



<b>Policy No.</b> 304	<b>Subject:</b> IVRS Self-Employment Program
<b>Section:</b> Services	<b>Revised:</b> 01/2019
<b>Signature:</b> Eric Evans, Bureau Chief	<b>Version:</b> FINAL

**1. PURPOSE**

The purpose of the IVRS Self-Employment Program is to assist individuals to achieve their employment outcome at an optimal level of self-sufficiency 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. IVRS provides information, strategies, and resources 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.

**2. SCOPE OF SERVICES**

The IVRS Self-Employment Program (ISE) is comprised of two individualized choices: Micro-Enterprise Development and the Full Self-Employment Program.

- a. **Micro-Enterprise Development:** is a service provided by the IVRS counselor where the job candidate is a business owner and/or independent contractor, and:
  - i. Is working for themselves, but delivering a service to other businesses and customers;
  - ii. The job candidate can demonstrate the relationship with customers through a contract and/or generated or anticipated income to demonstrate financial feasibility of the business;
  - iii. The parameters of such a business venture requires no more than \$1500 in Financial Assistance and \$1500 in Technical Assistance;
  - iv. The business does not require any financial match to obtain the \$1500 in Financial or Technical assistance;
  - v. All purchases will be subject to the [Financial Inventory \(R-406\)](#) since match is not required; and



- vi. Technical Assistance is provided through the Individualized Plan for Employment (IPE) and can be staggered throughout the process. Technical Assistance is typically provided by the Business Development Specialist (BDS) who can also guide the IVRS counselor in this process. This assistance can also be purchased; however, it cannot exceed the total of \$1500 without an exception.
  
  - b. **Full Self-Employment Program:** is a business operated by the job candidate in which the individual performs, manages, or subcontracts the major part of the product or service to be produced. It is recommended that the eligible individual own at least 51% of the business. The business may include sole proprietorships, partnerships, corporations, or limited liability companies.
- 3. AGENCY EXPECTATIONS (for both Micro-Enterprise Development and the Full Self-Employment Program)**
- a. The IVRS counselor provides informed choice opportunities through counseling and guidance to assist the job candidate in determining whether self-employment is a realistic and appropriate career choice for the individual.
  
  - b. In all cases, every effort will be made to assist the job candidate in thoroughly exploring their business concept, and providing suggested strategies and resources that may be needed in helping a business concept move forward.
  
  - c. Orientation is provided by the ISE Assistant in all cases for the Full Self-Employment Program. Orientation will generally be provided by the IVRS counselor for Micro-Enterprise Development.
  
  - d. Policies regarding other services and supports apply to both options under the Self-Employment Program.
  
  - e. The process for developing a plan for self-employment is progressive and begins with an assessment of the individual's potential for success based on the following conditions:



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- i. Self-employment is a result of the individual's informed choice and consistent with their unique strengths, resources, abilities, capabilities, and interests. Each job candidate understands the complexities and seriousness of this choice;
  - ii. When assistive technology is required for the business, the cost is not deducted from Financial Assistance and is considered a separate service and therefore does not reduce amounts of Financial Assistance within the Self-Employment Program. Staff are expected to follow appropriate policies on how to authorize for assistive technology services. In cases where an individual requires assistive technology for employment on a farm but does not require self-employment services, the individual can be served through other IVRS services and does not need to participate in the ISE program. A referral to other programs that may be beneficial to individuals employed on a farm would also be appropriate (i.e. Easter Seals).
  - iii. Purchases should be made consistent with the purchasing guidelines of IVRS.
  - iv. If the job candidate begins under the Micro-Enterprise Development and it is determined that the individual requires the Full Self-Employment Program, any Financial Assistance provided under the Micro-Enterprise Development will be deducted from the total match within the Full Self-Employment Program.
- f. In some instances, job candidates may have received equipment (e.g. tools, computers) from IVRS prior to the job candidate amending their vocational goal to reflect self-employment. In these situations, the equipment the job candidate received from IVRS cannot be used as a match for the Self-Employment Program.
- g. The Income-Offset form is signed by the job candidate allowing IVRS to explore potential obligations for which a job candidate may be financially responsible within the State of Iowa.

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510 E. 12<sup>TH</sup> STREET

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- h. IVRS assists job candidates with business planning activities in order to promote growth to a level that is optimal for the job candidate and sustainable over time with net earnings consistent with the job candidate's needs based on realistic projections and income goals. A formal business plan is not a requirement for the Micro-Enterprise Development option.
- i. Sustainability is achieved when the business generates excess cash flow from profitable operations and is likely to continue to do so in the future.
- j. Training needs (i.e. occupational skills training or educational courses) should be provided prior to the development of a self-employment IPE. If specific skills are required to assist an individual in running a business, this should be done prior to moving the individual into the Self-Employment Program. If training must occur simultaneously to the Self-Employment Program, this training is considered separate from the Self-Employment Program and Financial Assistance for the training program is not deducted from the ISE Technical Assistance.
- k. The BDS and IVRS counselor both have responsibilities to complete case notes for meetings and interactions with the job candidate. Counselor case notes include any observations and discussions regarding disability-related issues whereas the BDS provides a summary of the business-related discussions.
- l. Within the business planning process, warranties for items purchased for the business may be considered. If it is determined that a warranty makes sense for the type of item purchased, the team may consider this type of purchase.
- m. The following responsibilities must be discussed with any job candidate seeking IVRS assistance in self-employment, regardless of which program they are selecting:
  - i. Items purchased become the job candidate's property on the date the items are purchased. Liability is assumed by the job candidate from that date.
  - ii. Insurance and liability is obtained/maintained by the job candidate to protect the job candidate and the business.



- n. If IVRS is modifying a job candidate's home for purposes of operating a small business open to customers and vendors, this constitutes a project of public interest and therefore is subject to the [Build America, Buy America Act \(BABAA\) regulations](#), even though it is a private home. Home modification projects to a job candidate's home for personal and private use do not constitute an infrastructure project and therefore the BABAA regulations do not apply.

Businesses in the ISE program are intended to be generating net earnings for self-employment at an optimal level for the individual, and apt to result in self-sustainability. **IVRS/IDB may not support the following:**

- i. Business ventures that are speculative in nature or considered high-risk by the Better Business Bureau (or a similar organization). Examples of this might include multi-level marketing or investment schemes, stocks, authorship, etc.
- ii. Internet-based businesses that are speculative in nature (e.g. eBay businesses) are generally not supported, however, internet-based businesses with a website may be considered.
- iii. The purchase of real estate or real estate improvements, including leasehold improvements.
- iv. Coverage for individual insurance needs.
- v. Vehicle lease or purchases, unless documentation shows a vehicle is an integral part of a business and specifically related to a business equipment or service need. Final approval is required by the Bureau Chief. If a vehicle is approved by the Bureau Chief, the Fair Market Value (FMV) will be utilized based on the condition of the vehicle. If there is an outstanding loan, the equity portion may be used as match, but the ISE team can assess the most reasonable manner of addressing match in these cases.
- vi. Non-profit 501 (c)(3) or similar businesses cannot be supported due to the fact that IVRS/IDB funds are used to assist for-profit ventures.
- vii. The ISE program does not support businesses that may be determined to be inconsistent with community standards such as alcohol, tobacco, firearms, adult entertainment industry, pornography, or drug paraphernalia.



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 communities or Chamber of Commerce centers, and City Council or other appropriate governing bodies in which the intended business will operate in order to obtain primary approval, prior to secondary approval, to be explored by IVRS/IDB Administration through the Attorney General's office (State of Iowa).

#### 4. EXCEPTIONS

The following require an exception through the office supervisor in addition to identified personnel. All IVRS policies are applicable and the following are handled as an exception:

- a. Job candidate not putting up at least 50% of the financial package for the Full Self-Employment Program.
- b. Cases where the job candidate is not at least 51% owner of the business (e.g. in farm cases, the job candidate may require ISE programming but not have the majority of ownership; in these cases, IVRS staff should make every effort to move such cases forward).
- c. Vehicle lease or purchases.
- d. Vehicle insurance.
- e. Vehicle maintenance and repairs.
- f. Computer purchases.
- g. Case closure occurring within 180 days of business start-up for the Full Self-Employment Program.
- h. Authorizations that do not conform to the ISE program processes.
- i. Technical Assistance for the Full Self-Employment Program (VR Administration) exceeding \$10,000.
- j. Financial Assistance for the Full Self-Employment Program (VR Administration) exceeding \$10,000.
- k. Business rent/insurance that exceeds six months.
- l. Paying for Technical Assistance for feasibility/plan development.



- m. Going beyond the \$1500 Financial or Technical Assistance limits for the Micro-Enterprise Development, without progressing into the Full Self-Employment Program.

## 5. APPLICABLE FORMS

- a. [Credit Report Instructions](#)
- b. [Credit Report Mail-In Form](#)
- c. [Documentation of Job Candidate Match Items](#)
- d. [Financial Inventory \(R-406\)](#)
- e. [Income-Offset Form](#)
- f. [ISE: Can I Really Afford To Do This?](#)
- g. [ISE Exception Request](#)
- h. [Personal Budget Form](#)
- i. [Orientation/Exploration: Is Small Business Right For You?](#)
- j. [IVRS Media Release](#)
- k. [IVRS Self-Employment Manual](#)