

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

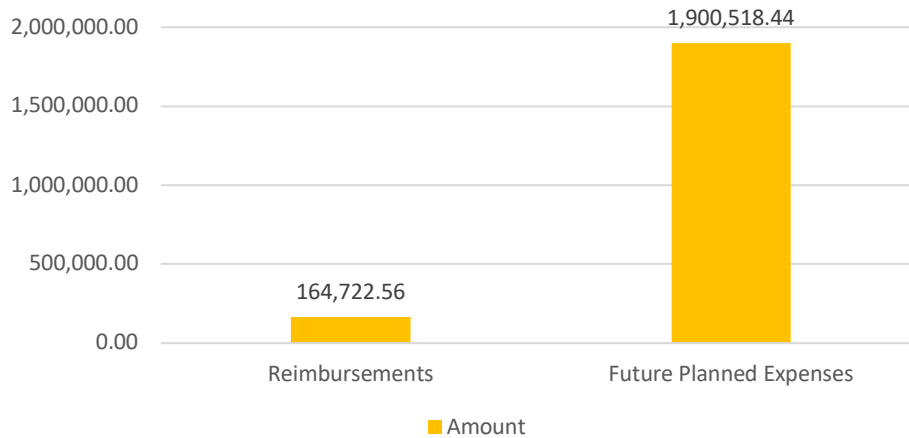
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Nemaha County

**General Information**

Population: 10,155  
 COVID-19 Cases as of 8/21/2020: 53

Total Allocation Amount: \$2,065,241  
 Total Submitted for Reimbursement: \$164,722.56  
 Total Submitted for Future Planned Expenditures: \$1,900,518.44

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$3,587.10  
 Total Amount for Subrecipients: \$161,135.46

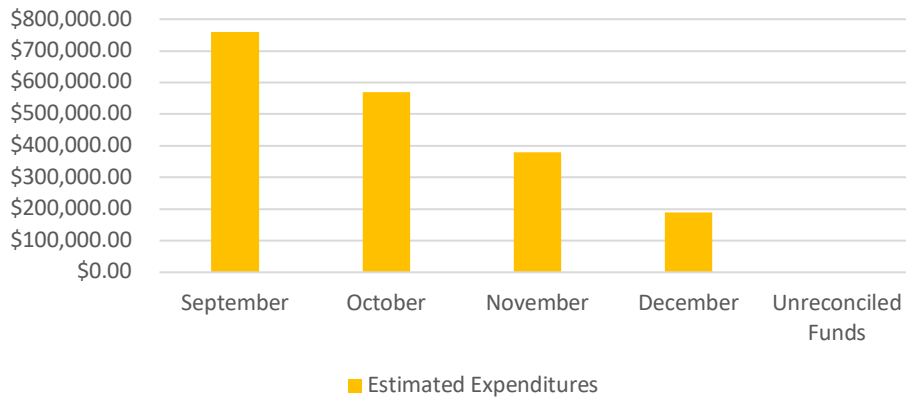
**Subrecipients and Amounts**

Subrecipient	Type	Amount
City of Sabetha	City	\$12,657.04
City of Seneca	City	\$564.05
District Court	Taxing Authority	\$370.06
Nemaha Baker Daycare	Small Business	\$985.76
EGWL Daycare	Small Business	\$411.40
Little Sprouts	Small Business	\$80.11
Seneca Free Library	Library	\$236.33
Sheriff's Office	Law Enforcement	\$8,709.59
USD 113	School District	\$36,165.87
USD 115	Educational Institution	\$100,955.26
<b>Total</b>		<b>\$161,135.47</b>

### Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$191,335.97  
 Total Amount for Transfers: \$925,868.17  
 Total Amount for Programs: \$783,314.30

#### PROJECT SPEND DOWN RATE



### Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Sabetha	City	\$274,331.00
City of Seneca	City	\$228,758.16
USD 113	School District	\$276,827.02
USD 115	School District	\$145,951.99
<b>Total</b>		<b>\$925,868.17</b>

### Proposed Programs

Program Title	Program Description	Program Budget Amount
Economic Development	Grant program to small businesses have been significantly impacted by COVID-19 and many need additional support to re-open or stay open.	\$235,437.47
Socio-Economic	Grant program to provide funds to smaller communities in the county and private schools for expenses that address recovery from the COVID-19 pandemic.	\$423,622.86
Non-Profit	Grants to organizations to assist residents with needs due to impact of COVID-19.	\$70,631.24
Childcare	Grants to daycare and childcare facilities to re-open or remain open so residents can continue to work or return to work.	\$53,622.73
<b>Total</b>		<b>\$783,314.30</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

Nemaha County has prioritized its reimbursement requests for school districts. Total County reimbursements equal 83.2% of all expenditures, while city requests total 8% of the \$164,722.56 submitted for reimbursement review.

Nemaha County's substantially larger direct aid request prioritizes economic development program expenditures, which amount to 41.2% of the \$1,900,518.44 submitted for direct aid review. Transfers to subrecipients more than quadrupled from the reimbursements request, to a total of \$925,868.17. Cities account for 54.3% of transfer requests while school districts account for the remainder of requests.

The summary tab of the reimbursements report states that \$161,135.46 has been distributed to subrecipients, but in adding the total reported reimbursements from each subrecipient the total derived is \$161,135.47, leaving \$0.01 in unaccounted for funds.

## Technical Understanding of SPARK Process

Nemaha 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. Furthermore, Nemaha County is one of the few counties for which a line-item review identified no line-items that posed compliance considerations and therefore is one of the few counties for which there are no requests for information.

## Identified Compliance Considerations

Several items in the County's reimbursement and direct aid plan present possible risk:

### 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. Economic Development**

Direct Aid  
\$235,437.47

The County proposes to provide assistance to small businesses that have been impacted by COVID-19, needing support to re-open or remain open. As a grant program, the County should ensure the development of an application process and establish a review committee to ensure equal access to funds from potential, qualified applicants. The County should also appropriately advertise the program within the area.

## **3. Socio-Economic**

Direct Aid  
\$423,622.86

The County proposes to provide assistance smaller cities, municipalities and private schools who will provide services that promote and maintain mental and physical health of residents impacted by the COVID-19 pandemic. As a grant program, the County should ensure the development of an application process and establish a review committee to ensure equal access to funds from potential, qualified applicants. The County should also appropriately advertise the program within the area.

## **4. Non-Profit**

Direct Aid  
\$70,631.24

The County proposes to provide assistance to residents impacted by COVID-19 in need of assistance, through grants to organizations such as food banks, religious organizations and non-profit agencies. As a grant program, the County should ensure the development of an application process and establish a review committee to ensure equal access to funds from potential, qualified applicants. The County should also appropriately advertise the program within the area.

## **5. Childcare**

Direct Aid  
\$53,622.73

The County proposes to provide grants to daycare and childcare facilities to re-open or remain open so parents/guardians of children can return to work or maintain work. As a grant program, the County should ensure the development of an application process and establish a review committee to ensure equal access to funds from potential, qualified applicants. The County should also appropriately advertise the program within the area.

## Spending Plan Request for Additional Information

There are no requests for additional information at this time.

## Modifications Required

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

1. The County needs to reconcile total of disbursed funds in the Reimbursements Summary Tab to actual reimbursements listed for each subrecipient.

## Conclusion

1. Based on the documents provided by Nemaha County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Nemaha County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Nemaha 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. Nemaha County should consider developing a templated sub-recipient monitoring plan to ensure consistent monitoring of subrecipients (cities, schools, non-profits) for compliancy use of funds.
5. For the multiple Grant Programs, if not already in place, Nemaha 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 considerations regarding payroll expenses, Nemaha County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.