

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

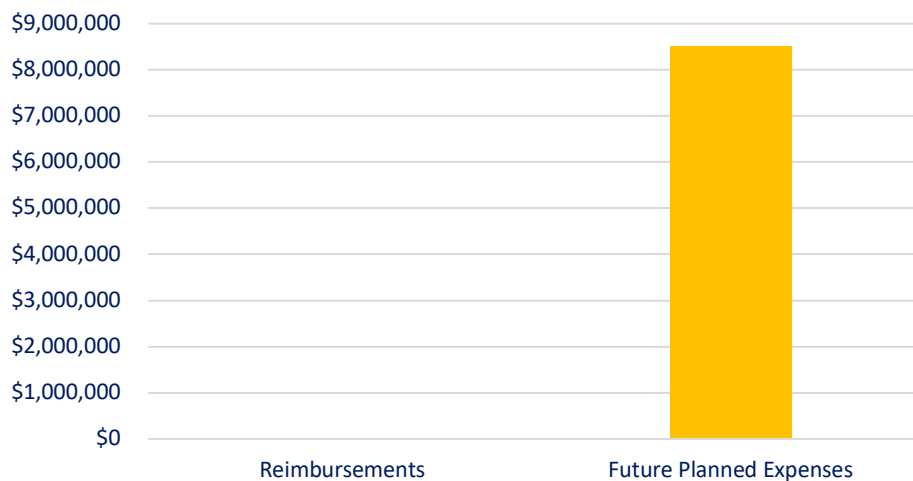
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Crawford County

General Information

Population: 38,818
COVID-19 Cases 08/17/2020: 431

Total Allocation Amount: \$7,802,834.83
Total Submitted for Reimbursement: \$0
Total Submitted for Future Planned Expenditures: \$8,494,476.00

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

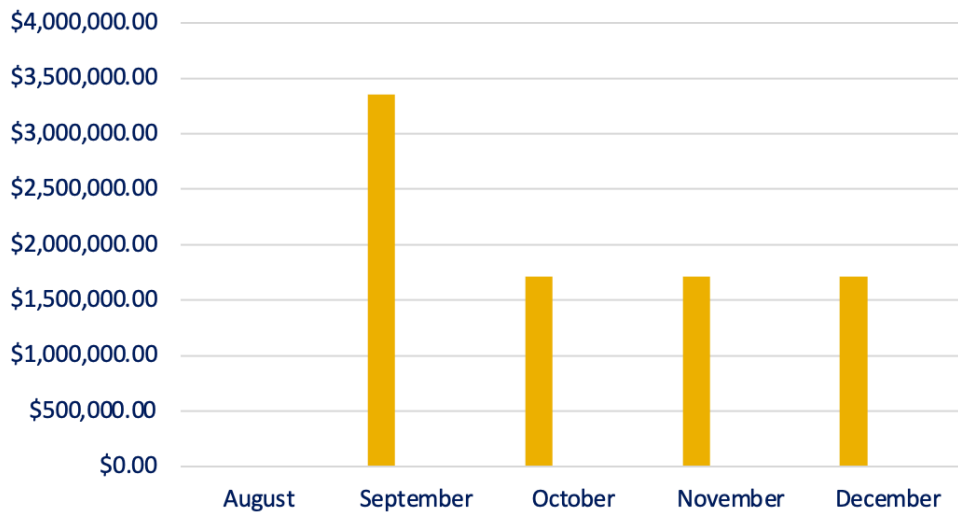
Total Amount for County Expenditures: \$0
Total Amount for Subrecipients: \$0

NO REPORTED REIMBURSEMENTS

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$5,142,415.00
 Total Amount for Transfers: \$2,675,061.00
 Total Amount for Programs: \$677,000.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Pittsburg	City	\$101,278.00
City of Girard	City	\$62,420.00
City of Frontenac	City	\$23,880.00
City of Mulberry	City	\$336.00
Girard Public Library	Library	\$1,770.00
SEK Interlocal #637	Educational Institution	\$139,998.00
USD 247	Educational Institution	\$101,132.00
USD 249	Educational Institution	\$183,973.00
USD 248	Educational Institution	\$188,181.00
USD 246	Educational Institution	\$99,023.00
USD 250	Educational Institution	\$499,310.00
Pittsburg State University	Higher Education Institution	\$1,273,760.00
Total		\$2,675,061.00

Proposed Programs

Program Title	Program Description	Program Budget Amount
Small Business/Non-Profit Grant Program	Funding could be used to recoup costs associated with COVID related signage, upgrade/cleaning expenses, PPE, payroll, fixed debts, accounts payable and other legitimate bills that were made difficult due to COVID-19.	\$677,000.00
Total		\$677,000.00

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

Crawford County did not submit any requests for reimbursement.

The County has prioritized planned independent expenditures in its direct aid plan. These expenditures comprise 60.54% of the \$8,494,476.00 in total submitted direct aid requests. Transfers account for 31.49% and programs for 7.97%. Total future planned expenditures comprise 108.86% of the County’s \$7,802,834.83 total allocation.

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

Crawford 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. The direct aid plan has a negative balance of \$691,641.00 in unreconciled funds, but indicates that the additional expenditures included are in case other requested expenditures are found ineligible by the state. 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. Small Business/Non-Profit Grant Program

\$677,000

Direct Aid

As this is identified as a grant program, additional information is requested, including a description of how applicants will apply and be selected. Additionally, the County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.

3. Clarification on Items for Reopening

\$1,344,271

Direct Aid

As Pittsburg is a State University, the Office of Recovery will engage with the County directly regarding additional reporting requirements required of the County associated with the proposed transfer.

4. City of Girard - COVID-19 Paperwork Item

\$27,185.00

Direct Aid

It is unclear what this item entails and how the expenditure is a necessary response to the COVID-19 pandemic. More information is needed to ascertain what kind of paperwork will be done and how it is related to COVID-19.

5. SEK Interlocal #637 - Technology Item Purpose

\$52,683.00
 Direct Aid

CRF guidance does allow support for technology for distance learning purposes, for example, technological improvements, in connection with school closings to enable compliance with COVID-19 precautions. From the information provided, it is unclear what kinds of technology will be procured and more information is required to establish the items to be purchased will be for allowable distance learning purposes.

6. PPE - Possible Duplicate Item

\$58,858.00
 Direct Aid

This item seems to duplicate another PPE item requested by the recipient at a higher cost. More information is required to substantiate the additional expenditure.

7. Rental/Eviction Assistance Selection Process

\$20,000
 Direct Aid

More information is required on how the recipient intends to advertise such assistance and make it available to residents in an equitable fashion.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
Small Business/Non-Profit Grants Program	Crawford County Government	\$677,000	More information is required on how this grant program will function, including application and acceptance procedures.
Eviction and Rental Assistance	City of Pittsburg	\$20,000	More information is required to establish qualification and selection process for residents.
Distance Learning Technology	SEK Interlocal #637	\$52,683	More information on types of items to be purchased is required.

PPE	USD 250	\$58,858.00	This item may be a duplicate of another item requested by the recipient at a higher cost; more information is needed on the difference in the additional request.
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Modifications Required

No modifications are required at this time.

Conclusion

1. Based on the documents provided, Crawford County appears to have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed the State's SPARK spending plan process.
2. Crawford County should provide responses to all requests for additional information outlined in this memo.
3. Crawford County's Project Spend Down Rate is in accordance with program guidelines and eligibility; however, the plan to expend 22% of all direct aid during the month of December may require close monitoring to ensure all funds are expended in accordance with CARES Act requirements by December 30, 2020.

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