

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

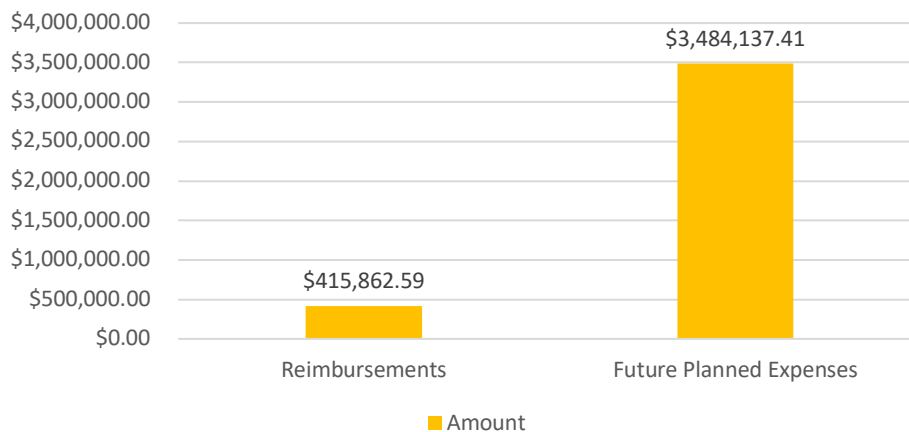
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Labette County

General Information

Population: 19,618
 COVID-19 Cases 08/17/2020: 166

Total Allocation Amount: \$3,983,558.77
 Total Submitted for Reimbursement: \$415,862.59
 Total Submitted for Future Planned Expenditures: \$ 3,484,137.41

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$ 33,314.11
 Total Amount for Subrecipients: \$ 382,548.48

Subrecipients and Amounts

Subrecipient	Type	Amount
City of Altamont	City	\$ 3,942.67
City of Chetopa	City	\$ 606.34
City of Oswego	City	\$ 450.88
City of Edna	City	\$ 340.01
City of Parsons	City	\$ 56,733.39
City of Mound Valley	City	\$ 731.89
USD 503	Educational Institution	\$ 8,738.16
USD 504	Educational Institution	\$ 46,008.32
USD 505	Educational Institution	\$ 15,539.16

USD 506	Educational Institution	\$128,854.83
Labette Community College	Higher Education Institution	\$ 103,525.98
Labette Center for Mental Health Services, Inc.	Health	\$ 17,076.85
Total		\$ 382,548.48

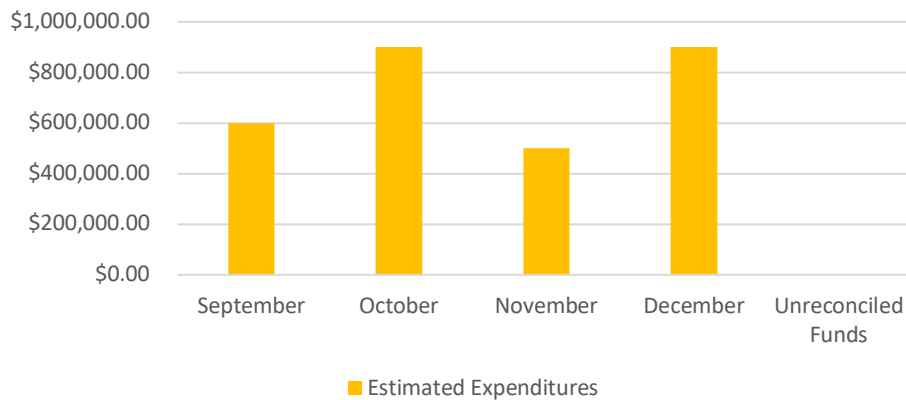
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$714,000.00

Total Amount for Transfers: \$ 1,870,637.30

Total Amount for Programs: \$ 899,500.11

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Altamont	City	\$ 28,057.00
City of Chetopa	City	\$ 31,393.66
City of Oswego	City	\$ 59,549.12
City of Edna	City	\$ 10,659.99
City of Parsons	City	\$ 193,266.00
City of Mound Valley	City	\$ 9,282.31
USD 503	Educational Institution	
USD 505	Educational Institution	\$ 8,265.93
Labette County Medical Center	Health	\$ 1,250,000
Labette Center for Mental Health Services, Inc.	Health	\$ 180,901.45
Total		\$ 1,870,637.30

Proposed Programs

Program Title	Program Description	Program Budget Amount
Local Food Bank Support Program	This program assists food bank and community meal providers directly affected by COVID-19 related expenses and provides funds for commodities, inventory and revenue losses due to heightened need for meals and food distribution throughout the county.	\$ 161,911
Labette County SPARK Small Business/Non-Profit Grant Program	This program will address the needs of businesses and non-profits throughout Labette county from relocate or telecommuting after having COVID activity to retraining or reopening expenses.	\$ 205,000
Senior and Child Care Facilities Assistance Program	This program is designed to assist those entities providing care for either seniors or children, whether or not they were deemed "hotspots" for COVID activity, with assistance in recouping and or planning for continued care services throughout the remainder of 2020.	\$ 226,889.11
Labette County Connectivity Assistance Program	This program will span the needs of a community to reconnect through grants to businesses, not for profits, health care or other services.	\$ 305,700
Total		\$ 899,500.11

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

Labette County has prioritized its reimbursement requests for the subrecipients. Total County reimbursements equal 8% of all eligible expenditures, while educational institution’s request total 72.8% of the \$ 415,862.59 submitted for reimbursement review.

Labette County’s direct aid request prioritizes transfers to cities, schools, and health institutions, which amounts to 53.7% of the \$ 3,484,137.41 submitted for direct aid review. Program expenditures to a total

of \$ 899,500.11, a total of 25.8% of the direct aid request, while independent County expenditures account for the remainder of requests.

Technical Understanding of SPARK Process

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 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. Labette County SPARK Small Business/Non-Profit Grant Program

\$205,000
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. 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.

3. Senior and Child Care Facilities Assistance Program

\$226,889.11

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.

4. Labette County Connectivity Assistance Program

\$305,700

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. Labette County Medical Center Central Plant Improvements

\$922,652

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.

6. City of Altamont Technology Updates- Website

\$ 12,825

Direct Aid

The County should ensure that this expense responds 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.

7. Surfacide Helix UV Cleaning Unit

\$ 199,500

Direct Aid

As this represents a significant investment, 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 procured prior to December 30, 2020.

Spending Plan Request for Additional Information

The following items require additional information for the State to feel comfortable with the proposed items.

Item	Recipient	Amount	Comment
Local Food Bank Support Program	Labette County	\$ 161,911	More information is needed for the eligibility, application, and review process for this program.
Labette County SPARK Small Business/Non-Profit Grant Program	Labette County	\$ 205,000	More information is needed for the eligibility, application, and review process for this program.
Senior and Child Care Facilities Assistance Program	Labette County	\$ 226,889.11	More information is needed for the eligibility, application, and review process for this program.
Labette County Connectivity Assistance Program	Labette County	\$ 305,700	More information is needed for the eligibility, application, and review process for this program.

Modifications Required

The following modifications are requested to the provided Reimbursement or Direct Aid plan:

1. The County needs to update annual subscription requests to prorate amount for eligibility period.
2. The County needs to update the eligibility period to reflect December 30th, 2020. Several programs have the date listed as December 31, 2020.

Conclusions

1. Based on the documents provided by Labette County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Labette County should provide responses to all requests for additional information outlined in this memo.
3. Labette County has 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.
4. Labette County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.
5. Labette 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.
6. For the Labette Grant Program, if not already in place, Labette 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 additional documentation requested and considerations regarding payroll expenses, Labette County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan with the following exception:

- Labette County Medical Center Central Plant Improvements