

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

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

General Information

Population: 4,156
COVID-19 Cases 08/17/2020: 16

Total Allocation Amount: \$823,932.11
Total Submitted for Reimbursement: \$0
Total Submitted for Future Planned Expenditures: \$823,932

SPENDING PLAN OVERVIEW



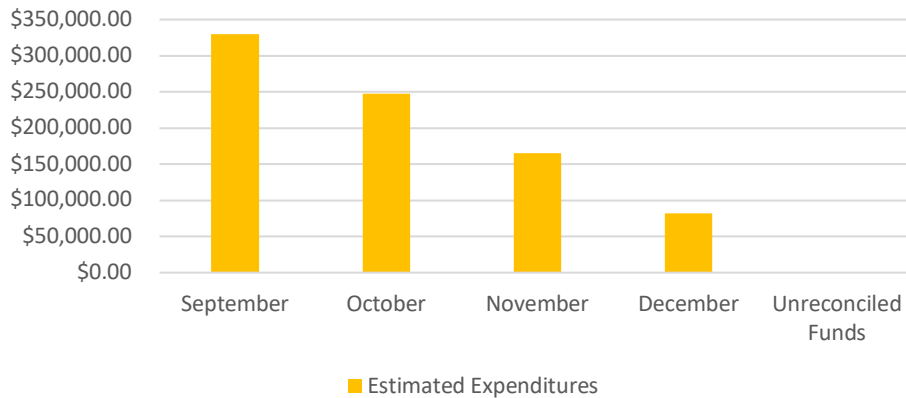
Reimbursement Request Overview

Stafford County did not submit any reimbursement requests.

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$201,208.70
 Total Amount for Transfers: \$523,727.30
 Total Amount for Programs: \$98,996

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 349	Educational Institution	\$70,403
USD 350	Educational Institution	\$165,051.01
USD 351	Educational Institution	\$154,500
City of St. John	City	\$14,294.29
City of Stafford	City	\$88,079
City of Macksville	City	\$20,000
City of Hudson	City	\$4,400
City of Seward	City	\$7,000
Total		\$ 523,727.30

Proposed Programs

Program Title	Program Description	Program Budget Amount
Economic Development and Social Support	The program is designed to serve a three-fold function: 1. Provide nutrition assistance to food insecure populations negatively affected by the economic downturn due to business interruptions from COVID-19 related stay-at-home orders, 2. Provide economic support to small-businesses through strategy and planning to re-open or remain open if already considered an	\$98,996

essential operation, and 3. Provide housing assistance to both attract additional medical personnel needed to combat COVID-19 and provide sheltering to those negatively impacted by the economic downturn caused by the pandemic.

Total **\$98,996**

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

Stafford County did not submit and reimbursement requests.

Stafford County’s direct aid request prioritizes transfers to cities and educational institutions, which amounts to 63.6% of the \$ 823,932 submitted for direct aid review. County expenditures total of \$ 201,208.70. Programs account for 12% of the \$ 823,932 submitted for direct aid review.

Technical Understanding of SPARK Process

Stafford 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 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.

2. Stafford County Economic Development Grants

\$98,966

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.

3. Construction to Modify COVID-19 Facilities- City of Stafford

\$61,035

Direct Aid

As this represents a capital improvement, 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 substantially completed prior to December 30, 2020.

4. Construction to Modify COVID-19 Facilities- City of Seward

\$7,000

Direct Aid

As this represents a capital improvement, 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 substantially completed prior to December 30, 2020.

Spending Plan Request for Additional Information

The following items require additional information for the State to feel comfortable with proceeding

Item	Recipient	Amount	Comment
Credit card processing to handle less cash, tables, outdoor fixtures, nutrition services	City of Stafford	\$9,955	Needs to provide more information on these costs to ensure they meet eligibility.

Modifications Required

No modifications are required.

Conclusion

1. Based on the documents provided by Stafford County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Stafford County should provide responses to all requests for additional information outlined in this memo.
3. Stafford County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
4. Stafford County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.
5. Stafford 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 Stafford County Economic Development Grants Program, if not already in place, Stafford 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.
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 the additional documentation requested and considerations regarding payroll expenses, Stafford County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.