

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

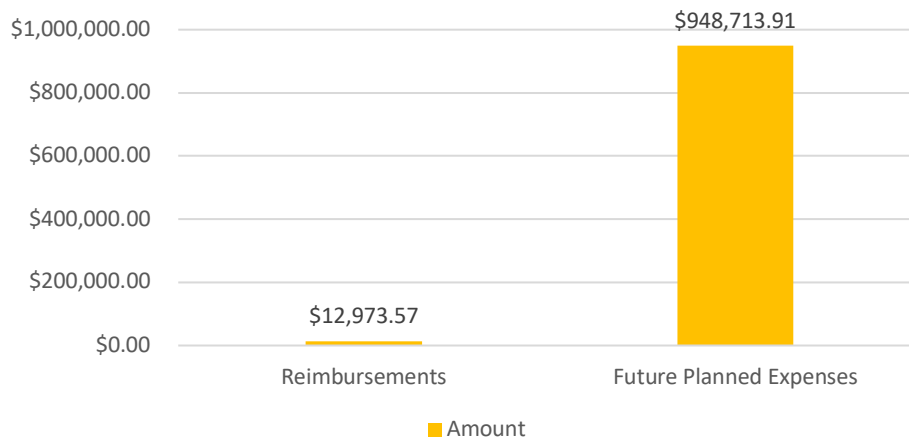
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Scott County

**General Information**

Population: 4,823  
 COVID-19 Cases 08/17/2020: 79

Total Allocation Amount: \$984,963.87  
 Total Submitted for Reimbursement: \$12,973.57  
 Total Submitted for Future Planned Expenditures: \$948,713.91

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$11,279.64  
 Total Amount for Subrecipients: \$1,693.93

**Subrecipients and Amounts**

Subrecipient	Type	Amount
Scott City	City	\$1,693.93
<b>Total</b>		<b>\$1,693.93</b>

## Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$325,582  
 Total Amount for Transfers: \$173,131.91  
 Total Amount for Programs: \$450,000

**Scott County did not provide a Spend Down Plan.**

## Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Scott City	City	\$39,841.41
Scott Community Foundation	Non-Profit	\$9,210.50
USD 466	Educational Institution	\$124,080.00
<b>Total</b>		<b>\$ 173,131.91</b>

## Proposed Programs

Program Title	Program Description	Program Budget Amount
Scott County Economic Development Community Assistance Program	This grant program intends to support businesses, non-profits, and other non-governmental entities in obtaining PPE, cleaning supplies, food assistance, etc.	\$ 200,000.00
Scott County Economic Development Small Business Grant Program	This grant program intends to support small businesses in the county who suffered lost revenues and costs due to COVID-19 impacts, closures, or diminished business volume.	\$ 250,000.00
<b>Total</b>		<b>\$ 450,000.00</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

Scott County has prioritized its reimbursement requests for the County. Total County reimbursements equal 86.9% of all eligible expenditures, while city requests total 13.1% of the \$ 12,973.57 submitted for reimbursement review.

Scott County's direct aid request prioritizes various programs, which amount to 47.4% of the \$ 948,713.91 submitted for direct aid review. Transfers to subrecipients represent a total of \$ 173,131.91. Educational institution transfers account for 71.7% of transfer requests, while cities and non-profit organizations account for the remainder of requests.

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

Scott 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 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. Scott County Community Assistance and Small Business Grant Programs

\$450,000

Direct Aid

As this is identified as a grant program, additional information is requested, including a description of how applicants will apply and be selected. Additionally, the County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.

## 3. Health Incident Trailer

\$91,000

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.

## 4. Public Health Transportation

\$35,000

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:

- For Direct Aid Plan, monthly expenditures should be added to the summary page

## Conclusion

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

2. Scott County should provide requested modifications and responses to all requests for additional information outlined in this memo.
3. Scott 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.
5. For the Community Assistance and Small Business Grant Programs, if not already in place, Scott 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.

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