

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

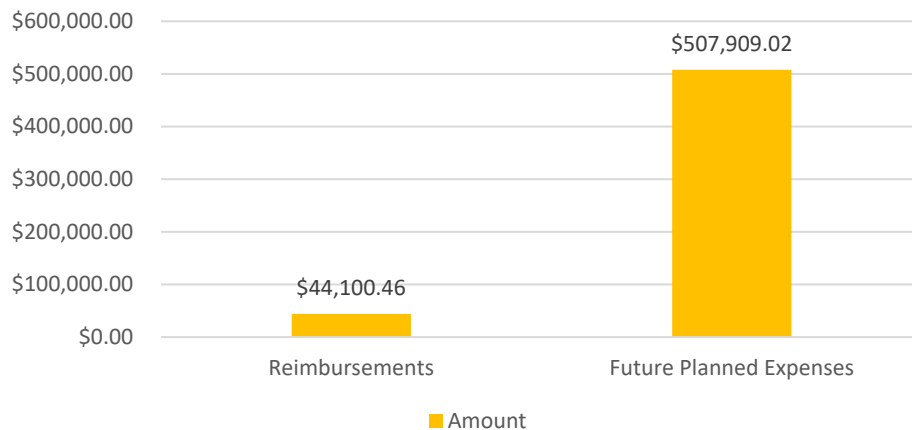
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Logan County

General Information

Population: 2,794
 COVID-19 Cases 08/17/2020: 2

Total Allocation Amount: \$552,251.81
 Total Submitted for Reimbursement: \$44,100.46
 Total Submitted for Future Planned Expenditures: \$507,909.02

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$23,765.84
 Total Amount for Subrecipients: \$20,334.62

Subrecipients and Amounts

Subrecipient	Type	Amount
Logan County Health Department	Governmental Entity	\$1,864.12
St. Joseph School	Educational Institution	\$254.79
City of Oakley	City	\$1,944.76
Northwest Kansas Education Service Center	Educational Institution	\$818.09
USD 274	Educational Institution	\$455.26
USD 275	Educational Institution	\$14,005.66
Logan County Senior Living	Health Service	\$991.94
Total		\$20,334.62

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$41,404.20

Total Amount for Transfers: \$466,504.82

Total Amount for Programs: \$0

Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
St Joseph's School	Educational Institution	\$51,502.93
USD 274	Educational Institution	\$150,000.04
USD 275	Educational Institution	\$62,000.97
Northwest Kansas Education Service	Educational Institution	\$70,000.88
City of Oakley	City	\$38,000.00
Logan County Senior Living	Health Service	\$95,000.00
Total		\$466,504.82

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

Logan County has prioritized its reimbursement requests for the County. Total County reimbursements equal 53.89% of all expenditures, while requests for subrecipients (e.g., educational institutions, health services, and government entities) total 46.11% of the \$44,100.46 submitted for reimbursement review.

Logan County's substantially larger direct aid request prioritizes transfer expenditures, which amounts to 91.85% of the \$507,909.02 submitted for direct aid review. Transfers to subrecipients significantly increased from the reimbursement request to a total of \$466,504.82. Educational institutions account for 71.49% of transfer requests while a health service and city account for the remainder of transfer requests. Conversely, no planned expenditures for programs were documented in this direct aid plan.

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

Logan 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 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. Subrecipient Transfers

Direct Aid

Logan 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.

Spending Plan Request for Additional Information

No further information is needed at this time.

Modifications Required

1. The total amount for transfers should be updated in the reimbursement report's summary page, since it is incorrectly written as \$0 due to transfers being consolidated with the County's total expenditures.

Conclusion

1. Based on the documents provided by Logan County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Logan County should develop a more specific timeline for subrecipient transfers to ensure timely expenditure of funds.
3. Logan 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. Logan 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. 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, Logan County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.