

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

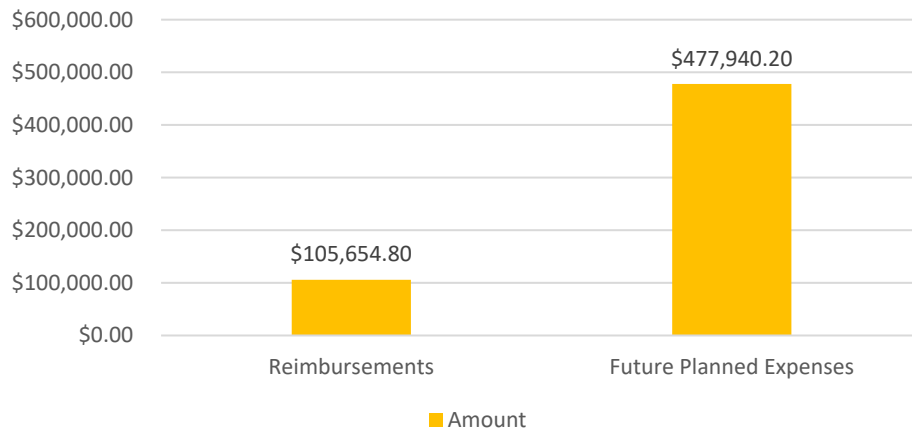
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Lincoln County

**General Information**

Population: 2,962  
 COVID-19 Cases 08/17/2020: 6

Total Allocation Amount: \$583,594.91  
 Total Submitted for Reimbursement: \$105,654.80  
 Total Submitted for Future Planned Expenditures: \$477,940.20

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$7,982.14  
 Total Amount for Subrecipients: \$97,672.66

**Subrecipients and Amounts**

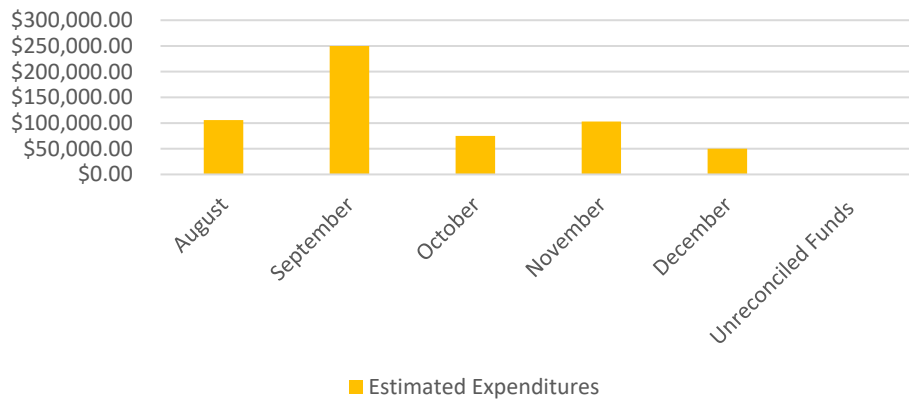
| Subrecipient                        | Type                    | Amount      |
|-------------------------------------|-------------------------|-------------|
| USD 298                             | Educational Institution | \$19,149.52 |
| USD 299                             | Educational Institution | \$31,615.45 |
| Lincoln County Hospital             | Health Service          | \$42,887.75 |
| City of Lincoln                     | City                    | \$2,705.49  |
| Central Kansas Mental Health Center | Health Service          | \$248.75    |
| City of Beverly                     | City                    | \$143.91    |
| Lincoln Senior Center               | Non-Profit Organization | \$763.06    |
| Finch Theatre                       | Entertainment Service   | \$158.73    |

**Total \$97,672.66**

**Direct Aid Overview – Future Spending Plan**

Total Amount for County Expenditures: \$118,030.00  
 Total Amount for Transfers: \$268,912.86  
 Total Amount for Programs: \$90,997.34

**PROJECT SPEND DOWN RATE**



**Subrecipients/Transfers and Amounts**

| Subrecipient                        | Type                    | Amount              |
|-------------------------------------|-------------------------|---------------------|
| USD 298                             | Educational Institution | \$114,441.00        |
| USD 299                             | Educational Institution | \$101,975.07        |
| City of Lincoln                     | City                    | \$33,929.40         |
| City of Beverly                     | City                    | \$229.98            |
| Lincoln County Hospital             | Health Service          | \$11,137.28         |
| Central Kansas Mental Health Center | Health Service          | \$800.13            |
| Lincoln Park Manor                  | Health Service          | \$6,400.00          |
| <b>Total</b>                        |                         | <b>\$268,912.86</b> |

**Proposed Programs**

| Program Title                                      | Program Description  | Program Budget Amount |
|--|--|-----------------------|
| Coronavirus Assistance Grants for Small Businesses | This grant program will help businesses mitigate COVID-19's impacts through financial support related to loss of revenue and unexpected COVID-19 expenditures. | \$90,997.34           |
| <b>Total</b>                                       |  | <b>\$90,997.34</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

Lincoln County has prioritized its reimbursement requests for subrecipients. Total County reimbursements equal 7.55% of all expenditures, while educational institution requests total 48.05% of the \$105,654.80 submitted for reimbursement review.

Lincoln County's substantially larger direct aid request prioritizes transfer expenditures, which amounts to 52.26% of the \$477,940.20 submitted for direct aid review. Cities account for 12.70% of transfer requests while educational institutions and health services account for the remainder of requests. Comparatively, program expenditures comprise 19.04% of total direct aid request.

## Technical Understanding of SPARK Process

Lincoln 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.

## 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. Coronavirus Assistance Grants for Small Business

\$90,997.34  
Direct Aid

As this is identified as a grant program, additional information is requested, including a description of how applicants will apply and be selected. Additionally, the County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.

### Spending Plan Request for Additional Information

No additional information is requested at this time.

### Modifications Required

The following modifications need to be made in future reporting:

1. Combine City of Lincoln's three separate transfer requests into one proposed itemized budget, totaling \$33,929.40.

### Conclusion

1. Based on the documents provided by Lincoln County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Lincoln County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.

3. Lincoln 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. Lincoln 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 Small Business Grant Program, if not already in place, Lincoln 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. 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.

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