

Assistance Program to Municipalities

CORONAVIRUS RELIEF FUND

Program Guidelines

Published May 16, 2020

GOVERNMENT OF PUERTO RICO

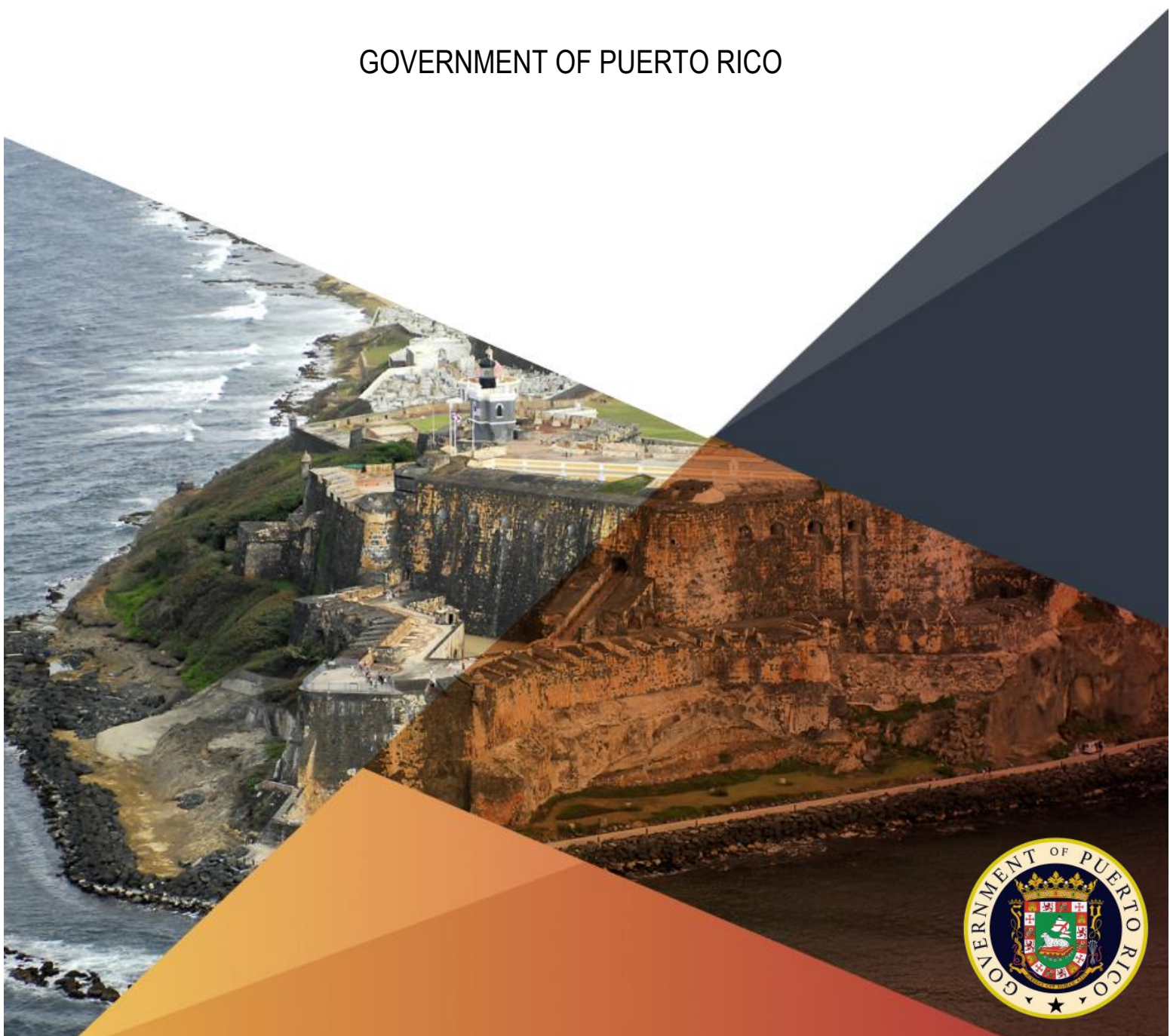


Table of Contents

| | |
|--|---|
| PROGRAM GUIDELINES | 3 |
| Program Overview | 3 |
| Background | 3 |
| Program Description | 3 |
| Points of Contact..... | 3 |
| Eligibility Criteria | 3 |
| Allowable Expenditures | 4 |
| Ineligible Expenditures..... | 4 |
| Process Overview..... | 4 |
| Appendix A: TRANSFER APPLICATION FORM | 7 |

PROGRAM GUIDELINES

Program Overview

Background

In response to the sudden decline in economic output following the Coronavirus disease 2019 (COVID-19) outbreak, Congress signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law on March 27, 2020. The CARES Act established the Coronavirus Relief Fund (CRF), which provides \$150 billion in direct assistance for domestic governments, territories, and tribal areas to disburse in accordance with its provisions.

To ensure the expeditious processing of apportioned funds from the CARES Act, the Government of Puerto Rico established the Disbursement Oversight Committee, consisting of a representative of the Secretary of the Department of the Treasury, a representative of the Director of the Office of Management and Budget (OGP), and a representative of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF).

Program Description

On May 14, 2020, Governor Wanda Vázquez Garced announced the Assistance Program to Municipalities (Program), which makes up to \$100 million in immediate CRF funds available to municipalities in the form of a transfer.

The Program provides emergency assistance to municipalities for necessary expenditures related to the COVID-19 emergency, thereby providing supplemental financial support to municipalities beyond what was included by other assistance opportunities.

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 Department of Treasury and the OGP. Queries related to the Program must be submitted in writing to crfmunicipalities@aafaf.pr.gov. All questions and responses will be made public without attribution.

Eligibility Criteria

Eligible Applicants must meet all the following criteria:

- Transfer recipients must be any of Puerto Rico's seventy-eight (78) Municipalities;
 - Have incurred or planned necessary expenditures related to the COVID-19 emergency and maintain documentation that reliably demonstrates the expenses;
 - Submit a complete and accurate Application prior to the deadline;
 - Commit to abiding by the terms and conditions of a Transfer Agreement, including reporting schedule, requests for documentation, and auditing requests;
 - Agree to return the Transfer funds, if it is determined that they did not comply with any of the Program eligibility requirements or if the Transfer funds were not spent on eligible expenses by December 30, 2020;
- and

- Agree that while receipt of other funds for COVID-19 related assistance does not preclude an Applicant from receiving Transfer funds under the Program, only expenses that, 1) have not been covered or reimbursed, and 2) will not be covered in the future, by other state, federal, or private insurance programs that the Applicants may have, including funds received through other provisions of the CARES Act, are eligible for consideration.

Allowable Expenditures

Allowable expenses¹ under this award include, but are not limited to:

- Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government;
- and
- Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

For further guidance please refer to the Guidance published by the U.S. Treasury at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments> and the Frequently Asked Questions published by the U.S. Treasury at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>.

Ineligible Expenditures

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

- Necessary expenses that have been covered or reimbursed, or that will be covered in the future, by other state, federal, or private insurance programs that the Applicant may have, including funds received through other provisions of the CARES Act;
- Employee bonuses, except for overtime and hazard pay;
- Severance pay;
- and
- Executive bonuses, debt refinancing, or other expenses that are determined to be unnecessary for continued operations in the COVID-19 environment.

For further guidance please refer to the Guidance published by the U.S. Treasury at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments> and the Frequently Asked Questions published by the U.S. Treasury at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>.

Process Overview

The following is intended to outline the process by which funds from the CRF will be distributed to Applicants of the Program.

¹ Allowable expenses are subject to Guidance on allowable expenses under the Coronavirus Relief Fund issued by the U.S. Treasury Department from time to time.

| | |
|-----------------------------|--|
| May 14, 2020 | Transfer Announced |
| May 18, 2020 | Application Period Opens |
| Beginning May 23, 2020 | Applications Reviewed and Approved by the Program as they are received |
| June 2020 – December 2020 | Transferee Submits Use of Funds Transfer Report by the 15 th day of each month for the prior month |
| August 31, 2020 | Transferee Submits Use of Funds Transfer Report and Expenses Evidence for the time period of March 1, 2020 through July 31, 2020 |
| December 30, 2020 | Deadline for Transfer Award Funds to be Used by Transferee |
| January 31, 2020 | Transferee Submits Transfer Report and Expenses Evidence |
| February 1 – April 30, 2021 | The Program Audits Use of Funds Compliance and Recovery |
| May 1, 2021 | Program Close |

Application

Applications will be submitted by electronic mail in PDF format to the address crfmunicipalities@aafaf.pr.gov. Upon submission, Applicants will receive a confirmation via electronic mail. More information on forms, documents, and eligibility can be found on the web at <http://www.aafaf.pr.gov/covid-19-resource-center/>.

The Program will open for applications on May 18, 2020. Applications will be considered on a rolling basis. All submissions will be accepted based on the time of submission and evaluated in accordance with criteria set forth by the Program.

Questions regarding Transfer Applications can be submitted to crfmunicipalities@aafaf.pr.gov.

Evaluation

Transfer Applications will be evaluated for completeness and eligibility with input from a representative of the Puerto Rico Department of the Treasury (DH), Puerto Rico Office of Management and Budget (OGP), and the Fiscal Agency and Financial Advisory Authority (AAFAF), known as the lead agencies.

Funding award decisions will be made by a recommendation from the representatives of the Lead Agencies under oversight of the Committee for the Oversight of Disbursements (Committee). Each Application will be evaluated, and Program Trans funds allocated based on a pro rata allocation by municipality population.

Award and Funding

Applicants will be notified in writing via electronic mail of funding decisions on a rolling basis as applications are received and reviewed.

Upon notification of an affirmative funding decision, the Transferee municipality will sign a Transfer Agreement, which will be provided to the Transferee upon receipt of the Transfer Application. The Transfer Agreement document will be a legally binding agreement between the Transferee municipality and The Government of Puerto Rico and lays out the terms and restrictions for the use of Transfer funds.

In no more than 10 days of executing the Agreement, the Committee will send authorization to the Puerto Rico Department of Treasury to release funds and they will be transmitted to the Transferee municipality via electronic funds transfer.

Compliance

Any Transferee municipality that receives Transfer funds from the Program will be required to submit monthly financial reports using the reporting template provided by the Program, as well as, a comprehensive mid-point financial reconciliation report on August 31, 2020 and a comprehensive final financial reconciliation report before January 31, 2021 detailing the use of Transfer funds and may additionally be required upon request to show proof of payment and submit other required documentation. Furthermore, by accepting CRF funds the Transferee municipality is 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 Transfer funds.

Appendix A: TRANSFER APPLICATION FORM

CORONAVIRUS RELIEF FUND (CRF) TRANSFER APPLICATION
Assistance Program to Municipalities

APPLICANT INFORMATION

Municipality Name:

Municipality Mayor:

Street Address:

City:

Municipality:

Zip Code:

Contact Person Name:

Contact Person Title:

Telephone Number:

Email Address:

FUNDING INFORMATION

Has the Applicant **Received**, or does it **Anticipating Receiving**, any Funding Related to COVID-19?

Yes No

If YES, list the source, amount, and (intended) use:

| Amount (\$) | Source | Use | Received (R) Anticipated (A) | |
|-------------|--------|-----|---------------------------------|---|
| | | | R | A |
| | | | R | A |
| | | | R | A |
| | | | R | A |
| | | | R | A |
| | | | R | A |
| | | | R | A |
| | | | R | A |
| | | | R | A |

*If more funding sources exist please use the table in Appendix A. The Applicant is required provide notice to the Transferor if this source of funds list changes during the Transfer Period.

CORONAVIRUS RELIEF FUND (CRF) TRANSFER APPLICATION
Assistance Program to Municipalities

Intended Use of Transfer Funds:

Provide a list and brief description of how Applicant intends to use Transfer Funds on eligible and necessary expenditures related to the COVID-19 emergency. This information is for Application evaluation purposes and may be modified by the Applicant to meet needs not identified at the time of Application, as long as the changes are consistent with the terms of the Transfer. If the expense has not yet been incurred, please note it as "Anticipated" in the "Expense Date" column. If you have more expense line items than there is space below, please use the extended expense table in Appendix B **instead** of the table below. For further guidance please refer to the Guidance published by the U.S. Treasury at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments> and the Frequently Asked Questions published by the U.S. Treasury at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

| Expense Date | Expense Description | Amount |
|--------------|---------------------|--------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total | | |

AUTHORIZED SIGNERS INFORMATION

Name:

Title:
Mayor

Telephone Number:

Email Address:

Name:

Title:
Finance Director

Telephone Number:

Email Address:

CERTIFICATIONS

Applicant hereby acknowledges and agrees that (please initial next to each statement):

- _____ I have the authority on behalf of the Transferee municipality to request a direct Transfer from the Government of Puerto Rico from the allocation of funds to Puerto Rico from the Coronavirus Relief Fund as created in the CARES Act.
- _____ The Transfer Funds are necessary due to the COVID-19 public health emergency.
- _____ If Transfer Funds cannot be used for qualifying expenses by December 30, 2020, they will be returned.
- _____ Applicant shall submit any and all required documentation, and agree to any and all audits of the Transfer Funds, as requested by Transferor.

CORONAVIRUS RELIEF FUND (CRF) TRANSFER APPLICATION
Assistance Program to Municipalities

_____ Any information provided in this application and other correspondence can become public information, and Applicant waives any right to confidentiality, unless expressly requested and approved.

_____ A materially false, fictitious, or fraudulent statement (or concealment or omission of a material fact) in this certification, or in the application that it supports, may be the subject of criminal prosecution and also may subject me and the Applicant to civil penalties and/or administrative remedies for false claims or otherwise.

_____ Applicant acknowledges a materially false, fictitious, or fraudulent statement (or concealment or omission of a material fact) in this certification, or in the application that it supports, may be the subject of criminal prosecution and also may subject me and the Applicant to civil penalties and/or administrative remedies for false claims or otherwise.

_____ I certify under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge.

SIGNATURES AND DATE

Signature:

Date:

Mayor

Signature:

Date:

Finance Director

