As of October 26, 2020

CARES ACT RELIEF RESOURCES FAQ

GENERAL

Is there a cheat sheet available on each of these programs comparing the differences?

We recommend reviewing our **CARES Act Guide of Eligibility** to determine which programs your organization qualifies for and then comparing the differences among those programs using our fact sheets, which can be **found here**.

Where do I apply for each type of grant or loan? Are they all available to apply for now?

Some of the new loan features are available, some are not. To find the most up to date information, please visit the SBA **here**. You can use the site to find where to apply for the loans, but in general:

- **SBA Economic Injury Disaster Loan:** To apply, please visit the SBA's website **here**. Borrowers can also request an increase to an existing loan when they log into their SBA EIDL account.
- **Paycheck Protection Program (PPP):** Apply through an authorized Bank or Credit Union. To find your nearest authorized lender, please see **here**.
- **SBA Express Loan:** Apply through an authorized Bank or Credit Union. You can find the list of SBA-approved lenders in each state or region **here**.
- **Main Street Lending Program:** Once the program is operational, eligible borrowers can apply through an authorized Bank or Credit Union. You can find more information about how to apply **here**.
- **Municipal Liquidity Facility:** Eligible bond issuers can submit a Notice of Interest by following the instructions available **here.**
- **Corporate Credit Facility:** Once the program is operational, eligible entities can apply using information that will be made available **here**.

- **Community Development Block Grants:** Individuals, businesses, and nonprofits are not eligible for direct CDBG grants (including CDBG-CV grants), but may receive subgrants through states, cities or counties. For a list of eligible grant uses, please see HUD's guidance **here**. HUD has released a **notice** describing the requirements for the grants by state and local governments. **If you are interested in receiving a subgrant under this program, you will need to contact the recipient of the grant in your state, county or municipality as soon as possible.**
    - ***NOTE:*** *HUD has already distributed some CDBG-CV funds and is encouraging states and localities to amend previously submitted spending plans for FY2019 and FY2020 CDBG allocations to incorporate any new measures needed to prevent or respond to COVID-19. HUD also invited states and localities to submit new spending plans for additional CDBG-CV grants. All interested businesses, state tourism offices, and DMOs should contact eligible grantees in their area as soon as possible to request inclusion in grantee spending plans. To find a list of previous grant recipients in your area, please click **here**.*
- **Economic Development Assistance Program (EDAP) Grants:** Eligible entities can apply **here**. Additionally, U.S. Travel hosted a webinar with EDA officials providing an overview of the application process and advice on ways to navigate the process, which can be found **here**.
- **Coronavirus Relief Fund Grants:** Individuals, businesses, and nonprofits are not eligible for direct grants, but may be able to receive subgrants by contacting the chief executive of their state or local government (governor, county executive, or mayor's office). For information on how much each state and local government was allocated, please see **here**.

Is unemployment insurance available for furloughed employees?

Yes, the CARES Act allows individuals who are unemployed, partially unemployed, or unable to work due to the coronavirus outbreak (including furloughed workers and the self-employed) to receive pandemic unemployment assistance for up to 39 weeks, during any period of employment disruption between January 27 and December 31, 2020—with no waiting period requirement. More information about unemployment assistance can be found **here**.

Do the relief resources in the CARES Act apply to seasonal businesses as well?

Yes, there are flexible rules provided for seasonal businesses. For instance, under the Paycheck Protection Program (also referred to as PPP or Business Interruption Loans), seasonal businesses can calculate their average monthly employment and payroll costs based on costs and employment occurring between February 15, 2019 and May 9, 2019, March 1, 2019 and June 30, 2019, or May 1, 2019 and September 15, 2019—instead of the average over the previous 12 months. Contact your nearest **SBA District Office** to see which seasonal allowances apply to you.

Are you able to include severance for terminated staff into any of the relief options?

Yes, severance expenses can be covered under the **Paycheck Protection Program**, the **SBA Express Loan Program**, and the **Economic Injury Disaster Loan Program**, under certain conditions. Additionally, severance might be covered under the lending programs funded through the **Exchange Stabilization Fund**, but details on those programs have yet to be released.

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CARES ACT RELIEF RESOURCES FAQ

Do LLCs qualify if they have no employees?

An LLC without employees qualifies for assistance under the **Economic Injury Disaster Loan Program**, the **SBA Express Loan Program**, and the Main Street Lending Program, as provided through the **Exchange Stabilization Fund** (based on initial guidance). An LLC without employees also qualifies for assistance through the Paycheck Protection Program, but **certain limitations apply** to the compensation provided to partners. LLCs without employees will not be eligible for the **Employee Retention Tax Credit**, but are eligible for **Payroll Tax Deferral** for any compensation subject to self-employment Social Security taxes. For further guidance, please see the IRS's **FAQ on Payroll Tax Deferral**.

SBA LOANS (GENERAL Qs)

The SBA Economic Injury Disaster Loan (also referred to as EIDL or disaster loan) application asks for amount of loss. Do we put what our projected loss is or what we have currently lost so far?

Under the **Economic Injury Disaster Loan Program**, loss is defined as the amount of ordinary and necessary expenses the borrower cannot cover due to the coronavirus outbreak—primarily based on a comparison between your present balance sheet and your balance sheet from before the crisis hit. For more guidance, please contact your nearest **SBA District Office**.

If you previously applied for an SBA Economic Injury Disaster Loan a few days before the CARES Act passed, do you need to reapply?

Yes, the loan features of an **Economic Injury Disaster Loan** significantly changed under the CARES Act, including providing for an immediate grant of $10,000. The SBA created a new application form for these new types of EIDLs, which you can find **here**.

What loan program would you recommend for a small business to get some help with rent for a few months?

Both the **Economic Injury Disaster Loan Program** and the **Paycheck Protection Program** can be used to cover rents. However, since EIDLs do not require 60% of the proceeds to go toward payroll costs, as is required under the Paycheck Protection Program (also referred to as PPP or Business Interruption Loans), it provides for more flexible usage. Additionally, even though the Paycheck Protection Program allows for tax-free loan forgiveness on certain expenses, including rent and lease expenses, no more than 40% of loan forgiveness can go toward non-payroll expenses—with the remaining balance required to be paid back by no less than five years. Under the EIDL program, repayment terms can extend up to 30 years, depending on the borrower's finances.

What is the cap on each different type of loan?

Actual loan amounts are based on need (e.g. expenses, payroll, etc.) and other requirements (e.g. collateral, risk, etc.), but the maximum size for each loan is:

- **SBA Economic Injury Disaster Loan:** $2 million (although SBA may reduce the maximum loan size depending on availability of funds and demand)
- **Paycheck Protection Program:** $10 million

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- **SBA Express Loan:** $1 million
- **Exchange Stabilization Fund:** Each program with the Exchange Stabilization Fund has different loan limits, which have not yet been finalized.

How soon could I expect relief from each type of loan?

Turnaround times may vary, but based on history:

- **SBA Economic Injury Disaster Loan:** 2-3 weeks for the full loan, with a target of 3 days for $10,000 cash advance.
- **Paycheck Protection Program:** Will depend on application volume and the processing capacity of each lender and the SBA.
- **SBA Express Loan:** Generally, 36 hours
- **Exchange Stabilization Fund:** To be determined. The Treasury Department, the Federal Reserve, or financial institutions will issue guidance regarding how quickly loans and other financial assistance will be dispersed.
- **Community Development Block Grants:** Turnaround time will vary depending on the grant application process at the local level, in addition to the time it takes local and federal officials to process any necessary waiver request.
    - ***NOTE:*** *HUD has already distributed some CDBG-CV funds and is encouraging states and localities to amend previously submitted spending plans for FY2019 and FY2020 CDBG allocations to incorporate any new measures needed to prevent or respond to COVID-19. HUD also invited states and localities to submit new spending plans for additional CDBG-CV grants. All interested businesses, state tourism offices, and DMOs should contact eligible grantees in their area as soon as possible to request inclusion in grantee spending plans. To find a list of previous grant recipients in your area, please click* ***here****.*
- **Economic Development Assistance Program Grants:** Grants may be awarded within 60 days of a completed application (including supplemental materials) being submitted to EDA. More information can be found in our factsheet **here**. Additionally, US Travel hosted a webinar with EDA officials providing an overview of the application process and advice on ways to navigate the process, which can be found **here.**
- **Coronavirus Relief Fund Grants:** Turnaround time will vary depending on the grant application process at the local level.

Where can I find a list of SBA lenders in my area?

You can find a list of SBA-approved lenders in each state or region **here**. Lenders specifically participating in the **Paycheck Protection Program** can be found **here.**

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What is the date where the government calculates the 500-employee qualification? The end of a calendar year?

Under the **Paycheck Protection Program,** for the purpose of applying employee-based **size standards**, employee numbers (which includes full-time, part-time, or other basis employees) for most businesses are calculated using the average number of employees per pay period during either the previous 12 months or during calendar year 2019. For seasonal businesses, borrowers can use the average number of employees per pay period occurring between February 15, 2019 and May 9, 2019, March 1, 2019 and June 30, 2019, or May 1, 2019 and September 15, 2019. New businesses can use the average number of employees per pay period occurring between January 1, 2020 and February 29, 2020. The same time periods are also used to determine average monthly payroll costs.

Can you get SBA loans and also tax credits?

You can get an SBA **Economic Injury Disaster Loan** or an **SBA Express Loan** and still claim the Employee Retention Tax Credit, but you cannot claim the credit if you get a loan under the **Paycheck Protection Program**. Further information on the interaction between payroll tax relief and the Paycheck Protection Program can be found **here**.

PAYCHECK PROTECTION PROGRAM (Also referred to as PPP or Business Interruption Loan)

How is employee retention calculated for the Payroll Protection Program?

The loan forgiveness amount is reduced by the percentage of employment and the amount of wages that is reduced over the first 24 weeks of the loan for any employee making $100,000 or less, compared to the applicable period last year. For most borrowers, the “applicable period” is either between February 15, 2019 and June 30, 2019 or between January 1, 2020 and February 29, 2020, at the election of the borrower. For seasonal businesses, the applicable period is February 15, 2019 and June 30, 2019. Total employment is determined by calculating the average number of full-time equivalent employees for each pay period falling within a month.

There’s an allowance for a temporary decline in employment and wages occurring between February 15 and April 27, as long as they are restored by December 31, 2020. Additionally, the penalty doesn’t apply if the borrower makes a good-faith effort to rehire employees, but is unable to due to any demonstrable reason, including if the borrower is unable to fully restore operations due to ongoing health and safety restrictions.

If a business has already reduced its workforce by furlough or layoffs, can it bring them back and still be eligible for the Paycheck Protection Program?

Yes, but loan forgiveness will be reduced if the employees are not hired back within 24 weeks of receiving the loan. However, the penalty doesn’t apply if the borrower makes a good-faith effort to rehire employees, but is unable to due to any reason, including if the borrower is unable to fully restore operations due to ongoing health and safety restrictions. Further, no more than 40% of the loan proceeds can be used for non-payroll costs and still be eligible for loan forgiveness. For more information, please see our **fact sheet** or SBA regulations **here**.

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Is the Paycheck Protection Program (PPP) and 7(a) loan totally separate or are they the same? Are both directly through a lender?

They are essentially separate—with different loan features, requirements, and restrictions—but all lenders authorized to make 7(a) loans are authorized to make PPP loans. More information can be found on our **fact sheet** or through SBA regulations **here**.

How are tips and commission salaries calculated into Paycheck protection Program (also referred to as PPP or Business Interruption Loan) and Employee Retention Tax Credit?

For information on how eligible compensation is calculated under the **Paycheck Protection Program**, please see the **SBA's Guidance here** or contact your nearest **SBA District Office**. For information on how the **Employee Retention Tax Credit** calculates eligible compensation, please see the IRS's **FAQ**.

Do you have to pick and choose one between the Disaster Relief Loan and the Paycheck Protection Program loan? Or can I apply for both?

You can apply for both, but they generally can't be used to cover the same expense. An **Economic Injury Disaster Loan** (also referred to as EIDL or disaster loan) made before April 4 can be folded into a Paycheck Protection Loan, but not vice versa. The **Paycheck Protection Program** is designed to be supplemental to the Economic Injury Disaster Loan program, covering expenses that can't be covered by an Economic Injury Disaster Loan alone. For more information on the interaction of the loans, please see SBA's **FAQ**.

Are individual employees with an annual salary above $100,000 completely excluded from the loan amount calculation? Or are there salaries up to $100,000 included in the loan calculation?

No, compensation for all employees can be covered up to $100,000 per employee. Any compensation provided in excess of $100,000 will not be considered in the calculation of payroll costs. Please see **SBA Guidance** and **FAQ** for further guidance.

If payroll has been reduced to maintain employees, how does that affect the interruption loan or disaster loan? (ex: employees have taken a pay cut in order to be retained).

Economic Injury Disaster Loan Program: A reduction in payroll does not directly impact the loan amount for the EIDL, except that the loan amount is based on any gaps in the balance sheet of the borrower that can be attributed to the coronavirus outbreak—in comparison to the borrower's balance sheet before the outbreak. Reduced payroll expenses may translate into a smaller financial gap on the business' balance sheet, which may result in a lower loan amount. For further guidance, please contact your nearest **SBA District Office**.

Paycheck Protection Program: The loan forgiveness amount is reduced by the amount of wages that is reduced over the first 24 weeks of the loan for any employee making $100,000 or less, compared to the applicable period last year, even if employment remains the same. For most borrowers, the "applicable period" is either between February 15, 2019 and June 30, 2019 or between January 1, 2020 and February 29, 2020, at the election of the borrower. For seasonal businesses, the applicable period is February 15, 2019 and June 30, 2019. Total employment is determined by calculating the average number of full-time

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equivalent employees for each pay period falling within a month. There's an allowance for a temporary decline in employment and wages occurring between February 15 and April 27, as long as they are restored by December 31, 2020. Additionally, the penalty doesn't apply if the borrower makes a good-faith effort to rehire employees, but is unable to due to any demonstrable reason, including if the borrower is unable to fully restore operations due to ongoing health and safety restrictions. For further guidance, please contact your nearest **SBA District Office**.

DISASTER LOANS

Is a Disaster Loan the same as the Economic Injury Disaster Loan?

Yes, an Economic Injury Disaster Loan provided through the SBA is sometimes referred to in the shorthand as a "disaster loan."

Do you have to pick and choose one between the Disaster Relief Loan and the Paycheck Protection Program loan? Or can I apply for both?

You can apply for both, but they generally can't be used to cover the same expense. An **Economic Injury Disaster Loan** (also referred to as EIDL or disaster loan) made before April 4 can be folded into a Paycheck Protection Loan, but not vice versa. The **Paycheck Protection Program** is designed to be supplemental to the Economic Injury Disaster Loan program, covering expenses that can't be covered by an Economic Injury Disaster Loan alone. For more information on the interaction of the loans, please see SBA's **FAQ**.

What kind of collateral is needed to apply for the Disaster Loan?

For SBA's **Economic Injury Disaster Loan Program**, collateral is required for all loans over $25,000, but applicants will not be denied for lack of collateral. In such an instance, the SBA will require the borrower to pledge what is available. For specific guidance on what assets will be accepted for collateral or a personal guarantee, please contact your nearest **SBA District Office**.

Would a 501(c)(6) organization that is not tax exempt be eligible for the coronavirus Economic Injury Disaster Loans?

Yes, however, the SBA does not provide assistance for any business or organization that is "in the business of lobbying." We are pressing the SBA to explain how they determine whether a business or organization is in the business of lobbying. For more information on all the different type of assistance available to 501(c)(6) organizations, please see our guide **here**.

If payroll has been reduced to maintain employees, how does that affect the interruption loan or disaster loan? (ex: employees have taken a pay cut in order to be retained).

Economic Injury Disaster Loan Program: A reduction in payroll does not directly impact the loan amount for the EIDL, except that the loan amount is based on any gaps in the balance sheet of the borrower that can be attributed to the coronavirus outbreak—in comparison to the borrower's balance sheet before the outbreak.

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Reduced payroll expenses may translate into a smaller financial gap on the business' balance sheet, which may result in a lower loan amount. For further guidance, please contact your nearest **SBA District Office**.

Paycheck Protection Program: The loan forgiveness amount is reduced by the amount of wages that is reduced over the first 24 weeks of the loan for any employee making $100,000 or less, compared to the applicable period last year, even if employment remains the same. For most borrowers, the "applicable period" is either between February 15, 2019 and June 30, 2019 or between January 1, 2020 and February 29, 2020, at the election of the borrower. For seasonal businesses, the applicable period is February 15, 2019 and June 30, 2019. Total employment is determined by calculating the average number of full-time equivalent employees for each pay period falling within a month. There's an allowance for a temporary decline in employment and wages occurring between February 15 and April 27, as long as they are restored by December 31, 2020. Additionally, the penalty doesn't apply if the borrower makes a good-faith effort to rehire employees, but is unable to due to any demonstrable reason, including if the borrower is unable to fully restore operations due to ongoing health and safety restrictions. For further guidance, please contact your nearest **SBA District Office**.

EMPLOYEE RETENTION TAX CREDIT (Also referred to as ERTC)

Is the ERTC different than the tax credit available through the Families First Coronavirus Response Act?

Yes, they are different. The **Employee Retention Tax Credit** allows non-governmental employers to claim a refundable tax credit against the quarterly-paid employer portion of Social Security taxes (6.2% of wages). The credit is worth 50% of eligible compensation (including group health benefits), up to $10,000 in employee compensation, providing a maximum credit of $5,000 per employee per quarter. Any employee paid leave benefit that is eligible for a tax credit under the Families First Coronavirus Response Act cannot be included in the calculation of eligible compensation under the Employee Retention Tax Credit. Further guidance can be found in the IRS's **FAQ**.

Under the Families First Coronavirus Response Act, employers can generally receive a refundable tax credit to help cover the cost of paid leave benefits. More information on this credit can be found on the IRS website **here**.

How are tips and commission salaries calculated in the Paycheck Protection Program (also referred to as PPP or Business Interruption Loan) and Employee Retention Tax Credit?

For information on how eligible compensation is calculated under the **Paycheck Protection Program**, please see the **SBA's regulations** or contact your nearest **SBA District Office**.

For information on how the **Employee Retention Tax Credit** calculates eligible compensation, please see the IRS's **FAQ**.

Can you get SBA loans and also tax credits?

You can get an SBA **Economic Injury Disaster Loan** (also referred to as EIDL or disaster loan) or an **SBA Express Loan** and still claim the Employee Retention Tax Credit, but you cannot claim the credit if you get a loan under the **Paycheck Protection Program**. Further information on the interaction between payroll tax relief and the Paycheck Protection Program can be found **here**.

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If our industry is classified by our governor as essential, but we voluntarily shutdown are we still eligible for the ERTC?

Yes, as long as you continue to pay your employees. The credit is based on 50% of eligible compensation (including group health benefits), up to $10,000 in employee compensation, providing a maximum credit of $5,000 per employee per quarter. The credit can be claimed dollar-for-dollar against the quarterly-paid employer portion of Social Security taxes (6.2% of wages), with any excess refunded to the employer. For cases in which the employer also defers payment of Social security taxes, the credit can be claimed against the taxes owed and advanced to the employer before the actual Social Security tax payment is made. More information can be found in the IRS's **FAQ**.

GRANTS

Are there any grants available?

Yes, grants are available in the following programs, through the following ways:

- **SBA Economic Injury Disaster Loan:** $10,000 grant given in the form of a cash advance of the loan that doesn't have to be paid back.
  - *NOTE: In July 2020, the SBA stopped issuing EIDL grants after exhausting its funding limit.*
- **Paycheck Protection Program:** Up to $10 million grant given in the form of tax-free loan forgiveness for the portion of the loan used to cover payroll, (including additional wages paid to tipped employees), mortgage debt interest, rent, and utilities during the first 24 weeks of the loan—which will be reduced if you reduce the number of employees or wages.
- **Community Development Block Grants (CDBG):** Grants and loans may be available through this program. However, it is up to the State, county and local officials that receive the funds to determine what kind of grants or loans will be made available to third-party entities. **Find out who administers the CDBG Program in your area**.

  NOTE: *HUD has already distributed some CDBG-CV funds and is encouraging states and localities to amend previously submitted spending plans for FY2019 and FY2020 CDBG allocations to incorporate any new measures needed to prevent or respond to COVID-19. HUD also invited States and localities to submit new spending plans for additional CDBG-CV grants. HUD is currently soliciting pre-submissions of grantee spending plans to expedite the grant review and disbursement process. All interested businesses, state tourism offices, and DMOs should contact eligible grantees in their area as soon as possible to request inclusion in grantee spending plans. To find a list of previous grant recipients in your area, please click **here**.*
- **Economic Development Assistance Program (EDAP) Grants:** Both grants and loans may be made available through this program. Further information can be found in our **fact sheet** or on **EDA's website**.
- **Coronavirus Relief Fund Grants:** States and local governments are given broad discretion in how they use the funds, but can use the money to support travel businesses or tourism remarketing, if related to

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the pandemic. Information on how much each state and local government was allocated can be found **here**. To find out how you can access these funds, please contact the chief executive of your state and local government (governor, county executive, mayor's office). Further details can be found in our **factsheet** or through the Treasury Department's **website** or **FAQ**.

EXCHANGE STABILIZATION FUND

What is the interest rate for loans provided through the Main Street Lending Program?

Under the **Main Street Lending Program**, interest rates will range from 3 to 4%, according to preliminary guidance provided by the Federal Reserve, which may be subject to change before the program is operationalized. Please see our **fact sheet** for additional information on the assistance provided through the Exchange Stabilization Fund.

CORONAVIRUS RELIEF FUND (CRF)

How do I access CRF money?

To access CRF money, you will need to contact the chief executive (governor or mayor) or legislature of the state or local government receiving the funds. To find a list of local governments that received a direct allocation from the Treasury Department, please see **here**.

- ***NOTE:*** *Some local governments may have received CRF money through their state rather than as a direct allocation from the Treasury Department, and therefore may be subject to additional terms and conditions imposed by the State.*

What are the terms and conditions associated with the CRF?

Under the law, funds can only be used on expenses that:

- Are related to the COVID-19 pandemic (including secondary effects of the pandemic);
- Are not accounted for in a previous budget; and
- Are incurred before December 30, 2020.

Expenses must meet all of the requirements above to be compliant with the law. For more information, please see the Treasury Department's CRF **website**.

- ***NOTE:*** *Some local governments may have received CRF money through their state rather than as a direct allocation from the Treasury Department, and therefore may be subject to additional terms and conditions imposed by the State.*

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Can CRF money be used to fund destination marketing campaigns?

Yes, according to an updated **FAQ** requested by U.S. Travel, funds can be used to remarket a recipient's convention facilities or tourism industry, such as to publicize the resumption of business activities or steps taken to ensure a safe and healthy travel experience. However, funds cannot not be used to replace lost revenue or to fund a normal marketing campaign that would have run regardless of the pandemic. For more information, please see our **CRF webinar** or **Grants factsheet**.

Can CRF money be used to develop destination marketing creatives?

Yes, but only if creatives need to be developed specifically to publicize the reopening of local convention facilities and tourism businesses, or publicize steps taken to ensure a safe and healthy travel experience. Funds cannot not be used to replace lost revenue or to fund the development of creatives that are not distinctly related to the pandemic. For more information, please see our **CRF webinar** or **Grants factsheet**.

- ***NOTE:*** *Each state may interpret Treasury's guidance on this subject differently. Additionally, some local governments may have received CRF money through their state rather than as a direct allocation from the Treasury Department, and therefore may be subject to additional terms and conditions imposed by the State. It is important to follow the legal advice of the state or local government seeding you the funds.*

Have any State Tourism Offices (STOs) or DMOs been able to access the funds so far?

Yes, several states have set aside CRF money for travel promotion purposes or to support local travel businesses and organizations. The following is a sample of STOs and DMOs that have received CRF money:

Mississippi	Received $15 million
Missouri	Received $15 million
Montana	Received $15 million
North Carolina	Received $15 million
Tennessee	Received $25 million
Utah	Received $12 million
Vermont	Received $5 million
Wisconsin	Received $8 million for tourism promotion and operations; $5 million for arts and cultural organizations
Experience Columbus (Ohio)	Received $2.3 million

How does the December 30th deadline apply to travel promotion campaigns?

According to the Treasury Department's **guidance** (page 2), funds must be used by the December 30th deadline, or returned to the U.S. Treasury. Under their interpretation of the law, not only must expenses be incurred before the December 30th deadline, but additionally, anything paid for with the funds must be utilized before the deadline. Essentially, they infer that items/activities utilized after the December deadline do not respond to the current pandemic. However, they make a narrow exception for "goods," allowing for

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goods to be used after the deadline if bought in bulk before the deadline with a substantial amount used before the deadline. They do not specify how the deadline should be applied to marketing campaigns or define the term “goods,” thus ad space or ad time may qualify for this exception.

- ***NOTE:*** *Each state or local government may interpret Treasury’s guidance on this subject differently. It is important to follow the legal advice of the state or local government seeding you the funds, as they will need to defend any such use if audited by the Treasury Department. Their commitment to any such use may influence the ultimate success of defending it.*

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