



CORONAVIRUS STATE FISCAL RECOVERY FUND

Puerto Rico Cultural Rescue

Program Guidelines

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GOVERNMENT OF PUERTO RICO



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Program Overview

Background

Since March of 2020, Puerto Rico, like most jurisdictions in the United States and countries around the world, has experienced an unprecedented emergency caused by the Coronavirus Disease 2019 (“COVID-19”) pandemic. To slow the spread of the disease and ensure stability of its healthcare system, the Government of Puerto Rico has implemented measures to address the emergency. On March 12, 2020, the Government of Puerto Rico issued Administrative Bulletin OE-2020-020 through which formally declared a state of emergency due to the imminent impact of the coronavirus in Puerto Rico.

During the state of emergency, Puerto Rico suffered great loss of life and severe economic hardships which have impacted a Commonwealth still reeling from natural disaster. Puerto Rico lost over 2,500 citizens, tourism dwindled with hotel registrations falling 95% from February to April 2020, and ~460,000 residents of Puerto Rico experienced unemployment, twice the previous number of unemployed individuals. Despite these hardships, Puerto Rico persevered, and with over 2,600,000 doses of COVID-19 vaccines administered, Puerto Rico is positioned to emerge from the COVID-19 pandemic.

To help Puerto Rico emerge from the COVID-19 pandemic, Congress passed the American Rescue Plan Act of 2021 (“ARP Act”), and the President signed it into law on March 11, 2021. To assist state governments with addressing the lingering public health emergency while targeting areas and industries in needs of economic development, the ARP Act established the Coronavirus State and Local Fiscal Recovery Fund, which provides \$350 billion in direct assistance to states, territories, counties, metropolitan cities, tribal governments, and non-entitlement units of local governments. As part of the Coronavirus State and Local Fiscal Recovery Fund, Puerto Rico received \$2.47 billion under the Coronavirus State Fiscal Recovery Fund (“CSFRF”).

To ensure the expeditious processing of apportioned funds from the CARES Act, the Government of Puerto Rico established the Disbursement Oversight Committee, consisting of the Secretary of the Department of the Treasury, the Director of the Office of Management and Budget (OGP), and the Executive Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF). The Committee was created on May 15, 2020, by means of Executive Order No. 2020-040, and on May 7, 2021, by means of Executive Order No. 2021-034, the Governor of Puerto Rico extended the Committee’s oversight to include CSFRF.

Program Description

On August 9, 2021, Governor Pedro Pierluisi announced a Cultural Rescue program (Program) which makes up to \$50 million in CSFRF funds available to support the financial liquidity of cultural institutions, repair historically significant buildings, and conservation and digitalization of historic documents. This program will be divided into two (2) phases:

Phase 1 –

Phase 1 makes \$10 million in immediately available funds as described below in the “Eligibility Criteria” section to Instituto de la Cultura Puertorriqueña (ICP), Corporación del Conservatorio de Música, Corporación de las Artes Musicales, Corporación del Centro de Bellas Artes and Escuela de Artes Plásticas.

Phase 2 -

Phase 2 makes \$30 million available to restore and preserve historically significant buildings and \$10 million for the conservation and digitalization of historic documents.

Culture is the lifeblood of our vibrant society, expressed in the many ways we tell our stories, celebrate, remember the past, entertain ourselves, and imagine the future. With COVID-19 pandemic deeply affecting the institutions that protect and foster our culture, the government will provide the necessary financial support for our institutions to continue protecting and disseminating our creative expressions, history and what defines who we are as individuals and communities.

Disbursement of Program funds will be subject to the strictest standards to ensure compliance with federal regulations and best practices. Therefore, each request for disbursement will be duly documented and subject to control and audit.

Points of Contact

The Program will be administered by the Coronavirus Relief Fund Disbursement Oversight Committee (Committee) in conjunction with the Office of Management and Budget (OGP) and AAFAF.

Eligibility Criteria

Eligible Applicants for Phase 1 must meet all the following criteria:

- Be one of the following entities: Instituto de la Cultura Puertorriqueña (ICP), Corporación del Conservatorio de Música, Corporación de las Artes Musicales, Corporación del Centro de Bellas Artes or Escuela de Artes Plásticas.
- For these, the allocation will be as follows:
 - Instituto de Cultura Puertorriqueña - \$2,500,000
 - Corporación de las Artes Musicales - \$2,000,000
 - Corporación del Centro de Bellas Artes - \$3,000,000
 - Escuela de Artes Plásticas - \$500,000
 - Corporación del Conservatorio de Música – \$500,000
- A reserve of \$1,500,000 is established and will be available for the entities above, to request through the OGP established process.
- Commit to abiding by the Program’s terms and conditions. Including but not limited to all applicable rules, conditions and regulations issued by the U.S. Department of the Treasury regarding the use of funds under the Coronavirus State Fiscal Recovery Fund.
- Agree to return the Program funds, if it is determined that they did not comply with any of the Program eligibility requirements, or if the Program funds were not spent on eligible expenses by December 31, 2024.

Eligible Applicants for Phase 2 must meet all the following criteria:

- Manage cultural experiences, historic buildings, landmarks, artifacts and/or documents that need conservation efforts.
- Commit to abiding by the Program’s terms and conditions. Including but not limited to all applicable rules, conditions and regulations issued by the U.S. Department of the Treasury regarding the use of funds under the Coronavirus State Fiscal Recovery Fund.

- Agree to return the Program funds, if it is determined that they did not comply with any of the Program eligibility requirements, or if the Program funds were not obligated by December 31, 2024 and/or expended by December 31, 2026 on eligible expenses.

Allowable Expenditures

- To respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- Expenses related to the government services to the extent of the reduction in revenue experienced or exacerbated by the COVID-19 pandemic.
- Government services include but are not limited to:
 - maintenance of infrastructure or pay go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

For further guidance please refer to the [Guidance](#) published by the U.S. Treasury and the [Frequently Asked Questions](#).

Other CSFRF Programs

In addition to the Program detailed above, the Governor allocated funds for additional programs to address the public health emergency, ensure continuity of government services, address negative economic impact, provide premium pay, invest in water, sewer, and broadband infrastructure, and provide for provision of government services (up to lost revenue). Please visit <https://www.aafaf.pr.gov/coronavirus-state-and-local-fiscal-recovery-funds/> for additional information about these programs.

Ineligible Expenditures

Ineligible expenses will be determined by the Committee, the U.S. Department of the Treasury, the Office of Inspector General (OIG), and other regulatory bodies, and under this award include, but are not limited to:

- Payments to institutions that do not meet the Eligibility Criteria
- Necessary expenses that have been covered or reimbursed, or that will be covered in the future, by other state or federal programs, including funds received through the CARES Act or from FEMA

For further guidance please refer to the [Guidance](#) published by the U.S. Treasury and the [Frequently Asked Questions](#).

Process Overview

The following is intended to outline the process by which Phase I and II funds from the CSFRF will be distributed.

August 9, 2021	Program Announced
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September 9, 2021 – Funds Expended	Phase 1 Program Opens and Funding Requests Accepted
September 9, 2021 – Funds Expended	Funding Requests Reviewed and Determinations Rendered
September 9, 2021 – Funds Expended	Phase 2 Program Opens and Funding Requests Accepted
September 2021 – December 2026	Monthly Use of Funds Reports
January 2025 – February 2027	Program Audits and Compliance Review

Requests

Phase 1 –

1. Agencies will submit their fund requests directly to OGP through the “Plataforma Electrónica de Planteamientos” (“PEP”), in accordance with ME-014-2021.
2. OGP will review that all required documents are submitted and proceeds with the transfer of funds. OGP can require additional documentation as part of the evaluation process.

Phase 2 –

1. Agencies that meet the eligibility criteria will submit their fund requests directly to OGP through the “Plataforma Electrónica de Planteamientos” (“PEP”), in accordance with their rules.
2. OGP will review that all required documents are submitted and proceeds with the transfer of funds. OGP can require additional documentation as part of the evaluation process.

More information on forms, documents, and eligibility can be found on the web at: <http://www.aafaf.pr.gov/covid-19-resource-center/>

Evaluation

For all requests, decisions will be evaluated for completeness and eligibility, and final determinations will be made by the Disbursement Oversight Committee. Each Request will be evaluated, and Program funds allocated using a standard of necessity.

Award and Funding

Requestors will be notified via electronic mail of funding decisions. Subsequent funding opportunities (including expansion of eligible institutions and use of funds) will be determined based upon availability of funds remaining after completion of initial awards.

Compliance

Any government entity receiving funds must adhere to the Uniform Guidance, 2 C.F.R § 200 (“Uniform Guidance”). This Uniform Guidance outlines the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”. Recipients and their personnel are responsible for reviewing, understanding, and applying the complete underlying legislation and guiding documents. For complete details on 2 CFR 200, visit the Electronic Code of Federal Regulations at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl. Topics included in the Uniform Guidance include, but are not limited to:

- Procurement standards and requirements
- Contract cost and price principles
- Bonding requirements

- Document retention and auditing provisions

Any government and non-government entity receiving Program funds will be required to retain use of funds records and supporting documentation for a period of five (5) years. Furthermore, by accepting CSFRF funds, government and non-government entities are required to certify proper and legal use of the funds and agrees to cooperate in any audit proceedings requested by the Government of Puerto Rico or other governing entity responsible for the compliant use of Program funds.

Reporting Requirements

On an annual basis, the Government of Puerto Rico is required to submit a performance report detailing the progress and impact of the use of CSFRF funds. This Recovery Plan Performance Report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program.

The key output performance indicators for this Program include:

- Amount disbursed
- Number of cultural institutions impacted
- Number of historically significant buildings restored

The key outcome performance indicators for this Program include:

- Change in the number of visitors to impacted institution/attraction

To ensure timely reporting, the Government of Puerto Rico requires the Lead Agency to adhere to the following reporting frequency:

- On a quarterly basis, the Puerto Rico Department of Treasury will provide a summary of all program disbursements to date.
- On a quarterly basis, the lead agency will report the number of cultural institutions impacted.
- On a yearly basis, the lead agency will report the number of historically significant buildings restored.
- On a yearly basis, the lead agency will report the quarter over quarter change in the number of visitors to impacted attractions.

To ensure timely reporting, the Government of Puerto Rico requires the Recipients to adhere to the following reporting frequency:

- On a monthly basis, the recipients will be required to submit monthly financial reports using the reporting template provided by the program. Upon program close, recipients will be required to submit a comprehensive final financial reconciliation report detailing the use of program funds.

As reporting needs may change over time, the Program reserves the right to request additional data from the Lead Agency or Recipients at any time.