

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

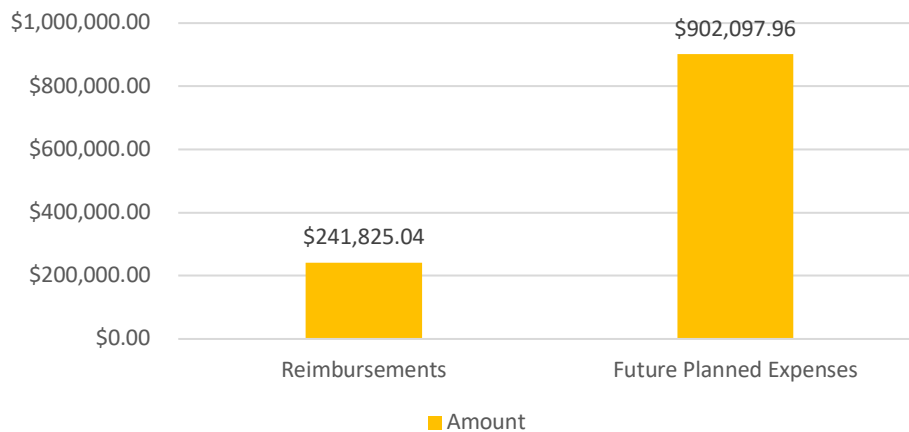
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Ottawa County

General Information

Population: 5,704
 COVID-19 Cases as of 8/21/2020: 39

Total Allocation Amount: \$1,143,923.17
 Total Submitted for Reimbursement: \$241,825.04
 Total Submitted for Future Planned Expenditures: \$902,097.96

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$51,704.65
 Total Amount for Subrecipients: \$190,120.39

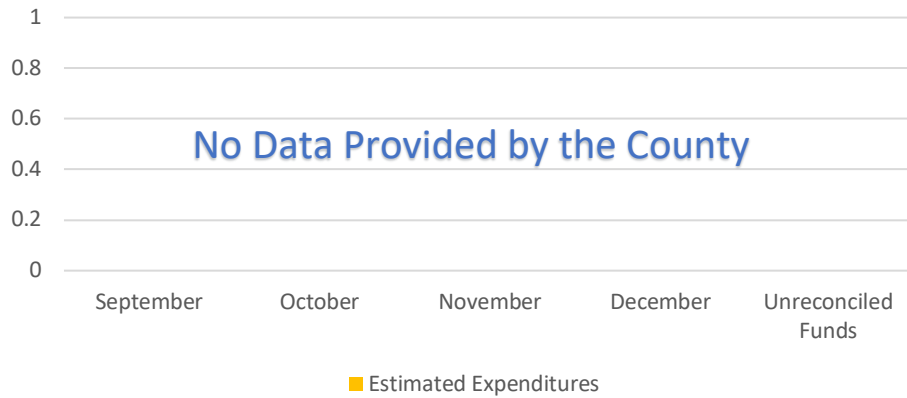
Subrecipients and Amounts

Subrecipient	Type	Amount
Central Kansas Mental Health Center	Healthcare Institution	\$582.78
Delphos	City	\$476.61
Minneapolis	City	\$3,665.71
USD 239	School District	\$143,386.02
USD 240	School District	\$17,768.73
Minneapolis Library	Library	\$437.87
Ottawa County Health Center	Healthcare Institution	\$23,802.67
Total		\$190,120.39

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$294,034.33
 Total Amount for Transfers: \$608,063.63
 Total Amount for Programs: \$0.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 239	School District	\$171,643.36
USD 240	School District	\$224,961.50
Ottawa County Health Center	Healthcare Institution	\$107,434.00
Minneapolis	City	\$75,000.00
Saline County Health Department	County	\$8,100.00
Central Kansas Mental Health	Healthcare Institution	\$1,924.77
Love, INC	Nonprofit	\$19,000.00
Total		\$608,063.63

Proposed Programs

Ottawa County has no proposed programs.

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

Ottawa County has prioritized its reimbursement requests for school districts. Total county reimbursements equal 21.4% of all expenditures, while school district requests total 66.6% of the \$241,825.04 submitted for reimbursement review.

Ottawa County's substantially larger direct aid request similarly prioritizes school district expenditures, which amount to 65.2% of the \$608,063.63 submitted for direct aid review. Transfers to subrecipients more than tripled from the reimbursements request, to a total of \$608,063.63. School districts account for 65.2% of transfer requests while healthcare institutions, a city, and a local business/organization account for the remainder of requests.

The summary tab of the reimbursements report states that \$902,097.96 has been distributed to subrecipients, but in adding the total reported reimbursements from each subrecipient the total derived is \$190,120.39. It appears as though the figure for future direct aid transfers was inadvertently entered into the reimbursement transfers slot.

Technical Understanding of SPARK Process

Ottawa 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 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. Election Expenses

\$6,586.24

Reimbursement

The county spent \$6,586.24 on election related expenses. There is a separate program through which the state can provide funding for elections.

3. County Clerk Election Expenses

\$5,450.00
 Direct Aid

The Ottawa County Clerk requests \$5,450.00 is direct aid for “Postage for advanced ballots.” There is a separate program through which the state can provide funding for elections.

4. Transfer to Saline County

\$8,100.00
 Direct Aid

According to the SPARK process, Counties should request aid for their own expenses. It is unclear why Ottawa County has listed a transfer to another County, including business grants, when it is possible for the County to request support itself. Further, since business grants are listed in this item, 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 these subrecipients. The County may wish to list business grants as programs rather than line items.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
Transfer to Saline County	Saline County Health Department	\$8,100.00	More information is requested on why Saline County could not make this request on its own and how applicants will apply and be selected, and who will be administering the proposed business grant items.

Modifications Required

The following modifications are required:

- Ottawa County needs to supply a robust spend down plan, verifying program compliance eligibility.

Conclusion

- Based on the documents provided by Ottawa County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
- Ottawa County should provide modifications and responses to all requests for additional information outlined in this memo.
- Ottawa 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. Ottawa 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. Ottawa 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.

Ottawa County needs to provide responses and documentation for the above Requests for Additional Information. The County also needs to make the modification(s) suggested above. After these things are addressed the Reimbursement and Direct Aid requests can be reassessed.