

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

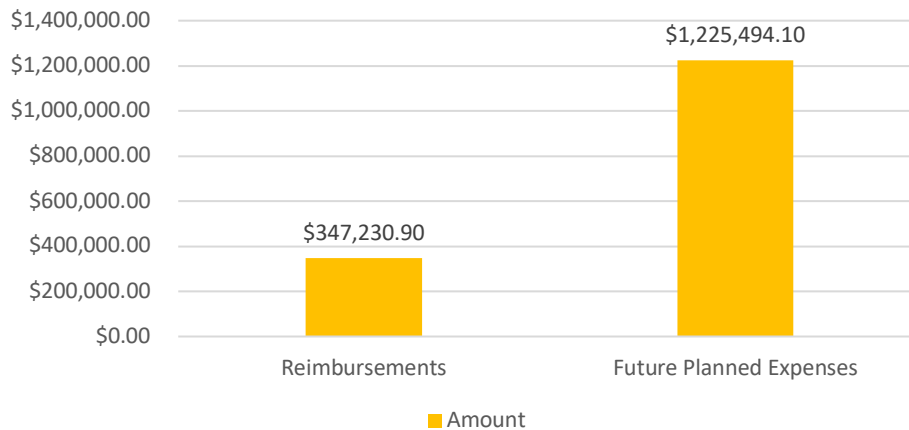
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Doniphan County

General Information

Population: 7,600
 COVID-19 Cases 08/17/2020: 52

Total Allocation Amount: \$1,572,724.65
 Total Submitted for Reimbursement: \$347,230.90
 Total Submitted for Future Planned Expenditures: \$1,225,494.10

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$75,267.51
 Total Amount for Subrecipients: \$271,963.39

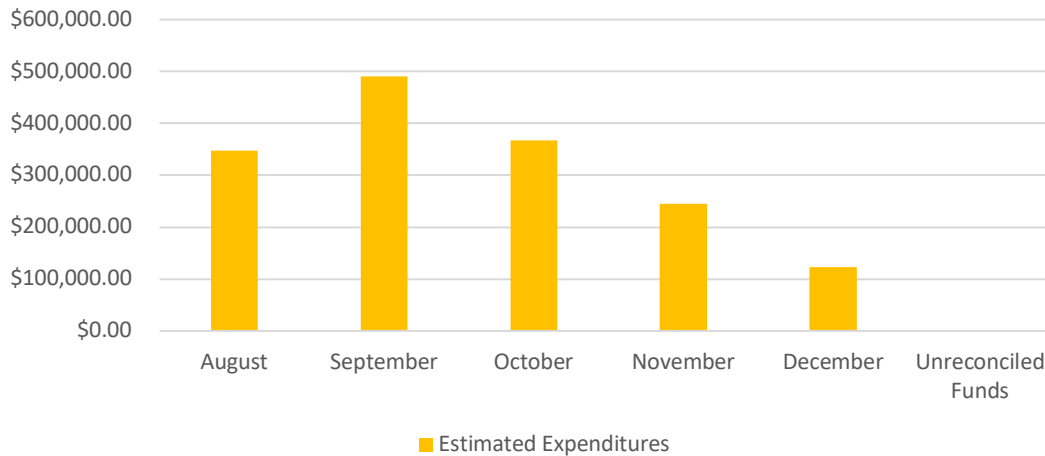
Subrecipients and Amounts

Subrecipient	Type	Amount
City of Troy	City	\$695.09
City of Wathena	City	\$409.08
Doniphan County Ambulance District 1	Taxing Authority	\$279.65
Highland Community College	Higher Education	\$164,818.89
USD 111	Educational Institution(s)	\$23,017.10
USD 114	Educational Institution(s)	\$13,951.44
USD 429	Educational Institution(s)	\$68,792.14
Total		\$271,963.39

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$200,925.00
 Total Amount for Transfers: \$824,569.10
 Total Amount for Programs: \$200,000.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 114	Educational Institution(s)	\$292,767.92
USD 429	Educational Institution(s)	\$184,064.18
USD 111	Educational Institution(s)	\$265,452.00
City of Troy	City	\$19,835.00
City of Wathena	City	\$26,350.00
Doniphan County Library District 1	Library	\$21,100.00
Highland Community College	Higher Education	\$15,000.00
Total		\$824,569.10

Proposed Programs

Program Title	Program Description	Program Budget Amount
Non-Profit Grant Program	This program is designed to provide economic support to non-profit organizations negatively impacted by the COVID-19 pandemic. The program will provide grants to applicants in the community to benefit the underserved and vulnerable populations. The program will be developed in August 2020 with applications accepted in September and disbursements made	\$100,000.00

	between September and December 2020. Total allocation available for grants \$100,000.	
Business Grant Program	This program is designed to provide economic support to small businesses negatively impacted by the COVID-19 pandemic. The program will provide grants to applicants in the community. The program will be developed in August 2020 with applications accepted in September and disbursements made between September and December 2020. Total allocation available for grants \$100,000.	\$100,000.00
	Total	\$200,000

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

The majority of Doniphan County’s funding allocation is designated for future expenditures with the largest portion intended for transfers to other entities. The County’s local school districts are the entities receiving the majority of the funding between both reimbursements and direct aid.

The County should ensure that these expenses respond 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

Doniphan 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. Non-profit and Business Grant Programs

\$200,000.00

Direct Aid

As these are identified as grant programs, additional information is requested, including a description of how applicants will apply and be selected. The county should be aware that although a broad range of uses are allowed, CARES Act funding cannot be used to fill shortfalls in government revenue or to cover expenditures that would not otherwise qualify under the statute.

3. USD 429 Whiteboards

\$30,859.00

Reimbursements

Two line items from USD 429's reimbursements refer to technology costs for white boards. The County should ensure that this expenditure demonstrates a nexus 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
Non-profit and Business Grant Programs	Doniphan County	\$200,000	More information is requested regarding the application and review processes planned for these grant programs.

Modifications Required

No modifications are required at this time.

Conclusion

1. Based on the documents provided by Doniphan County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Doniphan County should provide responses to all requests for additional information outlined in this memo.
3. For the Non-Profit and Business Grant Programs, if not already in place, Doniphan 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.
4. Doniphan County has an appropriate Project Spend Down Rate in accordance with program guidelines and eligibility.

Subject to review of the additional documentation requested, making the modification(s) listed above, and considerations regarding payroll expenses, Doniphan County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.