

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

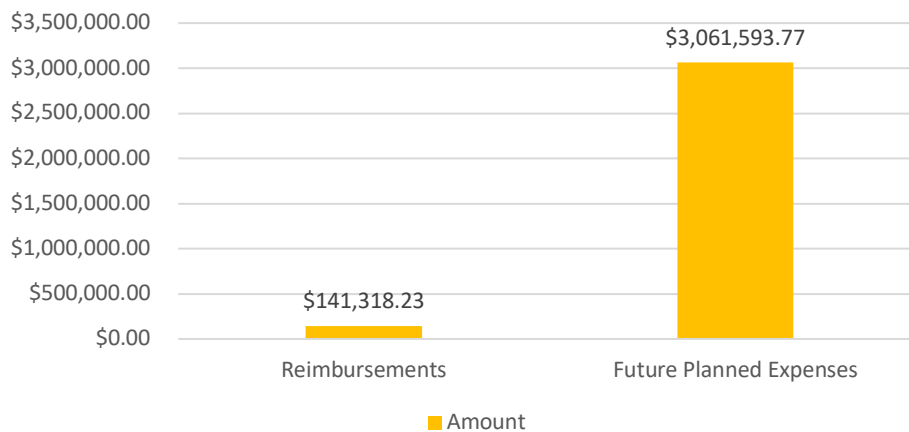
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Neosho County

**General Information**

Population: 15,951  
 COVID-19 Cases as of 8/24/2020: 76

Total Allocation Amount: \$320,2912.00  
 Total Submitted for Reimbursement: \$141,318.23  
 Total Submitted for Future Planned Expenditures: \$3,061,593.77

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$36,982.87  
 Total Amount for Subrecipients: \$104,335.36

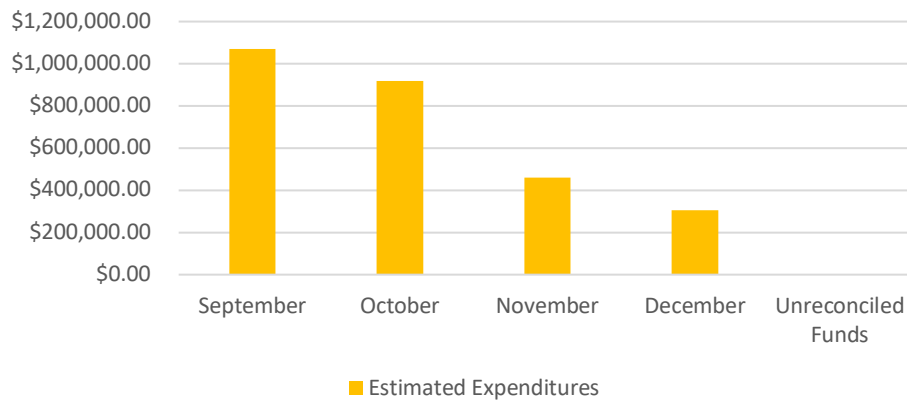
**Subrecipients and Amounts**

Subrecipient	Type	Amount
City of Chanute	City	\$101,112.51
City of St. Paul	City	\$3,222.85
<b>Total</b>		<b>\$104,335.36</b>

**Direct Aid Overview – Future Spending Plan**

Total Amount for County Expenditures: \$994,120.00  
 Total Amount for Transfers: \$0.00  
 Total Amount for Programs: \$2,067,473.77

**PROJECT SPEND DOWN RATE**



**Subrecipients/Transfers and Amounts**

There are no proposed subrecipients.

**Proposed Programs**

Program Title	Program Description	Program Budget Amount
Reimbursement and FEMA Matching Program	The program will provide the County with flexible spending to reimburse local governmental entities, nonprofits, school districts, and higher education institutions for necessary and reasonable expenditures related to the COVID-19 pandemic. This program will leverage other funding sources, such as FEMA Public Assistance and prioritize providing the local cost share for FEMA Public Assistance and/or other federal grants.	\$466,017.77
Household Emergency Relief Program	The Program provides a one-time subsidy to residents who have suffered loss of job, reduction in hours of work or other financial hardship, to pay up to four months of past-due rent, mortgage and utility payments.	\$320,291.20
Agency Operational Relief Grant Program	Grants to small businesses and nonprofit organizations who have incurred loss due to closure during the COVID-19 pandemic, purchase PPE and other eligible expenditures through December 30, 2020.	\$640,582.40
Response & Recovery Program	Grants to local organizations to assist in response, mitigation and recovery due to impact of COVID-19.	\$640,582.40
<b>Total</b>		<b>\$2,067,473.77</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

Neosho County has prioritized its reimbursement requests for cities. Total county reimbursements equal 26.2% of all expenditures, while city requests total 65% of the \$141,318.23 submitted for reimbursement review.

Neosho County's substantially larger direct aid request prioritizes program expenditures, which amount to 100% of the \$2,067,473.77 submitted for direct aid review. No Transfers are included in the 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

Neosho County and its subrecipients demonstrate a somewhat proficient understanding of the SPARK eligibility standards as exemplified by their detailed reporting of expenditures for reimbursements and direct aid. The County is proposing disbursement of significant funds through grant or voucher programs which will need to be monitored for compliance to use of CRF funds, and documentation maintained by the recipient and the County to support eligible expenses. Our identified risks and compliance considerations for these are outlined below.

## 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. City of Chanute "Public Health Expenses"

\$745.47

Reimbursement

The City of Chanute requests \$754.47 for 10 unexplained "public health expenses" line-items. Items or service should be identified clearly in reimbursement requests reporting from the City to the County. The County should ensure that this expense responds clearly to purpose and intent of CRF funding, meets all eligibility criteria and will be documented to the county file to support the expense.

## Spending Plan Request for Additional Information

No additional information is requested at this time.

## Modifications Required

No modifications are requested at this time.

## Conclusion

1. Based on the documents provided by Neosho County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Neosho County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Neosho County is proposing several Grant Programs. If not already in place, the 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 their communities.
4. Neosho County has proposed many subrecipient arrangements largely through grant programs. They should make appropriate considerations for administrative capacity to monitor these subrecipients, the timeline, parameters, and eligibility for granting money to these subrecipients, including prioritizing non-profits and those owned/minority service entities.
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 considerations regarding payroll expenses, Neosho County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.