

**SPARK ROUND 1 - LOCAL GOVERNMENT
REIMBURSEMENT & DIRECT AID REVIEW
MEMORANDUM**

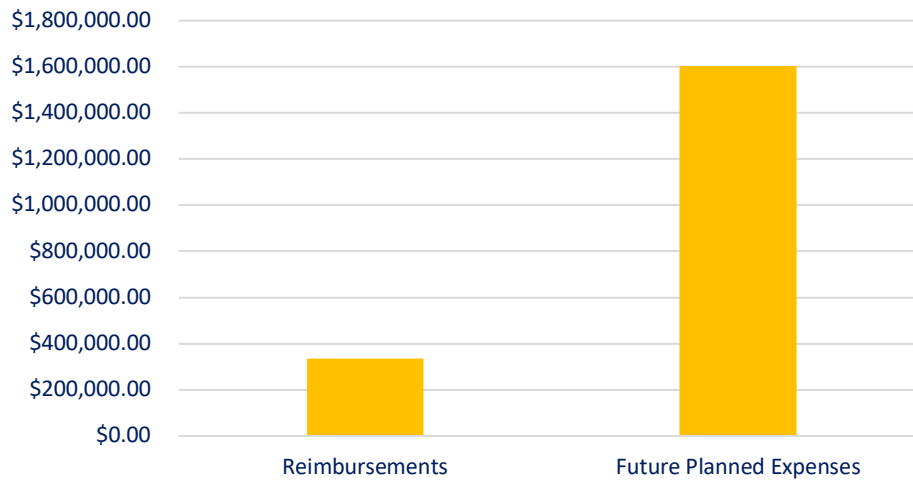
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Brown County

General Information

Population: 9,564
COVID-19 Cases 08/17/2020: 52

Total Allocation Amount: \$1,939,142.08
Total Submitted for Reimbursement: \$335,795.23
Total Submitted for Future Planned Expenditures: \$1,603,346.77

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

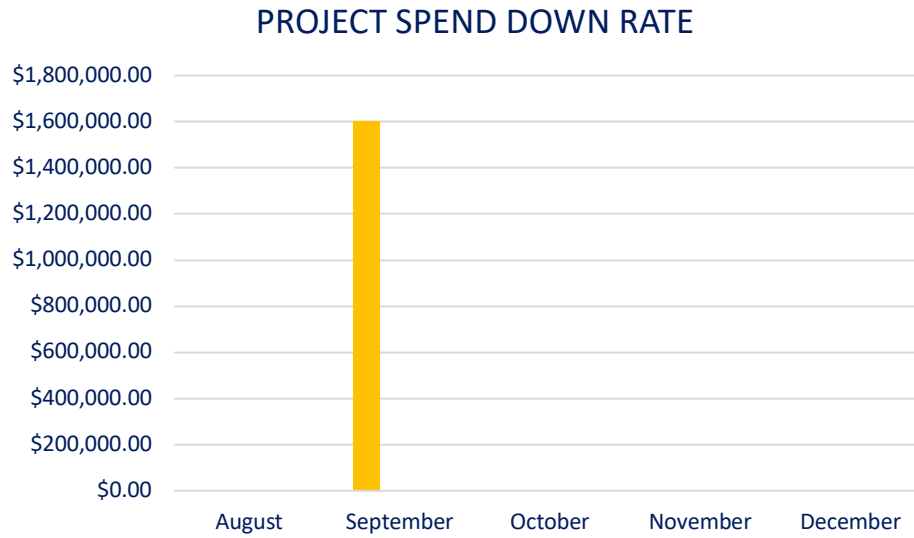
Total Amount for County Expenditures: \$335,795.23
Total Amount for Subrecipients: \$0

Subrecipients and Amounts

NO SUBRECIPIENTS LISTED

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$314,292.10
 Total Amount for Transfers: \$1,289,054.67
 Total Amount for Programs: \$0



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Kooser's General Store	Business	\$99,109.08
Horton Meat Processing LLC	Business	\$75,000.00
KANZA Mental Health	Health	\$7,312.47
Horton Public Library	Library	\$9,000.00
Morrill Public Library	Library	\$18,000.00
City of Horton	City	\$28,853.06
USD 430	Educational Institution	\$329,700.00
USD 415	Educational Institution	\$355,400.00
Town & Country EMS LLC	Business	\$198,544.00
Brown County Health Department	County	\$168,136.06
Total		\$1,289,054.67

NO PROGRAMS LISTED

Definitions

General Considerations – Summarizes county expenditure data.

Technical Understanding of SPARK Process – Assesses compliance of applicant expenditure information with SPARK guidance.

Identified Compliance Considerations – Highlights requested items that may present potential complications for CRF support eligibility.

Spending Plan Request for Additional Information – Specifies what information is still needed from the recipients.

Modifications Required – Requests any changes still needed to a Reimbursement or Direct Aid plan for proper review.

Conclusion – Gauges whether the county's plan has sufficient information to move forward in the eligibility review process and highlights any remaining concerns.

General Considerations

Brown County has submitted reimbursement requests only for County expenditures. No subrecipients were listed in the Reimbursement Report. Nonetheless, Educational Institutions, the City of Horton, and the LatchKey Program were listed as recipients of funds in the county's reported expenditures.

The County has prioritized transfers in its direct aid plan. Transfers account for 80.4% of the \$1,603,346.77 submitted for future planned expenditures. No proposed program costs were listed. The County's monthly expenditure plan indicates it intends to spend all direct aid in the month of September.

Technical Understanding of SPARK Process

Brown County and its subrecipients demonstrate a generally proficient understanding of the intent of the SPARK committee and reporting expectations as exemplified by their detailed reporting of expenditures for reimbursements and direct aid. However, some non-County-level entities were included in the County's direct reimbursement request. These expenditures should have been reported as transfers and must have corresponding subrecipient expenditure reports. Finally, in the direct aid plan, the County Health Department was listed as a subrecipient transfer despite being a County entity. Our identified risks and compliance considerations are outlined below.

Identified Considerations

1. Payroll Expenses

The matter of reimbursement for previously budgeted but substantially dedicated public safety and public health staff to COVID-19 related responsibilities remains an item of subjective interpretation. The Office of Recovery understands that many Counties and Cities are intending to utilize funding provided through CRF to account for this staff time. At this time, consistent with recently released guidance, the Office of Recovery has determined that the County may proceed with reimbursing the following payroll expenses:

- COVID-19 related FFCRA and FMLA leave costs
- Payroll for budgeted personnel and services diverted to a substantially different use than previously budgeted position (example: utility clerk re-assigned to support contact tracing)
- Previously unbudgeted staff hired to assist with COVID-19 related response or mitigation.

- Payroll for budgeted public safety and public health personnel that are considered substantially dedicated to preparing for, mitigating against or responding to COVID-19, and whose actions can be clearly documented. Public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.
- Overtime cost burden associated with public safety, public health, health care, human services, or other employees experienced by the County, Cities or Schools as a result of increased workload associated with mitigating or responding to COVID-19 -or- backfill coverage as a result of staffing shortages tied to COVID-19 (including as a result of staff out due to a qualifying FFRCA or FMLA leave).

The U.S. Treasury’s Office of Inspector General recently released additional guidance on how payroll expenses should be documented (OIG-CA-20-028; #62, 69-71). The County should ensure that all payroll is documented compliant to the OIG Guidance.

2. Meat Production Equipment for Kooser’s General Store and Horton Meat Processing, LLC

\$124,109.08
 Direct Aid

While Brown County can provide CRF funds to area businesses, the County should ensure they have documented that expanding meat processing capacity is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks.

3. Technology Costs of Libraries, City and Educational Institutions

\$247,253
 Direct Aid

While expenditures for technology to promote teleworking, distance learning, or other activities necessary due to the COVID-19 pandemic are allowable, from the information provided, it remains unclear what items the funds will be used to purchase. The County should ensure that this expense responds clearly to purpose and intent of CRF funding, meets all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

Spending Plan Request for Additional Information

The following items require additional information for the State to feel comfortable with proceeding

Item	Recipient	Amount	Comment

Meat Production Equipment	Kooser's General Store	\$74,109.08	More information is required on the necessity of this item as a response to the COVID-19 pandemic and on timeline considerations.
	Horton Meat Processing LLC	\$50,000.00	

Modifications Required

No modifications are required at this time.

Conclusion

1. Based on the documents provided by Brown County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Brown County should provide responses to all requests for additional information outlined in this memo.
3. Brown County's Project Spend Down Rate is in accordance with program guidelines and eligibility; however, the plan to expend all direct aid during the month of September may need to be revisited if there are delays in planned purchases or services being provided. The covered period extends until December 30, 2020 to accommodate any necessary extensions of time.

Subject to review of the additional documentation requested and considerations regarding payroll expenses, Brown County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plans.