

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

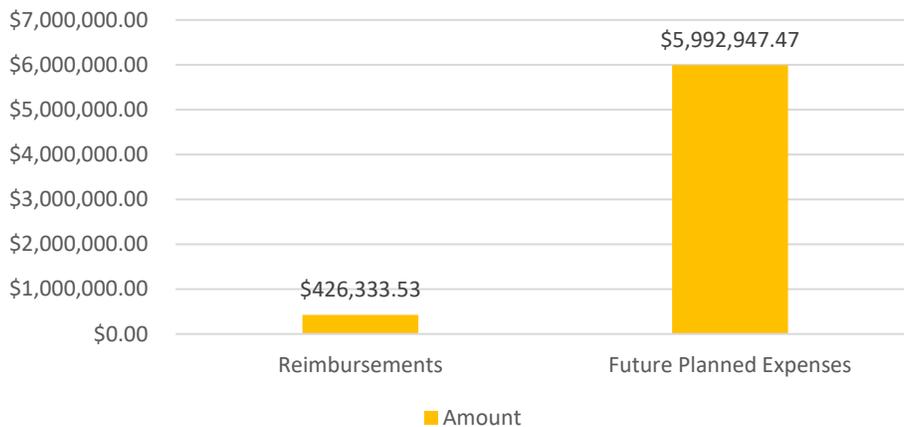
Date September 17, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Seward County

General Information

Population: 21,428
 COVID-19 Cases 09/14/2020: 1,395

Total Allocation Amount: \$6,419,281.16
 Total Submitted for Reimbursement: \$426,333.53
 Total Submitted for Future Planned Expenditures: \$5,992,947.47

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$64,587.80
 Total Amount for Subrecipients: \$361,745.73

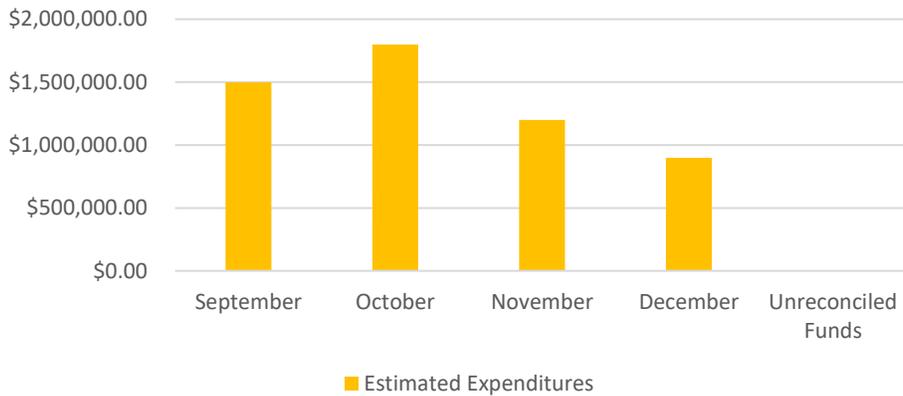
Subrecipients and Amounts

Subrecipient	Type	Amount
City of Liberal	City	\$ 16,645.90
USD 480	Educational Institution	\$ 75,599.40
USD 483	Educational Institution	\$ 51,883.82
Seward County Community College	Higher Education Institution	\$ 212,012
Seward County Senior Center	County	\$ 2,208.53
SW Guidance	Health	\$ 1,544.93
LM Library	Library	\$ 70
RCDC 4 Kids	Childcare Provider	\$ 764.99
Liberal Chamber of Commerce	Chamber of Commerce	\$ 636.77
Total		\$ 361,745.73

Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$1,004,051.83
 Total Amount for Transfers: \$ 0
 Total Amount for Programs: \$ 4,988,895.64

PROJECT SPEND DOWN RATE



Proposed Programs

Program descriptions were not provided in the Direct Aid Plan submitted by Seward County.

Program Title	Program Description	Program Budget Amount
COVID-19 Reimbursement and FEMA Matching Program	The reimbursement program is designed to provide the County with flexible spending to reimburse local governmental entities, nonprofits, school districts, and higher education institutions for necessary and reasonable expenditures related to the COVID-19 pandemic required to make the community whole again.	\$ 1,715,062.33
COVID-19 Household Emergency Relief Program	The Household Emergency Relief Program is designed to alleviate burdens on the most vulnerable individuals or households experiencing financial crisis due to the COVID-19 pandemic.	\$ 1,091,277.77
COVID-19 Agency Operational Relief Grant Program	The Agency Operational Relief Program is designed to meet the needs of the County's small businesses and nonprofit organizations. The program provides grants to cover eligible COVID-19 expenditures made or planned through year end, including costs associated with operating losses, costs of "business interruptions and disruptions", and expenses related to public health actions.	\$ 1,091,277.77

COVID-19 Reimbursement and FEMA Matching Program	In response to the COVID-19 Recovery and Response Program is intended to give maximum flexibility to local organizations to propose recovery initiatives that are right sized for targeted relief of the community served. The grants are designed to help our community respond to and mitigate the impact of COVID-19.	\$ 1,091,277.77
Total		\$ 4,988,895.64

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

Seward County has prioritized its reimbursement requests for subrecipients. Total County reimbursements equal 15.1% of all eligible expenditures, while higher education and educational institution requests total 79.6% of the \$ 426,333.53 submitted for reimbursement review. Seward County has now provided detailed information regarding its reimbursements in a Reimbursement Report Excel file and all reimbursements have been deemed low risk.

Seward County’s Direct Aid Plan prioritizes various programs, which amount to 83.2% of the \$5,992,947.47 submitted for direct aid review. There were no transfers to subrecipients planned. Seward County has now provided an Excel file for their Direct Aid Plan which now includes detailed information requested on both planned county expenditures and programs and any potential risks associated with these expenditures have now been evaluated.

The County’s planned expenditures respond clearly to the purpose and intent of CRF funding and appear to meet all eligibility criteria, with the exception of the plan to build an additional fire department structure, which requires more information to demonstrate the nexus to the COVID-19 pandemic and rule out other, potentially less costly options.

Technical Understanding of SPARK Process

Seward County demonstrates a 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 plan. 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. Building Addition for Fire Department

\$ 114,000.00
Direct Aid

The County has proposed to spend \$114,000.00 to build an "addition to existing County Building to allow for the County Fire Department to be housed separately from the City Fire Department." Further information is needed to demonstrate the nexus to the COVID-19 pandemic and rule out other, potentially less costly options.

Spending Plan Request for Additional Information

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

Item	Recipient	Amount	Comment
Addition for Fire Department	County	\$114,000.00	More information is required for eligibility of this planned expenditure to be evaluated

Modifications Required

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

- Further information vis a vis the fire department building project

Conclusion

1. Seward County should provide requested information with regard to the fire department project.

Review of the Seward County plan reveals a complete plan, a solid understanding of the requirements, and provides all necessary information to proceed with the plan implementation, with possible exception of the addition for fire department project. The proposed use of the total amount allocated to Seward County has been fully outlined using the Reimbursement Report and Direct Aid Plan templates and the county may proceed with implementation of its spending plan.