

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

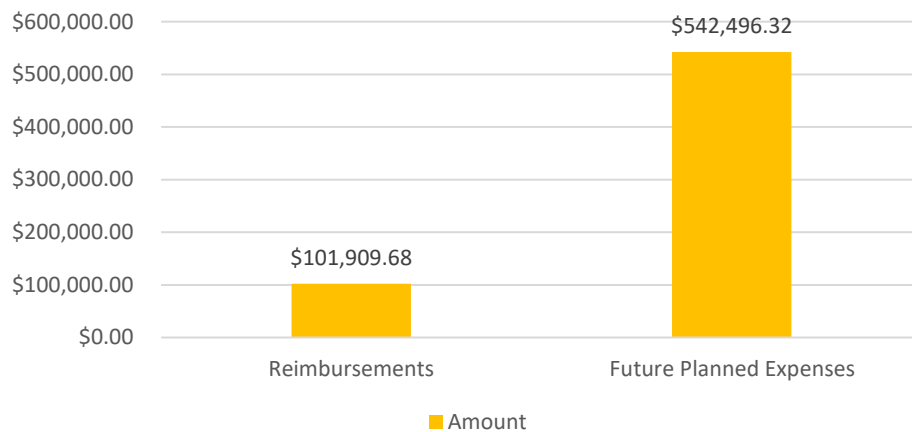
Date September 5, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Woodson

General Information

Population: 3,138
 COVID-19 Cases 08/17/2020: 12

Total Allocation Amount: \$644,405.77
 Total Submitted for Reimbursement: \$101,909.68
 Total Submitted for Future Planned Expenditures: \$542,496.32

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$19,597.13
 Total Amount for Subrecipients: \$82,312.55

Subrecipients and Amounts

Subrecipient	Type	Amount
City of Yates Center	City	\$3,070.14
USD 366	Educational Institution	\$79,242.41
Total		\$82,312.55

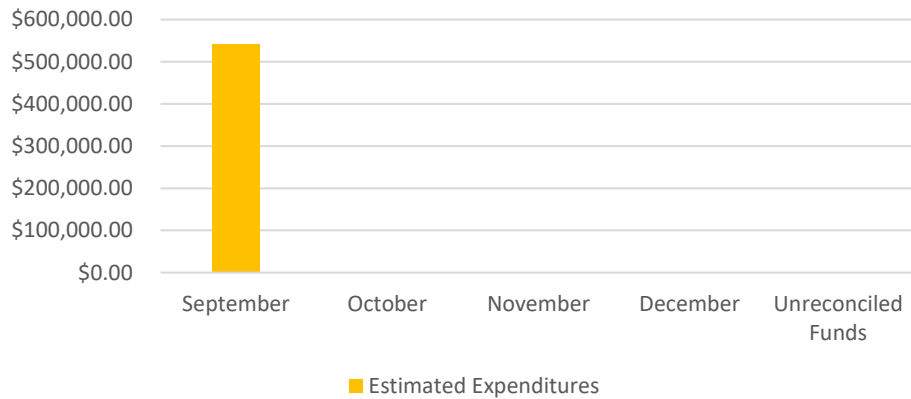
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$22,062

Total Amount for Transfers: \$257,334

Total Amount for Programs: \$ 263,000

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Woodson County Chamber of Commerce	Organization	\$18,620
Southeast Kansas Mental Health Center	Health	\$5,000
Southeast Kansas Multi County Health Dept	Health	\$5,000
City of Toronto	City	\$12,943
City of Yates Center	City	\$23,097.73
USD 366	Educational Institution	\$192,673.59
Total		\$257,334

Proposed Programs

Program Title	Program Description	Program Budget Amount
Woodson County Job Fair	This project will help both by providing job opportunities to unemployed persons and help businesses fill new opens created by higher demand in their businesses	\$1,000
Daycare Small Business Grant Assistance Program	This program assists Daycares in COVID-19 related expenses and provides funds for revenue losses due to closures and loss of children in need of care because of furloughs and parents following stay-at-home orders.	\$35,000
Woodson County Small Business Assistance Grant Program	This program assists businesses in COVID-19 related re-opening expenses and provides funds for revenue losses due to required closures.	\$142,000

Woodson County Emergency Services Radio Communication	This project aims to upgrade the emergency radio transmission within Woodson County.	\$ 85,000
Total		\$ 263,000

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

Woodson County has prioritized its reimbursement requests for subrecipients. Total County reimbursements equal 19.2% of all eligible expenditures, while educational institution requests total 77.8% of the \$101,909.68 submitted for reimbursement review. The amount listed in the Report Summary of the County’s expenditure summary is double the amount actually sent for reimbursement review in the itemized list. Woodson County should correct the error.

Woodson County’s direct aid request prioritizes various programs, which amounts to 48.5% of the \$ 542,496.32 submitted for direct aid review. Transfers to subrecipients to a total of \$ 257,334. Educational institutions account for 74.9% of transfer requests while cities account for 14% of requests.

The County should ensure that 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

Woodson 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. Woodson County Emergency Services Radio Communication

\$ 85,000
Direct Aid

As this represents a significant 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.

3. Daycare Small Business Grant Assistance Program

\$ 35,000
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.

4. Woodson County Small Business Assistance Grant Program

\$ 142,000
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

No additional information is requested at this time.

Modifications Required

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

1. The Summary Tab of the Reimbursement Request lists an amount double that of the itemized lists. The summary tab should be reconciled to reflect the appropriate totals, as listed on the itemized tab.

Conclusion

1. Based on the documents provided by Woodson County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Woodson County should provide responses to all requests for additional information outlined in this memo.

3. Woodson County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
4. Woodson 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. Woodson 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 Grant Programs, if not already in place, Woodson 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. Woodson 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, Woodson County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.

Office of Recovery
Eisenhower State Office Building
700 SW Harrison Street, Suite 1234
Topeka, KS 66603



Phone: (785) 368-8507
recovery@ks.gov
covid.ks.gov
governor.kansas.gov

Laura Kelly, Governor