



IVRS SELF-EMPLOYMENT MANUAL

1. PROCESS

This manual was developed to assist IVRS/IDB staff in providing IVRS self-employment services. For more information regarding the self-employment program and the two options available (Micro-Enterprise Development and the Full Self-Employment Program), please refer to the [IVRS Self-Employment Program policy](#). This manual will support that policy by providing step-by-step guidance for staff in completing the necessary tasks within the program.

Self-employment services should be marked on the IPE-2 (Individualized Plan for Employment) immediately once an employment plan is written and staff are exploring the self-employment services with the job candidate. There is no need to mark “assessment” on the IPE-2 for self-employment services unless a specific assessment is being completed. Once this service is added to the employment plan, the job candidate may be placed in status 18-7.

Technical Assistance (TA) is provided through the IPE and can be staggered throughout the process. TA is typically provided by the Business Development Specialist (BDS), who can also guide the IVRS counselor in this process. This assistance can also be purchased; however, it cannot exceed the totals listed in policy for each self-employment program option without an exception (approved by the RSB Bureau Chief).

Examples of how TA may be utilized in both program options:

- a. Designing and constructing a website for a business;
- b. Designing business cards in order to create contact with customers;
- c. Legal consultation to set up the structure of the business such as a corporation or LLC, or to clarify other legal issues involving the operation of a business legally;
- d. Accounting services to help the job candidate set up a system for accurately documenting profits and loss and filing report of income to the government; or



- e. Planning and designing marketing tools, such as graphic design of names/logos for uniforms, magnets, signs or handouts.

Examples of how Financial Assistance (FA) may be utilized in both program options:

- a. Tangible tools and equipment;
- b. Supplies/materials to be used in creating and selling products;
- c. Insurance or rent;
- d. Tangible marketing products such as printed business cards, printed signs or t-shirts with logos for the business; or
- e. Other goods/services needed to conduct the business.

2. STEPS FOR MICRO-ENTERPRISE DEVELOPMENT

- a. Job candidates who are recipients of SSDI/SSI should be referred for benefits planning services prior to, or in concert with, the initiation of a self-employment goal. IVRS staff should include in this conversation with the job candidate how the business venture can allow the job candidate to reduce or eliminate their benefits if they choose this option. The discussion will also include possible sources of cash, or how to best incorporate work incentives into their business planning.
- b. The form "[Is Small Business Right for You](#)" should be utilized as a counseling tool and completed with the job candidate. The resulting discussion should be documented in the case notes.
- c. The [Income-Offset](#) form is completed and the [R-406 Financial Inventory](#) is updated as needed per policy guidelines. Once the results of the Income-Offset are obtained, IVRS staff should review these with the job candidate. If there is an amount owed, IVRS staff will also discuss how a payment plan may be set up to repay amounts owed.
- d. Orientation is generally provided by the IVRS or IDB counselor. This orientation is a basic description of services. It is acceptable to request a full ISE orientation in some cases so that the job candidate fully understands the options that may be beneficial to business planning.



- e. Any accommodations, supports, and/or assistive technology needs should be discussed and follow-up should occur with the Assistive Technology (AT) Specialist as needed.
- f. An initial planning meeting should be scheduled with the BDS when it seems most appropriate to do so. For some contract positions, there may be a need to move quickly to the provision of some services prior to a meeting with the BDS. This is permissible as the process is driven by the counselor. However, staff should request a consultation with the area office supervisor in these situations. This may occur prior to meeting with the BDS.
- g. At the initial planning meeting, the BDS will provide a basic orientation review. Information should be exchanged with the job candidate, counselor and BDS as to the appropriateness of the Micro-Enterprise Development option versus the Full Self-Employment Program. This conversation should also include the type of TA or FA that may be required.
- h. There are no specific number of meetings required for the job candidate and the BDS. This is determined by the counselor, supervisor and job candidate as to what would best meet the job candidate's needs.
- i. At a minimum, TA is provided for the business in the form of identifying any training for an accounting system, reporting income to the government, and quarterly tax estimates and payments.
- j. The job candidate creates an individual business account and may utilize a system (e.g. QuickBooks) which will generate profit and loss statements. Appropriate documentation of income is provided to the counselor and ISE assistant. This occurs preferably on a monthly basis. This may include pay stubs, profit and loss statements, or snapshots of the business account (including owner's draw and cash balances).



- k. Once the business appears stable, the case may move to status 22-0. Information regarding stabilization is found in the ISE policy.
- l. The business is followed for a minimum of 90 days from stabilization. Status 26-0 closure may be considered when the following occurs:
 - The business is considered to be in a competitive integrated setting;
 - Services provided under the IPE contributed to the employment outcome and the employment is consistent with the job candidate's abilities, capabilities and is the job candidate's choice;
 - The job candidate is achieving at least some level of net profit; and
 - The job candidate's business is self-sustaining and is satisfactory to the job candidate.

3. STEPS FOR FULL SELF-EMPLOYMENT PROGRAM

Step 1: Orientation and Exploration

This step provides information to the job candidate interested in exploring self-employment. Orientations assist job candidates to determine if self-employment is an appropriate goal and also help to clarify expectations for small business development. An overview of the self-employment process is included in the presentation.

Orientation is available to IDB job candidates prior to opening a case file with IVRS. This assures IDB job candidates fully understand the self-employment program and are able to make an informed choice on whether to proceed with services.

- a. Job candidates who are recipients of SSDI/SSI should be referred for benefits planning services prior to, or in concert with, the initiation of a self-employment goal. IVRS staff should include in this conversation with the job candidate how the business venture can allow the job candidate to reduce or eliminate their benefits if they choose this option. The discussion will also include possible sources of cash, or how to best incorporate work incentives into their business planning.



- b. The form "[Is Small Business Right for You](#)" should be utilized as a counseling tool and completed with the job candidate. The resulting discussion should be documented in the case notes.
- c. The [Income-Offset](#) form is completed and the [R-406 Financial Inventory](#) is updated as needed per policy guidelines. Once the results of the Income-Offset are obtained, IVRS staff should review these with the job candidate. If there is an amount owed, IVRS staff will also discuss how a payment plan may be set up to repay amounts owed.
- d. Any accommodations, supports, and/or assistive technology needs should be discussed and follow-up should occur with the AT Specialist as needed.
- e. The ISE assistant will contact the job candidate to provide the Step 2 paperwork and schedule the orientation. Counselors are expected to assist the job candidate in the completion of the Step 2 paperwork prior to the scheduled orientation appointment.
- f. IDB job candidates will not be required to submit paperwork or open an IVRS case file prior to the scheduled orientation. Some IDB job candidates may require further orientation prior to making a decision about operating a business. After attending orientation, the IDB job candidate and the IDB counselor will determine when it is an appropriate time to pursue self-employment. At that time, the file with IVRS may be opened and all necessary paperwork completed. Timely and consistent communication with IDB and the BDS is necessary in order to coordinate services and assure progress continues.

Step 2: Initial Planning

The initial planning phase occurs only after the completed Step 2 paperwork has been returned.

- a. The BDS provides a report of the paperwork findings no more than 30 days after receipt of the job candidate's Step 2 paperwork.



- b. The IVRS counselor, job candidate, and BDS review the Step 2 paperwork outlining the job candidate's current financial obligations to consider the financial feasibility of self-employment and what steps are necessary to progress.
- c. Upon positive review of the financial obligations, should the counselor support progression in the Full Self-Employment Program, the job candidate and BDS jointly explore the business idea(s), prior training and experience in the business area, and determine the issues to consider for feasibility. The result of this meeting is a statement from the job candidate on what it is the job candidate believes they need to start and operate their business concept.

Step 3: Business Plan/Feasibility

Step 3 relates to determining if a business concept makes market, personal, business and financial sense. A business venture is considered feasible when it can generate enough cash from profit for the individual's business to be self-sustaining. Purchased TA services occur only after a business plan has been developed and the job candidate has moved to Step 4.

- a. TA is provided directly by the BDS for feasibility and business planning. The BDS will work with the counselor to provide the level of personal assistance needed by the job candidate. The BDS will make every effort to assist the job candidate in making progress by providing information and strategies that may be helpful in the planning process. The BDS will also provide service and resource options that help the job candidate to move forward.
- b. The BDS will use a format for the job candidate which best meets the individual's needs. For example, the use of an alternative business planning method such as Business or Lean Model Canvas or some other type of simplified planning process; or providing more personal assistance to a job candidate who requires it.
- c. The BDS should coordinate comparable benefits and services such as the Small Business Development Center or another local economic development agency.



- d. The team determines if the business idea is viable and meets the job candidate's needs to the extent possible, with appropriate supports as needed so that the business plan will produce a level of self-sufficiency that is optimal for the job candidate in his or her particular situation. In no situation should the BDS or counselor deny the ISE services without a thorough understanding of the job candidate's desired business concept, and without providing alternative solutions or strategies that may help the job candidate to identify a more successful business concept.
- e. If there is a difference in opinion between the counselor and the BDS, the counselor and the area office supervisor will make the final decision.

Step 4: Business Implementation

Job candidates progress to Step 4 once business planning activities result in a feasible business idea and plan. All financial resources that are provided are dependent upon the specific needs of the business consistent with IVRS policies and procedures. Prior to authorization of any service, the team ensures that the business plan details what is required for business start-up, the sources and uses, as well as costs and approval of those services.

- a. FA: relates to monies used to purchase the necessary tools and equipment, products or services necessary to open the doors of the business and maintain the business as outlined in the job candidate's business plan. All applicable policy information applies. FA 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 following is guidance on business assets (non-vehicle) that may be considered for match:
 - Larger Value Assets (Fair Market Value (FMV) of \$100 or more): the job candidate may provide a signed statement which includes a list of items, the date the items were purchased and amounts paid, as well as an estimate of the FMV. Receipts or copies of internet-comparable items would generally be required.
 - Smaller Value Assets (FMV of less than \$100): The documentation may be a list of items with a general description of the items as well as an estimate of



the FMV. Receipts would be required if available, or another practical method of estimating the value can be chosen by the BDS.

- The total amount of fees for certifications or business training paid by the job candidate would be considered match in their entirety as long as they were to enhance the job candidate's ability to conduct business. The documentation would include a list of the training(s), which includes the type of training as well as the vendor, date, and amount paid.
- Start-up cash in a savings or checking account, cash from a loan source (e.g. Iowa Able), or a cash grant would be counted in its entirety as a match.

The financial support of the business requires extensive monitoring on the part of the BDS to determine if the business is meeting the projected income levels and proceeding according to plan. This process is based upon the business plan needs. This approach ensures continuity, financial viability and a focus to achieve business sustainability. IDB job candidates do not follow the IVRS financial participation process in that they do not determine a financial participation amount based on a financial inventory.

FA funds may be awarded up to \$10,000 based upon an approved business plan, and the job candidate's ability to demonstrate a dollar-for-dollar match on the amount of funding needed. The match may be provided through approved existing business assets, cash, conventional financing, or other permitted sources.

The amount recommended by the BDS and approved by the counselor and supervisor will be provided as described above in support of business operations.

- b. TA: is any specific business-related service provided by the BDS or outside contractor/consultant funded by the ISE TA. It may include consulting in the areas of marketing or business needs that require certification and licensure to perform. Job candidates can request recommendations for qualified professionals or may recommend a provider themselves. The selection of the qualified professionals will be the responsibility of the job candidate and must be approved by the BDS and the



counselor. If there is a disagreement between the counselor and the BDS, the area supervisor will make the decision based on a review of the individual situation.

- c. **Case Progression:** Progress reports providing an overview of the previous month are supplied on a monthly basis by the job candidate to the BDS and counselor during business implementation. The BDS recommends a date for business stabilization in collaboration with the job candidate and counselor in order for a case file to move to status 22-0.
- d. **Stabilization:** Stabilization is defined as a point in the business where the job candidate, counselor, and the BDS agree the business is operating so as to meet the job candidate's individual needs so that they can remain in business without further injections of funding from IVRS or other sources. The business is stabilized when it would be considered self-sustaining and earning at a level that best meets the job candidate's needs. The case file would move to status 22-0 at this point.

The BDS prepares a final report outlining the job candidate's earnings, benefits, and the current status of the business for the counselor to review. Recommendations include a date for case closure. Upon agreement by all parties, paperwork can be completed between the job candidate and counselor to close the case in status 26-0.

The counselor should discuss with the job candidate any interest in publicizing and promoting their business through IVRS initiatives. If the job candidate agrees, the release is signed and the counselor provides the BDS with a copy of the [IVRS Media Release](#).

Step 5: Business Follow-Up

- a. The BDS will follow-up with the individual after status 26-0 closure to review business progress, provide assistance to address problems that may occur, and ensure business operations are progressing as planned.



- b. Additional follow-up may be provided on an as-needed basis or as requested by the individual. Follow-up will continue for up to two years, or until mutual agreement is reached that follow-up is no longer necessary.

- c. After status 26-0 closure the ISE RA will mail the follow-up letter to each job candidate with the expectation that the job candidate will provide the requested updated business financial information and return it to IVRS promptly.