*3 L.P.R.A. § 282*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 282  (2013)

§ 282.  Advances for programs financed with federal contributions; regulations

(a) The Secretary of the Treasury of Puerto Rico is hereby authorized to advance and place at the disposal of the departments and dependencies of the Commonwealth of Puerto Rico, from any available funds in the Commonwealth Treasury not otherwise appropriated, as the latter may request, the necessary sums of money to facilitate the carrying out of the programs which are financed with federal contributions.

(b) The departments and dependencies of the Commonwealth of Puerto Rico shall furnish to the Secretary of the Treasury with each request for funds the necessary evidence showing that the advances to be requested under this section are secured by existing federal appropriations.

(c) All advance payments made in accordance with the provisions of this section shall be reimbursed to the General Fund of the Treasury of Puerto Rico as soon as the corresponding federal funds are received. For such purposes the departments and dependencies shall, without delay, file the necessary documents required by the federal government so that the corresponding reimbursements shall be deposited, as soon as possible, in the Commonwealth Treasury.

(d) The Secretary of the Treasury shall promulgate the regulations and proceedings as he may consider necessary to secure the prompt reimbursement of the advances authorized by this section.

**HISTORY:** HISTORY: June 1, 1971, No. 21, p. 40, §§ 1--4.

*3 L.P.R.A. § 283a*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283a  (2013)

§ 283a.  Declaration of policy

The policy of the Commonwealth of Puerto Rico in relation to the control and accounting of the public funds and property is declared to be:

(a) That the function to design and revise the accounting systems and the payment and revenue proceedings and to produce financial reports of the operations of the dependencies and corporate entities of the government, as this term is defined in § 283b of this title, be vested in the executive branch in a central body so as to establish an integral system that will permit the grouping and presentation of all the information in connection with the result of the financial operations of the government;

(b) that the accounting of the Government of Puerto Rico clearly reflect the results of its financial operations, provide the financial information necessary for the administration of the governmental operations and for the preparation and execution of the budget, and constitute an effective control on the revenues, disbursements, funds, property and other assets of the government;

(c) that in establishing the accounting systems there should be taken into consideration specially the needs and responsibilities of the Judicial, Legislative and Executive Branches, so that they may provide the financial information necessary for the preparation, approval, and execution of the budget;

(d) that emphasis be given to improvements in an orderly manner resulting in accounting systems, financial statements and payment and revenue proceedings and simple and effective preaudits;

(e) that there be previous control of all government operations; that said control be developed within each dependency, corporate entity or legislative body, so that it may serve as an effective weapon for the head of the dependency, corporate entity or legislative body, in the development of the program or programs the direction of which has been entrusted to him/her. Such internal control shall operate independently from the general previous control established for all operations of every government branch;

(f) that regardless of the general previous control established for all operations of every government branch, the heads of dependencies, corporate entities or legislative bodies be in the first instance those responsible for the legality, correctness, exactitude, necessity and propriety of the fiscal operations needed to conduct their respective programs;

(g) that the expenditure of the government be made within a range of utility and austerity;

(h) that the appropriations of funds for the different government programs be restricted to the needs of a single fiscal year;

(i) that no special funds be established to carry out government programs; government programs must be financed by means of annual budgetary appropriations;

(j) that all the revenues of the government be covered into the General Fund of the Commonwealth Treasury in order to use such funds for the government programs to the limit and extent that the Legislative Assembly may deem necessary.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 2; June 11, 2004, No. 140, § 1.

*3 L.P.R.A. § 283c*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283c  (2013)

§ 283c.  Design and approval of fiscal organization, accounting systems and procedures

(a) The Secretary, in coordination with the dependencies and corporate entities shall be responsible for the design and approval of the fiscal organization, the accounting systems and payment and revenue procedures of all dependencies and corporate entities. The legislative bodies, with the advice of the Secretary, shall be responsible for the design and approval of the fiscal organization, the accounting systems and payment and revenue procedures to execute their financial transactions.

(b) The Secretary shall be responsible for designing the fiscal organization, accounting systems, payment and revenue procedures that may be necessary to carry out the central accounting and for preparing the reports of all government operations, which responsibility is assigned to him herinafter under the provisions of §§ 283--283p of this title.

(c) In discharging the duties described in subsections (a) and (b), the Secretary shall consult with the Director of the Office of Management and Budget, the President of the Planning Board and the President of the Government Development Bank, in relation to the information that said officials need to fulfill their duties and shall further consider the needs of the dependencies, the corporate entities and the legislative bodies.

(d) The Secretary shall ensure that there is coordination between the accounting systems and procedures of each dependency, corporate entity or legislative body and the central accounting kept by him/her. The systems and procedures designed or approved by the Secretary shall allow the dependencies, the corporate entities and the legislative bodies to fulfill their duties, and at the same time they shall serve as the basis to maintain uniform and coordinated government accounting, provide a complete picture of the results of the financial operations of each dependency, corporate entity or legislative body and of the government as a single entity, and they shall furthermore furnish the financial information needed to help the Legislature and the Governor of Puerto Rico discharge of their respective duties.

(e) The accounting systems the Secretary may establish or authorize to be established, or for which he/she may provide legal advice, shall be designed so as to show or provide, in general terms, the following:

(1) Full information on the results of the operations of the dependencies, corporate entities or legislative bodies.

(2) Adequate financial information, necessary for the administration of the dependencies, corporate entities or legislative bodies.

(3) Effective control and accountability of all funds, property and assets belonging to the dependencies, corporate entities or legislative bodies.

(4) Trustworthy reports to serve as the basis for establishing and justifying the budgetary needs of the dependencies, corporate entities and legislative bodies so as to control the management of the budget, as well as any other financial information the Office of Management and Budget and the Planning Board may require from the dependencies, corporate entities and legislative bodies.

(5) Proper coordination between the accounting of each dependency, corporate entity or legislative body and the central accounting performed by the Secretary as stipulated in § 283e of this title.

(f) The fiscal organization which may be designed or approved by the Secretary for the dependencies and corporate entities shall provide for the proper separation of the duties and responsibilities in the fiscal process so as to prevent or make difficult the commission of irregularities, and at the same time provide for the orderly and speedy channeling of financial transactions. To this end, the Secretary shall advise the legislative bodies so they may design and approve a fiscal organization consonant with the prior objective. The fiscal organization of those dependencies and corporate entities of a complex nature that conduct a large volume of financial operations, as well as those of the legislative bodies, must provide for proper internal audits that meet the standards and guidelines established by the Secretary for such a purpose.

(g) The procedures established by the Secretary to incur expenses and pay for the same, to receive and deposit public funds and to control and keep a record of the public property, shall have the proper controls that would prevent or make difficult the commission of irregularities, and should these be committed, allow for responsibilities to be fixed while at the same time guaranteeing the clarity and purity of the fiscal procedures. To this end, the Secretary shall advise the legislative bodies so they may adopt procedures consonant with the prior objective.

(h) The dependencies and the corporate entities shall cooperate with the Secretary in the design of their fiscal organization and of their accounting systems and procedures. Once approved by the Secretary, the dependencies and the corporate entities shall be bound to install and give continuous use to the same. However, the Secretary shall provide the advice and the help deemed pertinent for the installation of said systems and procedures. The Secretary shall also provide advice as to the design and help for the installation of the fiscal organization and the accounting systems and procedure to be approved and adopted by the legislative bodies to exercise their functions.

(i) The Secretary may authorize the dependencies and the corporate entities to design their own systems, accounting procedures and fiscal organizations when, for any reason, he cannot design them; or when, in his opinion, the fiscal organization, the accounting system, the internal procedures and the administrative practices existing in the dependency or corporate entity, warrant it, and provided that they have the proper and necessary personnel for such work. The systems, procedures, and fiscal organizations which may be so designed, shall follow the norms and practices which may be established by the Secretary, and shall require his final approval for their establishment.

(j) The Secretary shall, from time to time, audit the fiscal organization and the accounting systems and procedures of the various dependencies, corporate entities and legislative bodies in order to verify whether they are being properly followed and whether they capably accomplish their purpose. In order to prevent the accounting systems and procedures from losing their effectiveness, the Secretary shall revise the same according to the changing needs of the government and the modern standards that govern this matter. The Secretary shall propose that the legislative bodies take action regarding the revision of their fiscal organization and the accounting systems and procedures.

(k) The Secretary may authorize the dependencies and the corporate entities to audit their own systems, accounting procedures and fiscal organizations when, for any reason, he cannot audit them, or when in his opinion, the effectiveness of the fiscal organization, the accounting system, the internal procedures and the administrative practices in the dependency or corporate entity so warrant, and provided they have the available adequate personnel necessary for such work. Such audits shall be made in accordance with the norms and practices that the Secretary may establish, and any changes which, as a result of such audits, must be made to such systems, accounting procedures and fiscal organizations in force, shall require the approval of the Secretary for their establishment. The result of said audits shall be notified to the Secretary through a report to that effect.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 4; May 27, 1976, No. 61, p. 175, § 1; June 11, 2004, No. 140, § 3.

*3 L.P.R.A. § 283d*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283d  (2013)

§ 283d.  Financial reports

(a) The Secretary shall prepare, at the end of each fiscal year, general reports for the Legislative Assembly, for the Governor and for the public, which shall state clearly the result of the financial operations of the government. He shall also prepare all such financial reports which periodically or eventually may be required by the Legislative Assembly, the Governor, the Budget Bureau and the Planning Board. The Secretary shall prepare other reports which may be requested by any dependency provided its need warrants it, and its preparation does not become burdensome.

(b) Every dependency, corporate entity or legislative body shall furnish to the Secretary the audited financial reports related to their financial condition and operations that he/she may request and which may be necessary to conduct the functions entrusted to him/her by §§ 283--283p of this title.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 5; June 11, 2004, No. 140, § 4.

*3 L.P.R.A. § 283e*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283e  (2013)

§ 283e.  Accounting and preaudit of public funds of dependencies

(a) Unless otherwise provided by law, the Secretary shall be the officer in charge of the custody of all public funds of the dependencies, and of keeping the central accounting of such funds. His jurisdiction over the accounts, vouchers, records and other documents and fiscal transactions shall be exclusive.

(b) All financial transactions of the executive dependencies shall be preaudited by the Secretary in accordance with the principles, norms, procedures, rules and regulations adopted by him. In determining the preaudit procedures and the scope of the examination of vouchers and other documents, the Secretary shall consider the audit principles generally accepted in accounting practice, effectiveness of the fiscal organization, accounting system, payment and revenue procedures, internal audits and the administrative practices related to the corresponding executive dependencies.

(c) The Secretary is hereby authorized to delegate to any of the corresponding executive dependencies the preauditing of all or of part of its financial transactions when, in his opinion, the fiscal organization, accounting system, internal proceedings and the administrative practices of the executive dependency in question, warrant this action. The Secretary may revoke the delegation when, in his opinion, it is advisable for the best interest of the government.

(d) The financial transactions of the legislative and judicial dependencies, although handled through the Secretary, shall not be subject to the preaudit of the Secretary insofar as the accuracy, propriety, correction, necessity and legality of the transactions are concerned. In these cases, it shall be the only responsibility of the Secretary to verify that the appropriation or fund against which the disbursement is ordered, shall have sufficient balance to cover the same, and that the voucher originating the disbursement is signed by an officer of the legislative or judicial dependency, duly authorized.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 6, eff. 180 days after July 23, 1974.

*3 L.P.R.A. § 283f*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283f  (2013)

§ 283f.  Deposit of public funds

(a) The Secretary shall collect all public funds of the dependencies, no matter what their source. The Secretary shall appoint, at the request of the dependencies or whenever he deems it convenient, collectors whose duty shall be to collect public funds that may be received in the proper dependencies. These collectors shall be considered agents of the Secretary and shall be governed by the regulations prescribed by him.

(b) All public funds of the dependencies not allotted by law to a specific purpose, shall be covered into the General Fund of the Commonwealth Treasury and shall be deposited in full in the Secretary's current bank account or in any other bank account that he may deem convenient to establish, except those that do not represent net revenues to the General Fund, which shall be covered into the Budgetary Fund created by virtue of §§ 101 et seq. of Title 23, as amended.

(c) Dependencies which administer contracts and/or federal subsidies shall withhold the reimbursements of indirect costs recovered from the federal government, attributed to their administrative efforts. The Department of the Treasury shall withhold from said reimbursements the part attributed to the centralized services rendered. Such collections shall not be covered into the General Fund of the Commonwealth Treasury and shall be entered in the books pursuant to the provisions of §§ 283--283p of this title and the regulations promulgated by the Secretary to such effect. Nevertheless, such funds must be considered in the annual budget of expenditures of the corresponding dependencies and shall be governed by the provisions of Act 213 of May 12, 1942.

(d) The provisions of this section notwithstanding, and as an exception to the matters established in § 283a(j) of this title, the monies received by the executive dependencies whose operating expenses proceed from the General Fund, on account of claims to insurance companies for losses or damage to public property caused by calamities, such as, and not deemed as a limitation, war, hurricanes, earthquakes, droughts, floods, fire or plagues, shall be accounted for in the books of the Secretary apart from any other funds received by said dependencies and without a specific fiscal year. The executive dependencies shall use these monies solely to repair and replace the damaged property or to acquire property of a similar nature to that damaged or lost. The Secretary, by means of regulations to that effect, shall promulgate the standards which will apply to the use of such funds, and their accounting.

The monies received by the legislative and judiciary dependencies on account of claims to insurance companies for loss or damage of public property caused by calamities, such as, and not deemed as a limitation, wars, hurricanes, earthquakes, droughts, floods, fire, plagues or accidents, shall be accounted for in the books of the Secretary, apart from any other funds received by said dependencies and regardless of a specific fiscal year. The legislative and judiciary branches, by means of regulations to such effect and according to the freedom of action conferred by §§ 283--283p of this title, shall promulgate the standards which will apply to the use of such funds. That use shall conform to the purpose for which the insurance policies were acquired.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 7; July 20, 1979, No. 142, p. 335; May 31, 1991, No. 8, § 1; Aug. 20, 1997, No. 93, § 4.

*3 L.P.R.A. § 283g*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283g  (2013)

§ 283g.  Public fund appropriations

(a) All appropriations and funds authorized for the expenditures of a fiscal year shall be applied exclusively to the payment of expenses lawfully incurred during the respective year, or to the payment of obligations legally contracted and duly entered in the books of said year.

(b) No amount shall be spent or pledged in one fiscal year that may exceed the appropriations and funds authorized by law for said year, including the amounts transferred to be credited to said appropriations and the funds by provision of law, nor may the Government be pledged in any way by any contract or negotiation for the future payment of amounts in excess of said appropriations and funds, unless it is expressly authorized by law.

(c) Once the fiscal year to which they belong has finalized, the unencumbered balances of the appropriations and the funds authorized for a fiscal year, shall be cancelled and closed taking into consideration any legal provisions in this respect. The Legislative Branch, the Judicial Branch and the University of Puerto Rico are exempted from this provision. For the purposes of this subsection the Legislative Branch shall be understood to be comprised of, besides its Bodies proper and its joint activities, the Office of the Comptroller, the Office of the Ombudsman, the Civil Rights Commission and any other dependency attached or to be attached in the future to the Legislative Branch of Puerto Rico.

(d) The part from appropriations and the funds authorized to tend to matters during a fiscal year, which has been encumbered on or before June 30 of the year to which said appropriations or funds correspond, shall be kept on the books for one year after the fiscal year for which these were authorized has elapsed, and thereinafter no withdrawal shall be made against said part under any circumstance.

Immediately after the one-year period has transpired, the encumbered amounts shall be closed.

Beginning with the encumbered amounts that are due on June 30, 2004, the balance thereof shall be covered into the Budget Fund, in order to cover appropriations approved for any fiscal year in which the income available for said year are not enough to cover them, to honor the payment of the public debt, for the payment of lawsuits, for the matching of federal funds, and to deal with unforeseen situations in the public services, which affect the needs and the public services to which citizens are entitled. The Legislative Branch, the Judicial Branch, and the University of Puerto Rico are hereby exempted from this provision.

(e) If for any reason the appropriations and the funds authorized for the expenditures of one fiscal year are not registered in the books of the Secretary of the Treasury at the beginning of the year so that the dependencies and the legislative bodies may incur and pay the necessary expenses to carry out their programs, the Secretary may transfer from any funds not designated for other purposes, as an advance, such amounts as he/she may deem necessary for the dependencies and legislative bodies to meet their commitments until such time as the appropriations and the funds provided for the current fiscal year are registered in the books of the Secretary. As soon as the appropriations and the funds provided for the current fiscal year are registered, the amounts that might have been advanced from said fund shall be reimbursed to the original fund as previously provided. The Secretary of the Treasury shall remit to the legislative bodies monthly in advance, the budgetary quotas corresponding to a twelfth of the annual appropriation in effect for each of these.

(f) The appropriations and funds without a specific fiscal year, that is, authorized for expenditures of unlimited fiscal year, shall be applied exclusively to the payment of expenses or of obligations lawfully contracted and duly entered in the books for articles and services necessary to achieve the purpose for which they were authorized. No amount shall be spent or pledged which may not be necessary for said purpose or which may exceed the amount authorized including the amounts transferred according to the law to be credited to said appropriations or funds nor shall the Government be bound by any contract or negotiation for the future payment of amounts exceeding said appropriations and funds, unless expressly authorized by law.

(g) Except as provided in subsection (h) of this section, the appropriations and funds without a specific fiscal year, except for appropriations specifically made for capital improvements, shall remain in the books until the purposes for which they were created are fully achieved, after which the unencumbered balances of said appropriations and funds shall be closed, taking into consideration any legal provision in that respect. Encumbered balances of said obligations and funds shall remain on the books for one year after unencumbered balances are closed, after which said encumbered balances shall be cancelled, taking into consideration the legal provisions that may exist.

(h) The appropriations and funds without a specific fiscal year, which have remained on the books without movement of disbursement or obligation for three years, shall be deemed for the effects of §§ 283--283p of this title as if they had achieved their purposes and provisions on the closing of encumbered and unencumbered balances of subsection (g) of this section, except for the appropriations and funds without a specific year, appropriated to carry out the capital improvements that have been accounted for and registered in the books. These funds shall have a term of three (3) years as of the legal effective date of the appropriation, to be disbursed and to meet the purposes for which they were appropriated. Upon expiration of the three (3) year term, the encumbered and unencumbered balances of the capital improvements funds shall be closed and covered into Fund 301.

In those cases in which the agency or body receiving the capital improvements funds deems that the term of the appropriation should be extended for a period greater than three (3) years, it may make a petition stating the need to maintain those resources in effect to the Office of Management and Budget, three (3) months prior to the expiration of said term. During said period, the Office of Management and Budget shall study the petition and determine the need to keep the appropriation in effect, the term for which the appropriation shall be extended, and the amount. If the three (3)-month period should expire without a decision having been made in the case, it shall be construed that the appropriation has indeed met its purposes, and the Secretary of the Treasury shall transfer or return the resources to Fund 301. Said resources shall be rescheduled by the legislature for priority projects and activities, with the prior recommendation of the Governor.

(i) Except in cases where it is otherwise specifically authorized by law, the appropriations authorized in regular sessions of the Legislative Assembly shall not be available nor entered in the books prior to the beginning of the fiscal year to which they correspond. The appropriations authorized in the special sessions shall be available upon the taking effect of the act or joint resolution authorizing the appropriations, unless otherwise provided by the law or joint resolution.

(j) Appropriations with a particular fiscal year as well as of unlimited fiscal year, whether they are specific or self-renewable, shall be entered in the books and available for disbursement when the Governor of Puerto Rico or his designee so authorizes it.

(k) The Governor of Puerto Rico may provide for the permanent cancellation of an appropriation made by the Legislative Assembly when the aim it pursues has been achieved by the use of other resources or by other means.

The Governor shall notify the Legislative Assembly of his action cancelling permanently said appropriation within thirty (30) days following the date on which said cancellation was ordered. The Legislative Assembly may take action by reversing, modifying or concurring with the action of the Governor in this matter. If no action is taken by the Legislature in the next regular session after notice, it shall be understood that it approves the cancellation of the appropriation prescribed by the Governor.

(l) As a general rule, any appropriation remaining three years without being entered on the books shall be deemed to be automatically cancelled, and new legislative action shall be required to be able to use the moneys thus cancelled. In exceptional cases where justified reasons are shown for not entering an appropriation on the books for the stipulated period of three years, such as the delay in the determination of suits in the courts and the impossibility to carry out a public work because of technical or legal difficulties, an appropriation may be accountable, even after the lapse of the aforementioned period of three years.

The Secretary shall notify the Legislative Assembly of the action cancelling appropriations under the circumstances contemplated by this subsection, within thirty (30) days following the date on which said cancellation was prescribed.

(m) The Secretary shall transfer periodically to the surplus of the General Fund of the Commonwealth Treasury, in accordance with law, the balances of deposit accounts that have remained without any use or movement in the accounting books for three years or more and which, according to his opinion, are not necessary or do not meet the purposes for which they were created; Provided, That any claim that the Secretary may be bound to pay with respect to said balances, after they have been transferred as above provided, shall be paid from any available funds not otherwise appropriated.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 8; May 27, 1976, No. 61, p. 175, § 2; Aug. 18, 1994, No. 89, § 1; May 23, 1995, No. 48, § 1; Aug. 31, 1996, No. 175, § 1; Aug. 17, 2001, No. 123, § 1; June 11, 2004, No. 140, § 5; Aug. 1, 2004, No. 180, § 1; Nov. 14, 2006, No. 248, § 1.

*3 L.P.R.A. § 283h*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283h  (2013)

§ 283h.  Obligations and disbursements

(a) The dependencies shall order obligations and disbursements from their public funds only to pledge or pay for services, supplies, materials and equipment and claims or other items authorized by law. The Secretary shall record the obligations and make and record the disbursements according to the documents submitted by the dependencies which shall be previously approved as an obligation or for payment by the corresponding head of the dependency or by the official or employee the latter may designate as his/her authorized agent. The legislative bodies shall design and approve their own systems and procedures to govern their obligations and disbursements of funds.

(b) The Secretary may appoint, at the request of the head of the interested dependency, or whenever he deems it convenient for the welfare of the service, paymasters in the dependencies and corporate entities whose funds are under the custody of the Secretary, excluding the municipalities, to make such disbursements of moneys as may be authorized. These paymasters shall be considered as agents of the Secretary and they shall be governed by the regulations prescribed by said Secretary.

(c) The Secretary is also authorized to appoint as paymaster any official or employee of any dependency or any private person, even though the latter may not be a public employee or official, that may be designated to carry out any official mission outside of Puerto Rico by the Governor or the official he/she may designate in the case of executive dependencies; by the Chief Justice of the Supreme Court or the official he/she may designate in the case of judicial dependencies; by the Comptroller of Puerto Rico and the Director of the Office of the State Ombudsman, or the officials they may designate regarding the respective Offices. [Every person appointed as paymaster by the Secretary, pursuant to the provisions of this section, shall be subject to the rules established by the Secretary. Provided, That the special paymaster appointed by the Secretary pursuant to subsection (b) for the judicial dependencies, shall be responsible and be authorized to disburse the payments for all the expenses that the General Courts of Justice should bring about, in relation to any official mission abroad that the judges, officials and employees make. Traveling costs and per diems for persons appointed to carry out missions entrusted to them by the judicial dependencies and the legislative bodies shall be governed by the rules established by the Chief Justice of the Supreme Court, by the Comptroller of Puerto Rico and by the Office of the Ombudsman, regarding their offices.] The legislative bodies shall approve and adopt their own rules and procedures for appointing as paymaster any official, employee or private person designated to conduct any official mission outside of Puerto Rico. The regulations concerning travel expenses and per diems the President of the Senate or the Speaker of the House may approve and adopt to exercise control over this function shall apply to these officials, employees or private persons. In the case of officials or employees of joint legislative entities, it shall be necessary to obtain the approval of the President and Speaker for the corresponding travel vouchers. The rules concerning travel expenses and per diems agreed upon by the President and Speaker of both Bodies shall apply to these officials and employees.

No disbursements shall be made from the Budget appropriated to the Executive, Legislative and Judicial Branches for travel expenses and per diems for the spouses and/or close relatives who accompany the Heads of the Departments and the Officials on official missions in Puerto Rico and abroad. This prohibition extends to the public corporations and to any other instrumentality attached to the Three Branches. This provision does not apply to the Governor of Puerto Rico nor to the Secretary of State. Neither shall it apply to the Chief Justice of the Supreme Court of Puerto Rico nor to the Speaker of the House or the President of the Senate, provided that prior to the official trip, it is evinced that the disbursement directly responds to a public purpose. These officials, to whom the provision does not apply, shall be allowed to designate another person in place of a spouse, in case they have none.

(d) Traveling expenses and per diems, including trips outside of Puerto Rico, of those persons appointed to conduct missions entrusted to them by the judicial, legislative and municipal dependencies and by the legislative bodies, shall be governed by the rules established by the Chief Justice of the Supreme Court, the President of the Senate and the Speaker of the House, regarding each Body, the Comptroller of Puerto Rico and the Director of the Office of the State Ombudsman, regarding their Offices and by the Municipal Legislature regarding the municipalities. In the case of officials or employees of joint legislative entities, it shall be necessary to obtain the approval of the President and Speaker for the corresponding travel vouchers. The rules concerning travel expenses and per diems agreed upon by the President and Speaker of both Bodies shall apply to these officials and employees.

(e) The disbursements made by the Secretary and the paymasters appointed by the Secretary shall be for services, supplies, materials and any other goods rendered or furnished. Nothing provided herein shall serve to prevent payment of other claims against the government, such as payment of prizes of the Puerto Rico Lottery, State Insurance Fund compensations and other similar payments. The Secretary may make or authorize the paymasters to make advance payments for those services or supplies that according to business use and practice are paid in advance when so required by the needs of the service. The legislative bodies shall approve and adopt their own rules and procedures to govern the objective of this function.

(f) All disbursements made by the Secretary and the paymasters appointed by him/her shall be made directly to persons or entities who or which have rendered services or furnished supplies or materials, or to bona fide assignees as provided in § 902 of this title. The Secretary may reimburse, directly or through paymasters, the expenses incurred by public officers or employees who, for the good of the service, are authorized to make disbursements out of their particular funds for public purposes. The legislative bodies shall approve and adopt their own rules and procedures in harmony with the objectives sought by this subsection.

(g) The heads of the dependencies or their authorized representatives shall be responsible for the legality, exactitude, propriety, necessity and correctness of all the expenses submitted for payment to the Secretary or to a paymaster duly appointed by the Secretary. They shall also answer to the government with their personal funds or property, for any illegal, improper or incorrect payment that the Secretary or paymaster may make after said payment has been certified as legal and correct by the head of the dependency or his/her authorized representative. The legislative bodies shall approve and adopt their own rules and procedures to achieve the objectives sought by this subsection.

(h) The Secretary may exempt any officer or employee of an executive dependency from pecuniary liability for any illegal or incorrect payment, when from an investigation conducted by him/her, the Comptroller of Puerto Rico, or both jointly, it is determined that:

(1) The officer or employee did not act intentionally to the prejudice of government interest, and

(2) the Government received services or supplies which properly justified the payment.

The judicial and legislative dependencies shall be governed by the rules that the Chief Justice of the Supreme Court, the Comptroller of Puerto Rico and the Director of the Office of the State Ombudsman may establish respectively for such a purpose, according to the legislation in effect. The President of the Senate and the Speaker of the House of Representatives shall approve and adopt the rules that shall govern the objectives sought by this subsection.

The provisions of this subsection do not limit the power conferred by other laws to the heads of the dependencies to take disciplinary action against its officers and employees for illegal or incorrect actions in the discharge of their official duties.

(i) It shall be the duty of the heads of dependencies, corporate entities and legislative bodies and of the Secretary to prevent such expenditures of public funds that in their judgment are extravagant, excessive and unnecessary. Each of these terms shall mean the following:

*(1) Extravagant.* Any expense out of order and uncommon, against reason, law or practice, not conforming to the actual standards of usage and austerity.

*(2) Excessive.* Any expense for articles, supplies or services whose quoted prices are higher than those which are normally quoted in the market at the time of acquisition or purchase thereof, or when there exists a cheaper substitute product and just as durable which may serve the same purpose with the same result or effectiveness.

*(3) Unnecessary.* Expense for materials or services which are not indispensable or necessary for the dependency or corporate entity to discharge the functions which by law have been entrusted to them.

(j) The Secretary, the paymasters appointed by the Secretary, the municipalities, the instrumentalities, the corporate entities and the legislative bodies may not make any payments to any natural or juridical person whatsoever having, on any account, overdue debts with the Commonwealth of Puerto Rico or any municipality. Whenever there are justified reasons, and the interests of the Commonwealth of Puerto Rico or the corresponding municipality are benefited, and the Secretary so approves, in those cases in which the debt is with the Commonwealth of Puerto Rico or with the mayor of the corresponding municipality, if the debt is with a municipality, the necessary payments may be made to those persons who are in debt with the Commonwealth of Puerto Rico or with any municipality and who continue rendering services or supplying materials or equipment to the government, the municipalities, the instrumentalities, the corporate entities or the legislative bodies. The amounts withheld in compliance with this subsection shall be applied to the debt of the natural or juridical person from whom they are withheld. Provided, That if the natural or juridical person from whom an amount is to be withheld should be in debt with the Commonwealth of Puerto Rico and simultaneously with one or more municipalities, the debt to the Commonwealth shall be collected in the first place, and the others successively and strictly on the basis of their maturity dates, always collecting the earliest one first.

The Secretary is hereby authorized, in cases where the indebtedness is with the Commonwealth, and the mayor, where the indebtedness is with a municipality, to grant an installment payment plan that may facilitate the liquidation of the debt, if the economic condition of the debtor so warrants it.

(k) No dependency of the Executive government, to wit, departments, bureaus, administrations, boards, commissions, offices, agencies of the Executive Branch or Legislative dependencies, including the House of Representatives, the Senate, the Office of the Comptroller or any other agency attached to the Legislative Branch to which §§ 283--283p this title, known as the "Puerto Rico Government Accounting Act" applies may use the mechanism of issuing credit cards to any public officer or employee for making disbursements on behalf of the dependency.

Due to the nature of their duties, excluded from this prohibition are, the Governor of Puerto Rico, the President of the Senate, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court, the Secretary of State, the mayors, the President of the University of Puerto Rico, the Comptroller of Puerto Rico, the latter as of October 2, 2008, the nominating authorities and chief executives of the executive agencies, upon prior authorization of their respective presidents and officers or chief executives who are responsible for procurement in government entities.

With respect to procurement officers, the use of credit cards is hereby authorized for emergency procurement, travel tickets, trainings and, in situations in which providers require immediate payment, provided the procurement rules and procedures established by the government entity are complied with.

The use of credit cards for the purchase of alcoholic beverages, gifts, gambling and personal transactions is prohibited.

All public officers authorized to use credit cards shall provide to the Office of Government Ethics the same information required for personal credit cards in the annual report that they are required to submit pursuant to the provisions in the Ethics in Government Act, §§ 1801 et seq. of this title.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 9; May 27, 1976, No. 61, p. 175, § 3; June 16, 1978, No. 54, p. 178, § 1; Sept. 4, 1996, No. 187, § 1; Nov. 16, 2002, No. 261, § 1; June 11, 2004, No. 140, § 6; Aug. 26, 2005, No. 103, § 1, eff. 30 days after Aug. 26, 2005.

Top of Form

Bottom of Form

*3 L.P.R.A. § 283h*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283h  (2013)

§ 283h.  Obligations and disbursements

(a) The dependencies shall order obligations and disbursements from their public funds only to pledge or pay for services, supplies, materials and equipment and claims or other items authorized by law. The Secretary shall record the obligations and make and record the disbursements according to the documents submitted by the dependencies which shall be previously approved as an obligation or for payment by the corresponding head of the dependency or by the official or employee the latter may designate as his/her authorized agent. The legislative bodies shall design and approve their own systems and procedures to govern their obligations and disbursements of funds.

(b) The Secretary may appoint, at the request of the head of the interested dependency, or whenever he deems it convenient for the welfare of the service, paymasters in the dependencies and corporate entities whose funds are under the custody of the Secretary, excluding the municipalities, to make such disbursements of moneys as may be authorized. These paymasters shall be considered as agents of the Secretary and they shall be governed by the regulations prescribed by said Secretary.

(c) The Secretary is also authorized to appoint as paymaster any official or employee of any dependency or any private person, even though the latter may not be a public employee or official, that may be designated to carry out any official mission outside of Puerto Rico by the Governor or the official he/she may designate in the case of executive dependencies; by the Chief Justice of the Supreme Court or the official he/she may designate in the case of judicial dependencies; by the Comptroller of Puerto Rico and the Director of the Office of the State Ombudsman, or the officials they may designate regarding the respective Offices. [Every person appointed as paymaster by the Secretary, pursuant to the provisions of this section, shall be subject to the rules established by the Secretary. Provided, That the special paymaster appointed by the Secretary pursuant to subsection (b) for the judicial dependencies, shall be responsible and be authorized to disburse the payments for all the expenses that the General Courts of Justice should bring about, in relation to any official mission abroad that the judges, officials and employees make. Traveling costs and per diems for persons appointed to carry out missions entrusted to them by the judicial dependencies and the legislative bodies shall be governed by the rules established by the Chief Justice of the Supreme Court, by the Comptroller of Puerto Rico and by the Office of the Ombudsman, regarding their offices.] The legislative bodies shall approve and adopt their own rules and procedures for appointing as paymaster any official, employee or private person designated to conduct any official mission outside of Puerto Rico. The regulations concerning travel expenses and per diems the President of the Senate or the Speaker of the House may approve and adopt to exercise control over this function shall apply to these officials, employees or private persons. In the case of officials or employees of joint legislative entities, it shall be necessary to obtain the approval of the President and Speaker for the corresponding travel vouchers. The rules concerning travel expenses and per diems agreed upon by the President and Speaker of both Bodies shall apply to these officials and employees.

No disbursements shall be made from the Budget appropriated to the Executive, Legislative and Judicial Branches for travel expenses and per diems for the spouses and/or close relatives who accompany the Heads of the Departments and the Officials on official missions in Puerto Rico and abroad. This prohibition extends to the public corporations and to any other instrumentality attached to the Three Branches. This provision does not apply to the Governor of Puerto Rico nor to the Secretary of State. Neither shall it apply to the Chief Justice of the Supreme Court of Puerto Rico nor to the Speaker of the House or the President of the Senate, provided that prior to the official trip, it is evinced that the disbursement directly responds to a public purpose. These officials, to whom the provision does not apply, shall be allowed to designate another person in place of a spouse, in case they have none.

(d) Traveling expenses and per diems, including trips outside of Puerto Rico, of those persons appointed to conduct missions entrusted to them by the judicial, legislative and municipal dependencies and by the legislative bodies, shall be governed by the rules established by the Chief Justice of the Supreme Court, the President of the Senate and the Speaker of the House, regarding each Body, the Comptroller of Puerto Rico and the Director of the Office of the State Ombudsman, regarding their Offices and by the Municipal Legislature regarding the municipalities. In the case of officials or employees of joint legislative entities, it shall be necessary to obtain the approval of the President and Speaker for the corresponding travel vouchers. The rules concerning travel expenses and per diems agreed upon by the President and Speaker of both Bodies shall apply to these officials and employees.

(e) The disbursements made by the Secretary and the paymasters appointed by the Secretary shall be for services, supplies, materials and any other goods rendered or furnished. Nothing provided herein shall serve to prevent payment of other claims against the government, such as payment of prizes of the Puerto Rico Lottery, State Insurance Fund compensations and other similar payments. The Secretary may make or authorize the paymasters to make advance payments for those services or supplies that according to business use and practice are paid in advance when so required by the needs of the service. The legislative bodies shall approve and adopt their own rules and procedures to govern the objective of this function.

(f) All disbursements made by the Secretary and the paymasters appointed by him/her shall be made directly to persons or entities who or which have rendered services or furnished supplies or materials, or to bona fide assignees as provided in § 902 of this title. The Secretary may reimburse, directly or through paymasters, the expenses incurred by public officers or employees who, for the good of the service, are authorized to make disbursements out of their particular funds for public purposes. The legislative bodies shall approve and adopt their own rules and procedures in harmony with the objectives sought by this subsection.

(g) The heads of the dependencies or their authorized representatives shall be responsible for the legality, exactitude, propriety, necessity and correctness of all the expenses submitted for payment to the Secretary or to a paymaster duly appointed by the Secretary. They shall also answer to the government with their personal funds or property, for any illegal, improper or incorrect payment that the Secretary or paymaster may make after said payment has been certified as legal and correct by the head of the dependency or his/her authorized representative. The legislative bodies shall approve and adopt their own rules and procedures to achieve the objectives sought by this subsection.

(h) The Secretary may exempt any officer or employee of an executive dependency from pecuniary liability for any illegal or incorrect payment, when from an investigation conducted by him/her, the Comptroller of Puerto Rico, or both jointly, it is determined that:

(1) The officer or employee did not act intentionally to the prejudice of government interest, and

(2) the Government received services or supplies which properly justified the payment.

The judicial and legislative dependencies shall be governed by the rules that the Chief Justice of the Supreme Court, the Comptroller of Puerto Rico and the Director of the Office of the State Ombudsman may establish respectively for such a purpose, according to the legislation in effect. The President of the Senate and the Speaker of the House of Representatives shall approve and adopt the rules that shall govern the objectives sought by this subsection.

The provisions of this subsection do not limit the power conferred by other laws to the heads of the dependencies to take disciplinary action against its officers and employees for illegal or incorrect actions in the discharge of their official duties.

(i) It shall be the duty of the heads of dependencies, corporate entities and legislative bodies and of the Secretary to prevent such expenditures of public funds that in their judgment are extravagant, excessive and unnecessary. Each of these terms shall mean the following:

*(1) Extravagant.* Any expense out of order and uncommon, against reason, law or practice, not conforming to the actual standards of usage and austerity.

*(2) Excessive.* Any expense for articles, supplies or services whose quoted prices are higher than those which are normally quoted in the market at the time of acquisition or purchase thereof, or when there exists a cheaper substitute product and just as durable which may serve the same purpose with the same result or effectiveness.

*(3) Unnecessary.* Expense for materials or services which are not indispensable or necessary for the dependency or corporate entity to discharge the functions which by law have been entrusted to them.

(j) The Secretary, the paymasters appointed by the Secretary, the municipalities, the instrumentalities, the corporate entities and the legislative bodies may not make any payments to any natural or juridical person whatsoever having, on any account, overdue debts with the Commonwealth of Puerto Rico or any municipality. Whenever there are justified reasons, and the interests of the Commonwealth of Puerto Rico or the corresponding municipality are benefited, and the Secretary so approves, in those cases in which the debt is with the Commonwealth of Puerto Rico or with the mayor of the corresponding municipality, if the debt is with a municipality, the necessary payments may be made to those persons who are in debt with the Commonwealth of Puerto Rico or with any municipality and who continue rendering services or supplying materials or equipment to the government, the municipalities, the instrumentalities, the corporate entities or the legislative bodies. The amounts withheld in compliance with this subsection shall be applied to the debt of the natural or juridical person from whom they are withheld. Provided, That if the natural or juridical person from whom an amount is to be withheld should be in debt with the Commonwealth of Puerto Rico and simultaneously with one or more municipalities, the debt to the Commonwealth shall be collected in the first place, and the others successively and strictly on the basis of their maturity dates, always collecting the earliest one first.

The Secretary is hereby authorized, in cases where the indebtedness is with the Commonwealth, and the mayor, where the indebtedness is with a municipality, to grant an installment payment plan that may facilitate the liquidation of the debt, if the economic condition of the debtor so warrants it.

(k) No dependency of the Executive government, to wit, departments, bureaus, administrations, boards, commissions, offices, agencies of the Executive Branch or Legislative dependencies, including the House of Representatives, the Senate, the Office of the Comptroller or any other agency attached to the Legislative Branch to which §§ 283--283p this title, known as the "Puerto Rico Government Accounting Act" applies may use the mechanism of issuing credit cards to any public officer or employee for making disbursements on behalf of the dependency.

Due to the nature of their duties, excluded from this prohibition are, the Governor of Puerto Rico, the President of the Senate, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court, the Secretary of State, the mayors, the President of the University of Puerto Rico, the Comptroller of Puerto Rico, the latter as of October 2, 2008, the nominating authorities and chief executives of the executive agencies, upon prior authorization of their respective presidents and officers or chief executives who are responsible for procurement in government entities.

With respect to procurement officers, the use of credit cards is hereby authorized for emergency procurement, travel tickets, trainings and, in situations in which providers require immediate payment, provided the procurement rules and procedures established by the government entity are complied with.

The use of credit cards for the purchase of alcoholic beverages, gifts, gambling and personal transactions is prohibited.

All public officers authorized to use credit cards shall provide to the Office of Government Ethics the same information required for personal credit cards in the annual report that they are required to submit pursuant to the provisions in the Ethics in Government Act, §§ 1801 et seq. of this title.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 9; May 27, 1976, No. 61, p. 175, § 3; June 16, 1978, No. 54, p. 178, § 1; Sept. 4, 1996, No. 187, § 1; Nov. 16, 2002, No. 261, § 1; June 11, 2004, No. 140, § 6; Aug. 26, 2005, No. 103, § 1, eff. 30 days after Aug. 26, 2005.

*3 L.P.R.A. § 283i*

LAWS OF PUERTO RICO ANNOTATED
Copyright © 1955-2014 by the Secretary of State of Puerto Rico and LEXISNEXIS of Puerto Rico, Inc.
All rights reserved.

\*\*\* This Session is current through December 2011 \*\*\*

TITLE 3.  EXECUTIVE
CHAPTER 13.  DEPARTMENT OF TREASURY

3 L.P.R.A. § 283i  (2013)

§ 283i.  Custody, control, and accounting of government property

(a) The custody, care and physical control of government property shall be the responsibility of the head of the said agency, legislative body or corporate entity or his/her authorized representative.

(b) The accounting and central control of the public property belonging to the executive dependencies shall be incumbent on the Secretary. The latter, if he deems it convenient, may delegate said functions on the executive dependencies. The criteria established in § 283e(c) of this title for the delegation of the preaudit of the financial transactions in the executive dependencies shall be taken into account by the Secretary for the delegation of the accounting of the public property on the dependencies.

The accounting and control of the public property belonging to the legislative bodies shall be the responsibility of the President of the Senate and the Speaker of the House of Representative, respectively, who may delegate said responsibility upon their subordinate officers.

(c) The dependencies shall submit to the Secretary such reports on the public property as may be necessary for the Secretary to perform the functions imposed on him by §§ 283--283p of this title.

(d) Any officer or employee who uses or assumes the custody, care and the physical control of any public property, shall answer to the government for its value in case of its loss or undue deterioration, according to the standards established by the Secretary. The legislative bodies shall approve and adopt their own standards to exercise control of this function.

(e) The central accounting of the public property of the judicial and legislative dependencies shall be carried out by the Secretary on the basis of the regulations established for such a purpose by the Chief Justice of the Supreme Court, the Comptroller of Puerto Rico and the Director of the Office of the State Ombudsman. The legislative bodies shall approve and adopt their own rules and regulations to carry out the accounting of their public property.

(f) Any executive agency that makes use of animals to carry out its ministerial duties may transfer them to their trainers or handlers, to nonprofit organizations that may use such animals as a fundamental part of their therapies, or to persons trained to handle them, under the following circumstances:

(1) When the animal is retired from active duty, according to the parameters established in the appropriate regulations of the executive agencies to which the animal is designated.

(2) When any of the units to which it is designated is closed down, resulting in a surplus thereof for purposes of the executive agencies.

The transfer of the animal shall be made for the face value of one hundred dollars ($100.00), payable to the corresponding executive agency, except if the animal is transferred to its handlers, in which case such transfer may be made free of charge; provided that the handler was the animal's partner.

Any executive agency that makes use of the services of an animal to carry out its ministerial duties shall prescribe by regulations the terms of the transfer thereof once the animal has ceased to render its services to such executive agency. No animal transfer shall be allowed if such transfer is denied by the executive agency with jurisdiction, provided that there is just cause. When considering transfer applications, the wellbeing of the animal shall be a priority. If, for any reason, the person or organization to which an executive agency transfers an animal is unable to provide such animal with such conditions as established by the applicable regulations, the animal shall be returned to the agency of origin for relocation. Provided, That none of these animals is inherited or transferred for other purposes.

**HISTORY:** HISTORY: July 23, 1974, No. 230, Part 2, p. 183, § 10; Dec. 21, 2001, No. 177, § 1; June 11, 2004, No. 140, § 7; Dec. 7, 2010, No. 185, § 1.

Top of Form

Bottom of Form

|  |
| --- |
| https://web.lexisnexis.com/ri/s.gif |

Top of Form

Bottom of Form