

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

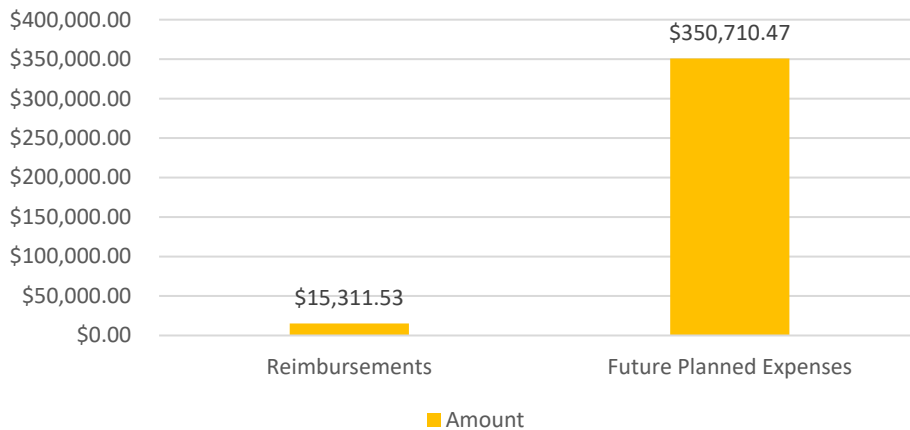
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Hodgeman County

General Information

Population: 1,794
 COVID-19 Cases 08/17/2020: 11

Total Allocation Amount: \$366,021.76
 Total Submitted for Reimbursement: \$15,311.53
 Total Submitted for Future Planned Expenditures: \$350,710.47

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

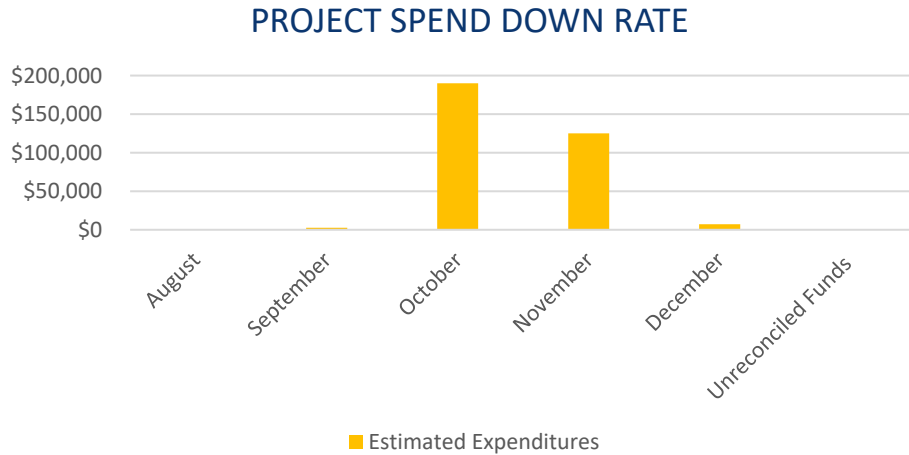
Total Amount for County Expenditures: \$6,747.72
 Total Amount for Subrecipients: \$8,563.81

Subrecipients and Amounts

Subrecipient	Type	Amount
Hodgeman County Extension	Governmental Entity	\$255.96
Horsethief Reservoir	Recreational Park	\$524.42
City of Hanston	City	\$650.00
Jetmore Library	Library	\$806.48
City of Jetmore	City	\$6,326.95
Total		\$8,563.81

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$324,702.47
 Total Amount for Transfers: \$26,008.00
 Total Amount for Programs: \$0



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 227	Educational Institution	\$23,400.00
Jetmore Library	Library	\$508
Hanston Library	Library	\$2,100.00
Total		\$26,008.00

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

Hodgeman County has prioritized its reimbursement requests for cities. Total County reimbursements equal 44.07% of all eligible expenditures, while subrecipient requests total 55.93% of the \$15,311.53 submitted for reimbursement review. The City of Jetmore (the only city subrecipient in the reimbursement report) represented 41.32% of all reimbursement expenditures.

Hodgeman County's substantially larger direct aid request prioritizes county-level expenditures, which amounts to 92.58% of the \$350,710.47 submitted for direct aid review. Transfers to subrecipients increased to a total a total of \$26,008.00. Educational institutions account for 89.97% of transfer requests while libraries account for the remainder of transfer requests.

The County should ensure that all expenses, transfers, and programs 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

Hodgeman County and its subrecipients demonstrate a generally proficient understanding of the SPARK eligibility standards as exemplified by their detailed reporting of expenditures for reimbursements and direct aid. However, the County Health Department's building of two new offices carry potential compliance risks.

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. Building of Two New Offices

\$23,000.00

Direct Aid

The Hodgeman County Health Department's planned expenditure for the building of two new offices to allow for mental health services addresses the public health emergency but appears to require mid- to long-term construction. As this represents a 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.

Spending Plan Request for Additional Information

No further information is requested.

Modifications Required

No additional information is requested at this time.

Conclusion

1. Based on the documents provided by Hodgeman County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Hodgeman County has an appropriate Project Spend Down Rate in accordance with program guidelines and eligibility.
3. The County should ensure they have the appropriate level of administrative capacity to effectively monitor all outlined subrecipients to ensure compliant use of funds.

Subject to review of all considerations noted above, Hodgeman County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.