recommended by the staff and approved by the Finance Committee. Categories include office furniture and equipment, computer hardware, computer software, and leasehold improvements. It is GOCO’s policy to capitalize all items which have a unit cost greater than \$2,000. Items purchased with value or cost less than \$2,000 will be expensed in the period purchased.

Constitutional Mandate:6(2)(a)

2.7. Payment in Lieu of Taxes

Policy Statement: Any acquisition of real property made by a state agency related to grants authorized by the Board shall be subject to payments in lieu of taxes to counties in which said acquisitions are made. Such payments shall be made from moneys made available by the Trust Fund, and shall not exceed the rate of taxation for comparable property classifications.

Any payment in lieu of taxes can be authorized by signature of two GOCO staff members as eligible requests for payment are received. The payments will be charged to the funding categories for wildlife and outdoor recreation, based on the division holding title to the land.

Constitutional Mandate: Section 10



2.8. Spending Plan and Opportunity for Public Comment

Policy Statement: Each year the board will adopt a spending plan for all investments and competitive grant programs. Development of the spending plan shall include the opportunity for public comment. In addition to other issues determined by the board, the spending plan shall outline the frequency of grant cycles for the upcoming fiscal year. The board may amend the spending plan during the course of the fiscal year to address unforeseen revenue changes or unexpected, urgent investment and grant opportunities.

Constitutional Mandate: Section 6(2)(a)

2.9. Substitution of Funds

Policy Statement: Allocation of Lottery funds required by Article XXVII of the Colorado State Constitution should be in addition to and not a substitute for funds otherwise appropriated from the General Assembly to the Department of Natural Resources (DNR). Substitution occurs when funds previously appropriated to DNR are shifted away from Colorado Parks and Wildlife's (CPW) budget to other, non-GOCO programs or purposes with the expectation that the budget will be back-filled with GOCO funds. The GOCO Board has a fiduciary responsibility to monitor and track GOCO funding to CPW. Annually, GOCO staff will review and analyze CPW's investment proposal and work cooperatively with CPW to provide feedback and resolve any questions that may arise on substitution concerns. The following criteria should be used to help identify potential substitution of funds:

- whether GOCO funds are being used for purposes other than those permitted by Article XXVII;
- whether the Joint Budget Committee or the General Assembly has replaced state funds that would otherwise be appropriated to CPW with GOCO funds;
- whether there are substantial unexplained or disproportionate annual reductions in state funding to any of the GOCO funding purposes;
- whether there are substantial deviations from prior budgets—including administrative expenses—based on the availability of GOCO funds.

The board will resolve questions of substitution first by meeting with representatives of CPW, the Joint Budget Committee, or the General Assembly to determine if substitution has occurred and, if so, what action should be taken.

If the Board determines that substitution has occurred, it may exercise its authority under Article XXVII, Section 5 of the Colorado State Constitution and direct that any portion of its funds found to be in substitution be reinvested in the trust fund and not be expended in a particular year.

Constitutional Mandate: Section 8



2.10. Multiyear and Annual Spending Plans

- A. Multi Year and Annual Spending Plans:** It is the policy of the board to adopt, from time to time and by resolution, multi-year spending plans which, in concert with regular, multi-year strategic plans, will reflect its objectives and budget, consistent with its constitutional mandate.

With the context of the multi-year spending plan, the board will also adopt, by resolution of the board, annual spending plans for all investments and competitive grant programs. Annual spending plans shall outline the nature, frequency, and amount of spending for all investments and grant cycles for the upcoming fiscal year.

The board may, at its discretion, amend multi-year or annual spending plans to address unforeseen revenue changes, unexpected and urgent investments and grant opportunities, or to comply with the parameters set forth in the remainder of this policy. Development of multi-year and annual spending plans shall include the opportunity for public comment and shall inform development and dissemination of the organization's annual report.

- B. Goals:** Through this policy the board seeks to accomplish the following:
1. fulfill constitutional obligations to achieve the GOCO Program and to make expenditures to the four funding categories in a manner that is substantially equal over time;
 2. balance the maximization of funds available for awards with its duty as fiduciary manager of a public trust;
 3. manage existing cash obligations while continuing to take on new award obligations that have a high degree of variability in terms of the timing of payment;
 4. maintain financial flexibility necessary to meet significant, urgent and unanticipated need without unnecessarily affecting anticipated grant programs by setting a target for unobligated funds available for awards; and, retain the ability to respond to significant or unforeseen grant opportunities that are consistent with the GOCO program; and
 5. maintain a diverse investment portfolio in order to increase overall rate of return on financial assets to support the overall GOCO program.
- C. Factors & Definitions:** Multi-year and annual spending plans shall incorporate the following factors and their definitions:
1. GOCO's constitutional cap, as defined at Article XXVII, Section 3(1)(b)(III) and as calculated by the Colorado Lottery.
 2. Informed projections regarding if, when, and to what extent net Lottery proceeds may differ from the constitutional cap on such proceeds directed to GOCO.
 3. Historically informed assumptions regarding the rate of grant expenditure and the rate of deauthorization of previously awarded grants funds.
 4. Informed estimates regarding multi-year operational expenses.
 5. A goal for "months ahead of lottery" for the duration of the multi-year plan, with months ahead of lottery being calculated by subtracting the cash balance from the outstanding grants balance, then dividing the remainder by average, expected monthly lottery proceeds for the current fiscal year.



6. The organization's cash balance as a percentage of outstanding grants balance, with any ratio under 60% but over 25% considered appropriate.
7. GOCO's constitutional obligation to award funds to grantees in each of the four funding categories described in the constitution in a manner which achieves substantially equal expenditures over time, which the board defines as:
 - a. For grant authorizations, substantially equal means a range of tolerance of +/- 1.25% of 25% per funding category, to be measured cumulatively from the organization's inception to the forecasted end of a board-adopted multi-year spending plan.
 - b. For grant expenditures, substantially equal means a range of tolerance of +/- 2.5% of 25% per funding category, measured cumulatively from the organization's inception to the end of the most recently closed fiscal year, as established via the annual financial audit of the organization.

D. Board Actions: Given all factors and definitions as described above:

1. If cash balances exceed 60% or falls below 25% of outstanding grants; or,
2. If grant authorizations are projected to exceed +/- 1.25% of 25% per funding category by the end of the relevant multi-year spending plan; or,
3. If grant expenditures exceed +/- 2.5% of 25% per funding category, measured cumulatively from the organization's inception to the end of the most recently closed fiscal year, as measured via the annual financial audit of the organization; then,
4. In resolutions of the board that amend and/or adopt subsequent multi-year and annual spending plans, the board shall:
 - a. determine what circumstances are affecting its ability to maintain its cash balance as a percentage of outstanding grants, grant authorizations, or grant expenditures within established ranges; and,
 - b. determine what actions it will take to bring cash balance, grant authorizations or grant expenditures within established ranges; and,
 - c. determine a timeframe by which it will seek to return its cash balance as a percentage of outstanding grants, grant authorizations or grant expenditures back within established ranges.

Constitutional Mandate: Section 5; Section 6



2.11. Program Purposes, Eligibility, Categorization and Discretionary Authority

- A. **Acceptable Use of Grant Funds:** Section 1(1) of Article XXVII of the Colorado Constitution establishes the overarching mission of the Great Outdoors Colorado Program (“the Program”) as “the preservation, protection, enhancement and management of the state’s wildlife, park, river, trail and open space heritage.” Sections 1(a), (b), (c) and (d) further define individual program areas which seek to achieve the Program. Section 5(1)(a) further specifies that expenditures made from the Great Outdoors Colorado Trust Fund (“the Fund”) shall be consistent with four categories of “purpose” as found at 5(1)(a)(I), (II), (III) and (IV). As such, it is the policy of the board that:
1. “Purpose” means the reason for which something exists or is done; the intended or desired result; end; aim; goal; benefit.
 2. Sections 1 and 5 of Article XXVII establish forty (40) constitutionally mandated purposes of the amendment which, collectively, describe the universe of acceptable uses of GOCO grant funds and investments, a full list of which can be found at section 2.11(C), below.
- B. **Eligibility:** Article XXVII sections 5(1)(a)(I), (II), (III) and (IV) specifies three entities or categories of entities that are considered eligible conduits for achievement of the purposes of the amendment. However, significant overlap in identity exists across the four funding categories, and the constitution provides for both investments “through” and grants “to” different entities. As such, the board has adopted the following policies regarding eligibility across the three entities or categories of entities:
1. **Wildlife and Outdoor Recreation:**
 - i. Colorado Parks and Wildlife (CPW), as it is currently constituted, is the presumed conduit for achievement of wildlife and outdoor recreation purposes.
 - ii. Article XXVII sections 5(1)(a)(I) and (II) provides for investments “through” CPW, diffusing achievement of the desired purposes of the amendment from CPW as the sole conduit for investments.
 - iii. GOCO will restrict itself to the use of other eligible entities, as identified at Section 2.11(B)(2) and 2.11(B)(3) of this policy, should it seek to achieve purposes of the amendment found within the wildlife and/or outdoor recreation funding categories through recipients other than CPW.
 - iv. GOCO will obtain and document the concurrence of CPW if seeking to achieve purposes of the amendment found within the wildlife and/or outdoor recreation funding categories through recipients other than CPW. Concurrence by CPW may be demonstrated in the following ways:
 1. Inclusion of an investment in an annual CPW Investment Proposal that is duly adopted by the GOCO Board, consistent with the Memorandum of Agreement (MOA) between GOCO, the Department of Natural Resources (DNR), and CPW;



2. Any duly adopted modification/scope change, project extension, deauthorization or reauthorization that is duly adopted by the GOCO Board, consistent with the MOA between GOCO, DNR, and CPW;
3. A letter of approval for specific investments signed by the executive director or chief financial officer of CPW.

2. Open Space:

- i. CPW;
- ii. Non-profit land conservation organizations that include in their mission the identification, acquisition, or management of open space and natural areas;
- iii. Political subdivision of the state created by Colorado statute or the Colorado Constitution that is not a state agency directly controlled by state government. This includes counties; cities; towns; public education institutions; local improvement metropolitan, irrigation, drainage, or other special districts; and their subsidiaries. However, to be eligible for GOCO open space purpose funding, a political subdivision of the state must include in its mission the identification, acquisition, or management of open space and natural areas. Any other political subdivision of the state is ineligible to receive GOCO funds but may collaborate with an eligible entity on a GOCO-funded project.

3. **Local Government:** Local governments or other entities that are eligible for distribution from the state conservation trust fund (LG).

C. Use & Eligibility Summary Table: The following table summarizes:

1. The 40 constitutionally mandated purposes of the amendment collectively describe the universe of acceptable uses of GOCO grant funds and investments. Further details regarding funding parameters, including grant amounts; match requirements; grant term; grant administration; and, eligible costs are enumerated in:
 - i. GOCO Competitive Grant Program Procedures;
 - ii. the MOA between GOCO, DNR, and CPW.
2. Entities eligible to achieve the relevant acceptable use of grant funds, along with any enabling or clarifying aspects of this policy.

#	Acceptable Use of Grant Funds	Entities Eligible to Achieve This Purpose
1.	Develop wildlife watching opportunities	<ul style="list-style-type: none"> • CPW
2.	Implement educational programs about wildlife	<ul style="list-style-type: none"> • Non-profit land conservation

#	Acceptable Use of Grant Funds	Entities Eligible to Achieve This Purpose	
3.	Implement educational programs about wildlife environment	organizations consistent with 2.11(B)(1) <ul style="list-style-type: none"> • Local governments consistent with 2.11(B)(1) 	
4.	Provide appropriate programs for maintaining Colorado's diverse wildlife heritage		
5.	Protect crucial wildlife habitats through the acquisition of lands		
6.	Protect crucial wildlife habitats through leases or easements		
7.	Protect crucial wildlife habitats through restoration of critical areas		
8.	Establish state parks throughout the State of Colorado		
9.	Improve state parks throughout the State of Colorado		
10.	Establish recreation areas throughout the State of Colorado		
11.	Improve recreation areas throughout the State of Colorado		
12.	Develop appropriate public information resources on Colorado's natural resources at state parks		
13.	Develop appropriate public information resources on Colorado's natural resources at recreation areas		
14.	Develop appropriate public information resources on Colorado's natural resources at other locations throughout the state		
15.	Develop appropriate environmental education resources on Colorado's natural resources at state parks		
16.	Develop appropriate environmental education resources on Colorado's natural resources at recreation areas		
17.	Develop appropriate environmental education resources on Colorado's natural resources at other locations throughout the state		
18.	Acquire trails		
19.	Acquire river greenways		<ul style="list-style-type: none"> • CPW • Non-profit land conservation
20.	Construct trails		



#	Acceptable Use of Grant Funds	Entities Eligible to Achieve This Purpose
21.	Construct river greenways	organizations consistent with 2.11(B)(1) <ul style="list-style-type: none"> • Local governments consistent with 2.11(B)(1)
22.	Maintain trails	
23.	Maintain river greenways	
24.	Provide water for recreational purposes through the acquisition of water rights in accord with applicable state water law	
25.	Provide water for recreational purposes through agreements with holders of water rights, in accord with applicable state water law	
26.	Identify unique open space	<ul style="list-style-type: none"> • CPW • Non-profit land conservation organizations consistent with 2.11(B)(2) • Local governments consistent with 2.11(B)(2)
27.	Identify natural areas of statewide significance	
28.	Acquire unique open space	
29.	Acquire natural areas of statewide significance	
30.	Manage unique open space	
31.	Manage natural areas of statewide significance	<ul style="list-style-type: none"> • Local Governments consistent with 2.11(B)(3)
32.	Acquire open space	
33.	Acquire parks	
34.	Acquire environmental education facilities	
35.	Develop open space	
36.	Develop parks	
37.	Develop environmental education facilities	
38.	Manage open space	
39.	Manage parks	
40.	Manage environmental education facilities	

D. **Standard Approach to Categorization:** In seeking to reconcile achievement of the desired purposes with eligibility considerations, as summarized in the table at 2.11(C), and to codify a transparent, standard approach to categorization of its grants and investments, it is the policy of the board that:

1. The identity of entities at Sections 5(1)(a)(I), (II), (III) and (IV) is qualified by the statement “consistent with the purposes set forth at...” Sections 1(1)(a), (b), (c) and (d), respectively. As such, the purposes of the GOCO Program listed at Section 1 are elevated over the identity of entities identified at Section 5 as a matter of both the sequence and the rhetorical hierarchy of Article XXVII;
2. The identity of the recipient of a grant or investment remains an important factor that the board will consider, but identity, as the foremost factor, may fail to fully or accurately reflect how a grant or investment fulfills the purposes of the amendment. The board does not consider achievement of the purposes of the amendment, as defined at Sections 1(a), (b), (c) and (d), and reinforced at Sections 5(1)(a)(I), (II), (III) and (IV), respectively, to be synonymous with or exclusive to the organizations or constituencies cited as potential conduits for grants or investments. Rather, as it designs and executes programs and investments and, subsequently, categorizes expenditures, the constitution’s primary imperative is consideration of how the grant or investment fulfills the amendment’s purposes (the intended or desired result; end; aim; goal; benefit). As such, in most cases, the purposes of the grant or investment will determine the board’s decision regarding categorization of the grant or investment. When more than one purpose is being achieved the board will utilize its discretion, the expertise of its staff, and the input of partners and grantees to arrive at a reasonable categorization across all relevant purposes.

E. **Discretionary Authority & Direct Expenditures:** Section 5(1)(b)(b) of the constitution grants the board significant discretion to, “make other expenditures which it considers necessary and proper to the accomplishment of the purposes of this amendment.”

1. The board may utilize discretionary authority to make grants or investments and, subject to the requirements of 2.11(B)(1)(iv), to categorize such expenditures across any of the four funding categories, so long as:
 - i. the expenditure accomplishes one or more purposes of the amendment, as summarized at 2.11(C); or
 - ii. the grant or investment uses one or more entities identified in the constitution, as listed at 2.11(B) of this policy and that entity is accomplishing one or more purposes of the amendment.
2. When utilizing its discretionary authority, the board shall categorize the program, grant or investment expenditures by the purpose achieved or by the identity of the eligible entity specified in the amendment.
3. The board will clearly identify when and why it is exercising its discretionary authority by including language in resolutions of the board that authorize such programs, grants or investments.

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- i. Examples of why the board may exert its discretionary authority include, but shall not be limited to, accomplishing administrative efficiency or pooling resources with other funding entities to maximize leverage and impact of GOCO funds.
 4. The board may also find it necessary and proper to make “direct expenditures,” which the board defines as expenditures deemed necessary for development and/or administration of grant programs, and which may be best achieved by entities that are not eligible for grant funding within any of the funding categories.
 - i. Examples of these services include, but are not limited to, design fees, measurement and evaluation of awarded grants, grantee learning workshops, program planning efforts, reviews of due diligence items for land acquisition grants including appraisals, water matters, and mineral assessments.
 - ii. These expenses will be categorized to the same funding categories to which the related grants or investments are categorized. Basic administrative overhead expenses, such as GOCO staff salaries, office expenses, utilities, etc., will continue to be treated as operating costs and not as direct expenditures.

F. Policy Implementation & Management: To transparently implement and memorialize Policy 2.11, GOCO will prepare, retain, and make available upon request, a program, eligibility, and categorization worksheet (“Eligibility & Categorization Worksheet”) that shall be completed by GOCO staff for each fiscal year at the conclusion of the year. For each GOCO program, grant, or investment, the worksheet will detail the constitutional purpose, acceptable use, award amount, board resolution number, whether the board invoked discretionary authority, and any other relevant details related to eligibility and categorization.

Constitutional Mandate: Section 1, Section 5

3. Competitive Grant Programs

3.1. Condemnation

Policy Statement: Article XXVII, Section 9 of the Colorado Constitution states: “No moneys received by any state agency pursuant to this article shall be used to acquire real property by condemnation through the power of eminent domain.” The purpose of this policy is to extend the prohibition to all government entities and to projects on certain properties acquired through eminent domain.

GOCO funds cannot be used for recreational development on a property that a government entity condemned specifically for that recreational development. GOCO may consider participating in recreational development on lands previously acquired through condemnation for a purpose *other* than recreational development, depending on the following factors:

- a) the period of time that has passed since condemnation proceedings were finalized on the property;
- b) the purpose of the condemnation; and
- c) any other information the staff deems relevant based on the individual situation.

Procedural Document Included by Reference: None

Constitutional Mandate: Section 9

3.2. Fair Market Value

Policy Statement: GOCO will not participate in projects where a seller or grantor has received or will receive consideration greater than the fair market value of the interest conveyed, as established by an appraisal prepared in compliance with the Uniform Standards of Professional Appraisal Practice and other applicable standards.

Procedural Document Included by Reference: None

Constitutional Mandate: Section 5(1)(a)

3.3. Funding Parameters

Policy Statement: It is the policy of the board that GOCO staff will regularly engage in stakeholder outreach efforts through various methods to establish or affirm clear funding parameters, and attendant procedures for implementing these parameters, for all competitive grant programs. These parameters and procedures will explain how the board’s policies will be implemented in regards to the following topics:

- a) Grant amount: Identify the maximum grant amount for which applicants are eligible to apply and under what circumstances, if any, an application that requests more than the maximum eligible amount will be considered. GOCO will not increase the amount of a grant

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- it has awarded, regardless of whether the increased amount would be less than the maximum eligible amount.
- b) Match requirements: Identify the minimum matching cash and in-kind contributions a grantee must obtain for approval of a grant and the types of expenses that are eligible to meet match requirements.
 - c) Grant term: Identify the maximum amount of time grantees have to complete their projects.
 - d) Peer review and site visits: Define involvement of peer groups in the review and/or scoring of grant applications across all programs and expectations regarding site visits involving staff.
 - e) Overdue grants: Define options available to grantees to extend grant deadlines.
 - f) Eligible costs: Each competitive grant program will identify the types of expenses that are eligible for grant funding.
 - g) Stewardship and organizational health: Set minimum stewardship standards for property interests acquired with GOCO funds, applicable to both fee title and conservation easement acquisitions, as well as requirements for demonstrating the organizational health of holders of GOCO-funded easements.
 - h) Disbursement of funds: Define options for payment for projects that do not involve a land acquisition. All grant payments for all programs are subject to sufficient net Lottery proceeds being available to GOCO.
 - i) Federal lands: Federal agencies are not eligible to receive GOCO funds for the acquisition of any property to be owned and managed by a federal agency. An eligible entity may request GOCO funding to (1) acquire land being divested by a federal agency; (2) perform stewardship or restoration projects or develop improvements for passive recreation, e.g. soft surface trails, on federal land; or (3) construct a project on property owned by a federal agency only if the eligible entity has the appropriate agreements in place (e.g., IGA, MOU, MOA, etc.) to construct the project. For any project pursuant to (3) above, the grantee will be responsible for establishing, renewing, and maintaining the appropriate agreements to ensure that the project remains in public recreational use for its useful life in coordination with the appropriate federal agency.
 - j) Property ownership: An eligible entity seeking a grant for park, trail, and/or environmental education facilities must own or control (through a contract such as a lease) the respective property for the useful life of the project. If the property is owned by a third party that is not eligible under Article XXVII, Section 5(1)(a)(IV) of the Colorado Constitution (e.g., a school district), a use agreement, intergovernmental agreement, or other contract between the eligible applicant and the property owner must be in effect upon execution of the grant agreement. The grantee and/or its partners must allow public access to any park, trail, or environmental education facility funded by GOCO. The grantee and/or its partners shall operate, manage, and maintain their GOCO-funded park, trail, or environmental education facility in a reasonable state of repair for the purposes specified in the grant agreement, for the useful life of the project identified in the grant agreement, and in accordance with product warranties and/or the generally accepted standards in the parks and recreation community.

Procedural Document Included by Reference: GOCO Competitive Grant Program Procedures

Constitutional Mandate: Section 5(1)(a)(III); Section 5(1)(a)(IV); Section 6(2)(d)

3.4. Project Scope and Project Modifications

Policy Statement: It is the policy of the board that each competitive grant program will clearly identify the scope and nature of projects eligible for that program's funding in any given grant cycle. The board has identified the following as circumstances where the scope of a project may warrant additional information from applicants and consideration by the staff and board, with further details specified in related procedural documents:

- a) Indoor facilities: GOCO-funded projects must be located outdoors, with the exception of environmental and outdoor education facilities and restrooms.
- b) Active recreational use: The GOCO Board maintains that active recreational use on properties acquired with open space funds is inappropriate. Therefore, applicants interested in acquiring land for future development of outdoor recreation facilities and high-impact active recreation use (e.g., motorized recreation, hard surface trail, sports fields, skate parks, environmental education facilities) must apply through a local government grant program or request an exception from GOCO.
- c) White water parks: Careful consideration must be taken when constructing projects in Colorado's waterways and GOCO staff may define additional information to ensure that white water parks seeking GOCO funds are constructed judiciously and responsibly.

Grantees are required to complete their approved projects per the scope presented in the grantee's funding application, as approved by the GOCO Board. However, GOCO staff may consider written modification requests once grant awards have been made under the following circumstances and with the following expectations:

- a) Property substitution for land acquisitions prior to closing: Project substitution allows GOCO and the grantee to achieve the same or similar objectives as those they intended to achieve with the original grant. A grantee may request substitution of an approved land acquisition project when the originally approved project is no longer feasible.
- b) Modifications to acreage and/or budget for land acquisitions prior to closing: GOCO does not require an appraisal or full real estate due diligence investigation until after a grant is awarded; therefore, GOCO staff and grantees have reasonable discretion to make limited budget and acreage modifications to projects based upon a qualified real estate appraisal, survey, or other source of real estate due diligence.
- c) Modification of non-land acquisition projects prior to completion: GOCO will consider modifications for non-land acquisition projects across all programs and purposes according to clear procedures.
- d) Change of use for land acquisition projects after closing: Property acquired with GOCO funding through an open space grant shall not be converted in whole or in part to any other use, except under extenuating circumstances and with the approval of the GOCO Board. No change of use shall terminate a conservation easement or other use restriction applying to the property.
- e) Removing or relocating local government-funded projects: A grantee cannot remove or relocate its local government-funded project without prior written approval from GOCO. Any removal or relocation of a project undertaken without GOCO's prior written consent may be deemed a breach of the GOCO Grant Agreement.

Under no circumstance is GOCO required to approve any of the preceding types of requests. Any material change to a project, whether or not such change is approved in writing by GOCO, may result in a reduction of GOCO's grant or may require a refund to GOCO from the grantee. Any material modification to a project that is not approved in writing by GOCO may result in termination of the grant.

Procedural Document Included by Reference: GOCO Competitive Grant Program Procedures

Constitutional Mandate: Sections 5(1)(a)(III); Section 5(1)(a)(IV); Section 6(2)(d)

3.5. Property Acquisition and Due Diligence

Policy Statement: GOCO requires certain due diligence requirements to be fulfilled prior to funding the acquisition of a conservation easement or fee title. Grantees are required to provide GOCO with sufficient evidence of the due diligence requirements on a timeline designated by GOCO.

Unresolved issues that arise from the due diligence process may result in a reduction of GOCO's grant or termination of the grant.

Procedural Document Included by Reference: GOCO Land Acquisition Procedures

Constitutional Mandate: Section 5(1)(a)(III); Section 5(1)(a)(IV); Section 6(2)(d)

4. Colorado Parks and Wildlife

4.1. Colorado Parks and Wildlife Memorandum of Agreement

Policy Statement: In order to better execute joint business, GOCO, the Department of Natural Resources (DNR), and Colorado Parks and Wildlife (CPW) will operate under a formal agreement that defines the process for:

- a) investment proposals
- b) annual reporting
- c) identification of available funding
- d) billing
- e) review
- f) reconciliation
- g) project or program modifications
- h) extensions
- i) de-authorizations and reauthorizations
- j) operating and maintenance costs
- k) real property acquisitions
- l) payment in Lieu of Taxes (PILT)
- m) audit resolution
- n) signage and publicity
- o) potential unforeseen processes

The agreement will be signed by the executive directors of GOCO, DNR, and CPW on an annual basis. Parties will review the agreement regularly to ensure its effectiveness and efficiency and revise accordingly. GOCO staff will update the GOCO Board on any significant changes that may occur.

Procedural Document Included by Reference: Memorandum of Agreement between State Board of the Great Outdoors Colorado Trust Fund, Colorado Department of Natural Resources, Division of Parks and Wildlife as amended June 9, 2016

Constitutional Mandate: Section 5(1)(a)(I) and (II)

4.2. Wildlife Purpose Funds for Access

Policy Statement: The GOCO Board places priority on land acquisitions that benefit conservation and wildlife habitat. The board recognizes that Colorado Parks and Wildlife (CPW) manages the state's diverse wildlife heritage, pursuant to the principles of the North American Model of Wildlife Conservation. Understanding that hunting and angling provide a critical tool for CPW's management of wildlife and habitat, the GOCO Board authorizes the use of GOCO wildlife purpose funds allocated annually to CPW's habitat acquisition program, in part, for the purchase of public hunting and/or fishing access easements. The GOCO Board will evaluate projects on a case-by-case basis.

Constitutional Mandate: Section 5(1)(a)(I)

5. Project Loans

5.1. Property Acquisition Loans

Policy Statement: The board recognizes some property acquisitions are particularly urgent, and there are situations where a bridge loan can facilitate a significant transaction. It is the policy of the board that a loan may be used to help acquire real property interests so long as:

- a) the acquisition accomplishes one or more purposes of the amendment, as summarized at 2.11(C);
- b) the loan is issued to one or more entities identified in the amendment, as listed at 2.11(B);
- c) the borrower has a proven track record of partnering with GOCO on grants and/or loans;
- d) the loan is short-term in nature (typically three years or less);
- e) the loan will not negatively impact GOCO's ability to meet its grant obligations during the duration of its term;
- f) the loan is backed by a financial guarantee and borrower has identified a reliable source of repayment funding;
- g) the loan is solely used for the acquisition of the property interest and not for transaction costs;
- h) to the extent practicable, the loan is vetted through a competitive GOCO land acquisition grant cycle and receives staff's recommendation;
- i) the Programs Committee considers the staff recommendation and requests approval of the loan from the board; and
- j) the Finance Committee evaluates and recommends the specific terms of the loan (repayment period, interest rate, fees, etc.) to the board.

Procedural Document Included by Reference: GOCO Property Acquisition Loan Procedures

5.2. Non-Acquisition Loans

Policy Statement: It is the policy of the board that loans are exclusively used for real property acquisitions and all other projects are hereby excluded. Examples of projects not eligible for loans include, but are not limited to, capital construction, planning, and capacity building.