

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

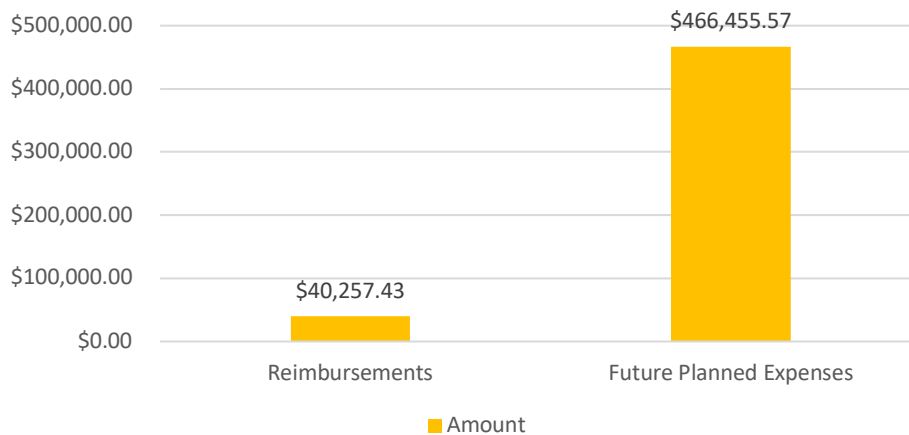
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Elk County

General Information

Population: 2,530
 COVID-19 Cases 08/17/2020: 1

Total Allocation Amount: \$506,713.21
 Total Submitted for Reimbursement: \$40,257.43
 Total Submitted for Future Planned Expenditures: \$466,455.57

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$10,878.82
 Total Amount for Subrecipients: \$29,378.61

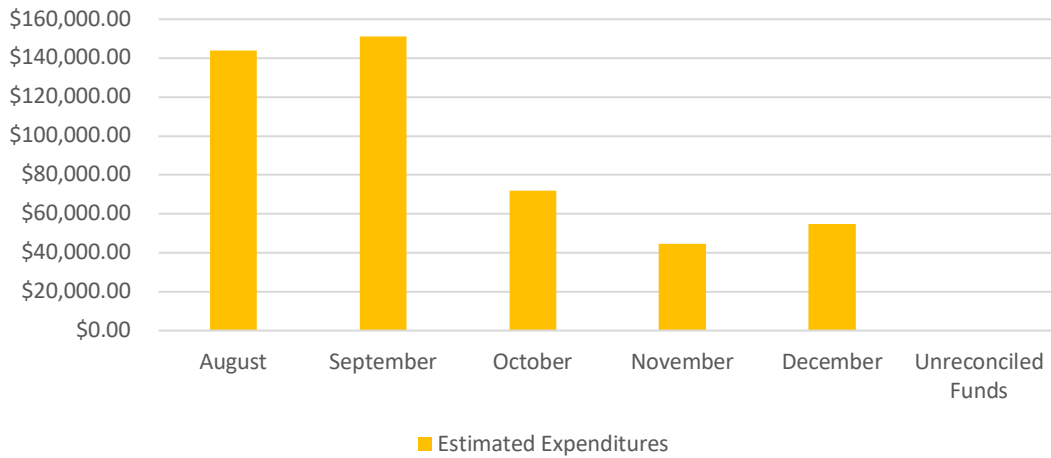
Subrecipients and Amounts

Subrecipient	Type	Amount
Elk County Free Fair	Community Organization	\$621.54
USD 282	Educational Institution(s)	\$15,057.67
USD 283	Educational Institution(s)	\$11,671.35
City of Moline	City	\$239.86
City of Howard	City	\$323.08
City of Grenola	City	\$1,135.00
City of Elk Falls	City	\$161.25
City of Longton	City	\$168.86
Total		\$29,378.61

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$107,510.76
 Total Amount for Transfers: \$ 316,455.57
 Total Amount for Programs: \$50,000

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Elk Falls	City	\$3,553.66
City of Grenola	City	\$10,500.00
City of Howard	City	\$3,998.50
City of Longton	City	\$10,000.00
City of Moline	City	\$6,350.00
Howard Medical Clinic	Health	\$7,500.00
Moline Medical Clinic	Health	\$9,500.00
Elk County Schools	Educational Institution(s)	\$4,135.00
USD 282	Educational Institution(s)	\$119,250.00
USD 283	Educational Institution(s)	\$133,657.65
Longton Public Library	Library	\$500.00
Total		\$308,944.81

Proposed Programs

Program Title	Program Description	Program Budget Amount
Small Business Grant Program	We propose this program to assist businesses which experienced revenue shortfalls due to State Stay-at-Home orders	50,000.00

and/or incurred additional public health expenses to remain open.

Total **50,000.00**

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

The majority of Elk County’s funding allocation is designated for future spending in the form of transfers to subrecipients. One grant program is proposed that needs additional information on the application and selection process. The Summary Page of the Direct Aid Plan indicates \$ 316,455.57 is planned for transfers. This total does not reconcile with the itemized transfers included on the Planned Independent Expenditures Page of that Plan, which total \$308,944.81.

The County should ensure that all 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

Elk 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, they did not include detailed reports for transfers planned in their Direct Aid Plan. 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 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. Small Business Grant Program

\$50,000

Direct Aid

As this is identified as a grant program, the County should have a well-qualified plan for how applicants will apply and be selected. Additionally, the County should ensure they have the appropriate level of administrative capacity to effectively administer the program and/or monitor any 3rd party entity responsible for administering the grant program.

3. Generators

\$37,699

Direct Aid

The County should ensure that all 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.

Spending Plan Request for Additional Information

No additional information is required at this time.

Modifications Required

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

- The total transfers on the Summary Page of the Direct Aid Plan indicates \$ 316,455.57 is planned for transfers. This total does needs to be reconciled with the itemized transfers planned, as included on the Planned Independent Expenditures Page of that Plan
- Planned transfers need to be itemized and described in separate tabs as part of the Direct Aid Plan.

Conclusion

1. Based on the documents provided by Elk County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Elk County should provide requested modifications and responses to all requests for additional information outlined in this memo.
3. Elk County has an appropriate projected project spend down rate in accordance with program guidelines and eligibility, however, the County should make note that the covered period for expenditures ends on December 30, 2020.
4. The County should ensure that all expenses respond clearly to purpose and intent of CRF funding, meet all eligibility criteria and will be documented to the county file to support the expenses incurred before December 30
5. For the Small Business Grant Program, if not already in place, Elk 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 program within the community.

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