

The Benefits of the Small Business and Nonprofit Clinic from a Student's Perspective

By: Jennifer Clark

Joining any of MSU College of Law's clinics will provide a student with hands-on, client interactive experience. Joining the Small Business and Nonprofit Clinic will prepare a student to enter the transactional law job market with confidence and experience. As early as the first day at the SBNP Clinic, students are immersed into actual practice. Potential clients call and intake appointments are set for the first week. The student clinicians are given a caseload that may require prompt action. To help with the transition from classroom to practice, the SBNP Clinic also provides a classroom-like component where the student clinicians learn about law basics pertaining to small business and nonprofits. The students learn by doing; handling live clients with real legal issues, not just hypotheticals.

The SBNP Clinic provides numerous legal services to new and established businesses located throughout Michigan, including counseling, document preparation, and representation. These services provide an important community service, and at the same time, provide an opportunity for student clinicians to further develop and sharpen their lawyering skills.

1. Assisting small for-profit businesses. The student clinicians, under attorney supervision, have handled the following legal issues:

- Prepared organizing documents creating a limited liability company;
- Counseled on dissolving a joint business venture and prepared dissolution documents;
- Counseled on the best choice of entity form for a skin-care product sales company, a disc jockey service, a website design and layout services company, a hair and nail salon, a property-investment company, a piano studio, and a food business;
- Reviewed and provided an opinion on a contract lease agreement;
- Reviewed and provided an opinion on a licenses agreement for retail space in a shopping mall;
- Counseled a jewelry store owner regarding a dispute with his customer over merchandise purchased; reviewed internal documents – specifically, the return and exchange policies, warranty policy, credit card authorization slips, and chargeback notification slip from Discover; provided an opinion on the proper course of action the owner should take; and prepared a letter to a customer regarding the store owner's position in a dispute over the return of merchandise;
- Provided referral to our own Tax Clinic for small-business tax issues;
- Reviewed a commercial lease agreement and provided the landlord with the correct commercial-lease language;
- Researched whether an international student can serve as a resident agent for a Michigan corporation, and prepared a memorandum for the client; and
- Assisted a client in obtaining an Employer Identification Number from the Internal Revenue Service.

2. Assisting nonprofit organizations. The student clinicians, under attorney supervision, have handled the following legal issues:

- Counseled on entity formation, maintenance, and legal compliance for several faith-based organizations, a youth volleyball association, a day-care facility, a medical research/educational group, a food bank, and a parent support group;
- Reviewed and commented on a commercial lease agreement;
- Reviewed a joint venture agreement between a for-profit business and a nonprofit organization, then drafted a new joint venture agreement;
- Drafted necessary documents for application and determination of tax exempt status by the Internal Revenue Service for a public interest forum organization;
- Completed a copyright application for a document produced by a nonprofit organization;
- Researched and counseled about amending/transferring the ownership rights of the intellectual property to be used by a nonprofit organization; and
- Advised a nonprofit about the copyright of their website.

Additionally, the student clinicians and clinical faculty created the following legal reference documents for use in law practice. These reference documents were designed to assist the student clinicians and their clients in assessing the particular organizational and operational needs. Making use of the following documents has helped the student clinicians to establish the attorney-client relationship, uncover and assess the overall health of the business or organization, and ease the challenge of identifying the diverse legal issues.

- ✓ **Retainer agreement.** Used to establish the attorney-client relationship.
- ✓ **Initial Client Checklist.** Used in initial meeting to determine immediate client needs.
- ✓ **Business Planning Guide.** Used to develop a business plan considering legal matters.
- ✓ **12-step Business Planning Checklist.** Used to identify required legal compliance matters, i.e. licenses, permits, tax registration, zoning restrictions.
- ✓ **Small Business/Nonprofit Tax Gems.** Used to offer guidance in the often misunderstood business and nonprofit tax arena.

Practice makes perfect. The knowledge and experience gained while working at the Small Business and Nonprofit clinic is irreplaceable. The students leave the SBNP clinic “practice ready” having learned the fundamental lawyering skills and values of the profession. Assistant Dean for Clinical Programs MaryAnn Pierce tells students that our profession could use a little quiet and a lot more class. There is a need to help change how people view our profession. The students must be proud; they must be leaders; and they must be problem-solvers of the first order. They must use their power to do good things, and empower others to do the same.