

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

Date September 7, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Sedgwick County

General Information

Population: 516,042
COVID-19 Cases 08/17/2020: 6,386

Total Allocation Amount: \$9,298,990.54
Total Submitted for Reimbursement: \$0
Total Submitted for Future Planned Expenditures: \$9,298,990.54

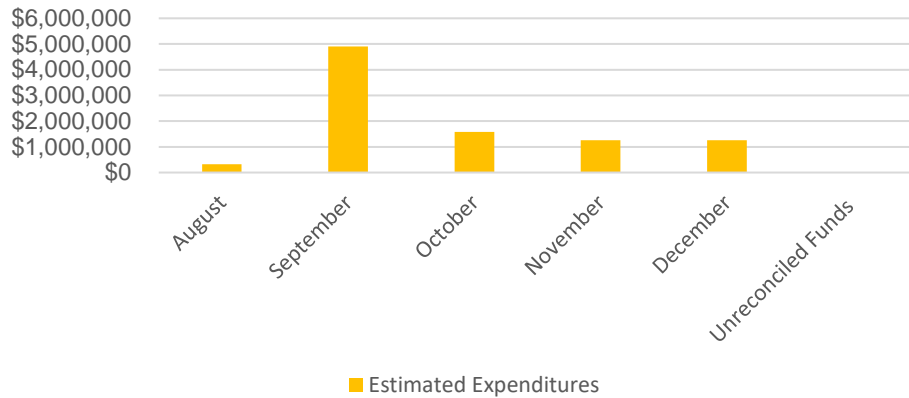
SPENDING PLAN OVERVIEW



Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$0
Total Amount for Transfers: \$0
Total Amount for Programs: \$9,298,991.00

PROJECT SPEND DOWN RATE



Proposed Programs

Program Title	Program Description	Program Budget Amount
Safe Operating Business Grant Program	This program will allow businesses to use grant funds to purchase necessary equipment, supplies, and other working capital expenses due to business interruptions from COVID-19.	\$5,000,000.00
PPE Kits for Businesses	This program will allow businesses to access PPE kits (face masks, no-touch thermometers, gloves, sanitizer, disinfectant wipes, floor stickers, and signage for social distancing) and additional supplies.	\$2,998,991.00
Workforce Development	This program will distribute money to post-secondary education providers to provide scholarships for workers unemployed due to COVID-19 for skills retraining or other eligible expenditures.	\$1,300,000.00
Total		\$9,298,991.00

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

Sedgwick County did not submit a reimbursement request for either the County or subrecipients. The County only submitted a direct aid plan with three programs and no independent expenditures or transfers requested for direct aid.

Sedgwick County's direct aid request prioritizes three programs, which amounts to 100% of the \$9,298,991 submitted for direct aid review. Notably, Sedgwick County plans to allocate 53.77% of its requested funds on a grant program for businesses. The programs focused on PPE kits and workforce development account for the remainder of requests at \$2,998,991 and \$1,300,000, respectively.

Technical Understanding of SPARK Process

Sedgwick 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. Safe Operating Business Grant Program

\$5,000,000.00

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.

2. PPE Kits for Businesses

\$2,998,991.00

Direct Aid

This program proposed by Sedgwick County uses the majority of requested funding to purchase supplies businesses can use to respond to second-order effects of the emergency, such as face masks, no-touch thermometers, gloves, and sanitizer. The budget includes \$100,000 for contractual services which are not described in the Direct Aid Plan. 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.

3. **Workforce Development Program**

\$1,300,000.00

Direct Aid

As this is identified as a scholarship program to be distributed by higher education institutions, 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.

Spending Plan Request for Additional Information

There are no requests for additional information at this time.

Modifications Required

- The direct aid plan's worksheet for independent expenditures includes a line item for additional PPE but does not provide an estimated cost. It appears that the CRF funds requested for three of Sedgwick County's programs reach the total county allocation, but if there is an error and the County plans to independently spend money towards COVID-related items, then this discrepancy should be corrected and updated in the direct aid summary in future reporting.

Conclusion

1. Based on the documents provided by Sedgwick County, it appears they have an adequate understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Sedgwick 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 Safe Operating Business Grant Program and the Workforce Development Program, if not already in place, Sedgwick County should consider development of an application process and establish a review committee to ensure equal access to funds from potential qualified applicants. The County should also appropriately advertise all 3 of the proposed programs within the community.
5. 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 all considerations noted in this memo Sedgwick County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.