

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

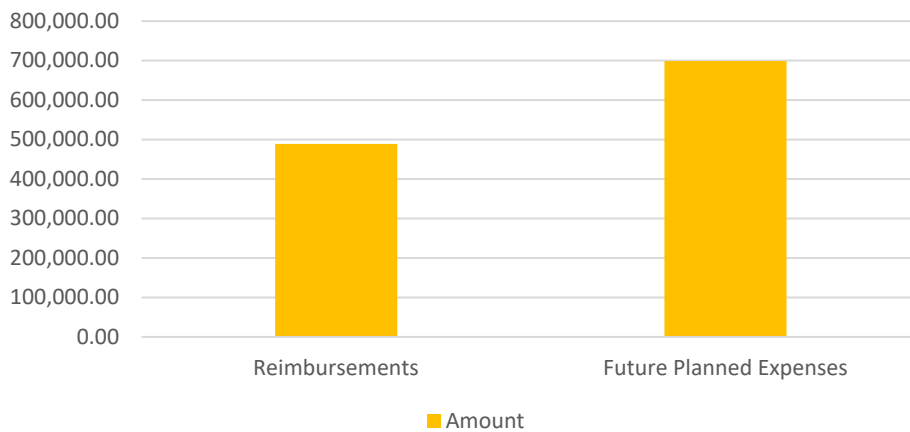
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Mitchell County

General Information

Population: 6,150
 COVID-19 Cases as of 8/21/2020: 27

Total Allocation Amount: \$1,187,432
 Total Submitted for Reimbursement: \$488,761.54
 Total Submitted for Future Planned Expenditures: \$ 698,670.46

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$161,215.71
 Total Amount for Subrecipients: \$327,545.83

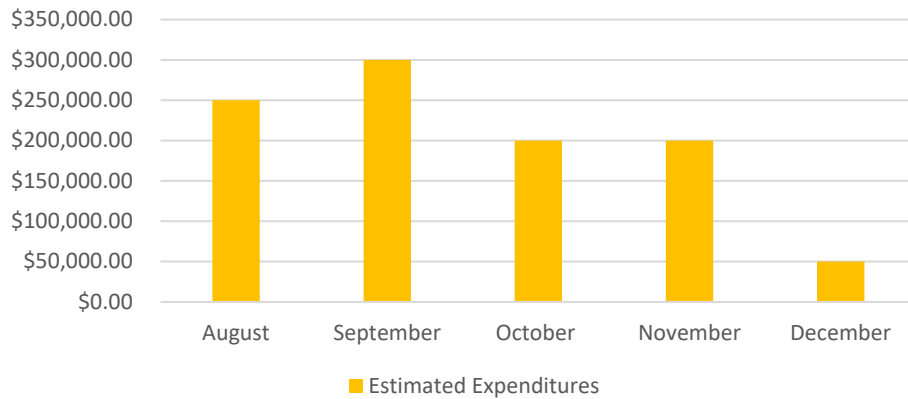
Subrecipients and Amounts

Subrecipient	Type	Amount
USD 272	School District	\$38,848.80
USD 272	School District	\$55,364.25
North Central Kansas Technical College	Educational Institution	\$169,032.94
St. Johns Catholic School	Educational Institution	\$34,394.53
Beloit City	City	\$29,397.73
Glen Elder City	City	\$267.54
Cawker City	City	\$240.04
Total		\$327,545.83

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$37,589.57
 Total Amount for Transfers: \$661,080.89
 Total Amount for Programs: \$0.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 273	School District	\$224,186.93
USD 272	School District	\$115,554.47
St. John’s Catholic School	Educational Institution	\$11,380.50
City of Beloit	City	\$9,205.72
USD 273 Transitional Learning	School District	\$300,000.00
Pawnee Mental Health	Healthcare Institution	\$753.27
Total		\$661,080.89

Proposed Programs

The County has proposed no programs, instead focusing on direct transfers.

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

Mitchell County has prioritized its reimbursement requests for school districts, educational institutions, and cities. Total County reimbursements equal 33% of all expenditures, while the largest subrecipient category, school districts and educational institutions, requested \$297,640.52, 91% of the \$327,545.83 submitted for reimbursement review.

Mitchell County's larger direct aid request similarly prioritizes school district and educational institution expenditures, which at \$651,121.90 amount to 98% of the \$661,080.89 submitted for direct aid review. Transfers to subrecipients approximately doubled from the reimbursements request, from a total of \$327,545.83 in reimbursement requests to a total of \$661,080.89 in direct aid transfer requests. School districts and educational institutions account for 98% of transfer requests while cities and a healthcare institution 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

Mitchell 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 Compliance 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. USD 273 Juvenile Transition Crisis and Special Education Programs

\$426,386.00

Reimbursement

The requests from USD 273 for direct aid to fund its Juvenile Transition Crisis and Special Education programs appears to offset reduction in previously provided Kansas Department of Education. This may present as both previously budgeted expenses and revenue replacement and presents compliance concerns. In order to be eligible for CRF use, the proposed program would need to have a clear nexus to COVID-19 and be necessary to address impacts of the public health crisis.

Spending Plan Request for Additional Information

No additional information is requested at this time.

Modifications Required

No modifications are requested at this time.

Conclusions

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