

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

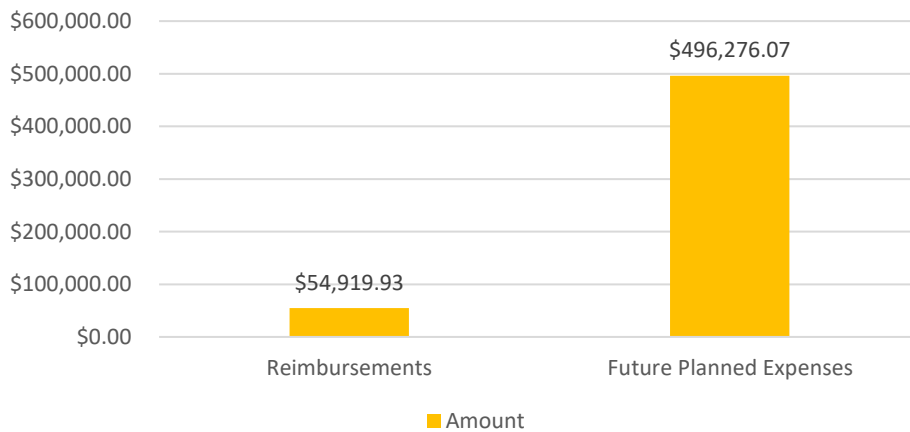
Date September 5, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Ness County

General Information

Population: 2,840
 COVID-19 Cases 8/21/2020: 14

Total Allocation Amount: \$551,196.00
 Total Submitted for Reimbursement: \$54,919.93
 Total Submitted for Future Planned Expenditures: \$496,276.07

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$2,592.08
 Total Amount for Subrecipients: \$52,327.85

Subrecipients and Amounts

Subrecipient	Type	Amount
USD 303	School District	\$12,714.43
Sacred Heart	Educational Institution	\$13,414.40
Ness City Office	City	\$1,927.80
Western Plains USD 106	School District	\$23,938.97
Walnut Creek Extension	Educational Institution	\$60.98
Ness County Leisure Years	Senior Center	\$271.27
Total		\$52,327.85

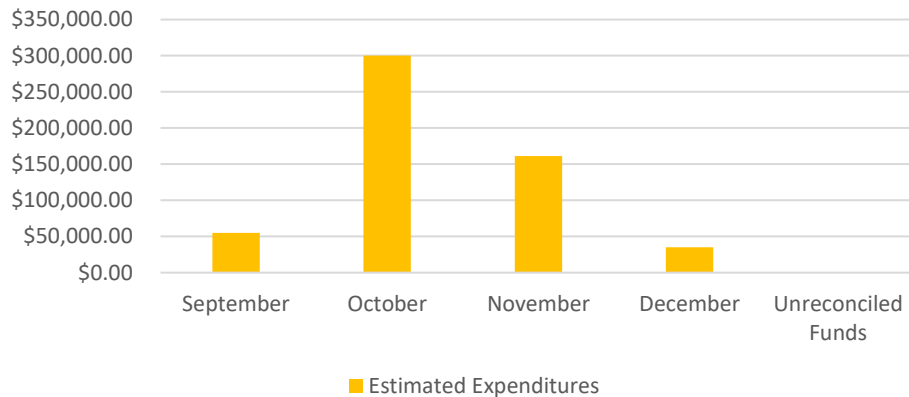
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$170,883.03

Total Amount for Transfers: \$163,893.04

Total Amount for Programs: \$161,500.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Ness County Hospital	Healthcare Institution	\$10,794.00
USD 303	School District	\$43,710.55
Sacred Heart School	Educational Institution	\$31,800.00
USD 106	School District	\$40,784.00
Walnut Creek Extension	Educational Institution	\$241.99
Ness City Hall	City	\$36,562.50
Total		\$163,893.04

Proposed Programs

Program Title	Program Description	Program Budget Amount
Small Business Grants	Grant Program to provide funds for Ness County Small businesses who were significantly impacted financially by the COVID-19 outbreak.	\$161,000.00
Food Bank	Fund for local food bank managers to use to increase the food supply for low income families.	\$500.00
Total		\$161,500.00

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

Ness County has prioritized its reimbursement requests for school districts and educational institutions. Total county reimbursements equal 4.7% of all expenditures, while school district and educational institution requests total 91.3% of the \$54,919.93 submitted for reimbursement review.

Ness County's substantially larger direct aid request prioritizes a small business grant program, which amounts to 32% of the \$496,276.07 submitted for direct aid review. Transfers to subrecipients approximately halved from the reimbursements request, to a total of \$163,893.04. School districts and educational institutions account for 71.1% of transfer requests while the county hospital and Ness City Hall account for the remainder of requests.

Technical Understanding of SPARK Process

Ness 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. 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, public health and human services 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. To mitigate the risk of potential financial modifications should the Treasury's guidance present more restrictive criteria than currently outlined, the Office of Recovery has determined that the County should only proceed with reimbursing the following payroll expenses:

- 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).
- 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 personnel and services that are considered substantially dedicated to preparing for, mitigating against or responding to COVID-19, and whose actions can be clearly documented. The County should also ensure that all payroll records reflect this commitment of time and the tasks performed and/or responsibilities related to COVID-19 are clearly noted in documents supporting the expense.

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 expenses are compliant to the OIG Guidance.

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