IVRS Self Employment		
Manual: RSB Policy & Procedures	**Document Number:** 304	**Section:** Services
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DEFINITIONS

The Rehabilitation Services Administration (RSA) defines technical assistance services related to self-employment as: Consultation and other services provided to conduct market analyses, to develop business plans, and to provide resources to individuals in the pursuit of self- employment, telecommuting and small business operation outcomes (34 CFR 361.48(b)(19).

The purpose of this technical assistance is to provide guidance to individuals pursuing a self-employment outcome consistent with the individual's abilities, preferences, and needs. Self-employment is a vocational option available only to for-profit businesses intended for operation within the State of Iowa to help the business become self-sustaining (making enough money so there is no ongoing need for unplanned cash injections from external funding sources to stay in business), while assisting the individual in assuring all necessary supports are in place for long-term success.

SCOPE OF SERVICES

IVRS Self Employment Services are utilized to assist individuals who are interested in owning and operating their own business in which the individual performs, manages, or subcontracts the major part of the product or services to be produced. IVRS may support:

- For profit businesses intended for operation within Iowa, including sole-proprietorship, partnerships, limited liability companies or corporations. This also includes individuals who are considered independent contractors or freelancers. If the business is a partnership, the job candidate must own at least 51% of the business.
- The job candidate must own, operate, and manage the business selling goods and/or services with the purpose of making a profit. The job candidate must be directly involved in the operations of business.
- The business is intended to be the primary source of employment for the job candidate.
- The business is intended to generate net earnings at an optimal level for the individual, and apt to result in self-sustainability.

IVRS may not support the following businesses that:

- Are organized as non-profit or defined as hobby businesses.
- Do not, by nature, provide consistent income (authorship).
- Are considered high risk or speculative in nature.
- Generate passive income (e.g. real estate rentals).
- Earn revenue through payments from third parties rather than direct customer sales and include channel sales, affiliate marketing or advertising-based revenue (e.g. social media influencer).
- Are in violation of city, state or federal laws.
- Cannot be supported with state or federal dollars.
- Do not meet licensing or other city/county/state/federal requirements.

IVRS reserves the right to deny approval and funding of a business determined to be inconsistent with community standards including products that are controlled or regulated. Businesses must initially approach appropriate governing bodies (e.g., communities or Chamber of Commerce centers, City Council, etc.) in which the intended business will operate to obtain primary approval. Once approval is received, secondary approval must be obtained by IVRS/IDB Administration through the agency attorney, or the Attorney General's office (State of Iowa), as appropriate. Some job candidates may identify additional services beyond the self-employment technical assistance that are necessary to achieve a self-employment outcome. Staff should refer to the appropriate policies when considering funding these services (e.g. job coaching, initial tools and supplies, etc.).

AGENCY EXPECTATIONS

The job candidate's assigned counselor provides counseling and guidance to assist the job candidate in making an informed choice whether self-employment is a realistic and appropriate career option for the individual.

Job candidates interested in self-employment services must be referred to a self-employment counselor. When a job candidate is solely interested in other VR services to maintain self-employment, the counselor must consult with the ISE counselor regarding the job candidate's need for self-employment services.

It is expected that the job candidate has the knowledge and skills necessary to perform work in the career field. The job candidate must complete necessary training and acquire certifications or licensures necessary to work in the career field prior to seeking self-employment services. Any training that may need to occur after the development of the business plan is included in the business plan.

Benefits Counseling must be provided in the initial stages of self-employment exploration and throughout the process, as necessary.

Development of a business plan that meets the needs and scope of the business is required. A specific template is not required; however, the business plan must provide sufficient information in the following areas.

- Company Description
- Product/Service Description
- Market Research Analysis
- Marketing Plan
- Operations and Management Plan
- Financial Plan, Needs, and Financial Projections

All business plans are reviewed and approved by a review team.

When an individual served by the Iowa Department for the Blind is interested in pursuing self-employment, services are provided following the provisions outlined in the IVRS/IDB Memorandum of Agreement.

Self-Employment Technical Assistance:

- Technical assistance necessary for the startup of a new business or for stabilizing or expanding an existing business is identified on an approved business plan not to exceed $7000 for the life of the case.
- A search for comparable services and benefits is required.
- The R406 Financial Inventory is utilized to determine the job candidate's participation in the costs of technical assistance.
- In a partnership business, identified funding is up to the percentage owned by the job candidate.
- Technical assistance can be purchased when the subject matter is beyond the scope of the self-employment counselor's knowledge. (e.g. legal consultation, accounting services, or graphic design and web development services).

PROCEDURES

The process for developing a plan for self-employment is progressive and begins with an initial exploration of self-employment. At this stage the job candidate and their VR counselor identify the vocational goal consistent with the unique strengths, resources, abilities, capabilities, interests, disability and informed choice. Every effort is made to assist the job candidate in thoroughly exploring both wage jobs and business ownership options. The counselor explores the concept of self-employment, what it means to be self employed and the pros and cons of that employment option.

When the job candidate, through informed choice, expresses an interest in pursuing self-employment, a referral is made to a self-employment (SE) counselor. The SE counselor provides further exploration and information about self-employment and begins to further define the feasibility of the business idea. Comparable services and benefits are exploring including entities that may provide financial assistance to assist with startup costs.

The SE counselor assists job candidates with business planning activities in order to promote growth to a level that is optimal for the job candidate and sustainable overtime with net earnings consistent with the job candidate's needs based on realistic projections and income goals. All services necessary for the startup of the business need to be included in the business plan. Projected costs and vendors should also be included, to the extent possible. Once the business plan is completed, it is submitted to the review team for approval. If any services identified in the business plan require bureau chief approval through an exception to policy, the exception should be submitted to the bureau chiefs simultaneously to the submission of the business plan to the review team. The review team must coordinate with the bureau chiefs, and the business plan can only be approved after the bureau chiefs approve the exception. If the bureau chiefs do not approve the exception, the SE counselor will work with the job candidate to amend the business plan. When approval of the business plan is received, the job candidate's counselor is notified, the IPE is updated to include Self Employment and any other services identified in the business plan, and the case is transferred to the SE counselor.

The SE counselor guides the job candidate through the self-employment process connecting them with additional resources, services and support needed for implementing or maintaining the business.

Requirements for Stabilization and Moving to Status 22-0:

When the job candidate is earning wages at or above minimum wage or earnings comparable to those of self-employed individuals in that career field, the case is moved to status 22-0 for stabilization. Sustainability is achieved when the business generates excess cash flow from profitable operations and is likely to continue to do so in the future and the job candidate has earnings that are meeting their identified personal financial needs.

Case Closure:

When the case is closed successfully, the Employment Outcome at Exit is Self-Employment unless the job candidate needs extended supports. In that case, choose Supported Employment in Competitive Integrated Employment.

EXCEPTIONS

- Paying for Technical Assistance for feasibility or business plan development.
- Providing Self-Employment Technical Assistance when the job candidate is not at least 51% owner of the business.
- Self-Employment Technical Assistance exceeding $7,000.
- Authorizations that do not conform to the ISE program processes.

APPLICABLE FORMS, DOCUMENTS, LINKS

- IVRS Self-Employment Guidebook
- Financial Projection Worksheet
- Monthly Income Statement
- Personal Budget Worksheet
- Personal Financial Worksheet
- IDB Self-Employment Process
- Exception To Policy Form