

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

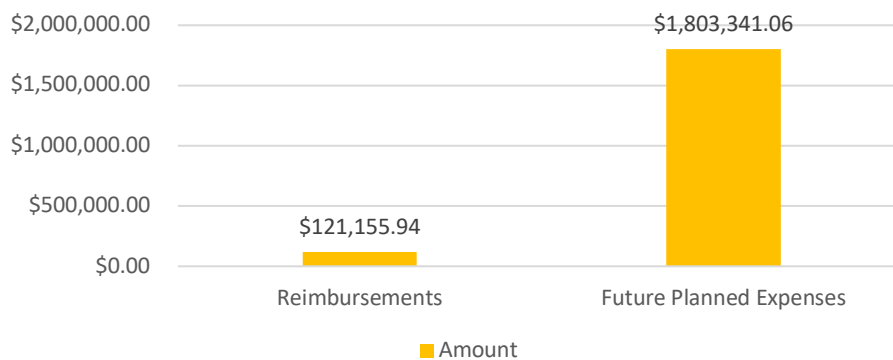
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Marshall County

General Information

Population: 9,707
 COVID-19 Cases 08/17/2020: 13

Total Allocation Amount: \$1,924,497.48
 Total Submitted for Reimbursement: \$121,155.94
 Total Submitted for Future Planned Expenditures: \$1,803,341.06

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$14,298.77
 Total Amount for Subrecipients: \$106,857.17

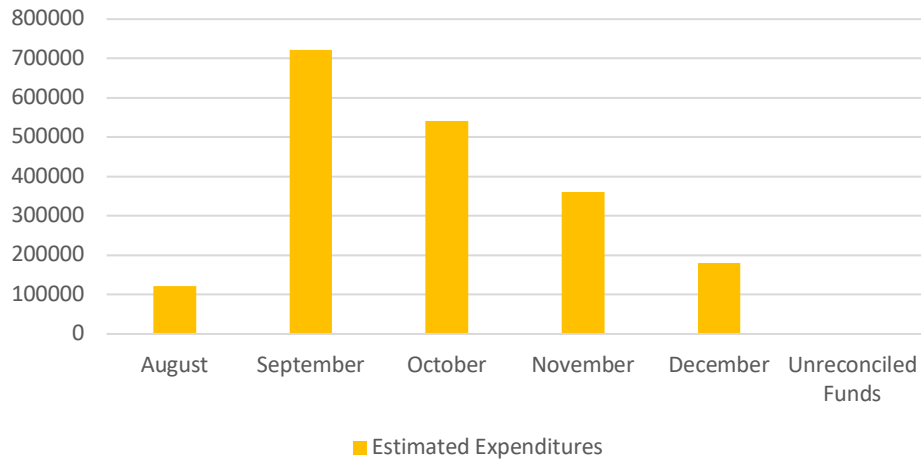
Subrecipients and Amounts

Subrecipient	Type	Amount
Agency on Aging	Governmental Entity	\$472.29
City of Axtell	City	\$452.24
City of Frankfort	City	\$460.59
City of Marysville	City	\$7,868.98
City of Waterville	City	\$3,073.50
Emergency Management	Governmental Entity	\$8,732.21
Public Works	Governmental Entity	\$3,378.23
St. Gregory Catholic School	Educational Institution	\$9,250.59
Twin Valley Developmental Services	Business Service	\$1,906.05
USD 364	Educational Institution	\$35,684.25
USD 380	Educational Institution	\$27,716.74
USD 498	Educational Institution	\$5,231.92
Total		\$106,857.17

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$1,147,941.49
 Total Amount for Transfers: \$506,399.57
 Total Amount for Programs: \$149,000.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Axtell	City	\$129.99
City of Marysville	City	\$107,144.62
City of Frankfort	City	\$25,760.80
City of Waterville	City	\$5,689.16
USD 498	Educational Institution	\$14,951.39
USD 364	Educational Institution	\$220,052.65
USD 380	Educational Institution	\$110,000.00
St. Gregory Catholic School	Educational Institution	\$8,750.00
Good Shepherd Lutheran School	Educational Institution	\$13,920.96
Total		\$506,399.57

Proposed Programs

Program Title	Program Description	Program Budget Amount
Marshall County Public Grant Programs	This grant program will provide economic support to small businesses and local food banks that have been significantly impacted by COVID-19 and may need additional supplies for reopening measures.	\$149,000.00

Total **\$149,000.00**

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

Marshall County has prioritized its reimbursement requests for subrecipients. Total County reimbursements equal 21.08% of all expenditures, while subrecipient requests total 78.92% of the \$121,155.94 submitted for reimbursement review. In particular, 72.89% of subrecipient requests.

Marshall County’s substantially larger direct aid request prioritizes county-level expenditures, which amounts to 63.66% of the \$1,803,341.06 submitted for direct aid review. The proportion of transfers to subrecipients in the report significantly decreased from the reimbursement requests to a total of 28.03%. Educational institutions account for 72.61% of transfer requests while cities account for the remainder 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

Marshall 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. However, the payroll expenses and grant program may not meet eligibility standards and, therefore, carry increased levels of risk. 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. Marshall County Public Grant Programs

\$149,000.00

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 any 3rd party entity responsible for administering all grant programs.

3. American Ultraviolet Lights

\$354,059.00

Direct Aid

Marshall County intends to purchase 22 American Ultraviolet light disinfecting systems. The County should ensure that it follows proper procurement for the items, and that the costs are incurred on or before December 30, 2020.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
Marshall County Public Grant Programs	Marshall County	\$149,000.00	Additional information is requested on how applicants will apply and be selected, and who will be administering the proposed program.

Modifications Required

No modifications are required of the Reimbursement or Direct Aid form at this time.

Conclusion

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