



## Big impact on a small scale: The George Washington University Law School's Small Business Clinic

[by Erica Winter]

Starting a small business or nonprofit organization is a challenge no matter where you are, let alone in the busy and highly competitive nation's capital. Since 1977, The George Washington University Law School's Small Business Clinic has extended a helping hand to Washington, DC's entrepreneurs, offering free legal help to turn ideas into reality.

The clinic's goal is to help people who cannot afford to hire a lawyer to start and maintain their small businesses, which, in turn, contribute to the community as a whole by revitalizing city neighborhoods, says Susan Jones, Professor of Clinical Law at George Washington University Law School and supervising attorney of the small business clinic. Eight George Washington law students per semester work with clinic clients.

There are roughly 15 small business clinics at law schools around the country, says Jones. George Washington's is one of the oldest, however. The clinic got its start as the local DC legal center for the Small Business Administration's Small Business Development Program and developed from there.

The Small Business Development Program still refers many clients to the clinic, says Jones. Other referrals come from neighborhood groups in DC, such as Shaw Main Streets and the Georgia Avenue Business Resource Center. Clients are owners of (or would like to launch) "micro businesses," which usually have one to five employees and less than \$35,000 in start-up capital—such as a small construction contractor, a hair salon owner, or a small consulting firm. Small nonprofit organizations can also seek help from the clinic.

Law students work on a wide variety of issues with clients, says Jones. When a client is accepted to the clinic, there is an initial consult, and then students—under Jones's supervision—develop a plan to meet the client's needs. For a new business, this

would involve deciding what kind of business to set up (e.g., an LLC or an S-Corporation), dealing with contract matters, and handling trademark and copyright processes.

For an existing business, the clinic might help with lease reviews or expansion plans. For nonprofits, law students will do the necessary work to establish the organization as a nonprofit group, including obtaining the federal tax exemption status needed for a group to accept contributions.

One tool at the clinic's disposal is determining whether a client's business qualifies for a federal or state Disadvantaged Business Enterprise (DBE) Program. Those who qualify can get preferential treatment in setting up businesses—in lease considerations, for example. Programs on both the federal and state levels require that a business owner be a minority as defined by federal law and be both socially and economically disadvantaged. For example, notes Jones, former NBA star Michael Jordan would not qualify since he meets the first requirement, but definitely not the second. Students at the George Washington clinic can help clients apply for DBE status and ensure that the program receives the proper business details and client background information.

Specifically, to receive federal financial assistance, airports must comply with a U.S. Department of Transportation regulation requiring them to set up DBE programs. At these airports, business owners who qualify get preference when airports consider new businesses and owners who want to set up

shop in the terminals.

William Gist is a client of the small business clinic who is trying to open a Maui Wowie franchise in Dulles International Airport, outside of Washington, DC. Maui Wowie sells smoothies and coffee. Gist currently has three Maui Wowie kiosks in the DC Convention Center downtown and would like to expand his business to Dulles.

Gist came to the George Washington clinic for help because he had come to it in the past when establishing a valet-parking business with a partner a few years ago. The clinic's students helped them set up contracts with city restaurants and establish an operating agreement. Now, although the students have changed, the "established relationship with Professor Jones" brought him back, Gist says.

Now George Washington law students—under Jones's supervision—are going through the 100-page lease from Dulles for Gist and helping him review contracts. So far, things are "going well!" says Gist; and with his planned expansion, the smoothie business "is looking pretty promising."

Gist is a "classic entrepreneur," says third-year law student Joe Swanson, who is working at the small business clinic this semester. "I have a lot of respect for entrepreneurs," Swanson says. "They are the backbone of the economy."