

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

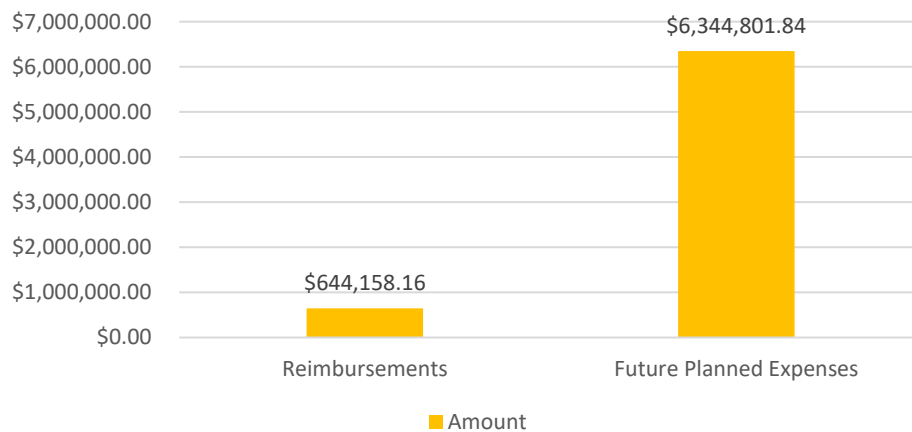
**Date** September 5, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Harvey County

**General Information**

Population: 34,429  
 COVID-19 Cases 08/17/2020: 268

Total Allocation Amount: \$6,988,959.96  
 Total Submitted for Reimbursement: \$644,158.16  
 Total Submitted for Future Planned Expenditures: \$6,344,801.84

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$448,710.17  
 Total Amount for Subrecipients: \$195,447.99

**Subrecipients and Amounts**

Subrecipient	Type	Amount
City of Burrton	City	\$6,800.99
City of Halstead	City	\$13,705.72
City of Hesston	City	\$19,363.86
City of North Newton	City	\$1,277.63
City of Newton	City	\$118,231.67
City of Sedgwick	City	\$1,191.36
USD 369	Educational Institution(s)	\$24,771.88
USD 440	Educational Institution(s)	\$10,104.88
<b>Total</b>		<b>\$195,447.99</b>

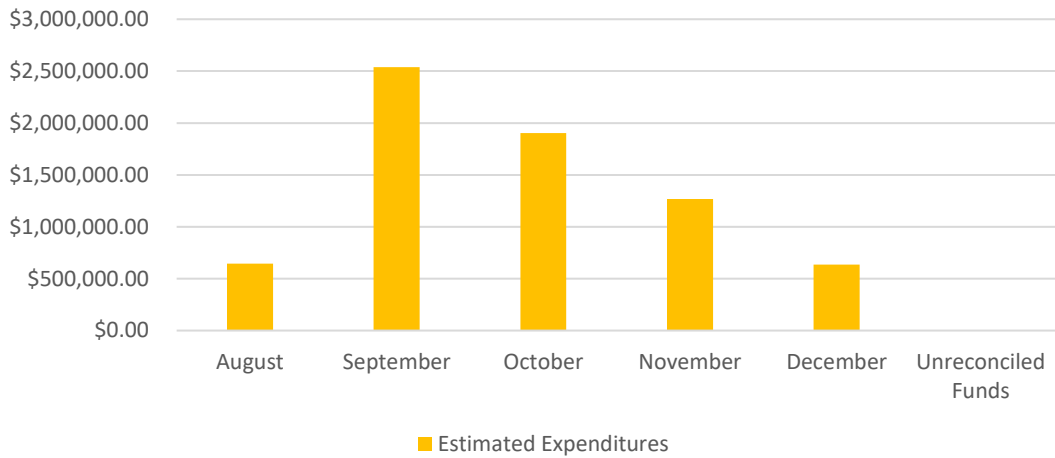
## Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$697,895.10

Total Amount for Transfers: \$3,074,671.98

Total Amount for Programs: \$2,572,234.76

### PROJECT SPEND DOWN RATE



### Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Halstead	City	\$236,646.80
City of Hesston	City	\$65,000.00
City of Newton	City	\$385,100.04
City of North Newton	City	\$2,023.14
City of Sedgwick	City	\$70,775.00
USD 369 Burrton	Educational Institution(s)	\$293,027.00
USD 373 Newton	Educational Institution(s)	\$910,802.00
USD 439 Sedgwick	Educational Institution(s)	\$241,444.00
USD 440 Halstead	Educational Institution(s)	\$476,927.00
USD 460 Hesston	Educational Institution(s)	\$392,927.00
<b>Total</b>		<b>\$3,074,671.98</b>

### Proposed Programs

Program Title	Program Description	Program Budget Amount
<b>Community Testing Program</b>	COVID-19 has impacted Harvey County in countless ways. Like many bedroom communities, one challenge we face is the close proximity to the metro area of Wichita,	\$1,000,000.00

where each day, nearly 10,000 people travel between Harvey County and the metro area. This has led to an increase in cases for our area communities and elevated the overall risk of community spread. Like others, we are still trying to better understand and address the connective nature of our geographic and distance from a metro area and manage the risk of COVID-19 that comes with this. Harvey County believes one way of doing this comes through better community testing. Funding for this program will help improve testing capabilities throughout our communities by ensuring more tests are available to citizens and that testing results can be returned at a quicker rate. Funding for this program will address the testing piece, as well as staff time to ensure consistent and successful testing can occur.

Total aid for this program will be \$1,000,000, which will be granted to partners within the County who have or intend to take on testing responsibilities. These funds will be specific to supporting testing activities and testing supplies/equipment. Due to the limited availability of testing information, we project development from August 1st to October 1st, with implementation and funding support occurring beyond that point through the duration of the CRF Act funding period, which ends December 30.

<p><b>Public Health Grant Program (PHGP)- Non-Profit, Church Based Organizations, and Small Businesses</b></p>	<p>This program will provide funding support to non-profit, church-based, quasi-governmental organizations and small businesses within Harvey County for expenses incurred related to COVID-19. The categories for this grant program will align with the reimbursement options addressed within the CRF. These categories include: PPE, cleaning and hygiene supplies, IT enhancements, utilities and rent, mental health accessibility, and capital improvement projects that support or are directly tied to reopening measures of the organization.</p>	<p>\$732,234.76</p>
<p><b>Community Support Program</b></p>	<p>Funding for this program supports non-profit organizations that are focusing on subsistence support related to food, consumables, rent/utilities for populations at risk or in need. Funding for this program will</p>	<p>\$100,000.00</p>

help ensure these organizations can continue to provide basic necessities to members of the community at risk or in need.

<b>Senior Center Support Program</b>	This program will provide senior centers support for their organizations to ensure reopening measures are in place, and by continuing to function and operate in a way that supports our senior citizens during the COVID-19 pandemic. These groups have played an essential role in the health and well-being of Harvey County seniors by ensuring ensure they are well informed and connected, which then allows them to serve as a support system for those seniors that are in self-isolation or in need of elderly support.	\$90,000.00
<b>Long Term Care Facility Support Program</b>	This program will provide funding for long term care facilities that have been significantly impacted by COVID-19 in Harvey Co. Funding support will cover expenditures arising from PPE, medical supplies, cleaning supplies, IT enhancements for improved telecommunications during covid, food delivery containers, and construction of visitation barriers.	\$300,000.00
<b>Private School and College Support Program</b>	This program will provide support to private K-12 schools and private colleges within Harvey County for expenses incurred related to COVID-19. The categories for this program include the following categories: PPE, cleaning and hygiene supplies, IT enhancements, and capital improvement projects that support or are directly tied to reopening measures of the organization.	\$350,000.00
<b>Total</b>		<b>\$2,572,234.76</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

Several of the program proposals for Harvey County indicate that project implementation will run through December 31, however, the close of the covered eligibility period is December 30, 2020. These program proposals will need to be updated to reflect the appropriate timeline for use of CRF.

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

Harvey 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. Our 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, public health and human services 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. To mitigate the risk of potential financial modifications should the Treasury’s guidance present more restrictive criteria than currently outlined, the Office of Recovery has determined that the County should only proceed with reimbursing the following payroll expenses:

- 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).
- 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 personnel and services that are considered substantially dedicated to preparing for, mitigating against or responding to COVID-19, and whose actions can be clearly documented. The County should also ensure that all payroll records reflect this commitment of time and the tasks performed and/or responsibilities related to COVID-19 are clearly noted in documents supporting the expense.

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 expenses are compliant to the OIG Guidance.

## 2. USD 373 Nursing Station Expansion

\$30,000  
Direct Aid

As this represents a significant capital improvement, the County should ensure that the proposed project is bid appropriately, meets uniform guidance standards outlined in 2CFR 200, is cost reasonable, and can be substantially completed prior to December 30, 2020.

## 3. Private School and College Support Program

\$350,000  
Direct Aid

As is the case with its distribution of funds to school districts, the County should take into consideration funding already received by qualifying educational institutions and ensure that funding provided does not provide a duplication of benefit. Additionally, capital improvement projects should be completed by December 30, 2020 and be necessary to address or resolve COVID-19 related issues and complexities.

## 4. Public Health Grant Program – Non-profit, Church Based Organizations, and Small Businesses

\$732,234.76  
Direct Aid

As this is identified as a grant program, the County should have a well-qualified plan for how applicants will apply and be selected. Additionally, the County should ensure they have the appropriate level of administrative capacity to effectively administer the program and/or monitor any 3rd party entity responsible for administering the grant program.

## 5. Community Testing Program

\$1,000,000  
Direct Aid

This program requests \$1,000,000 to support testing initiatives in the County. The description states that the funds will be “granted to partners within the County who have or intend to take on testing responsibilities.” However, the program proposal does not describe the process for how the funds will be awarded. Additionally, the proposal states that funds may be used for “testing activities and testing supplies/equipment.” If the purchase of testing equipment will be allowed within this program, the County should ensure that all costs for such items will be incurred before December 30, 2020.

## Spending Plan Request for Additional Information

No additional information is requested at this time.

## Modifications Required

No modifications are required.

## Conclusion



1. Based on the documents provided by Harvey County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Harvey County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Harvey 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. Harvey 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 Public Health Grant Program and Community Support Program, if not already in place, Harvey 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.

Subject to review of the considerations noted in this memo, Harvey County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.