

What's Developing

A question that is asked of the Eureka Community Development Company on a fairly regular basis is, "Where can I get a grant for my business?" Recently Kelly Weaver from the Small Business Development Center in Aberdeen addressed that question and explained information that is often heard by those looking for some free money. Keep reading to learn what is truth and what can hurt a business owner. Wanda Jundt

Is grant money a viable funding source for your business?

by Kelly Weaver, Small Business Development Center Regional Director

In a word, no. While there are several sources of both public and private grants, assistance is generally directed toward specific projects, charities, lending institutions, non-profit organizations, government entities, educational institutions, etc. Very little money goes to individuals.

What about the ads about how to get "**free**" money for your business, you ask? Unfortunately, some unscrupulous operators sell manuals, workshops and other materials on how to obtain "free money." This money is not as easy to qualify for or receive as some may lead you to believe. There are several scams that entice you with the promise of "free" money, for a small fee. Here's how many of the business grant scams work:

- The company **guarantees** that you will get a business grant or you will get all of your money back!
- For a fee of less than \$100, you get a packet with information on how to write a business grant proposal and a customized list of organizations who can provide the grant you need.
- You pay the fee and in return you get back the information but with one catch: The organizations on the list don't typically give grants to individuals to start or grow their own business.
- You try to get your money back and find that the guarantee is no real guarantee at all.

To find out how to avoid these and other scams, see the Federal Trade Commission website at www.ftc.gov.

The little grant money that is available for business purposes is limited to a few very unique situations like assisting a person with a disability with self-employment or businesses that seek research and development funding for ideas that serve a stated federal agency priority. For those who do obtain grants, the money is not totally "free." While grant money does not have to be repaid, those who receive the grants cannot spend the money as they please. There are strict rules and requirements concerning how the money can be spent, what percentage of the money can be used for certain purposes and a host of other regulations. All federal grants can be researched at www.grants.gov.

So next time you hear about free money for your business, ask some specific questions and do your homework. As the saying goes... if it sounds too good to be true, it probably is.

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