

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

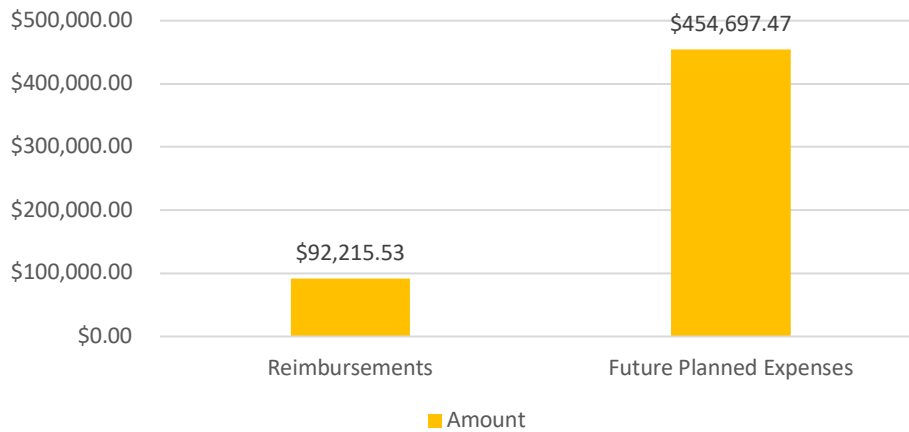
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Hamilton County

General Information

Population: 2,539
 COVID-19 Cases 08/17/2020: 43

Total Allocation Amount: \$546,913.18
 Total Submitted for Reimbursement: \$92,215.53
 Total Submitted for Future Planned Expenditures: \$454,697.47

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$53,736.59
 Total Amount for Subrecipients: \$38,478.94

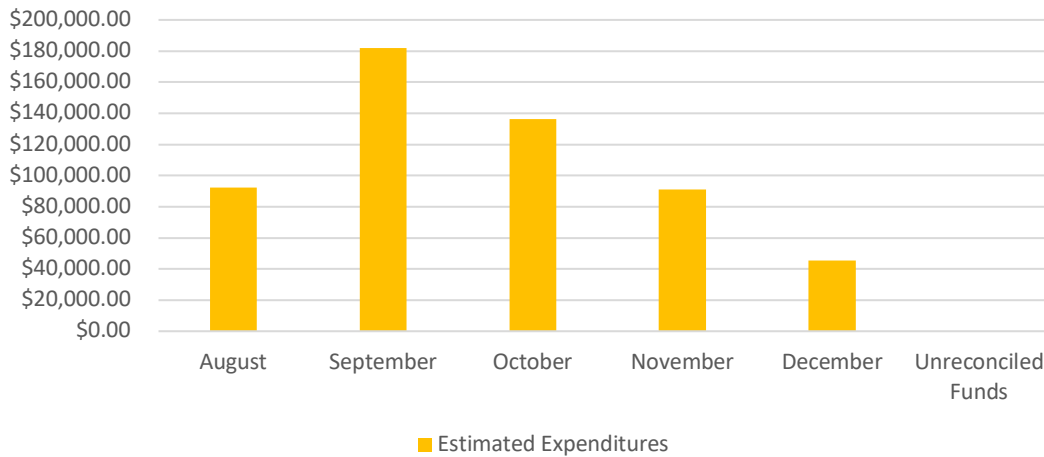
Subrecipients and Amounts

Subrecipient	Type	Amount
USD 494	Educational Institution(s)	\$38,478.94
Total		\$38,478.94

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$377,427.71
 Total Amount for Transfers: \$77,269.76
 Total Amount for Programs: \$0

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Syracuse	City	\$9,000.00
High Plains Education Cooperative #611	Educational Institution(s)	\$7,666.00
Syracuse Christian Academy	Educational Institution(s)	\$10,000.00
USD 494	Educational Institution(s)	\$50,603.76
Total		\$77,269.76

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

Hamilton County has prioritized direct aid expenditures with 83% of the County's total allocation falling into this category. Overall, the majority of the funding for Hamilton County for both reimbursements and direct aid expenditures will remain with the County rather than transferred to other entities. Of the four entities that will receive direct aid transfers, three are Educational Institutions and only one is a city. USD 494 is the entity that will receive the largest amount of funding through direct aid and will receive the only transfer for reimbursements for a combined total of \$89,082.70.

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

Hamilton County and its subrecipients have a good understanding of the CRF eligibility requirements and 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 FFCRA 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. Re-opening Supplies for the County Fair

\$54,850.00
Direct Aid

The items described in this County expenditure include health and safety barriers, PPE, cleaning, and technology. At least some of these purchases may indicate an intent to reopen the County Fair to the public. If that is the case, the County should carefully review social distancing and mass gathering guidelines. Although cleaning supplies do meet the CARES Act requirements, the necessity of holding a large in-person event may produce compliance concerns if CRF proceeds are utilized for costs associated with the event.

3. Public Health Upgrades – County VIP/Senior Center Supplies

\$7,540.00
Direct Aid

Several items are described as part of this expenditure, including "Toilets, sinks, sanitizer stations, soap, dispensers, etc." Sanitizer stations and soap have a clear nexus to the COVID-19 pandemic, but the purchase of toilets, sinks, and dispensers need to be appropriately documented with a clear nexus to public health measure implemented in association with the public health crisis.

4. USD 494 Staff Internet Stipend

\$17,604.45
Reimbursement

This reimbursement request is for a payroll item that provides a stipend to members of staff for their home internet bills. This item may be considered an ineligible workforce bonus given that it is not hazard pay, overtime, or payroll for employees whose services are substantially dedicated to mitigating or responding to the COVID-19 pandemic. The County should consider offsetting the cost of home internet for just those employees who have had to modify their existing home internet plan or obtain a new home internet plan.

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 Hamilton County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.

2. Hamilton County should ensure they have the appropriate level of administrative capacity to effectively monitor their subrecipients.
3. Hamilton 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.
4. Hamilton County 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.

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