

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

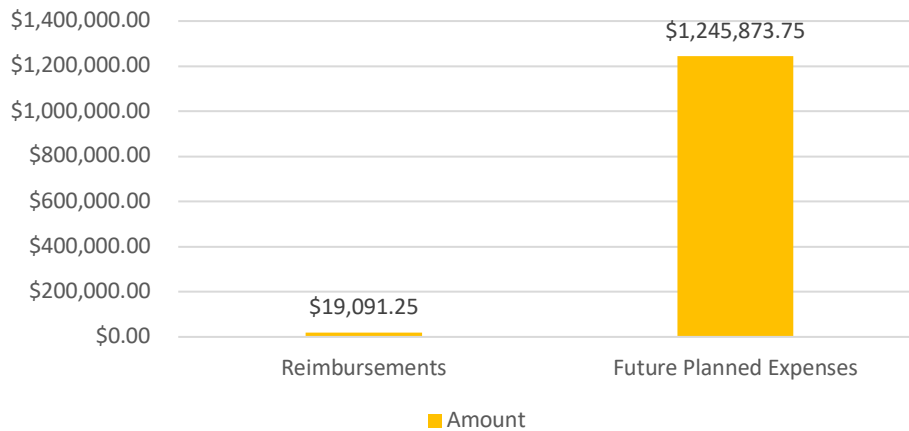
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Pawnee County

General Information

Population: 6,562
 COVID-19 Cases 8/24/2020: 151

Total Allocation Amount: \$1,264,965.00
 Total Submitted for Reimbursement: \$19,091.25
 Total Submitted for Future Planned Expenditures: \$1,245,873.75

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$1,626.25
 Total Amount for Subrecipients: \$17,465

Subrecipients and Amounts

Subrecipient	Type	Amount
City of Larned-EMS	City	\$17,465.00
Total		\$17,465.00

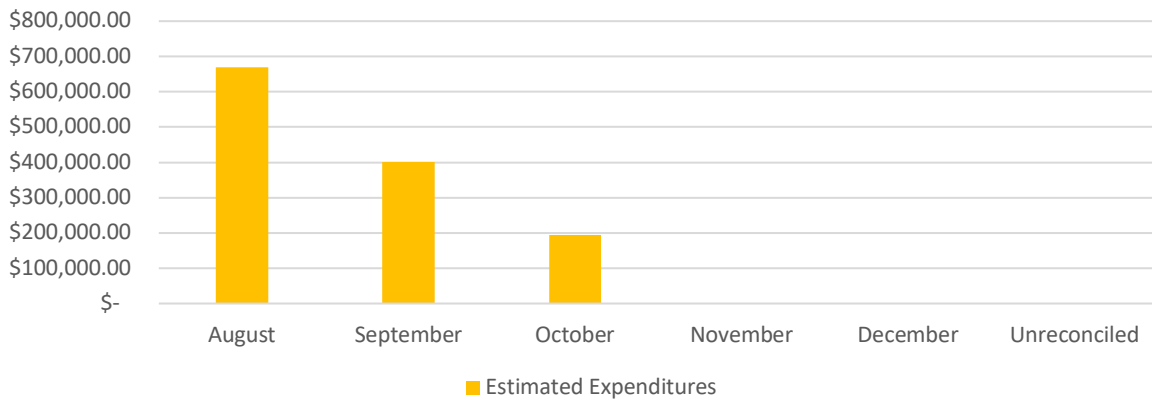
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$342,903.67

Total Amount for Transfers: \$370,946.57

Total Amount for Programs: \$194,518.43

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Center for Counseling	Healthcare Institution	\$4,802.72
Larned Fire & EMS	Emergency Services	\$43,819.10
Jordan Memorial Library	Library	\$8,000.00
Rozel Fire Department	Emergency Services	\$10,000.00
USD 495	School District	\$241,200.00
USD 496	School District	\$55,124.75
Tri-County Special Services	Educational Institution	\$8,000.00
Total		\$370,946.57

Proposed Programs

Program Title	Program Description	Program Budget Amount
Small Business Grant Program	“Grant Program for Small Business/Community Organizations”	\$194,518.43
Total		\$194,518.43

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

Pawnee County has prioritized its reimbursement requests for subrecipient expenditures. Total County reimbursements equal 8.5% of all expenditures; subrecipient reimbursements were all for the City of Larned EMS, a total of 91.5% of all reimbursements submitted for review.

Pawnee County's substantially larger direct aid request prioritizes school district expenditures, which amount to 32.6% of the \$908,368.67 submitted for direct aid review. Transfers to subrecipients increased from zero to a total of \$370,946.57. School districts account for 79.9% of transfer requests while emergency services, a healthcare institution, and a library account for the remainder of requests.

The County should ensure that all expenses respond clearly to purpose and intent of CRF funding, meets 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

Pawnee 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

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. Learned EMS Revenue Replacement

\$17,465

Reimbursement

There is a reimbursement request for \$17,465.00 and also a direct aid request for \$17,465.00, both to "Replace lost revenue due to COVID." Use of CRF proceeds for government revenue replacement is considered an ineligible expense.

3. Rozel Fire Department Revenue Replacement

\$8,000.00

Direct Aid

There is a direct aid request for \$8,000.00 to "Replace fundraiser revenue due to COVID." Use of CRF proceeds for government revenue replacement is considered an ineligible expense.

Spending Plan Request for Additional Information

No additional information is requested at this time.

Modifications Required

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

Conclusion

1. Based on the documents provided by Pawnee County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Pawnee County should provide responses to all requests for additional information outlined in this memo.
3. Pawnee County has an appropriate Project Spend Down Rate in accordance with program guidelines and eligibility.
4. Pawnee County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.
5. Pawnee 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.
6. For the Small Business Grant Program, if not already in place, Pawnee 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.
7. Pawnee 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.

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Laura Kelly, Governor

Subject to review of the additional documentation requested and considerations regarding payroll expenses, Pawnee County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.