

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

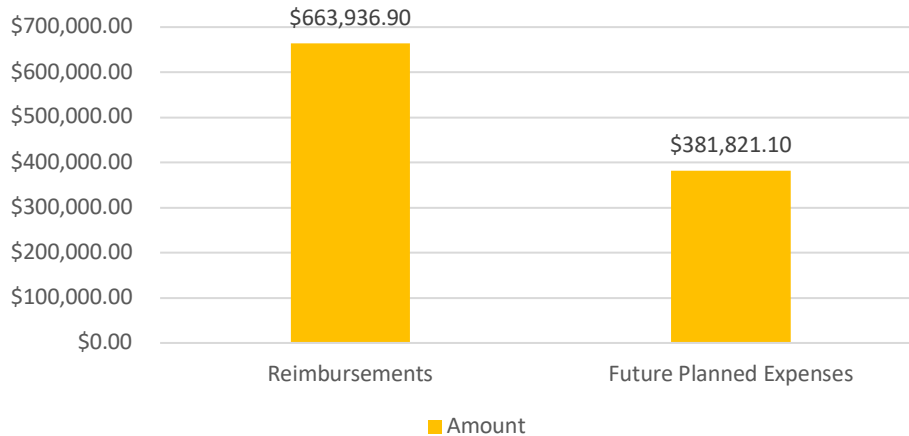
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Phillips County

General Information

Population: 5,317
 COVID-19 Cases 8/24/202: 8

Total Allocation Amount: \$1,045,758.00
 Total Submitted for Reimbursement: \$663,936.90
 Total Submitted for Future Planned Expenditures: \$381,821.10

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$419,776.43
 Total Amount for Subrecipients: \$244,160.47

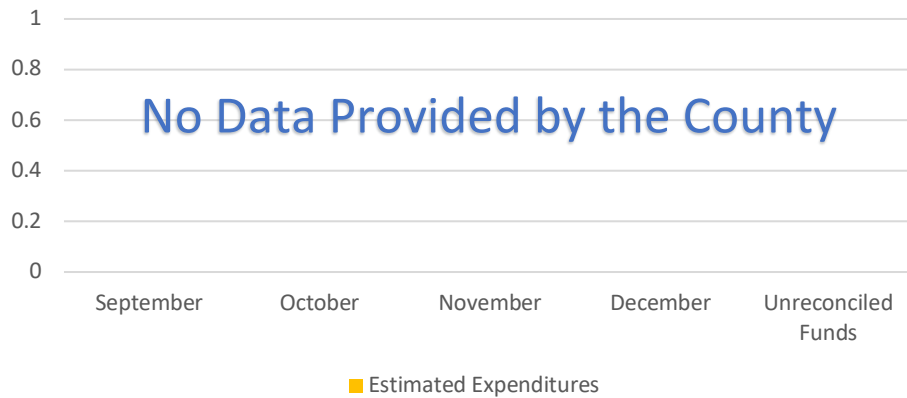
Subrecipients and Amounts

Subrecipient	Type	Amount
Phillips County Retirement Center	Healthcare Institution	\$10,454.32
Logan Manor Nursing Home	Healthcare Institution	\$134,793.62
Phillipsburg	City	\$17,325.31
City of Logan	City	\$362.12
Sunshine Library	Library	\$199.89
USD 110	School District	\$6,629.05
USD 212	School District	\$19,443.51
USD 325	School District	\$44,586.52
USD 326	School District	\$10,366.13
Total		\$244,160.47

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$57,264.75
 Total Amount for Transfers: \$177,393.63
 Total Amount for Programs: \$147,162.72

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 325	School District	\$52,176.73
USD 326	School District	\$17,484.33
Logan Manor Nursing Home	Healthcare Institution	\$28,705.02
Phillips County Retirement Center	Healthcare Institution	\$79,027.55
Total		\$177,393.63

Proposed Programs

Program Title	Program Description	Program Budget Amount
Continued COVID-19 Response	“Maintain situational awareness, coordinate county assistance as needed to augment local response and recovery actions, facilitate public information, sustain county mission essential functions, identify and coordinate public health response for our county and our local communities.”	\$147,162.72
Total		\$147,162.72

Definitions

General Considerations – Summarizes county expenditure data.

Payroll Considerations – Summarizes county expenditure data on payroll expenses.

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

Phillips County has prioritized its reimbursement requests for nursing homes and school districts. Total county reimbursements equal 63.2% of all expenditures, while nursing home requests total 21.9% of the \$663,936.90 submitted for reimbursement review.

Phillip County’s substantially smaller direct aid request similarly prioritizes nursing home and school district expenditures, which amount to 46.5% of the \$381,821.00 submitted for direct aid review. Transfers to subrecipients nearly halved from the reimbursements request, to a total of \$177,393.63. Nursing homes account for 60.7% of transfer requests while school districts 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

Phillips 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. However, The County could benefit from technical assistance on what are eligible Program expenditures and what are considered county expenditures. 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 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. School Food/Kitchen Expenses

\$22,751.90

Reimbursement

USD 325 requests a total of \$22,751.90 across six line-items for food related expenses. 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.

3. School Kitchen Supplies

\$3,921.99

Reimbursement

USD 326 requests \$3,921.99 for kitchen supplies. 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.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
Continued COVID-19 Response Program	Phillips County	\$147,162.72	More information is requested as this appears to be direct county expenditures and not a program.

Modifications Required

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

1. Phillips County needs to provide a robust spend down plan that outlines when expenditures will take place so as to ensure expenses will be incurred before the December 30, 2020 deadline.

Conclusion

1. Based on the documents provided by Phillips County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Phillips County should provide modifications and responses to all requests for additional information outlined in this memo.
3. Phillips County needs to submit a spend down plan.
4. Phillips 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. Phillips 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. Phillips 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.

Phillips 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.