IN JULY, BUSINESS INSIDER PUBLISHED AN ARTICLE TO raise awareness that "small businesses still have time to claim the Employee Retention Credit before it expires." Small colleges are small businesses — and many have unclaimed Employee Retention Credit (ERC) benefits due to expire soon if they don’t act quickly.

Many leaders of organizations such as colleges, hospitals, nonprofits, professional firms, and other companies have not applied for the substantial ERC funding to which they are entitled. Primarily, this is because they haven’t found advisors they trust, or because they don’t have the information to know if they qualify. Unless your advisors have in-depth, specific ERC expertise, they may think you don’t qualify.

Brenda Allen, president of Lincoln University — the first degree-granting historically black college in the nation — said she received many messages from various individuals about the ERC, and after speaking with a member of our team, she chose Sheridan Wealth Advisors to provide ERC filing services for Lincoln.

“The ERC is very useful for small colleges,” she said. “Being able to have access to cash that can help to make our schools whole, especially after all the sacrifices that we’ve had to make in order to stay healthy through COVID. So I think it’s really important that small colleges understand how important this credit can be to help colleges get back on their financial feet.”

I’ve been working with small colleges and universities to investigate what ERC benefits they are due, and the results have been more than modest. One community college in the Pacific Northwest recently secured over $1 million in ERC funding — money it never would have seen had its leaders not secured help in filing. If your college hasn’t filed for ERC benefits, you may be missing out. And if your college has filed already, it’s quite possible that you didn’t receive all the funds you were due.

College leaders should take a few minutes to learn about the ERC and, if your institution qualifies, to file a claim on behalf of your institution. Following is some information that can help you determine your eligibility.

What is the ERC?
The ERC is a federal government program designed to help businesses recover from the impacts of COVID-19. ERC is not a loan; it’s income. This money comes to you directly as a check(s) from the Internal Revenue Service (IRS). The Aktiv 360° Manager is a software tool designed to help businesses manage the ERC process. It’s a comprehensive solution that can help you determine your eligibility, file your claim, and receive your benefits in an efficient and straightforward manner.
Revenue Service, which administers the program, and you can spend it any way you want.

**What are the eligibility criteria for receiving ERC benefits?**

If you had fewer than 500 full-time employees in 2019, then your college could qualify for ERC benefits in either of two ways:

1. **Revenue test:** Did you experience a 20% decrease in revenue in the first, second and/or third quarter(s) of 2021 compared to the same period in 2019 and/or a 50% decrease in any quarter in 2020 revenue compared to 2019 revenue?
2. **Government order test:** Did a ruling or order from the federal, state, or local government have more than a nominal impact on how you operate your business?

If someone says your organization doesn’t qualify, it would be worth your while to conduct your due diligence by asking a reputable source such as Sheridan Wealth Advisors. The criteria are technical, but we work with them daily. Probably 50% of clients that have come to us that had been told that they didn’t qualify, actually do qualify when we apply the second eligibility test.

**How much effort is required from my staff?**

Based on our experience, it should take a college’s accounting department no more than one to two hours to upload the documents needed to qualify your institution.

**How long will this take?**

The process of analyzing and calculating credits generally takes two to three weeks. The IRS is taking four to six months to process claims for credits up to $500,000; larger amounts take longer.

**Does receiving HEERF funding or a PPP loan mean my college can’t get ERC benefits?**

No. Receiving HEERF and/or a PPP loan is not a disqualification.

**How much money could my college receive? And how can we use it?**

The amount of the unrestricted check you’ll receive from the IRS depends on how many eligible employees you have. You can use it any way you like. Most colleges’ payouts are at least six figures, and some have received seven-figure benefits.

**What if we’ve already filed?**

Few ERC companies know the law and how to maximize credits like Sheridan Wealth Advisors. We review organizations’ filings regularly and will almost always increase the ERC credits that they qualify for. The increases are usually 10% to 100% more than the original credit.

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Mark Eidelman is a director of Sheridan Wealth Advisors. He can be reached at markdeidelman@gmail.com or by phone at (c) 240.460.1242 or (o) 301.279.8780