

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

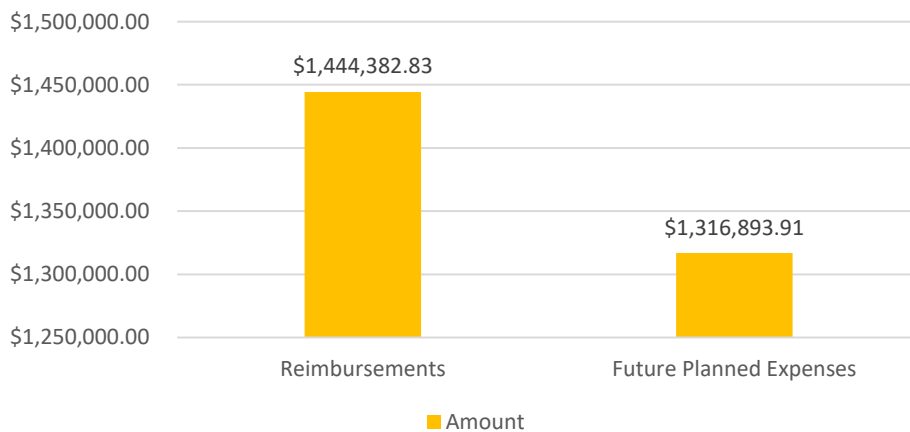
**Date** September 5, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Jefferson County

**General Information**

Population: 19,043  
COVID-19 Cases 08/17/2020: 103

Total Allocation Amount: \$3,899,530.85  
Total Submitted for Reimbursement: \$1,444,382.83  
Total Submitted for Future Planned Expenditures: \$1,316,893.91

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$281,590.21  
Total Amount for Subrecipients: \$862,792.62

**Subrecipients and Amounts**

Jefferson County has not submitted an appropriate Subrecipient Report.

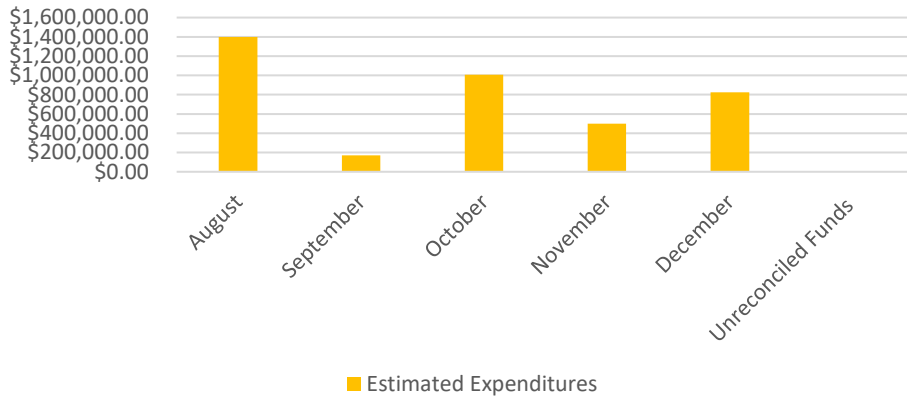
### Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$1,254,473.66

Total Amount for Transfers: \$1,131,893.91

Total Amount for Programs: \$185,000.00

### PROJECT SPEND DOWN RATE



### Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of McLouth	City	\$52,270.82
City of Meriden	City	\$47,167.15
City of Nortonville	City	\$58,178.38
City of Oskaloosa	City	\$65,529.45
City of Ozawkie	City	\$38,737.77
City of Perry	City	\$54,753.44
City of Valley Falls	City	\$73,439.22
City of Winchester	City	\$65,784.66
Lakeshore Estate Improvement District	Taxing Authority	\$4,500.00
Jefferson Fire District 44	Taxing Authority	\$3,500.00
Rock Creek Township Fire Department	Taxing Authority	\$4,850.00
Fire District 7	Taxing Authority	\$3,800.00
Oskaloosa Fire District 8	Taxing Authority	\$3,800.00
Jefferson Fire District 9	Taxing Authority	\$3,800.00
Jefferson Fire District 10	Taxing Authority	\$3,150.00
Jefferson Fire District 11	Taxing Authority	\$71,751.96
USD 338	Educational Institution	\$47,946.35
USD 339	Educational Institution	\$42,156.55
USD 340	Educational Institution	\$126,086.61
USD 342	Educational Institution	\$241,541.43
USD 343	Educational Institution	\$119,150.12

**Total \$1,131,893.91**

### Proposed Programs

Program Title	Program Description	Program Budget Amount
Small Business Grant	Jefferson County Economic Development's grant program plans to assist small businesses that have faced revenue losses and continuing economic distress due to COVID-19.	\$120,000.00
Daycare Providers Grant	Jefferson County Economic Development's grant program plans to provide economic support for daycare providers to address their operating expenses related to COVID-19.	\$15,000.00
Minority Business Grant	Jefferson County Economic Development's grant program plans to ensure minority businesses have equal access to funding opportunities and financially assist minority businesses impacted by COVID-19.	\$50,000.00
<b>Total</b>		<b>\$185,000.00</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

Jefferson County has prioritized its reimbursement requests for subrecipients. Total subrecipient reimbursements equal 59.73% of all expenditures, while 19.50% County requests total of the \$1,444,382.83 submitted for reimbursement review.

Jefferson County's larger direct aid request prioritizes county-level expenditures, which amounts to 50.06% of the \$2,505,838.12 submitted for direct aid review. Transfers to subrecipients slightly decreased from the reimbursements request to 45.1%. Educational institutions account for 50.97% of transfer requests while cities account for 35.66% of transfer 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

Jefferson 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. 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 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. Area Businesses Reimbursement

#### Reimbursement

Jefferson County has indicated that they have made direct payments to area businesses to reimburse costs for PPE, sanitizer, disinfectant, etc. It is not clear what the process was for businesses to request and be awarded these funds. Should Jefferson County intend to continue to provide support directly to area business, if not already in place, it is strongly suggested that the County have a formal application and review process to ensure broader access to available funding to area businesses.

### 3. City Well Generators and Transfer Switches

\$59,563.09

Direct Aid

The following system improvements are proposed in the direct aid plan:

- City of McLouth's backup generators for water wells for \$8,000.00,
- City of Nortonville's well generators and transfer switches for \$23,000.00, and
- City of Oskaloosa's well generators and transfer switches for \$28,563.09.

As these represent 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. The County should also clearly document the necessity and nexus to COVID-19 for each in its project file.

### 4. Small Business Grant Program

\$120,000.00

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.

### 5. Daycare Providers Grant

\$15,000.00

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.

### 6. Minority Business Grant

\$50,000.00

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

The following modifications are requested in future reporting:

1. The reimbursement report's summary page is currently incomplete. Future reporting should include a completed summary page, and reimbursement detail for each recipient of funding.
2. While the total from the direct aid plan's programs and transfers was written as \$1,251,364.46, the amount from each program and transfer tab is \$1,316,893.91. The total from programs and transfers in the direct aid plan should be further investigated to ensure that the budget is correct and properly accounted for.

## Conclusion

1. Based on the documents provided by Jefferson County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Jefferson County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Jefferson 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. Jefferson 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 multiple Grant Programs, if not already in place, Jefferson 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. Jefferson 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 all considerations noted in this memo Jefferson County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.