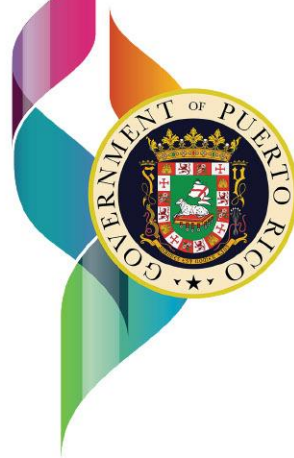


CORONAVIRUS STATE FISCAL RECOVERY FUND



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 (Committee), consisting of the Secretary of the Department of the Treasury, the Director of the Office of Management and Budget (OMB), and the Executive Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority (FAFAA). 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 the Cultural Rescue 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. The program is divided into two (2) phases:

Phase I makes \$10 million in immediate CSFRF funds to support the financial liquidity of eligible cultural institutions.

Phase II makes \$30 million in immediately available funds to restore and preserve historically significant buildings and \$10 million to conserve and digitalize historical documents.

On September 2023, an additional allocation of \$1,700,000.00 was approved for the construction of the *Pórtico de las Artes* and *Teatro al Aire Libre*, focusing on the structural transformation of the facade and entrance of the Puerto Rico Fine Arts Center Corporation. This project's primary objectives include the removal of architectural barriers at the entrance of Ponce de León Avenue, creating an inviting and accessible space that allows people to appreciate the square, the building, and its murals.

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 the 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. 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 Committee in conjunction with the OMB and FAFAA.

Eligibility Criteria

Eligible Applicants for **Phase I** must meet all the following criteria:

- Be one of the following:
 - Institute of Puerto Rican Culture
 - Musical Arts Corporation
 - Puerto Rico Fine Arts Center Corporation
 - School of Plastic Arts and Design
 - Puerto Rico Conservatory of Music Corporation
 - State Office of Historic Preservation
 - Arturo Somohano Puerto Rico Philharmonic Orchestra
- 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 CSFRF.
- 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 II** must meet all the following criteria:

- Be one of the following entities:
 - Institute of Puerto Rican Culture
 - Musical Arts Corporation
 - Puerto Rico Fine Arts Center Corporation
 - School of Plastic Arts and Design

- Puerto Rico Conservatory of Music Corporation
- State Office of Historic Preservation
- Arturo Somohano Puerto Rico Philharmonic Orchestra
- Puerto Rico Corporation for Public Broadcasting
- Puerto Rico Infrastructure Financing Authority
- Commit to abide 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 CSFRF.
- 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:

- 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 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.
- Activities for **Phase II** include but are not limited to the digitalization of historical documents, maintenance of historical buildings, and programmatic activities such as cultural and educational activities subject to additional criteria established in the Evaluation segment of these guidelines.

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 [FAFAA 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 or reserves.
- 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, 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 and the [Frequently Asked Questions](#).

Process Overview

The following is intended to outline the process by which funds from the CSFRF will be distributed under the Program.

August 3, 2021	Program Announced
September 7, 2021- Funds Expended	Phase I Program Opens and Funding Requests Accepted
September 7, 2021- Funds Expended	Funding Requests Reviewed and Determinations Rendered
March 7, 2022 - Funds Expended	Phase II Program Opens and Funding Requests Accepted
September 15, 2021- Funds Expended	Phase I Biweekly Use of Funds Report
September 15, 2021- Funds Expended	Phase I Monthly Performance Report
April 7, 2022 - Funds Expended	Phase II Biweekly Use of Funds Report
April 7, 2022 - Funds Expended	Phase II 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

Phase I

1. Agencies will submit their fund requests directly to OMB through the "Plataforma Electronica de Planteamientos ("PP")", in accordance with ME-014-2021.
2. OMB will review all required documents submitted and proceed with the transfer of funds. OMB can require additional documentation as part of the evaluation process.

Phase II

1. Agencies will submit their fund requests directly to OMB through the "Plataforma Electronica de Planteamientos ("PP")", in accordance with ME-014-2021.

2. OMB will review all required documents submitted and proceed with the transfer of funds. OMB can require additional documentation as part of the evaluation process.

More information on forms, documents, and eligibility can be found on FAFAA website.

Evaluation

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

Grants for individuals will be evaluated by representatives of OMB and FAFAA using the exact requirements and eligibility criteria established in the Final Rule. For these purposes, the criteria and all other relevant information shall be submitted to OMB and FAFAA.

Projects that include what may be considered as Capital Expenditures as defined in the Final Rule will be evaluated by representatives of OMB and FAFAA in compliance with federal regulations contained in the Final Rule and the Uniform Guidance. Projects of this nature shall be submitted to OMB with documentation as required in the Final Rule and Uniform Guidance.

Any and all programmatic activities such as cultural and educational activities must constitute a Government Service to be eligible under this program.

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

Compliance

Any government entity receiving funds must adhere to the Uniform Guidance, 2 CFR § 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](#). 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 a quarterly basis, the Government of Puerto Rico is required to submit program expense reports to the U.S. Treasury in accordance with the SLFRF Compliance and Reporting Guidance. Thus, to ensure timely reporting, the Government of Puerto Rico requires the Lead Agency or any recipient of funds under this program to adhere to the following reporting schedule:

- On a biweekly basis, the Lead Agency, as identified by the program, will provide an expense report using a standard template provided by the program.

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 programs funded and performance indicators and objectives of each award, helping residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program.

The Performance Report should include key performance indicators (KPIs). Key performance indicators are collected by the program manager and can capture the actual activities and quantify the impact of the program. Per U.S. Treasury Requirements, every program should define key output and/or outcome performance indicators.

Furthermore, for some programs, recipients should determine whether there is prior evidence research to support the program being implemented and use those KPIs to report programs output and outcomes.

In order to ensure timely reporting, the Government of Puerto Rico requires the Lead Agency or any recipient of funds under this program to adhere to the following performance report requirements:

- Define and inform the key performance indicators for the program outputs and/or outcomes.
- On a monthly basis, provide a performance update with program status and current values of the defined key performance indicators.

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