

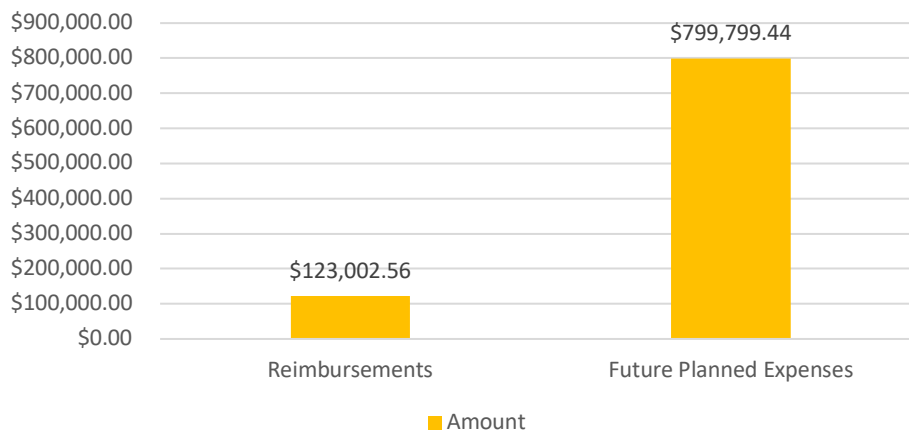
**SPARK ROUND 1 - LOCAL GOVERNMENT
 REIMBURSEMENT & DIRECT AID REVIEW
 MEMORANDUM**

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

General Information

Population: 4,664
 COVID-19 Cases as of 8/24/2020: 35
 Total Allocation Amount: \$ 922,802.00
 Total Submitted for Reimbursement: \$123,002.56
 Total Submitted for Future Planned Expenditures: \$799,799.44

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$43,392.10
 Total Amount for Subrecipients: \$79,611.46

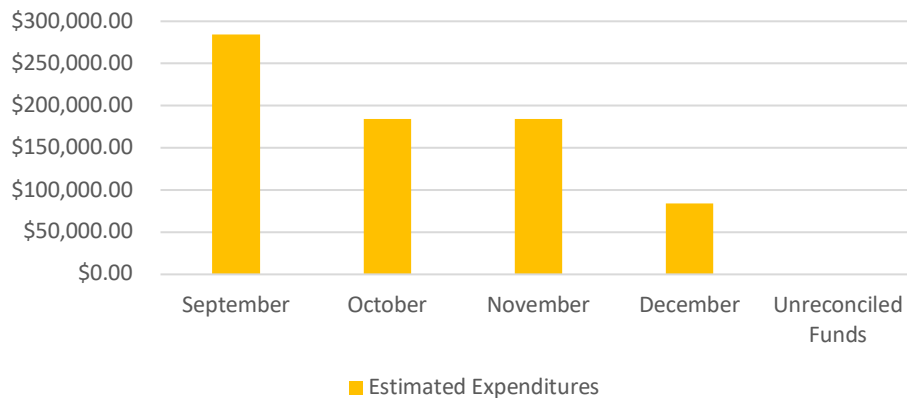
Subrecipients and Amounts

Subrecipient	Type	Amount
City of Belleville	City	\$2,604.30
City of Courtland	City	\$313.55
City of Cuba	City	\$86.32
City of Munden	City	\$131.75
City of Scandia	City	\$936.80
USD 109	Educational Institution	\$49,613.42
USD 426	Educational Institution	\$24,943.02
Blair Theater	Civic Organization	\$259.90
Pawnee Mental Health	Healthcare Institution	\$722.40
Total		\$79,611.46

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$191,825.83
 Total Amount for Transfers: \$607,973.61
 Total Amount for Programs: \$0.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Belville	City	\$50,000.00
City of Courtland	City	\$17,599.39
City of Cuba	City	\$680.00
City of Munden	City	\$150.00
City of Republic	City	\$985.99
City of Scandia	City	\$6,137.97
USD 109	Educational Institution	\$172,500.00
USD 426	Educational Institution	\$80,326.71
Republic County EMS	Emergency Services	\$126,067.42
County Health Department	County	\$124,399.17
Landmark Church	Religious Institution	\$3,006.96
Lutheran Church	Religious Institution	\$120.00
Blair Theater	Civic Organization	\$26,000.00
Total		\$607,973.61

Proposed Programs

Republic County has not proposed any programs in its Direct Aid Plan.

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

Republic County has prioritized its reimbursement requests for school districts. Total county reimbursements equal 35.3% of all expenditures, while school district request total 60.6% of the \$123,002.56 submitted for reimbursement review.

Republic County's substantially larger direct aid request prioritizes health services expenditures, which amount to 31.3% of the \$799,799.44 submitted for direct aid review. Transfers to subrecipients increased more than six-fold from the reimbursements request, to a total of \$607,973.61. Health services account for 41.2% of transfer requests while school districts, cities, and churches account for the remainder of requests.

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.

Technical Understanding of SPARK Process

Republic 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 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. Purchase of School Bus

\$85,000.00
 Direct Aid

USD 109 requests \$85,000 to purchase an additional school bus to facilitate social distancing. Other, less costly options may exist and should be considered further. As this represents a significant purchase, the County should ensure that the proposed project is bid appropriately, meets uniform guidance standards outlined in 2CFR 200, is cost reasonable, and can be acquired prior to December 30, 2020.

3. Pop-up Theater

\$26,000.00
 Direct Aid

The Blair Theater requests \$26,000 for a pop-up theater to allow “Outdoor social distancing theater for family entertainment.” 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.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
School Bus	USD 109	\$85,000	More information requested to determine cost-effectiveness and eligibility of expenditure.
Pop-up Theater	Blair Theater	\$26,000	More information requested to determine cost-effectiveness and eligibility of expenditure.

Modifications Required

No modifications are required at this time.

Conclusion

1. Based on the documents provided by Republic County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.

2. Republic County should provide requested modifications and responses to all requests for additional information outlined in this memo.
3. Republic County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
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 expenses incurred before December 30, 2020.

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