



CONNECTICUT

Policy and Management

Legislatively Directed Funds (LDF) Information Session
April 9, 2026

General Letter 2026-01

Issued January 20, 2026

Purpose:

- Consistent and uniform approach in state agency administration of Legislatively Directed Funds (LDF)
- Compliance with state and federal requirements
- Application of best practices
- Facilitation of clear and necessary communication
- Minimize risk

Applies to:

- LDF grants and contracts executed on or after February 1, 2026
- All executive branch state agencies that are involved in administering LDFs

Definition of LDFs (aka “Earmarks”)

LDFs are specific funds directed by the legislature to specific organizations, often identifying specific purposes for which the funds have been provided.

Typically identified:

- In legislation, usually in “back of the act” language or tables, identifying specific amounts for specific organizations; or
- In correspondence from the legislature, including the budget book provided by the General Assembly’s Office of Fiscal Analysis (OFA) with narrative explaining legislative intent regarding certain appropriations or appropriation revisions.

LDF is not:

- An appropriation made through a formula-driven or competitive award process.

General Agency Responsibilities

- Utilize the best practices document, state guidelines and statutes to issue the LDF.
- The state agency may assign a point of contact for the recipient of each LDF.
- A formal notification of award is required.
- Review the submitted description of the project, intended use of funds, and budget.
- Document retention post close out of LDF shall be communicated to recipient.
- The state agency shall review and monitor required reporting documents.
- The standard process for payment of the LDF is on an invoice basis.
- If the LDF is federally funded, the award should include and abide by the Code of Federal Regulations (CFR).
- The state agency shall document decision making regarding exceptions to these best practices.
- In Core-CT, add "LDF" to ChartField 1 for tracking purposes.

Intake Process

Agencies shall utilize the best practices document to collect information about the LDF recipient.

Review may include collecting and analyzing information on recipients, as well as sub-awardees if sub-awarding is independently allowed.

LDF recipients may include a wide variety of entities or organizations, including but not limited to government entities, quasi-public agencies, and other business entities.

Helpful sources:

- [Guide to Grants Management for the State as Grantee and Grantor](#)
- [Grantee Risk Assessment Training – Pre-Award Risk Training on March 10 \(Recorded\) and May 13, 2026](#)
- [Grantee Risk Assessment Training – Post-Award Risk Training on March 30 \(Recorded\) and May 20, 2026](#)

Intake Process: Documentation

Depending on the type of recipient, documentation may include, but is not limited to:

- A state agency generated form to be completed by primary recipient(s) or sub-awardee(s)
- Documentation that identifies the primary recipient(s) and sub-awardee(s)
- A board resolution from any governing body associated with the primary recipient(s) and sub-awardee(s)
- Risk assessment documentation

Intake Process: LDF Intake Form/Checklist

LDF INTAKE FORM				
→	Recipient Legal Name:			
	Grantee UEI (SAM.GOV):			
	Organization type:			
→	Physical address registered with the CT Secretary of the State:			
	Street:	Town/City:	State:	Zip Code:
→	Physical address where the project or program will be conducted (if different from official physical address):			
	Street:	Town/City:	State:	Zip Code:
	Number of years operating in the State of Connecticut:			
→	Names of owner(s) and executive(s), and names of officers and active members of the governing board (complete on Names and Titles Sheet)			
	Name of approved authorized individual:			
	LDF period:			
→	LDF amount:			
	Description of project or use of LDF:			
→	Budget for use of LDF, including detailed spending plan:			
	<u>Budget Lines</u>	<u>Amount</u>	<u>Details</u>	
	Salaries:			
	Benefits:			
	Contractual Services:			
	Transportation:			
	Materials and Supplies:			
	Facilities:			
	Capital Expenses:			
	Other Expenses:			

Intake Process: LDF Intake Form/Checklist

By signing this document the authorized individual certifies that:		
(1) The organization has not within the past three (3) years been suspended or disbarred from any federal, state, local, or Tribal programs, awards, contracts, grants or procurements; or		
(2) Been convicted of, or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a transaction or contract with any governmental entity. This includes, but is not limited to, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records.		
Do any of the following statements apply to the organization; if yes, describe:		
	Yes	No
(1) Has the state ever terminated or suspended a contract with the organization for breach or over concerns about the health or welfare of clients?	<input type="checkbox"/>	<input type="checkbox"/>
(2) Is the organization is the subject of any investigation by any state, local, or federal agency?	<input type="checkbox"/>	<input type="checkbox"/>
(3) Is the organization involved in, or does it anticipate any litigation or other legal claims that could impact the delivery of service or the organization's ability to carry out any project associated with a state grant?	<input type="checkbox"/>	<input type="checkbox"/>
(4) Has the organization ever declared bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
(5) Are any local, state, or federal taxes currently past due (unpaid) by the organization?	<input type="checkbox"/>	<input type="checkbox"/>
(6) Is the organization is in default under any current loan agreement?	<input type="checkbox"/>	<input type="checkbox"/>
Authorized Individual Signature		
Signature Date		



Intake Process: LDF Intake Form/Checklist

CHECKLIST OF DOCUMENTATION

Identifying documentation:

Proof of business registration with the CT Secretary of the State	<input type="checkbox"/>
IRS Form W-9 (Request for Taxpayer Identification Number and Certification)	<input type="checkbox"/>
IRS Form 990 (Return of Organization Exempt from Income Tax)	<input type="checkbox"/>
Most recent tax filing	<input type="checkbox"/>
Charitable organization registration (unless exempted by C.G.S. 21a-190d)	<input type="checkbox"/>
Board resolution from any governing body associated with the recipient that empowers an authorized individual to execute and deliver a contract award in the name of, and on behalf of, the recipient of the LDF	<input type="checkbox"/>

Risk assessment documentation:

Audited financial statements for the previous two (2) years	<input type="checkbox"/>
State single audit for the previous two (2) years, if applicable	<input type="checkbox"/>
Federal single audit for the previous two (2) years, if federal monies are being directed	<input type="checkbox"/>
Audited Consolidated Statements of Financial Position - previous two (2) years (if organization was not required to file state single audit)	<input type="checkbox"/>
Current Board approved fiscal year budget	<input type="checkbox"/>
Budget vs. actual reporting for the current fiscal year and previous fiscal year	<input type="checkbox"/>
Certificate of Insurance naming State of CT as additional insured	<input type="checkbox"/>

Note to agencies: This is a draft template for intake and risk assessment purposes provided by OPM; per GL 2026-01 dated 1/20/26, agencies have discretion in best practices and may update this template and checklist as necessary. Not all documents will apply to all recipient types. State agencies may request some or all of these documents, and may request additional documents as they deem necessary.

Internal Review

Agencies are **required** to conduct an internal review and approval process.

1. Develop and document a risk assessment process and template.
2. Agency staff shall review and evaluate all information submitted under the documentation process.
3. The review process should include a sign-off by the LDF point of contact, the agency's Fiscal Office, and a senior-level member of management.
4. The state agency should review financial health and stability, audit findings, corrective plans, management letters, and previous performance.
5. The state agency should review the documented procedures and policies of the primary recipient(s) and sub-awardee(s), including but not limited to those related to accounting, cash management, finance, payroll, purchasing, conflict of interest, and internal controls.
6. If the state agency determines the primary recipient or sub-awardee fails the risk assessment, the LDF may be withheld (see withholding process).

Withholding Process

State agency should withhold the LDF if at least one of the following scenarios are met.

- Legislative leadership does not provide the state agency with the requested information about the LDF in writing, if applicable.
- The primary recipient(s) or sub-awardee(s) fail to respond or submit the required documentation.
- The primary recipient(s) is not legally incorporated or registered to do business in Connecticut.
- The primary recipient(s) or sub-awardee(s) fail to comply with the state agency policies related to the administration of the LDF.
- The primary recipient(s) or sub-awardee(s) fail risk assessment.
- The primary recipient(s) or sub-awardee(s) fail to adhere to federal or state laws.

State agency shall notify their assigned OPM budget analyst within five (5) business days in writing indicating reason(s) and including documentation.



Thank you

Questions? Contact the OPM Office of Finance
EFO.OPM@ct.gov