

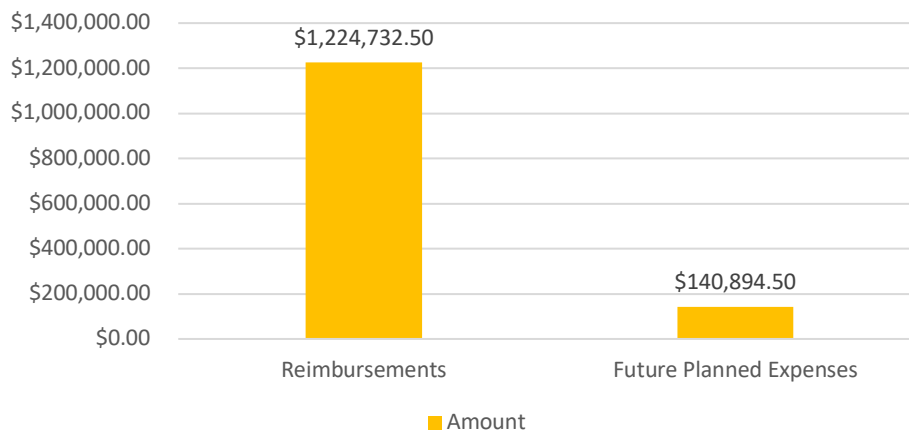
**SPARK ROUND 1 - LOCAL GOVERNMENT
 REIMBURSEMENT & DIRECT AID REVIEW
 MEMORANDUM**

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

General Information

Population: \$6,907
 COVID-19 Cases as of 8/24/2020: 22
 Total Allocation Amount: \$1,365,626.00
 Total Submitted for Reimbursement: \$1,224,732.50
 Total Submitted for Future Planned Expenditures: \$140,894.50

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$563,323.70
 Total Amount for Subrecipients: \$661,408.35

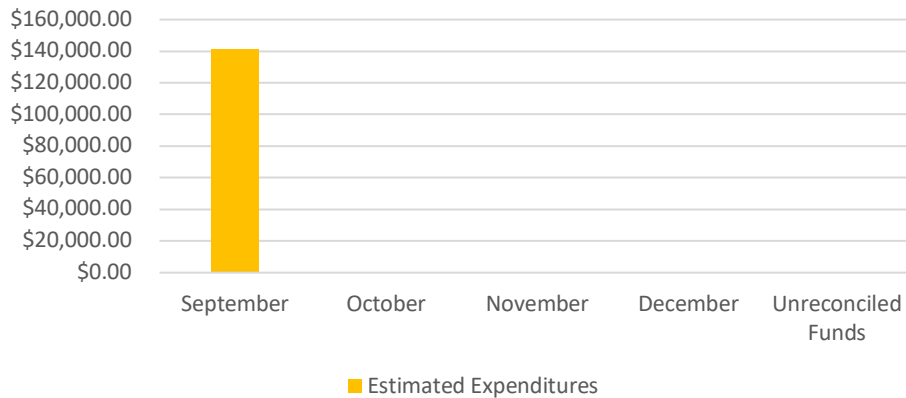
Subrecipients and Amounts

| Subrecipient | Type | Amount |
|---------------|-------------------------|---------------------|
| Luray City | City | \$8,208.02 |
| Russell City | City | \$252,998.43 |
| USD 407 | Educational Institution | \$399,999.55 |
| Paradise City | City | \$202.35 |
| Total | | \$661,408.35 |

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$0.00
 Total Amount for Transfers: \$140,893.50
 Total Amount for Programs: \$0.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

| Subrecipient | Type | Amount |
|-----------------|------|---------------------|
| City of Russell | City | \$140,893.50 |
| Total | | \$140,893.50 |

Proposed Programs

No programs were included in Russell County’s 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

Russell County has prioritized its reimbursement requests for county expenditures. Total County reimbursements equal 46% of all expenditures, while school district requests total 32.7% of the \$1,224,732.50 submitted for reimbursement review.

Russell County's substantially smaller direct aid request prioritizes the City of Russell, which amounts to 100% of the \$140,893.50 submitted for direct aid review. Transfer to subrecipient is less than a quarter of the reimbursement requested.

The County should ensure that these 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 were incurred before December 30, 2020.

Technical Understanding of SPARK Process

Russell 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 considerations are outlined below.

Identified 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.

Modifications Required

There are no modifications required at this time.

Conclusion

1. Based on the documents provided by Russell County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Russell County has no requested modifications or requests for additional information outlined in this memo.
3. Russell County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020, although all direct aid requested is anticipated to be spent during the month of September 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 were incurred before December 30, 2020.

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