GOBIERNO DE PUERTO RICO
MUNICIPIO AUTÓNOMO DE CATAÑO

Legislatura Municipal

CATAÑO, PUERTO RICO

ORDENANZA NÚM. 08 **SERIE 2024-2025**

PARA ESTABLECER LAS POLÍTICAS Y PROCEDIMIENTOS PARA EL MANEJO DE PROPUESTAS Y ACTIVIDADES SUBVENCIONADAS CON FONDOS FEDERALES DEL MUNICIPIO AUTÓNOMO DE CATAÑO; Y PARA OTROS FINES RELACIONADOS.

POR CUANTO: De conformidad con el Artículo 1.006 de la Ley 107-2020, mejor conocida como el "Código Municipal de Puerto Rico" (en adelante, "Ley 107-2020"), la finalidad de los gobiernos municipales es "el bien común y, dentro de éste y en forma primordial, la atención de asuntos, problemas y necesidades colectivas de sus habitantes".

POR CUANTO: El Artículo 1.008 (o) de la Ley Núm. 107-2020, *supra*, enumera entre los poderes municipales el "ejercer el Poder Legislativo y el Poder Ejecutivo en todo asunto de naturaleza municipal que redunde en el bienestar de la comunidad y en su desarrollo económico, social, cultural, en la protección de la salud y seguridad de las personas, que fomente el civismo y la solidaridad de las comunidades y en el desarrollo de obras y actividades de interés colectivo con sujeción a las leyes aplicables".

POR CUANTO: El Artículo 1.039 (m) de la Ley Núm. 107-2020 dispone que la Legislatura Municipal ejercerá el poder legislativo en el Municipio y tendrá aquellas facultades y deberes sobre los asuntos locales que se le confieren por virtud de dicha Ley, así como aquellas incidentales y necesarias a las mismas. Entre dichas facultades está aprobar "aquellas ordenanzas, resoluciones y reglamentos sobre asuntos y materias de la competencia o jurisdicción municipal que de acuerdo con este Código o cualquier otra ley, deban someterse a su consideración y aprobación".

POR CUANTO: El 23 de octubre de 2017, el Gobernador de turno Hon. Ricardo Rosselló Nevares, firmó la Orden Ejecutiva Número 2017-65 en la cual ordenó la creación de la Oficina Central de Recuperación y Reconstrucción de Puerto Rico (en adelante "OCRR"), con el propósito de (a) identificar, procurar y administrar todos los recursos estatales, federales y/o privados disponibles para la recuperación de los eventos atmosféricos de los días 19 y 20 de septiembre de 2017.

POR CUANTO: La OCRR tiene, entre otras facultades, velar por el cumplimiento de las mejores prácticas y procesos adecuados en la administración de los recursos y fondos públicos locales y federales.

POR CUANTO: El 18 de diciembre de 2023, el Municipio de Cataño recibió una comunicación de parte de la OCRR en la cual instruye que se desarrollen políticas y procedimientos para el manejo de propuestas y actividades subvencionadas con fondos federales.

POR CUANTO: Este Reglamento se adopta en virtud de las disposiciones contenidas en el inciso (c) del Artículo 1.018, que faculta al Alcalde, como la máxima autoridad de la Rama Ejecutiva del Gobierno Municipal, a promulgar y publicar las reglas y reglamentos municipales.

POR CUANTO: La Ley 141-2019, conocida como "Ley de Transparencia y Procedimiento Expedito para el Acceso a la Información Pública" se aprobó con el fin de fomentar una cultura inequívoca de apertura sobre las gestiones del Gobierno. Con la aprobación de dicha Ley, se estableció una política proactiva sobre rendición de cuentas a la ciudadanía, con el fin de desalentar los actos de corrupción o antiéticos y promover la participación ciudadana e instituir normas y principios claros, ágiles y económicos para el ejercicio pleno del derecho de acceso a la información pública.

POR CUANTO: Con la aprobación de estas políticas y reglamentos, el Municipio pretende cumplir con las normas de transparencia y honestidad que caracteriza a la Administración Municipal.

POR TANTO: **ORDÉNASE POR LA LEGISLATURA MUNICIPAL DE CATAÑO, PUERTO RICO LO SIGUIENTE:**

SECCIÓN 1ra: Se autoriza al Hon. Julio Alicea Vasallo, Alcalde del Municipio Autónomo de Cataño a adoptar las políticas generales, los procedimientos de los programas y reglamentos para el Manejo de Propuestas y Actividades Subvencionadas con Fondos Federales".

SECCIÓN 2da: Los documentos, políticas, guías y reglamentos adoptados por esta Legislatura Municipal que pasarán a formar parte integral de esta Ordenanza son los que se desglosan a continuación:

1. Policies and Procedures for Grant Management (English and Spanish Version)
    a. Cost Sharing/Matching Policy
    b. Reimbursement and Accurate Documentation
    c. Cash Advance
    d. Interest Bearing Accounts
2. Personally Identifiable Information, Confidentiality and Non-Disclosure Policy PII Policy (English and Spanish Version)
3. Anti-Fraud, Waste and Abuse or Mismanagement Policy (English and Spanish Version)
4. Time Keeping Process (English and Spanish Version)
5. Capital Assets Policy (English and Spanish Version)
6. Property and Equipment Management and Disposition Guide (English and Spanish Version)
7. Minority Owned Women Business Enterprise (M/WBE Policy) (English and Spanish Version)
8. Verification of SAM Procedures (English and Spanish Version)
9. Procurement Policy (English and Spanish Version)
10. Performance and Financial Monitoring and Reporting Process-FEMA (English and Spanish Version)
11. Performance and Financial Monitoring and Reporting Processes-CDBG (English and Spanish Version)
12. Equipment Tagging Policy (English and Spanish version)'

13. Delegation of Signatures Policy (English and Spanish Version)
14. Ethical Procurement Standards Policy (English and Spanish Version)
15. Financial Management Policy and Procedures (English and Spanish Version)
16. Contractual Requirement Policy (English and Spanish Version)

SECCIÓN 3ra: Toda Ordenanza, Resolución o Acuerdo, que en todo o en parte adviniere incompatible con la presente, queda por ésta derogada hasta donde exista tal incompatibilidad.

SECCIÓN 4ta: Si cualquier palabra, inciso, oración, artículo o sección u otra parte de la presente Ordenanza fuere impugnada ante los Tribunales de Justicia de Puerto Rico y fuera declarada inconstitucional o nula, tal sentencia o determinación judicial, no afectará, menoscabará o invalidará las restantes disposiciones y partes de esta Ordenanza y su Reglamento.

SECCIÓN 5ta: En aquellos casos en que la ley municipal o estatal sea más restrictiva que la federal, se aplicará el artículo, sección, cláusula, oración o párrafo a esos fines, es decir el que sea más restrictivo. Esto como medida para salvaguardar los mejores intereses de las partes concernidas. A su vez, se establece que, de existir alguna discrepancia en la traducción de los documentos antes mencionados, el idioma inglés, prevalecerá en toda interpretación.

SECCIÓN 6ta: Copia de esta Ordenanza y el Reglamento serás enviados a la Oficina de la Secretaria Municipal y la Oficina Central de Recuperación y Reconstrucción de Puerto Rico, mejor conocida como COR3 y cualquier Agencia Estatal o Federal que corresponda.

SECCIÓN 7ma: Esta Ordenanza comenzará a regir inmediatamente después de su aprobación.

APROBADA POR LA HONORABLE LEGISLATURA MUNICIPAL DE CATAÑO, PUERTO RICO, A LOS 28 DÍAS DEL MES DE AGOSTO DE 2024.

HON. JORGE MALAVÉ SANTIAGO
PRESIDENTE

SRA. NILDA A. MARTÍNEZ VÉLEZ
SECRETARIA

APROBADA POR EL ALCALDE DEL MUNICIPIO AUTÓNOMO DE CATAÑO, PUERTO RICO, A LOS 30 DÍAS DEL MES DE AGOSTO DE 2024.

HON. JULIO ALICEA VASALLO
ALCALDE

...RA USO OFICIAL
...RE DE DERECHOS

GOVERNMENT OF PUERTO RICO
CENTRAL OFFICE FOR RECOVERY,
RECONSTRUCTION AND RESILIENCY

Management Decision Letter

March 20, 2024

SENT VIA ELECTRONIC MAIL

To: Yolanda Maldonado Oliver
Federal Programs Subdirector
ymaldonado@catano.pr.gov

From: Tatiana Lorenzo Mora, Esq
Acting Compliance Director

Subject: Municipality of Cataño– **ACTION REQUIRED**
Non-Compliance Notification
Disaster Number: 4339
Project Number: **08674** and **09745**

The Puerto Rico Central Office for Recovery, Reconstruction, and Resiliency (COR3) hereby presents to Municipality of Cataño an official notice of non-compliance regarding the required submission of your entity's Corrective Action Plan. This notification serves as an essential step in promptly addressing and correcting the identified non-compliance issue(s).

As required by the Federal Emergency Management Agency (FEMA), COR3 must comply with, and require all Subrecipients to comply with, the requirements of all applicable laws and regulations pertaining to its Public Assistance and Hazard Mitigation grant programs, including the Stafford Act, Title 44 of the Code of Federal Regulations ("C.F.R.") (Emergency Management and Assistance), 2 C.F.R. Part 3002 (implementing 2 C.F.R. Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)), and applicable FEMA policies and guidance. Therefore, as a pass-through entity, COR3 is responsible for ensuring that its Subrecipients follows all applicable policies and regulations of its grants program operations to ensure proper accountability and compliance with grant requirements and achievement of performance goals[1]. Accordingly, COR3 must ensure that its subrecipients take timely and appropriate action on any deficiencies pertaining to the Federal award.

Compliance with all regulatory and COR3/FEMA processes and requirements is paramount to the success and integrity of your disaster recovery projects and ensures that funds are allocated and used efficiently, transparently, and in accordance with established standards. Timely and appropriate action on correcting any deficiency identified is not only a requirement, but a critical step in maintaining and ensuring the successful execution of projects.

On 12/18/2023, COR3's Compliance Division requested Corrective Action Plan. A first, second, and third follow-up notice were sent on 02/02/2024, 02/09/2024, and 03/01/2024, respectively. Our records indicate that we have not received the Corrective Action Plan from your entity within the established timeframe.

We kindly request that the Municipality of Cataño submit Corrective Action Plan **on or before March 25, 2024**. Therefore, your prompt attention to this matter is appreciated.

Please be advised that failure to comply with the submission of the Corrective Action Plan by the date established above may result in COR3 requiring your entity to attend a meeting with COR3 personnel and establish a work plan to comply with the required documentation. Additionally, noncompliance actions may be initiated against your entity. COR3 and/or FEMA may take additional measures, including, but not limited to, forced collection process, suspension or debarment, withholding of payments, disallowance of costs, and/or suspension or termination of the award due to failure to comply with applicable Federal statutes, regulations, or the terms of the Subaward Agreement, among other remedies legally available.[2] Additionally, in some cases, COR3 may refer your case to the corresponding law enforcement agency[3] to conduct the appropriate investigation.

We appreciate your continued support and commitment to transparency in the fiscal administration of Puerto Rico's recovery funds. Should you require any assistance, please do not hesitate to contact the Compliance Division at compliance@cor3.pr.gov.

Cordially,

Tatiana Lorenzo Mora, Esq.
Acting Compliance Director

[1] Title 2 of the Code of Federal Regulations § 200.332(d).
[2] 2 CFR § 200.339
[3] When indications of apparent conflict of interest and/or fraud

GOVERNMENT OF PUERTO RICO
CENTRAL RECOVERY RECONSTRUCTION
AND RESILIENCE OFFICE

Observations and Recommendations for:
Municipality of Cataño
December 18, 2023

COR3

A. Accounting and Standards for Financial Management Systems

A.3	Financial Policy	A copy of entity's financial policies and procedures wasn't provided.	Failure to properly include requirements regarding OMB-approved data elements for financial information could lead to incorrect reporting and co-mingling of Federal awards and general funds	Subrecipient financial policy should include requirements regarding OMB approved data elements for the collection of financial information.	2 CFR 200.328 2 CFR 200.302 (a)	The Municipality will hire external advice to comply with OMB approved data elements for financial records.

B. Internal Controls

B.1	Review and approval of Federal Grant administration policies	Subrecipient Grant Management policies and procedures were not provided.	Failure to maintain a uniform policy on grant management activities and requirements exposes the organization to potential inconsistencies in the administration of grants. Failure to establish and maintain effective internal controls over grant activities increases the risk of non-compliance with program requirements.	Develop policies and procedures tailored to govern the administration of the subrecipient's grants received by COR3. These policies at a high level should cover procurement, expenditures, reporting, protection of PII, labor and time accounting and any controls put in place to mitigate the chance of fraudulent activity. In addition, these policies should cover the quarterly reporting process to ensure that reports are reviewed appropriately by the Grants Accountant prior to submission.	2 CFR 200.303 (a) 2 CFR 200.303 (b) 2 CFR 200.303 (c) 2 CFR 200.303 (d) 2 CFR 200.303 (e)	The Municipality will hire external advice to develop polices and procedures for grants received by COR3.
B.2	Personally Identifiable Information (PII)	Sub-recipient provided Information System rules related to the correct use of the systems. However, it does not specify what measures the institution will take to secure Personally Identifiable Information, such as Protection of Hard Copy of Sensitive Personally Identifiable Information, proper use of regular mail, remote working, process for sharing Documentation that contains PII, among other applicable.	Failure to maintain a regularly-updated Personally Identifiable Identification Policy may result in a weak control environment and could pose potential operational or financial risk to the organization should employees not take reasonable measures to safeguard protected personally identifiable information.	The subrecipient should strive to have a formal review process for and update their Personally Identifiable Identification Policy on an annual basis. The subrecipient should also ensure that all its staff are made aware of any updates regularly.	2 CFR 200.303 (a) 2 CFR 200.303 (e)	The Municipality will hire external advice to update our Personally Identifiable Identification Policy. This will include measures to maintain and safeguard PII information.

C. Payments (200.305)

C.1	Documented Cash Management Policy	Included under the 107 laws from 2020 (Municipal Code of Puerto Rico). However, the Subrecipient hasn't have entity's cash management policies on internal procedures.	Failure to maintain a written policy on cash management and grant related expenditures could cause the entity to fail to comply with federal regulations. Lack of timely payment to vendors can result in audit findings and potential deobligation of funding.	It is recommended that the subrecipient develop policies and procedures to manage cash and grant related expenditures in order purchasing activities, expenditures approval and payment process. Per 2 CFR, the subrecipient should document policies and procedures that ensure timely payment to vendors.	2 CFR 200.305(b)(1) 44 CFR 206.120(d)(4) 2 CFR 200.302 (a)	The Municipality will hire external advise to develop written policies and procedures on cash management.
C.3	Cash advances	Subrecipient did not submitted procedures to monitor the status of expenditures related to advances including a plan and schedule.	Failure to maintain a written policy on management of cash advances, as required by 2 CFR, could lead to the organization inadvertently accepting an advance on a Federal grant that is improperly handled, inconsistent advance management between individuals, departments, or divisions within the organization also exposes the organization to risks of audits, funding cuts, or other disciplinary actions on the organization's Federal grants if flagged.	It is recommended that the subrecipient develop policies and procedures to handle cash advances on grants as cash advances may be necessary for future grant related activities.	2 CFR 200.305 (b)(1)	The Municipality will hire external advise to develop and maintain written policies on management of cash advances.
C.4	Documented cash management policy (Cash Advances)	Subrecipient advance funds are not maintained in an interest-bearing account.	Failure to comply with 2 CFR requirements related to interest bearing accounts could result in future audit findings.	Develop procedures for handling advance payments, the payments must be kept in an interest bearing accounts if the organization receives more than $250,000 per year or would earn over $500 in interest. The organization should have procedures in place to monitor and remit the interest earned on federal funds holding in interest-bearing accounts on annual basis.	2 CFR 200.449 2 CFR 200.449(b)(7)(i) 2 CFR 200.305 (b)(8) 2 CFR 200.305(b)(9)	The Municipality will maintain in interest bearing accounts the advance [illegible]

D- Equipment and Property Management (200.310–.28)						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D.4	Policies for equipment inventory, maintenance and protection	Policies and procedures for property and equipment (FEMA PA & [illegible]) were not provided. [illegible] property records do not include requirements of federal regulations.	Failure to maintain a policy for equipment records or inventory requirements may lead to mismanaged Federal assets [illegible] ultimately lead to improper disposition of a federally participated-in asset.	Subrecipient policies and procedures or internal procedures for equipment management should include requirements for inventory and property records, and appropriate use of equipment purchased with grant funding. The subrecipient should address the requirement to perform an annual physical inventory as per Regulation 11 for Internal Controls for Fixed Assets of the PR Department of Treasury and the Municipal Administration Regulation (2016).	2 CFR 200.313(d)(3)	The Municipality will hire external advice to develop policies and procedures for property and equipment.

E. Procurement

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E.1	Procurement manual or procedures	Procurement Policies and procedures do not contain required Federal regulations.	Failure to maintain a written procurement policy can lead to improper procurement practices across the organization. Additionally, failure to comply with federal procurement regulations can lead to de-obligation of funding.	The subrecipient should develop written procurement policies and procedures that reflect Federal requirements, including: clear assignment of authority for issuing purchased orders and contracts, requirement of Board or Management's approval for contracts in excess of certain thresholds, and prohibition of cost plus percentage contracts.	2 CFR 200.318(d) 2 CFR 200.319(b)(c) 2 CFR 200.320 2 CFR 200.323(d) 2 CFR 200.324(1) 24 CFR 570.489(g)(h)	The Municipality will hire external advisor to develop policies and procedures for procurements.

F. Reporting						
F.1	Documentation relevant to fraudulent activity	Written Procedure to report potential frauds and maintain relevant documentation was not provided.	Failure to maintain supporting documentation surrounding fraudulent activity can raise red flags in the event of an audit, generating additional legal risk for the subrecipient	The subrecipient should maintain documentation relevant to fraudulent activity on site.	2 CFR 200.113 2 CFR 200.435	The Municipality will hire external advise to update written procedures to report potencial frauds and maintain relevant documentation
G. Record Retention and DRS Point of Contacts						
G.1	Record retention	Subrecipient record retention policies and procedures were not provided. Each department keep track and records in difference manners.	Employees not aware of record retention policies for grants could dispose of records needed for future audits or reviews, leading to potential deobligation or questioned costs.	It is recommended that the subrecipient update grant policies to include a statement on where to find record retention policies for grants and inform of Federal and State compliance requirements. Record retention policies must include all documentation pertaining procurement procedures.	2 CFR 200.334 2 CFR 200.517 2 CFR 200.335 2 CFR 200.336 (a) Puerto Rico Department of Treasury - Regulation No. 23 (Conservación de Documentos de Naturaleza Fiscal o Necesarios para el Examen y Comprobación de Cuentas y Operaciones Fiscales)	The Municipality will hire external advise to develop record retention procedures.

End of Data

Signature of Authorized Representative: ______________________

Print Name: ______________________

Date: ____________

GOBIERNO DE PUERTO RICO
MUNICIPIO AUTÓNOMO DE CATAÑO
Legislatura Municipal
CATAÑO, PUERTO RICO

Certificación

YO, SRA. NILDA A. MARTÍNEZ VÉLEZ, Secretaria de la Legislatura Municipal de Cataño, Puerto Rico, **CERTIFICO**:

Que la **ORDENANZA NÚM. 08, SERIE 2024-2025** que antecede, fue aprobada por la Honorable Legislatura Municipal de Cataño, Puerto Rico, en Sesión Ordinaria, celebrada el día 28 de agosto de 2024, y firmada por el Alcalde de Cataño, el 30 de agosto de 2024.

Que dicha Ordenanza Núm. 08, Serie 2024-2025 fue aprobada con los votos de los siguientes Legisladores Municipales:

A FAVOR:

Hon. Jorge Malavé Santiago
Hon. Yaliz A. Malavé Samot
Hon. Delia Fiore Vega
Hon. José J. Ramos Díaz
Hon. Suzanne Roig Fuertes
Hon. Luis Hernández Marrero
Hon. Betzaida Bauzá Marrero
Hon. Rafael A. Diez de Andino Rivera
Hon. Mildred M. Morales Rosa
Hon. Irma Rivera Avilés
Hon. Carmen A. Alberty Monroig
Hon. Ana Quintero Santiago
Hon. Mariano Cruz Montañez
Hon. Aramis Fernández Andújar

CERTIFICO, además, que todos los Legisladores Municipales fueron debidamente citados para la referida Sesión, en la forma que determina la Ley.

Y PARA QUE ASÍ CONSTE, expido la presente certificación bajo mi firma y Sello Oficial de la Legislatura Municipal de Cataño, Puerto Rico, hoy,3 de septiembre de 2024.

SRA. NILDA A. MARTÍNEZ VÉLEZ
Secretaria

**PARA USO OFICIAL
LIBRE DE DERECHOS**