

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

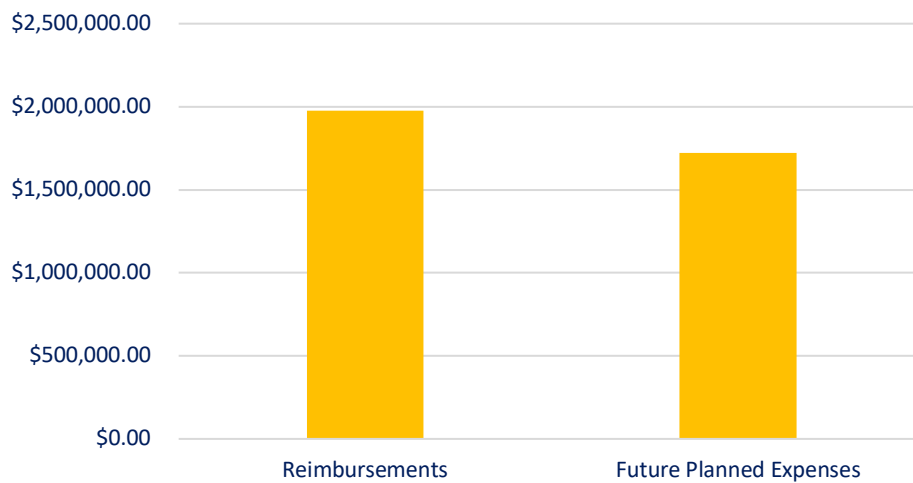
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Dickinson County

General Information

Population: 18,466
 COVID-19 Cases 08/17/2020: 55

Total Allocation Amount: \$3,698,528.29
 Total Submitted for Reimbursement: \$1,977,073.12
 Total Submitted for Future Planned Expenditures: \$1,721,454.88

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$787,171.81
 Total Amount for Subrecipients: \$973,127.27
Team-Calculated Total: \$1,760,299.08

Subrecipients and Amounts

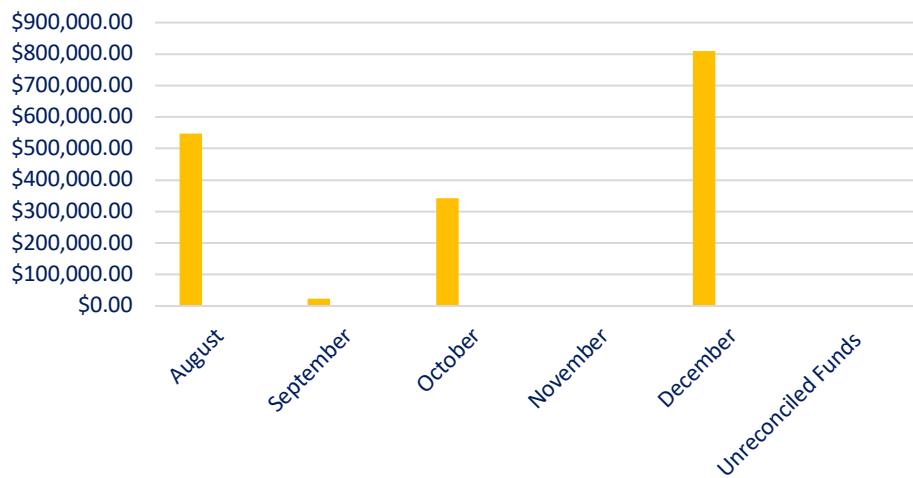
Subrecipient	Type	Amount
City of Solomon	City	\$11,691.93
City of Woodbine	City	\$2,195.59
City of Hope	City	\$74.09
City of Enterprise	City	\$284.14
City of Chapman	City	\$2,321.29
City of Abilene	City	\$47,515.66

Central Kansas Mental Health	Health	\$3,269.24
St. Andrew's School	Educational Institution	\$3,059.08
USD 435	Educational Institution	\$110,177.89
USD 473	Educational Institution	\$318,661.12
USD 487	Educational Institution	\$309,468.38
USD 393	Educational Institution	\$164,408.86
Total		\$973,127.27

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$1,291,525.88
 Total Amount for Transfers: \$429,929.00
 Total Amount for Programs: \$0

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Hope	City	\$1,000
City of Herington	City	\$9,561.00
Central Kansas Mental Health	Health	\$10,516.11
St. Andrew's School	Educational Institution	\$3,125.00
USD 473	Educational Institution	\$95,000.00
USD 487	Educational Institution	\$203,880.00
USD393	Educational Institution	\$106,850.00
Total		\$429,932.11

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

Dickinson County has prioritized its reimbursement requests for Cities, Educational Institutions, and the Central Kansas Mental Health Center. Subrecipients account for 55.28% of the \$1,760,299.08 (RO-calculated figure) in submitted reimbursement requests reported.

The County submitted a slightly smaller direct aid plan prioritizing independent County expenditures. These expenditures account for 73.37% of the \$1,721,454.88 in submitted future planned expenses. Subrecipients again include Cities, Educational Institutions, and the Central Kansas Mental Health Center. No proposed programs costs were reported. Monthly expenditure figures indicate the County plans to spend 46.98% of its future expenditures in December.

There is a \$216,774.04 discrepancy between the reported total reimbursement requests and the team-calculated figure, and a slight discrepancy of \$3.11 between the total transfers reported and the sum of the detailed transfer figures.

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

Despite the aforementioned discrepancy, Dickinson 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. 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. PPE Reserve

\$100,000

Direct Aid

The CRF guidance FAQ states:

“Q: May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?”

A: Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.”

While purchase of PPE is allowable under CRF conditions, procurement of a PPE reserve for future use should be supported by sufficient information to justify preparation for an imminent outbreak of COVID-19.

3. USD-473 Medical Expenses Cost

\$192,800

Reimbursement

While expenditures for medical expenses are allowable under CRF conditions, more information is requested regarding the exact medical expense proposed and how it related to the COVID-19 impact on education institutions.

4. Central Kansas Mental Health and City of Abilene - Technology Costs Ambiguity

\$141,708.19

Reimbursement & Direct Aid

Expenditures for technology to support telework, distance learning, and other COVID-19-related activities are allowable under CRF rules. With the current information provided, it remains unclear what these items will be used for and how they are needed to respond to the COVID-19 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
PPE Reserve	Dickinson County Government	\$100,000.00	More information is required to establish necessity for purchase during covered period.
Medical Expenses	USD 473	\$192,800.00	More information is needed on the proposed medical expenses and how they relate to the COVID-19 impact on educational institutions
Central Kansas Mental Health	Central Kansas Mental Health	\$141,708.19	More information is requested on the proposed technology equipment.

Modifications Required

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

- Resolve the \$216,774.04 discrepancy in the Reimbursement Report summary and Direct Aid plan in future reporting
- In the Reimbursement Report, resolve the discrepancy of \$3.11 between the total transfers reported and the sum of the detailed transfer figures

Conclusion

1. Based on the documents provided by Dickinson County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Dickinson County should provide requested modifications and responses to all requests for additional information outlined in this memo.
3. Dickinson County's Project Spend Down Rate is in accordance with program guidelines and eligibility; however, monthly expenditure figures indicate the County plans to spend 46.98% of its future expenditures in December. Close monitoring will be required in order for the County to ensure funds are expended in accordance with the plan within the covered period ending December 30, 2020.

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