

Did you know ...

You likely Qualify for the Employee Retention Credit?

\$130,000 ...

... what you could earn for every 5 employees

Whether you are a For-Profit, Nonprofit, or Not-for-Profit Organization ...

Approximately 90% of people who don't think they qualify – actually qualify!

CCI's PASSION: SAVE \$



Rick Sible

Rick and Dan's creativity has delivered over \$500 Million in savings for their clients.

How? By asking questions; identifying patterns; and streamlining processes.

Today, we're pleased to offer complimentary access to our team & proprietary process; we'll evaluate and advise you on what you can save – then you decide on how to proceed.

We are here to serve you.



Dan Kallman

Get a 2nd Opinion, Risk-free

You're busy running your organization – leverage our experience and our network to claim this credit. It is *not* a loan and there are *no restrictions* on how you may spend your refund which could be as high as \$26,000 per employee (\$130k for every 5).

The following pages provide additional insight into ...

1. why our team is considered a "brain surgeon" in the ERC space
2. why 90% of our clients don't believe they qualify for an ERC refund
3. why Enrolled Agents or Certified CPAs will file your amended return (941-X)
4. how our team's proprietary software ...
 - a. identifies 15%-to-30% more of a refund if you also took PPP money
 - b. eliminates human error associated with qualification rules
5. your guarantee when working with us ...
 - a. Compliance with program rules – especially qualification guidance
 - b. Calculations are accurate

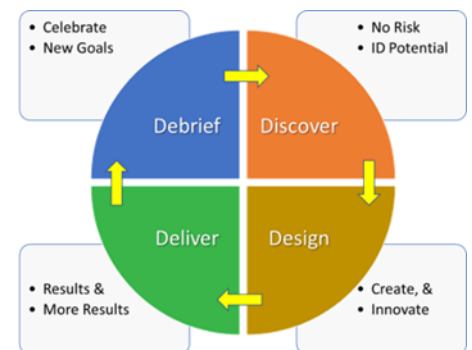
Anyone may arrange his affairs so that his taxes shall be as low as possible ... for nobody owes any public duty to pay more than the law demands.

– Senior Judge Learned Hand in *Gregory v. Helvering* (1935)

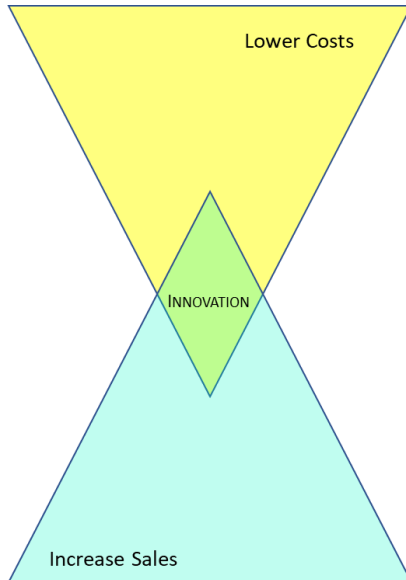
We tailor our cost-saving creativity to deliver exceptional results!

- We start this process by having a conversation
- **We ask Questions!**
 - To understand your issues
 - To understand your vision
- **Then we craft your Solution!**
 - To enhance customer experience
 - To streamline your business

Pathway for Turning Costs into Profit



The CCI Difference



Keep it Simple and Clear

Leverage our team and our proprietary *360° Sustainability Model*.

This gives you the ability to focus on a specific area without losing sight of all the things affecting your organization.

Call us for a complimentary evaluation or visit www.costcuttersi.com.

Oh, one more thing – how do we earn money? When we deliver results – this is why we love our contingency-based business model because we tie our success to your success.

Contact us ...

w. 313.880.1224 w. 616.330.1224
savings@costcuttersi.com

We love asking *Did You Know* questions! We have hundreds of diagnostic questions to help you save money but we've learned to start with "have you filed for your ERC refund?" because it's a quick win.

We serve clients across the nation and around the world. In addition to our unique ERC services, we also helped local organizations save money on their merchant account bills, natural gas bills, electric bills, workers' comp insurance bills, and even on their tax bills.

We want to make sure you get everything you're entitled to receive.

We've created a way to sort through and make sense out of all the new information being generated every day concerning cost reduction best practices. Our *360° Sustainability Model* not only helps us categorize data but also helps to make sure solutions we bring to you today will still be relevant in the future.

We know we can save you money – today – right now! As cost saving specialists, we'll analyze your specific cost drivers, share with you what we learn and then help you choose an appropriate course of action.

We handle the complexity of ERC processing with all of its confusing regulations and deliver the facts you need to make an informed decision.

We understand you have an organization to run and have limited time to pursue extra projects; **let us focus on capturing as much of this refund as possible so you can use it for your mission.**

Kick Start Innovation

We've helped our clients understand that trying to answer the question *how does something work* is not as important as answering the question *does it make sense for my organization*.

Here at CCI, we can help you answer both questions in order to make an informed decision. We've journeyed through the "swamp" and can guide you to a path that accelerates your sustainability efforts.

It would be our honor and pleasure to come alongside you and your team to help make a difference for your organization.

We look forward to serving you.

DEMYSTIFYING THE EMPLOYEE RETENTION TAX CREDIT (ERC)

Modified on: Mon, 29 Aug 2023 at 05:00 AM



Are you getting \$26,000 per employee?

As of the end of July, 2023, the IRS Commissioner was quoted as saying over 2.5 million claims for ERC had been submitted. That's a lot of claims.

But it is still well below the number of organizations expected to submit legitimate claims for an ERC refund (which was estimated to help 20-to-22 million organizations).

Most of our client organizations do not qualify for \$26k per employee; most average between \$10k and \$22k per employee but we have had some go above \$26k because they qualified for special treatment (usually as a start-up during COVID). Again, this is totally dependent upon the specifics tied to your organization.

While most clients qualify, some of our clients *do not* qualify for a refund. As you pursue a *2nd Opinion* keep this in mind that “not qualifying” happens about 10-to-12% of the time.

Did you know our supplier does not advertise? – they outsourced this role to specialists, which includes CCI. Our supplier does charge a \$2,600 fully refundable deposit that will either be applied to your 20% contingency fee once you get your refund or it will be returned in the unlikely event you do not qualify for a refund.

How do we earn our money? We earn our money when you pay your contingency fee.

Read-On for a Quick History on this ERC Refund

This tax credit was originally signed into law as a result of the COVID-19 crisis with the CARES Act in 2020 and then was updated multiple times over the last three years. Updated by the Consolidated Appropriations Act of 2021 (CAA) and then again by the American Rescue Plan Act (ARPA) and then the Inflation Reduction Act (IRA). However, there is also a previous version of the Employee Retention Tax Credit that focuses on Disaster Relief.

Are we confused yet?!!! To clarify the differences between the two, we will call one *CARES ERC* or C-ERC and the previous version *Disaster ERC* or D-ERC.

CARES-ERC (C-ERC)

The Coronavirus Aid, Relief, and Economic Security (CARES) Act created a new employee retention tax credit for employers who were impacted by COVID-19.

The purpose of the tax credit was to keep workers on the payroll during the pandemic.

The Employee Retention Tax Credit is an *offset to payroll taxes*, not an income tax credit. The original credit began March 12, 2020, and its original expiration date was the end of 2020. The CAA extended ERC through the first half of 2021, and then the American Rescue Plan (ARPA) extended it through the end of 2021 but the IRA Bill made it end on 9/30.

Who is Eligible? While there are many paths to qualify for the ERC refund, you basically have to satisfy one of the following two major tests

Private employers, including non-profits, that: (1) satisfy one of the many *Nominal* tests (non-financial) enacted in the law: *for example, if you had to change the way you handled guests within your facility that might satisfy this test*; **-OR-** (2) you satisfy a decline in gross receipts test (by more than 20% in 2021 or more than 50% in 2020).

How "Big" Is the Tax Credit?

Usually \$26,000 per employee:

- \$5,000 per employee for 2020;
- \$7,000 per employee per quarter in 2021 – most will not qualify for Q4 in 2021
- If you qualify for Q4 – you get to potentially claim another \$7,000 per employee

So, if you had 10 employees then you might get \$26k or even \$33k but more than likely you will not qualify for every quarter which will lower your payout. Taking PPP loans will also lower your payout.

Again, depending on your unique situation – your payout per employee could range between \$10k and \$22k ... or for 10 employees your total refund should range between \$100k & \$220k.

One more caveat: if you qualify for a refund then the IRS will calculate and pay you interest on the amount of your refund; that interest is 100% yours to keep and is *not* subject to the 20% contingency fee.

How would you invest the money received from this unique incentive?

How Is the Credit Taken?

The CARES ERC is applied against the employer portion of payroll taxes (quarterly Form 941).

The ERC is "fully refundable" — if the credit exceeds the employer's share of payroll taxes, then the excess is treated as an overpayment and refunded to the employer.

This is NOT-a-Loan ... you may use the proceeds in any way you see fit.

Can an employer take both PPP and ERC?

YES! As of December 21, 2020, and the passing of the Consolidated Appropriations Act of 2021, employers can take both PPP and ERC. Congress will allow employers to claim both, but not for the same dollars of payroll costs. *The tax credits can be stacked for the highest benefit to the employer.*

Key C-ERC Takeaways

- Refundable credit of up to \$5,000 per eligible employee for 2020 (3/12 – 12/31)
- Refundable credit of up to \$21k or \$28k per eligible employee for 2021
- **You qualify if you meet a nominal test or if you meet a financial test**
- If you were not in business in 2019, you can use the corresponding quarters from 2020

- Our Enrolled Agent (EA) or CPA will file your amended return (a 941-X)
- If you received a Paycheck Protection Program (PPP) loan, you can still claim ERC for qualified wages not treated as payroll costs in obtaining forgiveness for the PPP loan

While this concludes our overview of what most organizations will qualify for – the CARES ERC, the following page gives you a quick overview of the details about the Disaster ERC refund.

DISASTER-ERC (D-ERC)

While you may or may not qualify for this credit – it's always a good idea to at least look at it! The Further Consolidated Appropriations Act, signed on December 20, 2019, included an extension to the existing Employee Retention Credit for employers affected by qualified disasters during 2018 and 2019. ERC or ERTC is a tax credit that has been around for years, specifically focused on disaster areas.

Who Is Eligible?

Employers who operated in a qualified disaster zone and became inoperable due to the disaster continued to pay or incur wages for eligible employees.

As of June 2, 2020, these areas were predefined by President Trump and included 282 counties in the following states: Alabama, Alaska, Arkansas, California, Florida, Georgia, Hawaii, Indiana, Iowa, Mississippi, Missouri, Nebraska, North Carolina, Ohio, Oklahoma, South Carolina, South Dakota, Texas, and Wisconsin.

How Much Is the Tax Credit?

D-ERC is a 40% tax credit for up to \$6,000 of earnings paid to each eligible employee making the maximum credit for this program at \$2,400 per eligible employee.

How Is the Credit Taken?

You claim it on the employer's Federal tax return as an income tax credit.

IN SUMMARY

If you're like most of our clients you want this question answered: *"what do I qualify for?"*

Legislation related to Hiring Incentives is constantly changing due to the COVID-19 crisis. We stay informed and educated about these constant changes to the law and ensure that our clients get the highest tax incentive as possible.

We look forward to continuing the conversation to discover what we can do for you!

Contact us ...

w. 313.880.1224 w. 616.330.1224
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Jorns & Associates



Jorns & Associates, LLC
IRS PTIN P00539149
CAF 0200-13397R



Presentation

LEARNING ABOUT YOUR COMPANY

- Give a brief overview of your company and industry.
- How many full-time employees do you have (2020-2021)?
- Have you received any PPP loans?
- If so, have they been forgiven?
- What do you know about Employee Retention Credits?

DID YOU KNOW THAT MISINFORMATION ABOUT ERTC COULD BE COSTING YOU A FORTUNE?

FORBES MAGAZINE ONLINE EXPLAINS WHY:

- ❖ Small and medium businesses as well as tax-exempts/charities are **leaving billions of dollars on the table** because they don't know if they qualify.
- ❖ The IRS management anticipated that approximately **70% - 80% of small and medium businesses (as well as tens of thousands of charities) were good candidates** for taking the ERC. The reality is, to date the actual numbers of businesses and charities applying for the ERTC is far below that.
- ❖ The failure of business owners and tax-exempt managers to take advantage of the ERTC is due to **fundamental misunderstandings and confusion** about the credit and the CARES ACT.
- ❖ The core problem is that **business owners and tax-exempt managers (as well as many CPAs)** do not understand the goal Congress was intending to accomplish with this **\$80 billion dollar tax credit**.

WHY JORNS & ASSOCIATES

- 1. We are one of the 3 largest ERTC specialty firms in the United States:**
 - 10,000+ Clients
 - \$5+ Billion in filings
- 2. We act as a 3rd party preparer status for our clients:**
 - We don't just file, we partner with clients every step of the way including long term support.
- 3. We are 100% focused on ERC and our client's ERC needs all day, every day:**
 - Because of this, we developed proprietary computer software called "MAPS," which generates 15%-30% more ERC money for our clients with forgiven PPP loans.

THE EMPLOYEE RETENTION TAX CREDIT [ERC]

ERC is an Economic Stimulus Payment:

- First introduced in *CARES Act* on March 25, 2020
- Amended by 2021 *Consolidated Appropriations Act* and *American Rescue Plan Act*



THE EMPLOYEE RETENTION TAX CREDIT [ERC]

ERC is an Economic Stimulus Payment:

2 years of ERC – 2020 & 2021

ERC 2020

100 or less F/T W-2 EE's

Up to \$5k per F/T W2 EE's

ERC 2021

500 or less F/T W-2 EE's

Up to \$21k per F/T W2 EE's

TOTAL FOR BOTH YEARS = Up to \$26k per F/T W2 EE's



HOW THE EMPLOYEE RETENTION TAX CREDIT WORKS

- Paid to you directly via a check
- *Fully refundable* tax credit against employer portion of Social Security/Medicare
- Not a Loan and has no requirements on how it's spent
- Claim by filing amended 941-X quarterly returns taking the ERC credit on Line 18 & 26



EMPLOYEE RETENTION TAX CREDIT BASICS

95% of our clients don't believe they qualify based on these MISCONCEPTIONS:

- Did not have a revenue decline.
- Did better during COVID.
- Did not shut down.
- Received PPP Loans

While these are factors in the process, these do not disqualify you.



ERC PRE-QUALIFICATION QUESTIONS

- **ORIGINAL GUIDANCE** - Gross Receipts Reduction 2020 and 2021 vs. 2019? (Quarterly)
- Revenue sectors showing a decline?
- Additional expenses or costs to the business to deal with COVID?
- Trade Shows & Conferences – gone virtual? Not attended?
- How do you engage with customers and prospects?
- What changes did your business make in response to COVID-19?
- What do you not do now or during COVID that your business used to do?
- How were your office operations impacted?
- How were your warehouse and distribution operations impacted?
- How were your customer-facing operations impacted?
- How were your suppliers and key customers impacted?



Did your business **fully** or **partially** suspend operation during any calendar quarter in 2020 and/or 2021 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19 (includes working from home)?

OUR GUARANTEE AND AUDIT SUPPORT

We DO NOT guarantee any specific refund amount until we have payroll data.

We DO guarantee that our calculations are accurate.

We DO guarantee that our filings with the IRS as a paid-preparer are compliant with program rules and regulations.

We DO provide long-term audit support and carry E&O (errors and omissions) insurance.



OUR SERVICE PERCENTAGE & STRUCTURE

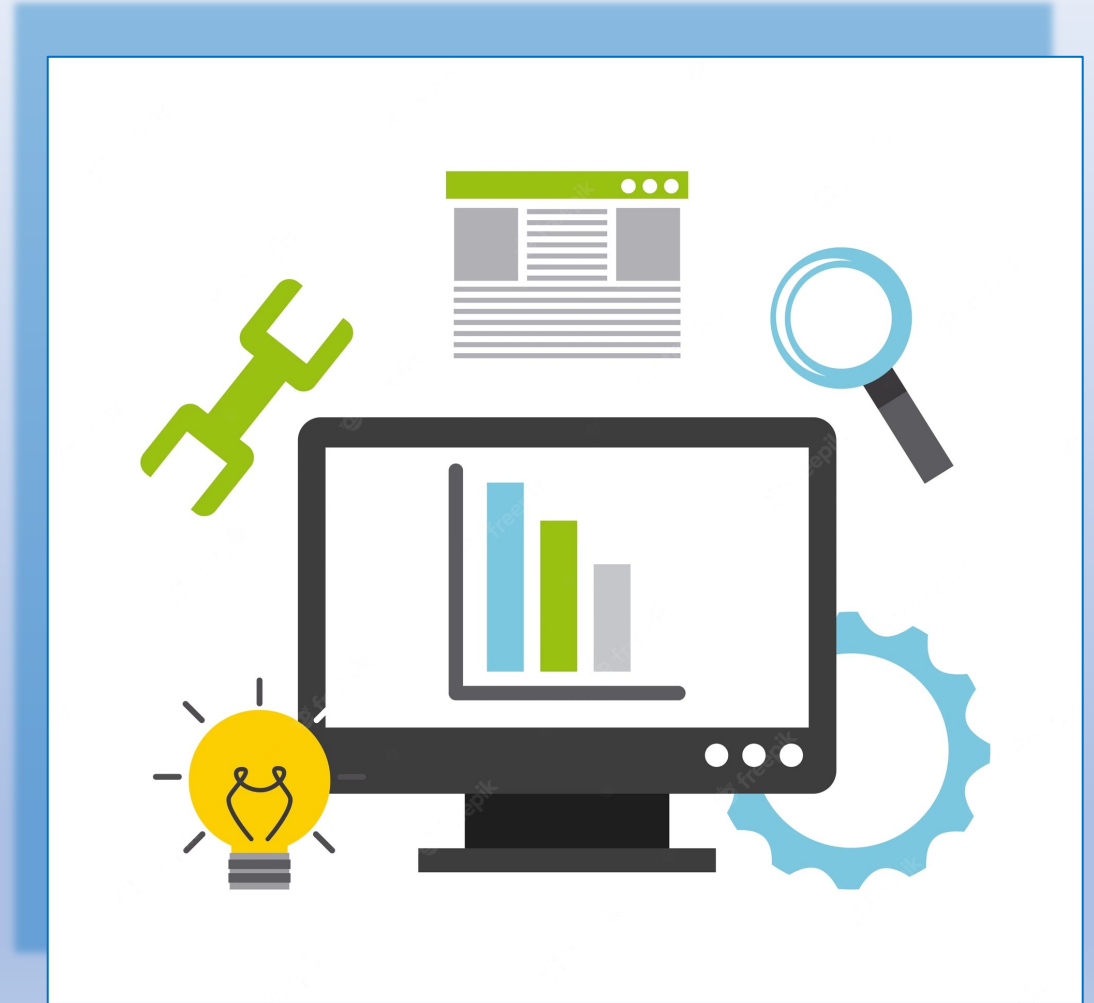
- Jorns & Associates offers zero financial risk with a contingency fee of 20% on amount of credits delivered ([Excluding Interest; See Note 1](#))
- Fully refundable deposit of \$2,600 due at signing
- Software-performed calculations; eliminates human error
- Audit-ready package including compliance services

Note 1: A deposit toward the contingency payment is customarily requested to begin the engagement to ensure client is timely with delivery of required payroll data and 941s. This deposit is subtracted from the amount due when Client receives the tax credit refund check. The \$2,600 deposit is fully refunded if we cannot submit a claim or for any reason given by our Client.

OUR PROPRIETARY MAPS SOFTWARE

When it comes to filing for the ERC, clients are allowed to maximize wages that are used toward their PPP Loan Forgiveness and the ERC Calculation.

Our proprietary **Multi Application Processing System (MAPS) Software** yields 15% to 20% more in ERC amounts calculated on average for clients who took advantage of the PPP Loan Program when compared to our large competitors in the market. The percentage increase is even greater when compared to smaller firms that are assisting clients with the ERC filing.



OUR PROPRIETARY MAPS SOFTWARE

Actual Client Calculations for a Refile - What They Got vs. What We Would Do

2020 ERC Calculation:

- \$262,311.11 - Client received for 2020
- \$473,385.68 - Jorns ERC amount 2020
- **\$211,074.57** - Additional with Jorns

2021 ERC Calculation:

- \$688,244.15 - Client received for 2021
- \$850,753.85 - Jorns ERC amount 2021
- **\$162,509.70** - Additional with Jorns

Additional ERC through Jorns & Associates LLC:

- \$211,074.57 - 2020
- \$162,509.70 - 2021
- **\$373,584.27** - Total ERC 2020 & 2021

*Which Number would you want: \$1,324,140 or \$950,555?
- our proprietary process delivered 39.3% more in ERC refunds*

Even if the other firm prepared the ERC filing for free, we still delivered \$108,756 more even after paying our contingency fee.

Again, which number would you want?!!!

THE NEXT STEPS AND TIMELINE

- You Sign the Engagement letter.
- You Remit the Fully Refundable Deposit.
- We Assign an Account Manager & Onboarding Specialist.
- You Complete the Questionnaire and Submit the Required Documents.
 - ✓ Revenue Spreadsheet
 - ✓ 941s
 - ✓ Payroll Documents
 - ✓ PPP Details
- We Prepare the Filing Documents (by CPAs).
- You Review & Sign the revised 941x documents.
- We file your 941x documents with the IRS.
- You Receive Refund Check[s]: <\$200k might come in 3 months; >\$200k might take 12+ months
- We invoice you for the remaining balance (only due after you receive payment).



THE JORNS ADVANTAGE

- Specialty Firm
- 100% ERC Focused
- IRS Paid Preparer
- Among the top 3 Specialty Firms in the U.S.
- Boutique Style hands-on relationship with our clients
- 10,000+ Clients
- Over \$5 Billion in Filings
- MAPS Proprietary Software (15%-30% more ERC)
- Unlimited ERC Support
- **Risk free for our clients**



CLIENT TESTIMONIALS

Our CPA referred us over to Jorns & Associates to assist us with the ERC filing for our dental practice because we needed a firm that specialized in filing for the ERC to help us . The team over at Jorns helped us receive over \$220,000 in credits! ~ Dr. Hoang B. Orthodontics

Our revenue took a small hit over 2020 but it didn't hit the threshold the IRS requires for a company to qualify for the ERC. The team over at Jorns & Associates helped us qualify for over \$276,000 for our 2020 credit. We have another \$500,000+ on the way for the first 2 quarters of 2021 and they will help us with our 3rd quarter filing very soon. ~ Omar C. Owner of a Financial Consulting Company

We were told by our CPA that we would not be able to qualify for the Employee Retention Credit because our revenue was up in 2020 versus 2019. Jorns & Associates had us fill out their questionnaire then dug deep into our revenue data, and we ended up qualifying for over \$31,600 for our 7 employees in 2020 alone. ~ Jon M. Owner of a Vacuum Pump & Supply Co.

We own 3 car dealerships and didn't know much about the ERC program. Our CPA referred us over to Jorns & Associates to assist us with applying for the ERC as that is what they specialize in. We have qualified for over \$2.4 Million Dollars in ERC, and we still have the 3rd quarter of October to file for shortly! ~ J Bell Owner Car Dealerships



Jorns & Associates



Jorns & Associates



Employee Retention Tax Credit

Jorns & Associates, LLC
IRS PTIN P00539149
CAF 0200-13397R