# Vocational Rehabilitation Services Manual Section C-1100

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## Notes on the Manual

On October 1, 2017, Texas Workforce Commission’s Blind Services Division and Rehabilitation Services Division combined to create a single designated state unit (DSU) to administer the vocational rehabilitation program for Texans with disabilities.

The combined Vocational Rehabilitation Services Manual (VRSM) was initially published on October 1, 2017. The latest update to this manual is reflected in the chapters below.

Please note that VRSM includes links to information that is intended to provide additional decision-making supports to VR staff. Some of this information may not be available to individuals who are accessing the VRSM outside of TWC's firewall. Copies of materials that cannot be accessed directly through links can be made available upon request.

Substantive revisions to the content are noted in the VRSM List of Revisions. Any printed versions may not contain the latest policy changes.

If you have any questions about VRSM content, please contact the TWC Vocational Rehabilitation Division Policy Team at state office by sending an email message to vrsm.support@twc.texas.gov.

## Manual Overview

The VR Services Manual:

* helps ensure VR customers receive quality services to assist them in achieving successful competitive integrated employment outcomes as a result of their participation in vocational rehabilitation services;
* helps to ensure taxpayer funds are spent wisely and each purchase paid for with public funds represents full value to the taxpayer; and
* provides published policies and procedures for maintaining compliance with federal and state laws, statutes, and rules or regulations.

The latest update to this manual is reflected in the chapters below. Any printed versions may not contain the latest policy changes.

# Vocational Rehabilitation Services Manual C-1100: Self-Employment Services

## Introduction

Vocational Rehabilitation (VR) can support a customer interested in starting his or her own business or help them maintain or expand their existing business. Self-employment is employment in which an individual works for profit whether it is in his or her solely owned business or located within an existing business, such as a barbershop or nail salon.

Medical services and assistive technology are not part of a self-employment plan. For more information, see VRSM C-700: Medical Services and VRSM C-200: Technology Services.

Under VR, self-employment:

* means the customer solely owns, manages, and operates the business and is not considered an employee of another individual, business, or organization;
* exists when the service or product is actively marketed to potential customers;
* includes home-based businesses and telecommuting businesses (if no taxes are withheld by an employer); and
* includes sole-proprietorships or limited liability companies (LLCs—which must be "single-member LLCs," including those that file as S corporations for tax treatment purposes, if that election best favors the business with the taxes).

Following VRSM C-1101: Legal Authorization, this chapter is divided into three parts:

* VRSM C-1102: What is Self-Employment? This includes important information for all self-employment situations.
* VRSM C-1103: Traditional Self-Employment has information pertaining to customers without a most significant disability who are pursuing a self-employment goal.
* VRSM C-1104: Supported Self-Employment has information pertaining to customers with a most significant disability who are pursuing a self-employment goal.

## C-1101: Legal Authorization

### 34 Code of Federal Regulations (CFR) §361.48 Scope of vocational rehabilitation services for individuals with disabilities.

"§361.48(3)(b) Services for individuals who have applied for or been determined eligible for vocational rehabilitation services. As appropriate to the vocational rehabilitation needs of each individual and consistent with each individual's IPE (individualized plan for employment), the designated state unit must ensure that the following vocational rehabilitation services are available to assist the individual with a disability in preparing for, securing, retaining, advancing in or regaining an employment outcome that is consistent with the individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice:

(19) Technical assistance and other consultation services to conduct market analyses, develop business plans, and otherwise provide resources, to the extent those resources are authorized to be provided through the statewide workforce development system, to eligible individuals who are pursuing self-employment or telecommuting or establishing a small business operation as an employment outcome."

## C-1102: What Is Self-Employment?

Self-employment is when a customer solely owns a business and is responsible for all business operations, including management (even if the customer hires, contracts out, or has natural supports to perform some business functions).

VR can support only businesses structured as sole proprietorships or as "single-member" LLCs. VR cannot support the following business structures:

* Corporations
* General partnerships
* Limited partnerships
* Limited liability partnerships
* Businesses involving stocks and/or shares

Note: Forming an LLC can negatively impact eligibility for Supplemental Security Income (SSI) and Medicaid benefits. VR counselors must refer any SSI recipients pursuing self-employment to a community work incentives coordinator (CWIC) for additional guidance.

Additionally, VR does not support:

* hobbies that periodically produce income;
* enterprises prohibited by law, or those that sell products prohibited by law;
* franchises;
* nonprofit businesses; or
* income based solely or primarily on recruiting salespeople to continue building the enterprise (commonly known as "pyramid" schemes or multilevel marketing).

The Federal Trade Commission defines a pyramid scheme as "an organization in which members obtain monetary benefits primarily from the recruitment of new members rather than selling goods and/or services to the public. The main benefit of membership is the right to recruit others and to receive monetary compensation for doing so. Like any chain letter, a pyramid scheme is just a mechanism to transfer funds from one person to another."

Customers are encouraged to think through how a business idea fits with his or her interests, skills, and conditions of employment. A customer can find that doing something he or she is good at and finds enjoyable can provide motivation to stick with the business even through a potentially difficult start-up phase. Customers must be encouraged to think of several possible business ideas (or various iterations of a business idea) to determine a good match that has the potential to produce the profit needed. Tools to assist with this process are in VRSM C-1102-6: Assessments.

VR counselors may seek guidance on any case from:

* VR Supervisors,
* VR Managers,
* employment assistance specialists,
* regional specialists assigned to self-employment, and
* state program specialists assigned to specialized employment strategies.

Additional resources and guidance may be obtained through any organizations listed in VRSM C-1102-10: Self-Employment Resources.

All self-employment strategies require a business plan, regardless of whether the strategy is for an independent contractor or subcontractor or for a solely owned business.

Independent contractors and subcontractors are self-employed, but can differ in that:

* they rent space from a larger existing company that provides the same services;
* some business management tasks are likely included in rent (that is, advertising, financials); and/or
* the feasibility of the business concept is already established by the host company.

Some examples of independent contractors and subcontractors include:

* hairdressers or barbers who rent a chair or space in a salon or barbershop;
* cab or rideshare drivers who contract with a cab company or a rideshare company;
* massage therapists who rent a table or space in a spa; and
* real estate agents who work in an existing realty office but are not employees.

For more information on independent contractors, refer to the Internal Revenue Service publication ["Independent Contractor (Self-Employed) or Employee?"](https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee) or [Am I an Employee? Employment Relationship Under the Fair Labor Standards Act](https://www.dol.gov/agencies/whd/fact-sheets), or consult with the regional specialist assigned to self-employment to determine whether a customer qualifies as an independent contractor.

Self-employment service levels include the following:

* Simple self-employment
* Comprehensive self-employment
* Supported self-employment

VR provides technical assistance and other consultation services to conduct market analyses, develop business plans, and otherwise provide resources, to the extent that those resources are authorized to be provided through the statewide workforce development system to eligible individuals pursuing self-employment or establishing a small business operation as an employment outcome.

### C-1102-1: Types of Self-Employment

#### Simple Self-Employment

Simple self-employment is for an independent contractor or subcontractor.

Note: If the VR counselor believes the customer's business plan for self-employment (other than independent contractor or subcontractor) would require only a simple business plan, the VR counselor can consult with the state program specialist assigned to specialized employment strategies for review and determination of the type of business plan required. Any exception to the policy must be entered into ReHabWorks (RHW) case notes by the state program specialist assigned to specialized employment strategies.

#### Comprehensive Self-Employment

Comprehensive self-employment includes any self-employment in which the customer is not an independent contractor or subcontractor and covers customers who do not meet the criteria for supported employment.

#### Supported Self-Employment

Supported self-employment is self-employment for customers who meet the criteria for supported employment.

### C-1102-2: When to Consider Self-Employment

A VR counselor evaluates a customer's suitability for self-employment services when:

* the customer makes an informed choice to explore self-employment;
* the conditions of employment indicate that self-employment can be a suitable choice for the customer;
* a customer wants to start a business and has a business concept; or
* a customer is already self-employed and is in danger of losing his or her business due to:
	+ lacking necessary training, tools, and/or equipment; and/or
	+ needing support in modifying the business because of changes in the impact of his or her disability.

A customer does not meet the criteria for self-employment if the customer is:

* requesting financial support for tools or equipment for an existing business venture that can be reasonably expected to succeed without assistance; and/or
* unable to provide profit and loss statements for the last three years to show that the existing business is profitable and solvent.

When a customer meets the criteria for supported employment, the only type of self-employment service that may be provided is supported self-employment, which recognizes the need for ongoing support to ensure sustainability. Refer to VRSM C-1104: Supported Self-Employment.

When considering self-employment, VR counselors must conduct a thorough exploration of self-employment as an employment strategy, particularly assessing the customer, his or her support systems, and the availability of resources for:

* planning and organizing;
* supporting the customer and any dependents until the business becomes profitable;
* acquiring the academic knowledge required for the business;
* self-motivation;
* operating a business that might require working extra hours or weekends;
* using rehabilitation technology, as needed;
* maintaining the physical and mental stamina necessary for the proposed business;
* acquiring assistance with duties that the customer is unable to perform such as bookkeeping, accounting, or marketing; and
* acquiring the skills necessary for the proposed business, and willingness to acquire additional skills.

If a VR counselor has determined through comprehensive assessment that a self-employment strategy is an appropriate option, the VR counselor may also advise customers of the possible benefits of self-employment. Although the benefits vary from individual to individual, they may include:

* setting his or her own hours;
* being his or her own boss;
* determining the vision and plan for the business;
* making decisions;
* keeping profits (after debts are paid) generated from the business;
* capitalizing on skills and interests; and
* working around disability-related barriers to employment, such as scheduling around medical appointments or "good days/bad days."

VR counselors must inform the customer about the need for and availability of worker benefits such as:

* health insurance;
* workers' compensation insurance;
* employee Social Security participation;
* Social Security benefits, including referral to a CWIC;
* filing taxes;
* paid vacations; and
* retirement plans.

Supported Self-Employment can be an alternative in circumstances in which the customer meets the definition of "customer with most significant disabilities" and requires additional assistance and the arrangement of long-term supports such as those found in supported employment. Refer to VRSM C-1104: Supported Self-Employment.

### C-1102-3: Suitability Considerations

The choice of self-employment as an employment strategy, as with any vocational goal, is customer driven. The decision to pursue such a goal must not be limited by or based on the significance or impact of a disability.

The VR counselor must ensure that the customer is aware of the amount of wages the business will potentially provide, as well as any effect that earning wages will have on Social Security or other benefits. The VR counselor also must inform the customer of the requirement for participation in services, including financial participation, if appropriate.

The Social Security Administration has complex rules used to determine which form of self-employment a SSI or Social Security Disability Insurance (SSDI) beneficiary is participating in and how wages will impact his or her benefits. All SSI/SSDI beneficiaries must consult with a CWIC before developing a formal business plan or finalizing an individualized plan for employment (IPE) that includes self-employment as an outcome.

### C-1102-4: Process for Pursuing Self-Employment

The self-employment process is progressive and begins with assessing the customer. The process involves any or all of the following:

* The customer performing through self-direction
* The assessment of a customer by a Certified Business Technical Assistance Consultant (CBTAC) referred by the VR counselor
* The VR counselor providing assistance directly

If self-employment is indicated as a strategy for obtaining employment, the VR counselor, customer, and/or the CBTAC:

* counsels the customer about self-employment—its definition, responsibilities, amount of effort involved, and earnings;
* completes the discovery of customer interests, skills, abilities, and any requirement for supports or resources to effectively operate a business;
* determines whether the customer will pursue self-employment, supported self-employment, or Business Enterprises of Texas;
* researches each business idea to determine whether it will support the desired outcome;
* narrows business ideas down to one and conducts a feasibility study;
* gains access to any resources that are needed for the customer to be successful in the business pursuit, including support systems such as a business coach and accountants;
* gains approvals for the support of the business idea before the business plan is developed (refer to VRSM C-1103-5: Developing the Business Plan and IPE);
* determines if a simple or comprehensive business plan is warranted;
* develops the business plan;
* obtains necessary approvals (refer to VRSM C-1102-13: Required Approvals);
* develops the IPE for self-employment—Note: the IPE can be developed before this point for wage employment only;
* amends the IPE as necessary for self-employment after the business plan is reviewed and recommended by the regional specialist assigned to self-employment and others as required;
* purchases needed and approved items and services;
* monitors the case and provides additional services as necessary and approved;
* reviews actual financials of the business to evaluate business success; and
* closes the case successfully (see VRSM C-1104-12: Closing a Case as Rehabilitated).

The customer must take the lead in identifying business ideas.

### C-1102-5: Risks

VR counselors must advise customers interested in establishing a small business that, per the Small Business Association (SBA), about half of all new business establishments survive five years or more and about one-third survive 10 years or more. Small business ventures are much more likely to succeed when the business owner:

* contributes substantial capital (either personal capital or in-kind contributions); and
* provides a strong business plan.

Self-employment, as with other more common forms of employment, is intended to result in an individual's financial independence. Therefore, agency decisions to support self-employment ventures must be based on a reasonable expectation that the venture will be sufficiently profitable to support the individual going forward. VR counselors must provide a detailed overview of the VR self-employment process and expectations to any customer interested in exploring self-employment. The VR counselor must make the customer aware that he or she is expected to make a substantial contribution to the start-up costs of the business either through personal capital or in-kind contributions. VR can support customers directly, or by providing a referral to a CBTAC, in initiating and completing comprehensive feasibility studies to determine if a business concept is financially viable. The VR counselor must make the customer aware that any business concepts that do not demonstrate financial viability may not receive funding through VR.

### C-1102-6: Assessments

The vocational goal of self-employment requires the customer to function independently with confidence and to be able to make decisions, or to have sufficient support in place to meet these requirements.

To determine the viability of a business venture and the potential fit for the customer, the VR counselor must assess the customer's:

* interests;
* interpersonal skills;
* related functional capacities;
* educational achievements;
* work experience;
* vocational aptitudes;
* available community and business supports; and
* criminal history, as it pertains to the type of business.

VR counselors must discuss these factors with customers as part of informed choice and must provide the customer with Form VR1802, Concept Development and Feasibility Study. The customer must complete Form VR1802 with or without assistance from the VR counselor or a CBTAC.

### C-1102-7: Vocational Rehabilitation Counselor Role

The VR counselor plays an integral role in assisting the customer with self-employment, providing counseling, guidance, and necessary assistance to the customer throughout the process. The VR counselor must:

* provide customers with information about self-employment to assist in making an informed choice;
* provide customers receiving any type of assistance, such as SSI/SSDI, referral to a CWIC;
* provide guidance and assistance with identifying an appropriate self-employment strategy;
* provide customers with information and referral to available resources;
* provide customers with information and necessary assistance from resources to develop feasibility studies, including contracting with a CBTAC who can guide customers through the process;
* review feasibility studies and consult with the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies (if applicable) to determine whether ventures are appropriate for self-employment;
* provide customers with information and referral to assist in the development of business plans;
* review business plans;
* provide the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies (if applicable) with business plans for review and comment;
* obtain all necessary approvals from program specialists (regional and/or state), VR Managers or VR Supervisors, and/or regional directors before developing IPEs for self-employment;
* assist customers in developing IPEs with:
	+ a wage employment goal—if the IPE for self-employment cannot be developed before 90 days after eligibility determination; or
	+ a self-employment goal—if all approvals have been received before the 90 days from eligibility determination;
* assist customers in amending IPEs when necessary;
* assist customers with purchasing any approved goods and/or services;
* assist customers in developing any necessary IPE amendments;
* provide vocational counseling and guidance to customers throughout the process; and
* obtain all information and documentation necessary for case closure.

### C-1102-8: Regional Specialist Assigned to Self-Employment Role

The regional specialist assigned to self-employment is consulted for all proposed self-employment plans. The regional specialist provides information, counseling, guidance, and assistance to the VR counselor, customer, management, and others. The regional specialist may:

* provide guidance and assistance with identifying an appropriate self-employment goal;
* provide information and referral to available resources;
* provide information and assistance to develop the feasibility studies;
* provide the VR counselor with information and referral to resources to assist the customer in the development of a business plan;
* assist the counselor in developing an IPE with:
	+ a wage employment goal—if the IPE for self-employment cannot be developed before 90 days after eligibility determination; or
	+ a self-employment goal—if all approvals are received before 90 days from eligibility determination; and
* assist the VR counselor in developing any needed IPE amendments.

The regional specialist assigned to self-employment must:

* review feasibility studies and consult with state program specialists assigned to specialized employment strategies (if applicable) to determine whether a venture is appropriate for self-employment;
* review the business plan;
* provide state program specialists assigned to specialized employment strategies (if applicable) with business plans for review and recommendations;
* provide required consultation for feasibility studies and business plans;
* provide assistance to VR counselors as necessary throughout the process; and
* conduct a review of progress made toward the income agreed upon in the IPE within three months from the opening of a business (if applicable) and every three months until service closure.

### C-1102-9: State Program Specialist Role

State program specialists assigned to specialized employment strategies may:

* provide guidance and assistance with identifying an appropriate self-employment goal;
* provide information and referral to available resources;
* provide information and necessary assistance from resources to develop the feasibility studies;
* provide the VR counselor or the regional specialist assigned to self-employment with information and referral to assist in the development of a business plan;
* assist the counselor in developing an IPE with:
	+ a wage employment goal—if the IPE for self-employment cannot be developed prior to 90 days after eligibility determination; or
	+ a self-employment goal—if all approvals have been received prior to 90 days from eligibility determination; or
* assist the VR counselor in developing any needed IPE amendments.

State program specialists assigned to specialized employment strategies must:

* arrange for outside consultants to review business plans and financials; and
* provide assistance to the regional specialist assigned to self-employment, VR counselors, management, or others throughout the process, as necessary and requested.

### C-1102-10: Self-Employment Resources

Customers who are interested in developing an IPE for self-employment or supported self-employment have additional resources available to them other than VR. Resources include the following:

* CBTAC (if counselor approves purchase of the service)
* Local resources such as city or county programs, chambers of commerce, community colleges, adult education services, or other educational institutions
* [Service Corp of Retired Executives (SCORE)](https://www.score.org/)—a nonprofit association dedicated to providing free small business advice, educating entrepreneurs, and helping small businesses start, grow, and maintain viability
* [Small Business Administration (SBA)](https://www.sba.gov/)—an independent agency of the federal government that assists small businesses in starting, building, and growing businesses
* [Small Business Development Centers (SBDCs)](https://www.sba.gov/local-assistance/find?type=Small%20Business%20Development%20Center&pageNumber=1&address=78705)—advisors that provide aspiring and current small business owners a variety of free business consulting and low-cost training services including business plan development, manufacturing assistance, financial packaging and lending assistance, exporting and importing support, disaster recovery assistance, procurement and contracting aid, market research help, program support, and health care guidance
* [Texas Workforce Commission Start & Expand Your Business](https://www.twc.texas.gov/businesses/start-expand-your-business)—assists Texans in finding information and assistance to start or expand a business in Texas
* [Texas Secretary of State](https://www.sos.state.tx.us/corp/related.shtml)—list of guides and resources available for small businesses
* [Women's Business Centers (WBCs)](https://www.sba.gov/local-assistance/resource-partners/womens-business-centers)—national network of nearly 100 educational centers throughout the United States and its territories, which are designed to assist women in starting and growing small businesses. WBCs seek to "level the playing field" for women entrepreneurs, who still face unique obstacles in the business world
* [SBA's Office of Women's Business Ownership](https://www.sba.gov/about-sba/sba-locations/headquarters-offices/office-womens-business-ownership)—oversees the WBC network, which provides entrepreneurs (especially economically or socially disadvantaged women) comprehensive training and counseling on a variety of topics in several languages
* [Veterans Business Outreach Center (VBOC) program](https://www.sba.gov/local-assistance/resource-partners/veterans-business-outreach-center-vboc-program)—provides entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has 15 organizations participating in this cooperative agreement and serving as VBOPs.
* [TWC's Labor Market and Career Information Department](https://www.twc.texas.gov/businesses/labor-market-information)

For a more in-depth list of resources, refer to the Self-Employment Resources intranet page.

### C-1102-11: Self-Employment Goods and Services

The services listed in the table below may be provided, purchased, or arranged for VR customers to support vocational rehabilitation goals; all VR assistance is based on individual customer and business needs.

|  |  |
| --- | --- |
| **Service** | **Description and procedure** |
| Advertising | For a business start-up:* assistance in planning advertising, including identifying free local outlets and online options
* if appropriate, purchasing advertising
 |
| Business plan evaluation | If needed, consultation with the state program specialist assigned to specialized employment strategies. The state program specialist assigned to specialized employment strategies arranges and/or purchases from individuals or organizations an evaluation of the business plan that documents:* whether a feasibility study demonstrates that the business is going to produce income resulting in a level of support able to sustain the customer and solvency on a continuing basis;
* the likelihood of the customer achieving the projected net income stated in the plan; and
* weaknesses that must be addressed.

Refer to VR Standards for Providers (VR-SFP) Chapter 19 for purchases of Self-Employment Services. |
| Business planning assistance | The VR counselor and customer determine whether assistance from a CBTAC is required for exploring and developing self-employment plans, feasibility studies, and/or business plans. A CBTAC is required for all supported self-employment. CBTAC assistance is not a service for customers in the Business Enterprises of Texas program.If there is no CBTAC available in the local workforce development area, the VR counselor contacts the state program specialist assigned to specialized employment strategies for approval to use another outside resource; however, all comparable benefits and resources must be used before approval of any additional assistance.Refer to VR-SFP Chapter 19 for purchases of Self-Employment Services. |
| Initial inventory and supplies | Initial inventory and supplies include:* office supplies; and/or
* an inventory of salable merchandise or goods needed to start the business.
 |
| Legal fees | Consistent with the business plan, the VR counselor:* identifies any filing and/or legal document review and/or preparation, as appropriate, for example, LLC paperwork;
* locates available online templates for customer;
* identifies local resources for free legal services, for example, Volunteer Legal Services (VLS), as appropriate; and
* if necessary, after consideration of free resources, considers paid legal services.\*

\*The customer is the lawyer's client, not VR's. Payment for necessary legal services must be preapproved, at rates consistent with local norms. Payment is limited to legal services directly necessitated by customer's self-employment goal, for example, business formation, and may not be made for personal legal matters such as divorce, child custody, wills, personal disputes, or IRS matters, to name a few. Requests for payment of any legal fees require consultation with the TWC Office of General Counsel. |
| Maintenance | Maintenance is only available for a business start-up:* when no other resources are available; or
* until adequate cash flow develops.

See VRSM C-1400: Supplemental Services and VRSM C-1401: Maintenance Services.Ordinarily, maintenance does not exceed 16 weeks from the date the customer begins self-employment. |
| Rent or lease payments | Assistance may be provided for payment of rent or lease payments on a commercial (nonresidential) property for up to a maximum of six months and must be clearly justified. Consultation with the regional specialist assigned to self-employment is required for any rent or lease payment for self-employment. Any rent or lease payment must be in line with projected income and there must be documentation of the rental agreement in the case file.The VR counselor advises the customer to consider location and zoning ordinances. Location and proximity to public transportation are two important factors in a successful retail business.Each service authorization paid directly to a landlord for customer rent or lease of commercial space must include the:* name of the building owner;
* building location;
* amount of space to be rented or leased;
* amount of rent or lease payment; and
* period of rent or lease.

If utilities are included in the payment, separate service authorizations for rent and utilities may be issued.VR staff must not sign or cosign any leases or other agreements on behalf of the customer. |
| Tools and equipment | Tools and equipment customarily used in similar businesses may be purchased. The VR counselor advises the customer that:* tools and equipment are the property of the State of Texas; and
* the customer must not attempt to sell, pawn, loan or use as loan collateral, or exercise other unlawful control over the property, or prosecution will result.

For guidance in obtaining these items, see VRSM D-205: Purchasing Thresholds and Restrictions.Note: If VR has purchased tools and equipment for the customer during training or previously, these items cannot be purchased again unless the item is no longer operable, and the VR counselor justifies and approves the purchase. |
| Security Deposits and Utilities | Initial one-time costs may be paid, such as a security deposit or charges for the initiation of utilities.Utilities costs may be paid for a maximum of six months during the first phase of the new business, for the business property only. Utility payments must be made directly to the provider of the utility service. |

Note: Refer to VRSM D-200: Purchasing Goods and Services.

### C-1102-12: Goods and Services Not Provided

Self-employment services must not include the purchase of:

* buildings or other structures requiring a fixed foundation that cannot be moved for use by another customer;
* bonding fees;
* criminal or civil fines including traffic tickets;
* dues to professional associations or trade unions unless justified as critical;
* fees for registration of inventions, patents, trademarks, or copyrights;
* fees for use of franchise names;
* fees and membership fees for pyramid or multilevel marketing ventures;
* firearms of any kind, or components of a firearm;
* franchise rights (for example, Pizza Hut, McDonald's);
* insurance;
* operating capital;
* municipal or state tax assessments on occupations;
* real estate;
* sales tax security deposit; or
* vehicles, boats, aircraft, or trailers that require a certificate of title or registration to be used on public roads, highways, or waterways (check with the Texas Department of Public Safety for more information—for example, many small trailers do not require a title of ownership).

The cost of any of these items is included in the total cost of the venture reported in the business plan and considered part of the customer's contribution. However, even if the customer were to contribute fees associated with franchises, pyramid ventures, or other activities for which VR does not provide support (see VRSM C-1102), VR funds cannot be used for associated supports.

VR may not participate in the cost of renovating or remodeling permanent structures.

All modifications to facilities used for the business venture that are sponsored with any VR funds must:

* be removable and transportable; and
* adhere to local building zones and codes.

Funds for such modifications are limited to those that are essential to start the business and when the business cannot be conducted without the requested modifications.

The customer is responsible for identifying a business location. VR counselors are never authorized to sign lease or rental agreements. The lease is between the customer and property owner or property manager.

The customer is responsible for obtaining and completing applications for all required certificates, licenses, and permits needed to operate the business. VR counselors may provide assistance with these applications when necessary. The customer is responsible for ensuring compliance with all zoning laws.

An amendment to the original business plan is required when further funding is requested after the initial approval of a business venture. The amendment must contain justification for the additional funding. The VR Supervisor or VR Manager and regional director must approve any requests for additional funding for the business.

### C-1102-13: Required Approvals

#### Self-Employment Plan Consultations and Approvals

The following table specifies when consultation and recommendation and/or approvals are required and from whom at each stage of the simple or comprehensive self-employment process:

|  |  |  |
| --- | --- | --- |
| **Stage** | **Consultation & Recommendation** | **Approval** |
| IPE | Regional specialist assigned to self-employment | VR counselor |
| Customer Profile & Self-Employment Exploration |   | VR counselor |
| Concept Development and Feasibility Study | Regional specialist assigned to self-employment | VR counselor |
| Any required certificates, permits, or licenses | Regional specialist assigned to self-employment | VR counselor |
| Simple or Comprehensive Business Plan up to $5000.00 | Regional specialist assigned to self-employment | VR counselor |
| Comprehensive Business Plan $5,000.01 to $15,000.00 | Regional specialist assigned to self-employment | VR Manager |
| Comprehensive Business Plan $15,000.01 to $25,000.00 | Regional specialist assigned to self-employment | Regional Director/Deputy Regional Director |
| Comprehensive Business Plan over $25,000.00 | Regional specialist assigned to self-employment | VR Division Director |

If the business plan is approved, the regional specialist assigned to self-employment conducts a review within three months of the opening of the business and every three months thereafter until service closure.

Note: All approvals of business plans must also consider the amount of funds being requested. Refer to VRSM C-1102-13: Required Approvals.

#### Purchasing Approvals

VR does not issue grants for self-employment or provide venture capital. If a plan or proposal is approved, VR may purchase equipment or inventory. The following information serves as a guide to the VR counselor and the customer.

The required and optional steps for different funding amounts are detailed below.

VR staff must follow the required policies and procedures published throughout this manual for the purchase of goods and services. When issuing service authorizations for a good or service that is part of an approved self-employment plan, use the specifications in RHW that are designated as "Self-employment". For questions about specification levels for specific services, VR staff can email vr.rhw.datamaintenance@twc.texas.gov.

|  |  |  |
| --- | --- | --- |
| **Amount** | **Required** | **Recommended** |
| $1.00–$5,000.00 | * Written business plan: Simple Business Plan or Comprehensive Business Plan, as applicable
* Employment assistance specialist (EAS) consultation for those customers who are blind/visually impaired or deafblind has been completed
* Consultation and recommendations from the regional specialist assigned to self-employment
 | * The customer obtains a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and shares any information with the VR counselor
 |
| $5,000.01–$15,000.00 | EAS consultation for customers who are blind/visually impaired or deafblindWritten business plan:* Comprehensive Business Plan; and
* Required items submitted to the EAS (if blind/visually impaired or deafblind)

Customer must obtain a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and share any information with the VR counselor for blind/visually impaired or deafblindConsultation and recommendations from the regional specialist assigned to self-employmentVR Manager approval | * The customer obtains a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and shares any information with the VR counselor
 |
| $15,000.01–$25,000.00 | EAS consultation for customers who are blind/visually impaired or deafblindWritten business plan:* Comprehensive Business Plan or supported self-employment business plan
* Required items submitted to the EAS (if blind/visually impaired or deafblind)

Customer must obtain a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and share any information with the VR counselorConsultation and recommendations from the regional specialist assigned to self-employmentRegional Director or Deputy Regional Director approval |   |
| Over $25,000 | EAS consultation for customers who are blind/visually impaired or deafblindWritten business plan:* Comprehensive Business Plan or supported self-employment business plan
* Required items submitted to the EAS (if blind/visually impaired or deafblind)

Customer must obtain a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and share any information with the VR counselorConsultation and recommendations from the regional specialist assigned to self-employmentVR Division Director approval |   |

Note: All purchasing must be in accordance with VR purchasing policies as set forth in VRSM D-205: Purchasing Goods and Services.

### C-1102-14: Funding Options

#### Participation in Cost of Services

Customers who have income and/or liquid assets in excess of the basic living requirement (BLR) must pay the excess toward the self-employment cost. Additionally, the customer must contribute any other available resources to help establish and maintain the business, for example, use of a personal vehicle for business activity, labor, a building, or tools. For more information, see VRSM B-200: Processing Referrals and Applications and VRSM B-204: Customer Participation.

If the customer is pursuing a loan from a lending institution or other source, and the funds are critical to the business start-up, the customer must provide:

* documentation of the loan application; and
* a documented assessment from the lending institution or other source of the likelihood of loan approval before the expenditure of VR funds on the business.

If the customer receives SSI, SSDI, Childhood Disability Beneficiary benefits, or Disabled Widow/Widower benefits, the customer is not required to participate in cost of services. (34 CFR361.54(b)(3)(ii))

#### Comparable Benefits and Resources

For experienced help in developing a business plan, customers may use comparable benefits available from:

* city or county programs;
* chambers of commerce;
* community colleges or adult education programs;
* some Workforce Solutions Offices;
* the SBA; or
* SBDCs.

## C-1103: Traditional Self-Employment

VR recognizes the difference between self-employment in occupations such as a barber or cosmetologist who rents a chair or space in an existing business, independent real estate agents operating in an existing office, or a subcontractor who has a limited number of major clients, and self-employment in a business that is owned, operated, and managed by an individual. A customer interested in assistance with self-employment in occupations such as those listed above is required to complete a Simple Business Plan. A customer interested in assistance with self-employment for a business owned, operated, and managed by the individual is required to complete a Comprehensive Business Plan.

A Simple Business Plan request for assistance cannot exceed $4,999.99. A request for assistance can be less than $4,999.99 and still require a Comprehensive Business Plan, depending on the complexity and ownership of the business.

VR may purchase technical assistance for the customer, such as:

* self-employment exploration, see VR-SFP 19.3;
* concept development and feasibility study, see VR-SFP 19.4; and
* business plan development, see VR-SFP 19.5.

For more information, see VR-SFP 19: Self Employment, sections 19.3 through 19.5.

### C-1103-1: Vocational Rehabilitation Counselor Responsibilities

After determining customer eligibility, the VR counselor assists with a self-employment strategy by helping the customer to:

* understand the definition of self-employment and the process required for the service;
* make an informed choice by providing specific information about self-employment;
* ensure completion of the Customer Profile and Self-Employment Exploration form, including purchase of the service from a CBTAC;
* determine and obtain any training necessary to operate a successful business venture, including any basic skills needed to be independent, such as blindness skills, transportation skills, or communication skills;
* arrange a referral to a CWIC for customers receiving any type of assistance such as SSI/SSDI benefits;
* locate financial resources, other than VR funds, to support the venture;
* arrange necessary assistance from resources to develop feasibility studies;
* develop a business plan that includes purchase of the service from a CBTAC;
* develop an IPE with:
	+ a wage employment goal—if the IPE for self-employment cannot be developed before 90 days after eligibility determination; or
	+ a self-employment goal—if all approvals have been received prior to 90 days from eligibility determination.

The VR counselor must:

* review feasibility studies and consult with the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies (if applicable) to determine if a venture is appropriate for self-employment;
* review business plans;
* provide the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies (if applicable) with the business plan for review and recommendations;
* approve or disapprove the self-employment business plan and document the decision in the case notes;
* obtain all necessary recommendations from program specialists, and approvals from VR Supervisor or VR Manager, and/or regional director, before developing an IPE for self-employment;
* request the regional specialist assigned to self-employment review within three and six months from the opening of the business;
* provide vocational counseling and guidance to the customer throughout the process;
* encourage the customer to seek opportunities that will result in a living wage; and
* obtain all necessary information and documentation necessary for case closure.

The VR counselor may solicit input from the:

* EAS;
* Vocational Diagnostic Unit for customers who are blind or visually impaired;
* deafblind specialists for customers who are deafblind; and
* others as needed.

After obtaining approvals, the VR counselor sends a copy of the following to the regional specialist assigned to self-employment for inclusion in the self-employment plan file:

* The IPE for self-employment
* The final business plan
* A complete list of approved tools and/or equipment

VR counselors must ensure that the forms found on the VR Forms Catalogue below are submitted to them by the provider and reviewed by the regional specialist assigned to self-employment and others as required:

* VR1801, Customer Profile and Self-Employment Exploration
* VR1802, Concept Development and Feasibility Study
* VR1803, Self-Employment Simple Business Plan (if applicable)
* VR1804, Self-Employment Comprehensive Business Plan (if applicable)
* VR1805-1, Self-Employment Financial Projections Spreadsheet (Statutory Blindness), or VR1805-2, Self-Employment Financial Projections Spreadsheet
* VR1806, Self-Employment Financial Actual Spreadsheet
* VR1815, Certified Business Technical Assistance Consultant (CBTAC) Support Summary Report

### C-1103-2: Customer Responsibilities

Exercising informed choice and responsibility in the VR process requires the customer to determine his or her self-employment goal. Full engagement in the VR process requires the customer to:

* gather and use information (to the extent possible);
* participate in planning and problem solving (including the development of the IPE);
* make and implement decisions;
* identify needed resources; and
* expect to work full time (or part time, if appropriate).

It is the customer's responsibility, with assistance from the VR counselor or any other team members, including a CBTAC, to solve problems related to the employment goal. To help determine a self-employment strategy, a customer must (with or without assistance):

* complete the Customer Profile and Self-Employment Exploration;
* complete a feasibility study (see Concept Development and Feasibility Study);
* research the information needed for a business plan;
* identify potential market and estimate revenue;
* contact individuals who are engaged in the same area of employment to determine viability of the goal;
* identify potential problems;
* determine any potential training needs;
* determine what resources and supports are available;
* develop a contingency strategy to negate any losses if the business is not successful; and
* make a concerted effort to secure funding from sources other than VR.

### C-1103-3: Provider Responsibilities

The provider must have a bilateral contract with VR and be a CBTAC with a current certification through [The Center for Social Capital](https://www.griffinhammis.com/). For supported self-employment services, VR staff is encouraged to use a CBTAC who also has a Supported Employment Specialist credential from the University of North Texas' Workplace Inclusion and Sustainable Employment (UNTWISE).

The CBTAC provides technical assistance to the customer and VR counselor regarding self-employment, including the following:

* Technical Assistance for Self-Employment Exploration
* Technical Assistance for Concept Development and Feasibility Study
* Technical Assistance for Business Plan Development
* Technical Assistance for Supported Self-Employment

Refer to VR-SFP Chapter 19 for additional provider responsibilities for self-employment.

The Blind Premium is available to providers on Self Employment Services. Refer to VR-SFP 20.11 Blind Premium for more information.

### C-1103-4: Feasibility Study

After the Customer Profile and Self-Employment Exploration have been completed, a feasibility study is required. A business feasibility study assesses the probability of a business's success using research tools such as surveys or statistical analyses. The feasibility study demonstrates whether the business will produce income resulting in a level of support able to sustain the customer and solvency on a continuing basis. A Form VR1802, Concept Development and Feasibility Study must be completed to determine the feasibility of the customer's proposed business. If the customer is unable to complete the form on his or her own or with assistance from other resources, the VR counselor can arrange for a CBTAC to assist in completing it. Refer to VR-SFP Chapter 19.4 for details and fees.

### C-1103-5: Developing the Business Plan and Individualized Plan for Employment

A business plan is required in every case except when:

* VR does not pay the costs of maintaining a business; and
* the customer returns to or continues in his or her own existing business that has a history of being successful—in these instances, the customer must provide copies of income tax returns or other financial documents for the previous three years that indicate the existence of a viable business.

IPEs for self-employment retention must include:

* a check on the "self-employment" option in RHW;
* any comparable benefits to be used first;
* the specific employment or job title goal of the customer's current self-employment;
* the approved services necessary for the customer to maintain his or her current self-employment
* the customer's contribution of resources to help manage his or her disability (for example, use of private insurance or community resources), as listed under the customer's responsibilities;
* the customer's participation in the cost of the self-employment if income and/or liquid assets exceed BLR, as listed under customer contributions; and
* vocational counseling and guidance.

#### Developing the Business Plan

Before the IPE is developed, the customer must complete a business plan that describes:

* the business owner;
* the business, including structure;
* the business' product and/or service;
* the marketing analysis and plan;
* operations and legal considerations;
* an outline of the feasibility of the planned enterprise;
* a financial plan; and
* extended supports.

The VR counselor, the designated regional specialist assigned to self-employment, the VR Supervisor, and the state program specialist assigned to specialized employment strategies, as well as any others, review the business plan.

The VR counselor provides the customer with form VR1803, Simple Business Plan, or Form VR1804, Comprehensive Business Plan, to use for developing the business plan.

The business plan:

* guides the customer toward a successful business; and
* helps the VR counselor and the customer determine which VR services are reasonable and necessary to support the plan.

As part of the business plan, in a separate attachment, a list must include:

* items that the customer requests be paid by VR and the costs; and
* items and resources that the customer will contribute to the plan.

#### Types of Business Plans

Simple self-employment business plan, which requires the following sections, concisely written:

* Business Executive Summary
* Business Description
* Products and Services
* Marketing Analysis and Plan
* Operational and Legal Considerations
* Financial Plans
* Extended Business Supports
* Appendices

Comprehensive self-employment business plan, which requires the following detailed sections:

* Business Executive Summary
* Business Description
* Products and Services
* Marketing Analysis
* Marketing Plan
* Operational and Legal Considerations
* Financial Plans
* Extended Business Supports
* Appendices

For experienced help in developing a business plan, customers may use comparable benefits available through:

* some Workforce Solutions Offices;
* the SBA;
* city and county organizations for business development;
* chambers of commerce;
* community colleges, adult education programs, and educational institutions; and/or
* SBDCs.

Computers with speech and large-print access are available in many Workforce Solutions Offices. A customer may use these computers to access the Internet for research and to create the business plan.

#### Developing the Individualized Plan for Employment

An IPE for a specific employment or job title goal may be developed for wage employment before an IPE is developed for self-employment and must include:

* a specific employment or job title goal;
* vocational counseling and guidance;
* business exploration activities, such as:
	+ customer profile and self-employment exploration;
	+ concept development; or
	+ feasibility study;
* any technical assistance services to assist in the development of a business plan;
* a plan for any necessary training services, such as how to start a business; and
* any comparable benefits to be used.

Note: Do not check the "self-employment" option in RHW.

Once the business plan has received all required approvals, the VR counselor must either develop the IPE for self-employment or amend an existing IPE from wage employment to self-employment.

IPEs for self-employment must include:

* a check on the "self-employment" option in RHW;
* the name of a support organization or business coach for continuing the business after the end of VR funding and case closure;
* any comparable benefits to be used first;
* a specific employment or job title goal;
* the agreed-upon:
	+ criteria for business stability;
	+ period from business stability to case closure; and
	+ method used to periodically report net income;
* plan for any necessary training services, such as:
	+ how to start a business;
	+ bookkeeping; or
	+ tax preparation and reporting;
* any technical assistance services;
* the approved goods and services, as listed in the business plan attachment, to be purchased;
* the customer's contribution of resources to help establish and maintain the business (for example, use of a vehicle, labor, a building, tools), as listed under customer's responsibilities;
* the customer's participation in the cost of the self-employment if income and/or liquid assets exceed BLR, as listed under customer contributions;
* any extended business support necessary to assist the customer in operating the business; and
* vocational counseling and guidance.

### C-1103-6: Closing a Self-Employment Case as Rehabilitated

Before closing a case in self-employment as successful, the VR counselor ensures that it meets the following criteria for closing a case as rehabilitated:

* Business has achieved stability, based on business stability measures identified in the IPE
* Business has been in operation for at least 90 days
* Customer and VR counselor consider the employment outcome to be satisfactory and agree that the individual is performing well in the employment.

In the IPE, the VR counselor and customer must agree on business stability measures, such as when the business revenue:

* equals or exceeds operating costs, as shown on a financial statement, and provides minimum wage for the business owner; or
* in the case of an individual who is self-employed, yields an income that is comparable to the income received by other individuals who are not individuals with disabilities and who are self-employed in similar occupations or on similar tasks and who have similar training, experience, and skills (the VR counselor can use labor market information to compare income). (Based on 34 CFR §361.5(9)(i)(C))

#### Required Documentation for Closing as Self-Employed

The VR counselor documents the length of business operation through one or more of the following means:

* Appropriate combination of the income documents that demonstrate at least 90 days of business operation
* Detailed description of the VR counselor's observation of the customer on the job at the beginning and end of 90 days
* Other objective or verifiable information

The VR counselor documents the income level by obtaining and filing in the case record one or more of the following documents for income verification:

* A recent financial statement verifying revenue and expenses
* Recent copies of the contractor's invoices and proof of payment to the contractor for sole proprietorship or single member LLC where work is performed strictly on a contract basis
* Copies of business bank statements covering at least 90 days of operation

## C-1104: Supported Self-Employment

Supported self-employment is competitive integrated employment in which the customer solely owns, manages, and operates a business and is not considered an employee of another individual, business, or organization; and the business is consistent with the customer's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.

Supported self-employment enables customers with the most significant disabilities to demonstrate:

* choice and control;
* use of natural skills and talents;
* expanded work opportunities;
* accumulation of wealth; and
* independent and creative freedom.

Supported self-employment is similar to self-employment but incorporates many of the concepts of supported employment, including the customer receiving ongoing support throughout the VR case and then transitioning to extended services and support not funded by VR after case closure. Extended support may include long-term:

* on-the-job support;
* ongoing case management;
* peer support;
* natural support;
* family support; or
* ongoing paid professional services for the business.

Supported self-employment businesses are typically small and require a team approach for planning and support. The team helps explore and determine the feasibility of the proposed business, assists in the development of the business plan, launches the business, and addresses the customer's extended business support needs, including long-term support.

The supported self-employment process combines person-centered planning strategies with the development of a business plan. The goal of the planning process is to develop an individualized, profitable, and sustainable microenterprise. This process focuses on the talents, interests, and assets of the customer. For many customers with disabilities, including customers who need ongoing support throughout individual careers, supported self-employment is a viable option to meet the customer's employment needs.

VR purchases supported self-employment services only from employment service providers that employ staff members certified as CBTACs by [The Center for Social Capital](https://www.griffinhammis.com/) and prefers that CBTACs also have the UNTWISE Supported Employment Specialist Credential. VR identifies these certified individuals as supported self-employment specialists.

### C-1104-1: Eligibility for Supported Self-Employment

A customer is eligible for supported self-employment services when:

* he or she is eligible for VR services;
* the customer's disability has been determined to be a most significant disability and extended services and supports are necessary to maintain the self-employment outcome once VR closes the case;
* the VR counselor and the customer have identified supported self-employment as the appropriate employment strategy;
* a considerable amount of assistance is needed in developing an individualized, profitable, and sustainable microenterprise;
* a self-employment outcome can be maintained with necessary supports in place; and
* another individual, organization, or other resource agrees to provide the extended services and support after VR-funded services are complete.

### C-1104-2: Time Limits for Supported Self-Employment Services

Supported self-employment services are provided for a period generally not longer than 24 months. Under some circumstances, a longer period of supported self-employment services may be necessary for an individual to achieve the employment outcome. Additional time in supported self-employment services must be established in the customer's IPE and justified in the case notes.

### C-1104-3: Supported Self-Employment Services

Technical assistance for supported self-employment includes the following:

* Supported Self-Employment Assessment
* Supported Self-Employment Concept Development
* Supported Self-Employment Feasibility Study
* Supported Self-Employment Business Plan
* Supported Self-Employment Financials Development

Supported self-employment services include the following benchmarks:

* Benchmark 1: Supported Self-Employment Services Plan
* Benchmark 2: Supported Self-Employment Start-Up
* Benchmark 3: Supported Self-Employment Maintenance
* Benchmark 4: Supported Self-Employment Stability
* Benchmark 5: Supported Self-Employment Service Closure

### C-1104-4: Supported Employment Funds

Supported employment funds must only be used for supported self-employment.

The VR counselor uses supported employment funds to purchase services from a supported self-employment provider (also referred to as a CBTAC) when there is:

* an IPE with a supported self-employment goal; and
* a customer identified as an active supported employment customer.

During the 90-day transition period between stability and closure completion, supported employment funds must be used only to purchase those services necessary to maintain a customer's ability to ensure the stability of the business. Funds must not be spent on services directly related to the business.

Examples of items that can be purchased include:

* replacement of prosthetic and orthotic devices;
* maintenance of prosthetic and orthotic equipment; and
* counseling and guidance to family members to support the customer's job stability.

### C-1104-5: Vocational Rehabilitation Counselor Responsibilities

The VR counselor is responsible for overseeing the services provided to the customer by the supported self-employment provider. The supported self-employment provider is responsible for providing services in accordance with VR-SFP 19.6 Supported Self-Employment.

After determining a customer's eligibility and need for supported self-employment, the VR counselor assists the customer to:

* understand the definition of supported self-employment and the process required for the service;
* make an informed choice by providing specific information about supported self-employment;
* determine whether the customer has the required extended business support, long-term extended support, and circle of support;
* identify a CBTAC to provide supported self-employment;
* determine and obtain any training necessary for the customer to operate a successful business venture, including any basic skills needed to be independent, such as blindness skills, transportation skills, or communication skills;
* arrange referral to a CWIC for customers receiving any type of assistance, such as SSI/SSDI benefits;
* locate financial resources, other than VR funds, to support the venture;
* arrange necessary assistance to develop feasibility studies; and
* develop an IPE with a supported employment wage employment goal (if the IPE for supported self-employment cannot be developed before 90 days after eligibility determination) or a supported self-employment goal (if all approvals have been received prior to the 90 days from eligibility determination).

The VR counselor must:

* review feasibility studies and consult with the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies to determine whether the venture is appropriate for self-employment;
* assist the customer and CBTAC with the availability of required extended business support, including long-term extended support;
* review the business plan;
* provide the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies with the business plan for review and recommendations;
* approve or disapprove the self-employment business plan and document the decision in the case notes;
* obtain all necessary recommendations from program specialists and approvals from VR Manager or VR Supervisor, and/or regional director before developing an IPE for supported self-employment;
* request the regional specialist assigned to self-employment review within three months from the opening of the business and every three months following until service closure, and provide the VR counselor and state program specialist assigned to specialized employment strategies with the information;
* provide vocational counseling and guidance to the customer throughout the process;
* encourage the customer to seek opportunities that will result in a living wage; and
* obtain all information and documentation necessary for case closure.

VR counselors must ensure that the following forms are submitted to them by the provider and reviewed by the regional specialist assigned to self-employment and others as required:

* VR1801, Customer Profile and Self-Employment Exploration
* VR1802, Concept Development and Feasibility Study
* VR1805-1, Self-Employment Financial Projections Spreadsheet (Statutory Blindness) or VR1805-2, Self-Employment Financial Projections Spreadsheet
* VR1806, Self-Employment Financial Actual Spreadsheet
* VR1808, Supported Self-Employment Assessment
* VR1809, Supported Self-Employment Concept Development
* VR1810, Supported Self-Employment Feasibility Study
* VR1811, Supported Self-Employment Services Plan (SSESP) and Benchmark Report
* VR1812, Supported Self-Employment Business Plan Support Summary Report
* VR1813, Supported Self-Employment Business Plan
* VR1814, Supported Self-Employment Support Summary (SSE-SS)
* VR1815, Certified Business Technical Assistance Consultant (CBTAC) Support Summary Report

### C-1104-6: Customer Responsibilities

Exercising informed choice and responsibility in the VR process requires the customer to determine his or her self-employment goal. Full engagement in the VR process requires the customer to:

* gather and use information;
* participate in planning and problem solving (including the development of the IPE);
* make and implement decisions;
* identify needed resources; and
* expect to work full time (or part time, if appropriate).

It is the customer's responsibility, with assistance from the VR counselor, circle of support, and any other team members, including a CBTAC, to solve problems related to the employment goal. To help determine a supported self-employment strategy, a customer must (with or without assistance):

* participate in all activities to develop and implement a supported self-employment strategy;
* complete the Customer Profile and Self-Employment Exploration form;
* research the information needed for a business plan;
* identify the potential market and estimate revenue;
* contact individuals who are engaged in the same area of employment to determine viability of the goal;
* identify potential problems;
* determine any potential training needs;
* determine what resources and support are needed and available;
* develop a contingency strategy to negate any losses if the business is not successful; and
* make a concerted effort to secure funding from sources other than VR.

### C-1104-7: Provider Responsibilities

The VR counselor is responsible for overseeing the services provided to the customer by the supported self-employment provider. The supported self-employment provider is responsible for providing services in accordance with VR-SFP 19.6 Supported Self-Employment.

The provider must have a bilateral contract with VR and be a CBTAC with a current certification from [The Center for Social Capital](https://www.griffinhammis.com/). CBTACs who also have earned the Supported Employment Specialist credential from UNTWISE are preferred. The CBTAC provides technical assistance on the following to the customer, VR counselor, circle of support, business team members, and others:

* Supported Self-Employment Assessment
* Supported Self-Employment Concept Development
* Supported Self-Employment Feasibility Study
* Supported Self-Employment Business Plan
* Supported Self-Employment Financials Development
* Supported Self-Employment Services Plan
* Supported Self-Employment assistance in business start-up
* Supported Self-Employment assistance in business maintenance
* Supported Self-Employment assistance in business stability
* Supported Self-Employment service closure

See VR-SFP Chapter 19: Self-Employment for additional supported self-employment provider responsibilities.

### C-1104-8: Extended Services and Circle of Support

Support for the customer also includes:

* the business team;
* extended services and supports; and/or
* the customer's circle of support.

A business team is a working collection of friends, colleagues, and experienced businesspeople assembled to help the customer formulate an enterprise idea, launch the business, and support the venture's growth. Typically, the business team includes four to eight people. VR requires that at least two business team members be current or past business owners, excluding the self-employment specialist. The VR counselor must be invited to all business team meetings. See VR-SFP 19.6.3.1 for more information.

Extended services and support are the ongoing support services, following VR case closure, that are necessary to support and maintain a self-employment outcome, and which:

* are provided or funded by sources other than VR; and
* involve either on-site or off-site monitoring (as requested by the customer or legal representative) for as long as necessary to ensure the customer's job stability.

Necessary extended services and support are identified in Form VR1811, Supported Self-Employment Services Plan (SSESP) and Benchmark Report, and updated as needed throughout the VR case.

Extended services and support begin at Benchmark 2: Supported Self-Employment Business Start-Up, and continue for as long as the customer needs them.

Examples of extended services and support provided by natural supports or service providers not funded by VR include:

* consulting with the customer and the business team about problem areas or training needs such as:
	+ training the customer in new job skills or routines;
	+ monitoring the customer's work performance; and
	+ implementing support or strategies to improve the customer's work performance;
* identifying and obtaining the help of natural supports on and off the work site;
* reporting earned income to Social Security;
* mentoring;
* accommodations;
* transportation; and
* providing other services the customer needs, such as:
	+ medication management;
	+ hygiene assistance;
	+ dress assistance; and
	+ social needs at work sites.

The circle of support is a group of individuals that help a customer meet objectives. The group functions as a community for the individual who cannot achieve those objectives on his or her own. A circle of support is a strategy used in person-centered planning.

### C-1104-9: Concept Development

#### Concept Development

The CBTAC helps the customer collect the data necessary to complete VR1809, Supported Self-Employment Concept Development. The CBTAC works with the customer in establishing the business team. VR prefers that at least two business team members be current or past business owners, excluding the self-employment specialist. The CBTAC ensures that all team members understand the purpose and commits to helping the customer research, establish, and maintain a business within the customer's community. Team members must exhibit commitment, solidarity, and innovation to support the customer in this venture.

### C-1104-10: Feasibility Study

A business feasibility study assesses the likelihood that a business will succeed by using research tools such as surveys or statistical analyses. A Form VR1802, Concept Development and Feasibility Study must be completed to determine the feasibility of a customer's proposed business. The VR counselor must arrange for a CBTAC to assist customers who propose a supported self-employment strategy in completing the feasibility study and market analysis.

### C-1104-11: Developing the Business Plan and Individualized Plan for Employment

#### Developing the Business Plan

Before development of the IPE, the customer, circle of support, business team, and CBTAC complete a business plan that describes:

* the business owner;
* the business, including structure;
* the business's product and/or service;
* the marketing analysis and plan;
* operations and legal considerations;
* an outline of the feasibility of the planned enterprise;
* a financial plan; and
* extended support.

The business plan is reviewed by the VR counselor, the regional specialist assigned to self-employment, the VR Supervisor or VR Manager, the state program specialist assigned to specialized employment strategies, and others, as required.

The VR counselor provides the customer with Form VR1813, Supported Self-Employment Business Plan, to use for developing the business plan.

A business plan is required for every case of supported self-employment.

The business plan:

* guides the customer toward a successful business; and
* helps the VR counselor and the customer determine which VR services are reasonable and necessary to support the plan.

As part of the business plan, a separate attachment must list the:

* items that the customer requests to be paid by VR and the costs; and
* items and resources that the customer will contribute to the plan.

A supported self-employment business plan requires the following detailed sections:

* Business Executive Summary
* Business Description
* Products and Services
* Marketing Analysis
* Marketing Plan
* Operational and Legal Considerations
* Financial Plans
* Extended Business Supports
* Extended Long-Term Supports
* Appendices

VR purchases technical assistance in the following for customers who propose a supported self-employment strategy:

* Self-employment exploration
* Concept development and feasibility study
* Market analyses
* Business plan, including financials

For experienced help in developing a business plan, customers can use comparable benefits—with or without the assistance of a CBTAC—which are available from:

* some Workforce Solutions Offices;
* the SBA;
* city and county organizations for business development;
* chambers of commerce;
* community colleges, adult education, and educational institutions; and
* SBCDs.

Payment information for technical assistance for self-employment is listed in RHW specifications for the following:

* Self-Employment Services
* Technical Assistance Services

The cost of technical assistance is not considered part of the cost of the self-employment plan.

Computers with speech and large-print access are available in many Workforce Solutions Offices. Customers may use these computers to access the Internet for research and to create the business plans.

#### Developing the Individualized Plan for Employment

An IPE for a specific employment or job title goal can be developed for wage employment before an IPE is developed for supported self-employment. The IPE for wage employment must include supported employment services. A supported self-employment IPE cannot be developed until a Supported Self-Employment Assessment, Supported Self-Employment Concept Development, Supported Self-Employment Feasibility Study, Supported Self-Employment Business Plan, and Supported Self-Employment Financials have all been completed.

Once the business plan has received all required approvals, an IPE for supported self-employment can be developed or can be amended from a wage employment IPE to a supported self-employment IPE.

The IPE for supported self-employment must designate supported employment and include:

* a check on the "self-employment" and "supported employment" options in RHW;
* the name of a support organization or business coach for continuing the business after the end of VR funding and case closure;
* any comparable benefits to be used;
* a specific employment or job title goal;
* supported self-employment services from a CBTAC;
* the agreed-upon:
	+ criteria for business stability;
	+ period from business stability to case closure; and
	+ method used to periodically report net income;
* any training services, such as:
	+ how to start a business;
	+ bookkeeping; or
	+ tax preparation and reporting;
* technical assistance services;
* the approved goods and services, as listed in the business plan attachment, to be purchased;
* the customer's contribution of resources to help establish and maintain the business (for example, use of a vehicle, labor, a building, tools), as listed under customer's responsibilities;
* the customer's participation in the cost of the supported self-employment if income and/or liquid assets exceed BLR, as listed under customer contributions;
* all extended business support necessary to assist the customer in operating the business;
* all extended long-term support and services to assist the customer in maintaining the business; and
* vocational counseling and guidance.

### C-1104-12: Closing a Supported Self-Employment Case as Rehabilitated

Before closing a case in supported self-employment as successful, the VR counselor ensures that it meets the following criteria for closing a case as rehabilitated:

* The business has achieved stability as defined in the IPE, such as when the business revenue:
	+ equals or exceeds operating costs, as shown on a financial statement, and minimum wage for the business owner; or
	+ in the case of an individual who is self-employed, yields an income that is comparable to the income received by other individuals who are not individuals with disabilities and who are self-employed in similar occupations or on similar tasks and who have similar training, experience, and skills (Based on 34 CFR §361.5(9)(i)(C))
* The business has been in operation for at least 90 days after stability
* The customer has maintained a business that meets all nonnegotiable employment conditions and meets 50 percent or more of the negotiable employment conditions
* All extended long-term support and services are in place and working
* The customer and VR counselor consider the employment outcome to be satisfactory and agree that the individual is performing well in the employment.

The VR counselor must do the following before closing a supported self-employment case:

* Document that the business continues to operate for 90 days from stability (Benchmark 4)
* Document the length of business operation through one or more of the following means:
	+ appropriate combination of the income documents that demonstrate at least 90 days of business operation
	+ a detailed description of the VR counselor's observation of the customer on the job at the beginning and end of 90 days
	+ other objective or verifiable information
* Document the income level by obtaining and filing in the case record one or more of the following documents for income verification:
	+ a recent financial statement verifying revenue and expenses;
	+ recent copies of contractor's invoices and proof of payment to the contractor for sole proprietorships in which work is performed strictly on a contract basis; or
	+ copies of business bank statements covering at least 90 days of operation.
* Document all extended long-term supports and services.