

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

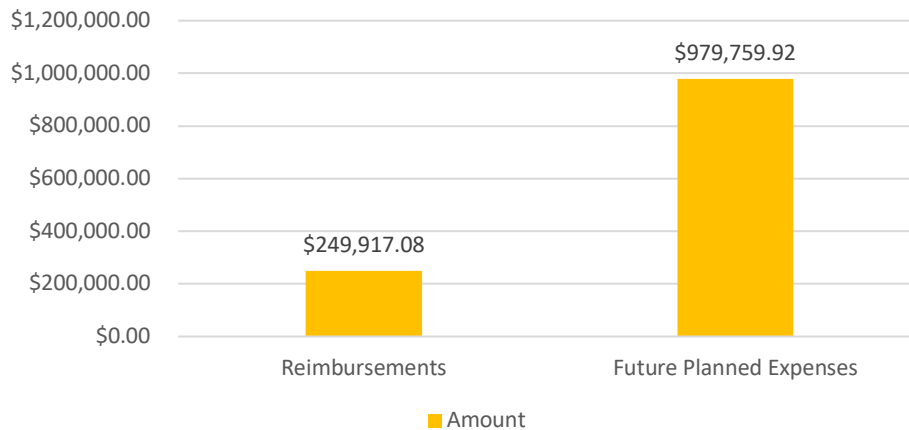
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Gray County

General Information

Population: 5,988
 COVID-19 Cases 08/17/2020: 82

Total Allocation Amount: \$1,229,677.47
 Total Submitted for Reimbursement: \$249,917.08
 Total Submitted for Future Planned Expenditures: \$979,759.92

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$0
 Total Amount for Subrecipients: \$249,917.08

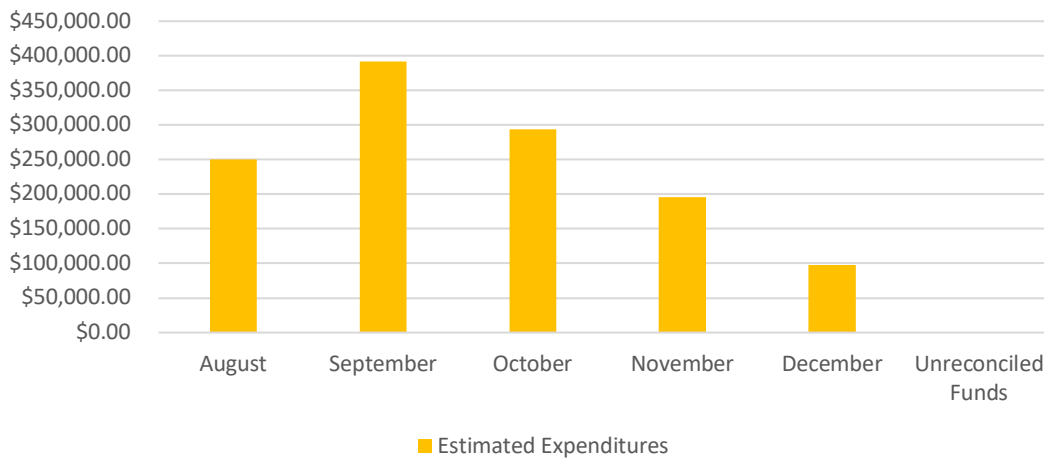
Subrecipients and Amounts

Subrecipient	Type	Amount
City of Cimmaron	City	\$41,699.57
USD #371	Educational Institution(s)	\$50,740.90
USD 102 Cimmaron	Educational Institution(s)	\$70,697.58
USD 476	Educational Institution(s)	\$59,507.85
Shephard Center	Long-term Care Facility	\$27,271.18
Total		\$249,917.08

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$175,000.00
 Total Amount for Transfers: \$0
 Total Amount for Programs: \$804,759.92

PROJECT SPEND DOWN RATE



Proposed Programs

Program Title	Program Description	Program Budget Amount
Small Business Grant Program	Many small businesses in Gray County have been significantly impacted by State-mandated closures and stay-at-home orders, in addition to reduced customer interactions in the wake of the COVID-19 pandemic. This program is design to assist businesses in the community to financially rebound and have access to resources for additional costs required to promote social distancing and maintain health security of customers and employees. Applications will be accepted in September and grants made during the period of October through December 2020 or until funds available are depleted.	\$132,260.65
Senior Citizen and Social Services Program	Provide socio-economic assistance to the senior citizen community to promote and maintain mentally and physically healthy citizens in a population deemed highly at-risk.	\$7,500.00

	<p>The four primary senior and social services centers in Gray County have been identified and will be awarded with block grants to provide economic support to the centers assisting some of the highest at-risk populations in the county.</p>	
<p>School District Aid Program</p>	<p>There are four school districts in Gray County. The SPARK Committee developed a weighted formula for creating an allocation of funds available to each district based on population. Each school was given opportunity to submit reimbursement receipts for the period March 1- July 31. The remaining funds left will allow each school with funds remaining to submit CARES Act eligible costs for reimbursement up to the allotted amount to assist in public health and reopening measures for the fall term. Reimbursement requests will be accepted in August-September, with approval of requests and disbursement of reimbursements made between mid-September through December, or until available funds are depleted.</p>	<p>\$396,023.04</p>
<p>City Aid Program</p>	<p>There are five primary cities in Gray County. The SPARK Committee developed a weighted formula for creating an allocation of funds available to each city based on population. Each city will have the opportunity to submit CARES Act eligible costs for reimbursement up to the allotted amount to assist in public health and safety measures. Reimbursement requests will be accepted in August-September, with approval of requests and disbursement of reimbursements made between mid-September through December, or until available funds are depleted.</p>	<p>135,829.45</p>
<p>Long-Term Care Center Aid Program</p>	<p>There are two primary long-term care facilities in Gray County. The SPARK Committee developed a weighted formula for creating an allocation of funds available to each facility based on resident count and staffing needs. A total allotment was given, with each given the ability to submit reimbursement requests for costs incurred through July 31st. The remaining funds available went into the creation of the long-term care center aid program which each will have the opportunity to submit CARES Act eligible costs for reimbursement up to the remaining funds available to assist in sanitary safety measures and increased staffing. Reimbursement requests will be accepted in</p>	<p>133,146.78</p>

August-September, with approval of requests and disbursement of reimbursements made between mid-September through December, or until available funds are depleted.

Total **\$804,759.92**

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

Gray County has proposed five different programs that will allow previously identified entities to submit for reimbursements from August to September. Each entity has a pre-determined total allotment based on a weighted formula determined by the County’s SPARK Committee. These programs represent the bulk of the funding allocation for Gray County, comprising about 65% of the total 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

Gray County has a basic understanding of the SPARK eligibility process. However, many of the submissions for reimbursements may have been miscategorized, lacked a description, or did not identify how they were related to the COVID-19 pandemic. For these reasons, Gray County may benefit from additional guidance to ensure compliance to the regulations of the SPARK Process. The 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. PPE and Vaccine Storage

\$8,500
Direct Aid

Gray County is requesting direct aid for future PPE and vaccine storage. Given that there is not currently a vaccine for COVID-19 or a date by which a vaccine can be expected, these storage items are not likely to be considered measures associated with responding to the current COVID-19 public health crisis and represent a compliance concern.

3. Trailer for Vaccinations and Specimen Collection

\$80,000
Direct Aid

This item listed by the County is the largest expense included as a planned independent expenditure. The date expected for the trailer according to the documents provided by Gray County is December 20, 2020, which is 10 days before the close of the CRF eligibility period. The County should ensure that all costs will be incurred within the CRF eligibility period.

Additionally, given that there is not currently a vaccine for COVID-19 or a date by which a vaccine can be expected, these storage items would not be able to be used to respond to the COVID-19 pandemic and cannot be classified as necessary expenditures within the current environment and eligibility period. However, the expense would be allowable for the identified specimen collection.

4. Shepard Center - Hazardous Waste Removal Costs

\$535.20

Reimbursement

The reimbursement request from Shepard of the Plains includes five separate expenditures occurring from April to July on the 10th of each month for \$107.04. The expenditures seem to be incorrectly characterized as PPE, Distance learning, and Staff training and professional development, but are described as "Recurring hazardous waste pickup expense."

5. Shepard Center

-\$121.65

Reimbursement

The reimbursement request from Shepard Plains includes an amount of -\$121.65, paid for by check, for PPE. It is unclear if this was a clerical mistake in reporting or if the Shepard Center refunded already reimbursed expenses.

6. City of Cimarron Library Remodel

\$27,452.00

Reimbursement

This reimbursement request describes a need to remodel a library building to allow for programming space given that some previous space in the basement has been repurposed to quarantine items returned to the library before recirculating them within the library. The proposed project appears to include building modifications, and such the County should ensure that the work will be substantially completed and all costs incurred prior to December 30, 2020.

Spending Plan Request for Additional Information

No additional information is requested at this time.

Modifications Required

No modifications are required at this time.

Conclusion

1. Based on the documents provided by Gray County, it appears the County may benefit from additional guidance to ensure compliance to the regulations and fulfillment of the SPARK reporting process.
2. Gray 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.
3. Gray County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.
4. Gray 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.
5. For the proposed Grant Programs, if not already in place, Gray 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.

With consideration regarding payroll expenses noted above, Gray County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.