

**GUIDELINES**  
**for the**  
**Coronavirus Economic Relief for Transportation Services (CERTS) Grant Program**  
**U.S. Department of Treasury**

**Updated August 12, 2021**

**(provisions with a substantive change have a \* notation in the left margin)**

**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.

“Debt on major equipment” means the principal amount of debt owed to a creditor for “major equipment,” including loans, capital leases, and that portion of the outstanding balance of a master credit agreement that is secured by “major equipment.” “Debt on major equipment” does not include any amounts owed on operating leases, for accrued interest or fees, or that portion of the outstanding balance of a master credit agreement that is secured by assets other than “major equipment.”

“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 case filed under the U.S. Bankruptcy Code.

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

this section. Major equipment does NOT include any other type of equipment, facilities, or assets.

“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) (or State- or local-issued operating certificates or permits).

“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 such as workers’ compensation, 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 transportation service provider” or “pilotage company” means a private sector company, organization, group, or association 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” or “principal business activity” 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.

- \* *Revenue* means gross sales and receipts from business operations (less any cash or credit refunds made to customers or other allowances made on gross receipts or sales), consistent with IRS instructions for lines 1c of IRS Forms 1120, 1120-S, and 1065, and for line 3 of Schedule C (IRS Form 1040). Gross sales and receipts do NOT include rents, royalties, interest, dividends, capital gains or other passive income not from business operations.

“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. 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 an authorized company official, such as a corporate officer, to electronically 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. Treasury will notify the applicant of the grant amount after Treasury approves an application.

*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 on [treasury.gov](https://www.treasury.gov). After 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 initial electronic grant payment, representing the bulk of the grant amount, to the bank account identified in the application. See the section below “Grant Disbursements” for more information.

*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 [treasury.gov](https://www.treasury.gov) 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 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) Act<sup>1</sup> (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 Act<sup>2</sup>, the Paycheck Protection Program and Health Care Enhancement Act<sup>3</sup>, 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.)

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<sup>1</sup> 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).

<sup>2</sup> 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.

<sup>3</sup> Public Law 116-139; 134 Stat. 620.

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 companies are not eligible for a CERTS grant.

*Bankruptcy Status.* Companies in a pending Chapter 11 bankruptcy case filed after March 1, 2020, and sole proprietors in a pending Chapter 13 bankruptcy case 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 companies in Chapter 11 bankruptcy cases and sole proprietors in Chapter 13 bankruptcy cases. Companies that are in a pending bankruptcy case that was filed under Chapter 11 prior to March 1, 2020 or in a case filed under or converted to Chapter 7 at any time, and sole proprietors that are in a pending bankruptcy case that was filed under Chapter 13 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, 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 current certificate of insurance that evidences liability coverage as a school bus company under SIC Code 4151 (School Buses), NAICS Code 485410 (School Bus Services), or comparable school bus industry code, with a description of operations or vehicles including school bus transportation of students, for the purpose of allowing Treasury to validate the company may provide school bus services; and
- (2) Vehicle identification numbers (VIN), license plate numbers, and model years for a limited number of school busses for the purpose of allowing Treasury to validate the company against information from the National Highway Traffic Safety Administration; and
- (3) The name of a school, school district, or State department of education for which the company provided school bus services to transport students to and from school and/or for education-related events during or after 2019, for the purpose of allowing Treasury to validate the company against information from schools, school districts, or State departments of education, if necessary.

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

*Pilotage company.* A pilotage company may demonstrate its eligibility by providing a copy of the operating license or other document issued by a State pilot commission, board, or oversight body stating that the pilotage company is recognized and authorized to facilitate the provision of pilotage services, to allow Treasury to validate the company against information from State pilot commissions, boards, or oversight bodies.

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.

*Industry Funds Allocation.* Treasury will first allocate a portion of the \$2 billion in available funding to each of the four eligible industries. 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 will be based primarily on each industry's aggregate annual lost revenues from 2019 to 2020 as reported on tax returns of the industry members. The amounts allocated to each industry based on aggregate annual revenue losses may be adjusted to reflect differences in industry cost structure based on the capital intensity and labor intensity of each industry. The relative capital intensity of each industry will be based on analysis of the aggregate amount of debt owed on major equipment, and the relative labor intensity of each industry will be based on analysis of the aggregate number of employees. The eligible applications received by the deadline will provide source data to help determine each industry's aggregate annual revenue loss, 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 may make evidence-based adjustments to its initial allocations as the list of approved entities in each industry changes as a result of application and supporting documentation reviews.

*Company 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 own 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 an economically meaningful 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 industry 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 CERTS portal to receive applications for CERTS grants. The CERTS portal will be accessible through the CERTS webpage on treasury.gov: <https://home.treasury.gov/certs/>.

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 CERTS 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 access the CERTS portal to answer application questions, upload required documents, and perform other administrative functions in the portal. The company representative that registers with ID.me does not need to be a corporate officer. The company representative will need a State or Federal Government-issued photo ID and access to a mobile phone with camera to register. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user.

*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.

*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) on its application must match the name and TIN 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).

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. 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.

Because each CERTS application must be linked one-to-one with a Federal tax return, a company may not apply in its own name and supply supporting tax documents with a different name or TIN of an affiliated operating company or holding company. The name and TIN on the application must match the name and TIN of the supporting tax documents, and, if the applicant is deemed eligible and approved, the same name and TIN will appear on the grant agreement.

If multiple companies under common ownership are eligible for CERTS and each company files its own tax returns (e.g., one affiliate is a motorcoach company and another affiliate is a school

bus company), then each eligible company must submit a separate application in its own name and TIN, and provide its own tax returns as supporting documents.

If multiple companies under common ownership are eligible for CERTS and a parent or holding company files a consolidated return for the multiple eligible companies, then the common parent must submit a single application in its own name and TIN. In such cases, the CERTS grant agreement will stipulate that the grant funds may be used for allowable expenses in any part of the parent company's business.

*Application Deadline.* Once the CERTS portal is made available, applications will be accepted for 4 weeks. To be considered, applications must be completed in full and successfully submitted through the 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/certs/>) when the CERTS portal goes live. Treasury will not consider applications submitted after the deadline, including any draft applications in the 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 CERTS 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 industry funds allocation method and the company grant-sizing formula. Interested companies are encouraged to submit applications as soon as possible after the CERTS 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
- Socioeconomic status (i.e., minority-owned, women-owned, veteran-owned)
- Name and TIN/EIN of parent, subsidiary, or affiliated companies (if any)
- Owners with 20 percent or more of equity of the company applying

*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 12/31/2019

*Employee information needed to validate eligibility and inform funds allocations*

- Total number of employees (full-time, part-time, temporary/seasonal) on March 1, 2020
- Annual average number of employees in 2019 (average of the number employees reported each quarter in 2019 on IRS Form 941 “Employers Quarterly Federal Tax Return”)
- Number of employees in Q1 2020 of parent, subsidiary, or affiliated companies (if any)

*For school bus companies, to validate eligibility*

- Total number of passenger motor vehicles by type
- USDOT Number (if the company has one)
- State-issued school bus company number or school bus business license number (if the company has one)

*For passenger vessel companies, to validate eligibility*

- Total number of vessels by type

*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 assistance as a subrecipient grantee of a State agency, from funding appropriated to the Federal Transit Administration or the U.S. Department of Education in response to COVID-19

- 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 appropriated in response to COVID-19, such as the Federal Pandemic Unemployment Compensation (FPUC) and Pandemic Unemployment Assistance (PUA) programs

*Funds received from governmental entities through contracts, subcontracts, or agreements, from Federal appropriations in response to COVID-19 such as 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 of IRS Form 1040, etc., depending on type of corporation)
- Employer's quarterly tax returns from Q1 2020 (i.e., IRS Form 941 for Q1 2020)

*Bankruptcy information (if an applying company is in a pending Chapter 11 bankruptcy case filed on or after March 1, 2020, or if an applying sole proprietor is in a pending Chapter 13 bankruptcy case filed on or after March 1, 2020)*

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

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 may 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 DISBURSEMENTS

The timing, amount, and conditions of all grant payments will be determined by Treasury in its sole discretion.

However, most approved applicants should expect to receive their grant award through two separate payments. The initial payment will represent the bulk of the grant award and will be made after an individual grantee is approved and signs a grant agreement. The second payment will be a smaller “top off” payment that will be made several weeks later after Treasury completes its review of the entire applicant pool and determines the extent to which additional CERTS funds are available to be distributed to approved grantees. For the reasons described below, paying the grant award in two tranches, rather than one lump sum amount, ensures that each approved grantee receives the bulk of its funds as soon as possible.

As noted above, CERTS is a formula grant program, not a competitive grant program, under which all approved applicants will receive a share of the \$2 billion appropriated for the program. In order to determine the maximum grant each approved grantee can receive, Treasury must review all grant applications received and approve or reject each application. Only the approved applicants will receive a share of the \$2 billion in funding. Rather than require each approved grantee to wait to receive a payment until after Treasury adjudicates every application, Treasury will make an initial payment to approved grantees on a rolling basis, and then, to the extent there are funds available, will make a “top off” payment when Treasury has determined of each grantee’s final share of the funding pool. The second “top off” payments will be substantially smaller than the initial payments.

In the event that an approved grantee signs its grant agreement only after Treasury has completed its full review of the applicant pool, two payments will not be necessary, and the grantee will receive only one payment that reflects the full amount of the grant award when the grant agreement is signed.

Finally, Treasury may require an entity in bankruptcy to receive its grant in controlled increments necessitating more than two payments, in accordance with additional terms and conditions added to the grant agreement that reflect the entity's unique facts and circumstances.

## **ELIGIBLE AND INELIGIBLE USES OF GRANT FUNDS**

*Eligible Use of Funds.* Subject to other rules and conditions to be included in the 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
- principal on a debt obligation incurred during the COVID-19 pandemic for the direct purpose of maintaining the payment of payroll costs during the COVID-19 pandemic
- compensation of returning employees for lost pay and benefits during the COVID-19 pandemic, subject to certain offsets and limitations.

*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 direct 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.