

# Self-Employment Toolkit v2.0

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Assisting DVR Consumers to Pursue their Goal of  
Starting a Business

**Wisconsin Division of Vocational Rehabilitation**



**\*This toolkit was developed, adapted, and copied from the DVR 2004 Transition Toolkit, DVR BEST Manual, and the Research and Training Center on Disability in Rural Communities, *Self-Employment Steps for Vocational Rehabilitation Counselors, Helping a Consumer Start a Business*, 2004.**

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## Introduction

This toolkit was developed to assist DVR staff and consumers through the self-employment process. 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 12-step format. Each step has a purpose and should 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.

**Please Note:** This toolkit was **not** designed for:

- Supported self-employment
- Existing businesses
- Business Enterprise Plans (BEP)
- Existing Farms
- Employment opportunities requiring individuals to be self-employed as a “consultant/contractor” with an already established sole contract (e.g., ARISE, NTI) would not require the use of this toolkit or a business plan because the DVR consumer does not need to market their skills or abilities in order to obtain outside contracts nor do they typically require start-up funds.

Cases where the person is a sole contractor/consultant will require guidance and counseling services to assist the consumer with the implications and requirements of being self-employed as a consultant/contractor (e.g., taxes, identification and implications of chosen ownership structure, impact on benefits, etc.) and to address a contingency plan should the sole contract end. **Staff are encouraged to work with their supervisors when these cases arise to assist in determining the appropriate process to be used.**

Please refer to the following links for information on Employee vs. Independent Contractor:

- <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Independent-Contractor-Self-Employed-or-Employee>
- <http://www.irs.gov/pub/irs-pdf/p1779.pdf>
- [https://dwd.wisconsin.gov/wc/employers/independent\\_contractors.htm](https://dwd.wisconsin.gov/wc/employers/independent_contractors.htm)
- Non-Profit businesses - 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.

DVR staff should ensure that the information being shared throughout this process is understood by the consumer, provided in an appropriate format and that the consumer is given assistance and accommodations in completing tasks as appropriate. The consumer should be given a copy of this toolkit or portions of the toolkit upon request or as needed to complete a particular step in the self-employment process.

We hope that staff as well as consumers, and other stakeholders in this process, will find this tool to be useful in assisting consumers with disabilities in achieving their goals.

Thank you!

## Overview of 12 Steps

### **Step 1 – Discuss Preliminary Information for Expressed Interest in Self-Employment**

- Checklist - Discussion points to review with consumer to help him/her understand the process, what self-employment is and is not, and the DVR fee schedule.

### **Step 2 – Vetting the Consumer for the Occupation and for Self-Employment**

- Three items must be completed by the counselor and consumer to determine if the consumer is a viable candidate for the occupation and for self-employment: Entrepreneur Readiness Questionnaire, Business Assessment Scale (BAS), and the Entrepreneur Readiness Worksheet in IRIS.

### **Step 3 – Determine Feasibility of Proposed Business**

- Following the [technical specifications](#), 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 4 – Develop the Individualized Plan for Employment (IPE) For the Occupation**

- This IPE is written for the occupation focusing on skills development and completion of any required action items.

### **Step 5 – Meet to Discuss Continued Interests and Progress Towards Self-Employment**

- A check-in point for progress. Determine if case should move towards business plan development or if any changes are needed.

### **Step 6 – Develop the Business Plan**

- Following the [technical specifications](#), development of the business plan.

### **Step 7 – Submit the Business Plan to Potential Investors**

- Outside investors/funding are sought if needed.

### **Step 8 – Review by Business Plan Review Committee (BPRC)**

- The business plan is presented and reviewed by the BPRC and initially approved with open action items.

### **Step 9 – Completion of Open Action Items**

- Open action items, identified as part of the initial approval, are to be completed by the consumer with assistance from the counselor and must be approved prior to the expenditure of DVR funds for any business start-up costs.

### **Step 10 – Amend the IPE and Identify DVR Participation**

- The IPE is amended to indicate approval of business plan and to identify each parties participation in the services needed to open the business.

### **Step 11 – Opening the Business**

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

### **Step 12 – Successful Closure of DVR Case**

- Once standards are met, case is closed successfully.

## DVR Self-Employment Fee Schedule

- DVR may participate towards an approved business’s start-up costs in accordance with the Self-Employment Start-up Fee Schedule.
- DVR’s financial participation will be used to purchase 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.
- A consumer will need to demonstrate ability to cover % not covered by DVR as well as working capital as outlined below.
  - 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, 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 the owners draw or depreciation amounts.
- For the consumer’s participation amount, DVR can consider the dollar value of existing equipment that the consumer will use in the operation of the business (in-kind contribution). Please note: This cannot be used for demonstration of working capital.

Identified Start-up Costs	DVR Financial Participation Towards Start-up Costs	DVR Consumer Demonstrated Working Capital
\$1-\$10,000	100%	2 months
\$10,001 & up	50%	4 months

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. The procedure for requesting an exception to this fee schedule is described in [DVR's Exception Request/Process Form \(DVR-14918-E\)](#).

**Examples:**

**Approved business start-up cost:** \$30,000      **Projected one month expenses:** \$1,450  
**DVR Participation:** \$20,000 (\$10,000 (100%) + \$10,000 (remaining 20,000 at 50%))  
**Consumer Financial Participation:** \$10,000 (50% of \$20,000 after DVR contributed \$10,000)  
Demonstrated availability of \$5,800

**Approved business start-up cost:** \$10,000      **Projected one month expenses:** \$800  
**DVR Participation:** \$10,000 (\$10,000 (100%))  
**Consumer Financial Participation:** Demonstrated availability of \$1,600

**Approved business start-up cost:** \$45,000      **Projected one month expenses:** \$2,500  
**DVR Participation:** \$27,500 (\$10,000 (100%) + \$17,500 (remaining 35,000 at 50%))  
**Consumer Financial Participation:** \$17,500 (50% of \$35,000 after DVR contributed \$10,000)  
Demonstrated availability of \$10,000

# Step 1

## Provide and Discuss Preliminary Information to Consumers Interested in Self-Employment

### Checklist for DVR Staff

This checklist should be reviewed and discussed with consumers who express an interest in self-employment. This checklist was developed to help DVR staff to provide a general overview of the self-employment process to consumers and to assist them in making an informed choice regarding self-employment.

\*Please note that after reviewing this information with consumers, some consumers may no longer be interested in self-employment. This decision may occur at any of the steps in the process. This decision is okay, as it is part of the informed choice process of the consumer.

- 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.
- Explain that DVR staff utilize the Entrepreneur Readiness Questionnaire and the Business Assessment Scale to assist them in determining whether or not the occupation and self-employment are appropriate for the consumer. Explain that the consumer's FICO Score, criminal background, and other Information will be obtained 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 and for self-employment, then a feasibility study is necessary. If the proposed business is determined feasible DVR may provide services to assist in the development of the business plan.
- Explain that DVR services and funding for self-employment are related only to the **start-up** costs of a business, per [DVR Policy](#), not for future or ongoing costs related to



the business. This is typically 6 months. 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 costs for self-employment cases: Regardless of the plan type, the services and costs of those services for a case are dependent on what is necessary and appropriate for the individual consumer to achieve his/her IPE goal. For some cases we 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, paid for by other resources). DVR should spend no more or no less on a case than what is necessary for the achievement of the IPE goal.
- Discuss DVR [self-employment fee schedule](#) and start-up capital requirements as well as funding policies and procedures.
- Discuss comparable benefits with the consumer. Define what they are, when we must use them, and exempt services.

Examples of comparable benefits:

- For a consumer who is in need of medical restoration services accessing services through their health insurance prior to DVR contribution.
- Referral to a local community library for free basic computer skill development, if available and appropriate, versus payment to an agency for this skill development.

- If applicable, you 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 a reasonable 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.
- If the consumer receives SSI/SSDI benefits, discuss 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. [Appendix 2](#) contains information on business structure, Social Security, work incentives, and resources on how more information can be obtained.

Given that the rules from SSA are so 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. *Ask before referring.*

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, you should discuss that for DVR purposes the expectation is that 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 address.

## **Step 2**

### **Vetting the Consumer for the Occupation and for Self-Employment**

After reviewing the information listed in [Step 1](#), if the consumer still wants to pursue self-employment, DVR staff and the consumer should arrange appointments to review and complete the activities provided in this step.

As required in the regulations and policy, DVR is to identify, with the consumer, an employment outcome that is appropriate given the consumer's strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice. In the self-employment process this is done by determining the readiness and appropriateness of the consumer for the occupation and for self-employment. [Step 2](#) is designed to assess whether or not the consumer possesses the qualities necessary for the occupation and has the capacities to be an entrepreneur.

Determining early on whether a consumer is a good candidate for self-employment in this occupation saves both the consumer and DVR time and money.

Readiness and appropriateness consists of many factors including: personal traits, disability factors, transferable skills, credit history, personal resources, family support, current debt and obligations, criminal history, etc. To determine the readiness and appropriateness of the consumer the following three items should be completed:

- Entrepreneur Readiness Questionnaire,
- Business Assessment Scale, and
- Entrepreneur Readiness Worksheet in IRIS.

These items should be completed in the order listed above since they are meant to build on one another. These items will not be able to be completed in a single meeting. Sufficient time should be set aside to allow for a thorough and thoughtful completion of these items.

As with all cases, if the IPE will not be developed within the 90 days, an extension is needed following DVR policy. See [DVR Policy](#) for information related to extensions.

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

This questionnaire is designed to help the consumer to think about and describe their occupational area of interest, their strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice, their self-employment traits, credit situation, and start-up funding. This information will then be used to complete the Business Assessment Scale & Entrepreneur Readiness Worksheet in IRIS.

The questionnaire should be completed by the consumer, with assistance as needed, and reviewed by the consumer and counselor together to determine if additional information is needed.

To finalize the questionnaire, the following items are needed:

- FICO Score
  - Explain to the consumer how their FICO score 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](#).
- [CCAP](#) Review (Wisconsin Circuit Court Access)
- Crime Information Bureau - Wisconsin Criminal Background Check
  - To complete the criminal background check you must first obtain a signed release from the consumer. Once this is completed, the process for obtaining a Wisconsin Criminal Background Check can be found at [https://dwdworkweb/dvr/info\\_ctr/legal/doj\\_background\\_check.pdf](https://dwdworkweb/dvr/info_ctr/legal/doj_background_check.pdf).
- Completed Personal Finance Worksheet ([Appendix 4](#))

For consumers receiving SSI/SSDI, a referral should be made to a benefits specialist 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.

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.

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

Resources that may assist in addressing the readiness of the consumer including credit information, entrepreneur classes, etc. are included in [Appendix 5](#).

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

The BAS is a licensed tool designed for VR agencies to use as an early assessment as to the likelihood that a consumer will succeed in a small business enterprise. It allows for consistency, defensibility, and efficiency. The BAS has been tested and demonstrated to assist in predicting the success of a proposed business. 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 score should not be used as the sole indicator of an individual's potential for success. Other data (evaluations/assessments, the entrepreneur readiness questionnaire, the consumer's skills, abilities, capabilities, etc., recommendations of a business consultant, and the counselor's observations and experience with the consumer) should also be

considered when determining whether or not the consumer is a candidate for self-employment.

The BAS is to be completed by 2 trained DVR staff and the consumer. DVR staff can access the [BAS and instructions for completion](#); the [scoring sheet](#) can also be accessed for DVR internal use.

### **3. Entrepreneur Readiness Worksheet in IRIS**

The Entrepreneur Readiness Worksheet is to be completed by the counselor after the Viability Questionnaire and the Business Assessment Scale are completed. The information from these two items will be used by the counselor to complete the worksheet and determine if a consumer is ready and appropriate for the occupation and self-employment.

If a counselor has any questions regarding how to answer a question in the worksheet they should consult with their WDA self-employment expert, Business Review Committee member, or their supervisor.

Resources that may assist in addressing the viability of the consumer including credit information, entrepreneur classes, etc. are included in [Appendix 5](#).

## **Step 3**

### **Determine Feasibility of Proposed Business**

If the consumer has been determined viable for the occupation and self-employment in [Step 2](#), the feasibility of the proposed business must be determined.

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 DVR answer this question.

Determining early that a business idea will not work saves time, money and problems later.

A feasible business venture is one where the business 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 financing sources.

The feasibility study can be conducted by the consumer or business consultant. If a consultant is utilized for the feasibility study, the technical specifications for this service must be followed. If the consumer chooses to complete the feasibility study independently please note that an outside entity will need to review the study in order to provide a feasibility determination i.e., green, yellow, or red light.

## **Feasibility Decision:**

The purpose of the feasibility study is to make a recommendation whether or not to proceed with the business idea. It is the role of the DVR counselor to make this decision using information from the feasibility study and input from other decision makers as appropriate, including input from the Business Plan Review committee (BPRC).

The final feasibility decision is one of the most critical in self-employment process. 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, market and all viability factors.

## **Possible outcomes:**

**Green light** - Move forward to [Step 4](#).

**Yellow light** - Create action steps to address issues identified prior to moving to [Step 4](#). If unclear consult with a member of the BPRC, the WDA self-employment expert, and/or supervision if needed.

**Red light** - Do not proceed to [Step 4](#). The business idea is not feasible. Discuss with consumer and provide decision in writing, outlining the reasons along with their appeal rights.



## **Step 4**

### **Develop the Individualized Plan for Employment (IPE) For the Occupation**

After working through [Step 3](#), an appropriate employment goal should be identified. A description and appraisal of why this goal is appropriate, given the consumers strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice, should be documented in the IPE case note. Indicate the specific occupational group based on the type of business the consumer wishes to start.

If the readiness worksheet indicated that the consumer is a good candidate for self-employment and the feasibility study resulted in a green light then the IPE goal can be identified as self-employment in the occupation as long as the consumer doesn't need any training or have any action steps to complete. Business plan development services would be included in the IPE at this time. Proceed to [Step 6](#).

If the vetting of the consumer and/or the feasibility study has resulted in yellow lights or there are actions steps and/or training that is needed, **self-employment is not determined as the specific goal at this time. The IPE will be written as a dual track and business plan development should not be included at this time.**

The IPE is written as a dual track to ensure that skill acquisition and action items are the primary focus, while allowing the individual to continue to explore if they are suited for self-employment as well as the specific occupation. Dual track goals were established to allow consumers choice throughout the self-employment process. If the consumer and counselor agree that a goal should focus exclusively on the occupation through self-employment the counselor should consult with his/her supervisor for how best to proceed.

Examples of dual track IPE goals:

- Retail Grocery Store Manager/Owner through job placement or self-employment.
- **Welder - through job placement or self-employment working above SGA.**
- **Retail Sales Person - through job placement or 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 the functional limitations identified at the time of eligibility.
- Services that are identified as a result of an assessment.
- Services that address other barriers that come to light e.g., criminal background, prior bankruptcy, driver license issues, skill deficiencies, etc.
- Specific training, work experiences, business classes, apprenticeships, informational interviews, etc. that will assist the consumer in achieving their employment outcome.

The IPE's progress measures need to be incremental and DVR staff need to evaluate that the agreed upon actions steps were completed prior to initiating the next step. See Initial IPE Example found in [Appendix 6](#).

## **Step 5**

### **Meet to Discuss Continued Interests and Progress Towards Self-Employment if the IPE has been Written as a Dual Track**

Up to this point if everything is going as planned, the individual is successfully completing training, education, or other activities needed to achieve their IPE goal.

If the person does not successfully complete the activities that are needed to reach their employment goal, then it is important to ascertain why. The individual may have been dissatisfied with the training or services - it may not have met his or her needs or may have been too academic. If so, perhaps another, less academic method should be explored. After spending time in a business or an apprenticeship, the individual may have realized that he or she does not want to start that type of business or work at the intensity level needed to make the business a success and could consider working for someone else in the type of business described in the IPE.

This meeting is also an opportunity for the consumer to re-evaluate his or her desire to become self-employed.

**If yellow feasibility items have not been resolved, do not proceed with developing the business plan.**

If the consumer has demonstrated their continued interest, completed all required outstanding feasibility items and action steps, then you and consumer should **update the IPE** 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 you and consumer should address this and update the plan as needed.

See IPE Amendment Example found in [Appendix 6](#).

## **Step 6**

### **Develop the Business Plan**

The next step is to take the information and data from the feasibility assessment and utilize that information to develop a comprehensive business plan. A comprehensive business plan will be the new business's road map, can be used to obtain funding, and is necessary for judging the potential for success.

#### **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 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

A referral should be made to a business consultant for business plan development 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 7](#) to assist them in this process.

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, and purchasing will begin, three updated price comparison for each of the items over \$500 should be obtained at that time. If items are over \$1,500, three written quotes are needed. Management approval will be needed if the total amount of costs exceeds 20% of business plans original estimate. If the total costs exceed 20% of the business plans original estimates and now exceeds the \$10,000 DVR participation level, management will also need to be consulted to determine if DVR's and consumer's participation amounts need to be reviewed.

This is also the point where comparable benefits 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 to present to the BPRC identify what equipment is needed as an accommodation. These items should not be included in the amounts when looking at the DVR fee schedule and participation amounts. 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.

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

**Reminder:** 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.

Once the business plan is complete, following the Business Plan Technical Specifications, a face to face review meeting will be held. At the face to face meeting, the consumer is expected to present the business plan to his/her counselor 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. As part of this meeting, the financial portions of the plan should be walked through to make sure they understood by everyone.

## **Step 7**

### **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, and [Appendix 5](#) for other funding resources.

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.

## **Step 8**

### **Review by Business Plan Review Committee**

See [Appendix 8](#) for the Roles of the Business Plan Review Committee.

The counselor should submit the business plan to the BPRC at least 14 business days prior to the committee meeting to allow them time to review, discuss and prepare questions for the consumer to answer.

The BPRC will 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.

If the anticipated purchasing approval requires the Director's purchasing authority, it is recommended that the team have a mechanism in place to have the Director sit in on the review committee meeting for that particular consumer. If the anticipated purchase amount exceeds the Director's purchasing authority, the Director will consult with management.

**Within 3 business days** of the review meeting, the BPRC will send a formal letter of support (see [Appendix 9](#)) to the consumer with an itemized list of action items for completion prior to DVR purchasing items/services for the business. Case note the outcome and action items in the IRIS case file. Examples of possible action items:

- Documentation showing that the amount of working capital needed per the DVR fee schedule has been placed in reserve.
- Documentation regarding the consumer's financial participation by a notarized account statement or notarized letter from the bank.
- Locating and securing a mentor to assist the consumer in opening their business. See [Appendix 10](#) for further information.
- Obtaining written quotes to determine rate of payment (for items where average price comparison were used).
- Rechecking local ordinances affecting the business if changes have occurred.
- Explore option of PASS Plan.

This letter should also include the consumers appeal rights and identify a BPRC representative for completed actions items to be submitted to for approval.

***To allow for flexibility, when it is appropriate to move the consumer's proposed business (smaller, simple plan) through the process more quickly, the review committee can choose to review the proposed business plan through other methods such as email and the consumer does not have to present the plan to the committee.***

## **Step 9**

### **Completion of Open Action Items**

*This step may be skipped if there are no open action items.*

During this step the consumer should be working to complete any open action items outlined by the BPRC. The counselor and consumer should develop estimated timelines and a plan for completing the action items. Guidance can be provided by the counselor and business consultant as needed.

At this time it is highly recommended that the counselor and consumer consider exploring the services of a mentor that could assist them through the process of opening their business. See [Appendix 10](#) for further information on the benefits of this and how this service could be used and/or purchased.

Once the consumer reports that the action items have been completed, the counselor should verify this and then send written notice to the assigned BPRC representative who will then determine if all business plan conditions have been met.

The assigned BPRC representative will notify the counselor of their decision, case note this in the IRIS case record, and the counselor will notify the consumer of the decision in writing. If the conditions have not been met, the counselor should include the consumers' appeal rights.

Once the assigned BPRC representative determines that all conditions have been met proceed to [Step 10](#).

## **Step 10**

### **Amend the IPE and Identify DVR Contribution**

Up to this point, in most cases, self-employment for the occupation has not been formally identified as the employment outcome. If DVR has decided to support the business and all conditions have been met, this decision should be reflected through an IPE amendment. See Final IPE Amendment Example in [Appendix 6](#).

If the consumer will be participating financially toward the start-up costs of the business, the amendment should identify both the consumer's and DVR's financial participation and specify how all of the start-up funds will be used. If the consumers' financial participation will not be used for supplies or equipment, then the responsibilities section of the IPE should identify how their financial participation will be used (e.g., \$XX amount of working capital is needed and that amount must be deposited into the consumer's business account and verified by the counselor).

All purchased services will be authorized and case noted in the file prior to the provision of services and according to all legal, state purchasing, DWD, and DVR requirements. The Bureau of Consumer Services Director or DVR Management, as designated by the Administrator, may approve exceptions to the policy on an individual basis.

Any request for funding or services that were not part of the original business plan must be done through the exception process. (See [DVR Policy Manual](#).) For example, if a consumer comes back and requests funding for a piece of equipment after DVR and the consumer have identified their participation and how it is to be spent, an exception would be required.

## **Step 11**

### **Opening the Business**

At this point in the process 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 11](#) for staff to be less involved and feel more at ease since the consumer is working. However, this is a time where the counselor and other DVR staff should be even more involved and actively engaged with the consumer to ensure things are going well in the business.

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.

A business mentor can also be very helpful at this time. See [Appendix 10](#) for additional information on this. It is also important to remind the consumer of DVR's requirements and expectations related to successful case closure. (See [Step 12](#).) This is also a good time to make the consumer aware of the availability of Post-Employment Services. For further information on Post-Employment services, please refer to the [DVR Post-Employment Guidance Piece](#).



## Step 12 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 business generating the income, 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 equivalent of gross minimum wage times the number of hours per week that has been agreed upon in the IPE (10 hours, 20 hours, full time - calculated at 40 hours) for each of the three consecutive months.

Example: 20 hours (# of hours/wk. the IPE states this consumer will work) x \$7.25/hr (min. wage) x 4.3 (# of weeks in a month) = \$623.50/mo. (sustained for 3 consecutive months)

These earnings must be documented through the consumer providing DVR a brief letter 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.

The consumer should be reminded that they are responsible for reporting their annual earnings and expenses to the Internal Revenue Service (IRS) and Wisconsin Department of Revenue.

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

### **Documentation for SSA cost reimbursement wage or self-employment claim:**

\*Consumers SSA 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 the consumer will have earnings at SGA **DVR will need wage documentation demonstrating SGA earnings for 9 out of 12 consecutive months.**

**UI data is not available for self-employed consumers or farmers.**

Staff should discuss the potential benefits of assigning his/her Ticket to an EN after case closure and that there are ENs that specialize in self-employment.

Please refer to the [Working with Social Security Consumers Directive](#) for specific requirements when working with SSI/SSDI consumers.

**SSA looks at income for reimbursement and work activity for SGA purposes differently than how DVR looks at income for closure.**

- For self-employed individuals SSA looks at net income minus Work Incentive Deductions to determine if the consumer has earnings at TWW or SGA.
- The VRC must engage the consumer to determine what his/her net income will be and if any work incentive deductions will be utilized. This information will help determine if DVR will be able to make a claim on the file and if wage documentation should be obtained.
- The counselor and consumer should determine how to obtain the necessary wage documentation. The following are acceptable types of wage documentation:
  - Annual 1040 income tax returns - for SSA self-employed cases
  - Quarterly FICA Documentation
  - 1040-ES - estimated tax payment if taxes not available - determined on individual basis
  - Schedule F for farmers

If a consumer is self-employed and their disability is not blindness, the way SSA evaluates their work activity for Substantial Gainful Activity (SGA) purposes will depend on whether SSA evaluates their work activity before or after they have received SSDI benefits for 24 months and the purpose of the evaluation. SSA will evaluate their work under The Three Tests or the Countable Income Test to determine if the consumer's work activity is at SGA, depending on when they worked.

**The Three Tests:**

The SSA applies three tests to evaluate work activity when a consumer initially applies for SSDI and before they have received SSDI benefits for 24 months. SSA will also use the three tests to evaluate work activity during the re-entitlement period to determine if they can reinstate benefits in the Extended Period of Eligibility (EPE).

Consumers' self-employment work activity is SGA if:

- The consumer renders significant services to the business, and had average monthly earnings over the [SGA level](#); or
- Their work is comparable to the work of persons without disability in their community engaged in the same or similar businesses; or
- Their work is worth more than the SGA level earnings in terms of its effects on the business or when compared to what they would have to pay an employee to do the work.

**The Countable Income Test:**

The SSA applies the countable income test if a consumer has received SSDI benefits for at least 24 months. The SSA will only use the countable income test to determine whether a consumer has engaged in SGA and if their disability has ended as a result of that SGA.

The SSA will compare countable earnings to the SGA earnings guidelines. If the monthly countable earnings average more than the [SGA level](#), SSA will determine that their work is SGA unless there is evidence that they are not rendering significant services in the month. If monthly countable earnings average less than the [SGA level](#), SSA will decide that their work is not SGA.

**If the consumer is self-employed and their disability is blindness**, the SSA decides SGA based on whether they have received a substantial income from the business and rendered significant services to the business. SSA makes this determination using their countable earnings. SSA also uses the consumer's countable earnings to determine whether their work is SGA and SSA can reinstate benefits during the EPE.

**If the consumer is self-employed, their disability is blindness**, and they are age 55 or older, special rules apply. If their earnings demonstrate SGA but the work requires a lower level of skill and ability than the work they did *before* age 55, or when they became blind, whichever is later, the SSA will suspend, not terminate benefits. Eligibility for SSDI benefits continues indefinitely, and SS will pay your benefits for any months earnings fall below SGA.

## **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.***

The following information is from the [Social Security Administration](#) website  
(As posted in May 2008)

#### A. Social Security Administration - PASS plan

##### What is a PASS?

- It is an SSI provision to help individuals with disabilities return to work.

##### How does a PASS help someone return to work?

- SSI eligibility and payment amount are based on income and resources (things of value that individual owns).
- PASS lets disabled individual set aside money and/or things he or she owns to pay for items or services needed to achieve a specific work goal.

##### How does PASS work?

- Applicant finds out what training, items or services are needed to reach work goal.
- Can include supplies to start business, school expenses, equipment and tools, transportation and uniform requests.
- Applicant finds out how much these items and services will cost.
- PASS can help person save to pay these costs. PASS lets person set aside money for installment payments as well as a down payment for things like a vehicle, wheelchair or computer if needed to reach work goal.

##### How do you set up a PASS?

- Decide on work goal and determining items and services necessary to achieve.
- Can get help in setting up plan from a vocational rehabilitation (VR) counselor; an organization that helps people with disabilities; Benefits Specialists or Protection and Advocacy organizations who have contracts with SSA; Employment Networks involved in the Ticket to Work program; the local Social Security office or anyone else willing to help him or her.
- Contact local SSA office; SSA work site or some third parties shown above to get a [PASS form \(SSA-545-BK\)](#) to complete.
- Bring or mail it to the Social Security office.
- SSA usually approves plans prepared by VR.
- **If goal is self-employment, there must also be a business plan.**

## What happens to the PASS?

- SSA sends PASS to SSA employees who are trained to work with PASS.
- PASS expert works directly with the applicant. PASS expert looks over the plan to see if work goal is reasonable.
- SSA reviews plan to make sure that items and services listed on PASS needed to achieve the work goal and reasonably priced.
- If changes needed, the PASS expert discusses with the applicant.
- If PASS not approved, can appeal the decision.

PASS Cadre	Phone Number	Email
Connie DeValt	866-807-5995 ext. 26030	connie.devault@ssa.gov

For more information visit <http://www.ssa.gov/>

## B. Social Security Administration - Property Essential to Self-Support (PESS) (SSI Eligible)

### How does PESS help you?

We do not count some resources that are essential to your means of self-support when we decide your continuing eligibility for SSI.

### What is not counted?

We do not count your property if you use it in a trade or business (for example, inventory) or use it for work as an employee (for example, tools or equipment), regardless of the value or rate of return. Other use of the items does not matter.

We do not count up to \$6,000 of equity value of non-business property that you use to produce goods or services essential to daily activities, regardless of the rate of return. An example is land used to produce vegetables or livestock solely for consumption by your household.

We do not count up to \$6,000 of equity value of non-business income-producing property if the property yields an annual rate of return of at least 6 percent. An example is a rental property.

### What type of resources do not qualify as PESS?

We do not consider liquid resources; for example, stocks, bonds, or notes as PESS, unless you use them as part of a trade or business.

## **C. Social Security Administration - Impairment-Related Work Expense (IRWE) (SSDI and SSI Eligible)**

**How do IRWE help you?** We deduct the cost of certain impairment-related items and services that you need to work from your gross earnings when we decide if your “countable earnings” demonstrate performance of SGA. It does not matter if you also use these items and services for non-work activities.

**When will we deduct your IRWE?** We deduct IRWE for SGA purposes when:

1. The item(s) or service(s) enables you to work;
2. You need the item(s) or service(s) because of a physical or mental impairment;
3. You paid the cost and are not reimbursed by another source such as Medicare, Medicaid or a private insurance carrier;
4. The cost is "reasonable", that is, it represents the standard charge for the item or service in your community; and
5. You paid for the expense in a month you are or were working.

**How do we use IRWE to figure your SSI monthly payments?** If you are receiving SSI benefits, we will also exclude IRWE from your earned income when we figure your monthly payment amount when you meet requirements 1 through 4 above, and you paid the expense in a month that you receive earned income or performed work while you used the impairment related item or services.

**Can IRWE be deducted during a non-work month?** In certain situations, we can deduct IRWE amounts for expenses paid before you start or after you stop work.

For more information visit

<http://www.socialsecurity.gov/redbook/eng/guide-employment-supports.htm#5>

## D. Social Security Administration - Blind Work Expenses (BWE) – SSI Eligible

### How do BWE help you?

We do not count any earned income that you use to meet expenses that are needed to earn that income in deciding your SSI eligibility and your payment amount. To qualify you must be eligible for SSI based on blindness.

The BWE items do not have to be related to your blindness. When we figure your SSI payment amount, we treat items as BWE instead of IRWE. We do it this way because it always results in a higher SSI payment amount for you.

The table below shows how your monthly payment would be affected by BWE versus IRWE.

### Examples of BWE

- Service animal expenses
- Transportation to and from work
- Federal, state, and local income taxes
- Social Security taxes
- Attendant care services
- Visual and sensory aids
- Translation of materials into Braille
- Professional association fees, and
- Union dues.

### Comparison of Monthly SSI Payment with BWE Versus IRWE

<b>With \$40 BWE</b>		<b>With \$40 IRWE</b>	
\$361	Earned Income	\$361	Earned Income
-20	General Income Exclusion	-20	General Income Exclusion
\$341		\$341	
-65	Earned Income Exclusion	-65	Earned Income Exclusion
\$276		\$276	
-138	½ Remaining Earnings	-40	Impairment Related Wk Expenses
\$138		\$236	
-40	Blind Work Expenses	-118	½ Remaining Earnings
\$ 98	Countable Income	\$118	Countable Income
\$674	2010 Federal Benefit Rate	\$674	2010 Federal Benefit Rate
-98	Countable Income	-118	Countable Income
<b>\$576</b>	<b>SSI Payment</b>	<b>\$556</b>	<b>SSI Payment</b>



## E. Social Security Administration - Unincurred Business Expenses

**SSI & SSDI** -- "Unincurred business expenses" refers to self-employment business support that someone provides to you at no cost. In deciding whether you are working at the SGA level, we deduct unincurred business expenses from your net earnings from self-employment. Examples of unincurred business expenses are (1) a Vocational rehabilitation agency gives you a computer that is used in a graphic arts business; and (2) a friend works for your business as unpaid help.

For an item or service to qualify as an unincurred business expense:

- It must be an item or service that the IRS would allow as a legitimate business expense if you had paid for it; and
- Someone other than you must have paid for it.

One way to identify an unincurred business expense is that the Internal Revenue Service (IRS) does not allow you to deduct the cost for income tax purposes because someone gave you the item or services.

**SSI** -- We do not deduct unincurred business expenses from earnings when we figure your SSI payment amount.

For more information please visit <http://www.ssa.gov/>

## 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 counselor together to determine if additional information is needed. This information will be used to complete the Business Assessment Scale & the Entrepreneur Readiness Worksheet in IRIS.

The following items will be needed to finalize the Questionnaire:

- FICO Score
- [CCAP](#) (Wisconsin Circuit Court Access) check & [Wisconsin Criminal Background Check](#)
- Completed [Personal Finance Worksheet \(Appendix 4\)](#)

### SECTION I – EXPLORATION OF OCCUPATIONAL AREA & GREAT 8

1. Describe your proposed business idea.
2. Research the following points related to the occupation and share with your counselor:
  - Skills required
  - Define working conditions
  - Training required for the occupation
  - Essential functions of the job (*obtain a job description if applicable*)
  - Labor market information on similar occupations  
(*tools to assist-ONET, Occupational Outlook Handbook, Worknet, etc.*)

Based on the findings of the occupational search, jointly with the counselor identify the essential functions and list any functions you cannot perform.

If you are unable to perform one or more essential functions of the job describe how you will address those.

3. What role(s) do you see yourself performing in the business (e.g., bookkeeping, marketing, taking orders, etc.)? Who will address the roles you will not be performing?
4. What unique strengths do you have (past experience in the industry, past experience in self-employment, motivation, communication skills, organizational skills, etc.)?
5. If you owned a previous business or have experience running a business, please describe your business and/or experience. Would you be able to share the last three years of taxes from the business? Did you have an employer identification number (EIN), if so what was your Federal EIN number? Did you register your business with the Wisconsin Department of Financial Institutions and if so, under what business name?

6. What skills do you have related the occupation of interest? How did you acquire these skills?
7. What training have you completed and when (degrees, certifications, on the job training, apprenticeships)?
8. What barriers do you feel you have related to your goal of being self-employed? How do you plan on working with DVR to address those barrier(s)/limitations(s)?
9. What other commitments and time constraints do you have (e.g., children, home maintenance, care of family members, non-business related matters).
10. What current accommodations do you have in place to assist you?
11. What resources do you have in place to assist you in gaining employment through self-employment (e.g., financial resources, networks, etc.)?
12. What supports do you have to assist you in gaining employment through self-employment (spouse, domestic partner, family, community support, etc.).
13. How long have you lived in your community? Describe your ties to your community and community support base.
14. Are you involved in any other programs or receive benefits from any other sources?
15. What are your priorities related to work (e.g., earnings level, benefit expectations, family, flexibility, independence, etc.)?
16. How are your basic needs being met now (food, shelter, clothing)?
17. What are you concerns related to being self-employed doing \_\_\_\_\_?
18. What are your expectations related to work and self-employment (earnings, how soon do you need to be making money, credit, part/full time work, disability and non-disability limitations, etc.)?
19. Have you had a previous case with DVR? If so, what happened?
20. Is there anything that would prevent you from obtaining the required certifications or licenses (criminal history, outstanding child support, owes taxes, outstanding loans, revoked license, etc.)?
21. Do you have any hobbies?

**Comments**

In reviewing the above answers what areas need further exploration, need to be addressed, and next steps. Complete [CCAP](#) check and [Wisconsin Criminal Background Check](#).

## SECTION II – SELF-EMPLOYMENT TRAITS

1. Describe your skills and length of experience related to being self-employed including each of the following: management skills, human resource skills, financing/accounting, business skills training, sales, marketing, etc.?
2. Describe any projects you have been involved with and the length of those projects (e.g., volunteer work, Board Member, fund raising activities, etc.).
3. Describe your ability meet necessary deadlines and manage multiple demands. Include specific examples.
4. What job have you held the longest, and how long was that?
5. Describe your experience in providing the type of service or product you are proposing.
6. Why do you want to start your own business? Why would this be better for you than working as an employee in an established business?
7. Describe your experience in working with others.
  - Describe your experience in building clientele.
  - Describe your experience in maintaining customers.
  - Describe a time where you went above and beyond for a customer.
  - Describe how you handled a complaint from a customer.
  - Do you enjoy meeting with the public?
  - Are you prepared to have multiple bosses (your customers) as part of running your own business?
  - How long have you lived in your community? Describe your ties to your community and your community supports.
8. Describe your ability to plan, make decisions, and follow through (e.g., setting a goal, working with others, and reaching the goal). Give example(s), be specific.
9. Describe your ability to communicate your ideas, values, directions and goals effectively to a variety of audiences- both verbally and in writing.
10. Give an example of a time when you had to resolve a problem or overcome an obstacle. Be specific.
11. What steps have you taken to develop your business idea?
12. Have you networked or contacted other businesses that are like your business idea?
13. Have you sought input from SBA, SCORE, SBDC, WWBIC, etc. regarding your business idea?
14. Have you researched where your business will be located? If yes, where.

15. Have you researched the regulations and requirements for this type of business? If yes, what were your findings?

16. How much time do you plan to spend each week working in the business?

**Comments**

In reviewing the above answers what areas need further exploration, need to be addressed, and next steps.

**SECTION III - PERSONAL CREDIT & START-UP FUNDING**

1. Do you have an account at either a bank or credit union? If yes, is it a saving, checking, or other type of account (a safety deposit box does not count)?
2. If you do not have an account, why not?
3. Do you have a major credit card (MasterCard, Visa, Discover, American Express)? If yes, what is your line of credit?
4. How do you currently pay your bills (check, cash, credit card)? Are they paid on time?
5. How is your personal credit? Do you know your credit score? If yes, what is it? If you don't know what your credit score is do you believe it is low?
6. Do you feel your disability has affected your personal credit? If yes, explain.
7. If you don't know your credit score, do you know how to pull your free credit history report? If not work with your counselor to determine which company to pull from and get your free report. Please share report with counselor for discussion.
  - Does the history show any patterns in your credit history?
  - If credit history indicates problems, contact a credit reparation company and determine if any corrective actions can be worked on. Please describe possible action plan and timeline.
8. Are you in default on any loans, including student loans? If so what have you done to begin to get in good status on these?
  - Call loan companies and determine. Results?
9. Have you ever filed for bankruptcy? If yes, why?
10. Are you delinquent in child support payments?

11. Do you owe any unpaid federal/state income tax?
12. What is your current personal budget ([complete Personal Finance Worksheet- Appendix 4](#))?
13. What earnings are you expecting from this business?
14. What are your short-term financial business goals?
15. What are your long-term financial business goals?
16. If you are receiving Social Security benefits, how will revenue from your business impact these benefits?
17. How much capital do you believe will be needed for your business?
18. How much will you contribute?
19. Do you believe you will have investors other than DVR? If yes, describe (who and contribution amount).
20. Would you be able to secure outside funding for your business? If yes, describe.
21. Are you aware of DVR's Self-Employment fee schedule and participation expectations?
22. What are you expecting DVR to assist you with?

**Comments**

In reviewing the above answers what areas need further exploration, need to be addressed, and next steps. Ensure [Personal Finance Worksheet](#) completed. Obtain FICO score if not already completed.

## Appendix 4 Personal Finances Worksheet

[Protected Online Excel Version of Personal Finances Worksheet](#)

	Month 1 Amount	Month 2 Amount	Month 3 Amount
<b>Dwelling:</b>			
Rent Payment			
House Payment			
Property Tax			
House Repair			
Miscellaneous Expenses (lawn mowing, cleaning, snow shoveling)			
Homeowner's Association Dues			
Insurance			
Furniture/Appliance Payments			
<b>Transportation</b>			
Car Payment(s)			
Other Vehicle Payment(s)			
Vehicle Upkeep/Repair			
Fuel			
Insurance			
License(s)			
Public Transportation			
<b>Utilities</b>			
Telephone			
Gas			
Electricity			
Water			
Trash			
<b>Personal</b>			
Groceries			
Dining Out			
Entertainment			
Tobacco Products			
Medical/Dental/Vision Insurance			

Clothing			
Laundry/Dry Cleaning			
Medical/Dental/Vision/Hospital Exp			
Prescriptions			
Education			
Credit Card Payments			
Loan Payments			
Pets			
Dues & Subscriptions			
Gifts			
Donations			
Travel			
Cable TV			
Personal			
Hobbies/Crafts			
Music			
Personal Assistant			
Assistive technology purchase, payments & maintenance			
Internet Access			
Other:			
<b>Monthly Total</b>			

**Average Expenses per Month (Monthly Totals ÷ 3months)**

**Sources of Income:**

Source	Amount per Month

**Total** **\$0.00**



## Appendix 5 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:](http://www.sba.gov/)

<http://www.sba.gov/>

Start-up help, research, business plan help.

#### [Wisconsin Department of Agriculture and Trade and Consumer:](http://www.datcp.state.wi.us/mktg/business/business_resources/index.jsp)

[http://www.datcp.state.wi.us/mktg/business/business\\_resources/index.jsp](http://www.datcp.state.wi.us/mktg/business/business_resources/index.jsp)

Click on Get Moo-La Booklet.

#### [Disability.gov](https://www.disability.gov)

[https://www.disability.gov/employment/self-employment\\_%26\\_small\\_business\\_ownership](https://www.disability.gov/employment/self-employment_%26_small_business_ownership)

Provides a section on self-employment and small business ownership which includes information about programs and services that can help individuals who are interested in starting a small business.

#### [The Wisconsin Women's Business Initiative Corporation \(WWBIC\):](http://www.wwbic.com/)

<http://www.wwbic.com/>

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

#### [SCORE – Service Corps of Retired Executives:](http://www.score.org/index.html)

<http://www.score.org/index.html>

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

#### [Start-up USA](http://www.start-up-usa.biz/)

<http://www.start-up-usa.biz/>

Start-up USA is a partnership between Virginia Commonwealth University and Griffin-Hammis and Associates, LLC funded through the Office of Disability Employment Policy (ODEP). The website provides technical assistance and disseminates resources to individuals interested in pursuing self-employment. Website includes online webcasts and other resources including State VR Policies.

#### [WISCAP:](http://www.wiscap.org/)

<http://www.wiscap.org/>

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](#)

<http://www.abilitiesfund.org>

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

### [WEN - Wisconsin Entrepreneurs Network:](#)

<http://wenportal.org/>

The WEN website offers products, services, and publications related to developing and marketing an invention or small business. Also includes a listing of Inventor and Entrepreneur Clubs around the state.

### [Chamber Of Commerce for Persons with Disabilities, Inc.:](#)

<http://disabilitychamber.org/>

The Chamber's mission is to help persons with disabilities and their direct caregivers to form and grow businesses.

### [Disabled Business Person Association](#)

<http://www.disabledbusiness.com/>

Founded in 1985 by successful business owners with disabilities, the Disabled Businesspersons Association, an all-volunteer, 501(c)(3) non-profit organization provides business information and assistance to enterprising individuals with disabilities and professionals in vocational rehabilitation, worldwide.

Urban Miyares

3590 Camino Del Rio North, San Diego, CA 92108-1718

619-594-8805

[info@disabledbusiness.com](mailto:info@disabledbusiness.com)

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

<http://www.uwex.edu/ces/cced/entrepreneurs/MeetGina.cfm>

A case example of how the feasibility study process may look; Gina's Greenhouse.

### [Hadley School for the Blind](#)

<http://www.hadley.edu/fce.asp>

Offer free courses, for individuals who are blind or visually impaired, designed to improve students' knowledge of starting a business and enhance business and technology skills for the workplace.

## Credit:

### Three National Credit Institutions

You are allowed to obtain your credit report **free** once a year. This report will not include your credit score - there is a fee for the actual score:

1.) Equifax: 1-800-525-6285

<http://www.equifax.com/home/>

2.) Experian (formerly TRW): 1-888-397-3742

<http://www.experian.com/>

3.) TransUnion: 1-800-680-7289

<http://www.transunion.com/corporate/home.page>

*If your wallet is lost or stolen you should immediately report it (and a list of its contents) to the 3 organizations above **and**, to:*

*Social Security Administration (fraud line): 1-800-269-0271*

### Financial Literacy Resource Center:

<http://www.finlitwi.org/default/index.html>

This website provides some information and websites for students on personal finance, e.g., money management, credit, investing, insurance, etc.

### myFICO:

<http://www.myfico.com/>

Information about credit scores, how to improve credit scores, effects of low credit scores, etc. They also have the BEST calculators.

### Annual Credit Report:

<https://www.annualcreditreport.com/cra/index.jsp>

This central site allows you to request a free [credit file disclosure](#), commonly called a credit report, once every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian and TransUnion.

### Asset Builders:

<http://www.assetbuilders.org/>

Money Conferences held around the state. There are often scholarships available -- although the registration is very low.

## **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](#)

### [Business Wizard:](#)

Determine licensing, permitting and regulatory requirements, Obtain necessary application forms, Identify available state resources, Access other valuable business-related information.

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

Tax information and forms for the State of Wisconsin.

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

### [US Business Advisor:](#)

provides a single access point to government services and information to help the nation's businesses with their operations.

### [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 6 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) Wisconsin Statutes].

Consumer Name <b>Bruce B.</b>	IRIS Case Number <b>Self Empl. Sample 1</b>	Print Date
----------------------------------	--	------------

**CHECK ONE:**     IPE     IPE AMENDMENT

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

**Full-time employment as a retail grocery store manager/owner either through job placement or self-employment.**

**THE DATE THAT I WILL REACH MY GOAL:**

**July 2016**

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.	12/2013	7/2016	DVR	DVR	In-house
PC computer intro, quick books basics, and creating your own website classes.	1/2014	6/2014	Madison College	DVR	Training Grant
Small Business Fundamentals Training.	1/2014	3/2014	UW-Madison SBDC	DVR	P.O.
Work Experience at retail grocery store to assist in gaining skills and understanding the industry.	1/2014	8/2014	Placement Opportunities	DVR	P.O.
SECONDARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Transportation Mileage Reimbursement.	1/2014	8/2014	Consumer	DVR	Direct Pay

**PROGRESS MEASURES:**

I will attend the PC computer introduction, quick books basics and create your own website classes. I will complete all classes by June 2014 and obtain a letter from each instructor indicating that I attended and completed all of the assignments.

By September 2014, through my work experience, I will have learned skills required to manage a retail grocery demonstrated through a monthly written report provided by my employer to DVR.

By September 2014, through discussion with my employer, I will identify and assess the risks and benefits of managing/owning a grocery store and will use this information to assist me in deciding whether or not I should continue to pursue self-employment.

By April 2014 I will attend all small business classes and complete all assignments as documented in a written monthly report from my instructor to DVR.

By September 2014, I will meet with my counselor and amend my IPE to reflect my continued interest in self-employment or interest in job placement.

**I WILL BE RESPONSIBLE FOR:**

I will attend all my classes and complete all assignments and will schedule an appointment to meet with my counselor at the end of each class to discuss what I learned and how I will apply it toward my job goal.

I will attend my work experience everyday as scheduled and complete all assigned work tasks.

At the end of my work experience I will meet with my counselor and discuss my progress and what skills and knowledge I gained from my work experience

At the end of my small business courses I will meet with my counselor to discuss what I gained from the courses.

Throughout my DVR case, I will attend and actively participate in all scheduled counseling appointments or provide adequate (24hr is appropriate) notice if I am unable to attend. I will work with my counselor throughout my plan to complete the listed services and work to determine if self-employment will be my end goal. Throughout the DVR process, I will notify my counselor of any concerns I am having or changes related to my disability or employment goal. I will work to ensure that my case is progressing within the timeframes identified in my IPE. I will contact my counselor monthly to notify him/her of my progress. I will provide appropriate documentation/receipts for services provided by DVR and my satisfaction with those services.

**DVR WILL BE RESPONSIBLE FOR:**

Providing the services listed in this IPE. Provide counseling and guidance to the consumer that will assist him in reaching his long term employment goal.

I have been offered the choice to develop my own plan:

Yes  No

I have been offered assistance in creating my employment plan:

Yes  No

I have been given choices to assist me in creating my employment plan:

Yes  No

I have received a copy of my individual rights:

Yes  No

Signature (Consumer Representative Signature, If Appropriate)	Date Signed
Counselor Signature	Date Signed

## 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) Wisconsin Statutes].

Consumer Name <b>Bruce B.</b>	IRIS Case Number <b>Self Empl. Sample 2</b>	Print Date
----------------------------------	--	------------

**CHECK ONE:**                                     IPE                                     IPE AMENDMENT

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

**Full-time employment as a retail grocery store manager/owner either through job placement or self-employment.**

**THE DATE THAT I WILL REACH MY GOAL:**

**July 2016**

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.	9/2014	7/2016	DVR	DVR	In-house
Business Plan Development.	3/2014	5/2014	ABC Business Planning Services	DVR	P.O.

SECONDARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Transportation Mileage Reimbursement.	9/2014	5/2015	Consumer	DVR	Direct Pay

**PROGRESS MEASURES:**

**By May 2014 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.**

**By May 2014 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.**

**Within two weeks of submission, I, along with my counselor, 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.

I will obtain price comparisons for any services or business equipment for the business that I am asking DVR to fund. This information will be incorporated into my business plan.

After the BPRC has completed their review and provided feedback, I will work with my counselor to update my IPE.

Throughout my DVR case, I will attend and actively participate in all scheduled counseling appointments or provide adequate (24hr is appropriate) notice if I am unable to attend. I will work with my counselor throughout my plan to complete the listed services and work to determine if self-employment will be my end goal. Throughout the DVR process, I will notify my counselor of any concerns I am having or changes related to my disability or employment goal. I will work to ensure that my case is progressing within the timeframes identified in my IPE. I will contact my counselor monthly to notify him/her of my progress. I will provide appropriate documentation/receipts for services provided by DVR and my satisfaction with those services.

**DVR WILL BE RESPONSIBLE FOR:**

Providing the services listed in this IPE. Provide counseling and guidance to the consumer that will assist him in reaching his long term employment goal.

- I have been offered the choice to develop my own plan:  Yes  No
- I have been offered assistance in creating my employment plan:  Yes  No
- I have been given choices to assist me in creating my employment plan:  Yes  No
- I have received a copy of my individual rights:  Yes  No

Signature (Consumer Representative Signature, If Appropriate)	Date Signed
Counselor Signature	Date Signed

DVR-12726-E (R. 10/2010)



## 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) Wisconsin Statutes].

Consumer Name <b>Bruce B.</b>	IRIS Case Number <b>Self Empl. Sample 3</b>	Print Date
----------------------------------	--	------------

**CHECK ONE:**                                   IPE                                   IPE AMENDMENT

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

**Full-time employment as a retail grocery store through self-employment.**

**THE DATE THAT I WILL REACH MY GOAL:**

**July 2016**

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.	9/2014	7/2016	DVR	DVR	In-house
Initial Stock- Variety of groceries: milk, cheese, meats, breads, boxed goods, canned goods.	1/2014	6/2014	ABC Food Merchandising	Consumer & DVR	Check or Cash / PO
4-5 Door Beverage Coolers, 1 Walk-In Cooler, 1 Meat and Dairy Case, 1 5 Door Freezer, 1 Produce Case.	9/2014	11/2014	SRC Refrigeration	DVR	PO
Plumbing i.e., floor drains to eliminate cooler condensation.	9/2014	11/2014	Flat Rate Plumbing	Consumer	Check or Cash.
Electrical outlets for coolers.	9/2014	11/2014	Reliable Services Electrical	Consumer	Check or Cash

SECONDARY SERVICES	START DATE	END DATE	PROVIDERS	WHO PAYS	PAYMENT METHODS
Transportation Mileage Reimbursement.	9/2014	5/2015	Consumer	DVR	Direct Pay

**PROGRESS MEASURES:**

By November 30, 2014 I will have met with the potential investors that I had identified in my business plan. I will utilize the technical assistance of a Business Consultant as needed and notify DVR of external funding obtained by this date.

By September 30, 2014 I will obtain price comparisons on approved business equipment/supplies and provide to my counselor, working with my counselor as needed.

By November 2014, following DVR purchasing policies I will work with my counselor to ensure purchase of items needed to start my business and provide appropriate verification of services and satisfaction of services.

I will provide my counselor with progress updates and statement of earnings on a monthly basis for a minimum of three months, and other documentation such as profit and loss statements as determined necessary, to document achievement of successful rehabilitation.

**I WILL BE RESPONSIBLE FOR:**

Providing proof of insurance for my business

Providing a Schedule C from my 2015 tax return when available.

Prior to DVR providing any of the requested equipment, I must provide proof that I have the required working capital which has been determined to be \$18,400.00

Throughout my DVR case, I will attend and actively participate in all scheduled counseling appointments or provide adequate (24hr is appropriate) notice if I am unable to attend. I will work with my counselor throughout my plan to complete the listed services. Throughout the DVR process, I will notify my counselor of any concerns I am having or changes related to my disability or employment goal. I will work to ensure that my case is progressing within the timeframes identified in my IPE. I will contact my counselor monthly to notify him/her of my progress. I will provide appropriate documentation/receipts for services provided by DVR and my satisfaction with those services.

**DVR WILL BE RESPONSIBLE FOR:**

Providing the services listed in this IPE. Provide counseling and guidance to the consumer that will assist him in reaching his long term employment goal.

- I have been offered the choice to develop my own plan:  Yes  No
- I have been offered assistance in creating my employment plan:  Yes  No
- I have been given choices to assist me in creating my employment plan:  Yes  No
- I have received a copy of my individual rights:  Yes  No

Signature (Consumer Representative Signature, If Appropriate)	Date Signed
Counselor Signature	Date Signed

## **Appendix 7**

# **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 business’s name and its significance, the form of ownership, the business location, the service or product to be sold, and projections for the future.

**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 rationale 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](http://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?

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.

## **Appendix 8**

### **Role of the Business Plan Review Committee**

#### **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 (see [Appendix 9](#)). 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 [Appendix 10](#)).
- 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 BPRC.
- At least quarterly, share feedback with Senior Leadership and Policy Analysts on what is working well with the current self-employment process and what could use improvement.



## **Appendix 9 Formal Letter of Support Sample**

Joe Doe  
17 Park Place  
Main Street, USA

Dear Joe:

The DVR Business Plan Review Committee would like to thank you for meeting with us to present your business plan. We know you have worked hard at developing a business plan for your self-employment venture and we commend you for your diligence, patience and hard work.

It is our pleasure to inform you the Business Plan Review Committee has approved support for your business plan. Congratulations!!

**Prior to DVR finalizing its participation amounts for your business, the following items must be completed and provided to your counselor:**

- Current financial spreadsheet showing recent sales with dates
- Wisconsin Sales Tax Certificate
- Request for promotional items
- Proof of insurance for your business

Once you have provided the above documentation it will be reviewed and approved by your counselor and assigned Business Plan Review Committee Representative. At that time DVR's financial support will be determined.

***Please do not make any purchases without written documentation of approval from DVR for those items. Any item purchased must be in your "Individualized Plan for Employment" (IPE) and approved by your counselor prior to the purchase being made. If you do, DVR will not be responsible for the costs incurred.***

Once your business is up and running, you will be required to provide DVR with monthly profit and loss statements along with the number of hours you worked until the closure of your case.

If you have any questions or concerns please contact your DVR counselor. We wish you success as you continue to pursue your business endeavor.

Sincerely, DVR WDA XX Business Plan Review Committee

Enclosure: Appeal Rights

## **Appendix 10 Business Mentorship**

A mentor can help assess a consumer's strengths and weaknesses, as well as help them develop skills for success. A mentor can provide a fresh perspective - a new way to look at a problem or issue. They can assist in resolving workplace problems and offer consumers an opportunity to share ideas with them to see if they believe they would work.

A mentor relationship is where the mentor is more coach than adviser – one in which the mentor facilitates the decision-making process by suggesting alternatives rather than telling the consumer what to do. Ideally, a mentor will motivate the consumer to do his/her best work.

A mentor may be especially valuable at the time the consumer is launching their business.

A mentor may be able to assist the consumer by assessing/monitoring the businesses:

- Inventory,
- Product placement,
- Pricing structure,
- Sales, marketing and public relation needs,
- Customer needs/concerns,
- Management strengths/deficits,
- Investment needs,
- Bookkeeping/record keeping processes,
- Need for additional services and or other funding

A mentor should have experience and knowledge about the industry the consumer is operating. A mentor should be able to help the consumer hone his or her abilities and/or help them navigate new challenges.

Utilizing a mentor may increase the consumer's ability to be successful and may also assist the counselor in obtaining information that will assist them in determining if additional services are needed and/or when to close the case.

Mentors can be paid or volunteer their work time with the consumer. Rates of payment may be established by using the normal and customary fee for the industry/occupation.

Counselors should determine the rate of payment in consultation with their supervisor. Make sure the mentor understands how services are paid for by DVR (typically a purchase order), what their responsibilities are in obtaining payment (invoice DVR for services rendered) and the timeline for receipt of payment (typically 30 days after receipt of the invoice).

The role and possible use of a mentor should be discussed with the consumer.

Discuss with the consumer that a mentor may be able to assist the consumer in opening their business and also provide follow along consultation.

Make sure that both the consumer and counselor know what to look for from the mentor i.e., what are the goals and expectations of the mentor, what does the consumer want to learn, how much time is expected from the mentor, what form of availability (phone, onsite, email, Skype, etc.) is anticipated, what types of resources/supports are being sought? Making a list of what qualities the consumer wants/needs in a mentor may also assist in locating the right business mentor.

The consumer should be able to explain to the mentor what their business goals are along with their definition of success.

Locating a mentor should be a joint effort between the consumer and the counselor.

To locate a mentor, the consumer and counselor should consider utilizing:

1. Conferences,
2. Trade shows,
3. Trade magazines,
4. Trade associations (many trade associations operate mentor-protégé programs that provide guidance to help an individual build a business. These mentoring programs are often conducted through a combination of formal one-on-one mentoring sessions and group networking with fellow protégés. Business owners might be connected with multiple mentors for a more holistic experience),
5. Local newspapers,
6. Indirect competition e.g., businesses that are much larger than the consumers or in a neighboring city/town,
7. Chamber of Commerce,
8. Online Super pages and/or Yellow pages.

Once a list of possible mentors has been developed, an informational interview [with several candidates] may be helpful in choosing a mentor. The interview could contain an overview of the DVR self-employment process, qualifications/characteristics being sought from the mentor, reasons for wanting a mentor, outcome(s) expected from the mentor, expected time commitment and if appropriate disability/accommodation information.

Once a mentor has been located, it is recommended that the DVR counselor establish a written agreement for both paid and volunteer mentors. The agreement should include both short-term and long term goals. The agreement should define the mentoring relationship i.e., how often they will meet with the consumer, what mode of communication(s) will be used, what reporting is expected, if it is expected, what types of information and frequency of reporting is expected, what happens if something goes wrong. Discussion should take place with the mentor and consumer about what should stay confidential between the consumer and mentor along with a phase out plan, etc. It is recommended that this agreement be reviewed and revised as needed.

The Individualized Plan for Employment (IPE) should also include progress measures and/or responsibilities for the consumer in relation to the utilization of a mentor especially if the mentor is providing advice/feedback as the consumer needs to agree that they will listen and be open to the feedback. The consumer should be organized, prepared and consistent. Plan mentoring sessions in advance. Be respectful of their mentor's time. They should not

expect their mentor to run their business nor make decisions for them. They should have realistic expectations about what a mentor can provide. They should take notes, create action items and be prepared to review progress at their each session.

**Mentor Resources:**

- [SCORE Mentors](http://www.score.org/mentors): Sponsored by SBA, SCORE provides free and confidential counseling, mentoring and advice to small business owners nationwide via a network of business executives, leaders and volunteers. To connect with a SCORE volunteer in-person and/or online: <http://www.score.org/mentors>.
- [Small Business Development Centers](#): SBDCs provide management assistance to current and prospective small business owners. SBDC services include financial counseling, marketing advice and management guidance. Some SBDCs provide specialized assistance with information technology, exporting or manufacturing. SBDCs are partnerships primarily between the government and colleges, administered by SBA.
- [Women's Business Centers](#): WBCs provides business training and counseling with the unique needs of women entrepreneurs in mind. WBCs are a national network of nearly 100 educational centers designed to support women who want to start and grow small businesses.
- [Minority Business Development Agency](#): MBDA advisors help minority business owners gain access to capital, contracts, market research and general business consulting.
- [Additional federal counseling programs can be found on Business.USA.gov](#).

### Sample - Mentoring Agreement

**IRIS Case Number:**

**Mentee Name (Consumer):**

**Mentor Name:**

**Counselor Name:**

**Date:** \_\_\_\_\_

*Please answer the questions below at the initial contact between mentor and mentee and complete the agreement at the bottom.*

**1. What are your mutual objectives for your mentoring experience?**

**2. What skills or knowledge will the mentor pass on to the mentee? Be specific.**

**3. How do you plan to achieve your mutual objectives?**

**4. How often and in what form will you communicate?**

**5. How will you determine if you have achieved the desired objectives?**

We agree that anything discussed in the meetings will remain confidential unless otherwise specified.

The Mentor and Mentee agree to be available during the following timeframe:

\_\_/\_\_/\_\_\_\_ through \_\_/\_\_/\_\_\_\_.

The Mentor is available (indicate time and day):

Mon            \_\_\_\_\_ to \_\_\_\_\_  
Tuesday      \_\_\_\_\_ to \_\_\_\_\_  
Wed            \_\_\_\_\_ to \_\_\_\_\_  
Thurs          \_\_\_\_\_ to \_\_\_\_\_  
Fri             \_\_\_\_\_ to \_\_\_\_\_

The Mentee is available (indicate time and day):

Mon            \_\_\_\_\_ to \_\_\_\_\_  
Tuesday      \_\_\_\_\_ to \_\_\_\_\_  
Wed            \_\_\_\_\_ to \_\_\_\_\_  
Thurs          \_\_\_\_\_ to \_\_\_\_\_  
Fri             \_\_\_\_\_ to \_\_\_\_\_

**No-Fault Termination**

We are committed to open and honest communication in our relationship. We will discuss and attempt to resolve any conflicts as they arise. If, however, one of us needs to terminate the relationship for any reason, we agree to abide by one another's decision.

**Mentor Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Mentee Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## **Appendix 11**

### **Glossary of Small Business Planning Terms and Abbreviations for DVR Consumers**

**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.

**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.