



CORONAVIRUS STATE FISCAL RECOVERY FUND

Promote Puerto Rico: Market Puerto Rico as an Investment Destination

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 worldwide, has experienced an unprecedented emergency caused by the Coronavirus Disease 2019 (“COVID-19”) pandemic. To slow the spread of the disease and ensure the 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, 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 significant loss of life and severe economic hardships, which have impacted a Commonwealth still reeling from a 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 need 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. 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 3, 2021, Governor Pedro Pierluisi announced the Promote Puerto Rico Program, which makes up to \$120 million in immediate CSFRF funds available to aid the island tourism, travel, and hospitality industries. One aspect of this program is to “market Puerto Rico as an investment destination.” The Government of Puerto Rico Recovery Plan Performance Report assigned \$10 million to this goal. Funds will be available to Invest Puerto Rico, a nonprofit organization created to promote Puerto Rico as a competitive investment jurisdiction to attract new business and capital investment.

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 Invest Puerto Rico (“InvestPR”) and AAFAF.

Eligibility Criteria

Eligible Applicants must meet all the following criteria:

- Be Invest Puerto Rico (“InvestPR”);
- Commit to abide by the Program’s terms and conditions;
and
- 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.

Allowable Expenditures

Allowable expenses under this award must be:

- Raise awareness of Puerto Rico as a competitive investment jurisdiction;
- Enhance lead generation efforts in Europe and Latin America Markets to increase the pipeline of prospects considering relocation to the Island;
- Elevate Puerto Rico’s competitive assets to solidify Puerto Rico’s value proposition by deepening investment in select tradeshows, conferences, and associations;
- Activities to better understand the competitive landscape and Puerto Rico’s key target sectors;
- Administrative cost associated with the initiatives mentioned above;
and
- Expenses incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.

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

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 the provision of government services (up to lost revenue). Please visit [AAFAF website](#) 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;

- Deposits into any pension funds;
- Offsetting a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax;
- Executive bonuses, debt refinancing, salary increases, or other expenses that are determined to be unnecessary for continued operations in the COVID-19 environment;
- Expenditures not explicitly mentioned on eligibility expenditures;
and
- Expenditures not authorized by the Committee and/or AAFAF.

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

Process Overview

The following is intended to outline how funds from the CSFRF will be distributed under the Program. Funds will be distributed according to InvestPR compliance with these guidelines.

August 3, 2021	Award Announced
February 2022	Initial Funds Approved to Invest Puerto Rico
March 1,2022– Funds Expended	Biweekly Use of Funds Report
March 15,2022 – Funds Expended	Monthly Performance Report
December 31, 2024	Deadline for Award to be Used
January 2025- Until total expenses are audited	Program Audits and Compliance Reviews

Requests

Requests will be submitted electronically using the [Agency Request](#) for Funding process. Once approved, the Puerto Rico Treasury Department will advance funds to Invest PR to carry out projects outlined in these guidelines.

Evaluation

For all requests, decisions will be evaluated for completeness and eligibility, and final determinations will be made by a representative of AAFAF. Each request will be evaluated, and Program funds will be allocated using a standard of necessity.

The Disbursement Oversight Committee will approve final funding award decisions.

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 the availability of funds remaining after completion of initial awards, and compliance with all reporting requirements.

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. 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 the non-government entity receiving Program funds will be required to retain use of funds records and supporting documentation for 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 agree 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 each award's performance indicators and objectives, helping 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 new leads
- Number of new opportunities

The key outcome performance indicators for this Program include:

- Number of new businesses
- Number of new jobs committed
- Number of new investments committed

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

- On a weekly basis, the Puerto Rico Department of Treasury will provide a summary of all program disbursements to date.
- On a monthly basis, the recipient will provide a report of all performance indicators.

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

- On a biweekly basis, 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. Program reserves the right to retain additional disbursements subject to compliance with reporting requirements.