

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

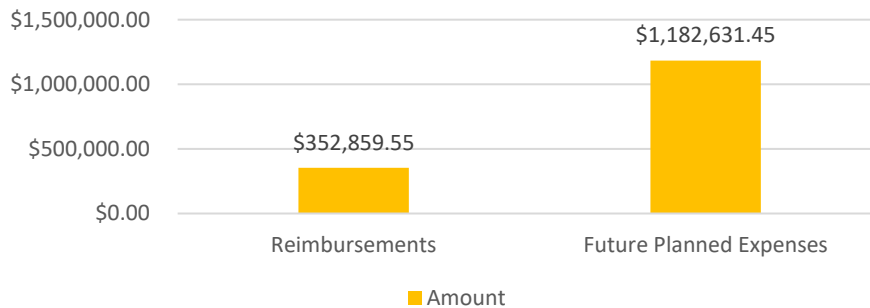
Date September 5, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Thomas County

General Information

Population: 7,777
 COVID-19 Cases 08/17/2020: 49

Total Allocation Amount: \$1,535,491.18
 Total Submitted for Reimbursement: \$352,859.55
 Total Submitted for Future Planned Expenditures: \$1,182,631.45

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$22,116.61
 Total Amount for Subrecipients: \$330,742.94

Subrecipients and Amounts

Subrecipient	Type	Amount
USD 315	Educational Institution(s)	\$211,428.98
Colby Community College	Higher Education Institution	\$52,204.99
City of Colby	City	\$25,074.51
Pioneer Memorial Library	Library	\$6,719.11
LiveWell NW KS	Non-Profit	\$11,596.48
Colby Health & Rehab	Health	\$6,795.27
Sacred Heart School	Educational Institution(s)	\$2,301.40
Northwest Physical Therapy	Health	\$184.22
Chance Management	Business	\$14,437.98
Total		\$330,742.94

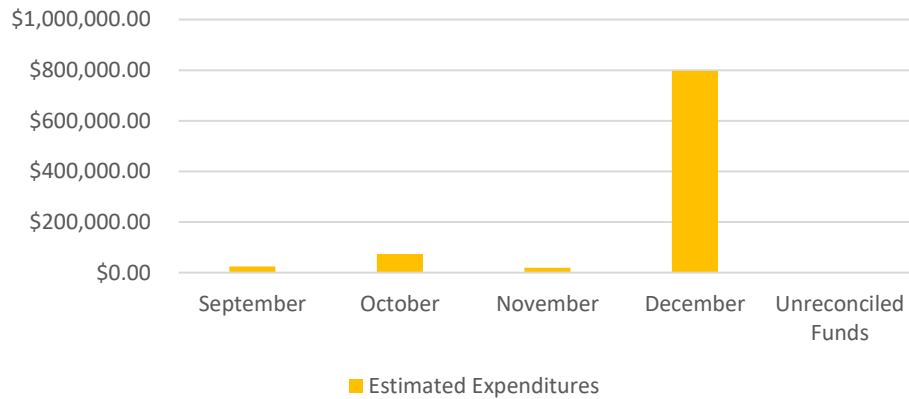
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$258,908.21

Total Amount for Transfers: \$673,723.24

Total Amount for Programs: \$250,000

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 314	Educational Institution(s)	\$3,500.00
USD 315	Educational Institution(s)	\$393,617.33
USD 316	Educational Institution(s)	\$10,401.54
Colby Community College	Higher Education Institution	\$34,800.00
City of Colby	City	\$125,990.00
Pioneer Memorial Library	Library	\$20,005.47
Colby Health & Rehab	Health	\$11,817.90
Sacred Heart School	Educational Institution(s)	\$17,960.00
Prairie Museum	Museum	\$43,631.00
Heartland Christian School	Educational Institution(s)	\$12,000.00
Total		\$673,723.24

Proposed Programs

Program Title	Program Description	Program Budget Amount
Thomas County Economic Development Alliance Grants Program	This program will, in part, assist businesses by reimbursing expenses incurred during mandated closures as well as expenses to prepare for future closures and impacts from the pandemic. An e-commerce mini grant program will also be created to facilitate the	\$ 250,000

creation & support of e-commerce infrastructure to allow continued service to customers if/when additional mandated closures occur.

Total **\$ 250,000**

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

Thomas County has prioritized its reimbursement requests for subrecipients. Total County reimbursements equal 6.3% of all eligible expenditures, while educational institution requests total 60.6% of the \$ 352,859.55 submitted for reimbursement review.

Thomas County's direct aid request prioritizes transfers to subrecipients, which amounts to 57% of the \$ 1,182,631.45 submitted for direct aid review. The majority of transfers go to educational institutions; a total of \$ 437,478.87, or 64.9% of total transfers. Cities account for 18.7% of transfer requests while libraries, museums, and health institutions account for the remainder of requests.

The County should ensure that all expenses respond clearly to purpose and intent of CRF funding, meets all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

Technical Understanding of SPARK Process

Thomas 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. Area Businesses Reimbursement

Thomas County has indicated that they have made direct payments to numerous area businesses to reimburse costs for PPE, shields, cleaning supplies, etc. It is not clear what the process was for businesses to request and be awarded funds. Should the county choose to continue participating in direct payments to area businesses a formal grant program with an application process and review committee is recommended.

3. Heartland Air Quality Improvement Project

\$12,000
Direct Aid

Expected date provided appears to extend past eligibility period.

4. Chance Management

\$14,437.98
Reimbursements

Appears to have provided money to a private hospitality company. More information is needed as to how this private business was chosen for a direct transfer.

5. Thomas County Economic Development Alliance Grants Program

\$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.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
Generator for Event Center	City of Colby	\$107,000	Needs more information on procurement timeline and how the events center is being used to respond to COVID-19
Business Reimbursement	Chance Management	\$14,437.98	More information is needed to determine how this business were chosen for direct reimbursement.

Modifications Required

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

1. Thomas County should develop a more robust timeline of direct aid spending, as all costs are currently listed as being incurred on the last day of program eligibility of December 30, 2020.

Conclusion

1. Based on the documents provided by Thomas County, it appears they have a generally proficient understanding of the eligibility requirements relative to CARES Act funding. However, some expenses that the County intends to reimburse – including items for the library that don't clearly appear to have a nexus to COVID-19 – should be reconsidered.
2. Thomas County should provide modifications and responses to all requests for additional information outlined in this memo.
3. Thomas County has listed all direct aid costs to be incurred on December 30, 2020. The County should reassess the actual timeline of transfers to ensure all costs incurred occur before the deadline.
4. Thomas 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. Thomas 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 Thomas County Economic Development Alliance Grant Program, if not already in place, Thomas 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, Thomas County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.