

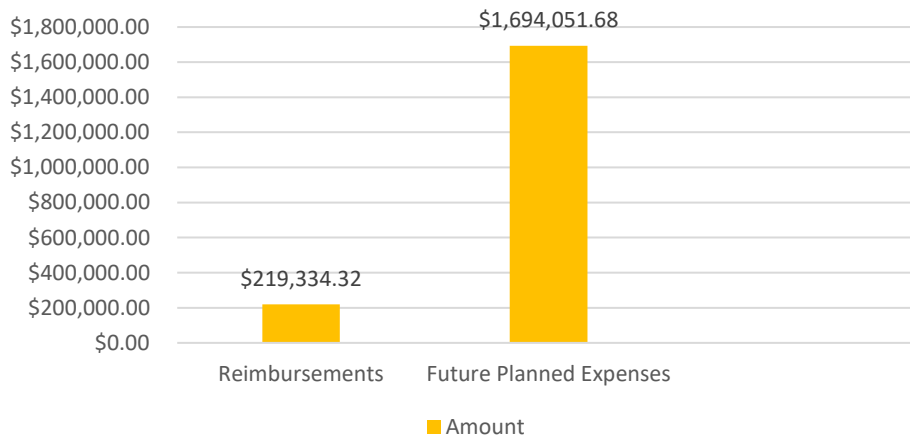
**SPARK ROUND 1 - LOCAL GOVERNMENT
 REIMBURSEMENT & DIRECT AID REVIEW
 MEMORANDUM**

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

General Information

Population: 9,531
 COVID-19 Cases as of 8/24/2020: 42
 Total Allocation Amount: \$1,913,386.00
 Total Submitted for Reimbursement: \$425,900.75
 Total Submitted for Future Planned Expenditures: \$1,694,051.68

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$216,596.21
 Total Amount for Subrecipients: \$209,304.54

Subrecipients and Amounts

Subrecipient	Type	Amount
Brighthouse	Civic Organization	\$1,104.10
Kansas State Extension	Higher Education Institution	\$439.89
Rice County Council on Aging	Nonprofit	\$2,992.71
Rice County Historical Society	Civic Organization	\$272.61
Center for Consult	Business	\$1,022.39
City of Alden	City	\$499.00
City of Bushton	City	\$1,222.99
City of Chase	City	\$1,651.82
City of Little River	City	\$79.72
City of Lyons	City	\$14,699.78

City of Sterling	City	\$10,104.30
USD 401	Educational Institution	\$30,884.80
USD 376	Educational Institution	\$30,097.12
USD 405	Educational Institution	\$87,183.81
USD 444	Educational Institution	\$27,049.50
Total		\$209,304.54

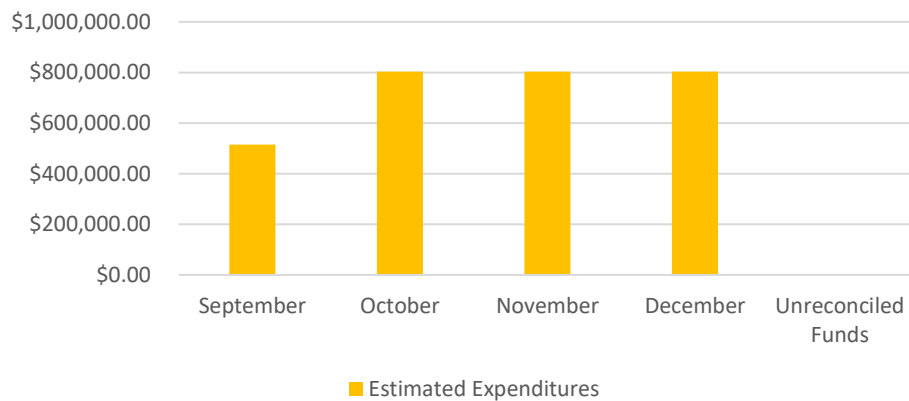
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$366,636.76

Total Amount for Transfers: \$599,032.82

Total Amount for Programs: \$650,000.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Rice County Conservation District	Taxing Authority	\$200.00
Rice County Council on Aging	Nonprofit	\$9,095.96
Rice County Historical Society 1	Civic Organization	\$1,650.00
Rice County Historical Society 2	Civic Organization	\$8,959.10
City of Alden	City	\$6,801.47
City of Bushton	City	\$11,959.00
City of Chase 1	City	\$16,735.19
City of Chase 2	City	\$821.00
City of Chase 3	City	\$3,433.06
City of Geneseo	City	\$13,284.89
City of Little River	City	\$10,373.13
City of Little River 2	City	\$5,717.85
City of Little River 3	City	\$10,812.30
City of Lyons 1	City	\$9,104.60
City of Lyons 2	City	\$25,661.08

City of Lyons 3	City	\$2,635.20
City of Lyons 4	City	\$20,000.00
City of Lyons 5	City	\$31,196.32
City of Raymond	City	\$3,929.00
City of Sterling	City	\$104,083.00
USD 376	Educational Institution	\$106,096.88
USD 401	Educational Institution	\$9,417.00
USD 405	Educational Institution	\$131,838.29
USD 444	Educational Institution	\$55,778.50
Total		\$599,582.82

Proposed Programs

Program Title	Program Description	Program Budget Amount
Business Grant Program	Rice County is located in central Kansas and we are dependent on agriculture and small businesses. Sterling College is a private 4-year college located in Sterling. Some businesses were forced to close and others needed to close due to COVID exposure or infection. This business grant program will be used to help our businesses and Sterling College financially cope and survive in our local economy.	\$650,000.00
Total		\$650,000.00

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

Rice County has prioritized its reimbursement requests for county expenses. Total county reimbursements equal 50.9% of all expenditures, while school district requests total 41.1% of the \$425,900.75 submitted for reimbursement review.

Rice County's substantially larger direct aid request prioritizes a business grant program, which amounts to 40.2% of the \$1,615,669.58 submitted for direct aid review. Transfers to subrecipients nearly tripled from the reimbursements request, to a total of \$599,032.82. School districts account for 67.9% of transfer requests while cities and civic organizations account for the remainder of requests. There is a \$550 discrepancy between the detailed requested transfer data and the reported total figure for planned transfers in the Direct Aid Plan.

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

Rice County and its subrecipients demonstrate a generally proficient understanding of the SPARK eligibility standards 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 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. Rice County Business Grant Program

\$650,000.00
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. County Reserve Fund

\$79,869.69
Direct Aid

The Office of Recovery will require an accounting for intended use of funds at a later date. At this time, these funds are considered unallocated.

4. Council on Aging Economic Support

\$20,000.00

Direct Aid

The Rice County Council on Aging requests \$20,000.00 to “disperse these funds to qualified applicants in need.” 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. As the proposed program also appears to represent direct cash assistance, the County should ensure those individuals to which payments are issues are eligible to receive federal assistance.

5. Election Expenses

\$27,904.07

Direct Aid

Across three line-items the county requested \$27,904.07 for election related expenses. The County may consider pursuing Help America Vote Act (HAVA) COVID-19 specific funding. 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.

6. Gift Cards for Staff

\$1,200.00

Reimbursement

As an example of an ineligible expense, CRF guidance points out “Workforce bonuses other than hazard pay or overtime.” This proposed expense appears to represent a form of cash assistance provided for only employees, which is likely to be considered an ineligible expense. The County should review the expense again to ensure that it does meet the purpose and intent of CRF funding.

7. City of Bushton Rent

\$1,222.99

Reimbursement

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

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 in future reporting:

- Resolve \$550 discrepancy between the detailed requested transfer data and the reported total figure for planned transfers in the Direct Aid Plan.

Conclusion

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

2. Rice County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. 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
4. For the Rice County Business Grant Programs, if not already in place, Rice 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 programs within the community.

Subject to review of the noted considerations contained in this memo, Rice County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.