

## CERTS Act Grant Funding FAQs

### **If you have multiple companies that received PPP money should the amounts be split on PPP for each loan?**

According to the guidance, funds received or requested under other COVID-19 Federal financial assistance programs (if applicable), as needed to comply with statutory limits on grant sizes including Paycheck Protection Program (PPP) loan amounts and identification numbers. All loans and amounts should be submitted. If you applied for these funds under separate business IDs, we would assume that you would note each business unit with the appropriate ID so that Treasury can make the determination if they will be considered in whole or in part.

### **Motorcoaches are defined as those with 'passenger compartment over storage area'. So how do we handle school buses as a total number?**

The CERTS grant program is to provide funding for motorcoach, school bus, passenger vessel and pilotage vessel transportation providers. Each of these categories is defined, in the legislation and in the guidance document, and each of these categories is eligible to apply for grant funding. If you have both operations, and they both fall under one tax I.D. number, then Treasury will review your revenue records and determine which operation (i.e. motorcoach or school bus) is your principle business operation, and assign your company to the respective grant category. If your school bus operations are under a company with a separate tax I.D. from your motorcoach company, then you should have file a separate application for each operation under their distinctive tax I.D. numbers. For the definitions of school bus and motorcoach, look to p. 1 and 3 of the guidance document.

### **What if fiscal year is not a calendar year?**

This is not explicitly addressed in the guidance or legislation, which only refer to calendar years. You should be prepared to have tax returns (quarterly or other) or other appropriate and verifiable documentation that shows revenue and expense for the quarters not covered in your current annual tax documents. You should also explain this with a cover on your documentation to clarify your fiscal year for the Treasury Department.

### **If a business owns and operates another business unrelated to program are you required to disclose that business and any received grants?**

The guidance refers to detailing funds received or requested under other COVID-19 federal financial assistance programs but does not detail additional unrelated businesses that have received assistance. If that business is completely separate with a separate Tax I.D. number, you should have documentation to show that the motorcoach company and its finances are unrelated to your other business, but based on the wording Treasury will want to see all the financial information about both companies.

### **Please explain debt owed on major equipment.**

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. Your accountant should be able to assist you in calculating debt owed.

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

### **Will Treasury consider funding from each segment to one company?**

See answer above. The CERTS grant program is to provide funding for motorcoach, school bus, passenger vessel and pilotage vessel transportation providers. Each of these categories is defined, in the legislation and in the guidance document, and each of these categories is eligible to apply for grant funding. If you have more than one eligible operation, and they all fall under one tax I.D. number, then Treasury will review your revenue records and determine which operation (e.g., motorcoach or school bus) is your principle business operation, and assign your company to that respective grant category. If your various operations are under different tax I.D. numbers, then you should file a separate application for each operation under their distinctive tax i.d numbers. For the definitions of school bus and motorcoach, etc. look to p. 1 - 3 of the guidance document.

### **Has there been any indication as how Treasury will handle an application from a company that is both motorcoach and school bus?**

See answer above. If you have both motorcoach and school bus operations, and they both fall under one tax I.D. number, then Treasury will review your revenue records and determine which operation (i.e., motorcoach or school bus) is your principle business operation, and assign your company to the respective category. If your school bus operations are under a company with a separate tax I.D. from your motorcoach company, then you should submit a separate application for each operation under their distinctive tax I.D. numbers. For the definitions of school bus and motorcoach, look to p. 1 and 3 of the guidance document.

### **What if your fiscal year ending is September?**

This is not explicitly addressed in the guidance or legislation, which only refer to calendar years. You should be prepared to have tax returns (quarterly or other) or other appropriate and verifiable documentation that shows

revenue and expense for the quarters not covered in your current annual tax documents. You should also explain this with a cover statement on your documentation to clarify your fiscal year for the Treasury Department.

#### **Our 2020 tax return was placed on extension. Will the audited financials be accepted instead?**

Treasury has indicated its awareness of tax extensions and other fiscal years used for tax purposes. Treasury will rely on information what tax documents and other verifiable documents you provide 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). If there is an issue or lack of clarity, Treasury reserves the right to contact companies. It is advisable that you summarize and explain your situation in a cover page with your documentation submittal, to help Treasury understand.

#### **Our fiscal year is July 1 to June 30. Will that effect my application?**

See answer above. This issue is not explicitly addressed in the guidance or legislation, which only refer to calendar years. You should be prepared to have tax returns (quarterly or other) or other appropriate and verifiable documentation that shows revenue and expense for the quarters not covered in your current annual tax documents. You should also explain this with a cover statement on your documentation submittal to clarify your fiscal year for the Treasury Department.

#### **Will the affiliation rules be similar to the SBA PPP program? For example, would affiliates that are not motorcoach related due to common ownership be pulled into the data request?**

The Treasury Department has NOT clarified what affiliation rules will apply for this program. The best guidance is to provide a summary cover statement with your documentation, explaining your corporate structure and affiliations.

#### **Can you speak to the eligibility of school bus operators?**

The CERTS grant program is to provide funding for motorcoach, school bus, passenger vessel and pilotage vessel transportation providers. Each of these categories is defined, in the legislation and in the guidance document, and each of these categories is eligible to apply for grant funding. The definition of eligible school bus transportation providers can be found on p. 3 of the guidance document.

### **Has anyone tried to get a ballpark estimate of applicants throughout all industries?**

Treasury has stated publicly they believe there will be more than 5,000 companies eligible for CERTS Act funding.

### **How will the Main Street Lending Program come into play with this grant? For example, will the amount I received from the MSLP be deducted or taken into consideration from the total amount we may get or is the MSLP not considered in federal help?**

Per the intent of the law, Treasury may adjust the size of an individual grant based on other sources of financial assistance received. Although the Main Street Lending program is not explicitly listed in the legislation or guidance document, it was established under the CARES Act, which is listed in the guidance as a other federal assistance. Treasury has broad discretion in considering other forms of Federal assistance. It is advisable to provide a summary statement along with your documentation, explaining your sources of Federal assistance.

### **There has been discussion about the definition of a motorcoach. Many operators also have buses in their fleets that have rear luggage compartments that they do send over the road. Any thoughts on this?**

Per the law, and as restated in the guidance, the definition of "motorcoach transportation service provider" or "motorcoach company" is 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), see p. 1 and 6 of the guidance. A clarification we would like to see from Treasury is how they address the use of other vehicles by a motorcoach operator. If you clearly qualify as a motorcoach operator, because you have OTRBs or motorcoaches, it is unclear how revenue from other vehicles in the fleet are to be addressed.

### **Do Minibuses count as part of the grant?**

The CERTS grant program is to provide funding for motorcoach, school bus, passenger vessel and pilotage vessel transportation providers. Each of these categories is defined, in the legislation and in the guidance document, and each of these categories is eligible to apply for grant funding. The definition of "motorcoach transportation service provider" or "motorcoach company" is 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), see p. 1 and 6 of the guidance.

**Large, high-end shuttle buses may have baggage bays under the floor. Will these be eligible vehicles for the purposes of calculating the grant?**

The CERTS grant program is to provide funding for motorcoach, school bus, passenger vessel and pilotage vessel transportation service providers. Each of these categories is defined, in the legislation and in the guidance document. The definition of "motorcoach transportation service provider" or "motorcoach company" is 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), see p. 1 and 6 of the guidance. If the shuttle buses fit within this definition, the company should be eligible to apply for a grant as a motorcoach service provider.

**To be clear, we do not have a 25% revenue loss if we count all increase in grant funding. We do have more than 25% loss without the grant funding. Are we eligible to apply?**

A threshold eligibility requirement for applying for grant funding is to have "experienced a revenue loss of 25% or more, on an annual, calendar year basis from 2019 to 2020, as a direct or indirect result of COVID-19." In determining a grant award, the grant amount, when combined with any other federal assistance provided in response to COVID, may not exceed the total amount of revenue earned by a transportation services provider company during calendar year 2019. - if so, it does not make you ineligible, but Treasury may adjust the grant award. So, you should apply, and the Treasury Department will take into account the other federal assistance received when it calculates CERTS Act grant award.

**Will there be webinars that the Treasury Department will have prior to opening the application process?**

To date, the Treasury Department has not offered or suggested any webinars. The Treasury Department has taken great care and consideration in designing the program, with the interests of small businesses in mind and the intent to make it easy for applicants to apply.

**What about EIDL and MSL?**

Per the intent of the law, Treasury may adjust the size of an individual grant based on other sources of Financial Assistance received by the applicant. In the guidance (p. 12), receipts from the EIDL program are explicitly listed as one of the "other federal assistance" sources of funding the Treasury Department will take into account when calculating a grant award. The guidance is not as explicit or clear with regard to the MSL program; however, the Treasury Department has broad discretion in considering other forms of Federal assistance, and the guidance does explicitly refer to assistance provided under the CARES Act, which is the law establishing the MSL. It is advisable to provide a summary statement along with your documentation, explaining your sources of Federal assistance.

**For number of CMVs, for those of us with both coaches and school buses, do we not use the numbers for both when applying?**

As part of the application process, you will be required to provide the total number of commercial passenger motor vehicles of all types that you operate, and describe them by type (i.e., number of motorcoaches and separately number of school buses). Based on the revenues of the operations, the Treasury Department will determine which is the principle source of business, i.e., motorcoach operations or school bus operations, and place you in the appropriate grant category.

**ID.me is a confusing website. Can we get instructions?**

Here is a link to the FAQ page from ID.me <https://help.id.me/hc/en-us> to assist you.

**Does the 25% reduction in revenue include affiliates in the calculation?**

The Treasury Department has not clarified the affiliation rules it is applying to this grant application process. Our best guidance is to submit a summary coverage page with your documentation explaining your business model or corporate structure, to assist the Treasury Department in understanding your calculations and make your case for eligibility.