

Section I - INTRODUCTION

This manual has been developed to assist IVRS/IDB counselors in providing self-employment services. Self-Employment is a vocational option that may be considered as part of an individual's informed choice. A program for self-employment has been developed under an agreement between Iowa Vocational Rehabilitation Services (IVRS) and Iowa Department for the Blind (IDB). It is available to active candidates of IVRS or IDB who are able to become **self-sufficient** establishing, expanding or acquiring a small business.

PURPOSE

The purpose of Iowa Self-Employment (ISE) through IVRS/IDB is to assist individuals to achieve a level of self-sufficiency (a minimum of 80% of Substantial Gainful Activity). Self-Employment is a vocational option that must be agreed upon by the individual and IVRS/IDB, and is available only to **for-profit** businesses intended for operation within the State of Iowa. The intent of self-employment services is to support an employment outcome that will significantly contribute to a candidate's financial self-sufficiency. The program is one that is designed to encourage and assist individuals to become entrepreneurs where the team works to enhance the entrepreneurial skills and knowledge of the candidate.

IVRS/IDB DEFINITION OF SELF-EMPLOYMENT

Self-employment is a business that is owned, operated and actively managed by an individual who sells goods or services for the purpose of making a profit. The individual needs to be able to show ownership of at least 51% of the business. IVRS defines self-employment as an employment outcome in which an individual works for profit or fees in a business, profession or trade. Ultimately the Self-Employment Candidate's company will generate 80% of substantial gainful activity net income for the candidate to be considered a self-employment business that IVRS supports. Self –employment includes the following:

- Sole proprietorships
- Partnerships
- Corporations (C Corp, S Corp)
- Limited Liability Companies (LLC's)

SELF-EMPLOYMENT ACTIVITIES IVRS/IDB DOES NOT SUPPORT

- Hobbies or similar activities that are NOT income-producing at the level required for self-sufficiency.
- Business ventures that are speculative in nature or considered high-risk by the Better

Business Bureau (or a similar organization). Examples of this might include multi-level marketing, investment schemes or stocks, authorship, etc.

- The purchase of real estate, real estate improvements, including leasehold improvements.
- Coverage for individual insurance needs.
- Vehicle lease or purchases unless documentation shows a vehicle is an integral part of a business and specifically related to a business equipment or service need. Final approval is required by Bureau Chief.
- Non-profit 501(c) (3) or similar businesses cannot be supported due to the fact that IVRS/IDB funds are used to assist for-profit making ventures.
- E-Bay businesses.
- Businesses that may be determined to be inconsistent with community standards such as alcohol, tobacco, firearms, adult entertainment industry, pornography or drug paraphernalia.

Self-employment candidates interested in developing any of the above listed businesses that are considered to require meeting community standards. Candidates must initially approach communities or Chamber of Commerce centers, and City Council or other appropriate governing bodies in which the intended business will operate. Candidates must obtain primary approval, prior to secondary approval, to be explored by IVRS/IDB Administration through the Attorney General's office (State of Iowa).

SELF-EMPLOYMENT AS AN OPTION

The process for developing a plan for self-employment is progressive and begins with an assessment of a candidate's potential for success based on the following conditions:

- The Exploration Phase *Is Small Business Right For You* and appropriate feasibility study reflects a self-employment aptitude and a good employment match.
- The income derived from a self-employment plan is to be the candidate's primary source of support.
- The candidate's informed choice is consistent with their unique strengths, resources, abilities, capabilities and interests.
- The candidate understands the complexities and their financial obligations and risks associated with this choice.
- The choice of self-employment will produce a greater likelihood of attaining and maintaining employment.
- The Agency (IVRS or IDB) may limit or deduct the financial equivalent of ISE assistance to an applicant who has previously received educational or training equipment from the division through another rehabilitation program when such equipment could be used in the applicant's proposed business. This equipment may not be used as match.

- When assistive technology is required for the business, the cost is planned and deducted from the financial assistance. If the assistive technology was purchased prior to ISE, the assistive technology amount spent reduces the FA dollars by that same amount.
- If the assistive technology is for the individual person and no one else would/could use it but the candidate (i.e. artificial limb), it is not part of FA.

Before investing time and money into a self-employment venture, the candidate must complete an in-depth study about the business they intend to start. IVRS/IDB Counselors, the candidate, and the IVRS Business Development Specialists will outline a plan of action to help explore: an individual's qualifications and skills; the entrepreneurial idea; determination of the feasibility of the business idea; and facilitate Business Plan development should the idea demonstrate promise. Iowa Economic Development, Iowa Small Business Development Centers, Service Corps of Retired Executives (SCORE) and the Abilities Fund are organizations that can help with preliminary exploration of business ventures.

Exception process: A request for an exception shall originate with a counselor and the candidate, who shall detail the reason(s) why an exception is believed to be warranted by completing the appropriate form. The form shall be presented to the IVRS supervisor for determination. The supervisor's determination shall be documented by the supervisor in the designated place on the form and forwarded to ISE staff for review. The supervisor may consult with the Program Manager when necessary.

Mediation or Appeal: Applicants who are dissatisfied with a decision or service may file an appeal or request mediation through the regular IVRS/IDB appeal process.

Section II – ROLES AND RESPONSIBILITIES

Counselors play a vital role in advising candidates about the demands, risks and responsibilities of self-employment. Counselors and Business Development Specialists provide candidates with information and resources to research, evaluate and make an informed choice about the potential and feasibility of a self-employment proposal, and determine whether a self-employment option is viable.

IVRS/IDB Counselor:

- Serves as a continuous point of contact for individuals interested in self-employment.

- Evaluates a candidate's disability, eligibility, motivation and appropriateness for self-employment.
- Makes referrals to IVRS Business Development Specialists for initial planning, technical assistance and support, when appropriate.
- Provides counseling and guidance to address disability and vocational issues that impact the progress of developing the business.
- Maintains contact with candidates to ensure adequate delivery of services.
- Helps individuals understand the different steps and processes involved, and ensure the *Income Offset Form* is reviewed and signed.
- Develops and approves the Individual Plan for Employment (IPE) and incorporates milestones and progress measures.
- Collaborates with others involved in the candidate's business to ensure issues impeding potential success are addressed.
- Generates authorizations for expenditures, prior to purchases, based on Business Development Specialist recommendations, on behalf of the candidate in accordance with ISE policies and procedures.
- Maintains a running total of Financial Assistance and Technical Assistance amounts outlined in the Sources and Uses Statement to ensure expenditures do not exceed \$10,000 amounts (see exceptions).
- Conducts regular reviews and revises plan(s) as needed.
- Determines status movement within case.
- Completes case closure after communication with all team members occurs and candidate's ability to sustain business without further IVRS/IDB services.

IVRS/IDB Candidate:

- Expresses commitment or intent in pursuing self-employment and provides information related to skills and capabilities required to manage a small business.
- Completes the Exploration Phase *Is Small Business Right For You* and feasibility with IVRS/IDB Counselor and Business Development Specialist including

participation in ISE orientations, workshop or other activities recommended by IVRS/IDB.

- Allows for information to be obtained by releasing information (such as a Credit Report at no cost) or signing forms required for Business Planning such as the *Income Offset* form.
- Develops business concept, participates in evaluating the feasibility, which then is developed into a formal Business Plan for IVRS/IDB review.
- Assumes responsibility for completing and presenting a business proposal, under the guidance and direct assistance of the Business Development Specialist, that includes the following: a clear Business Plan; the financial information required; an itemized list outlining assistance requested from IVRS/IDB; and detailed financial projections (incorporating start-up, routine operating costs, cash flow, income statements, profit/loss and balance sheets) which demonstrate the ability of the business to support an individual's personal obligations.
- Participates in meetings and technical assistance sessions to facilitate the business proposal's development.
- Provides all requested information.
- Obtains quotes from vendors as approved in the Sources and Uses Statement and approval from IVRS staff prior to purchases.
- Provides IVRS/IDB Counselor and Business Development Specialist with monthly business financial information.
- Complies with all local, state and federal laws and requirements for small businesses.

IVRS Business Development Specialists:

- Guides candidate through the business planning process.
- Provides an orientation-group or individual.
- Assists candidates to develop and assess financial projections.
- Offers technical assistance to the candidate to assess feasibility and provides advice on business plan development.

- Provides technical assistance in generating and analyzing competent market analysis information.
- Provides technical assistance in developing viable marketing strategies.
- Recommends potential training and/or alternative funding resources.
- Reviews candidate's financial requests and makes recommendations for Technical or Financial Assistance.
- Advises candidate on securing information related to business partnership agreements, financial or tax filings.
- Maintains ongoing communication with candidate, counselors, supervisors and Program Manager that is specific to each case.
- Conducts follow-up meetings to assess the progress and status of individual cases.
- Makes recommendations to assist with evaluating financial performance and viability of business.
- Completes paperwork and reports including monthly financials to assure program compliance is maintained and prevents issues from developing.
- Provides initial oversight to help ensure business ventures comply with all relevant state, federal and local laws and regulations.

IVRS/IDB Supervisor:

- Evaluate and make recommendations regarding candidate's business proposal, including but not limited to, business proposals that are speculative or considered high-risk in addition to those inconsistent with community standards.
- Participate in scheduled business planning meetings.
- Provide recommendations to counselors and IVRS/IDB administration.
- Approve expenditures/invoices required for payment in IRSS system.
- Approve exceptions in accordance with IVRS/IDB policy and procedures including:

1. Cases in which the individual is not required to put up at least 50% of the financial package.
2. Insurance coverage or rent needs for business operations that exceed six months.
3. Vehicle lease or purchases (final approval is required by Bureau Chief).
4. Vehicle insurance (final approval is required by Bureau Chief).
5. Vehicle maintenance and repairs (final approval is required by Bureau Chief).
6. Computer purchases.
7. Closing a case in status 26 if a candidate is achieving at an optimal level of employment but earning less than 80% of SGA.
8. Authorizations that do not conform to ISE Program processes.

IVRS/IDB Administration:

The role of IVRS/IDB Administration is to determine when exceptions are necessary and approvable according to the structure, philosophy and policies of the State of Iowa.

IVRS/IDB Administration is involved in:

1. Cases exceeding \$10,000 for Technical Assistance
2. Cases exceeding \$10,000 for Financial Assistance
3. Cases involving vehicle lease or purchase, maintenance, repair and/or vehicle insurance

SECTION III – THE SELF-EMPLOYMENT PROCESS

IOWA SELF-EMPLOYMENT PROCESS OUTLINE

Orientation/Exploration: Prior to involvement in any self-employment planning the IVRS/IDB counselor, Business Development Specialist and candidate review the *Is Small Business Right for You?* Based upon the results of this discussion the counselor and candidate make a decision regarding moving forward. The case record is in status 10 or in status 14 depending upon the prior status of the case.

- Orientation is provided by BDS with the candidate and counselor
- Discuss “Is Small Business Right For You?”

Initial Planning VR counselor, BDS, with candidate explore self-employment. At the end of this phase the case record is moved into status 18-7.

- Complete Can I Really Afford to Do This?
- complete income offset
- obtain a free credit report
- Complete Documentation of Client Match Items

Business Plan Feasibility is a collaborative effort in which the BDS, ISE Candidate, IVRS/IDB counselor, and local office supervisor participate in the exploration and evaluation of the feasibility of the candidate's business idea.

- Complete Personal Financial Statement Form
- Complete Monthly Personal Budget Form
- Conduct Feasibility research completed by the candidate, the BDS and IVRS/IDB Counselor
- Compile results of the feasibility research
- Review and analyze the research together and involve the local office supervisor prior to progressing to determine if the business is a feasible idea and warrants development.
- Develop the business plan by incorporating feasibility research completed by the candidate, the BDS, and the IVRS/IDB counselor.
- Complete the Sources and Uses Statement in collaboration with the team so the local supervisor approves the expenditures prior to moving forward.

Business Implementation facilitated by IVRS Business Development Specialist with candidate and counselor and as team performs the following:

- Review candidates responsibilities
- Update IPE
- Issue authorizations consistent with Sources and Uses and IPE
- Amend the Sources and Uses when additional resources are needed and allowable under supervisory approval.
- Provide necessary technical and financial assistance

Business Follow-up performed by IVRS Business Development Specialist and ISE Candidate together. The case record should be in status 22-0 at the point where the candidate is earning 80% of SGA. Stabilization is defined as a point in the business where the candidate, counselor and Business Development Specialist agree that the business is operating as outlined on the IPE and meeting financial projections specified in the business plan.

- Review information provided by Self Employment candidate
- Review the profit and loss statements submitted by candidate

- Review the Candidate Financial Implementation Form submitted by candidate monthly
- Enter case note summaries completed by BDS
- Submit the SEI form completed quarterly if appropriate
- Secure counselor involvement if needed for post-closure services

PURCHASING GOODS AND SERVICES

The State of Iowa outlines specific purchasing principles that must be followed when contracting for services. It is the policy of the State of Iowa to obtain goods and services from the private sector with the purpose of achieving value for the taxpayer through a process that is fair, open and objective. Vendors should state the type of goods or services to be obtained, the costs, and a timeline for delivery.

Authorization for goods or services shall be made by an IVRS/IDB counselor based upon the negotiated rate and terms agreed upon. A copy of each contract shall be filed with the division when the good or service exceeds the standard purchasing requirements. **Purchases of goods or services for a candidate's business must be recommended by a Business Development Specialist and approved by the counselor and supervisor prior to authorizing.**

PURCHASING EXCEPTIONS

Counselors must complete a *Self-Employment Exception Request* form (found in this guide on pages 59-60) for the following:

- Candidate is unable to provide at least 50% match for financial assistance funding
- Technical or Financial assistance Self-Employment purchase(s) which will exceed \$10,000
- Business rent which will exceed six months
- Situations in which the purchases do not conform to ISE policy

Counselors should follow IVRS/IDB exception to policy guidance for all computer purchases. This applies to vehicle lease/purchase/maintenance, repair or the purchase of vehicle insurance for which Bureau Chief approval is required. A separate form for these types of purchases can be found on the agency's internal intranet site.

VENDOR PAYMENTS

Approval for payment of authorized goods or services shall be made by authorized division personnel. ISE authorization payments require the following:

SELF EMPLOYMENT CANDIDATE AS PAYEE

- a. an original candidate signature on the authorization billing (R-450) copy
AND
- b. **an original detailed receipt**/documentation attached to the R-450 which shows the products purchased or type of services provided, when purchased or provided, and the cost for each.

VENDOR AS PAYEE

- a. an **original invoice providing detail regarding the actual services and products provided** and the cost for each.
 1. Services should include the actual dates , number of hours and cost per hour.
 2. Products should include the date purchased, quantity, name of each item and the cost.
- b. re-submitting an earlier proposal or bid as an invoice for payment is not acceptable without the detail noted above.

A vendor signature is not required since an original invoice will be attached to the R-450 billing.

IVRS/IDB TAX EXEMPT STATUS

As governmental subdivisions of the State, IVRS and IDB are granted exemption from State sales and use taxes under Section 423.3(31) of the Iowa Code. This applies to all goods, wares, or merchandise and services purchased by the State for public purposes. A letter from the Iowa Department of Revenue substantiating agency tax exempt status can be provided to vendors as documentation of the exemption. The letters can be found on the Iowa Self-Employment internet website under the link *Partner Information / Additional Forms*.

Orientation/Exploration: Is Small Business Right For You?

It is important for the ISE Candidate, the IVRS/IDB Counselor and the Business Development Specialist to discern if small business ownership is the best option. As a result the counselor and candidate consider the employment demands of small business to determine if this is a good job match before actively moving forward in small business development. The following questions are designed for the counselor and candidate to discern and discuss to make an informed decision about small business ownership. The R413 should report the counseling session that discusses the following:

- Describe how you will handle any physical demands of your business (including work schedule)
- In light of your disability, how will you handle the mental and emotional demands of your business?
- What concerns might you have related to owning, operating, and actively managing a business given the limitations posed by your disability?
- What kind of assistive aids, devices, technology or accommodations might be required in order for you to successfully run your business?
- Running your own business may require working long days, up to seven days a week as well as holidays. How will this work for you with your disability and personal life?
- Describe how you handle conflict.
- Describe your experience in providing this type of service or product.
- Describe your technical skills (i.e. education, experience, certification, etc.)
- What training do you require to be successful in owning and operating this business? (i.e. accounting, management, etc.)

Initial Planning: Step One

Starting Your Own Business:

ISE requires a dollar for dollar match up to the maximum assistance required and allowed by the program. If you want to start your own business the following is provided to assist with informed choice between self-employment and working as an employee for someone else:

1. Often entrepreneurs must lower their standard of living until their business is established.
2. 80% of new business starts fail in the United States and results in the entrepreneur in losing assets and cash savings.
3. Most new business starts require the entrepreneur to secure a business loan.

Expanding a Business You Currently Own:

4. Before moving forward you will need to provide to the ISE program:
 - a. Copies of any existing business plans.
 - b. Historical business financials and tax returns equivalent to the number of years in operation, up to three years.
 - c. Information showing profitability of the business.
 - d. Information showing at least 20% equity in the business.

Purchasing an Existing Business:

5. Before moving forward you will need to provide to the ISE program:
 - a. Three years of historical business financials and tax returns from the current owners.
 - b. Current business balance sheet from the current owners.
 - c. Other pertinent business information that provides direction on the success of the business.

Initial Planning: Step 2 - Can I Really Afford to Do This?

ISE Candidate Name: _____ Phone: _____
 Email: _____ Cell: _____
 VR Counselor: _____ Phone: _____
 Email: _____ Area Office: _____

Please respond to the questions identifying the information that most applies to you and your business idea:

1. ___ I want to start my own business.

___ I currently own my own business and want to expand.

___ I want to acquire an existing business.

2. Describe your business idea and specifically identify the type of business, the goods or services that will be sold by the business and if the business will be a for-profit making company:

3. List outstanding debts (such as defaulted student loans, delinquent child support, unpaid income tax, bankruptcy, etc.)

Money Owed To:	Amount Owed
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

4. The following are completed:

- Income Offset Information ___yes ___no
- Credit Information (report) ___yes ___no
- Personal Financial Statement ___yes ___no
- Personal Budget ___yes ___no
- Client Match Items ___yes ___no

5. Would you be able to pass a background check that may be required by your business idea? ___yes ___no

6. Is your proposed business an activity that can be legally undertaken in the State of Iowa (as defined by the Attorney General)? ___yes ___no

7. Does your business idea meet the local standards of acceptance by the community in which you plan to locate? ___yes ___no
8. Will you own at least 51% of the business? ___yes ___no
9. Will your business be located in Iowa? ___yes ___no
10. Are there other owners in your business and if so please describe their contribution to the business:
11. If this is an existing business, please provide documentation of at least 51% ownership (such as: Partnership Agreement, Business Articles, or Incorporation).
12. Check all the assistance that you currently receive:
 ___SSI ___SSDI ___Private Insurance ___Worker's Comp
 ___Food Stamps ___Family Investment Program ___Other
- SSA recipients should be referred for benefits planning.*
13. The goal of the Iowa Self-Employment Program is to help you achieve self-sufficiency.
14. If you are awarded funding from IVRS/IDB you must provide monthly copies of business financial statements, annual business tax returns, and any other pertinent information for up to two years to the Business Development Specialist assigned to you.

By signing below, I acknowledge that I understand the financial obligations and risks in self-employment.

ISE Candidate Signature: _____

Date: _____

IVRS/IDB Counselor: _____

Date: _____

Business Development Spec: _____

Date: _____

BUSINESS PLAN Feasibility:
Step 1- Will My Business Make a Profit?

The purpose of a Business Feasibility Study is to determine the likelihood of business success (feasibility) and develop a written guide that details the goals, business strategy and operations (business plan). The Business Plan Feasibility Study will require an applicant to identify specific steps in the Business Planning process as well as who will be involved in each step of the process, address budgetary guidelines, and provide a timeline. **This phase is designed to help the candidate and the team determine if a business idea is feasible; and to identify questions and problems that require resolution prior to establishing self-employment as the ultimate goal. The following information is to be completed by the candidate, the Business Development Specialist, the IVRS/IDB Counselor, and if applicable any potential co-owners.**

I. Description of the Business:

a. Status of the business:

- i. Start-up _____
- ii. Purchase Existing Business _____
- iii. Expansion _____

b. Explain your business idea:

c. What type of business will you operate?

- Wholesale Retail
- Service Manufacturing
- Construction Other, Describe:

d. Business Form:

- Sole Proprietorship Partnership*

- n. Identify trends in your industry and what effect those trends may have on your business idea.

- o. What are your potential start-up costs?

- p. What do you estimate will be the total cost to manufacture or provide your product or service?
- q. What do you plan to charge for your product or service? (Selling price?)

- r. Who are your competitors? Where are they located? What do they charge?

- s. How long have they been in business?

- t. What are their strengths and weaknesses?

- u. How will they react to you entering the market?

- v. Why would customers buy from you in place of your competitors?

- w. State your plans to meet any debts or payments on loans to start the business:

- x. What is the anticipated net profit for the service or good you will sell in a year? Show how you derived at that amount:

- y. Explain how you will make up any losses in the operation until the business is self-supporting:

- z. List your existing equipment, inventory, and expenses you will contribute to start, expand, or acquire your business. Match is verified by the completion of the Documentation of Client Match Items. Explain how the inventory will be maintained:

- aa. Describe your arrangements for record-keeping and accounting:

*If there is not a net profit, the business does not appear feasible at this time and requires the team to reconsider:

- Is there something that could be changed or adjusted to make this more viable?
- Are there other suppliers that could reduce the costs of production/service?
- How might marketing impact the rate of return on the product/service if the costs could be held down and the quantity purchased increased?
- Would changing suppliers impact the quality of the product and thereby impact the desirability of the product?
- What other planning discussions might make a difference in this analysis?

BUSINESS PLAN Feasibility: **Step 2- Business Planning**

The business plan is a comprehensive, written document that shows how a business will succeed. The main reason to develop a Business Plan is for the candidate's benefit so that informed decisions can be made. A business plan is also considered by lending institutions to help determine loan eligibility. Business plans detail the personal, business, marketing, and financial sides of a business and give candidates an outline in which to organize their thoughts. IVRS Business Development Specialists provide technical support and plan writing in partnership with the candidates to complete the business plan.

Business plans are submitted to lending institutions by the ISE Candidate for additional funding beyond IVRS assistance. The IVRS Financial Assistance may be used for equity to leverage loans. The business plan is not scored or evaluated by IVRS staff. IVRS agrees to support the business once the feasibility is completed and the business plan is written if there are no other financial lending needs.

GUIDE TO WHAT A BUSINESS PLAN SHOULD INCLUDE

I. TITLE PAGE:

- A. Business Name
- B. Names of Owner(s)
- C. Address, Phone number
- D. Date prepared
- E. Copy # (each photocopy should be assigned a specific number for tracking purposes)

II. EXECUTIVE SUMMARY (maximum 2 pages) This is the most important section as it must summarize the entire plan and is used by lending institutions to understand the feasibility of the business. It should be written first, and then rewritten last after the entire business plan is completed. This section should include:

- A. Opportunity or user benefit that the business will fulfill.
- B. Statement of Purpose: [e.g. "The following business plan has been developed by (your name) to take advantage of this opportunity by (include vision and mission)]."
- C. Description of each of the remaining sections (noted below) of the business plan
- D. Explanation of why this venture makes personal, business, market, and financial sense:

1. include a Summary of Funding Request
 2. include Uses/Sources of Capital information
- E. Description of why the business will be successful.

III. TABLE OF CONTENTS

IV. BUSINESS DESCRIPTION

- A. Business Name and Location (city and state)
- B. Business Stage: (start-up, existing, or purchase)
- C. Legal Structure (sole proprietorship, partnership, etc.)
- D. Mission and Vision Statements, Objectives, Milestone Summary
- E. Brief history of the idea / company, and brief description of owner's Qualifications and experience (include resume in Appendix)
- F. Industry Background [North American Industry Code Classification System (NAICS) code, Size, Trends, Growth Potential]
- G. Description of the Product and Services (unique qualities, proprietary rights, and value to customer)

V. MARKETING

- A. Market Research and Analysis
 1. Research Methodology
 2. Market Segments, Target Market(s), and Size
 3. Competitive Analysis, Estimated Market Share
 4. SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)
 5. Differentiation, Positioning, Sustainable Competitive Advantage(s)
- B. Marketing Plan
 1. Overall Objectives [Sales, Profits, Return On Investment (ROI) Strategy]
 2. Product / Service Strategy and Tactics
 3. Place (and Distribution) Strategy and Tactics

4. Pricing Strategy and Tactics
5. Promotion Plan (PR, Advertising and Sales, Positioning statement)

What A Business Plan Should Include – continued

VI. OPERATIONS

- A. Facilities and Hours of Business
- B. Equipment
- C. Fulfillment Process (How does the candidate get your product or service?)
- D. Critical Success Factors (What has to be done every day to succeed?)
- E. Milestone Schedule (Timetable for activities to be accomplished)

VII. MANAGEMENT

- A. Key Owner(s), Managers, and Personnel (Responsibilities and Experience)
- B. Organizational Chart
- C. Board of Directors, Advisors (Accountant, Attorney), Consultants

VIII. FINANCIAL

- A. Capital Request [If seeking non-ISE funding, e.g. loan(s) or investors' funds]:
 1. Amount: Exactly how much money do you need? What are the sources? (Debt/Equity)
 2. Purpose(s) / Uses: a capital equipment list and sources of funds for each
 3. Benefit: Why is this a good business opportunity for your business?
 4. Need: Why do you need the bank's / investor's money?

Poor credit, losses, no cash, are not valid reasons.

5. Primary repayment for loans or investor's dollars, how and when do you plan to pay it back? (Should be excess cash flow from profitable operations based on projections below).

DSC: Debt Service Coverage = $\frac{\text{Net Income} + \text{Depreciation} + \text{Interest} - \text{Distributions}}{\text{Distributions}}$

(> 1.25, the higher the better) Debt Service (Principal and Interest Payments)

6. Secondary Repayment (Collateral): What happens if your plan doesn't work out?

Keep in mind the value of your collateral is based on quantity and quality.

B. Projections:

1. List of Assumptions
2. Projected Beginning Business Balance Sheet (Sources and Uses of Funds)
3. Income Statement and Cash Flow (monthly for 3 years)
4. Ending Balance Sheet
5. Summary of Best / Worst Case Scenarios
6. Breakeven and Ratio Analysis
7. ROI

C. Historical Financials: (For Existing Businesses)

1. Annual Income Statements / Federal Tax Returns (Schedule Cs) for last 3 years
2. Current Year-To-Date Income Statement and Business Balance Sheet (less than 90 days old)
3. It may also be necessary to include: Schedule of Current Debts and Aging of Accounts Receivables

IX. APPENDIX (Supporting Documents)

This part of the plan contains the detail that will document and verify the statements made in the main portion of your Business Plan. The most common documents are:

- A. Personal Income Statement
- B. Personal Financial Statement (PFS) and Credit Report
- C. Personal Resume
- D. Petitions/Letters of Intent from potential customers that include specific sales amounts and time frames
- E. Letters of commitment from funding sources
- F. Contracts and leases
- G. Job descriptions
- H. Legal documents

Any other pertinent information that will help document why this business will be successful.

BUSINESS IMPLEMENTATION

Business Implementation is the stage in the Self-Employment process that allows the IVRS Business Development Specialist to recommend Financial (or Technical) Assistance to IVRS/IDB counselors. Providing Financial Assistance is only authorized if the business has a need for funds in order to be successful, and the individual can provide (or demonstrate) a dollar-for-dollar match of the funds requested. The amount an individual receives is dependent upon the amount required as evidenced in the business plan and the Sources and Uses Statement up to the maximum amount.

Continuation of financial support of the business requires extensive monitoring on the part of IVRS Business Development staff to determine if the business is meeting the projected income levels and proceeding according to plan. **Financial support also requires that a candidate demonstrate cooperation by providing Business Development Specialists financial information before additional funds are expended.**

The business is in operation for at least 180 days and stabilized for a minimum 90 days prior to case closure.

I. SUMMARY OF IMPLEMENTATION ACTIVITIES:

1. Business Development Specialist provides counselor with a copy of the business plan and will request they arrange a meeting between candidate, counselor and Business Development Specialist and local office supervisor.
2. A Financial/Technical Assistance Summary Recommendation Form created by the Business Development Specialist will be provided to the counselor, supervisor, and candidate prior to the financial assistance meeting.
3. During the financial assistance meeting, the candidate will discuss their business plan, Financial Assistance requests, and any Technical Assistance requests.
4. Business Development Specialist will make final Financial and/or Technical Assistance recommendations to the counselor.
5. The candidate and counselor will include on the IPE what the candidate is responsible to provide to the Business Development Specialist for monthly financial information.
6. **Counselor is responsible to:**
 - a. approve and prepare authorizations.
 - b. obtain completed W-9 for vendors not in the I-3 system.
 - c. track authorization expenditures to ensure totals do not exceed Technical and Financial Assistance totals.

- d. ensure vendors submit detailed invoices for items sold or services provided. (Summary statements or simply signing the R450 billing copy does not satisfy the requirements for ISE purchases from vendors.)
- e. complete exception requests if Financial Assistance authorizations do not conform to policy.
- f. Within status 22, the **Business Development Specialist** coordinates the following:
 - Monthly communication, checking with the candidate and counselor to ensure business operations are continuing as planned.
 - Collecting and analyzing financial information to assure the business is on track for eventual closure in status 26-0.
- g. The *Candidate Financial Implementation Form* is provided by the IVRS Business Development Specialist to IVRS/IDB counselors by the 15th of each month. **Entrepreneurs are responsible to contact the IVRS Business Development Specialist to discuss their progress and provide the *Candidate Financial Implementation Form* by or before the 10th of each month. The IVRS/IDB (Entrepreneur) and Business Development Specialist will plan for Step 5 Follow-Up during Business Implementation.**

II. FINANCIAL ASSISTANCE 56.42

Financial Assistance is only authorized for those goods and services and required by the business plan, and there is evidence of business need and the business is progressing according to plan. Financial Assistance funds may be awarded up to \$10,000 based upon an approved Business Plan Feasibility Study and the candidate's ability to demonstrate a dollar-for-dollar match based on the amount of funding needed. The match may be provided through approved existing business assets, cash, conventional financing or other permitted sources.

Candidates receiving Self-Employment Financial Assistance should demonstrate ongoing cooperation, providing the Business Development Specialists with the financial information needed to assess business progress before additional funds are expended. At any time in the process that Business Plan projections do not meet anticipated expectations, the plan should be reviewed to consider the need for any revisions. The financial projections should be consistent to the level of income needed by the individual as agreed in the IPE and outlined within the Business Plan.

BUSINESS FOLLOW-UP

IVRS Business Development Specialists will follow-up with a candidate entrepreneur to review business progress, provide assistance to address problems that may occur, and ensure business operations are progressing as planned. Additional follow-up may be provided on an as-needed basis or as requested by the entrepreneur. Follow-up will continue for up to two years or until mutual agreement is reached that follow-up is no longer necessary.

Within status 22, the Business Development Specialist coordinates the following:

- Monthly communication, checking with the candidate and counselor to ensure business operations are continuing as planned.

- Collecting and analyzing financial forms to assure the business is on track for eventual closure in status 26-0.
 - (a) *Candidate Financial Implementation Form and*
 - (b) *Business Cash Flow from Non-Income Sources*, also completed, signed and dated.

Within status 26 the entrepreneur will continue to provide the following to the Business Development Specialist each quarter for two years after moving into Business Follow-up:

1. (a) *Candidate Financial Implementation Form and*
(b) *Business Cash Flow from Non-Income Sources*, also completed, signed and dated.

2. Completed, signed and dated copy of the *Maximus Ticket-To-Work Self-Employment Income (SEI) Form* if the entrepreneur receives Social Security Disability (SSDI) or Supplemental Security Insurance (SSI).

These forms shall be retained with the Business Development Specialist through the completion of Business Follow-up at which time all forms will be incorporated into the ISE file. Business Development Specialists will submit the Maximus Ticket-To-Work SEI form to the appropriate agency liaison.

IVRS/IDB counselors are involved in continual communication with Business Development Specialists during all phases of Self-Employment services prior to Business Follow-up. Counselors, having obtained signatures of entrepreneurs interested in publicizing and promoting their business through IVRS initiatives, will provide the Business Development Specialist with a copy of the Statement of Understanding (Publicity Release) form.