

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

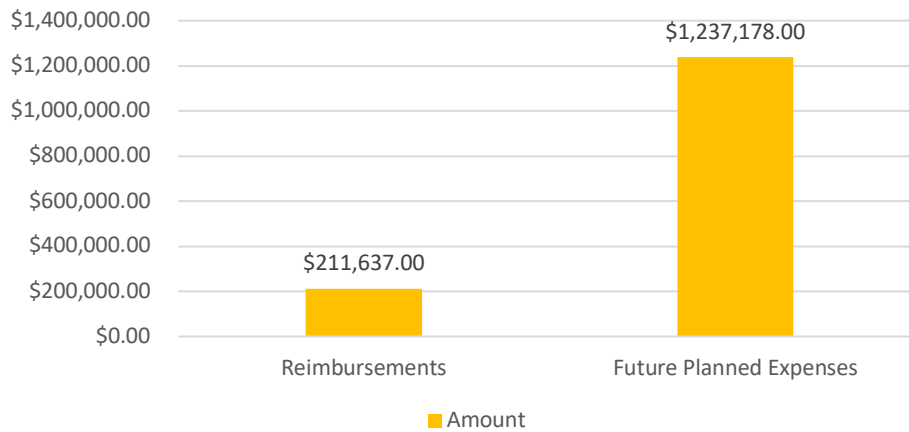
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Grant County

**General Information**

Population: 7,150  
 COVID-19 Cases 08/17/2020: 136

Total Allocation Amount: \$1,448,814.75  
 Total Submitted for Reimbursement: \$211,637.00  
 Total Submitted for Future Planned Expenditures: \$1,237,178.00

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$40,026.08  
 Total Amount for Subrecipients: \$171,610.92

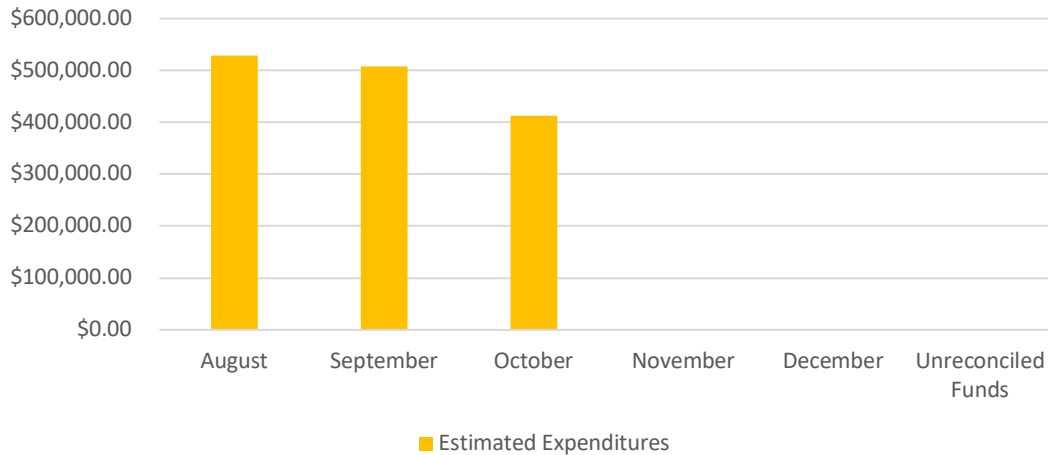
**Subrecipients and Amounts**

Subrecipient	Type	Amount
Pioneer Communications	Business	\$40,230.67
City of Ulysses	City	\$8,935.00
Grant County Economic Development	County Dept	\$51,000.00
High Plains Educational Cooperative	Educational Institution(s)	\$421.00
USD 214	Educational Institution(s)	\$22,130.84
Bob Wilson Memorial Hospital	Public Hospital	\$48,893.41
<b>Total</b>		<b>\$171,610.92</b>

### Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$285,313.45  
 Total Amount for Transfers: \$951,864.55  
 Total Amount for Programs: \$0

#### PROJECT SPEND DOWN RATE



#### Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Grant County Chamber of Commerce	Business	\$9,350.00
City of Ulysses	City	\$35,585.00
USD 214	Educational Institution(s)	\$303,073.25
Genesis Family Health	Non-Profit	\$7,500.00
Grant County Economic Development	Non-Profit	\$307,148.00
Grant County Economic Development Corp	Non-Profit	\$10,000.00
Bob Wilson Memorial Grant County Hospital	Public Hospital	\$279,208.30
<b>Total</b>		<b>\$951,864.55</b>

## 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

Some of the direct aid transfers are comprised of revenue replacement grants for small businesses, which although technically allowed, is not recommended as a best practice due to the potential for duplication of benefits from other federal grant programs, such as SBA assistance. Instead, it is recommended that grants focus on supporting existing operating costs or increased costs associated with the adjustment of delivery of services.

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

Grant County may benefit from additional technical expertise to assist in the management of their funding allocation.

## 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. Pioneer Communications

\$40,230.67

Reimbursement

This reimbursement request encompasses six separate expenditures for providing free internet, increased internet speed, cable modems, and routers to qualifying customers and free wifi to the general public. More information is needed on how the recipients were chosen, and how Pioneer Communications was chosen for this endeavor.

## 3. Bob Wilson Memorial Hospital - Medical Equipment

\$240,638.30

Direct Aid

This direct aid transfer is comprised of eight separate expenditures for various medical equipment and construction related items. The County should ensure that the procurement of the proposed items and instillation of the negative pressure rooms will occur prior to December 30, 2020.

## 4. Genesis Family Health - Utility Assistance

\$7,500

Direct Aid

This direct aid expenditure would supplement an existing utility assistance program for low-income and unemployed community members. The County should ensure that Genesis Family Health has adequate internal controls in place to appropriately segregate funds and ensure that individuals assisted are eligible to receive federal cash assistance.

## 5. Grant County Economic Development COVID Recovery Grant Program II

\$307,148

Direct Aid

This direct aid transfer describes a grant program to support small businesses. Some of the funding requested is intended to fulfill \$40,000 of requests for the first phase of the program that were unable

to be met. The grant program would also support small businesses through rapid COVID-19 testing and grants for loss of revenue. Transfers to the small businesses will be made based on the approval of applications received between September 1, 2020 and December 10, 2020. Other expenditures included are for \$4,000 of advertising through radio ads, newspaper, and social media.

The proposed grant program appears to provide revenue replacement grants for small businesses, which although technically allowed, is not recommended as a best practice due to the potential for duplication of benefits from other federal grant programs, such as SBA assistance. Instead, it is recommended that grants focus on supporting existing operating costs or increased costs associated with the adjustment of delivery of services.

### Spending Plan Request for Additional Information

The following items require additional information for the State to feel comfortable with proceeding

Item	Recipient	Amount	Comment
Reimbursements	Pioneer Communications	\$40,230.67	More information is needed to determine how recipients of the free internet technology were selected, how Pioneer Communications was selected to provide these services.

### Modifications Required

Grant County should make the following changes to its direct aid spending plan in future reporting:

1. The transfer of \$10,000 to Grant County Economic Development should be changed to a Program.
2. The transfer of \$307,148 to Grant County Economic Development should be changed to a Program.

### Conclusion

1. Based on the documents provided by Grant County, Grant County may be best served by additional technical expertise to assist in the management of their funding allocation so as to adhere to the eligibility requirements relative to CARES Act funding.
2. Grant County should provide responses to all requests for additional information and make all modifications outlined in this memo.
3. Grant County does appear to have an appropriate Project Spend Down Rate and the risk of funds not being expended by December 30, 2020 is low.
4. Grant County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.
5. Grant 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.
6. For the Grant County Economic Grant Programs, Grant County should consider modification of its grant program to reimburse operating expenses and/or increased operating costs tied to COVID-19 instead of issuing payments for loss revenue. However, the County is not required to do so.

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