

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

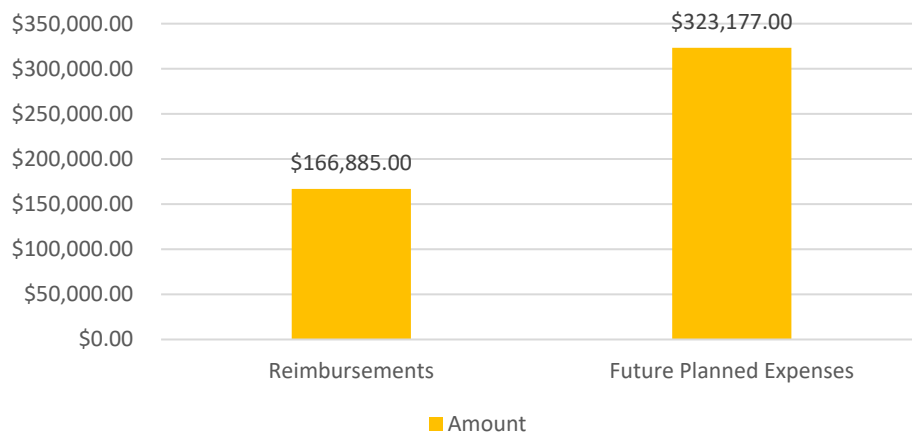
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Graham County

General Information

Population: 2,482
COVID-19 Cases 08/17/2020: 18

Total Allocation Amount: \$490,061.53
Total Submitted for Reimbursement: \$166,885.00
Total Submitted for Future Planned Expenditures: \$323,177.00

SPENDING PLAN OVERVIEW



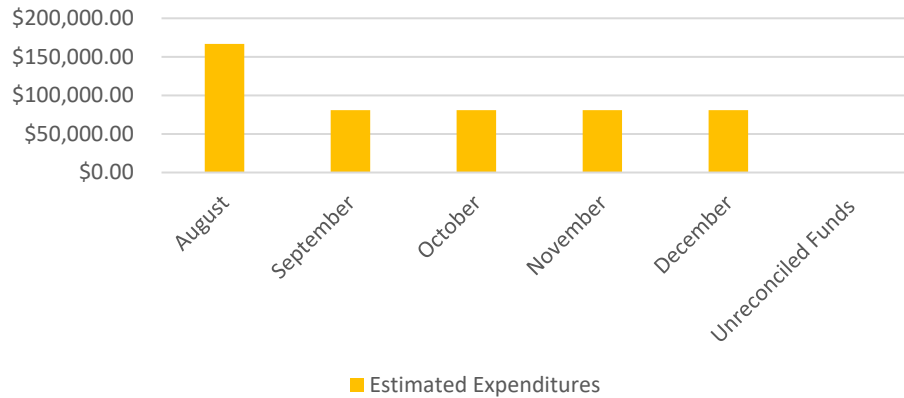
Reimbursement Request Overview

Total Amount for County Expenditures: \$166,885.00
Total Amount for Subrecipients: \$0

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$125,553.00
Total Amount for Transfers: \$162,341.00
Total Amount for Programs: \$35,283.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of City Hill	City	\$5,350.78
USD 281	Educational Institution	\$156,990.00
Total		\$162,340.78

Proposed Programs

Program Title	Program Description	Program Budget Amount
Dawson Place Transfer for COVID-19 Response	To protect members of the public through medical support during the COVID-19 pandemic.	\$35,283.76
Total		\$35,283.76

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

Graham County has prioritized its reimbursement requests for the County. The County's reimbursement requests comprise 100% of all expenditures with no requests from subrecipients submitted for reimbursement review.

Graham County's substantially larger direct aid request prioritizes educational institution expenditures, which amounts to 45.58% of the \$323,177.00 submitted for direct aid review. Transfers to subrecipients significantly increased from the reimbursement request to a total of \$162,341.00. The County accounts for 38.85% of reimbursement requests, while requests for programs account for the remainder of requests.

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 expense incurred before December 30, 2020.

Technical Understanding of SPARK Process

Graham 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.

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.

Spending Plan Request for Additional Information

There are no items that require additional information at this time.

Modifications Required

1. The County's request for reimbursement is incorrectly labeled in its expense total to be \$221,890.07 despite the direct aid report's summary for reimbursements correctly being labeled as \$166,885.36. This spreadsheet cell should be corrected to avoid any confusion on the County's total reimbursement request.
2. For the City of City Hill's proposed itemized budget in the direct aid plan, there are two entries for public health initiatives focused on PPE and disinfection but appear to be incorrectly marked with the expenditure category as 'payroll for public health.' Due to the complexity of payroll eligibility, it may be beneficial to make corrections as needed if the entries do not have a nexus to payroll.
3. While the direct aid plan has appropriate details appended to its summary, the reimbursements report's summary tab is missing relevant information, such as the reporting period, total reimbursement expenditures, and unaccounted funds. This should be taken note of and corrected if necessary.
4. The direct aid plan's summary total for county expenditures is incorrectly labeled as \$125,553.00, while its total in the county expenditures' worksheet is generated to be \$126,338.00. This discrepancy should be corrected to ensure proper reporting of total planned expenditures for the County.

Conclusion

1. Based on the documents provided by Graham County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Graham County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Graham County should address the modifications outlined in this memo.
4. Graham County should ensure they have the appropriate level of administrative capacity to effectively monitor their subrecipient. County should consider developing a templated sub-recipient monitoring plan to ensure consistent monitoring of subrecipients (cities, schools, non-profits) for compliance use of funds.

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