

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

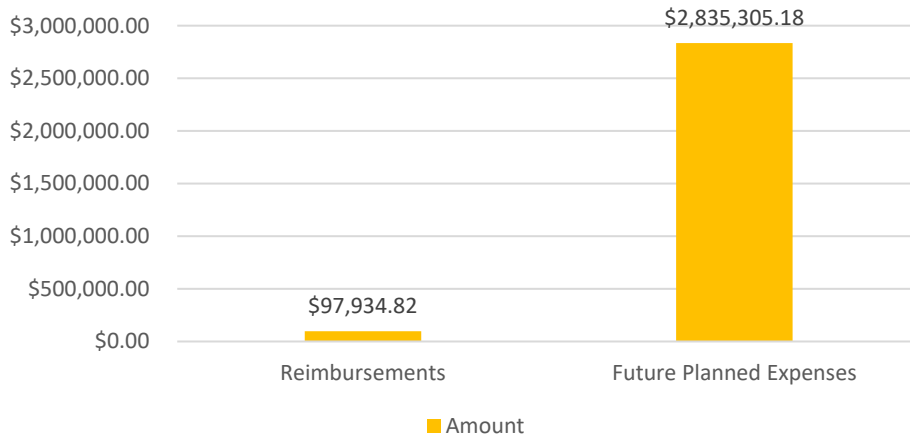
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Jackson County

**General Information**

Population: 13,171  
 COVID-19 Cases 08/17/2020: 178

Total Allocation Amount: \$2,933,239.60  
 Total Submitted for Reimbursement: \$97,934.82  
 Total Submitted for Future Planned Expenditures: \$2,835,305.18

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$61,188.02  
 Total Amount for Subrecipients: \$36,746.80

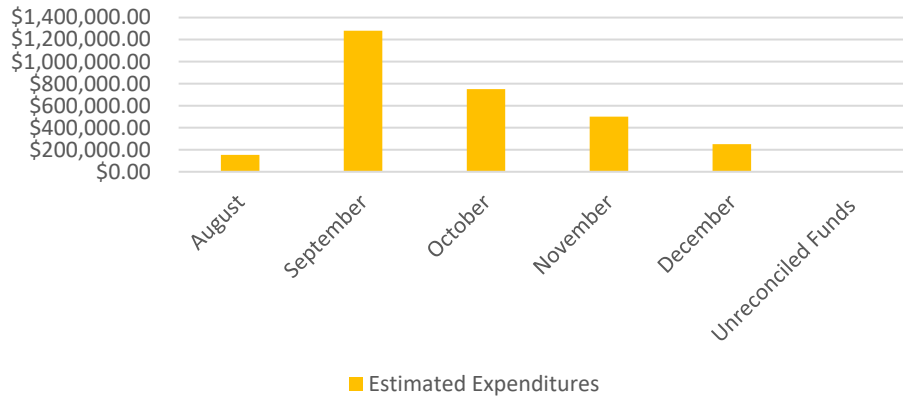
**Subrecipients and Amounts**

Subrecipient	Type	Amount
Beck Bookman Public Library	Library	\$17,353.68
The Pines of Holton	Health Service	\$14,975.79
Psychological Health Services	Health Service	\$391.98
Holton/Jackson County Chamber of Commerce	Chamber of Commerce	\$2,590.00
<b>Total</b>		<b>\$35,311.45</b>

### Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$1,120,019.21  
 Total Amount for Transfers: \$1,090,285.97  
 Total Amount for Programs: \$625,000.00

#### PROJECT SPEND DOWN RATE



### Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Holton Community Hospital	Health Service	\$221,896.65
NEK Multi County Health Department	Health Service	\$226,860.00
Holton Direct Care	Health Service	\$10,573.02
Psychological Health Services	Health Service	\$2,373.20
Kanza Mental Health & Guidance Center	Health Service	\$2,600.00
The Pines of Holton	Health Service	\$27,870.90
Holton/Jackson County Chamber of Commerce	Chamber of Commerce	\$6,500.00
USD 335	Educational Institution	\$85,739.50
USD 336	Educational Institution	\$250,760.20
USD 337	Educational Institution	\$194,862.50
County Fire Departments	Taxing Authority	\$20,250.00
County Municipalities	Government Entity	\$40,000.00
<b>Total</b>		<b>\$1,090,285.97</b>

### Proposed Programs

Program Title	Program Description	Program Budget Amount
Jackson County Economic Development Relief	Economic support for small businesses that experienced business interruption due to required COVID-19 closures.	\$625,000.00
<b>Total</b>		<b>\$625,000.00</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

Jackson County has prioritized its reimbursement requests for the County, which comprises 62.48% of reimbursement requests. However, subrecipient requests total 37.52% of the \$97,934.82 submitted for reimbursement review.

Jackson County's substantially larger direct aid request prioritizes both county-level and transfer expenditures, which amounts to 39.50% and 38.45%, respectively, of the \$2,835,305.18 submitted for direct aid review. Transfers to subrecipients significantly increased to a total of \$1,090,285.97. Health services account for 45.14% of transfer requests while educational institutions account for 48.74% of requests.

The County should ensure that all expenses respond clearly to purpose and intent of CRF funding, meet 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

Jackson 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. However, the quarantine isolation chamber, County Attorney's office remodel, CV testing drive-through and economic relief program may represent compliance concerns.

## 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. Quarantine Isolation Chamber

\$550,000.00

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. County Attorney's Office Remodel

\$250,000.00

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.

## 4. CV Testing Drive-Through Remodel

\$110,000.00

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.

## 5. Jackson County Economic Development Relief

\$625,000.00

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 3<sup>rd</sup> party entity responsible for administering the grant program.

### Spending Plan Request for Additional Information

No additional information is requested at this time.

### Modifications Required

1. Total transfers for subrecipients appear to be incorrectly inputted in the reimbursement report's summary page as \$36,746.80 rather than the actual total of \$35,311.45. Through a brief analysis, we found that the 'Total Transfers' amount located in the summary page included a reimbursement line expenditure instead of only those for transfers. To ensure that the County's money is properly accounted for, this totaled amount should be further investigated and corrected if necessary.

### Conclusion

1. Based on the documents provided by Jackson County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Jackson County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Jackson 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. Jackson 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 Jackson County Economic Development Relief Program, if not already in place, Jackson 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.
6. Jackson County should ensure that all expenses respond clearly to purpose and intent of CRF funding, meet all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

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