

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

MEMORANDUM

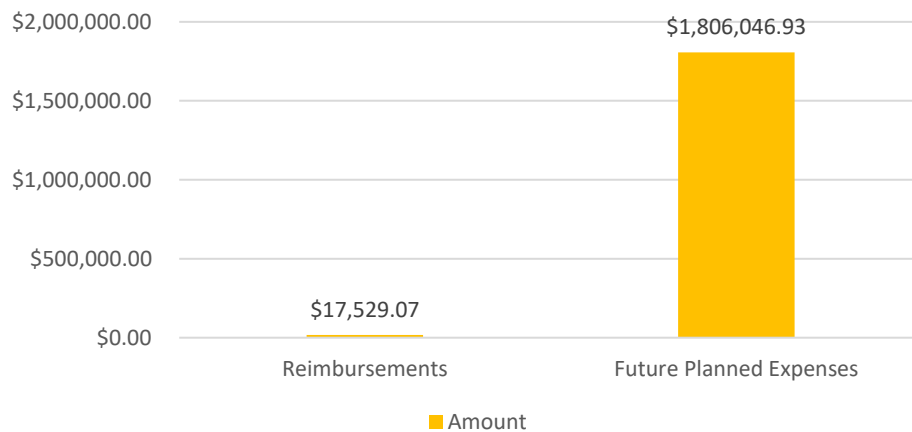
Date September 5, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Pratt County

General Information

Population: 9,378
COVID-19 Cases as of 8/24/2020: 40

Total Allocation Amount: \$1,823,576
Total Submitted for Reimbursement: \$17,529.07
Total Submitted for Future Planned Expenditures: \$1,806,046.93

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$17,529.07
Total Amount for Subrecipients: \$0.00

Subrecipients and Amounts

No subrecipient reimbursements were submitted.

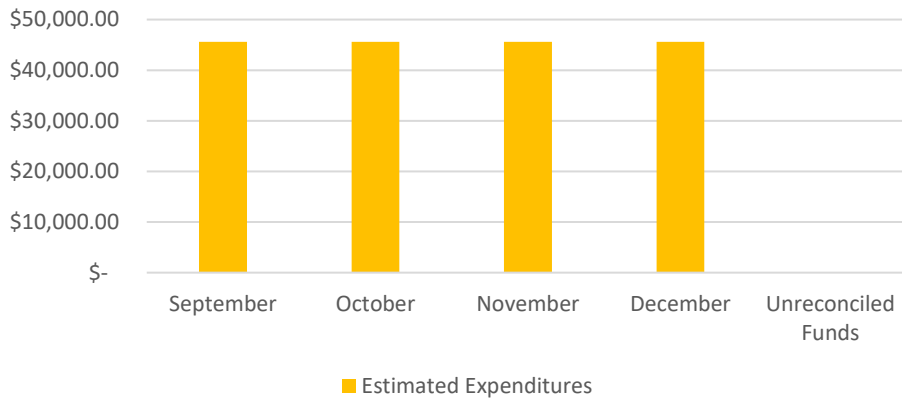
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$712,452.93

Total Amount for Transfers: \$0.00

Total Amount for Programs: \$1,093,594.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

No transfers to subrecipients planned; all funds allocated to subrecipients erroneously classified as programs without line-items.

Proposed Programs

Program Title	Program Description	Program Budget Amount
Pratt Regional Medical Center	COVID-19 Mitigation and Prevention	\$461,233.00
Pratt Community College	COVID 19 Mitigation and Prevention	\$206,234.00
Pratt County Business Assistance Grant Program	Assist small businesses with grants of 500, 1,000, 1,500 to offset COVID related expenses and losses.	\$146,358.00
USD 382	COVID 19 Mitigation and Prevention	\$135,834.00
USD 438	COVID 19 Mitigation and Prevention	\$68,415.00
City of Pratt	Reimburse and purchase COVID related needs for City of Pratt	\$75,520.00
Total		\$1,093,594.00

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

Pratt County has prioritized its reimbursement requests for county expenditures. Total county reimbursements equal 100.00% of all eligible expenditures and no subrecipient expenses were submitted for reimbursement review.

Pratt County's substantially larger direct aid request similarly prioritizes county expenditures, which amounts to 39.4% of the \$1,806,046.93 submitted for direct aid review. Transfers to subrecipients remained at zero, as they were for reimbursements, but many entities are assigned funds through programs rather than transfers, and those come to a total of \$947,236.00. The Pratt Regional Medical Center accounts for 48.7% of these de facto transfer requests disguised as programs while educational institutions and the city of Pratt account for the remainder of requests.

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 incurred before December 30, 2020.

Technical Understanding of SPARK Process

Pratt 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 did not correctly allocate funds for transfers of direct aid, classifying what should have been transfers with line-item explanations for intended use of the funds as programs without line-item reviews instead. In future reporting, all proposed "programs," with the exception of the Pratt County Business Assistance Grant Program, should be reclassified as transfers and provided with a reconciliation of eligible activities utilizing CRF proceeds.

Identified Compliance Considerations

Several items in the County's reimbursement and direct aid plan present possible risk:

1. 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. Pratt County Business Assistance Grant Program

\$146,358.00

Direct Aid

As this is identified as a grant program, the County should have a well-qualified plan for how applicants will apply and be selected. Additionally, the County should ensure they have the appropriate level of administrative capacity to effectively administer the program and/or monitor any 3rd party entity responsible for administering the grant program.

3. Programs that Should be Reclassified as Line-Items

\$947,236.00

Direct Aid

Various programs were listed that should have been listed as detailed line items. It is not immediately clear what types of expenses will be incurred or reimbursed utilizing CRF proceeds. The Office of Recovery may consult with the County at a later date to ensure proper use of funds by the County and its subrecipients.

Spending Plan Request for Additional Information

No additional information is requested at this time.

Modifications Required

The following modification(s) are requested to the provided Reimbursement or Direct Aid plan in future reporting:

1. Reclassify highlighted programs to full line-item spreadsheets.

Conclusions

1. Based on the limited documentation provided by Pratt County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding.
2. Pratt County appears to have equally distributed their Project Spend Down Rate across the remaining months. The County should ensure that CRF costs are incurred on or before December 30, 2020 and that reimbursements or payments are made in a timely manner.
3. Pratt 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. Pratt 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. For the Business Assistance Grant Program, if not already in place, Pratt 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.
6. Pratt 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, Pratt County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.