

Division of Vocational Rehabilitation

Self-Employment Overview

This overview helps guide individuals with disabilities (consumers) who are working with the Department of Workforce Development's (DWD) Division of Vocational Rehabilitation (DVR) meet a job goal by starting their own business. DVR staff can assist qualified consumers with technical assistance, referrals, and startup costs that are required to open a small business.

Key points of DVR's self-employment policy:

- Fee schedule: DVR start-up costs are limited to the fee schedule and are for initial start-up costs, only. These start-up costs do not include assessments or assistive technology.
- Ownership type: The business must be a sole proprietorship, partnership or single member LLC (including independent contractor/consultant work). DVR consumers must own, manage, and operate the small business.
- Majority ownership: If the business is intended to be a partnership, the consumer must own at least 51% of the small business.
- Tax filings: A small business must intend to make a profit and file all relevant taxes.

Key points of what is not covered by DVR's self-employment policy:

- Consumers interested in working under a sole source contract
- [Supported/customized self-employment](#)
- [Business Enterprise Program \(BEP\)](#)
- Existing business
- Expansion of an existing business
- Non-profit businesses
- Businesses structured as an S-Corp or C-Corp
- Hobbies as defined by the IRS
- Businesses prohibited by law
- Businesses whose income is based solely or primarily on recruiting salespeople to continue building the business or enterprise (multi-level marketing business).

Fee schedule:

There are three tiers of DVR's self-employment policy based on the total business start-up costs:

Tier 1 \$0 - \$6,000

- The consumer must demonstrate two months of working capital (the amount of money each month that it costs to operate the business) and be operational within three to six months after approval of the business plan.

Tier 2 \$6,001 – \$12,000

- Must demonstrate four months of working capital and be operational within six to 12 months after approval of the business plan.

Tier 3 \$12,001 - \$18,000

- Must demonstrate six months of working capital and be operational within 12 to 18 months of after approval of the business plan.

Requests that are above \$18,000 will require an approved exception request from the management of DVR's local Workforce Development Area. Exception requests are only used in extenuating circumstances.

DVR's financial participation will be used to purchase services and equipment needed for the start-up of the business identified in the approved business plan and must follow DVR's purchasing policies. Business start-up cost exclude costs for training, assessments, and rehabilitation technology services.

Summary of self-employment policy steps:

Step 1 – Overview of self-employment

Discuss with DVR staff what self-employment is, the DVR fee schedule, and DVR's self-employment policies.

Step 2 – Exploring the occupation

Identify an appropriate occupational goal through with your DVR case manager.

Step 3 – Self-employment vetting

Determine readiness for self-employment in the identified occupation.

Step 4 – Determine feasibility of proposed business and next steps.

Discuss and assess the self-employment business idea.

Step 5 – Develop the Individualized Plan for Employment (IPE) to address feasibility action items.

Address any action items that DVR may give to a consumer following review of the feasibility study.

Step 6 – Develop business plan and IPE amendment to include business plan development services.

Tier 1 consumers will complete a simplified business plan. Tiers 2 and 3 consumers will work with a business consultant to develop a business plan.

Step 7 – Business plan review process

Consumers in tiers 2 and 3 will have their business plan reviewed by the business plan review committee (BPRC).

Step 8 – Opening the business

Consumers work with DVR to open the business.

Step 9 – Successful closure of DVR case

Once employment and income standards are met and the consumer provides proof of wages, the case will be successfully closed.

For more information, please visit:

<https://dwd.wi.gov/dvr/policy-guidance/toolkits-guides-manuals/self-employment-toolkit-v3.htm>