3.3 BUSINESS PROJECTS

Self-employment, telecommuting, and establishing a small business are employment outcomes available in assisting individuals with disabilities to obtain employment opportunities consistent with their strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice. To achieve a self-employment goal the counselor must determine if the client is capable of performing the duties required. A vocational assessment to measure intellectual functioning, as well as basic math and reading skill levels may be necessary. Additionally, the counselor should document that the client understands that he/she will be required to contribute to the costs of starting self-employment or a small business enterprise. For the client this will mean using his/her savings, resources, or income.

The Rehabilitation Act of 1973, as amended in 1998, allows for the provision of the following business project-related services to eligible individuals who are pursuing self-employment, telecommuting, or establishment of a small business operation as an employment outcome:

- Occupational licenses, tools, equipment, and initial stock.
- Technical assistance and other consultation services to conduct market analyses, develop business plans, and otherwise provide resources; to the extent such resources are provided through the statewide workforce investment system.

The following guidelines will assist the counselor and the client in the provision of these services and in exploring the feasibility of a business venture.

Agency Participation:

Upon determination that the client is eligible for services and self-employment has been selected as an employment goal, the counselor shall accompany the client on a visit to an appropriate professional setting such as a small business development center, the office of a business consultant/planner, or a Certified Public Accountant's office. The purpose of this visit shall be to obtain guidance and assistance to be used in the development of a viable business proposal.

The counselor should ascertain the client is knowledgeable of the business venture guidelines (**Entrepreneur's Tool Kit**) compiled by the Mississippi Development Authority.

The client is to submit a completed Form VR-007 or a formal business plan so that the counselor will have sufficient information to analyze the probability of success of any business project for which Agency financial participation is being sought. The counselor should consider the following factors and document in a case note prior to obligating Agency funds:

- Client's ability to perform the duties of the particular business
- Previous work experience and/or training
- Knowledge of operating requirements of the particular business
- Age, physical ability and psychological stability, medical information, and psychological reports should be obtained relating to the client's ability, physically, emotionally, and intellectually to handle the demands of a business.

Additional related Agency policies and guidelines (e.g., purchasing, comparable benefits, informed choice, and assistive technology services/devices) must be adhered to prior to obligating Agency funds.

After completion of the initial proposal for a self-employment business project (Form VR-007), the counselor shall assemble a self-employment team consisting of the counselor, client, district manager, state office business projects coordinator, Small Business Administration representative and/or small business consultant associated with chosen field of operation, or other professional such as certified public accountant to review the business proposal. (If the Small Business Administration representative assisted in writing the business proposal or any other individual who assisted in the development of the business proposal, this individual shall not serve on the team.) The duty of the team is to provide a recommendation for approval or disapproval of the business proposal. If the business proposal is disapproved, a written recommendation and suggestion for the conditions of approval should be given to the client. The client then has the option to re-submit the business proposal to the team, fund self-employment through means other than VR, abandon the business proposal, or appeals the decision (fair hearing process).

After approval of the business proposal by the self-employment team, the counselor may approve business projects that do not exceed five thousand dollars ($5,000). The District Manager may approve all business projects between five thousand dollars ($5,000) and ten thousand dollars, ($10,000). All business projects **exceeding** ten thousand dollars ($10,000) must be reviewed by the District Manager and forwarded to the state office for staffing/review. No definite commitment will be given to the client until the proposal is approved by the District Manager and/or, if appropriate, the Executive Director or designee.

Limitations of Agency Participation

Agency expenditures are allowed only for **initial costs** of starting the business project, and may include the following business related expenses:

- Initial stock, merchandise, and operating supplies that may not exceed an amount equal to a **two-month** inventory.
- Rent, utilities, business telephone, etc., and necessary deposits can be paid only for a period to cover the first **two months** of the operation.
- Insurance payments (e.g., Workers' Compensation, liability, premises, equipment, etc.) may cover only the first **two months** of the business operation.
- Advertisement (e.g., classified, telephone directory, portable business signs, etc.) may be purchased to cover a period not exceeding **two months** for the opening of the business.
- VR may financially assist the client, as necessary, in securing the required business licenses permitting the sale of soft drinks, tobacco, foods, etc.

For any of the above business related expenses, which require a twelve-month payment, lease, and/or deposit, VR will only be responsible for a pro-rata share (**two months or 1/6th**) of the expenses.

VR will fund no more than 90% on amounts up to $5,000.00; 70% on amounts above $5,000.00 up to $10,000.00; and 50% on amounts above $10,000.

VR funds **cannot** be utilized for the purchase of: land, permanent building(s), or motorized vehicles including motorized farm equipment used for transportation. VR funds **cannot** be utilized for the rental of motorized vehicle(s) or motorized farm equipment. VR funds **cannot** be utilized for insurance coverage for motorized vehicle(s) or motorized farm equipment, purchased or rented.

Shelter (Portable):

Portable shelter for agricultural enterprises, road-side stands and other types of agricultural objectives will be covered by this policy which, in general, requires that the shelter be one which is portable and can be easily dismantled, moved along public roads by truck and reassembled, when necessary, at a new location. In order for shelter of this type to be considered as placement equipment, it must be different from shelter customarily furnished by a landlord as a part of a lease agreement. Portable shelter provided a client will be considered as any other equipment purchase.

Wells and Water Systems:

Of particular significance in rural or agricultural projects is the provision of sinking and curbing water wells as "Other Services." The provision of an adequate water supply may be necessary services in connection with establishing a client in a business or for the maintenance of livestock, for the maintenance, protection, and sanitary operation of a dairy or other related farm projects, or for the irrigation of crops, which are the sources of income from the farm. In providing this service, the counselor must take into consideration the following factors:

(1) The amount to be invested in the well should be reasonably related to the financial return anticipated from the agricultural project for which the well is necessary.

(2) No expenditure may be made for the general maintenance of such a well since this would normally be considered an operating expense rather than an expense involved in the initiation of the enterprise.

(3) The provision of well pumps and distribution systems is considered as "equipment" and should be planned as such.

Business project expenses that are not herein discussed should be discussed with and reviewed by the District Manager before being planned for the business project.

ANY BUSINESS PROJECT TOTAL EXPENDITURE IN EXCESS OF TEN THOUSAND DOLLARS, ($10,000), MUST BE REVIEWED BY THE EXECUTIVE DIRECTOR OR DESIGNEE.

Client Cooperation:

The client will be required to cooperate in all aspects of the business project by maintaining daily records of the business. The records shall be available for review, including daily sales, purchase invoices, business bank transaction documents validating all expenses such as pest control, machine repair, wages, etc., as well as records of any merchandise removed from the business for personal use. Any other records determined by the counselor to be necessary shall also be maintained.

Follow-Up:

Close follow-up to ensure immediate problem identification and possible resolution is essential to the success of a client in a business project. The counselor should meet with the client at least every thirty days to ascertain any problem(s), which have been identified, are being adequately resolved.

Requirements for Case Closure (Rehabilitated):

The following, in addition to the requirements for successful closure listed in the OVR/OVRB Policy and Procedures Manual, apply to the business/agriculture project and is required prior to the successful case closure as rehabilitated:

A pre-closure conference must be held with the client, the counselor, and the District Manager. If other business professionals were consulted during the planning of the business project, they should be included in the conference, when feasible. This conference should determine if the business is profitable, if the client has additional needs now, or will need post-employment services in the future. If profits are determined to be adequate and if no immediate problems are foreseen, the case may be closed as rehabilitated.