

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

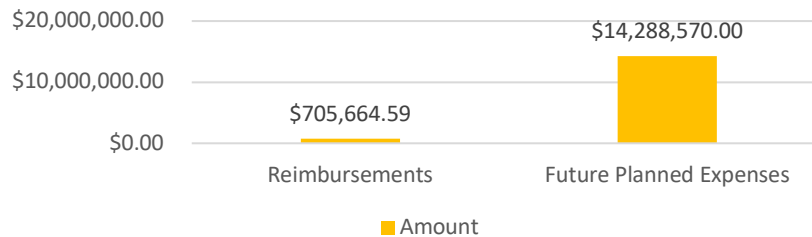
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Riley County

**General Information**

Population: 74,232  
 COVID-19 Cases as of 8/26/2020: 574

Total Allocation Amount: \$14,994,234.00  
 Total Submitted for Reimbursement: \$705,664.59  
 Total Submitted for Future Planned Expenditures: \$14,288,570.00

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$705,664.59  
 Total Amount for Subrecipients: \$0

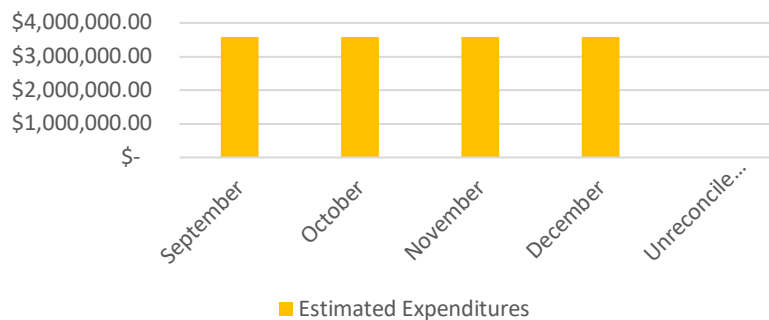
**Subrecipients and Amounts**

Riley County has no subrecipients for reimbursement.

**Direct Aid Overview – Future Spending Plan**

Total Amount for County Expenditures: \$3,868,325.22  
 Total Amount for Transfers: \$7,270,245.00  
 Total Amount for Programs: \$3,150,000.00

**PROJECT SPEND DOWN RATE**



**Subrecipients/Transfers and Amounts**

Subrecipient	Type	Amount
City of Manhattan	City	\$2,998,847.00
Riley City	City	\$51,570.00
City of Randolph	City	\$8,952
Ogden City	City	\$114,618.00
City Leonardville	City	\$24,659.00
Kansas State University	Higher Education Institution	\$2,446,250.00
Manhattan Area Technical College	Higher Education Institution	\$61,750.00
Manhattan Christian College	Higher Education Institution	\$19,375.00
Manhattan Catholic School	Education Institution	\$41,920.00
USD 383	Education Institution	\$1,072,544.00
USD 384	Education Institution	\$33,600.00
USD 378	Education Institution	\$107,760.00
Riley County Police Department	Emergency Services	\$288,400.00
<b>Total</b>		<b>\$7,270,245.00</b>

**Proposed Programs**

Program Title	Program Description	Program Budget Amount
Chamber of Commerce	“Funding made available to the Chamber of Commerce for COVID-19 response to oversee grant program for locally-owned small businesses.”	\$2,625,000.00
Greater Manhattan Community Foundation	“Funding made available to the Greater Manhattan Community Foundation for COVID-19 response to oversee grant program for non-profit entities.”	\$525,000.00
<b>Total</b>		<b>\$3,150,000.00</b>

**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**

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

Riley County's substantially larger direct aid request similarly prioritizes county expenditures, which amount to 27% of the \$14,288,570.00 submitted for direct aid review. Transfers to subrecipients went from zero on the reimbursements request form to a total of \$7,261,293.00. Education institutions account for 52% of transfer requests while cities and the county police department 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

Riley 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 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. Ogden City Transfer

**\$114,618.00**  
Direct Aid

No itemized review was provided for analysis. To ensure appropriate use of funds, the County should ensure that the City is aware of how funds may be utilized by CRF recipients and the County should only participate in those costs that are considered allowable within the Treasury and State outlined guidelines.

### 3. Randolph City Transfer

\$8,952.00

Direct Aid

No itemized review was provided for analysis. To ensure appropriate use of funds, the County should ensure that the City is aware of how funds may be utilized by CRF recipients and the County should only participate in those costs that are considered allowable within the Treasury and State outlined guidelines.

### 4. Leonardville Transfer

\$24,659.00

Direct Aid

No itemized review was provided for analysis. To ensure appropriate use of funds, the County should ensure that the City is aware of how funds may be utilized by CRF recipients and the County should only participate in those costs that are considered allowable within the Treasury and State outlined guidelines.

### 5. Chamber of Commerce Grant Program

\$2,625,000.00

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 3<sup>rd</sup> party entity responsible for administering the grant program.

### 6. Greater Manhattan Community Foundation Grant Program

\$525,000.00

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 3<sup>rd</sup> party entity responsible for administering the grant program.

## Spending Plan Request for Additional Information

No additional information is requested at this time.

## Modifications Required

There are no modifications required at this time.

## Conclusion

1. Based on the documents provided by Riley County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Riley County shows little variation in its Project Spend Down Rate, and projects a quarter of all expenses will be incurred in the month of December. This may present risk of unused/unreconciled funds and the County should consider methods to accelerate the spending and/or reconciliation process to mitigate this risk.
3. Riley 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. Riley 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 Grant Programs, if not already in place, Riley 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. Riley 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 considerations noted in this memo, Riley County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.