

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

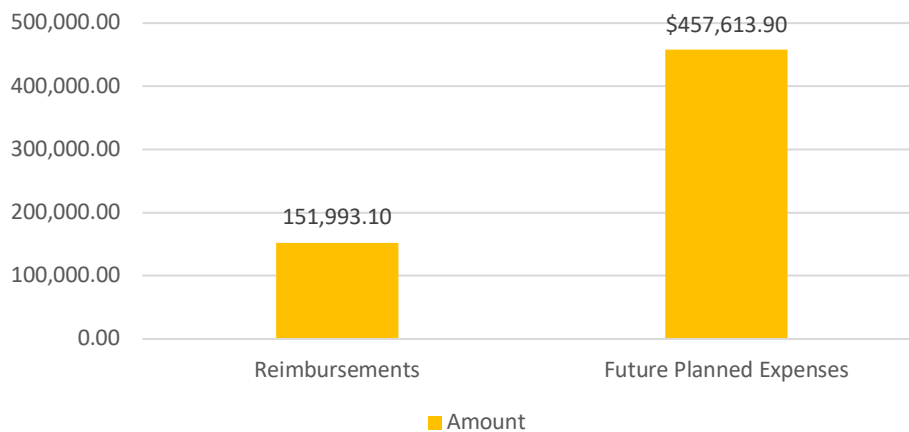
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Rush County

**General Information**

Population: 3,036  
 COVID-19 Cases 8/17/2020: 15

Total Allocation Amount: \$609,607.00  
 Total Submitted for Reimbursement: \$151,993.10  
 Total Submitted for Future Planned Expenditures: \$457,613.90

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$ 5,046.96  
 Total Amount for Subrecipients: \$ 146,948.84

**Subrecipients and Amounts**

Subrecipient	Type	Amount
City of LaCrosse	City	\$842.81
City of Liebenthal	City	\$56.57
City of Otis	City	\$183.83
Walnut Creek Extension	Community Organization	\$49.68
Rush County Fair	Government Organization	\$693.81
Barnard Library	Library	\$339.42
McCracken Library	Library	\$31.94
Otis Community Library	Library	\$154.66
USD 395	Educational Institution(s)	\$73,179.06
USD 403	Educational Institution(s)	\$71,417.06
<b>Total</b>		<b>\$146,948.84</b>

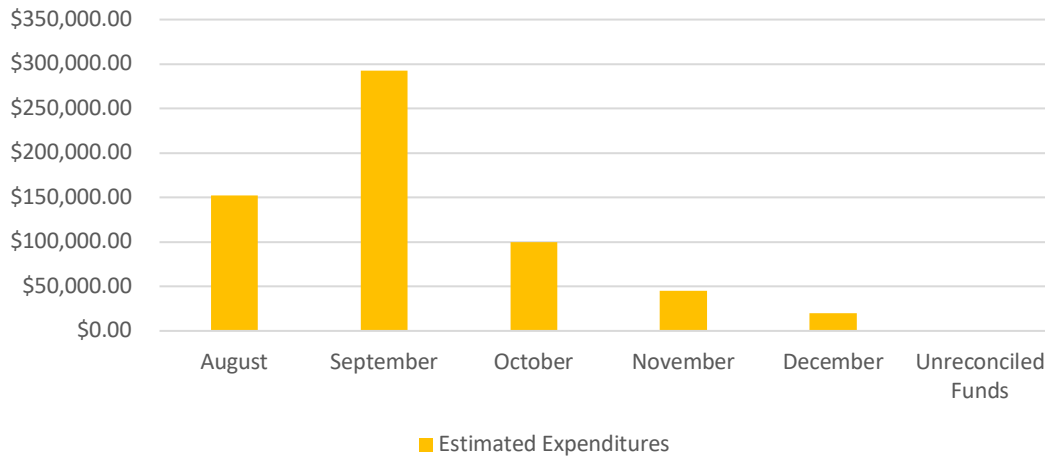
## Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$ 82,231.20

Total Amount for Transfers: \$ 242,620.76

Total Amount for Programs: \$132,761.94

### PROJECT SPEND DOWN RATE



## Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
City of Alexander	City	\$2,132.45
City of Bison	City	\$2,132.45
City of LaCrosse	City	\$4,190.52
City of Liebenthal	City	\$2,226.44
City of Otis	City	\$2,132.45
City of Timken	City	\$2,132.45
Rush County Food Bank	Community Organization	\$5,000.00
Barnard Library	Library	\$200.00
Kansas Barbed Wire Collectors Assn.	Non-Profit	\$229.00
McCracken Historical Museum	Non-Profit	\$200.00
Rush County Historical Society, Inc	Non-Profit	\$245.00
Rush County EMS	Taxing Authority	\$30,000.00
Rush County Fire District #2	Taxing Authority	\$200.00
Rush County Fire District #4	Taxing Authority	\$6,750.00
USD 395	Educational Institution(s)	\$142,000.00
USD 403	Educational Institution(s)	\$95,000.00
Walnut Creek Extension District #2	Taxing Authority	\$241.99
<b>Total</b>		<b>\$295,012.75</b>

**Proposed Programs**

Program Title	Program Description	Program Budget Amount
<b>Rush County Daycare Providers</b>	To provide assistance to licensed daycares in our county to maintain the safety of the essential workers and to provide a safe and healthy environment to the youth who attend these daycares. Providing childcare and early childhood investments for essential workers that need to have PPE to be safe to keep their doors open	\$5,000
<b>Rush County Community Relief Grant Program</b>	Our county has an elderly population and has been impacted by COVID-19, and many need additional public health supplies to maintain their own safety when going into public places. We propose the following plan to help the citizens of Rush County with the purchase of PPE supplies and cleaning supplies. Also, to help provide assistance for transportation costs to medical facilities, food delivery if quarantined, childcare if necessary.	\$97,961.94
<b>Rush County Business Relief Grant Program</b>	Small businesses in Rush County have been significantly impact by COVID-19, and many need additional public health supplies to re-open and be safely open to serve the public and provide safety equipment to their employees. We propose the following plan to help businesses not already funded through other program address their operating expenses due to required closures providing an allowance up to \$200 for all businesses, non-profits, churches, libraries for PPE, telecommunication equipment, etc.	\$25,000.00
<b>Total</b>		<b>\$127,961.94</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

The Summary tab of the direct aid report states that \$375,382.70 is designated for programs or transfers, but in adding the total reported programs and transfers from each subrecipient the total derived is \$422,974.69, which represents a difference of \$47,591.99. The calculated reimbursements for both the County and its subrecipients also differs from the total provided by \$2.70. There are no such discrepancies with the County's Planned Independent Expenditures. When the total dollar amount is calculated for each of these categories, the value exceeds the County's total allocation by \$47,594.69. Rush County will need to reassess the plans for the CRF allocation so as to not exceed their total budget.

Category	Total Provided	Total Calculated	Difference
Reimbursements	\$151,993.10	\$151,995.80	\$-2.70
Planned Independent Expenditures	\$82,231.20	\$82,231.20	\$0.00
Programs	\$132,761.94	\$127,961.94	\$4,800.00
Transfers	\$242,620.76	\$295,012.75	\$-52,391.99
<b>Total</b>	<b>\$609,607.00</b>	<b>\$657,201.69</b>	<b>\$-47,594.69</b>

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

Rush County and its subrecipients demonstrate a generally proficient understanding of the intent of the SPARK committee and reporting expectations as exemplified by their reporting of expenditures for reimbursements and direct aid. Our identified risks and considerations 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 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. Small Business Relief Grant Program

\$25,000  
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.

## 3. Community Relief Grant Program

\$97,961.94  
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.

## 4. Rush County Daycare Providers

\$5,000.00  
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.

## 5. USD 403 Air Cleaning System

\$39,950  
Direct Aid

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.

## 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:

1. The summary dollar values provided in the County's Direct Aid plan and Reimbursements do not match the totals calculated for either. This has resulted in a total expenditure amount that is \$47,594.69 higher than Rush County's total allocation. Rush County should review their submitted documents, locate the discrepancy, and resubmit with the correct amounts.

2. Rush County has duplicated the Barnard Library Direct Aid Transfer in the amount of \$200 on two separate tabs. The county needs to remove the erroneous duplicate, or if there are to be two succinct transfers, the county should combine them into one, single transfer of \$400.

## Conclusion

1. Based on the documents provided by Rush County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Rush County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Rush 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. Rush County's Direct Aid Plan proposes total independent expenditures, transfers and programs that exceed their allocated direct aid funding amount. The County should carefully prioritize its use of funds within the allocation provided.
5. Rush 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. For the multiple Grant Programs, if not already in place, Rush 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.
7. 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.

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