

<sup>1</sup>Note: Yellow highlighted words indicate that a hyperlink will be added to the final draft once the policy goes live.

# Self-Employment Toolkit v3.0

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Assisting DVR Consumers to Pursue their Goal of  
Starting a Small Business

**Wisconsin Division of Vocational Rehabilitation**

This toolkit was developed and adapted from the 2013 Self-Employment Toolkit V2.0 and informed by multiple resources and studies, including, "Understanding the Provision of Self-Employment for People with Disabilities in the United States" from the Center on Self-Employment.

## Introduction

This toolkit was developed to assist DVR staff and consumers through the self-employment process; this includes Independent Contractors. It addresses all areas of the process, from how to start the initial conversation with the consumer, through opening the business and closing the case successfully.

The process outlined in this toolkit is in a 9-step format. Each step must be completed prior to moving on to the next step. It is expected that this process will be followed for all **start-up** self-employment cases. If there is a specific case where it is unclear if this process should be used, please consult with your supervisor.

### This Policy Applies to the Following:

- Total start-up costs of the business operation is \$18,000 or below. DVR uses this dollar amount to "define" a small business. The start-up costs do not include assessment or assistive technology.
- If there is a partnership the consumer must own at least 51% of the business.
- Sole proprietorship or single member LLC (including Independent contractor/consultant work)
- The consumer owns, manages, and operates the small business.
- Business will file all taxes and intends to make a profit.
- If an individual is operating a business and opens a second business under a separate FEIN number, the second business is considered a Start-Up not an expansion.

### This Policy Does Not Support:

- Individual interested in working under a sole source contract. (Ex: NTI at Home)
- [Supported/customized self-employment](#)
- [Business Enterprise Program \(BEP\)](#)
- Existing Business – include definition from policy and link
- Expansion of an Existing Business.
- Non-profit businesses
- Businesses structured as an LLP, S-Corp, and C-Corp
- Hobbies using IRS definition (include link to IRS website)
- Businesses prohibited by law (consult with DVR management)
- Business whose income based solely or primarily recruiting salespeople to continue building the business or enterprise (Multi-level Marketing Business).

**Note: If the consumer is currently running an existing business, and interested in this policy, gather the information below and consult with self-employment lead/management:**

- **Is the consumer currently engaged in a hobby that will turn into a business?**
- **Has the business been in operation less than 1 year?**
- **Has the consumer filed business taxes? If yes, when? If not consecutive why?**

**Note: If a consumer indicates they are earning self-employment income and have not filed taxes: Prior to moving forward with Self-Employment Toolkit, VR staff must share the IRS tax guidelines ([include link](#)) with the consumer and document the conversation. The purpose of this conversation is to ensure the consumer is educated on filing taxes for their business.**

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## Overview of 9 Steps

### **Step 1 – Overview of Self-Employment with the Consumer**

- DVR staff member must review the following points with the consumer to help him/her understand the process, what self-employment is and is not, the DVR fee schedule, and the DVR staff member's professional determination of the appropriateness of the occupation for the consumer.
  - Staff members should utilize the DVR Staff Self Employment Guide and Job Aid to guide them through each step. The DVR Staff Self Employment Guide and Job Aid is a tool designed to assist DVR Staff in ensuring critical discussions and self-employment checkpoints are being completed as the consumer progresses through the Self-Employment toolkit.
  - Staff members should use the DVR Self-Employment Staff Checklist to track the consumer's progress as they move through the toolkit. This can be found in IRIS under the employment tab.
- Four items must be completed by the DVR staff member and consumer to determine if the consumer is a candidate for the occupation and for self-employment:
  - Personal Finance Worksheet, recent within 90 days
  - Credit report with FICO Score
  - Entrepreneur Readiness Questionnaire (Tier 2 and 3 Only)
  - Passing score on the Business Assessment Scale (BAS) (Tier 2 and 3 only)

### **Step 2 – Exploring the Occupation with the Consumer**

- The DVR staff member can assist the consumer in identifying an appropriate occupational goal through a [Comprehensive Assessment](#) which could include: job shadows, internship/temporary work, functional capacity evaluation, auditing a class related to the occupation, etc.

### **Step 3 – Vetting the Consumer for Self-Employment**

- Readiness and appropriateness of the consumer for self-employment consists of many factors including: personal traits, disability factors, transferable skills, credit history, personal resources, family support, current debt and obligations, criminal history, etc.

### **Step 4 – Determine Feasibility of Proposed Business and Next Steps**

- Identifying the feasibility of the proposed business idea is the next step in assisting the consumer and DVR in determining if DVR should proceed with the proposed business idea.

### **Step 5 – Develop the Individualized Plan for Employment (IPE) to Address Feasibility**

#### **Action Items**

- This IPE is written for the occupation focusing on skills development and completion of any required action items that were identified in the Feasibility process.

### **Step 6 – Business Plan Development and Amend the IPE to Include Business Plan Development Services**

- If the consumer is still interested in self-employment after completing any action items from the feasibility process, the IPE should be amended to include Business Plan Development

Services. For consumers in Tiers 2 and 3, a referral should be made to a business consultant for business plan development services following the Business Plan Technical Specifications.

#### **Step 7 – Business Plan Review Process**

- The business plan is presented and reviewed by the BPRC. The BPRC member taking notes will send a summary letter to the VRC and director/designee. After approval, the summary letter will be sent to the consumer per their preferred communication method and attached in IRIS. The letter will include a due date for any additional information/documentation that is being requested, or will indicate that the Business Plan is approved for implementation.

#### **Step 8 – Opening the Business**

- The consumer is working to open the business; at this time a business consultant may be a service the consumer and DVR would want to explore.

#### **Step 9 – Successful Closure of DVR Case**

- Once employment and wage standards are met, case is closed successfully.

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## DVR Self-Employment Fee Schedule

- DVR may provide funding for an approved business plan's start-up costs in accordance with the Self-Employment Start-up Fee Schedule.
- DVR's financial participation will be used to purchase initial start-up services and equipment identified in the approved business plan and must follow DVR's purchasing policies.
- The business's start-up cost excludes costs for training, assessments, and rehabilitation technology services. However, these costs can be identified in the business plan.
- A consumer must demonstrate that they have access to the working capital
  - Working capital is defined as: Demonstration of funds available to cover costs of day to day operations of business and obligations (e.g., maintaining inventory, short term obligations and expenses, employee wages, etc.). It is the money needed to keep the business running until it generates enough revenue to pay for itself. This could be through cash, loans, grants, investors, etc. This does not include DVR funds, the owners draw, or depreciation amounts.
  - DVR calculates monthly working capital as the monthly average expenses over the first year of operations. This average calculation does not include DVR contributions for start-up.

### **Note:**

Tier 1 requires 2 months of working capital

Tier 2 requires 4 months of working capital

Tier 3 requires 6 months of working capital

- Prior to the DVR business plan review, the consumer must present documentation demonstrating that they have access to the required working capital. Working capital can be obtained through a credit card, a family member, a friend or a loan. Demonstration must include a notarized letter, credit card line of credit or if a loan, include what the funds can be used for, the repayment schedule, and interest if applicable.
  - All consumers must have access to working capital regardless of their SSI/SSDI status.

If a consumer is interested in self-employment but had been provided self-employment start-up funds in any case that was closed in the last 5 years, consult with DVR director/designee.

### **Tier 1 total cost of business up to \$6,000 paid by DVR**

A Tier 1 business is intended for individuals that are interested in starting a very small business that is easy to get going, and requires little investment from DVR. DVR intends that these businesses are open within 3-6 months after approval of the Business Plan.

### **Note:**

VRC must consult with a self-employment subject matter experts in your local WDA throughout the process. No paid business consultants are typically used for Tier 1 businesses. BAS and Feasibility Analysis are also not used in Tier 1 businesses.

The final determination on if the consumer has a feasible business and should proceed with the steps in the toolkit (determined in Step #3), would be determined by the local WDA Director or their

designee.

**Require Following:**

- Background check (CCAP and DOJ)
- Credit Report with FICO score
  - If FICO score is below 639 and/or if they have no credit, and/or they can't pay their bills, provide [financial literacy services](#), and proceed with development of a simplified business plan
- Personal financial worksheet ([link here](#))
- Simplified Business Plan (typically 1-2 pages).
  - Business overview
  - Resources
  - Marketing Plan
  - Business Financials
- Documentation of 2 months of working capital prior to Director/designee review of Business Plan ([link Working Capital Calculator](#)).

**Tier 2 total cost of business \$6,001 - \$12,000 paid by DVR**

A Tier 2 business is intended for individuals that are interested in starting a small business that typically requires a business consultant, and moderate effort to get going. DVR intends that these businesses are open within 6-12 months after approval of their Business Plan.

**Require Following:**

- Credit Report with FICO Score (FICO Score at 639 or above).  
Note: The credit score may be free, but if it is not, DVR can fund obtaining the score.
- Background check (Wisconsin Circuit Court Access (formerly CCAP and Department of Justice (DOJ))
- Employment Readiness Questionnaire ([ERQ](#))
- Business Assessment Scale ([BAS](#))
- Feasibility Study typically completed by a business consultant that would identify if a Marketing Plan were needed.
- Business Plan typically completed by a business consultant utilizing current technical specification.
- Documentation of 4 months of working capital at the time of Business Plan Review ([link Working Capital Calculator](#))

**Tier 3 total cost of business \$12,001 - \$18,000 paid by DVR**

A Tier 3 business is intended for individuals that are interested in starting a small business that requires business consultant, a comprehensive business plan, and may be required to consider funding outside of DVR. DVR intends that these businesses are open within 12-18 months after approval of their Business Plan.

**Require Following:**

- Credit Report with FICO Score (FICO Score 639 or above)  
Note: The credit score may be free, but if it is not, DVR can fund obtaining the score.

- Background check (Wisconsin Circuit Court Access (formerly CCAP and Department of Justice (DOJ))
- Employment Readiness Questionnaire (ERQ)
- Business Assessment Scale (BAS)
- Feasibility Study typically completed by a business consultant that would identify if Marketing Plan were needed.
- Business plan typically completed by a business consultant utilizing current technical specification
- Documentation of 6 months of working capital at the time of Business Plan Review (link Working Capital Calculator)
- May require consideration of outside funding.

These fees are established in accordance with federal guidelines that permit an agency to establish fee limits for services designed to ensure a reasonable cost to the program for each service. If the service is provided as a direct payment to the individual, either a receipt or other appropriate documentation that the funds were used as intended is required.

**Note:** If the estimated total cost of the business exceeds \$18,000 at the time of feasibility, consult with director/designee.

**Note:** Credit scoring models can help assess consumer credit risk scores. For example, a credit score of 640 is just below a "good" credit score, which is typically a score at or above 670 for FICO. A good credit score can help you qualify for a credit card or loan with a lower interest rate and better terms. A credit score of 640 is a measure of financial stability and an indicator of a consumer's ability to implement and maintain their business operation. Reviewing a DVR consumer's finances and knowledge of managing funds is part of determining readiness to manage the financial sides of business ownership.

Financial Solvency is a measure of a consumer's financial health. A consumer is financially solvent if they have the ability to meet their expenses with income earned through employment, retirement income, documented savings that is readily accessible, documented financial support from others inside or outside of the home, SSI/SSDI, and other financial supports including, but not limited to, FoodShare, rental assistance, and energy assistance.



## Step 1 Overview of Self-Employment with the Consumer

This toolkit policy was developed for consumers, DVR staff, stakeholders and the public to understand the self-employment process.

### **Tip/Note:**

Reassure the consumer that they will be supported throughout the process. Any material provided to the consumer must be in an accessible format. After reviewing the toolkit with consumers, some consumers may no longer be interested in self-employment. This decision may occur at any step of the process. This decision is okay, as it is part of the informed choice process of the consumer.

### **Initial counseling discussion with the consumer on self-employment**

- Explain that DVR has only one purpose – to provide VR services for individuals with disabilities so that such individuals may prepare for and engage in **gainful** employment (i.e., minimum wage or above for hours worked).
- Utilize [Appendix 1](#) to facilitate discussion with the consumer on whether they have thought about the advantages and disadvantages of self-employment.
- Clarify that self-employment **is not** an employment goal for DVR purposes, just as working for someone else would not be written as an employment goal (e.g., full time employment working for a company).

Self-employment **is** a way to make money at an occupation or a means of practicing a skill (e.g., welding), or selling a product (e.g., insurance policies). (See [Step 4](#), Development of the IPE for the Occupation.)

- Explain that DVR must ensure that the occupation and self-employment are appropriate, given the consumer's strengths, limitations, abilities, concerns, capabilities, interests, priorities and informed choice.
- Discuss with the consumer if they require occupational training to reach their self-employment goal. If the consumer requires occupational training, consult with supervision to decide if they need to complete the training before moving ahead with the self-employment process.
- Explain that DVR staff utilize the Entrepreneur Readiness Questionnaire for Tier 2 and 3 businesses. That the Business Assessment Scale is used by DVR to assist them in determining if the occupation and self-employment are appropriate for the consumer.
- Explain that the consumer's credit report with FICO Score, financial solvency (all monthly financial obligations are met with current income), criminal background, and other Information will be obtained for all tiers as part of this process and the impact these can have on DVR's ability to support the occupation and the occupation through self-employment.
- Explain that if a consumer is determined appropriate for the occupation then they will

go through the appropriate tier process.

- Explain that DVR services and funding for self-employment are related only to the **start-up** costs of a business, not for future or ongoing costs related to the business. This is typically 6 months with individualized determinations based on the approved business plan and business financials. DVR does not provide working capital (i.e., cash). When a business plan is reviewed, the review committee will assess the business's ability to cover ongoing expenses and for the business to be self-sustaining.
- Discuss DVR [self-employment fee schedule](#) and start-up working capital requirements as well as funding policies and procedures. Utilizing the Tier fee schedule, discuss costs for self-employment cases: Regardless of the plan type, the services and costs of those services are dependent on what is necessary and appropriate for the individual consumer to achieve his/her IPE goal. For some cases, DVR may provide services that have a cost associated with them, and some cases will have services with no cost associated with them (e.g., guidance and counseling, information and referral, or paid for by other resources). DVR should spend no more or less on a case than what is necessary for the achievement of the IPE goal.
- Any request for funding or services that were not part of the original business plan must be done through the exception process. Any request for funding or services that had not been approved through the business plan review committee, requires an exception request.
- DVR requires a Business Plan for all three Tiers. Planning does not end with the completion of a written plan – the process is continuous. The business owner must constantly evaluate how the business is doing versus what had been planned and modify the plan accordingly. Ongoing comparison of planned to actual results provides a terrific opportunity to continuously improve the business. Consultants and information and referral resources are available to assist with this using the Business Operations and Support Service.
- Discuss [comparable benefits](#) with the consumer. Define what they are, when they are considered, and what services are exempt from comparable benefits.
- If applicable, the DVR staff member should discuss with the consumer that DVR is not able to purchase real estate/property or new construction.
- Explain that all consumers need to make continual progress toward their goal within an agreed upon timeframe. Explain that set target dates can be changed if appropriate, but stress that end dates are necessary for successfully completing self-employment activities and that these should be reviewed regularly.
- For consumers who are already making a product or providing a service, DVR may be able to provide services and materials for short-term action oriented test marketing.
- If the consumer receives SSI/SSDI benefits share that they will be responsible for demonstrating the working capital requirement for the Fee Schedule Tier their business falls into. Discuss with the consumer how earnings may impact his/her benefits as well as

work incentives that may be available to him/her, and if a referral for a benefits analysis is appropriate. SSA rules are complex for those going into self-employment and receiving disability benefits, a benefit analysis should be performed by a provider who is knowledgeable and comfortable on the rules for self-employment. The DVR staff member should ask the vendor their experience with self-employment before making a referral for this service.

- Consumers receiving SSI and Medicaid should be made aware that if they decide to structure their business as a Limited Liability Company (LLC), S Corporation, or C Corporation, business assets may be considered as personal assets which could jeopardize their SSI or Medicaid benefits.
  - Consumers receiving benefits should be reminded that they are responsible for reporting any changes to their annual earnings or resources to the Social Security Administration. Failure to do so can result in over payment and subject to collections by SSA.
- If a consumer expresses an interest in starting a non-profit business the following should be discussed:

DVR does not support non-profit businesses as self-employment because:

- Non-profit businesses by definition do not generate a profit.
- These businesses are typically overseen by a board of directors. They are not owned and controlled by the consumer; therefore the consumer is not "self-employed".

However, this does not mean that a consumer cannot work for a non-profit. It would simply be an employment goal like any other in which they work for an employer. Working for a non-profit is not self-employment.

- If a consumer is interested in going into business with a non-DVR consumer partner, for DVR purposes the expectation is the consumer have at least 51% ownership (controlling interest) in the proposed business. Furthermore, DVR would provide assistance toward an approved business plan following the [self-employment fee schedule](#), at the rate of ownership and the business partner would be expected to contribute their rate of ownership. If two consumers express an interest in starting a business together as partners, management should be consulted on how best to proceed.

## **Step 2**

### **Exploring the Occupation with the Consumer**

After reviewing the information listed in Step 1, the DVR staff member should support the consumer to identify an employment outcome that is appropriate given the consumer's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice. These factors are known as the Great 8. Step 2 emphasizes occupational exploration along with the Great 8.

The DVR staff member can assist the consumer in identifying an appropriate occupational goal through a [Comprehensive Assessment](#) which could include: job shadows, internship/temporary work, functional capacity evaluation, auditing a class related to the occupation, etc.

If the DVR staff member is in agreement with the occupational goal chosen by the consumer and the consumer still wants to pursue self-employment, proceed to Step 3.

If the DVR staff member is not in agreement with the occupational goal chosen by the consumer, provide a denial letter including the rationale as to why the occupational goal is not being supported along with appeal rights.

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## Step 3 Vetting the Consumer for Self-Employment

Determining early on whether a consumer is a good candidate for self-employment in this occupation saves the consumer time and effort. Step 3 is designed to assist the consumer in preparing to be self-employed in their chosen occupation.

Readiness and appropriateness of the consumer for self-employment consists of many factors including: personal traits, disability factors, transferable skills, credit history, personal resources, family support, current debt and obligations, criminal history, etc.

DVR and the consumer should arrange appointments to review and complete the activities in this step.

The following items are required for all **Tiers**:

- [CCAP](#) Review (Wisconsin Circuit Court Access)
- Crime Information Bureau - Wisconsin Criminal Background Check
  - To complete the criminal background check, DVR staff must first obtain a signed release from the consumer. Once this is completed, DVR staff should follow [the process for obtaining a Wisconsin Criminal Background Check](#) (Internal Link).
- FICO Score and Credit Report
  - Explain to the consumer how their FICO score (639 or above) and Credit Report will be used and the impact it can have on DVR's ability to assist the consumer with their occupational goal through self-employment.
  - Provide the consumer with the [FICO Score Request document](#) which outlines the process of how the consumer can obtain their FICO score.
  - DVR is able to assist the consumer with the costs of obtaining the FICO score as outlined in the [FICO Score Request document](#).
- Completed Personal Finance Worksheet

Share with the consumer that there may be resources outside of DVR that may assist the consumer in pursuing their occupational goal through self-employment. A list of those resources are included in [Appendix 10](#).

**For consumers in Tier 1 that do not have a FICO score above 639, if there are concerns with the background check, and/or personal financial worksheet, consult with director/designee on how to proceed.**

**If there are no concerns or issues for consumers in Tier 1 after reviewing all required materials, move to step #6.**

The following items are required for Tiers 2 and 3

### 2. Entrepreneur Readiness Questionnaire ([Appendix 3](#)):

This questionnaire is designed to help the consumer to think about and explain how their skills, abilities, and access to resources may lead them toward a successful self-

employment outcome. The questionnaire will assess the consumers management experience, industry/technical experience, personal credit and financial solvency, commitment/desire/persistence, and family/community support.

The questionnaire should be completed by the consumer (with supports/assistance as needed) and upon completion, reviewed with the consumer and DVR staff member to determine if additional information is needed.

This information will then be used to complete the Business Assessment Scale.

### **3. Business Assessment Scale (BAS):**

The BAS is a tool designed for the Wisconsin Vocational Rehabilitation to use as an early assessment as to the likelihood that a consumer will succeed in a small business enterprise. It evaluates five measurable attributes: management expertise and skills; technical skill/work experience; personal credit/financial solvency, commitment/desire/persistence, and family and community support.

The BAS is to be completed by 2 trained DVR staff and the consumer (See Appendix 4). DVR staff can access the **BAS and instructions for completion** and share with the consumer. The **scoring sheet** is for DVR staff only and should not be shared with the consumer or included in the DVR file. The scoring sheet is for notetaking purposes only.

**The rationale and final weighted score for each of the five sections of the BAS must be entered by the one of the BAS raters as a case note in IRIS.**

A total score of 61 to 100 is a **Green Light** and suggests that the individual possess the characteristics which contribute to a successful business operation in the proposed business. The consumer should be assisted with moving to the next step in the Self-Employment Toolkit. The designated BAS rater will send a Green Light Letter to the consumer.

A total score of 41 to 60 is a **Yellow Light** and suggests that the individual possess some of the characteristics which contribute to a successful business operation in the proposed business, but requires additional skill-building or planning. No additional self-employment services may be provided at this time. The BAS raters will send the consumer a Yellow Light Letter including appeal rights. All of the items indicated in the letter must be submitted to the VRC by the deadline and reviewed by the BAS raters who will approve or disapprove moving forward with self-employment.

A total score of 0 to 40 is a **Red Light** and suggests that the individual does not possess the characteristics which contribute to a successful business operation in the proposed business. The BAS raters will send the consumer a Red Light Letter including appeal rights. All discussion and support for self-employment should conclude. The consumer should be offered counseling and guidance to determine if they would like to pursue wage employment.

If the BAS score indicates that the consumer should not proceed with the self-employment process, an Exception Request may be requested.

- Where applicable, if a BAS Rater has additional insight as to why an Exception Request should be considered, they should recommend that to the DVR staff member.
- In consultation with Management, other data (evaluations/assessments, the consumer's skills, abilities, capabilities, etc., recommendations of a business consultant, and the DVR staff member's observations and experience with the consumer) may also be considered when determining whether or not the consumer is a candidate for self-employment and an Exception Request could be considered.

**Note:** The VRC should add an IRIS case note related to their conversation with the consumer before and after the BAS meeting.

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## **Step 4**

### **Determine Feasibility of Proposed Business and Next Steps (Tiers 2 and 3 only)**

If the IPE goal has been determined appropriate and the consumer and VRC are in agreement with the occupation and pursuing self-employment, proceed with the feasibility study. The feasibility of the proposed business must be determined for consumer's whose business concept and start-up costs are in Tier 2 or 3. Depending on the outcome of the feasibility study which includes a start-up cost estimate, the consumer will be assigned to Tier 2 or Tier 3.

A feasibility study is an analysis of the viability of an idea. The idea should be specific to an occupational area. The feasibility study focuses on helping answer the essential question: Should we proceed with the proposed business idea? All activities of the study are directed toward helping the consumer and DVR answer this question.

A feasible business venture is one where the business service or product will generate adequate cash-flow and profits, withstand the risks it will encounter, remain viable in the long-term and meet the goals of the DVR Consumer.

#### **Reasons to do a Feasibility Study:**

Conducting a feasibility study is a good business practice. If a review of successful businesses was conducted, it would reveal that they did not go into a new business venture without first thoroughly examining all of the issues and assessing the probability of business success. These are other reasons to conduct a feasibility study:

- Gives focus to the consumer.
- Narrows business alternatives.
- Identifies new opportunities through the investigative process.
- Identifies reasons not to proceed.
- Enhances the probability of success.
- Provides quality information for decision making.
- Provides documentation that the business venture was thoroughly investigated.
- Helps in securing funding from lending institutions and other financial sources, including the amount of working capital that may be required for the business.



## **Proposed Business Feasibility Recommendation:**

The purpose of the feasibility study is to make a recommendation whether or not to proceed with the business idea. Once a proposed business is determined and agreed to be feasible there should be no further questioning throughout the self-employment process whether the business is feasible. This indicates the importance of a properly researched feasibility study that considers the consumer, the market and all viability factors.

Staff should consult with their Director/ to make the final decision regarding the outcome of the feasibility study to determine if additional training is needed and how much time it will take for the consumer to secure working capital.

**Green Light** on feasibility of business and 3 or fewer months of short term training is needed and anticipated working capital will likely be available within 3 months of the feasibility study being approved.

**Yellow Light** on feasibility of business or more than 3 months of short term training is needed and/or anticipated working capital will likely take more than 3 months to secure.

**Red Light** - Review the feasibility findings with consumer and the business consultant. Address any questions/concerns. Inform consumer that DVR will not be able to provide additional self-employment services. DVR Staff will provide a denial letter and appeal rights. The consumer should be offered counseling and guidance to determine if they would like to pursue non-self employment services.

## **Next Steps Based on the Feasibility Recommendation and Consultation with the director:**

**Green Light** – Write IPE with business plan development services, needed training, and/or other assessments etc. **Move to Step 6**

**Yellow Light** - Write IPE that addresses concerns in the feasibility study, includes training and related services, and includes responsibilities/steps to take related to securing working capital. If there is outstanding training needed, the decision to move forward happens at the local level. VRC should consult with Director/Designee or business consultant who wrote the feasibility study if there are questions. **Move to Step 5**

**Red Light** - Discontinue discussions of self-employment. DVR Staff will provide a denial letter and appeal rights. The consumer should be offered counseling and guidance to determine if they would like to pursue non-self employment services.

### **Tip/Note:**

It is important to help the consumer understand that they will be required to provide formal documentation of working capital once the business plan has been finalized. The working capital may be secured from lending institutions, family, credit cards, and other financial sources. If necessary, refer the consumer for financial literacy services so they understand the importance of saving for the financial needs of their business. The estimated amount required

for the working capital may assist the consumer in deciding if they have access to these types of resources to start their business.

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## Step 5 Develop the Individualized Plan for Employment (IPE) to Address Feasibility Concerns

Note: **Yellow light Feasibility for Tiers 2 and 3**

If the feasibility study results in a yellow light and/or consumer requires 3-12 months of training, or it's unlikely that they will have access to working capital within 3 months, then the IPE should be written to include necessary services with progress measures and responsibilities. **The IPE will be written for the occupation, but business plan development services should not be included at this time.**

After working through Steps 1 through 4, an appropriate employment goal was identified. The VRC informs the consumer that they can write an IPE for the occupation but, will not be including business planning services until the yellow light considerations have been addressed. The DVR staff member must include a rationale of why this goal is appropriate, given the consumer's strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice, should be documented following the [Case Noting Style Guidance and Best Practice](#) in the IPE case note.

The IPE is written to ensure that skill acquisition and action items identified in the feasibility report are the primary focus, while allowing the consumer to continue to explore if they are suited for the occupation as well as self-employment.

It is important that the IPE list all of the services that are needed and known, at the time the IPE is developed, including:

- Services needed to address any functional limitations identified at the time of eligibility that are needed to engage in current IPE services.
- Services that are identified as a result of an assessment or the feasibility study.
- Services that address other barriers that come to light e.g., criminal background, prior bankruptcy, driver license issues, skill deficiencies, etc.
- Specific training (financial literacy training and/or consultation), work experiences, business classes, apprenticeships, informational interviews, etc. that will assist the consumer in achieving their employment outcome.

The IPE's progress measures should be incremental with specific tasks identified and agreed upon deadlines. DVR staff must evaluate that the agreed upon action steps were completed prior to initiating the next step. See Initial IPE Example found in [Appendix 7](#).

If yellow feasibility items have not been resolved, do not proceed with providing business plan development services. Consult with the BAS Committee to determine if extensions are warranted. If self-employment services are being denied, the DVR staff member must provide a letter with reasons for denial and appeal rights.

If the consumer has demonstrated their continued interest, completed all required outstanding feasibility items and action steps, the DVR staff member in consultation with their supervisor and/or designated local subject matter expert, **will update the IPE. Include**

**services that have been jointly identified and agreed upon with the consumer** to reflect services necessary to develop a comprehensive business plan utilizing [Step 6](#).

If the consumer has decided that they are no longer interested in self-employment and/or their employment goal, then the DVR staff member and consumer should address this and update the plan as needed.

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**Step 6**  
**Business Plan Development and Amend IPE to Include**  
**Business Plan Development Services**  
**Note: Applies for all Tiers**

**Discuss with the consumer the importance of developing a Business Plan:**

The number one reason businesses fail is *lack of planning!* This includes poor management and being undercapitalized. Instead of making mistakes on paper, business owners too often make them with real money and real customers. That is why most funding institutions and agencies require business plans and refuse to fund business start-ups that cannot provide a well-developed plan.

Benefits of Planning:

- It requires that the business owner evaluate the entire business. Daily decision making often involves resolving a series of seemingly unrelated problems. Planning identifies the underlying reasons for recurring daily problems.
- The business plan contains written information that can be useful to employees, investors, creditors, and other interested parties. It is difficult to communicate an informal, unwritten business plan to others.
- The business world is becoming increasingly competitive. In order to survive, a small business owner must find a well-defined market niche. He or she cannot compete on price, and therefore must serve that market in a customer-oriented, cost-effective manner. Planning forces the entrepreneur to address these issues and enhances the likelihood of success.
- Small business products, services, and delivery systems are constantly changing. Change is a state of uncertainty, but it also presents opportunities to the *prepared* business owner. Planning is a systematic way to identify and capitalize on new opportunities.

Planning does not end with the completion of a written plan – the process is continuous. The business owner must constantly evaluate how the business is doing versus what had been planned and modify the plan accordingly. Ongoing comparison of planned to actual results provides a terrific opportunity to continuously improve the business.

If the consumer is in agreement with moving forward with Business Plan Development Services, **amend the IPE to include Business Planning services and any other services that are necessary and appropriate for the consumer to reach their employment goal, including less than 3 months of training.**

For consumers in Tier 1 the **simplified business plan template** must be completed and approved by the local Director/Designee.

For consumers in Tiers 2 and 3, a referral should be made to a **business consultant** for business plan development services following the Business Plan Technical Specifications. If a consumer chooses to develop their own comprehensive business plan, provide them with a copy of the Business Plan Technical Specifications and Business Plan Development Guide

found in Appendix 5 to assist them in this process.

**Tip/Note:**

During the DVR staff member's 30 day contact, check in with the consumer to see if they are satisfied with how the Business Planning process is moving along. If the consumer is not satisfied with the business planning services being provided by the consultant, it is important to find out why the consumer is dissatisfied.

If the business plan indicates that the total start-up costs would place the person in a different tier, the VRC should consult with their Supervisor/Director to see if the assigned Tier should change or remain. Working capital requirement would change if the consumer was moved from Tier 2 to Tier 3. If consumers changes Tiers, they must go back and complete all required steps for that new Tier before proceeding with the toolkit.

This is also the point where comparable benefits (American Indian Vocational Rehabilitation (AIVR), Veterans Administration (VA), Wisconsin Women's Business Initiative Corporation (WWBIC), etc.) should be explored with the consumer. It is important to remember that DVR does not require exploration of comparable benefits for assessments and rehabilitation technology.

When identifying the equipment, tools, and supplies in the business plan, the consumer should develop a written list with reasons why the items are needed to present to the BPRC. Identify if specific equipment and tools are needed as an accommodation. The accommodation items should not be included in the amounts when looking at the DVR fee schedule. If there are questions on if a specific item(s) is rehabilitation technology or a piece of essential equipment for a business, management should be consulted. 34 CFR 361.5 says that assistive technology device means any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve the functional capabilities of an individual with a disability.

If the consumer is submitting the business to potential investors, if a requested item/service could potentially identify the consumer as a person with a disability, the VRC and the consumer should discuss whether or not to include it in the business plan.

Once the business plan is complete, following the Business Plan Technical Specifications, a review meeting must be held. At that meeting, the consumer is expected to present the business plan to his/her DVR staff member with the assistance of the business consultant. This meeting will allow for discussion regarding the report, answering any questions or concerns, identifying any areas needing further clarification, and next steps, if applicable. If a consumer has a service or product that they can demonstrate to the business plan review committee, they should be encouraged to provide a demonstration during the review meeting.

**Tip/Note:**

For consumers receiving SSI/SSDI and/or any other public benefits, a referral should be made to a benefits specialist at any point in the process for a self-employment benefits analysis to assist in explaining the advantages and benefits of achieving Substantial Gainful Activity (SGA), possible work incentives (e.g., Plan for Achieving Self Support (PASS), Property Essential for Self-Support (PESS), Impairment- Related Work Expenses (IRWE), Blind Work Expenses (BWE), and Unincurred Business Expenses) and the impact of self-

employment on their benefits.

Working with a benefits specialist will assist consumers in making an informed choice on pursuing self-employment and if a consumer decides to proceed with self-employment, it will help them understand how Social Security evaluates work activity, available employment supports, and how to structure their business.

Consumers receiving SSI and Medicaid should be made aware that if they decide to structure their business as a Limited Liability Company (LLC), S Corporation, or C Corporation, business assets may be considered as personal assets which could jeopardize their SSI or Medicaid benefits. VRC needs to discuss the service of Work Incentive Benefits Analysis this point so the consumer is aware of how the income from their business may impact their benefits.

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Step 7  
**Business Plan Review Process**

See [Appendix 6](#) for the Roles of the Business Plan Review Committee (BPRC)

All Tier 2 and 3 business plans are submitted to the Director/designee and the local BPRC member prior to submission to the full BPRC. The Director/Designee and the local BPRC member will review and provide feedback to the VRC within 5 business days of receiving the plan. If needed, the DVR staff member will work with the consumer to address any recommendations.

With consent from the consumer, the DVR staff member must submit the business plan to the BPRC 14 days in advance of the committee meeting. This allows the committee members time to review, discuss and prepare questions for the consumer to answer. Any pictures or other relevant information (webpages, electronic portfolios, etc.) should be submitted to the BPRC at this time.

BPRC Lead in coordination with another member of the BPRC will request an **on-site visit of** the potential business with DVR staff member (storefront, warehouse, workshop, etc.). If there is no physical location to visit, an on-site visit will not be required. The on-site visit is typically done after the business plan has been submitted BPRC and before the BPRC meeting. The BPRC Lead Coordinator will work with the DVR staff member and business consultant to schedule a meeting for the consumer to present their proposed business plan **within 14 business** days of receiving the business plan. The consumer may invite an advocate and others they choose to attend the presentation. If the committee or consumer will not be able to meet within this time frame, a reasonable extension can be agreed to by all involved parties. The Director/designee should be invited to this meeting.

**Within 5 business days** of the review meeting (day of the review is day zero), the BPRC will send a summary letter of decision and as applicable and action items, to the VRC and consumer. The BPRC attaches the summary letter with next steps in IRIS. The letter will include a due date for any additional information/documentation requested. BPRC Lead sends a next steps email to the VRC and includes the Director/Designee.

Examples of possible action items:

- Documentation showing that the amount of working capital needed per the DVR fee schedule is accessible for the consumer to use when needed (ex. Bank statement, written letter of commitment from family member, and credit card statement showing available balance). If the working capital is a loan, the documentation needs to include what the funds can be used for, the repayment schedule, and interest if applicable.
- Locating and securing a consultant to assist the consumer in opening their business.
- Rechecking local ordinances affecting the business if changes have occurred.
- Ensure all necessary permits and licenses are completed and approved to operate the business.
- Updates and/or clarifications to the Business Plan.
- Verification of valid Driver's License.
- Proof of insurance before business opens.
- Letters of support from potential future customers.
- Explore option of PASS Plan.



- Provide updated price quotes for equipment, supplies, and services.

After the VRC and consumer receive the summary letter, the VRC should contact the consumer to review next steps. The VRC is responsible for monitoring the due date for the action items outlined in the summary letter. If there are extenuating circumstances, an extension request should be sent to the BPRC Lead before the due date. If the requested documents/information isn't submitted by the date indicated, the VRC then denies self-employment service and provides a denial letter and appeal rights.

The consumer's written response must be submitted to the VRC by the date indicated. The VRC will share all information compiled with the BPRC for further consideration. If additional information is still required, an additional feedback letter will be provided to make a final decision. If the additional information/documentation is submitted timely, the BPRC makes the final decision, approval or denial, and document this in IRIS by attaching the letter of determination. If the business plan is not approved, the BPRC lead will send a denial letter and appeal rights. If the consumer is not able to submit required information included in the summary letter by the due date, and no exception for additional time has been approved, the VRC should inform the consumer that DVR is not supporting self-employment as an occupation and provide the consumer with a denial letter and appeal rights.

Amend the IPE to include all agreed upon services and equipment from the approved Business Plan.

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## **Step 8 Opening the Business**

At this point in the process the all funding sources have been identified, funding has been secured if appropriate, items are being purchased as outlined in the business plan and IPE, and consumer is ready to open the business.

There can be a tendency during [Step 8](#) for DVR staff to be less involved and feel more at ease since the consumer is working. However, this is a time where the DVR staff member and other DVR staff should be even more involved and actively engaged with the consumer to ensure things are going well in the business.

When identifying costs of equipment, tools, and supplies in the Business Plan the costs should be determined by obtaining three price comparisons for each item/service and averaging the price comparisons. When the business plan is approved and the open action items have been completed, purchasing will begin. Only items approved by the Business Plan Review Committee may be purchased. Use the [Rate of Determination and Required Documentation](#) guidance for purchasing process. If an item required for the business is already part of the [DVR Program Policy Manual/Addendum B DVR Fee Schedule](#), utilize the fees established in the schedule.

DVR staff are encouraged to visit the business, connect with the consumer, continue to provide guidance and counseling and provide other supports as needed. This is a critical time for the consumer and the success of their business.

### **Business Operations Consulting and Support Services**

If a consumer requires additional support to open their business, this service can be used to ensure that the business plan is being followed. Please see technical specifications for business operations, consultation, and support services as needed.

It is also important to remind the consumer of DVR's requirements and expectations related to successful case closure. (See [Step 9](#).)

## Step 9 Successful Closure of DVR Case

***After all necessary criteria have been met for the individual case, the case can be closed as successful.***

To determine if the consumer can be closed as successfully rehabilitated after 90 days:

- The closure criteria is the same as it is for all rehabilitation closures (90 days of at least a gross minimum wage at the level agreed upon - full time, half time, etc.), stable on the job, etc. (See [DVR Policy Manual](#).)
- For self-employment cases, the minimum wage is based on the projected adjusted gross income (AGI) of the business, where the consumer is sole owner. This is not necessarily the same as the consumer's income as they may be reinvesting the money into the business, paying employees, and not drawing an actual income at that time.
- The consumer's business must have brought in the adjusted gross income for the number of hours per week worked that had been agreed upon in the IPE for three consecutive months.

Calculation: (number of hours a week the IPE states the consumer will work) x \$7.25/hr (minimum wage) x 4.3 (# of weeks in a month) = AGI

Examples:

10 hr/wk x \$7.25/hr x 4.3 = \$311.75 /month

20 hr/wk x \$7.25/hr x 4.3 = \$623.5 /month

25 hr/wk x \$7.25/hr x 4.3 = \$779.38 /month

Adjusted gross income hours worked must be documented through:

- Consumer shares profit/loss statement, tax documentation, accounting records, etc. or
- The consumer provides DVR a brief letter/email stating that "... the monthly gross income figures from my business for September 20XX is ..., October 20XX is ..., and November 20XX is ...". If there is a cost for providing this information, DVR can assist with these expenses as determined appropriate.
  - If consumer does not have financial documentation and a letter/email cannot be obtained from the consumer, the VRC can document a direct conversation with the consumer where the consumer shares their wage/hr based on gross income of the business and hours worked to calculate their wage. .
  - If the business does not meet minimum wage for hours worked, consult and consider if an exception is appropriate before closing the case unsuccessfully.

Businesses are able to be closed achieving wages commensurate with others self-employed in similar occupations. If this happens consult with the Self-Employment Lead and your supervisor.

After all closure criteria have been met the case can be closed successfully.

## **Appendix 1**

### **Advantages & Disadvantages of Self-Employment**

These items as well as any additional ones that might not be listed here should be used as discussion points with the consumer regarding the advantages/ disadvantages of Self-Employment.

#### **Advantages of Self-Employment**

- Independence - control over work setting and schedule
- Employment where/when outside opportunities are few
- Work activities that fit personal interests and capabilities
- Being the boss
- Interacting with customers, suppliers, and others
- Enjoyable work
- Sense of achievement/satisfaction if the business succeeds
- Control over job security
- Control of business decisions
- Better standard of living
- Feeling part of the community; connections with other community business members
- Long-term employment with opportunity for personal growth

#### **Disadvantages of Self-Employment**

- No regular paycheck or routine
- Financial risk; may need collateral, a loan or co-signer
- Pleasing the customer (the REAL boss); must be able to get along well with all types of people (clients or customers, suppliers, family, funding sources, etc.)
- No employer benefit package (no paid vacation or sick time)
- May need to provide own health insurance and retirement plan
- Long, hard hours with little free time – owning a business requires longer hours and much more work than a 9-5 job
- Fluctuating income
- Unrelenting responsibility
- Possibility of business failure
- Stress on family/resource
- Possible exacerbation of health problems/disability

Any advantages or disadvantages not listed above that are specific to you?

Do you have any past experience in self-employment? If so what did they learn from that experience?

## Appendix 2

### Social Security Work Incentives

***Consumers receiving SSI and Medicaid should be aware that for Limited Liability Corporations (LLC), S Corporations, and C Corporations business assets may be considered as personal assets.***

Working with a work incentives benefits specialist will assist consumers in making an informed choice on pursuing self-employment and if a consumer decides to proceed with self-employment, it will help them understand how Social Security evaluates work activity, available employment supports, and how to structure their business.

Information regarding [Social Security Work Incentives](#) provide an opportunity for individuals on SSI/SSDI to work. Some individuals may be interested in creating a [PASS Plan](#) through Social Security.

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## Appendix 3 Entrepreneur Readiness Questionnaire

### Protected Online MS Word Version of Entrepreneur Readiness Questionnaire

This questionnaire is to be completed by the consumer, with assistance as needed, and reviewed by the consumer and DVR staff member together to determine if additional information is needed. This information will be used to complete the Business Assessment Scale.

The following items will be needed to finalize the Questionnaire:

- Wisconsin Circuit Court Access ([CCAP](#)) check & [Wisconsin Criminal Background Check](#) (authorized and completed internally by DVR).
- FICO Score
- Completed **Personal Finance Worksheet**

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## Appendix 4

### Business Assessment Scale (BAS)

#### **INSERT LINK TO THE BAS and Instructions**

#### **ROLES AND RESPONSIBILITIES PRIOR TO BAS REVIEW:**

##### **VRC:**

- Attach the following in IRIS (be sure PPI is redacted) and submit to the Local BAS Representative:
  - ERQ
  - Credit Report with FICO Score (not Vantage or other score, must include the consumer's name and date and should not be a copy and pasted document)
  - CCAP Review
  - DOJ Criminal Background Check
  - Personal Finance Worksheet
- Rational on if the VRC supports the consumer in self-employment occupation? Why or why not?
- If Local BAS Representative determines ERQ is not complete, work with the consumer to update the document. Note: If the consumer declines the opportunity to update the ERQ, notify the Local BAS Representative, so the process can move forward.
- Review the BAS process with the consumer and give the consumer a copy of the BAS tool. Note: The consumer should not score the BAS prior to the meeting.

##### **Local BAS Representative:**

- Verify that the ERQ and supporting documents are attached in IRIS and that the ERQ is complete. If not complete, advise the VRC on what items need to be updated.
- Submit the completed ERQ and supporting documents to the BAS Coordinators.
  - If the consumer does not have a FICO score, the ERQ should not be submitted for review.
  - If the FICO score is below 639, the VRC should inform the consumer they will automatically receive a Red score, but the ERQ can be submitted for full review.

##### **Coordinator:**

- When ERQ and supporting documents have been received, enter the following in the BAS Tracking form: IRIS number, ERQ submission date, number of business days to BAS meeting, credit report w/ FICO submitted, CCAP submitted, DOJ criminal background check submitted, personal finance worksheet submitted, and ERQ submitted.
- Assign raters to BAS review, using BAS Committee Rotation.
- Using initial email template, email BAS Raters and VRC. Include ERQ and supporting documents, BAS form and instructions, and Consumer Satisfaction Survey

##### **Raters:**

- Work with the VRC to schedule a meeting with both Raters, the VRC and the Consumer.
- Review the ERQ and supporting documents prior to the meeting. Do not score the BAS in advance of the meeting.
- Review BAS Scoring Guidance prior to rating an ERQ.

#### **ROLES AND RESPONSIBILITIES DURING BAS REVIEW:**

**DVR Staff Member:**

- Support the consumer during the meeting and provide prompts as necessary. The DVR Staff Member does not need to score the BAS or take notes.
- After the raters leave the meeting, verbally give the Consumer Satisfaction Survey to the consumer and record their responses on the form. Attach the survey in IRIS and submit a copy to the BAS raters.

**Raters:**

- Identify one rater to take notes during the meeting, using the BAS Notetaking Template. This rater will also write a letter to the consumer and
- Score BAS and notify the consumer of score and category (red, yellow, or green).

**ROLES AND RESPONSIBILITIES AFTER BAS REVIEW:****DVR Staff Member:**

- Once informed of the final BAS decision, contact the consumer BEFORE they receive the letter and discuss the final decision and next steps.
- Complete the Entrepreneur Readiness Worksheet in IRIS.
- If Raters provides next steps for the consumer, monitor that the consumer completes the steps by the deadlines provided. If the items aren't completed by the deadline, redirect the case towards employment or case closure. If the consumer has a justifiable reason to need additional time, submit a request to WDA Director or designated Supervisor.
- Once all steps are completed, **contact the BAS raters** to determine if the consumer is approved to move forward or if self-employment is denied.

**Raters:****Within 3 Business Days of BAS Review:**

- Case note the meeting in IRIS. Note: Notes made to self during the meeting are not part of the case record and do not need to be attached.
- Use letter template to write and send a letter based on consumer's BAS score. Include appeal rights. Attach letter in IRIS.
- Inform the VRC and Director/Supervisor of the decision. Remind the VRC that they need to inform the consumer of the decision before the letter arrives.
- Enter the following in the BAS Tracking form: BAS Score, BAS red/yellow/green, number of days from meeting to letter, VRC contacted consumer regarding results, number of days to Entrepreneur Readiness in IRIS, returning business owner with new idea, and hobby turned business.

**Within 10 business days of BAS Review:**

- Review the file to ensure that the Entrepreneur Readiness Worksheet has been filled out by VRC. Verify that BAS Tracking form has been filled out.



## **Appendix 5**

### **Business Plan Development Guide**

**Title Page Includes:** Business Name, Consumer Name, Address, Phone, Email, Date.

#### **Executive Summary**

The executive summary is the first and most important section of a business plan. Its purpose is to convince the audience that this business is worthwhile. This “opening argument” must capture and hold the intended reader’s attention and direct it to a specific purpose. The executive summary should avoid industrial jargon – the reader may lose interest. Make the summary clear, concise, and convincing. Although the executive summary appears first in the plan, usually it is the last section written.

#### **The Business Description**

**The Business.** This section discusses the the purpose of the business, form of ownership, ownership interest, industry trends, background information about the owners.

- **Business History**

This section describes the need for a new business. It describes how and why new business is needed. For a new business, it should discuss the industry on a local and regional basis and the projected growth of the business.

- **Form of Ownership**

This section specifies and discusses the rational for the type of business ownership. It includes documents or agreements between partners or shareholders. It discusses how the potential business owner determined the appropriate form of ownership for his or her business. The Secretary of State’s office in the state where the consumer wishes to open the business can help. This information is found on the Wisconsin Department of Financial Institutions website (<http://wdfi.org>). For example, you can form a LLC by paying \$130 and applying on this website. The booklet details the legal steps necessary to start, maintain and/or dissolve a business. A potential business owner should also contact a certified public accountant or a business consultant to discuss the appropriate form of ownership for his or her particular business.

- **Ownership Interest**

This section lists all owners, such as major shareholders or partners. It also documents owners' or shareholders' willingness to provide personal guarantees for any financing. Tax ID Number (TIN).

**Visit the IRS website ([irs.gov](https://www.irs.gov)) to obtain a Federal Tax ID Number for your business. Industry Trends**

**This section discusses the current trends of the proposed business and the industry. It describes whether or not the demand for the product or service exceeds current supply.**

- **Background Information About the Owners**

This section provides information about the owner(s), describing any experience in the industry or with managing a small business. This section also contains information about any business advisors other than lawyers or CPAs.

## **The Marketing Plan Products and Services**

This section describes the product or service, the currently unsatisfied market need or desire, and describes how the product or service will meet that need or desire.

- **The Target Market**

This section describes the market and the customer. Many resources are available at public libraries that provide data on markets and customers.

Here are just a few:

- County and City Data Book
- Statistics for States and Metropolitan Areas
- Statistical Abstract of the United States
- Trade Association Publications
- A Guide to Consumer Markets Make sure all information sources are referenced and describe the method used to gather target market data; describe the geographic market including its physical size, history, and trends (e.g., growth); and the proximity and relevance of potential customers.

This section should also contain an estimate of the potential market, the number of customers the business expects to serve immediately after

opening, the rate of expansion, and possible expansion into other markets.

- **Business Location**

Describe possible locations explored, why the selected location is the best, and how it will benefit the business.

- **Competition**

This section describes others who are competing for the same market, what they charge, their weaknesses and strengths, how your product or service differs from theirs, and the features and benefits of your service or product versus the features and benefits of competitors' service or product. Describe the methods used for gathering this information. Describe how you will gain market share. For example, will people patronize your business because of price, technical sophistication, image, superior product or service, location, or sales and/or marketing techniques?

- **Advertising and Promotion Strategies**

This section describes how the message about the product or service will be communicated to the users. It should describe the business owner's philosophy about customer service, the image you wish to portray about your product through packaging, brochures, letterhead, business cards, displays, and the behavior/dress of employees. It also discusses all promotional activities and answers the following questions. What advertising media will be used – newspaper, radio, television, the Internet, windshield handouts, magazines, mailings, billboards, demonstration sites? What is the frequency of advertising – daily, weekly, monthly, bi-monthly? Will promotions (giveaways, discounts) be used? Who will contact customers – in-store sales staff, sales representatives, telemarketers? How will customers be contacted – by telephone, in-person cold-calls, trade show(s), e-mail? Will a website be created? Page 53 of 67 Finally, this section should also discuss how customer satisfaction will be assessed. For example, through questionnaires, focus groups, repeat business, and/or referrals to others.

## **The Operations Plan**

The operations plan explains how the work will be done and how the business will be managed and the business's location. It also describes the manufacturing process including materials used in the process and employees and their duties. It also describes the business's location.

- **Inputs**

“Inputs” are materials, suppliers, and arrangements with suppliers. This section describes them and lists prices, volume discounts, and payment options that might influence the decision to trade with a higher-priced vendor.

- **Facilities**

“Facilities” include location of the business and its physical layout. This section describes the location, features of the building and site, ownership, lease arrangement, remodeling needed (and costs), other businesses in the area, and zoning. It discusses why the location was selected and its advantages and disadvantages. It may include a floor plan. Questions that should be answered here include: Is the business located outside of the home? Is parking adequate? Are modifications necessary to accommodate the business owner’s disability or to ensure ADA compliance?

- **Operating Costs**

This section describes, and lists costs for, all utilities (heat, light, telephone and water) to be used by the business for production and operation. Licenses, Permits, Zoning, Insurance, Taxpayer Number, Corporation Status. The types of licenses, permits, insurances, and taxes paid vary according to the business. But it is likely that a business will require one or more of these to operate. It depends on the business.

- **Capital Equipment**

Capital equipment includes permanent items that the business keeps and uses for many years. These include equipment, furniture, and fixtures needed to start and run the business. This section describes each piece, discusses why it is necessary, and lists its cost and supplier.

- **Production Methods**

If applicable, this section describes both the tools used for making the products or performing the service and the work space(s), including the amount of room needed for each employee; the labor needed to produce the product or provide the service; methods for monitoring quality; and methods for complying with environmental and safety regulations.

- **Management Methods**

This section describes how the business will be managed and the business owner's knowledge, skills and experience for completing day-to-day business functions and obtaining specialized services.

- **Employees**

If applicable, this section describes staffing requirements for both production and business management. It discusses the type of work to be done, qualifications needed for the job(s), plans for filling open positions, wage rates, and benefits package(s).

- **Outside Services**

This section describes the types and costs of outside services provided by non-employees, such as lawyers, bookkeepers, CPAs, and business managers.

## **The Financial Plan**

This section discusses the investment required, sources of funds for the business, and financial statements. Developing these financial statements is one of the most difficult tasks facing a new business owner, because in most cases there is no history for reference. Unless you plan to purchase an existing business, these statements will be based on projections. Develop the Income Statement, Cash Flow Projections, and Balance Sheet statements for the first 2-3 years of business operation. First-year Cash Flow is projected monthly. Years 2 and 3 Cash Flow projections are quarterly rather than monthly. Need for and Sources of Cash. This statement lays out how much cash the business will need to open its doors and to operate until it is profitable. Most of this information will come from other parts of the business plan.

- **Equipment List**

This is a list of each item of business equipment and its value. Generally the items should have a useful life of one year or longer. You should consider whether or not to purchase or lease equipment.

- **Income Statement**

The income statement shows a business's financial activity over a period of time to determine if the business made or lost money. It matches expenses with business revenues. The income statement includes total sales, cost of goods sold, gross profit, indirect expenses, other expenses, pre-tax profit or loss, taxes,

and net profit or loss.

- **Break-Even Analysis**

The break-even analysis helps you determine the success of a business before it begins. It describes the number of units of a product or how many hours of a service must be sold to break even or to make a profit or the effect that changing a product's price or reducing expenses has on profitability.

- **Cash Flow Statement**

Cash is even more important to a business than profits – a profitable business may still be unable to pay its bills. The cash flow statement shows when the business will receive cash and when cash must be available to pay bills. The cash flow statement shows when the cash actually will be received and the expenses actually paid. Don't confuse this with your own personal cash flow statement you completed earlier. The personal statement shows the amount of money you need to live and cover monthly expenses. The business cash flow statement predicts when the business will need cash and when cash will be available.

**The cash flow statement has two sections. The top section shows how and when cash will be received by the business. The bottom section shows how and when the money will be used to pay bills. Unlike the income statement, the cash flow statement shows money coming in only when the business actually receives it and going out only when the business actually pays a bill.**

- **Balance Sheet**

The balance sheet is a snapshot of a business at a particular point in time. It shows a business's assets (what the business owns), liabilities (what the business owes), and owner's equity (what the owner is worth). A new business gets its first Balance sheet when the business starts. It is updated annually thereafter, usually at year's end. The balance sheet shows the business's financial status and stability, and if the owner's equity is increasing.

It consists of two parts: Assets and Liabilities and Owner's Equity. For many home-based, service businesses, or businesses where the owner has no credit rating separating personal and business assets and liabilities is difficult. When this is the case, a personal financial statement may be used in lieu of the balance sheet or the balance sheet should reflect personal assets, liabilities, and owner's equity mixed with those of the business.

### **Supporting Documents (optional)**

This section includes other documents needed to support and validate the business and business plan. These include a cost-of-living budget and personal balance sheet for the business owner(s), resume(s), credit reports, contracts, legal documents, leases, job descriptions, letters of support and reference, letters from potential customers stating they will buy from the business when started, contracts, and other documents that bolster confidence in the proposed business.

**Attachments:** • Resume. • Other documents pertaining to or clarifying specific sections of the business plan.

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## **Appendix 6**

### **Business Plan Review Committee Roles & Responsibilities**

#### **The Business Plan Review Committee (BPRC) Role:**

- Become familiar with the DVR Self Employment Toolkit.
- Identify local community resources that may assist DVR staff and consumers through the business planning process.
- Act as a resource to the DVR staff as they assist the consumer through the self-employment process
- Designate a contact person for the DVR staff to notify when the consumer is ready for the business plan to be reviewed.
- After receiving the business plan, schedule a meeting within 14 business days to review the proposed business plan. If the committee is not able to meet within this time frame, a reasonable extension can be agreed to by all interested parties including the consumer.
  - It is recommended that all Business Plan Review Committee's schedule 1-2 reoccurring meetings every month as placeholders on their calendars, to ensure they are able to meet with consumers as business plans are submitted.
- Review the business plan and any other submissions utilizing the Business Plan Development Technical Specifications. Ask the consumer questions for clarification as needed.
  - Please note, the role of the committee is to not question the appropriateness or the feasibility of either the consumer or the business as these questions have already been answered in the process.
- Develop and send to the consumer the business plan review committee's formal letter of support. This should be completed within 3 days of presenting the business plan, including any open action items that need to be addressed or completed prior to the purchase of items/ services toward the start-up of the business. If applicable, the letter should include the consumers appeal rights.
  - If appropriate, include the recommendation that the consumer connect with a business mentor (see VRC Guide and Job Aid for more information).
- Identify in the letter the BPRC representatives that will give the final approval when the open action items have been completed.
- It is recommended that an outside business expert be a member of each WDA's BP



### **Business Plan Review Committee Member(s) Responsibilities:**

- Let Coordinator know in advance of your scheduled date (to review plan) conflicts and arrange for another statewide member to replace you.
- If can't attend last minute, let Coordinator know your feedback.
- Share information with WDA regarding statewide Business Plan Review Committee meetings and expand staff knowledge of self-employment policies/best practices.
- Encourage WDA staff to share potential self-employment cases with the local Committee Member as to what business plans will need to be submitted for review in future.
- WDA Committee Member will review checklist with VRC prior to submission to make sure consumer knows business plan and everything is complete as possible prior to submission.
- A single BPRC committee member attends on-site review (when site is available) with VRC and Sup/Director in advance of the business plan submission.
- Serve as notetaker as assigned on the rotation schedule.
- When notetaking, the notetaker will work to draft and finalize letter with committee and include who was part of review (Post-Review Meeting).

### **Business Plan Review Coordinator(s) Responsibilities:**

- Send outlook invite using Microsoft Teams as place holders for next six months
- If Plan is scheduled to be reviewed, will send follow-up invite 10 business days in advance that includes pre-meeting, consumer presentation and post-meeting. Will include all materials and mark as "private". **If no business plans Coordinator will cancel meeting invite 10 business days prior to meeting.**
- Will serve as facilitator.
- Follow rotation list.
- Provide technical assistance to state-wide team members as needed and consult as needed with Policy Analyst, Deputy BCS Director or others as needed.
- Can review checklist with WDA VRC and local Committee Member prior to submission, if requested.
- Coordinator signs and mails letter to consumer after the business review is complete within 3 business days after meeting is complete.

### **DVR Staff Member Responsibilities:**

- Work with WDA Committee Member to use and talk through the Pilot Checklist to explore self-employment throughout the process, document in IRIS and attach document when complete.
- Help WDA Committee Member coordinate logistics for site visit.
- Support the consumer before and during the Business Plan Review and attend Review.
- Consultation with WDA Committee Member, Coordinator, and others throughout the process.
- Contact consumer to make sure meeting location/mode works, determine if consumer needs others to attend and test remote equipment as needed prior to Review Meeting.
- Review with consumer if there is any product/service example to present to the Committee and walk through how it will be presented.
- Possess a working knowledge of how business will operate and generate income.
- Review Regional Business Plan Review Checklist with Consumer, and WDA Committee Member
- Work with consumer to identify timeframes and complete follow-up items as identified by Regional Business Plan Review Committee.

### **Local WDA Director/Supervisor Responsibilities:**

- Support WDA Committee Member at the local level and staff collaboration/following process.
- Review in advance of submission any business plan that exceeds VRC spending authority.
- Provide feedback to local staff as result of review as to strengths/areas of concern and recommended next steps.
- Attend on-site review in advance of business plan submission for any case that exceeds VRC spending authority.

- Attend business plan review committee meetings for cases submitted from your WDA that exceed VRC spending authority.
- May attend any on-site review or business plan review at their discretion.
- Provide input and ask questions/points of clarification at prep meeting, during business plan review and after.
- Provide support to staff at WDA level, along with the WDA Committee Member, in implementing business plan review recommendations.
- Provide informal review(s) and represent Administrator at impartial hearing for cases in your assigned WDA as appropriate.

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# Appendix 7 IPE Examples

## Yellow Light Feasibility Finding IPE Example

Department of Workforce Development  
Division of Vocational Rehabilitation

### INDIVIDUALIZED PLAN for EMPLOYMENT (IPE)

Personal Information you provide may be used for secondary purposes [Privacy Law, s. 15.04 (1)(m), WI statutes].

Consumer Name	IRIS Identification Number	Print Date
Case Facilitator		

**CHECK ONE:**       IPE               IPE AMENDMENT

**MY LONG-TERM EMPLOYMENT GOAL IS:**  
Self Employed Retail Grocery Store Manager

**THE DATE THAT I WILL REACH MY GOAL:** 07/31/2026

PRIMARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Guidance and counseling by my DVR counselor that will assist me in understanding the progress measures, responsibilities and choices that will allow me to reach my employment goal.	12/01/24	07/31/26	DVR	DVR	In-House
PC computer intro, quick books basics, and creating your own website classes.	01/01/25	05/31/25	Madison College	DVR	Training Grant
Small Business Fundamentals Training.	01/01/25	03/31/25	UW Madison SBDC	DVR	Purchase Order
Work experience at retail grocery store specific to managing and ordering inventory.	01/01/25	08/31/25	Placement Opportunities	DVR	Purchase Order

SECONDARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Mileage reimbursement to participate in work experience and training outlined on IPE.	01/01/25	08/31/25	Consumer	DVR	Direct Pay

**PROGRESS MEASURES:**

1. I will attend the PC computer introduction, quick books basics and create your own website classes. I will complete all classes by June 2024 and provide DVR with copies of grades and/or certificates of completion.
2. By September 2025, through my work experience, I will have learned skills required to manage a retail grocery demonstrated through a monthly written report provided by job developer to DVR.

## Green Light Feasibility Finding IPE Example

Department of Workforce Development  
Division of Vocational Rehabilitation

### INDIVIDUALIZED PLAN for EMPLOYMENT (IPE)

Personal information you provide may be used for secondary purposes [Privacy Law, s. 15.04 (1)(m), WI statutes].

Consumer Name	IRIS Identification Number	Print Date
Case Facilitator		

**CHECK ONE:**     IPE             IPE AMENDMENT

**MY LONG-TERM EMPLOYMENT GOAL IS:**

Self Employed Retail Grocery Store Manager

**THE DATE THAT I WILL REACH MY GOAL:** 07/31/2026

PRIMARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Guidance and Counseling by my DVR counselor that will assist me in understanding the progress measures, responsibilities and choices that will allow me to reach my employment goal.	09/01/24	07/31/26	DVR	DVR	In-house
Business Plan Development	09/02/24	11/30/24	ABC Business Planning Services	DVR	Purchase Order

SECONDARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Transportation Mileage Reimbursement	09/01/24	11/30/24	Consumer	DVR	Direct Pay

**PROGRESS MEASURES:**

1. By November 2024 I will develop my business plan with the assistance of the business consultant. I will complete 100% of the business development activities and homework assigned to me by the consultant as evidenced by the monthly progress report from the consultant.
2. By November 2024 I will meet with my DVR counselor and business consultant to review the final draft of my business plan and make any necessary changes based upon input received at the review meeting.
3. Within two weeks of submission, I, along with my counselor and business consultant, will meet with the Business Plan Review Committee (BPRC) for their review.

**I WILL BE RESPONSIBLE FOR:**

I will complete the business plan development assignments by the due date given to me by the consultant unless the consultant and I jointly agree to a different deadline.

# BPRC Approved Business Plan IPE Example

Department of Workforce Development  
Division of Vocational Rehabilitation

## INDIVIDUALIZED PLAN for EMPLOYMENT (IPE)

Personal Information you provide may be used for secondary purposes [Privacy Law, s. 15.04 (1)(m), WI statutes].

Consumer Name	IRIS Identification Number	Print Date
Case Facilitator		

**CHECK ONE:**       IPE       IPE AMENDMENT

**MY LONG-TERM EMPLOYMENT GOAL IS:**  
Self Employed Owner/Operator of a Grocery Store

**THE DATE THAT I WILL REACH MY GOAL:** 07/31/2026

PRIMARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Guidance and counseling by my DVR counselor that will assist me in understanding the progress measures, responsibilities and choices that will allow me to reach my employment goal.	09/01/24	07/31/26	DVR	DVR	In-House
Electrical outlets for coolers.	01/01/25	06/30/25	Reliable Services Electrical	DVR	Reimbursement
Plumbing i.e., floor drains to eliminate cooler condensation.	01/01/25	06/30/25	Flat Rate Plumbing	DVR	Reimbursement
4-5 Door Beverage Coolers, 1 Walk-In Cooler, 1 Meat and Dairy Case, 1 5 Door Freezer, 1 Produce Case.	01/01/25	06/30/25	SRC Refrigeration	DVR	Purchase Order
Initial Stock- Variety of groceries: milk, cheese, meats, breads, boxed goods, canned goods.	01/01/25	06/30/25	ABC Food Merchandising	Consumer & DVR	Reimbursement/ PO

SECONDARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Transportation Mileage Reimbursement	04/01/24	06/30/25	Consumer	DVR	Direct Pay

**PROGRESS MEASURES:**

## Appendix 8

### Glossary of Terms

**Accounting** - The recording, classifying, summarizing, and interpreting of events of a financial nature. These events include income, expenses, and cash flow.

**Accounts Payable** - Trade accounts of businesses representing amounts owed for goods or services received.

**Accounts Receivable** - Trade accounts of businesses representing amounts due for goods sold or services rendered.

**Amortization** - Paying off debt in regular installments over a period of time, or deducting certain capitalized expenditures over a specified period of time.

**Asset** - Anything that an individual or an entity owns that has value. Cash, equipment and stocks are all considered assets.

**Balance Sheet** - A financial statement that includes a company's assets and liabilities. A company's net worth is equal to its assets minus its liabilities.

**Business Plan** - A planning document that describes a company, its market, management team, potential, competitors and all other relevant information about how it will do business and future prospects.

**Capital** – (1) Assets less liabilities, representing the ownership interest in a business, (2) a stock of accumulated goods, especially at a specified time and in contrast to income received during a specified time period, (3) accumulated goods devoted to the production of goods, and (4) accumulated possessions calculated to bring income.

**Capital Expenditures** - Business spending on additional plant equipment and inventory.

**Cash Flow** - An accounting presentation showing how much of the cash generated by a business remains after both expenses (including interest) and principal repayment on loans are paid. A projected cash flow statement indicates whether the business will have cash to pay its expenses, loans, and make a profit. Cash flow can be calculated for any given period of time, normally done on a monthly basis or yearly basis.

**Collateral** - Something of value pledged to support the repayment of an obligation or loan. Examples include real estate and certificates of deposit.

**Corporation** - A form of organization that provides its owners and shareholders with certain rights and privileges, including protection from personal liability, if proper steps are followed. Corporations may take a number of forms, depending on the goals and objectives of the founders. Types include C, S and nonprofit corporations. Corporations are regarded as "persons" in the eyes of the law and may thus sue and be sued, own property, borrow money and hire employees.

**Cost of Goods Sold** - This term represents the cost of buying raw materials and producing the goods that a company sells. It also includes the cost of the company's labor force and overhead costs.

**Credit Score** - A statistical summary of the individual pieces of information on a credit report. A credit score predicts how likely it is that a company or individual will repay debts. Lenders use credit scores to determine whether to extend credit and at what interest rate.

**Depreciation** - An accounting procedure that spreads the cost of purchasing an asset over the useful lifetime of the asset.

**Direct Marketing** - The process of sending promotional messages directly to individual consumers, rather than via a mass medium. Includes methods such as direct mail and telemarketing.

**Doing Business As (DBA)** - A situation in which a business owner operates a company under a different name than the one under which it is incorporated. The owner typically must file an assumed name certificate with the county in which it is located. Sole proprietorships are often DBA's (e.g., Sam Jones DBA Sam's Landscaping).

**Employer ID Number (EIN)** - An identification number assigned to businesses for taxpaying purposes by the IRS or state taxing authorities. An Employer ID Number is required for partnerships, corporations, and trusts, and it may be required for sole proprietorships that have employees. Also called a Federal ID Number or Taxpayer ID Number.

**Entrepreneur** - One who assumes the financial risk of the initiation, operation, and management of a given business undertaking.

**Equity** - An ownership interest in a business. For example, stock in a corporation represents equity in the corporation.

**Feasibility Study** - A preliminary study undertaken to assess whether a planned project is likely to be practical and successful and to estimate its cost.

**Financial Statements** - There are 3 main financial statements. They concern the financial aspects of a business:

**(1) Balance Sheet** - A report of the status of a firm's assets, liabilities and owner's equity on a specific date.

**(2) Income Statement** - A report of revenue and expense which shows the results of business operations or net income for a specified period of time.

**(3) Cash Flow** - A report which analyzes the actual or projected source and disposition of cash during a past or future accounting period.

**Financing** - New funds provided to a business, either by way of equity infusion, or loans.

**Fixed Costs** - Costs of doing business, such as rent and utilities that remain generally the same regardless of the amount of sales of goods or services.

**Franchising** - A relationship in which the franchisor provides a licensed privilege to the franchisee to do business and offers assistance in organizing, training, merchandising, marketing, and managing in return for a consideration.

**GIG Economy** – A labor market characterized by the prevalence of short term contracts or freelance work as opposed to permanent jobs.

**Guarantor** - A person who makes a legally binding promise either to pay another person's obligation or to perform another person's duty if that person defaults or fails to perform.

**Income Statement** - A record of the financial performance of a company over a period of time. It records all the income generated by the business during the period and deducts all its expenses for the same period to arrive at net income, or the profit for the period.

**Independent Contractor** - A worker who works on a specific project for a specified period of time. Independent contractors are not subject to tax withholdings and usually don't receive benefits granted to full-time employees.

**Inputs.** – A section in the business plan. It refers to materials, suppliers, and arrangements with suppliers. This section describes them and lists prices, volume discounts, and payment options that might influence the decision to trade with a higher-priced vendor.

**Interest** - An amount paid to a lender for the use of funds, or the cost of using credit or another person's or company's money. Interest is usually calculated as a rate per a period of time, typically a year.

**Joint Venture** - An agreement between two or more partners to pursue collaboratively a particular project or business, with a sharing of profits or losses.

**Lease** - A contract by which a tenant takes possession of office space, furniture, equipment or other property for a specified rent and specified amount of time. At the end of a lease, the property reverts back to its owner.

**Letter of Credit** - A document issued by a bank guaranteeing payment of a customer's debt up to a set amount over a set period of time. Letters of credit are used extensively in international trade.

**Liability** - Any debt or obligation due now or potentially in the future. Liability is synonymous with legal responsibility.

**Limited Liability Company (LLC)** - A flexible business structure, popular with small businesses, offering owners the advantage of limited personal liability and the choice of being taxed like a partnership or a corporation.

**Limited Liability Partnership (LLP)** - A type of partnership that protects individual partners from personal liability for negligent acts committed by other partners and employees not under their direct control.

**Loan Agreement** - An agreement for the borrowing of money, typically containing pertinent



terms, conditions, covenants and restrictions.

**Long-Term Debt** - Obligations or liabilities that a company owes in one year or more.

**Market Analysis** - Marketing research that yields information about the marketplace relative to the service or product.

**Marketing Plan** - A company plan for marketing products and services and increasing sales.

**Market Share** - The percentage of a product category's sales, in dollars or units, that a particular brand, product line or company controls.

**Nonprofit Corporation** - A form of corporation in which no stockholder or trustee shares in profits or losses and which usually exists to accomplish some charitable or educational function. These organizations are exempt from corporate income taxes, and donations to these groups may be tax deductible.

**Operating Expenses** - The costs of maintaining a business. Examples include utility expenses and property taxes.

**Partnership** - A legal relationship existing between two or more persons or entities contractually associated as joint principals in a business.

**Pre-Venture Exploration** - Involves working with an individual to help them gather information about their general readiness to be an entrepreneur. It requires the entrepreneur to assess their own skills, strengths, weaknesses as well as opportunities and threats in the marketplace.

**Prospecting** - The process by which a business owner determines whether or not a business or an individual could qualify as a potential customer.

**Return on Investment** - The amount of profit based on the amount of resources used to produce it. The ability of a given investment to earn a return for its use.

**SBA** - The US Small Business Administration, created to help entrepreneurs form successful small business enterprises. A common misconception is that the SBA makes loans to small businesses. Generally, they don't. Banks make loans that are guaranteed by the SBA.

**Sales Tax** - A tax on retail products based on a set percentage of retail cost.

**Sole Proprietorship** - A sole proprietorship is a one-person business that is not registered with the state as a corporation, partnership or LLC.

Sole proprietorships are so easy to set up and maintain that you may already own one without knowing it. For example, if you are a freelance photographer or writer, a craftsperson who takes jobs on a contract basis, a salesperson who receives only commissions, or an independent contractor who isn't on an employer's regular payroll, you are automatically a sole proprietor.

Sole proprietors may have to comply with local registration, business licensing, or permit laws to make the business legitimate. These business owners are personally responsible for paying both income taxes and business debts.

**S-Corporation** - A form of corporate organization where the profits of the entity pass through to shareholders and are taxed on their personal returns under subchapter S of the Internal Revenue Code.

**Target Market** - A specified audience or demographic group that an ad, product or service is intended to reach.

**Telemarketing** - Using the telephone to sell, promote or solicit products and services.

**Trademark** - A name, phrase, logo, image or combination of images used to identify and distinguish a business from others in the marketplace. The term is often used to include service marks, which apply to businesses providing services as opposed to selling products. Trademarks can be either registered or unregistered, with different levels of protection.

**Venture Capital** - Money used to support new or unusual commercial undertakings; equity, risk or speculative capital. This funding is provided to new or existing firms that exhibit above-average growth rates, a significant potential for market expansion and the need for additional financing for business maintenance or expansion. Venture Capital is extremely difficult to secure for a variety of reasons.

**Working Capital** - The difference between current assets and current liabilities. Working capital finances the cash conversion cycle of a business - the time it takes to convert raw materials to finished products to sell and receive cash.

## **Appendix 9**

### **Submit the Business Plan to Potential Investors**

*\* If the business plan would be fully funded by DVR, per DVR Self-Employment Fee Schedule, this step may be skipped.*

If the start-up costs will require the consumer to financially participate, the consumer should begin submitting the plan to potential investors to secure funding to cover the start-up costs identified in the business plan. Once funding is secured this should be documented through notarized letters to DVR. This can occur simultaneously while the business plan is being submitted and reviewed by the Business Plan Review Committee (BPRC). If outside funding has not been secured prior to the BPRC review, this would be an action item for completion under initial approval.

Potential funding sources can include family, friends, banks, micro loan programs, and Social Security Administration Plans for Achieving Self-Support (PASS). See [Appendix 2](#) for information on Social Security Administration (SSA) Plans for Achieving Self-Support, Individual Development Accounts, or Assets for Independence Act.

If potential funding is available and documentation of DVR's potential contribution is needed to secure this funding, the consumer should proceed with submitting the business plan to the BPRC. The BPRC will need to complete their initial review prior to a collateral letter being written.

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## Appendix 10 RESOURCES

This appendix includes resources that might be helpful during the self-employment process. This list of resources is not meant to be all inclusive.

### **Small Business Development and Information Websites:**

#### [Small Business Administration:](#)

Support America's small businesses. The **SBA** connects entrepreneurs with lenders and funding to help them plan, start and grow their business

#### [Wisconsin Department of Agriculture and Trade and Consumer:](#)

The Wisconsin Economic Development and Innovation Center supports the growth and success of local and regional food systems through business, farm, and rural development programs and services.

#### [Small Business Development Center](#)

(SBDC) at UW-Madison provides no-cost consulting and non-credit courses to help businesses from startup through growth.

#### [The Wisconsin Women's Business Initiative Corporation \(WWBIC\):](#)

WWBIC is an economic development corporation providing quality business education and access to capital for entrepreneurs.

#### [SCORE – Service Corps of Retired Executives:](#)

SCORE "Counselors to America's Small Business" is America's premier source of free and confidential small business advice for entrepreneurs.

#### [WISCAP:](#)

A voluntary association of Wisconsin's 16 Community Action Agencies (CAAs) and 3 special purpose agencies that have state-wide anti-poverty missions. Provide resources and links on business development.

### [Ability Funds](#)

Has a number of programs and services available to entrepreneurs, many that are open to any individual in the US with a disability.

### [Local Chambers of Commerce](#)

Local chambers provide networking and mentorship opportunities and play a critical role in strengthening the collective voice of their members by promoting policies at the state and local levels that will help businesses create jobs and grow the economy.

### [Center for Community and Economic Development UW-Extension](#)

Local Extension offices provide Small Business Support Program aims to provide support services to entrepreneurs and small businesses in their county.

### **Credit Score and Report:**

<https://dwd.wisconsin.gov/dvr/policy-guidance/fiscal/pdf/se-fico-score.pdf>

### **Financing:**

#### [Wisconsin Department of Commerce:](#)

Services and assistance to promote economic development.

#### [Minority Business Development Loan Program:](#)

Provides financial assistance for the start-up and expansion of minority- owned businesses in Wisconsin.

#### [WisLoan Loan Program](#)

### **Government Sites:**

#### [Veterans Business Development](#)

#### [Wisconsin Department of Revenue:](#)

Tax information and forms for the State of Wisconsin.

#### [US Patent & Trademark Office.](#)

#### [IRS - Internal Revenue Service](#)

#### [USDA Rural Development:](#)

Promote economic development by supporting loans to businesses through banks and community-managed lending pools.

#### [Employment Support for People with Disabilities - Social Security:](#)

Provides information on employment support and options for individuals receiving disability benefits.

## Appendix 11 Independent Contractor Guidance

Introduction: This guidance is intended to describe DVR's policy and scope of services related to individuals wishing to pursue work as an independent contractor. An independent contractor typically does not need to market their skills or abilities to obtain outside contracts. An independent contractor is hired to render goods or services to another entity. Sometimes independent contractor work can be considered part of the "gig economy".

For individuals wishing to pursue employment as an independent contractor, DVR may support:

- training for the IPE goal (whether it's via an employer or independent contractor),
- technical assistance for understanding tax rules for independent contractor work,
- financial literacy and benefits analysis, State of WI Exam and licensure costs for the occupation (CNA exam and license, CDL license, Class A driver's license) and
- occupational tools and equipment, which could include computers, following existing fee schedules.

There can be many benefits to Independent Contractor work, along with considerations.

Benefits:

- Allows flexible work schedule (dependent upon needs of disability or other factors).
- Helps to address limited work history.
- Allows method to earn flexible income while pursuing long-range employment goal(s).
- Depending on work, can limit face to face interactions.

Counseling Considerations:

- Will need to be responsible for paying taxes (1099) and documenting business deductions.
- Impact of independent contractor income on Social Security or other public benefits.
- May need a checking account (for the deposit of monies earned).
- May need access to a computer, smart phone and/or data plan (and use of app/navigating the app/hand and finger dexterity).
- May require your own resources, including use of personal vehicle, proof of insurance, professional insurance and ability to financially maintain personal vehicle.
  - DVR will not pay fines to reinstate a license, or insurance costs related to the occupation/Independent Contractor work.
- May need to lease a chair, rent a space, and/or require business insurance, but these are not costs DVR will pay for.
- Discuss a contingency plan if an Independent Contractor work ends.

### Examples of Independent Contractor Employment:

Consumer wants to drive for Uber as an independent contractor. The consumer may require technical assistance related to filing taxes and/or bookkeeping and may need assistive technology. The consumer already owns a vehicle and has insurance that meets Uber's requirements. The consumer does not have to advertise and will get all riders from Uber.

Consumer wants to work in a nail salon as an independent contractor. The consumer may require technical assistance related to filing taxes and/or bookkeeping. They may require training and licensure, face masks, a lamp, and occupational tools per the DVR fee schedule (e.g. air brush, files, clippers, nail brushes, small fan, etc.). The consumer will not advertise, and all customers will come through the salon.

Staff are encouraged to work with their supervisors when these cases arise to assist in determining the appropriate process to be used.

### **Examples of scenarios that require use of the Self-Employment Toolkit:**

Consumer offers craft or antique resale on Facebook Marketplace, eBay. They do not have a sole source contract or contracts and need to advertise and promote on these platforms to acquire sales and business.

Consumer wants to work as a massage therapist and must lease a building space, has to purchase table, tools and equipment, requires marketing and advertising, maintain licensure and insurance.

### **Counseling Considerations for Independent Contract Work/Gig Economies:**

*Note: Occupational Tools and Equipment and Computer Purchase fee schedules should be used for gig work.*

- Most gig work requires use of personal vehicle (car/truck/cube van/motorcycle/bike). DVR does not purchase vehicles without an exception.
  - Proof of insurance, or other personal resources and professional insurance is required.
  - Must have valid drivers license
  - DVR will not pay fines to reinstate a license, or insurance costs related to the occupation/Independent Contractor work.
- Most companies require a background check (run by Checkr)
- You work when the retailer has the order from the customer (busy times vs slow times)
  - No going out to drum up business
- Food safety/allergen concerns for driver and customer (touching food bags, drink containers, packing grocery items)
- Requirement for some food items to be transported in a food bag/catering bag/cooler
- Liability concerns (food safety, vehicle accidents)
- Car insurance coverage (personal use vs delivery driver usage considerations)
- Ongoing vehicle maintenance (gas, oil changes, repairs)
- Keeping track of mileage (tax write off)

### **Considerations:**

- Do you own a smart phone?
- Are you familiar with using Apps on your phone? Which ones do you use most?
- Are you old enough and comfortable enough to deliver alcohol or prescription drugs?
- Would you be okay with shop-and-pay work (grocery items, personal care items)?

- Are you okay with delivering food (groceries, fast food, alcohol, frozen and cold foods/beverages)?
- Are you okay with moving and delivering larger items (grills, wheelbarrows, lumber, tvs, pallet of topsoil bags)?
- Are you able to climb stairs, have good night vision, okay to drive during inclement weather?
- Would you feel comfortable with other people in your vehicle (Uber/Lyft passengers)?
- How are your customer service skills (customers might be unhappy with your delivery)?
- Can you "multi-app" to stay busy (food delivery, passenger pick up, package pick up all in same hour/day)?

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