

JONES COUNTY JUNIOR COLLEGE
SMALL BUSINESS DEVELOPMENT CENTER
A MEMBER OF THE MISSISSIPPI SMALL BUSINESS
DEVELOPMENT CENTER (MSBDC) NETWORK.
MSBDC has assisted Mississippi businesses since 1981

NEWSLETTER

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Special edition on: The Promise of Free Money
December 2004 Issue
Director: Greg Butler
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1. Welcome From The Director
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Recently I have been receiving a larger than usual number of telephone calls from people seeking government grants to help them start or expand their business. Rarely a day goes by without at least one person calling to get information about grants to start or expand their business. In this month's newsletter I am going to address, "The Promise of Free Money".

---Greg Butler

NOTE:

Our subscriber list is NOT made available to other companies or individuals. We value every subscriber and respect your privacy. If at any time you wish to cancel your subscription, simply type 'remove' in your return email address.

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2. The Promise of Free Money

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You have probably seen the ads in newspapers and on television: “Free Money from the Government to Help You Start or Expand a Small Business”. In recent weeks I have talked to a number of people that have paid between \$25 and \$900 to groups promising to help them get a grant from the government to start or expand their business. Usually, all these people got, if anything, was a directory of government programs compiled from sources that they could have accessed for free, such as Federal Funding Opportunities at www.fedgrants.gov and the Catalog of Federal Domestic Assistance at www.cfda.gov. And in no instance do I know of anyone that actually got any information to help them get a grant for their business from one of these companies.

If you search these sites, what you are most likely to find is that the vast majority of available grant money is targeted at non-profit organizations and government agencies to fund community revitalization, training and education, or research projects. Those grants that are available to small businesses are typically very narrow in purpose for companies to develop new technologies or provide specific services for government agencies, such as NASA, the Department of Defense, and Homeland Security.

The following is a statement from the U.S. Small Business Administration website at www.sba.gov/expanding/grants.html:

“The U.S. Small Business Administration does not offer grants to start or expand small businesses, although it does offer a wide variety of loan programs. (See <http://www.sba.gov/financing> for more information) While SBA does offer some grant programs, these are generally designed to expand and enhance organizations that provide small business management, technical, or financial assistance. These grants generally support non-profit organizations, intermediary lending institutions, and state and local governments.”

It is very unlikely that you will find a grant to help you start or expand a restaurant, a retail store, or whatever for-profit business you have in mind despite what you hear on television or from a friend that knew someone that got a government grant. Don't buy into the “myth” of free money to start or expand your business and by all means beware of companies that promise

you government grants for a fee. Most, if not all of them, are scams.

In an October 30 article in the Clarion Ledger, the Better Business Bureau of Mississippi warned consumers of a potential telephone scam that has targeted residents across the state. A Florida-based company identifies itself as an unspecified government agency offering grants ranging from \$8,000 to \$25,000. Callers ask for a person's checking account number so they can draft a \$239.99 processing fee. According to Bill Moak, president and chief executive officer of the Mississippi BBB, "There is no program that gives people money just on the basis of need. There are grants for education...or disaster relief, but they are very specific." Mr. Moak went on to say that his office had received a dozen complaints about the solicitation and that a BBB official in Tampa, FL, said that office had received 290 complaints about the company.

The Better Business Bureau offers the following advice on its website at www.bbb.org:

- Watch out for phrases like "free grant money". Grants do not have to be repaid; thus there is no need to use the word "free".
- Check with a regional or state economic development office to see if they know of grant programs for which you might qualify.
- Be wary if you are asked to provide money up-front to an unknown company before the company will provide the services promised.
- Always remember to check out any company in which you plan to business by contacting the Better Business Bureau (BBB).

To have a Satisfactory Record with the Better Business Bureau, a company must be in business for at least 12 months, properly and promptly address matters referred to it by the Bureau, and be free from an unusual volume or pattern of complaints and law enforcement action involving its marketplace conduct. In addition, the Bureau must have a clear understanding of the company's business and no concerns about its industry. This does not mean that the company has necessarily been investigated by the Better Business Bureau.

In my opinion it is far more productive to spend your time working on improving your business or business idea than

wasting it looking for the myth of “free money” for your business.

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3. Quote of the Month
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“If it sounds too good to be true, it probably is.”

---Unknown

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4. Workshop Schedule
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SO YOU WANT TO START YOUR OWN BUSINESS

- Greg Butler, Presenter

Cost: FREE

Monday, 1:30 - 4:30 p.m.

(JCJC Campus, Forestry and Life Science Building, Room 206)

2/21

3/14

Tuesday, 9:00 a.m. – 12:00 noon

(Lake Terrace Convention Center, Executive Conference Room)

2/1

3/1

Tuesday, 6:00 p.m. - 9:00 p.m.

(JCJC Campus, Forestry and Life Science Building, Room 206)

12/14

1/17

2/8

Tuesday, 6:00 p.m. – 9:00 p.m.

(Lake Terrace Convention Center, Executive Conference Room)

1/25

2/22

3/22

*****SPECIAL*****

SO YOU WANT TO START YOUR OWN BUSINESS
WORKSHOP

-Greg Butler, Presenter
Cost: FREE

Pearl River Valley Opportunity Office
756 Highway 98 Bypass
Columbia, MS

Tuesday, February 15, 2005
6:00 pm – 9:00 pm

SERVSAFE CERTIFICATION TRAINING
(JCJC Campus, Community Services Building)

-Kathy St. Amant, Presenter
Cost: \$125.00

January 24 – 28
5:00 pm – 9:00pm

February 22 – 24
9:00 am – 4:30 pm

March 22 – 24
9:00 am - 4:30 pm

To register for any of these workshops, please call us at (601)
477-4235 or e-mail us at sbdc@jcjc.edu.

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5. Subscription Management
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You will continue to receive the Small Business Development
Center Newsletter automatically. You may unsubscribe at any
time by simply sending a reply with the message: “Remove
from newsletter.” Or if you received this newsletter from a
friend or associate and want to sign up, simply send a reply with
the message: “Please sign me up for your newsletter.”

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6. Contact Information
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A member of the Mississippi Small Business Development
Center Network

Helping to Develop the Pinebelt One Business at a Time!

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