

**GUIDELINES
for the
Coronavirus Economic Relief for Transportation Services (CERTS) Grant Program**

**U.S. Department of Treasury
May 6, 2021**

INTRODUCTION

The U.S. Department of the Treasury (Treasury), in consultation with the U.S. Department of Transportation (USDOT), issues these guidelines pursuant to the Coronavirus Economic Relief for Transportation Services (CERTS) Act, Division N, Title IV, Subtitle B of the Consolidated Appropriations Act, 2021.

These guidelines may be updated, revised, or modified at any time, and the Secretary of the Treasury may waive these requirements in her sole discretion to the extent permitted by law.

The CERTS Act appropriated to Treasury \$2 billion to provide grants to eligible motorcoach companies, school bus companies, passenger vessel companies, and pilotage companies that have experienced annual revenue losses of 25 percent or more as result of COVID-19. The priority use of grant funds must be for payroll costs, though grants may be used for operating expenses and the repayment of debt accrued to maintain payroll. Treasury will determine grant amounts based on a company's lost revenues and several other factors described below. Federal financial assistance in the form of grants does not need to be repaid, unless the grantee is required to return funds as a result of noncompliance.

DEFINITIONS

Treasury will apply the following definitions for purposes of these guidelines. These definitions supplement and interpret certain terms in the CERTS Act.

“In operation” means that a company is fully licensed, registered, and authorized to provide transportation services, is capable of generating sales or receipts from transportation services, and is not dissolved, out of business, or in a bankruptcy proceeding.

“Major equipment” means a motorcoach or over-the-road bus, a school bus, a passenger vessel or small passenger vessel, or a pilotage vessel, consistent with the other definitions in this section.

“Motorcoach transportation service provider” or “motorcoach company” means a private sector company, registered as an interstate carrier at the federal level or an intrastate carrier at the state level, whose principal business is providing passenger transportation services using one or more buses with an elevated passenger deck located over a baggage compartment (commonly known as an “over-the-road bus”) for local and intercity fixed-route service, commuter service, and/or charter or tour service (including tour or excursion services that includes features in addition to

bus transportation, such as meals, lodging, admission to points of interest or special attractions, or the services of a guide).

“Passenger vessel transportation service provider” or “passenger vessel company” means a private sector company whose principal business is carried out using one or more passenger vessels or small passenger vessels of the United States (as each is defined in 46 USC § 2101) that (a) are for hire with a capacity of 6 to 2,400 passengers and (b) have U.S. Coast Guard (USCG) issued Certificates of Inspection (COI).

“Payroll costs” means:

- any payment to an employee of compensation in the form of—
 - salary, wage, commission, or similar compensation;
 - payment of a cash tip or an equivalent;
 - payment for vacation, parental, family, medical, or sick leave;
 - payment required for the provision of group health care or other group insurance benefits, including insurance premiums;
 - payment of a retirement benefit;
 - payment of a State or local tax assessed on employees with respect to compensation;
 - or
 - paid administrative leave; and
- any payment of compensation to, or income of, a sole proprietor or independent contractor that is—
 - a wage, commission, income, net earnings from self-employment, or similar compensation; and
 - in an amount equal to not more than \$100,000 during 1 calendar year, as prorated to reflect the date during a calendar year on which all CERTS grant funds have been expended;
- but excludes:
 - any compensation of an individual employee in excess of an annualized salary rate of \$100,000, i.e., any compensation in excess of \$8,333 per month, \$3,846 per bi-weekly period, \$1,923 per week, etc.;
 - any tax imposed or withheld under chapter 21 (Federal Insurance Contributions Act), 22 (Railroad Retirement Act Tax), or 24 (Collection of Income Tax at Source on Wages) of the Internal Revenue Code of 1986;
 - any compensation of an employee whose principal place of residence is outside the United States;
 - any qualified sick leave wages and any qualified family leave wages for which a credit is allowed under sections 7001 and 7003, respectively, of the Families First Coronavirus Response Act (26 U.S.C. § 3111 note, Public Law 116-127); and
 - any bonus, raise in excess of inflation, or other form of additional employee compensation.

“Pilotage vessel transportation service provider” or “pilotage vessel company” means a private sector company whose principal business is providing pilotage services regulated by a State in accordance with 46 U.S.C. § 8502, and does not mean an operator of vessels providing towing or other tug assist services.

“Principal business” means the business activity from which a company derives the highest percentage of its total sales or receipts as reported to the IRS on its tax returns.

“School bus transportation service provider” or “school bus company” means a private sector company whose principal business is providing student transportation services under contract to a school, school district, or State department of education to carry students to and from school and/or to and from education-related events, activities, and competitions, using one or more school buses as defined in 49 CFR § 571.3. School buses must be designed for carrying more than 10 persons, and do not include buses designed or sold for operation as a common carrier in urban transportation.

“State” means a State of the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, and the Northern Mariana Islands.

OVERVIEW OF GRANT PROCESS

This section provides a high-level summary of the end-to-end steps in the CERTS grant process. The sections that follow provide additional details and requirements.

Submitting Applications. Treasury will create a web-based application portal accessible through the CERTS webpage on treasury.gov to allow eligible companies to submit a grant application. As of the date of issuance of these guidelines, the portal is not open. To submit an application for a CERTS grant, a company representative must be registered with credentials issued through the ID.me identity service. Applications must be submitted by the application deadline, which will be 4 weeks after the application portal opens.

Review of Applications. Treasury will review each application submitted by the deadline to validate company identity and eligibility, to assess the accuracy and completeness of information submitted, and to confirm other attributes consistent with the CERTS statute. All applications will be subject to uniform standards of review that will be applied equally. Applications that are incomplete, unclear, or internally inconsistent may not receive timely consideration and may be rejected.

Application Decisions. After applying, an applicant will be able to check the status of Treasury’s review by logging into the application portal, which will display status codes and the remaining steps in the application review. If Treasury approves an application, it will contact the company representative by email to invite the company to sign a grant agreement.

Grant Amounts. CERTS grants are non-competitive. That is, all applicants that meet the eligibility criteria and submit a complete and accurate application will be awarded a grant. Because the grant funds will not be awarded on a competitive basis, the grant application will not allow an applicant to request a specific grant amount. Rather, Treasury will review each applicant’s financial information, such as its annual revenues and its year-over-year lost revenues, and apply a formula that provides each approved applicant with an equitable, proportionate share of the funding appropriated by Congress for the program. When Treasury

notifies an applicant that it has been approved, it will also notify the applicant of the grant amount.

Grant Agreements. Prior to receiving funding, approved applicants must sign a grant agreement that will have terms and conditions on the eligible and ineligible use of funds, reporting and recordkeeping, and other requirements. The standard form of the grant agreement will be made available when Treasury opens the application portal. When Treasury notifies an applicant of its approval, it will provide the applicant with its definitive grant agreement for signature.

Grant Payments. In general, within one business day after an approved applicant returns its signed grant agreement, Treasury will issue an electronic grant payment.

Recordkeeping, Reporting, Compliance, Audit. Grantees will be required to maintain records on how they used funds, and to submit a certain number of compliance reports to Treasury. All CERTS grants and grantees may be subject to audit by the Treasury's Office of the Inspector General and the Government Accountability Office.

Public Reporting. Treasury is required by transparency laws to disclose the names of CERTS grantees and the amounts of CERTS grants. Treasury will post this information on its website and report this information to the [usaspending.gov](https://www.usaspending.gov) website, which allows the public to see how the Federal Government has spent COVID-19 relief funding.

ELIGIBILITY

Criteria. To be eligible for a CERTS grant, an entity must:

1. Be a private sector company, including a corporation, limited liability company, partnership, or sole proprietorship;
2. Be established or organized in the United States or pursuant to Federal law;
3. Have significant operations and a majority of employees based in the United States;
4. Have been in operation on March 1, 2020;
5. Have experienced a revenue loss of 25 percent or more, on an annual, calendar year basis from 2019 to 2020, as a direct or indirect result of COVID-19;
6. Be one of the four following types of transportation service providers, as demonstrated in accordance with the section below "Demonstrating Eligibility as a Qualifying Transportation Service Provider:"
 - Motorcoach transportation service provider
 - School bus transportation service provider
 - Passenger vessel transportation service provider
 - Pilotage vessel transportation service provider;

7. As of March 1, 2020, either
- Have had 500 or fewer than 500 full-time, part-time, or temporary employees and not been a subsidiary, parent, or affiliate of any other entity with a combined total workforce of more than 500 full-time, part-time, or temporary employees, or
 - Have had more than 500 full-time, part-time, or temporary employees and not received a loan under the Airlines Loan Program or National Security Loan Program under the Coronavirus Aid, Relief, and Economic Security (CARES) Act¹ (or have been a subsidiary, parent, or affiliate of any entity with a combined workforce of more than 500 full-time, part-time, or temporary employees if such subsidiary, parent, or affiliate did not receive such a loan); and
8. At the time of application, have not received Federal assistance provided in response to COVID-19 under the CARES Act², the Paycheck Protection Program and Health Care Enhancement Act³, or any other provision of law, that when combined *exceeds* the total amount of revenue earned by the entity during calendar year 2019. (To be clear, participation in other Federal assistance programs will not render a company ineligible for a CERTS grant unless the assistance already received exceeds the company's 2019 revenues, and the size of a CERTS grant may need to be reduced to ensure that total Federal assistance from all programs does not exceed 2019 revenues.)

Companies that do not meet the criteria above are not eligible for a CERTS grant.

Manufacturers, dealers, suppliers, maintenance and repair organizations, consultants, lenders, lessors, and other similar companies providing goods and services to motorcoach, school bus, passenger vessel, and pilotage vessel companies are not eligible for a CERTS grant.

Bankruptcy Status. Companies that are in bankruptcy cases under Chapter 11 of the U.S. Bankruptcy Code that were filed after March 1, 2020 are eligible for a CERTS grant provided they meet the other eligibility criteria. However, Treasury may impose additional terms and conditions in the CERTS grant agreement for entities in Chapter 11 bankruptcy cases. Companies that were in a bankruptcy case filed under Chapter 11 prior to March 1, 2020 or in a case filed under or converted to Chapter 7 at any time are not eligible for a CERTS grant.

Operating Status. Companies that ceased offering transportation services on or after March 1, 2020 due to the economic effects of COVID-19, but have not gone out of business or been dissolved, are eligible for a CERTS grant provided they meet the above criteria. However, Treasury may require additional terms and conditions in the CERTS grant agreement for companies that have ceased business operations. Companies whose governmental license,

¹ Under paragraphs (1), (2), or (3) of section 4003(b), or subtitle B of title IV of division A, of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136; 134 Stat. 281).

² Including assistance under the Paycheck Protection Program and the Economic Injury Disaster Loan Program, tax credits under the Employee Retention Tax Credit due to COVID-19, and, for sole proprietors, Federally funded unemployment benefits under the CARES Act, as amended, such as the Federal Pandemic Unemployment Compensation (FPUC) and the Pandemic Unemployment Assistance (PUA) programs.

³ Public Law 116-139; 134 Stat. 620.

registration, or other required authority to operate was revoked, deactivated, or suspended as of March 1, 2020, are not eligible for a CERTS grant.

Other Conditions. To protect the Federal taxpayer, notwithstanding any other provision of these guidelines and consistent with Treasury's authority in the CERTS Act to establish terms, conditions, requirements, covenants, representations, and warranties, Treasury may determine not to enter into a CERTS grant agreement with an applicant if the applicant, and/or its owners, officers, and employees are under criminal or regulatory investigation, in violation of transportation safety regulations, on the Federal Do Not Pay List, on the Federal Suspension or Debarment List, owe debts to the Federal Government, and/or noncompliant with other Federal or State programs.

DEMONSTRATING ELIGIBILITY AS A QUALIFYING TRANSPORTATION SERVICE PROVIDER

The CERTS grant application will allow companies in operation on March 1, 2020, to demonstrate their eligibility as a qualifying transportation service provider consistent with the following:

Motorcoach company. A motorcoach company may demonstrate its eligibility by providing:

- (1) A current USDOT registration number(s), for the purpose of allowing Treasury to validate the company against information from the Federal Motor Carrier Safety Administration (FMCSA). If a motorcoach company does not have a USDOT registration number, then it may provide a State registration number(s), for the purpose of allowing Treasury to validate the company against information from State departments and agencies that issue intrastate motor carrier registrations; and
- (2) The number of commercial passenger motor vehicles of all types that it operates and the number of motorcoaches that it operates, for the purpose of allowing Treasury to validate the proportion of its business related to motorcoach transportation services.

School Bus Company. A school bus company may demonstrate its eligibility by providing:

- (1) A USDOT registration number(s), for the purpose of allowing Treasury to validate the company against information from the FMCSA. If a school bus company does not have a USDOT registration number, then it may provide a State registration number(s) or other unique identifying number issued by a State or local agency, for the purpose of allowing Treasury to validate the company against information from State departments and agencies that issue school bus registrations; and
- (2) A copy of its primary or largest contract(s) with a school, school districts, or State department of education for which it provides school bus services to transport students to and from school and/or for education-related events, activities, and competitions, for the purpose of allowing Treasury to validate that company against information from State and local

authorities, such as schools, school districts, State directors of student transportation, or State departments of education, transportation, or motor vehicles, depending on the State.

School bus companies may be required to submit additional information to help determine eligibility, such as the vehicle license plate numbers for its school bus(es).

Passenger vessel company. A passenger vessel company may demonstrate its eligibility by providing the Vessel Name(s) and Official Number(s) as documented on the USCG issued COI, and a copy of the COI(s), for the passenger vessel(s) operated by the company, to allow Treasury to validate the company against information from the USCG.

Pilotage vessel company. A pilotage vessel company may demonstrate its eligibility by providing a copy of its operating license issued by its State pilot commission and USCG Certificate of Inspection, to allow Treasury to validate the company against information from State pilot commissions and the USCG.

Any applicant may be required to submit additional organizational, financial, vehicle, or vessel information to help determine its eligibility.

GRANT FUNDING

Non-competitive grants. CERTS grants are formula grants and are non-competitive. All eligible companies that submit a complete application by the deadline and are approved by Treasury will be offered a grant that is a share of the \$2 billion appropriated for the program, consistent with these guidelines. Because the grant funds will be awarded on a formula basis and not a competitive basis, the grant application will not allow an applicant to request a specific grant amount. Rather, after the application deadline closes and Treasury has information on the complete pool of applicants, Treasury will determine the individual grant amount for each approved applicant, as described below.

Treasury expects that the economic demand for CERTS grants, considering the annual financial losses of the eligible industries, will exceed the \$2 billion in available funding. In addition, Treasury is statutorily required to ensure equal access to eligible small, minority-owned, and women-owned businesses. Treasury will apply the procedures identified below to allocate the total funds to the four eligible industries and to calculate individual grant amounts. The CERTS Act provides that in determining the amount of assistance to be provided, Treasury shall take into consideration such information as Treasury may require.

Funds Allocation. Treasury will first allocate a portion of the \$2 billion in available funding to each of the four eligible industries based on analysis of their size and cost structure. From the amount allocated to a given industry, Treasury will subsequently offer individual grants to the approved applicants in that industry based on individual applicant need. To ensure the funds allocation to industries is evidence-based and equitable, Treasury will perform the allocation to industries after the grant application period closes so that actual data from the known pool of all eligible applicants across industries is the basis for the allocation.

The method for allocating the \$2 billion across the industries may include measurement of the relative size of each industry based on revenues in 2019, the relative capital intensity of each industry based on analysis of the amount of debt owed on major equipment, and the relative labor intensity of each industry based on analysis of the number of employees. The eligible applications received by the deadline will provide source data to help determine each industry's total revenues, debt owed on major equipment, and employment levels. After analyzing the data submitted by eligible applicants, Treasury will publish the amount allocated to each industry and a description of the allocation methodology as soon as possible after the application deadline. Treasury reserves the right to make evidence-based adjustments to any initial allocations if the list of eligible entities in each industry changes as a result of application and supporting documentation reviews.

Grant Awards. The primary factor in the grant-sizing formula used to determine the grant amount offered to an individual approved applicant will be the applicant's lost revenues from 2019 to 2020. To ensure access by small businesses in accordance with the CERTS Act, the formula may include a minimum grant size to ensure all approved applicants receive a basic amount and/or a maximum grant size to provide for a deeper distribution of available funds to all approved applicants. To ensure that grant-sizing is evidence-based and equitable, Treasury will establish the grant-sizing formula after the application period closes so that actual data from the known pool of eligible applicants is considered in establishing the formula. After analyzing the data submitted by applicants, Treasury will publish a description of the formula and other considerations for calculating individual grant awards as soon as possible after the application deadline.

Treasury may prorate, or proportionately reduce, the size of all grants produced by the formula to remain within the fund allocations and the overall appropriation.

Treasury may adjust the size of individual grants based on other sources of Federal assistance provided to the applicant, consistent with the CERTS Act, which provides that:

- The grant amount, when combined with any other Federal assistance provided in response to COVID-19 under the CARES Act, the Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-139), or any other COVID-19 Federal response program may not exceed the total amount of revenue earned by the provider of transportation services during calendar year 2019;
- The grant amount may be reduced based on other amounts received through contracts or subcontracts in connection with the Emergency Appropriations for Coronavirus Health Response and Agency Operations (division B of Public Law 116-136); and
- Treasury shall take into consideration other sources of Federal assistance provided to the applicant, if any.

If an approved grantee is a transportation service provider participating in more than one of the four eligible industries, Treasury in its sole discretion will determine which industry allocation or allocations will fund the grant based on available data.

APPLYING FOR A CERTS GRANT

Application Form. Treasury will create a web-based application portal accessible through the CERTS webpage on treasury.gov: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-american-industry/coronavirus-economic-relief-for-transportation-services>. Interested companies should periodically check this web page to see when the application portal opens.

To receive consideration, applications must be:

- Complete and include responses to all required questions, uploads of all required supporting documentation, and authorized signatures for all required certifications.
- Accurate and free from quantitative errors and internally contradictory answers and data.
- Timely and submitted through the application portal by the application deadline.

Application Remediation. If Treasury cannot determine an applicant's eligibility or calculate an applicant's grant amount based on the information in the application, Treasury may contact the applicant in an attempt to remediate the application by a specified deadline. However, Treasury cannot guarantee the timeliness of potential remediation, that an applicant undergoing remediation will be able to correct its application by any remediation deadline, or that an applicant will be deemed eligible at the end of the remediation process. Therefore, it is the applicant's responsibility to submit a complete and accurate application by the deadline to receive timely consideration and a definitive response.

Application Credentials. To gain access to the application portal and submit an application, a company representative must be registered with a username and password through the ID.me identity service. ID.me is an approved service provider for Treasury, the Social Security Administration, the U.S. Department of Veterans Affairs, and other Federal agencies. ID.me offers a one-time identity verification process to safeguard company data and authenticate users prior to accessing Treasury systems. The company representative that registers with ID.me will need a State or Federal Government-issued photo ID and access to a mobile phone with camera. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user.

In anticipation of Treasury opening the application portal, interested companies may register to obtain an ID.me username and password by going to <https://portal.treasury.gov/cares> and clicking on the option "Or create an ID.me account." However, credentialed users will not be able to log on and submit an application until the portal opens.

Other Federal Grant Application Requirements. Applicants will not be required to register in SAM.gov or to supply a DUNS number prior to submitting an application, receiving approval, entering into a grant agreement, or receiving grant payment. However, as a term of the grant

agreement, Treasury may require grantees, or a subset of grantees above a certain revenue or funding size, to subsequently register in SAM.gov and/or supply a DUNS number.

Applying Company. Treasury will rely on information in tax documents to validate an applicant's identity, annual revenues, and employment levels. Accordingly, an applying company's name and Taxpayer Identification Number (TIN)/Employer Identification Number (EIN) on its application must match the name and TIN/EIN on its supporting tax documents that must be submitted with the application as proof of information including annual revenues (Income Tax Return) and the number of company employees (Employer's Quarterly Federal Tax Return).

A company must apply using its true name as set forth in the charter or other legal document creating it, and not an unofficial operating name, a "doing business as" name, or any other fictitious name, regardless of whether the alternative name has been filed with a State government.

A company may not apply in its own name and supply supporting tax documents with a different name or TIN/EIN of an affiliated operating company or holding company. The name and TIN/EIN on the application must match the name and TIN/EIN of the supporting tax documents, and, if the application is approved, the same name and TIN/EIN will appear on the grant agreement.

Only a specific company (whether in the form of a corporation, limited liability company, sole proprietorship, or otherwise) that is individually eligible for CERTS may receive a grant. However, the grant agreement will stipulate that eligible expenses on which an approved grantee may use funds will include payments to an affiliated entity or operating subsidiary that supplies services or personnel necessary for the grantee's operations. Finally, corporate families may submit separate applications for affiliated entities, provided each entity meets the CERTS eligibility criteria on its own merits and the names and TINs/EINs on supporting tax documents match the associated applications.

Application Deadline. Once the application portal is made available, it will be open for 4 weeks. To be considered, applications must be completed in full and successfully submitted through the application portal by this 4-week application deadline, after which the portal will be closed to new applications. The application deadline will be posted on the CERTS webpage on treasury.gov (<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-american-industry/coronavirus-economic-relief-for-transportation-services>) when the application portal goes live. Treasury will not consider applications submitted after the deadline, including any draft applications in the application portal that are not completed and successfully submitted by the deadline.

Application Status. Applicants will be able to check the status of their submitted application by logging in to the application portal, which will display various codes indicating the progress of the application in the review process. Treasury will not respond to emails or calls, from applicants or any third parties, to Treasury officials seeking information on Treasury's deliberation of an application.

REVIEWING APPLICATIONS

Treasury Determinations. Treasury in its sole discretion will review and approve complete applications and may reject applications. In reviewing applications, Treasury may consider the statutory purposes and requirements of the CERTS Act, the applicant's eligibility, the accuracy and completeness of the information provided by the applicant, the applicant's provision of certifications, documentation, or information reasonably satisfactory to Treasury to confirm the applicant's ability to comply with the grant agreement, the applicant's compliance with other laws and regulations, and any other relevant factors that Treasury deems appropriate.

Timing of Reviews. Once the web-based application portal opens, Treasury will begin reviewing applications immediately upon receipt to validate identity, completeness, accuracy, and eligibility. Treasury will not wait for the application period to close before commencing such reviews. However, the grant amount for an approved applicant will not be known until after the application period closes and Treasury has complete data from the applicant pool to finalize the funds allocation method and the grant-sizing formula. Interested companies are encouraged to submit applications as soon as possible after the application portal opens.

PREPARING FOR THE APPLICATION

In addition to the information and documents described above in the section “Demonstrating Eligibility as a Qualifying Transportation Service Provider,” CERTS grant applicants should expect to be required to provide the following types of information and documents in their application. Treasury encourages prospective applicants to gather the information and documents in preparation for the release of the web-based application portal. The application may also require the submission of other information and documents not listed here.

Corporate information needed to validate identity and eligibility

- Name, address, and contact person details
- TIN/EIN
- Type of company (corporation, sole proprietorship, etc.)
- IRS Principal Business or Professional Activity codes or NAICS codes
- Socioeconomic status (i.e., minority-owned, women-owned, veteran-owned)
- Name and TIN/EIN of parent, subsidiary, or affiliated companies (if any)

Financial institution (bank) information needed to deliver grant payments

- Financial institution routing and transit number
- Bank account number
- Financial institution address and contact information

Corporate financial information needed to inform funds allocations and grant-sizing

- Total revenues from 2019 and 2020 as reported to the IRS
- Debt owed on major equipment on 1/1/2021

Employee information needed to validate eligibility and inform funds allocations

- Total number of employees in the United States who received wages, tips, or other compensation in Q4 2019, Q1 2020, Q4 2020, and Q1 2021 as reported on IRS Form 941 “Employers Quarterly Federal Tax Return”
- Number of nonseasonal employees laid off, furloughed, or terminated after March 27, 2020
- Number of seasonal employees laid off, furloughed, terminated, or not offered rehire in calendar year 2020
- Number of employees in Q42020 of parent, subsidiary, or affiliated companies (if any)

For motorcoach companies, to validate eligibility

- Total number of commercial passenger motor vehicles by type

For school bus companies, to validate eligibility

- Customer name(s), point(s) of contact, contract amount(s), and contract service period(s) for the school bus service contract(s) with a school, school district, or State department of education

For passenger vessel companies, to validate eligibility

- Total number of vessels by type
- Number of maximum passengers and crew sizes for vessels
- Type of service(s) offered (e.g., commuter, ferry, sightseeing, etc.)

Funds received or requested under other COVID-19 Federal financial assistance programs (if applicable), as needed to comply with statutory limits on grant sizes

- Paycheck Protection Program (PPP) loan amounts and identification numbers
- Economic Injury Disaster Loan (EIDL) and related Bridge Loan amounts and identification numbers
- Amounts of tax credits claimed as an eligible employer under the Employee Retention Tax Credit due to COVID-19
- For applicants that are sole proprietors, amounts from Federally funded unemployment benefits under the CARES Act, as amended, such as the Federal Pandemic Unemployment Compensation (FPUC) and Pandemic Unemployment Assistance (PUA) programs

Funds received from governmental entities through contracts, subcontracts, or agreements supported by the Emergency Appropriations for Coronavirus Health Response and Agency Operations (CHROA) (if applicable), as needed to comply with statutory limits on grant sizes

- Information on the contract or agreement, including the maximum amount of funds to be paid to the applicant under the contract or agreement

Supporting documents needed to verify other information submitted in the application

- Annual corporate tax returns from 2019 and 2020 (e.g., IRS Form 2210, Schedule C 1040, etc., depending on type of corporation)
- Employer’s quarterly tax returns from Q4 2019, Q1 2020, Q4 2020, and Q1 2021 (i.e., IRS Form 941)

Bankruptcy information (if the applying company is in a pending Chapter 11 bankruptcy case filed on or after March 1, 2020)

- Date of bankruptcy filing
- Bankruptcy court
- Case number
- Type (chapter) of bankruptcy filing

Applicants will be required to certify under penalty of perjury that (1) the information and certifications provided in the application and its attachments are true and correct, and (2) the applicant has documentation to support amounts and figures entered into the application form. Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil penalties. (18 U.S.C. §§ 287, 1001; 31 U.S.C. §§ 3729, 3802).

GRANT AGREEMENTS

Treasury will provide approved applicants with a grant agreement that must be executed by an authorized representative of the grantee and by Treasury before the grantee may receive funds. Grant agreements will be standard program documents that are not subject to negotiation.

Consistent with the CERTS Act, the grant agreement will contain terms, conditions, covenants, representations, warranties, and requirements determined by Treasury related to:

- roles and responsibilities of the parties
- grant payments
- certain requirements to use funds on a priority basis for payroll costs
- eligible and ineligible uses of funds (see the following section for more information)
- certain restrictions on involuntary furloughs and reductions in pay rates or benefits
- certain requirements for recalls or rehires of employees laid off, furloughed, or terminated after March 27, 2020, to the extent warranted by increased service levels
- a deadline to use funds within 1 year of receipt
- accounting and reporting requirements
- compliance requirements and remedies for noncompliance, including but not limited to claw back of funds where appropriate
- audits, recordkeeping, and internal controls
- other terms required by Federal law

The CERTS Act is available here: <https://www.transit.dot.gov/sites/fta.dot.gov/files/2021-01/Coronavirus-Economic-Relief-for-Transportation-Services-Act.pdf>. Prospective grantees should review section 421(c)(6), “Conditions of Receipt” and section 421(c)(8), “Additional Conditions of Certain Receipts” for more details on the statutory conditions on receipt of CERTS grant funds.

GRANT PAYMENTS

Most approved applicants should expect to receive a one-time payment for the entire grant amount shortly after executing their grant agreement. Treasury may establish a threshold above which the largest grantees will receive their grants in two or more payments to better align the delivery of funds with actual, immediate disbursement needs. In addition, Treasury may require entities in bankruptcy to receive their grants through incremental payments. However, the timing, amount, and conditions of all grant payments will be determined by Treasury in its sole discretion.

ELIGIBLE AND INELIGIBLE USES OF GRANT FUNDS

Eligible Use of Funds. Subject to other rules and conditions in the CERTS statute and grant agreement, grantees may use grant funds for operating expenses, including but not limited to:

- payment of payroll costs (see the definition of “payroll costs” above) and compensation of returning employees for lost pay and benefits during the COVID-19 pandemic
- the acquisition of services, personal protective equipment, and other measures needed to protect workers and customers from COVID-19
- operations and maintenance of existing capital equipment and facilities, such as rent, leases, insurance, and interest on regularly scheduled debt service

Ineligible Use of Funds. Grantees may not use grant funds for:

- any payment or prepayment of principal on a debt obligation, except for any principal on a debt obligation incurred during the COVID-19 pandemic for the purpose of maintaining the payment of payroll costs during the COVID-19 pandemic.
- capital expenditures
- delinquent taxes
- any compensation of an individual employee in excess of an annualized salary rate of \$100,000, i.e., any compensation in excess of \$8,333 per month, \$3,846 per bi-weekly period, \$1,923 per week, etc.
- any tax imposed or withheld under chapters 21 (Federal Insurance Contributions Act), 22 (Railroad Retirement Act Tax), or 24 (Collection of Income Tax at Source on Wages) of the Internal Revenue Code of 1986
- any compensation of an employee whose principal place of residence is outside the United States

- any qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (26 U.S.C. § 3111 note, Public Law 116–127)
- any qualified family leave wages for which a credit is allowed under section 7003 of that Act (26 U.S.C. § 3111 note, Public Law 116–127)
- any bonus, raise in excess of inflation, or other form of additional employee compensation
- any expense for which funding or financing has been awarded, sub-awarded, or otherwise provided through another Federal program

Deadline to Use Funds. Grantees must return to Treasury any grant funds that are not used within 1 year after the first date of receipt of the funds.

OVERSIGHT

CERTS grants and grantees may be subject to audit or review by the Treasury’s Office of the Inspector General and the Government Accountability Office.