

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

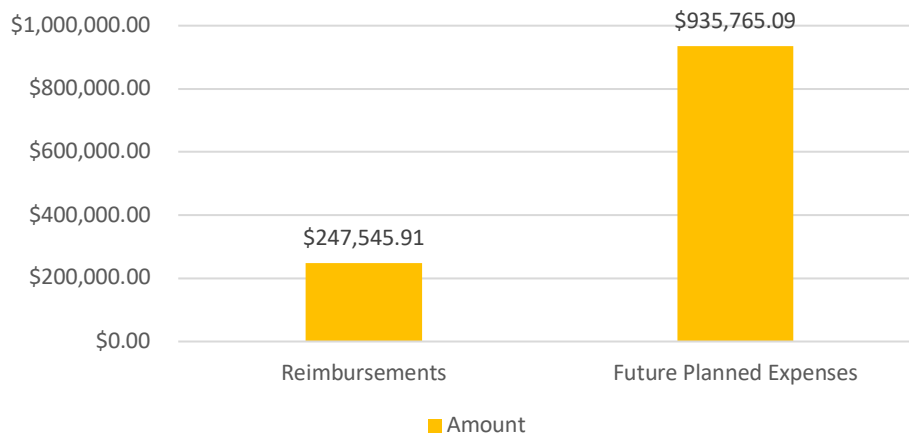
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Sherman County

General Information

Population: 5,917
 COVID-19 Cases 08/17/2020: 17

Total Allocation Amount: \$1,183,310.75
 Total Submitted for Reimbursement: \$247,545.91
 Total Submitted for Future Planned Expenditures: \$935,765.09

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$96,602.06
 Total Amount for Subrecipients: \$150,943.85

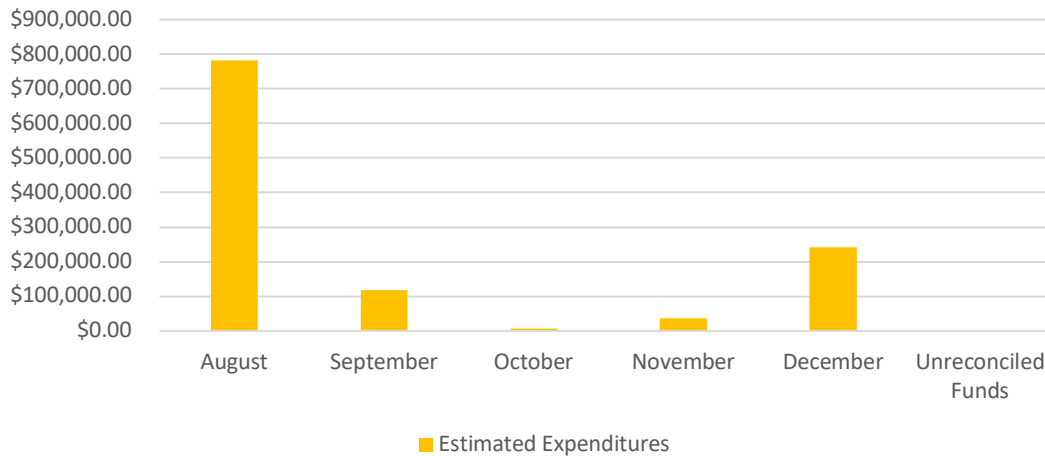
Subrecipients and Amounts

Subrecipient	Type	Amount
Northwest KS Tech College	Higher Education Institution	\$37,093.61
USD 352	Educational Institution	\$105,998.48
City of Goodland	City	\$7,851.76
Total		\$ 150,943.85

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$604,887.41
 Total Amount for Transfers: \$330,877.68
 Total Amount for Programs: \$0

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Goodland Regional Medical Center	Health	\$172,000.00
Topside Manor	Health	\$22,400
USD 352	Educational Institution	\$42,186.05
NW KS Tech College	Higher Education Institution	\$47,955.60
City of Goodland- Telework	City	\$13,696.33
City of Goodland- Facilities	City	\$32,639.70
Total		\$ 330,877.68

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

Sherman County has prioritized its reimbursement requests for the County. Total County reimbursements equal 39.0% of all eligible expenditures, while educational institution requests total 57.8% of the \$247,545.91 submitted for reimbursement review.

Sherman County's direct aid request prioritizes County expenditures, which amounts to 64.6% of the \$935,765.09 submitted for direct aid review. Transfers to subrecipients account for a total of \$330,877.68. Health institutions account for 58.6% of transfer requests, while cities, educational, and higher education institutions account for the remainder of requests. Sherman County plans to expend more than 20% of the overall direct aid it has requested during the month of December 2020.

Sherman 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

Sherman 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. Goodland Regional Medical Center Laboratory Testing

\$172,000

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. Additionally, the total amount pertaining to this initiative is \$618,111.76, of which only \$172,000 from CRF appears to be utilized. The County should ensure that expense contributions from multiple funding sources are appropriately documented in the project file.

Spending Plan Request for Additional Information

No additional information is requested at this time.

Modifications Required

No modifications are required at this time.

Conclusion

1. Based on the documents provided by Sherman County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Sherman County should provide responses to all requests for additional information outlined in this memo.
3. Sherman County has an appropriate Project Spend Down Rate; however, as Sherman County intends to expend more than 20% of its direct aid requested during the month of December. The County should ensure it has the appropriate level of administrative capacity to process all necessary payments and or reconciliations for costs incurred by 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 were incurred before December 30, 2020.

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