

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

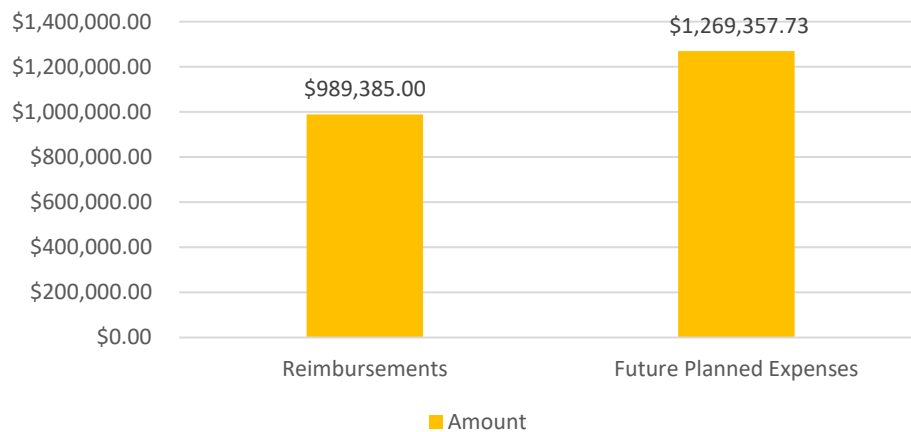
**Date** September 5, 2020  
**Re** Review of Reimbursement and Direct Aid Spending Plan for Wilson County

**General Information**

Population: 8,525  
 COVID-19 Cases 08/17/2020: 16

Total Allocation Amount: \$1,774,957.20  
 Total Submitted for Reimbursement: \$505,599.27  
 Total Submitted for Future Planned Expenditures: \$1,269,357.73

**SPENDING PLAN OVERVIEW**



**Reimbursement Request Overview**

Total Amount for County Expenditures: \$21,813.54  
 Total Amount for Subrecipients: \$483,785.73

**Subrecipients and Amounts**

Subrecipient	Type	Amount
City of Neodesha	City	\$63,148.63
Wilson Medical Center	Health	\$213,965.78
KSRE Wildcat District	Educational Institution(s)	\$380.40
USD 387	Educational Institution(s)	\$12,144.42
USD 461	Educational Institution(s)	\$98,429.50
USD 484	Educational Institution(s)	\$95,717
<b>Total</b>		<b>\$483,785.73</b>

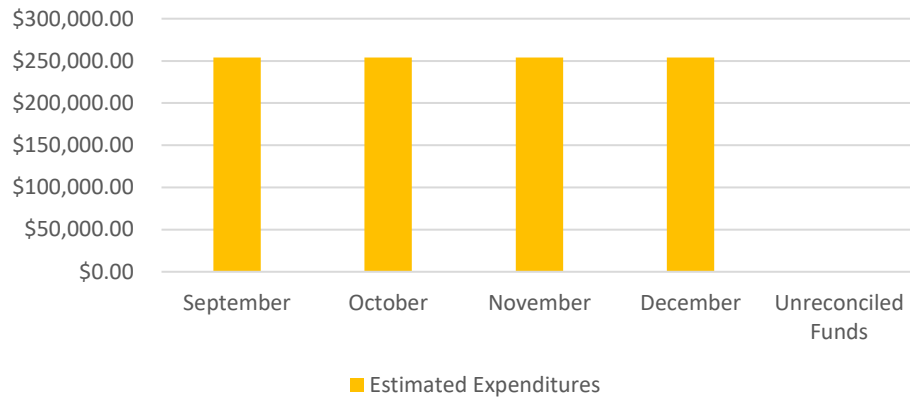
## Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$190,848.73

Total Amount for Transfers: \$349,022

Total Amount for Programs: \$729,487

### PROJECT SPEND DOWN RATE



### Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
USD 387	Educational Institution(s)	\$66,744.06
USD 461	Educational Institution(s)	\$143,415.08
USD 484	Educational Institution(s)	\$137,703.86
KSRE Wildcat Extension District	Educational Institution(s)	\$1,199
<b>Total</b>		<b>\$ 349,022</b>

### Proposed Programs

Program Title	Program Description	Program Budget Amount
Sterilization Equipment for Fredonia Hospital and Wilson Medical Center	This program provides sterilization UV light equipment to disinfect hospitals, nursing homes, assisted living units, ambulances, and schools.	\$96,710
Wilson County Coronavirus Pandemic Medical Response Equipment	This program's goal is to provide the required technology, medical equipment to enhance Wilson County's response to COVID-19 pandemic.	\$336,017
Wilson County COVID-19 Recovery Small Business Grants	This program seeks to help businesses with fewer than 50 employees to stabilize operations and provide opportunity for growth.	\$296,760
<b>Total</b>		<b>\$ 729,487</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

Wilson County has prioritized its reimbursement requests for subrecipients. Total County reimbursements equal 4.31% of all expenditures, while subrecipient requests total 95.69% of the \$505,599.27 submitted for reimbursement review.

Wilson County's direct aid request prioritizes various programs, which amounts to 57.5% of the \$1,269,357.73 submitted for direct aid review. Transfers to subrecipients to a total of \$349,022. Educational institutions account for all transfer requests. 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.

The County should ensure that this expense responds 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

Wilson 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, public health and human services 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. To mitigate the risk of potential financial modifications should the Treasury's guidance present more restrictive criteria than currently outlined, the Office of Recovery has determined that the County should only proceed with reimbursing the following payroll expenses:

- 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).
- 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 personnel and services that are considered substantially dedicated to preparing for, mitigating against or responding to COVID-19, and whose actions can be clearly documented. The County should also ensure that all payroll records reflect this commitment of time and the tasks performed and/or responsibilities related to COVID-19 are clearly noted in documents supporting the expense.

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 expenses are compliant to the OIG Guidance.

## 2. COVID-19 Recovery Small Business Grants

\$296,760.00  
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 3<sup>rd</sup> party entity responsible for administering the grant program.

### 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 Wilson County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process
2. Wilson County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
3. Wilson County has proposed many potential subrecipient arrangements. The County should ensure they have the appropriate level of administrative capacity to effectively monitor these subrecipients.

4. Wilson 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.
5. For the Wilson Grant Program, if not already in place, Wilson 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.
6. Wilson 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, Wilson County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.