

Circular Letter No. 1300-04-09 of the Puerto Rico Department of The Treasury

OFFICE OF
MANAGEMENT
AND BUDGET

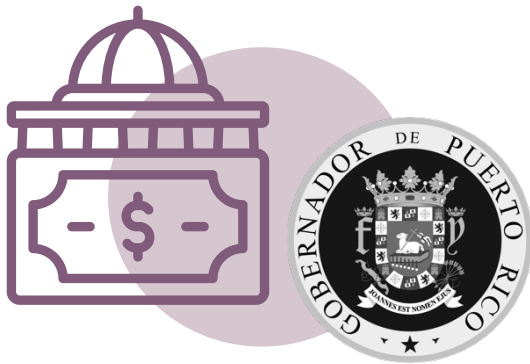


Instructions for Agencies under PeopleSoft 8.4 or 8.9
Application

Brief introduction.

Circular Letter No. 1300-04-09 **set the rules and procedures for standardized accounting and financial procedures**, this applies to entities authorized to use PeopleSoft 8.4 or 8.9.

This procedure pursues compliance with the Puerto Rico Department of the Treasury's responsibility to oversee and centrally control the public funds.



WHEN is the act applicable?

This circular is applicable in **all instances where agencies need to manage and report financial transactions using the PeopleSoft system**. It covers weekly accounting information transfers, account reconciliation, budget accounting, federal fund management, disbursements, property control, income accounting, advance funds management, and bank account reconciliation.

WHO is the act applicable to?

Circular Letter No. 1300-04-09 applies only to:

Government entities duly authorized by the Treasury Secretary to use the PeopleSoft 8.4 or 8.9 system for their financial and accounting transactions.

HOW is the act implemented?

As per the requirements included thereunder, agencies using the PeopleSoft System shall:

- 1 Transfer accounting information to the Department of the Treasury on a weekly basis
- 2 Reconcile accounts on a monthly basis
- 3 Ensure proper and correct budget and fund management.

This Circular Letter also includes instructions for Federal funds management, payroll processing, and managing property assets.

Thus, the Circular Letter itself provides the rules and tools for agencies to comply with the uniform and centralized accounting and financial system.

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How is the bill relevant for Governmental entities in Puerto Rico receiving federal funding?

As discussed across the regulations on public funds management, both Federal and State governments have a primordial interest in public funds being managed as per the highest standards of transparency and responsibility. This Circular, as their progenies, are intended to keep controls on the money the agencies manage and have the conditions and capability to trace any mismanagement or improper conduct.

The agencies obliged herein shall adhere to the following's requirements, extracted and summarized form the Circular Letter No. 1300-04-09

- **Weekly transfer of accounting information to the Department of the Treasury.**
- **Monthly reconciliation of accounts with balances maintained in the PRIFAS system.**
- **Compliance with PRIFAS system requirements for accounting and fund management.**
- **Proper handling and documentation of federal fund allocations and expenditures.**
- **Timely correction of payroll errors and management of overdrafts.**
- **Adherence to regulations for disbursement of funds, including federal funds.**
- **Reconciliation of zero-balance bank accounts and timely submission of bank statements and adjustments.**
- **Authorization from the Secretary of the Treasury for opening bank accounts and ensuring proper signature authority.**

Nevertheless, since 2016 the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), addressed Puerto Rico's debt crisis by establishing a federally appointed oversight board to supervise the island's financial restructuring.

PROMESA grants the Financial Oversight and Management Board for Puerto Rico significant authority over fiscal policies, including the power to approve budgets and fiscal plans, renegotiate debts, and enforce compliance with financial reforms.

Consequently, this oversight has led to substantial changes in local rules and regulations concerning financial and accounting management, often superseding local governance. Thus, and as long as the PROMESA requirements are not met, entities shall corroborate the permanence of any local regulation on public finance and accounting management.

