

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

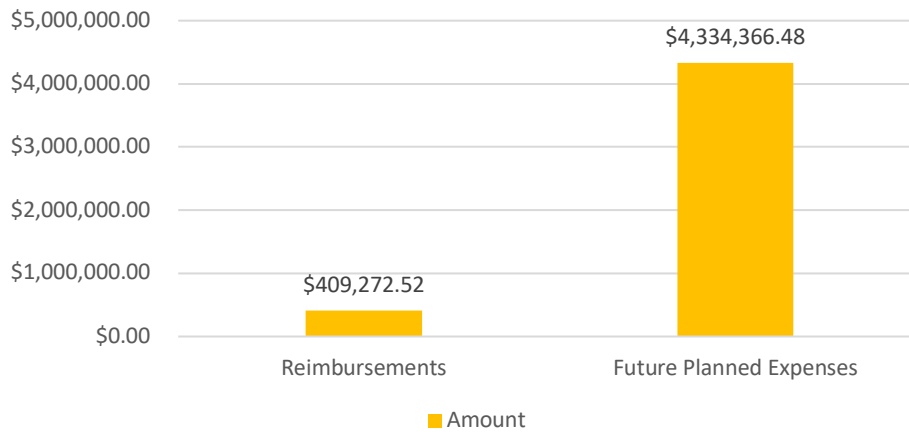
**Date** September 3, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Sumner County

**General Information**

Population: 22,836  
 COVID-19 Cases 08/17/2020: 110

Total Allocation Amount: \$4,743,638.92  
 Total Submitted for Reimbursement: \$409,272.52  
 Total Submitted for Future Planned Expenditures: \$4,334,366.48

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$60,565.98  
 Total Amount for Subrecipients: \$348,706.54

**Subrecipients and Amounts**

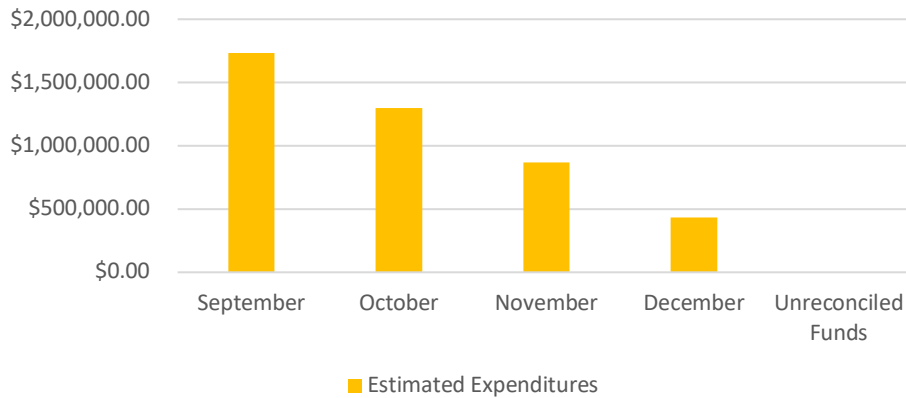
Subrecipient	Type	Amount
City of Argonia	City	\$298.47
City of Belle Plaine	City	\$970.83
City of Wellington	City	\$36,642.06
USD 353	Educational Institution	\$112,137.89
USD 356	Educational Institution	\$38,658.22
USD 357	Educational Institution	\$17,378.76
USD 358	Educational Institution	\$58,523.21
USD 359	Educational Institution	\$13,830.46

USD 360	Educational Institution	\$36,080.36
USD 509	Educational Institution	\$9,761.03
USD 619	Educational Institution	\$6,218.38
Sumner County Hospital	Health	\$16,214.57
Wellington Christian Academy	Educational Institution	\$1,992.30
<b>Total</b>		<b>\$348,706.54</b>

**Direct Aid Overview – Future Spending Plan**

Total Amount for County Expenditures: \$532,320.22  
 Total Amount for Transfers: \$1,552,046.26  
 Total Amount for Programs: \$2,250,000

**PROJECT SPEND DOWN RATE**



**Subrecipients/Transfers and Amounts**

Subrecipient	Type	Amount
City of Argonia	City	\$9,649.66
City of Belle Plaine	City	\$31,878.71
City of Caldwell	City	\$22,269.55
City of Conway Springs	City	\$24,953.90
City of Geuda Springs	City	\$3,216.55
City of Hunnewell	City	\$1,311.21
City of Mayfield	City	\$2,192.17
City of Milan	City	\$1,598.03
City of Mulvane	City	\$20,446.63
City of Oxford	City	\$20,467.12
City of South Haven	City	\$7,088.70
City of Wellington	City	\$156,976.03
USD 353	Educational Institution	\$ 516,975

USD 356	Educational Institution	\$147,568
USD 357	Educational Institution	\$198,388
USD 358	Educational Institution	\$125,852
USD 359	Educational Institution	\$57,872
USD 360	Educational Institution	\$82,681
USD 509	Educational Institution	\$62,460
Wellington Christian Academy	Educational Institution	\$23,281
St. Joseph Catholic School	Educational Institution	\$34,921
<b>Total</b>		<b>\$1,552,046.26</b>

**Proposed Programs**

Program Title	Program Description	Program Budget Amount
Sumner County Medical/ Healthcare Facilities Services Grants	This program aims to provide assistance to medical/ healthcare service industry for expenses related to COVID-19.	\$750,000
Sumner County Economic Development Grant Program	This program addresses the recovery of private businesses and other organizations to ensure that businesses and nonprofits can re-open safely and rebound from the impacts of the COVID-19 pandemic.	\$1,500,000
<b>Total</b>		<b>\$ 2,250,000</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**

Sumner County has prioritized its reimbursement requests for the County. Total County reimbursements equal 41.8% of all eligible expenditures, while educational institution requests total 55.4% of the \$57,813.99 submitted for reimbursement review.

Sumner County's direct aid request prioritizes various programs, which amount to 71% of the \$436,080.01 submitted for direct aid review. Transfers to subrecipients total \$ 99,426.25. Educational institutions account for 95.3% of transfer requests, while cities account for the remainder of requests.

Sumner 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**

Sumner County would benefit from having additional technical expertise to assist in the management of their funding allocation. In the Direct Aid Plan, the transfer details provided for each subrecipient show line-items that have identical costs and procurement dates that are also identical within nearly every tab. Descriptions for expenditures such as "extra costs" are not adequate to provide feedback on eligibility. The county needs to revisit its planned transfers and provide accurate data regarding each of the items and services to be procured with CRF funds. 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. Sumner County Grant Programs**

**\$2,250,000**  
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. Transportation Costs**

**\$312,499**  
Direct Aid

It is unclear what items will be purchased with these funds and how they are related to the COVID-19 pandemic. More information is required on the items to be purchased and their purpose. 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. Yard Signs for all Senior Families**

**\$210.00**  
Reimbursements

This proposed expense does not clearly appear to be eligible for COVID-19 related purposes. The County should review the expense again to ensure that it does meet the purpose and intent of CRF funding.

**5. Payments through PayPal Account**

**\$89.70**  
Reimbursements

Two payments are reported using the Police Chief’s PayPal account due to “risking a City account.” These costs are listed as other and contain no other description. The County should review the expenses again to ensure that they meet the purpose and intent of CRF funding.

**6. Mobile Van for COVID-19 Testing to Reach Vulnerable Population**

**\$30,000**  
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.

**7. Cost of Supplies and Administrating Vaccine to Inoculate Sumner County**

\$25,000  
 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. Sumner County is requesting direct aid for future vaccine supplies and administration costs. Given that there is not currently a vaccine for COVID-19 or a date by which a vaccine can be expected, these items may not be able to be used to respond to the COVID-19 pandemic prior to December 30, 2020.

**8. Refrigeration and Storage for Vaccine**

\$30,000  
 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. Sumner County is requesting direct aid for future vaccine supplies and administration costs. Given that there is not currently a vaccine for COVID-19 or a date by which a vaccine can be expected, these items may not be able to be used to respond to the COVID-19 pandemic 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
<b>Grant Programs for Healthcare Facilities and Businesses and Nonprofits</b>	Sumner County Government	\$750,000 \$1,500,000	Additional information is requested on how applicants will apply and be selected, and who will be administering the proposed programs.
<b>Transportation Costs</b>	USD 353 USD 356 USD 357 USD 358 USD 359 USD 360 USD 509 Wellington Christian Academy St. Joseph Catholic School	\$129,244 \$36,892.00 \$49,597.00 \$31,463.00 \$14,468.00 \$20,670.00 \$15,615.00 \$5,820.00 \$8,730.00	More information is required on types of items to be purchased with these funds.
<b>Assistance for Public/Business needs</b>	Mulvane City	\$13,631.08	No information provided on the administration/distribution of funds.

## **Modifications Required**

The following modifications are requested to the provided Reimbursement or Direct Aid plan:

- Sumner County needs to evaluate their direct aid plan and account for all additional future expenditures.

## **Conclusion**

1. Sumner County needs to submit a corrected Direct Aid Spending Plan.
2. Sumner County should provide responses to all requests for additional information outlined in this memo.

The proposed use of the total amount allocated to Sumner County has not been fully outlined in the provided Reimbursement Report and Direct Aid Plan. The State requires additional consultation with the County prior to its proposed use of funds received. A member of the Office of Recovery will be contacting you soon to discuss these considerations and outline next steps. In the interim, the County should prepare responses for the requests for additional information outlined in this memo.