Opioid Funds Expenditure Reporting

Frequently-Asked-Questions – 2026 Update

*Region and Local Government Share Only**

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EXPENDITURE REPORT BACKGROUND

All Terms, including Definition, of the Colorado Opioids Settlement Memorandum of Understanding are incorporated herein.

<u>Why do I have to submit an Expenditure Report?</u>

Sections D.3, E.8, F.10, and G.5 of the Colorado Opioids Settlement Memorandum of Understanding (Colorado MOU), require the State, all Participating Local Governments, and all Regional Councils that receive Opioid Funds to provide expenditure data, including administrative costs, on an annual basis.

<u>What is an expenditure? And what is an Expenditure Report?</u>

An expenditure is any amount of Opioid Funds received by a Participating Local Government, a Regional Council (through a Participating Local Government acting as their fiscal agent), or the State, that is then disbursed from a Participating Local Government, a Regional Council, or the State, through December 31, 2025.

The 2026 Expenditure Report should reflect any and all expenditures of Opioid Funds by the State, a Participating Local Government, or a Regional Council between January 1 2025 and December 31, 2025. Local Governments and Regional Councils create their expenditure report through the Colorado Opioid Settlement Tracker (COST) online portal by providing information on all expenditures.

If a Participating Local Government, Regional Council, or the State received Opioid Funds and expended only a portion of Opioid Funds received, an Expenditure Report shall be submitted accounting for the partial amount of Opioid Funds expended in calendar year 2025.

Who is required to submit an Expenditure Report?

If a Participating Local Government, Regional Council, or the State, has received Opioid Funds and not previously reported on the expenditure of all received funds or transferred all received funds to another Local Government or Regional Council, an Expenditure Report shall be submitted.

A representative from Participating Local Governments, Regional Councils, and the State, shall submit an Expenditure Report and will be asked to certify their authority to submit the Expenditure Report. It is up to the Participating Local Government, Regional Council, or the Eligible State entity to determine who is authorized to submit the Expenditure Report on behalf of the entity.

What if no Opioid Funds were received?

If the State, a Participating Local Government, or a Regional Council received any Opioid Funds, an Expenditure Report must be submitted.

Some Participating Local Governments have not received any Opioid Funds because the Participating Local Government has a written agreement reallocating its County Area's allocation of Opioid Funds (*see* Section E.3 of the Colorado MOU) or because the Participating Local Government opted-out of receiving Opioid Funds directly (*see* Section E.6 of the Colorado MOU). Participating Local Governments that received no Opioid Funds DO NOT have to submit an Expenditure Report (*see* Section E.6 of the Colorado MOU).

If a Participating Local Government, Regional Council, or the State received Opioid Funds and then expended those funds to the State, a Participating Local Government, and/or a Regional Council for Approved Purposes, an Expenditure Report shall be submitted.

If a Participating Local Government, Regional Council, or the State, received Opioid Funds and then transferred those funds to the State, a Participating Local Government, and/or Regional Council and such transfer was not related to any specific Approved Purpose(s), please contact the Opioid Response Unit at opioids@coag.gov.

What if no Opioid Funds were expended?

If a Participating Local Government, Regional Council, or the State, has received Opioids Funds but expended NO Opioid Funds between January 1, 2025 and December 31, 2025, an Expenditure Report shall be submitted confirming that no Opioid Funds were expended.

Where do I submit an Expenditure Report?

A representative from Participating Local Government, Regional Council, and the State, that received Opioid Funds shall submit their Expenditure Report through the Colorado Opioid Settlement Tracker (COST) online portal for Opioid Funds received from the Local Government, Regional, or State Share.

Infrastructure Share recipients of Opioid Funds shall submit their Expenditure Report via email to COAC@coag.gov in the template provided. State Share recipients of Opioid Funds shall provide required information to the State as requested to assist the State in completing their Expenditure Report.

If you do not have access to the COST portal, please contact opioids@coag.gov to gain access. If a Participating Local Government or Regional Council, requires multiple users to complete their Expenditure Report, please contact opioids@coag.gov to gain access.

What is the deadline for the Expenditure Report?

Expenditure reports must be submitted annually to the Colorado Opioid Abatement Council (COAC) by Participating Local Governments, Regional Councils, the State, and Infrastructure Share Recipients by a deadline determined by the COAC.

The 2026 deadline for submitting your Expenditure Report is February 13, 2026 at 11:59PM MST.

If you are unable to submit an Expenditure Report by the Expenditure Report deadline, or if you identify an error in your Expenditure Report after the deadline, please contact opioids@coag.gov.

Who will be able to see my Expenditure Report?

All Expenditure Reports are public records. Expenditure Reports will be published on the Colorado Opioid Settlement Tracker (COST) for review by the Colorado Opioid Abatement Council (COAC).

Upon review and data verification by the Colorado Opioid Abatement Council Expenditure Reports will be published on the Colorado Opioid Settlement Dashboard (www.coag.gov/opioids/dashboard) for viewing by Participating Local Governments, Regional Councils, the State, and members of the public.

INFORMATION NEEDED FOR AN EXPENDITURE REPORT

What information needs to be included in an Expenditure Report?

Expenditure Reports will require the following information:

- The name of the Participating Local Government or Regional Council (or the State) submitting the report.
- The name, title, and contact information of the representative submitting the Expenditure Report.
- An accounting of total Opioid Funds expended between January 1, 2025 and December 31, 2025.
- An accounting of any expenditures of Opioid Funds for each funded program or activity categorized by Approved Purposes, including:
    - Identification of the Approved Purpose(s) for which Opioid Funds were expended (see below for more information about Approved Purposes).
    - Program or activity name (80-character limit)
    - Brief description of how funds were used (300-character limit)
    - The name of sub-recipients that received an expenditure.
    - Webpage links to learn more about the program or activity (optional)
- An accounting of interest recognized through the reporting period on Opioid Funds received. This should reflect the total accrued to-date since the initial receipt of Opioid Funds.
- A description of the past or intended use for any interest recognized on Opioid Funds.
- An accounting and description of any expenditures for non-Approved Purposes.

- **FOR REGIONS ONLY -** Explanations for any differences in the sum of the actual & anticipated/projected expenditures and planned allocations in the 2-year plan.
    - Regions are also able to report "Committed" expenditures for funds anticipated to be expended for the identified program/activity

<u>What information DOES NOT need to be included in an Expenditure Report?</u>

Participating Local Governments, Regional Councils, and the State DO NOT need to include the following information in their Expenditure Reports:

- Documentation underlying expenditures (e.g. purchase orders, invoices, etc.)
    - *However, Section H.1 of the Colorado MOU requires Participating Local Governments, Regional Councils, and the State to maintain all records related to the receipt and expenditure of Opioids Funds for no less than five years.*
- Dates and amounts for each recurring payment for a specific program or activity

<u>How should expenditures be reported?</u>

Expenditures should be reported on a cash basis rather than on an accrual basis.

Expenditures DO NOT include obligations or other invoiced expenses that have not yet been disbursed by the Participating Local Government.

Example: Participating Local Government made two separate awards of Opioid Funds, one through ongoing reimbursement and one through a lump sum payment, each totaling $500,000. If the lump sum was disbursed on or before December 31, 2023, the Local Government shall report the entire expenditure.

If only $100,000 of the $500,000 reimbursement was expended on or before December 31, 2023, the Local Government shall report the $100,000 expenditure and describe the reimbursement nature of the total planned expenditure (the remaining $400,000 shall be reported in subsequent years as the funds are expended).

<u>What level of detail is required for descriptions of expenditures in an Expenditure Report?</u>

The following fields are required (unless otherwise indicated) for each Program or Activity for which Opioid Funds were expended.

- **Program or Activity Name** (80-character limit)– A simple name for the program or activity. For each program or activity for which Opioid Funds were expended the total amount expended should be reported and the Approved Purpose identified.
- **Expenditure in Reporting Period (1/1/2025 to 12/31/2025)** – The total amount of money used for this program or activity during the specified time frame.
- **Brief Description of How Funds Were Used (**300-character limit): A clear explanation of the specific costs or actions funded. This might include staff positions, materials and supplies, equipment, contracts for services, or other activities related to the program or project.
- **Name of Sub-Recipient of Funds (**255-character limit) - Identify the organization, agency, or department that received opioid funds from the local government. If the funds were used by a specific government department, please name the department.
- **Approved Purposes as identified in Exhibit E** – Identify the Approved Purpose for which Opioid Funds were expended. The list of Approved Purposes for which Opioid Funds may be expended can be found in Exhibit E from the national opioid settlements. Exhibit E details over 120 different types of opioid remediation strategies broken out into 12 sub-categories.
- **Optional – Webpage Links to Learn More** – Provide webpages with additional details about the program or activity, if available.

Collectively, the Title/Short Program or Activity Description and the brief summary/description of expenditures should communicate to both the Colorado Opioid Abatement Council and members of the public how funds were utilized by the Region, Participating Local Government, or the State.

Please see below for a couple examples of reported expenditures:

Program or Activity Name	Brief Description of How Funds Were Used	Sub-recipient	Approved Purpose	Website (If Applicable)
Strategic Planning, Facilitation, Evaluation, & Community Engagement	Planning, community engagement, and the development of evaluation mechanisms to create a strategic vision for use and evaluation of Boulder County Region’s Opioid Abatement dollars.	Third Horizon Strategies	Statewide, regional, local, or community planning	

Affected Families Support Programming	Life skills classes, peer support programming, including food, clothing, personal supplies, etc. for individuals and families impacted by substance use disorder	Cooperative Ministries	Non-profit, community, and coalition - support for families	
Community Court Navigator	The Court Navigator connects community members with services, including mental health treatment, substance misuse treatment, housing and food insecurity and work/ educational development.	Broomfield Municipal Courts	Infrastructure, staffing at government or not-for-profit agencies	https://www.broomfield.org/4078/Navigator-Services
Recovery High School Capital Infrastructure Expansion	5280 Recovery High School is receiving capital infrastructure funds to increase student capacity and offer additional behavioral health & recovery support through additional space for staff & students. Construction and renovation costs.	5280 High School	Recovery high schools	https://www.5280highschool.org/
Connect Effect Fentanyl Awareness Campaign for Youth 10-14 and Trusted Adults	Develop targeted prevention campaign for 10-14 year olds and their trusted adults based on evidence-based social norming approach. Research and development, paid media, and materials.	SE2 Communications	School and community prevention and education programs	Https://www.connecteffect.com

How should expenditures be categorized in an Expenditure Report?

All Opioid Funds shall be used for Approved Purposes (*see* Section B.4 of the Colorado MOU). Every expenditure shall be reported under the most specific Approved Purposes in COST.

The full list of Approved Purposes can be found in Exhibit E of the national opioid settlements. Exhibit E is organized into 3 large sections (Prevention, Treatment, Other) with 12 specific sub-sections (*click here for the full list of full Approved Purposes*).

The 12 sub-sections are reorganized under 6 sections in COST – Prevention, Treatment, Harm Reduction, Recovery, Opioid Abatement Planning and Coordination, and Additional Areas.

What are Approved Purposes?

Section B.4 of the Colorado MOU requires that all Opioid Funds be used for Approved Purposes. "Approved Purposes" are defined in the Colorado MOU as "forward looking strategies, programming, and services to abate the opioid epidemic [ ]." Exhibit E to the national opioid settlements provides a detailed illustration of Approved Purposes.

Approved Purposes can also include reasonable administrative costs associated with overseeing and administering Opioid Funds (*click here for the full list of full Approved Purposes*).

Please review the Colorado MOU and Exhibit E for additional terms and information related to Approved Purposes.

REPORTING ADMINISTRATIVE COSTS

Do administrative costs need to be reported?

Yes. Participating Local Governments, Regional Councils, and the State shall include the expenditure of all Opioid Funds, including administrative costs, in their Expenditure Report.

Are administrative costs an Approved Purpose?

"Approved Purpose(s)" includes "reasonable administrative costs associated with overseeing and administering Opioid Funds [ ]" (*see* Definition of Approved Purpose(s) in the Colorado MOU).

Is there a limitation on administrative costs?

Yes. Reasonable administrative costs for Participating Local Governments and Regional Councils shall not exceed actual costs or 10% of the Participating Local Government or Regional Council's allocation (*see* Sections E.7 and F.8 of the Colorado MOU).

What is an administrative cost?

Administrative costs are expenditures made for overseeing and administering Opioid Funds (*see* Definition of "Approved Purpose(s)" in the Colorado MOU).

Typical administrative costs include costs associated with fiscal management, such as staffing time to receive, disburse, track, and report on Opioid Funds. Other administrative costs associated with overseeing and administering Opioid Funds include costs related to procurement, grant-making, and legal counsel.

Costs associated with the facilitation, development, or execution of a program or activity should be reported under the relevant Approved Purpose.

Please note that administrative costs are distinct from indirect costs. Please see the next section for more guidance on reporting indirect costs.

How are administrative costs reported?

Administrative costs shall be reported as itemized expenditures in COST.

Please note that Section H.1 of the Colorado MOU requires all Parties and Regional Councils to maintain all records related to the receipt and expenditure of Opioids Funds for no less than five years.

Do administrative costs expended by a sub-recipient need to be reported?

A sub-recipient's administrative costs DO NOT need to be reported as administrative costs UNLESS those costs were expenditures for the purpose of overseeing and administering Opioid Funds.

A sub-recipient's administrative costs should be reported under the relevant Approved Purpose.

REPORTING INDIRECT COSTS

What are indirect costs?

Indirect Costs are costs incurred in connection with a program or activity funded, that are not readily assignable to a particular program/activity but are necessary to the operation and/or the performance of a program/activity.

Indirect Costs may include, but are not limited to:

- Facility operation and maintenance
- Leadership and human resources staff
- Office materials and supplies
- Asset depreciation

Can Regions, Local Governments, or the State use opioid settlement funds for indirect costs incurred for Approved Purposes?

Yes. Regions, Local Governments, and the State may use opioid settlement funds for programs/activities that include indirect costs so long as those indirect costs are:

- Reasonable and necessary for carrying out the approved program or activity
- Included as part of the program/activity with an associated Approved Purpose for reporting purposes

How should indirect costs be reported?

Any indirect costs expenditures should be reported as part of the related expenditure for which the indirect costs were incurred. Indirect costs do not need to be separated out as a separate expenditure.

For example, if a program incurred $15,000 worth of indirect costs on $150,000 direct programmatic costs, the collective $165,000 would be reported as one program/activity expenditure line.

Please note that indirect costs are distinct from administrative costs. Please see the previous section for more guidance on administrative costs.

REPORTING INTEREST EARNED ON OPIOID FUNDS

Does interest earned on Opioid Funds need to be reported?

Yes. Interest earned on Opioid funds must be used for Approved Purposes. If Opioid Funds are kept in an interest-bearing account, any interest and investment gains recognized on those Opioid Funds shall be reported.

How is interested recognized reported?

Interest earned on any Opioid Funds should be reported as the sum of all interest and investment gains recognized through December 31, 2025. Expenditures of interest earned should be reported via the text field on the additional information reporting step.

HOW TO CATEGORIZE EXPENDITURES

As a general matter, expenditures should be reported under the most specific Approved Purpose as identified in Exhibit E of the national opioid settlements.

The full list of Approved Purposes can be found in Exhibit E of the national opioid settlements. Exhibit E is organized into 3 large sections (Prevention, Treatment, Other) with 12 specific sub-sections (*click here for the full list of full Approved Purposes*).

The 12 sub-sections are reorganized under 6 sections in COST – Prevention, Treatment, Harm Reduction, Recovery, Opioid Abatement Planning and Coordination, and Additional Areas.

What expenditures need to be itemized in the Expenditure Report?

Expenditures should be itemized for each distinct program or activity under the most specific Approved Purpose.

Expenditures should ALSO be itemized if the expenditure was $50,000 or more per sub-recipient, or if the expenditure accounted for 10% or more of the total amount expended in the reporting period.

Example 1: Participating Local Government disbursed $300,000 to provide naloxone kits to three different first responder organizations in their community, $100,000 for each organization. The three $100,000 expenditures shall be reported separately and categorized by the applicable Approved Purpose, identifying each organization that received an expenditure.

Example 2: Participating Local Government disbursed $30,000 of its $900,000 total in funds expended for the reporting period to disburse naloxone kits to several first responder organizations in their community. The expenditure report shall reflect a $30,000 expenditure and be categorized by the applicable Approved Purpose, identifying each organization that received the expenditure in the sub-recipient field. The expenditure DOES NOT need to be itemized to reflect the specific amounts expended to each organization because the amount per expenditure was less than $50,000 and the expenditure accounted for less than 10% of the total amount expended.

Example 3: Participating Local Government's expenditures total $30,000 for the reporting period. $15,000 of the total was expended to distribute naloxone kits to three first responder organizations in the community, $5,000 per organization. The $15,000 expenditure shall be itemized to identify the specific expenditure amounts ($5,000) for each organization categorized by the applicable Approved Purpose for each because the $5,000 amount is more than 10% of the total expended (10% of $30,000 = $3,000).

How should an expenditure be categorized if it was made for multiple Approved Purposes?

If a single expenditure was made for multiple Approved Purposes regardless of dollar amount, the expenditure should be broken down to reflect the amounts related to each Approved Purpose when feasible.

Example: A Participating Local Government disbursed $40,000 to a single sub-recipient for education programs to educator providers through two distinct programs for $30,000, (1) training licensed nurses on non-opioid pain treatment alternatives and $10,000 for (2) pharmacy dispenser naloxone education.

The Participating Local Government should report each expenditure separately, categorizing each according to the applicable and specific Approved Purpose section/sub-section rather than $40,000 under the broader "Medical provider education on opioid prescribing".

$30,000 should be properly categorized as "Non-opioid pain treatment alternatives" and $10,000 should be properly classified for "Pharmacy dispenser education."

How should multiple expenditures be categorized if made to a single sub-recipient for multiple Approved Purposes?

Expenditures should be categorized by the applicable Approved Purpose(s), not by recipient of the expenditure.

If expenditures were made to a sub-recipient for multiple Approved Purpose, each expenditure should be reported separately and categorized by the most specific Approved Purpose when feasible.

Example: Participating Local Government expended a total of $500,000 to a single sub-recipient for criminal-justice-involved persons programs: $250,000 for a pre-arrest diversion program and $250,000 for evidence-informed treatment, recovery, re-entry for criminal justice-involved persons.

Each $250,000 expenditure shall be reported separately and categorized by the applicable Approved Purpose, "Pre-Arrest diversion strategies" and "Re-entry from jail treatment, recovery or harm reduction services". Each reported expenditure will identify the sub-recipient as the recipient of the $250,000 expenditure.

Please note that expenditures should not be combined under a broader Approved Purposes such as "Services for people involved in criminal justice system (general)" when more specific Approved Purposes are appropriate.

How should multiple expenditures to the same sub-recipient for the same Approved Purpose be reported?

If multiple expenditures were made to the same sub-recipient for the same program/activity under an Approved Purpose, only the total amount expended for the reporting period need be reported. Recurring expenditures do not need to be individually itemized.

If multiple expenditures were made to the same sub-recipient for the same Approved Purpose program, only the total amount of expenditures need be reported.

Example: A Participating Local Government made three $75,000 expenditures to the same sub-recipient, all as part of a program to expand the availability of naloxone. The Local Government shall report a $225,000 expenditure categorized by the applicable Approved Purpose.

Example 2: Participating Local Government disbursed $30,000 of its $900,000 total in funds expended for the reporting period to disburse naloxone kits to several first responder organizations in their community. The expenditure report shall reflect a $30,000 expenditure and be categorized by the applicable Approved Purpose, identifying each organization that received the expenditure in the sub-recipient field. The expenditure DOES NOT need to be itemized to reflect the specific amounts expended to each organization because the amount per expenditure was less than $50,000 and the expenditure accounted for less than 10% of the total amount expended.

Example 3: Participating Local Government's expenditures total $30,000 for the reporting period. $15,000 of the total was expended to distribute naloxone kits to three first responder organizations in the community, $5,000 per organization. The $15,000 expenditure shall be itemized to identify the specific expenditure amounts ($5,000) for each organization categorized by the applicable Approved Purpose for each because the $5,000 amount is more than 10% of the total expended (10% of $30,000 = $3,000).

Do expenditures need to be reported by each opioid settlement (e.g. Distributors, Janssen, etc.)?

No, expenditures DO NOT need to be reported by opioid settlement. Expenditures should reflect the disbursement of all Opioid Funds, regardless of the opioid settlement(s) from which those funds came.

Do expenditures for non-Approved Purposes need to be reported?

Yes. All expenditures from Opioid Funds shall be reported. If an expenditure was made for a purpose that is not an Approved Purpose, the expenditure shall be reported and explained in the Expenditure Report.