

9.70 SELF-EMPLOYMENT SERVICES

9.70.1 Pursuant to VR state agency et seq –

1. Self-employment services may be provided for eligible individuals in accordance with the following guidelines and as described in the customer's IPE who want to operate and/or expand a for-profit small business for the purpose of manufacturing a product or providing a service for public sale in the competitive market.
2. Self-employment services must contribute to the achievement of a competitive self-employment outcome.
3. The VR Counselor must ensure that the individual or, as appropriate, the individual's representative has a clear understanding of VR policies and requirements for providing self-employment services and available supports and must work with the individual or, as appropriate, the individual's representative to be actively involved in directing, planning and participating in making decisions about developing a business plan, start-up services and reporting income to support participation in VR services leading to employment, including the customer's participation in the cost, when warranted.
4. The provision of self-employment services is subject to financial need.
5. Self-employment services do not require a determination of comparable services and benefits.
6. Self-employment services is defined as the purchase of goods, services, and apparatus necessary for an individual to start or expand a small business based on a business plan approved by VR and the cost of goods, services and apparatus approved by VR.
7. Self-employment services do not include investments or cash funding; the purchase of vehicles, land, or franchises; the construction of buildings; interior or exterior building improvements; underwriting of loans; funding of illegal activities; or hobby ventures.
8. An assessment of the individual requesting self-employment services and the proposed business must be conducted to determine if the proposed business will more than likely result in a successful employment outcome for VR. Document the assessments in the case file. The assessment may include but is not limited to:
 - a. The business proposal.
 - b. The individual's experiences, learned skills and abilities to perform the major tasks needed to operate the proposed business.
 - c. The individual's capability of performing the majority of work required to operate the proposed business (produce a product; provide a service; sales; marketing; bookkeeping), including the number of hours required to operate similar businesses operated by individuals who do not have disabilities.
 - d. The business's expected income must be comparable to the income received by individuals who are not individuals with disabilities, who are self-employed in similar businesses and who have similar training, experiences, and skills.

9. If VR determines through appropriate assessments that an individual does not have the aptitudes, abilities and capabilities necessary for the operation of the business or to be self-employed or that the proposed business does not meet the requirements for competitive integrated employment for self-employment and will more than likely not result in a successful employment outcome, VR will meet with the individual to discuss either how skill and business plan deficiencies may be addressed or, if deficiencies cannot be addressed, conduct an appropriate assessment to develop a more appropriate employment objective that will lead to competitive integrated employment consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.

10. If VR determines through appropriate assessments that an individual has skill deficiencies to operate the business or to be self-employed but has the aptitudes, abilities and capabilities to acquire the necessary skills, the individual must successfully complete the appropriate training necessary to address the skill deficiencies, under an appropriate IPE and in accordance with VR policies and requirements, prior to developing an IPE for self-employment services. Refer to 9.61 Post-secondary Training Services and see 9.71.2 Procedures, References for Self-employment Assistance, Training and Opportunities.

11. If VR determines through appropriate assessments that an individual has the aptitudes, abilities and capabilities necessary to operate the business and to be self-employed, and that the proposed business will more than likely meet the requirements for competitive integrated employment for self-employment and result in a successful employment outcome, VR will meet with the individual to discuss the provision of and requirements for self-employment services. The individual must present VR with a completed business plan as soon as possible following the meeting.

12. An individual approved to develop a business plan must sign the Self-employment IPE Attachment that explains VR policy for self-employment services and the individual's responsibilities for operation of the business.

13. A business plan must adequately explain:

- a. The viability of the business;
- b. How the individual will personally operate the business;
- c. The specific operations of the business;
- d. A marketing plan that may include various marketing strategies;
- e. A means for keeping track of and documenting inventory, sales, and receipts (standard bookkeeping practices);
- f. An itemized list of proposed goods, services, and apparatus necessary to start or expand a business with the lowest possible cost for each item; and
- g. A proposed cash flow that shows the business's expected gross annual income that meets the income as determined in 8d.

14. The individual must seek assistance from a Small Business Development Center; the Service Corps of Retired Executives; Chamber of Commerce; similar business owner; or other recognized community

resources or business council to research and develop a business plan. See References for Self-employment Assistance.

15. A business plan review team consisting of VR/DHS staff or area professionals as determined appropriate based on the type and complexity of the business will review the business plan and make a recommendation for approval and for developing an IPE for self-employment. See “Business Plan Review Process”.

16. If the provision of self-employment services or the individual’s business plan is not approved, notify the individual using a “Customer Notification Letter”. In the letter explain the reason self-employment services cannot be approved or the business plan’s deficiencies as identified by the review team. For business plan deficiencies, inform the individual that he or she may make changes to the business plan based on identified deficiencies and re-submit the plan for approval once. If the re-submitted business plan is not approved other types of businesses consistent with the individual’s strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice may be considered or VR may determine a more appropriate employment objective other than self-employment. Other business proposals must be assessed in accordance with VR policy.

17. After the individual’s business plan is approved, changes cannot be made unless approved by the VR Regional Supervisor. See 9.71.3 Procedures.

18. Approved goods may include inventory and supplies. Approved services may include licensing, bookkeeping, marketing, and business consulting services. Approved apparatus may include electronic and non-powered or powered tools.

19. Costs paid by VR to purchase goods, services, and apparatus to start or expand a small business are based on the specific needs of the business as documented in an approved business plan and cannot exceed \$10,000 unless approved by the VR Director.

20. VR will not purchase goods, services, or apparatus different in type, specification, quantity or use from what is approved by VR in the business plan.

21. All goods, services and apparatus approved and purchased by VR must be included in the customer’s IPE prior to authorizing for services. The individual must coordinate with VR for the purchase and delivery of all goods, services, and apparatus. See 9.71.3 Procedures, “Approved Goods, Services and Apparatus” and “IPE for Self-employment Services”.

22. Within five (5) business days following the receipt of goods, services or apparatus, the individual must provide VR with receipts from the purchases and a VR Equipment Receipt must be completed.

23. Prior to purchasing goods, services and apparatus, a determination must be made by VR as to the availability of comparable services and benefits and the extent to which the comparable services or benefits may be utilized to provide or pay for the goods, services and apparatus. Comparable services and benefits may include SSA PASS plan, Veteran’s benefits, Small Business Administration grants, or similar services and benefits.

24. A business may be located in the individual’s home, in rented space or may be mobile.

25. Pre-owned or used apparatus that may be used in the business operation must be included in the business plan. VR will not replace pre-owned or used apparatus unless an authorized authority has certified the equipment unusable for the approved business.
26. The case may be moved to Employed Status the date the business begins operation.
27. Once a case has been moved to Employed Status, the individual must use income from the business to purchase additional goods, services, and equipment.
28. Based on circumstances not in control of the individual and approved by the VR Regional Supervisor and/or the VR Area Director, VR may assist with the purchase of additional goods, services, and apparatus in accordance with what has been approved in the business plan for up to three (3) months after business operation begins. If the cost of additional goods, services and apparatus exceeds the VR funding limit or a previously approved amount, obtain appropriate approvals prior to any purchases.
29. The case may be moved to Closed Rehabilitated Status after ninety (90) days of operation if the business's documented gross income (measured in monthly increments) meets the requirement determined in 8d.
30. The individual must provide evidence of income for the business to VR using standard bookkeeping methods every three (3) months to document when a successful self-employment outcome is achieved.
31. If after ninety (90) days of business operation the business's income does not meet the requirement determined in 8d, VR will review the business's income as provided by the individual every three (3) months thereafter for up to (18) eighteen months to determine when the business's income meets the requirement for successful case closure.
32. If after eighteen (18) months the business's gross annual income has not reached the requirement determined in 8d, VR will consider the individual's business as unsuccessful. VR will discuss with the individual the possibility of other VR services.
33. For unsuccessful businesses, the continuation of VR services thereafter will be based on a more appropriate employment objective other than self-employment consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice that will lead to competitive integrated employment.
34. If the individual is unable to continue with the business operation and goods and apparatus purchased by VR will no longer be used for their intended purpose, the customer will be requested to return the goods and apparatus to VR for use by other customers.
35. Post-employment services require approval of the VR Regional Supervisor.