

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

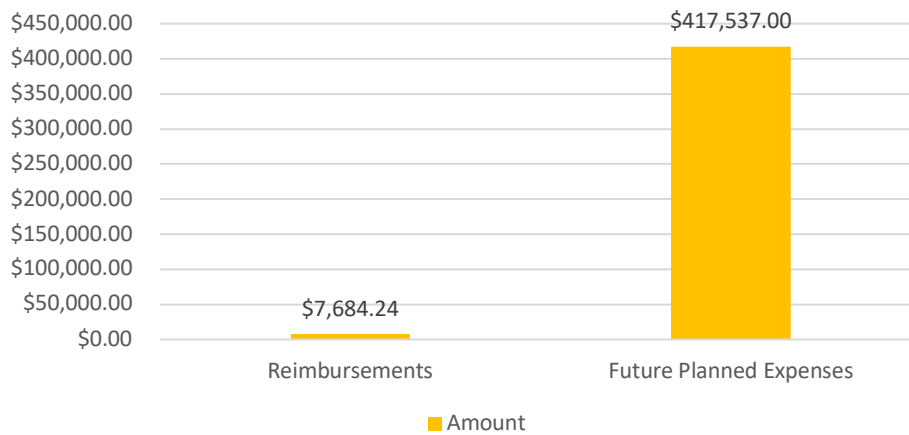
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Stanton County

General Information

Population: 2,006
 COVID-19 Cases 08/17/2020: 41

Total Allocation Amount: \$417,536.67
 Total Submitted for Reimbursement: \$7,684.24
 Total Submitted for Future Planned Expenditures: \$417,537

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$7,408.11
 Total Amount for Subrecipients: \$276.13

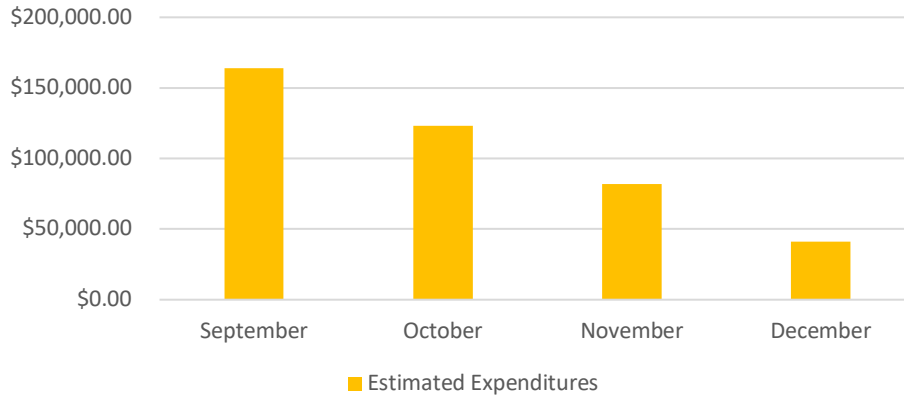
Subrecipients and Amounts

Subrecipient	Type	Amount
Johnson City	City	\$ 276.13
Total		\$ 276.13

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$295,478.59
 Total Amount for Transfers: \$14,374.17
 Total Amount for Programs: \$100,000.00

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Stanton County Library	Library	\$ 900
USD 452	Educational Institution	\$ 9,700
High Plains Education	Educational Institution	\$3,774.14
Total		\$14,374.14

Proposed Programs

Program Title	Program Description	Program Budget Amount
Stanton County Public Grant Program	This program provides assistance to small businesses suffering due to the increased costs of doing business or loss of a substantial portion of income due to mandatory closings or stay-at-home orders.	\$100,000
Total		\$100,000

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

Stanton County has prioritized its reimbursement requests for the County. Total County reimbursements equal 96.4% of all eligible expenditures, while city requests total 3.6% of the \$7,684.24 submitted for reimbursement review.

Stanton County's direct aid request prioritizes County expenditures, which amount to 70.8% of the \$417,537 submitted for direct aid review. Transfers to subrecipients account for a total of \$14,374.17. Educational institutions account for 93.7% of transfer requests while a library accounts for the remainder of the request. There is a partial expense listed in the direct aid report listed as "Janitorial Support" without an expenditure amount or description.

The County should ensure that 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

Stanton 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. Stanton County Public Grant Program

\$100,000

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.

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 the Direct Aid plan, under Independent Expenditures, include an expenditure amount and description for "Janitorial Support" item.

Conclusion

1. Based on the documents provided by Stanton County, it appears they have an adequate understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Stanton 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 were incurred before December 30
4. For the Stanton County Public Grant Program, if not already in place, Stanton 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, Stanton County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.