

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

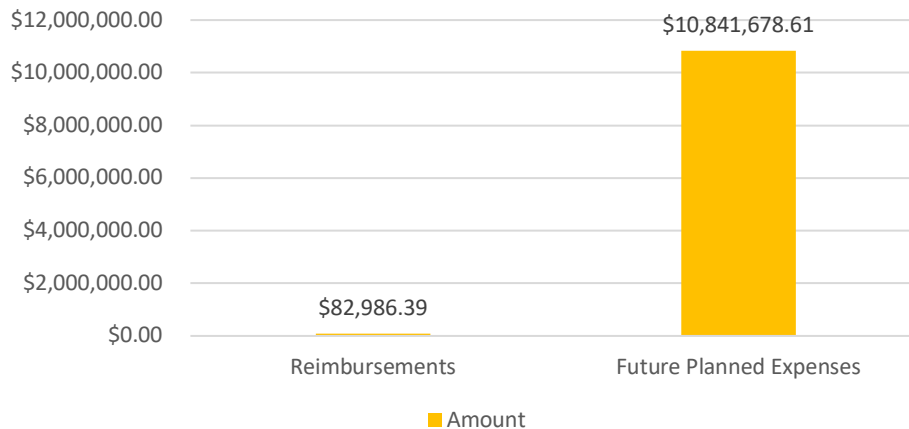
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Finney County

**General Information**

Population: 36,467  
 COVID-19 Cases 08/17/2020: 1,832

Total Allocation Amount: \$10,924,664.70  
 Total Submitted for Reimbursement: \$82,986.39  
 Total Submitted for Future Planned Expenditures: \$10,841,678.61

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$ 72,938.66  
 Total Amount for Subrecipients: \$ 10,047.73

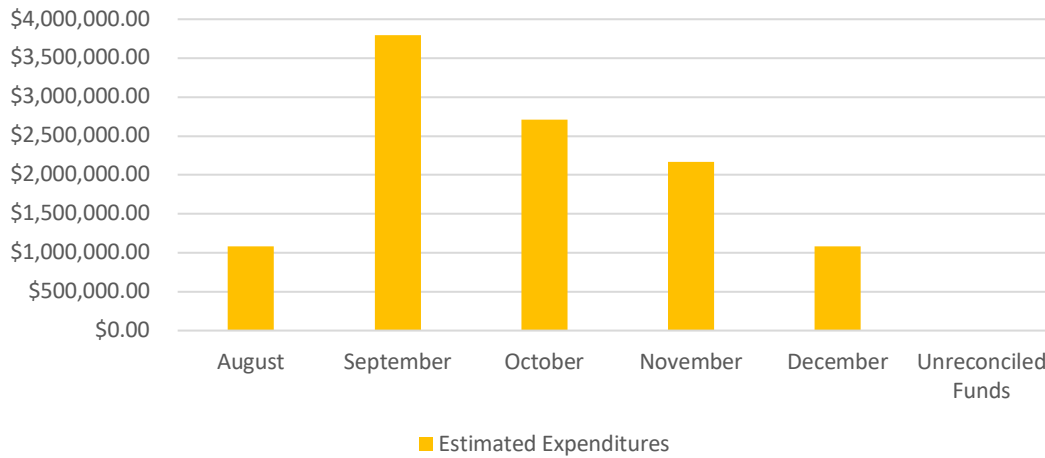
**Subrecipients and Amounts**

Subrecipient	Type	Amount
Russel Child Development Center	Community Organization	\$ 10,047.73
<b>Total</b>		<b>\$ 10,047.73</b>

### Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$ 4,422,054.06  
 Total Amount for Transfers: \$ 0  
 Total Amount for Programs: \$ 6,419,624.55

#### PROJECT SPEND DOWN RATE



### Proposed Programs

Program Title	Program Description	Program Budget
<b>COVID-19 Reimbursement and FEMA Matching Program</b>	The reimbursement program is designed to provide the County with flexible spending to reimburse local governmental entities, nonprofits, school districts, and higher education institutions for necessary and reasonable expenditures related to the COVID-19 pandemic required to make the community whole again. This program will enable the County to maximize its CRF allocation by allowing the County sufficient time to leverage other funding sources, such as FEMA Public Assistance. In addition to reimbursements, this Program will prioritize providing the required local match for FEMA Public Assistance and other federal grants.	\$957,312.05
<b>COVID-19 Household Emergency Relief Program</b>	The Household Emergency Relief Program is designed to alleviate burdens on the most vulnerable individuals or households experiencing financial crisis due to the COVID-19 pandemic. The Program provides a one-time subsidy that will be used for residents to pay up to four months of past-due rent, mortgage and utility payments and the increase in household burden for the months the household is applying for assistance as a result of job loss, reduction in work hours, or other demonstrable income hardship caused by the COVID-19 pandemic. Eligible clients will pay 30% of	\$1,092,446.50



Laura Kelly, Governor

current income toward their rent, will provide proof of income for all members of the household, will provide proof of reduction and/or loss of income due to the COVID-19 crisis, will provide a copy of their current lease and will obtain verification of landlord's acceptance of terms and conditions of County's rental assistance.

Furthermore, given concerns about the cost of broadband, the County will also provide direct assistance to secure broadband for those households with school attending children on free or reduced lunch under this program. Assistance can be provided to get the home wired to a provider as well as up to four months of broadband service.

<b>COVID-19 Agency Operational Relief Grant Program</b>	The Agency Operational Relief Program is designed to meet the needs of the County's small businesses and nonprofit organizations. The program provides grants to cover eligible COVID-19 expenditures made or planned through year end, including costs associated with operating losses, costs of "business interruptions and disruptions", and expenses related to public health actions. Example of qualifying COVID-19-related items include, but are not limited to: working capital and operational expenses, costs of PPE, or other eligible CRF expenditures	\$2,184,933.00
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<b>COVID-19 Response and Recovery Grant Program</b>	In response to the COVID-19 Recovery and Response Program is intended to give maximum flexibility to local organizations to propose recovery initiatives that are right sized for targeted relief of the community served. The grants are designed to help our community respond to and mitigate the impact of COVID-19.	\$2,184,933.00
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Funding for this Program will be announced through the publication of a Notice of Funding Availability (NOFA). Applicants will be required to submit a completed Application and all required supporting documents, as outlined in the NOFA. The NOFA will be made available electronically to ensure proper controls.

This approach allows the County to leverage the intellectual capital and expertise of its organizations to select the proposals that best align with the County's goals and the State's funding priorities. To lessen the administrative burden that comes with managing multiple programs, the County has established three set-asides to target connectivity, workforce development, and childcare.

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**Total** **\$6,419,624.55**

## 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

Finney County has prioritized grant programs for its CRF allocation. Total County direct aid programs equal 58.7% of all eligible expenditures, with the majority of the remaining funding used for the County's own reimbursements and future expenditures. The only organization to receive funding from Finney County outside of a grant program is the Russel Child Development Center, whose reimbursements makes up less than 1% of the County's entire allocation.

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

Finney County demonstrates a high level of technical understanding of the SPARK process. Each of the County's program descriptions provide detail to indicate that staff is aware of any potential compliance risks and will monitor the programs accordingly.

## 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. Jail HVAC Upgrade

\$70,000  
Direct Aid

This appears to represent a large construction project. The County should ensure that all costs associated with the project are incurred prior to COVID-19, and the measures are being completed directly related to the current public health crisis.

## 3. Fiber Connectivity

\$ 1,520,657  
Direct Aid

This appears to represent a large construction project. The County should ensure that all costs associated with the project are incurred prior to COVID-19, and the measures are being completed directly related to the current public health crisis.

## Spending Plan Request for Additional Information

No further information is requested at this time.

## Modifications Required

No modifications required at this time.

## Conclusion

1. Based on the documents provided by Finney County, it appears they have a high level of understanding of the eligibility requirements relative to CARES Act funding and appropriately followed this process.
2. Finney County should provide responses to all requests for additional information outlined in this memo.

3. Finney County has proposed many subrecipient arrangements largely through grant programs. The county has made appropriate considerations for administrative capacity to monitor these subrecipients, the timeline, parameters, and eligibility for granting money to these subrecipients, including prioritizing non-profits/minority owned/minority serving entities.
4. Finney County has an appropriate Project Spend Down Rate in accordance with program guidelines and eligibility.

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