

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

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

General Information

Population: 8,786

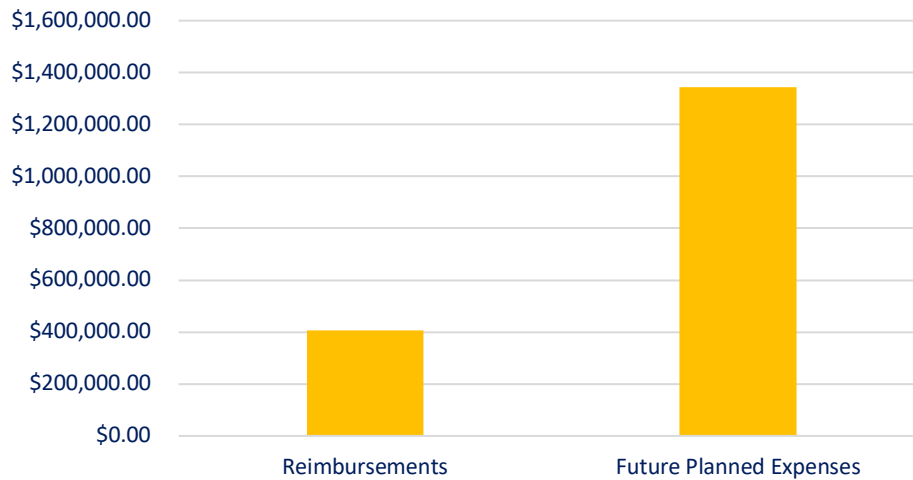
COVID-19 Cases as of 08/17/2020: 43

Total Allocation Amount: \$1,748,585.79

Total Submitted for Reimbursement: \$381,798.63

Total Submitted for Future Planned Expenditures: \$1,366,787.37

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$68,316.27

Total Amount for Subrecipients: \$313,482.36

Subrecipients and Amounts

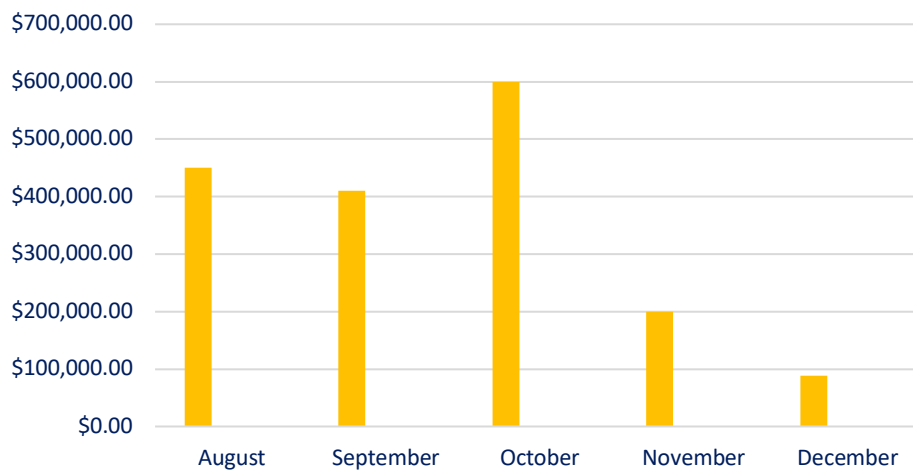
Subrecipient	Type	Amount
City of Aurora	City	\$169.57
City of Clyde	City	\$5,643.53
City of Concordia	City	\$9,252.24
City of Jamestown	City	\$4,023.00
City of Miltonvale	City	\$14,055.82
USD 224	Educational Institution	\$23,481.54
USD 333	Educational Institution	\$146,278.80
USD 334	Educational Institution	\$28,185.53

Cloud County Community College	Higher Education Institution	\$82,392.33
Total		\$313,482.36

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$565,324.74
 Total Amount for Transfers: \$488,962.63
 Total Amount for Programs: \$312,500.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Aurora	City	\$13,218.64
City of Clyde	City	\$39,677.76
City of Concordia	City	\$283,813.50
City of Glasco	City	\$37,207.65
City of Jamestown	City	\$20,540.15
City of Miltonvale	City	\$23,380.79
USD 224	Educational Institution	\$25,287.59
USD 333	Educational Institution	\$8,249.23
USD 334	Educational Institution	\$6,052.81
Cloud County Community College	Higher Education Institution	\$31,534.51
Total		\$488,962.63

Proposed Programs

Program Title	Program Description	Program Budget Amount
Cloud County Back to Business Grant	Businesses in Cloud County have been significantly impacted due to COVID-19. Many need additional funds to reopen and	\$259,750.00

stay open safely. Some businesses have seen significant revenue losses due to closure or have had to spend significant money to stay open in a safe manner. We propose the following plan to assist businesses in Cloud County.

Cloud County Not for Profit Grant program	Not for Profit organizations have been significantly impacted by COVID-19, losses of revenue, additional dollars for PPE and spending more resources to help impacted residents. This program will provide reimbursement for losses in fundraising and additional funds for PPE and supplies to continue to support citizens in a safe manner.	\$52,750.00
Total		\$312,500.00

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

Cloud County has prioritized Cities and Educational Institutions for its reimbursement requests. Subrecipients account for 82.11% of the \$381,798.63 in reimbursement requests. No reimbursement requests were listed for the City of Glasco, though it was included in the Reimbursement Report.

The County is prioritizing its independent expenses in its direct aid plan. County independent expenses account for 41.36%, transfers for 35.77%, and two County Government-sponsored programs for 22.86% of direct aid requests. The subrecipients receiving transfers include Cities and Educational Institutions.

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.

Technical Understanding of SPARK Process

Cloud County and its subrecipients demonstrate a generally proficient understanding of the SPARK eligibility standards as exemplified by their detailed reporting of expenditures for reimbursements and

direct aid. However, signatures are missing from the summary pages of the two documents and the Reimbursement Report is missing the total figure for transfers. Our identified risks and compliance considerations for these 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 FFCRA 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. Cloud County Back to Business and Not for Profit Grant Programs

\$ 312,500
Direct Aid

As these are identified as grant programs, additional information is requested, including a description of how applicants will apply and be selected.

3. Disinfection of Schools During Closures

\$ 23,466.55
Reimbursement

Beginning March 17, 2020, pursuant to Kansas Governor Laura Kelly's Executive Order # 20-07, Kansas' schools have been closed with no plans to reopen until after Labor Day. Thus, it is unclear why USD 224 required these purchases of disinfectant during this period of school closures. More information is needed to establish the necessity of these items and how they were used.

4. Public Health Expense and Security Equipment Relevance

\$26,636
 Direct Aid

More information is needed to ascertain how these expenses are needed to respond to the COVID-19 pandemic. Currently, it is unclear how the items listed will address the pandemic.

5. Outdoor Collection Dropbox Use

\$3,271.00
 Reimbursement

More information is needed to ascertain how this expense is needed to respond to the COVID-19 pandemic. Currently, it is unclear how the item listed addresses the pandemic.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
Back to Business and Not for Profit Grant Programs	Cloud County	\$259,750.00	More information is required on how this grant program will function, including application and awarding procedures.
	Government	\$52,750.00	
Disinfecting and Cleaning Products Purchases	USD 224	\$ 23,466.55	More information is required on the necessity of these purchases as they appear to have been made during school closures.

Modifications Required

The following modifications are requested to the provided Reimbursement or Direct Aid plan in future reporting.

- Add signature to summary pages in future reporting documents.
- Resolve \$23,481.54 discrepancy between the total reimbursement figures in the two documents

Conclusion

1. Based on the documents provided by Cloud County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Cloud County should provide requested modifications and responses to all requests for additional information outlined in this memo.
3. Cloud County has an appropriate Project Spend Down Rate in accordance with program guidelines and eligibility.
4. For the Back to Business and Not for Profit Grant Programs, if not already in place, Cloud County should consider development of an application process and establish a review committee to ensure equal access to funds from potential qualified applications. The County should also appropriately advertise the programs within the community.

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