# Vocational Rehabilitation Services Manual C-1100: Self-Employment Services

Revised April 1, 2021

## C-1102: What Is Self-Employment?

Self-employment is when a customer solely owns a business and is responsible for all business operations, including management (even if the customer hires, contracts out, or has natural supports to perform some business functions).

VR can support only businesses structured as sole proprietorships or as "single-member" LLCs. VR cannot support the following business structures:

* Corporations
* General partnerships
* Limited partnerships
* Limited liability partnerships
* Businesses involving stocks and/or shares

Note: Forming an LLC can negatively impact eligibility for Supplemental Security Income (SSI) and Medicaid benefits. VR counselors must refer any SSI recipients pursuing self-employment to a community work incentives coordinator (CWIC) for additional guidance.

Additionally, VR does not support:

* hobbies that periodically produce income;
* enterprises prohibited by law, or those that sell products prohibited by law;
* franchises;
* nonprofit businesses; or
* income based solely or primarily on recruiting salespeople to continue building the enterprise (commonly known as "pyramid" schemes or multilevel marketing).

The Federal Trade Commission defines a pyramid scheme as "an organization in which members obtain monetary benefits primarily from the recruitment of new members rather than selling goods and/or services to the public. The main benefit of membership is the right to recruit others and to receive monetary compensation for doing so. Like any chain letter, a pyramid scheme is just a mechanism to transfer funds from one person to another."

Customers are encouraged to think through how a business idea fits with his or her interests, skills, and conditions of employment. A customer can find that doing something he or she is good at and finds enjoyable can provide motivation to stick with the business even through a potentially difficult start-up phase. Customers must be encouraged to think of several possible business ideas (or various iterations of a business idea) to determine a good match that has the potential to produce the profit needed. Tools to assist with this process are in C-1102-6: Assessments.

VR counselors may seek guidance on any case from:

* VR Supervisors,
* VR Managers,
* employment assistance specialists,
* regional specialists assigned to self-employment, and
* state program specialists assigned to specialized employment strategies.

Additional resources and guidance may be obtained through any organizations listed in C-1102-10: Self-Employment Resources.

All self-employment strategies require a business plan, regardless of whether the strategy is for an independent contractor or subcontractor or for a solely owned business.

Independent contractors and subcontractors are self-employed, but can differ in that:

* they rent space from a larger existing company that provides the same services;
* some business management tasks are likely included in rent (that is, advertising, financials); and/or
* the feasibility of the business concept is already established by the host company.

Some examples of independent contractors and subcontractors include:

* hairdressers or barbers who rent a chair or space in a salon or barbershop;
* cab or rideshare drivers who contract with a cab company or a rideshare company;
* massage therapists who rent a table or space in a spa; and
* real estate agents who work in an existing realty office but are not employees.

For more information on independent contractors, refer to the Internal Revenue Service publication ["Independent Contractor (Self-Employed) or Employee?"](https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee) or [Am I an Employee? Employment Relationship Under the Fair Labor Standards Act](https://www.dol.gov/whd/regs/compliance/whdfs13.pdf), or consult with the regional specialist assigned to self-employment to determine whether a customer qualifies as an independent contractor.

Self-employment service levels include the following:

* Simple self-employment
* Comprehensive self-employment
* Supported self-employment

VR provides technical assistance and other consultation services to conduct market analyses, develop business plans, and otherwise provide resources, to the extent that those resources are authorized to be provided through the statewide workforce development system to eligible individuals pursuing self-employment or establishing a small business operation as an employment outcome.

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### C-1102-4: Process for Pursuing Self-Employment

The self-employment process is progressive and begins with assessing the customer.  The process involves any or all of the following:

* The customer performing through self-direction
* The assessment of a customer by a Certified Business Technical Assistance Consultant (CBTAC) referred by the VR counselor
* The VR counselor providing assistance directly

If self-employment is indicated as a strategy for obtaining employment, the VR counselor, customer, and/or the CBTAC:

* counsels the customer about self-employment—its definition, responsibilities, amount of effort involved, and earnings;
* completes the discovery of customer interests, skills, abilities, and any requirement for supports or resources to effectively operate a business;
* determines whether the customer will pursue self-employment, supported self-employment, or Business Enterprises of Texas;
* researches each business idea to determine whether it will support the desired outcome;
* narrows business ideas down to one and conducts a feasibility study;
* gains access to any resources that are needed for the customer to be successful in the business pursuit, including support systems such as a business coach and accountants;
* gains approvals for the support of the business idea before the business plan is developed (refer to C-1103-5: Developing the Business Plan and IPE);
* determines if a simple or comprehensive business plan is warranted;
* develops the business plan;
* obtains necessary approvals (refer to C-1102-13: Required Approvals);
* develops the IPE for self-employment—Note: the IPE can be developed before this point for wage employment only;
* amends the IPE as necessary for self-employment after the business plan is reviewed and recommended by the regional specialist assigned to self-employment and others as required;
* purchases needed and approved items and services;
* monitors the case and provides additional services as necessary and approved;
* reviews actual financials of the business to evaluate business success; and
* closes the case successfully (see C-1104-12: Closing a Case as Rehabilitated).

The customer must take the lead in identifying business ideas.

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### C-1102-7: Vocational Rehabilitation Counselor Role

The VR counselor plays an integral role in assisting the customer with self-employment, providing counseling, guidance, and necessary assistance to the customer throughout the process. The VR counselor must:

* provide customers with information about self-employment to assist in making an informed choice;
* provide customers receiving any type of assistance, such as SSI/SSDI, referral to a CWIC;
* provide guidance and assistance with identifying an appropriate self-employment strategy;
* provide customers with information and referral to available resources;
* provide customers with information and necessary assistance from resources to develop feasibility studies, including contracting with a CBTAC who can guide customers through the process;
* review feasibility studies and consult with the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies (if applicable) to determine whether ventures are appropriate for self-employment;
* provide customers with information and referral to assist in the development of business plans;
* review business plans;
* provide the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies (if applicable) with business plans for review and comment;
* obtain all necessary approvals from program specialists (regional and/or state), VR Managers or VR Supervisors, and/or regional directors before developing IPEs for self-employment;
* assist customers in developing IPEs with:
  + a wage employment goal—if the IPE for self-employment cannot be developed before 90 days after eligibility determination; or
  + a self-employment goal—if all approvals have been received before the 90 days from eligibility determination;
* assist customers in amending IPEs when necessary;
* assist customers with purchasing any approved goods and/or services;
* assist customers in developing any necessary IPE amendments;
* provide vocational counseling and guidance to customers throughout the process; and
* obtain all information and documentation necessary for case closure.

### C-1102-8: Regional Specialist Assigned to Self-Employment Role

The regional specialist assigned to self-employment is consulted for all proposed self-employment plans. The regional specialist provides information, counseling, guidance, and assistance to the VR counselor, customer, management, and others. The regional specialist may:

* provide guidance and assistance with identifying an appropriate self-employment goal;
* provide information and referral to available resources;
* provide information and assistance to develop the feasibility studies;
* provide the VR counselor with information and referral to resources to assist the customer in the development of a business plan;
* assist the counselor in developing an IPE with:
  + a wage employment goal—if the IPE for self-employment cannot be developed before 90 days after eligibility determination; or
  + a self-employment goal—if all approvals are received before 90 days from eligibility determination; and
* assist the VR counselor in developing any needed IPE amendments.

The regional specialist assigned to self-employment must:

* review feasibility studies and consult with state program specialists assigned to specialized employment strategies (if applicable) to determine whether a venture is appropriate for self-employment;
* review the business plan;
* provide state program specialists assigned to specialized employment strategies (if applicable) with business plans for review and recommendations;
* provide required consultation for feasibility studies and business plans;
* provide assistance to VR counselors as necessary throughout the process; and
* conduct a review of progress made toward the income agreed upon in the IPE within three months from the opening of a business (if applicable) and every three months until service closure.

### C-1102-9: State Program Specialist Role

State program specialists assigned to specialized employment strategies may:

* provide guidance and assistance with identifying an appropriate self-employment goal;
* provide information and referral to available resources;
* provide information and necessary assistance from resources to develop the feasibility studies;
* provide the VR counselor or the regional specialist assigned to self-employment with information and referral to assist in the development of a business plan;
* assist the counselor in developing an IPE with:
  + a wage employment goal—if the IPE for self-employment cannot be developed prior to 90 days after eligibility determination; or
  + a self-employment goal—if all approvals have been received prior to 90 days from eligibility determination; or
* assist the VR counselor in developing any needed IPE amendments.

State program specialists assigned to specialized employment strategies must:

* arrange for outside consultants to review business plans and financials; and
* provide assistance to the regional specialist assigned to self-employment, VR counselors, management, or others throughout the process, as necessary and requested.

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### C-1102-11: Self-Employment Goods and Services

The services listed in the table below may be provided, purchased, or arranged for VR customers to support vocational rehabilitation goals; all VR assistance is based on individual customer and business needs.

| **Service** | **Description and procedure** |
| --- | --- |
| Advertising | For a business start-up:   * assistance in planning advertising, including identifying free local outlets and online options * if appropriate, purchasing advertising |
| Business plan evaluation | If needed, consultation with the state program specialist assigned to specialized employment strategies. The state program specialist assigned to specialized employment strategies arranges and/or purchases from individuals or organizations an evaluation of the business plan that documents:   * whether a feasibility study demonstrates that the business is going to produce income resulting in a level of support able to sustain the customer and solvency on a continuing basis; * the likelihood of the customer achieving the projected net income stated in the plan; and * weaknesses that must be addressed.   Refer to VR Standards for Providers (VR-SFP) Chapter 19 for purchases of Self-Employment Services. |
| Business planning assistance | The VR counselor and customer determine whether assistance from a CBTAC is required for exploring and developing self-employment plans, feasibility studies, and/or business plans. A CBTAC is required for all supported self-employment. CBTAC assistance is not a service for customers in the Business Enterprises of Texas program.  If there is no CBTAC available in the local workforce development area, the VR counselor contacts the state program specialist assigned to specialized employment strategies for approval to use another outside resource; however, all comparable benefits and resources must be used before approval of any additional assistance.  Refer to VR-SFP Chapter 19 for purchases of Self-Employment Services. |
| Initial inventory and supplies | Initial inventory and supplies include:   * office supplies; and/or * an inventory of salable merchandise or goods needed to start the business. |
| Legal fees | Consistent with the business plan, the VR counselor:   * identifies any filing and/or legal document review and/or preparation, as appropriate, for example, LLC paperwork; * locates available online templates for customer; * identifies local resources for free legal services, for example, Volunteer Legal Services (VLS), as appropriate; and * if necessary, after consideration of free resources, considers paid legal services.\*   \*The customer is the lawyer's client, not VR's. Payment for necessary legal services must be preapproved, at rates consistent with local norms. Payment is limited to legal services directly necessitated by customer's self-employment goal, for example, business formation, and may not be made for personal legal matters such as divorce, child custody, wills, personal disputes, or IRS matters, to name a few. Requests for payment of any legal fees require consultation with the TWC Office of General Counsel. |
| Maintenance | Maintenance is only available for a business start-up:   * when no other resources are available; or * until adequate cash flow develops.   See C-1400: Supplemental Services and C-1401: Maintenance Services.  Ordinarily, maintenance does not exceed 16 weeks from the date the customer begins self-employment. |
| Rent or lease payments | Assistance may be provided for payment of rent or lease payments on a commercial (nonresidential) property for up to a maximum of six months and must be clearly justified. Consultation with the regional specialist assigned to self-employment is required for any rent or lease payment for self-employment. Any rent or lease payment must be in line with projected income and there must be documentation of the rental agreement in the case file.  The VR counselor advises the customer to consider location and zoning ordinances. Location and proximity to public transportation are two important factors in a successful retail business.  Each service authorization paid directly to a landlord for customer rent or lease of commercial space must include the:   * name of the building owner; * building location; * amount of space to be rented or leased; * amount of rent or lease payment; and * period of rent or lease.   If utilities are included in the payment, separate service authorizations for rent and utilities may be issued.  The Comptroller's State of Texas Purchase Policies and Procedures Guide prohibits the payment of deposits—such as rental or utility deposits—for customers. VR Managers and VR Supervisors must ensure that such payments are not approved.  VR staff must not sign or cosign any leases or other agreements on behalf of the customer. |
| Tools and equipment | Tools and equipment customarily used in similar businesses may be purchased. The VR counselor advises the customer that:   * tools and equipment are the property of the State of Texas; and * the customer must not attempt to sell, pawn, loan or use as loan collateral, or exercise other unlawful control over the property, or prosecution will result.   For guidance in obtaining these items, see D-205: Purchasing Thresholds and Restrictions.  Note: If VR has purchased tools and equipment for the customer during training or previously, these items cannot be purchased again unless the item is no longer operable, and the VR counselor justifies and approves the purchase. |
| Utilities | Utilities costs may be paid for a maximum of six months during the first phase of the new business, for the business property only. Utility payments must be made directly to the provider of the utility service. |

Note: Refer to D-200: Purchasing Goods and Services.

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### C-1102-13: Required Approvals

**Self-Employment Plan Consultations and Approvals**

The following table specifies when consultation and recommendation and/or approvals are required and from whom at each stage of the simple or comprehensive self-employment process:

| **Stage** | **Consultation & Recommendation** | **Approval** |
| --- | --- | --- |
| IPE | Regional specialist assigned to self-employment | VR counselor |
| Customer Profile & Self-Employment Exploration |  | VR counselor |
| Concept Development and Feasibility Study | Regional specialist assigned to self-employment | VR counselor |
| Any required certificates, permits, or licenses | Regional specialist assigned to self-employment | VR counselor |
| Simple or Comprehensive Business Plan up to $5,000.00 | Regional specialist assigned to self-employment | VR counselor |
| Comprehensive Business Plan $5,000.01 to $15,000.00 | Regional specialist assigned to self-employment | VR Manager |
| Comprehensive Business Plan $15,000.01 to $25,000.00 | Regional specialist assigned to self-employment | Regional Director/Deputy Regional Director |
| Comprehensive Business Plan over $25,000.00 | Regional specialist assigned to self-employment | VR Division Director |

If the business plan is approved, the regional specialist assigned to self-employment conducts a review within three months of the opening of the business and every three months thereafter until service closure.

Note: All approvals of business plans must also consider the amount of funds being requested. Refer to Section C-1102-13: Required Approvals.

#### Purchasing Approvals

VR does not issue grants for self-employment or provide venture capital. If a plan or proposal is approved, VR may purchase equipment or inventory. The following information serves as a guide to the VR counselor and the customer.

The required and optional steps for different funding amounts are detailed below.

VR staff must follow the required policies and procedures published throughout this manual for the purchase of goods and services. When issuing service authorizations for a good or service that is part of an approved self-employment plan, use the specifications in RHW that are designated as "Self-employment". For questions about specification levels for specific services, VR staff can email [vr.rhw.datamaintenance@twc.state.tx.us](mailto:vr.rhw.datamaintenance@twc.state.tx.us).

| **Amount** | **Required** | **Recommended** |
| --- | --- | --- |
| $1–$5,000 | * Written business plan: Simple Business Plan or Comprehensive Business Plan, as applicable * Employment assistance specialist (EAS) consultation for those customers who are blind/visually impaired or deafblind has been completed * Consultation and recommendations from the regional specialist assigned to self-employment | * The customer obtains a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and shares any information with the VR counselor |
| $5,000.01–$15,000 | EAS consultation for customers who are blind/visually impaired or deafblind  Written business plan:   * Comprehensive Business Plan; and * Required items submitted to the EAS (if blind/visually impaired or deafblind)   Customer must obtain a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and share any information with the VR counselor for blind/visually impaired or deafblind  Consultation and recommendations from the regional specialist assigned to self-employment  VR Manager approval | * The customer obtains a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and shares any information with the VR counselor |
| $15,000.01- $25,000 | EAS consultation for customers who are blind/visually impaired or deafblind  Written business plan:   * Comprehensive Business Plan or supported self-employment business plan * Required items submitted to the EAS (if blind/visually impaired or deafblind)   Customer must obtain a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and share any information with the VR counselor  Consultation and recommendations from the regional specialist assigned to self-employment  Regional Director or Deputy Regional Director approval |  |
| Over $25,000 | EAS consultation for customers who are blind/visually impaired or deafblind  Written business plan:   * Comprehensive Business Plan or supported self-employment business plan * Required items submitted to the EAS (if blind/visually impaired or deafblind)   Customer must obtain a mentor (someone in a similar business, SCORE member, SBDC network member, family, or friend with business experience) and share any information with the VR counselor  Consultation and recommendations from the regional specialist assigned to self-employment  VR Division Director approval |  |

Note: All purchasing must be in accordance with VR purchasing policies as set forth in D-205: Purchasing Goods and Services.

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## C-1103: Traditional Self-Employment

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### C-1103-1: Vocational Rehabilitation Counselor Responsibilities

After determining customer eligibility, the VR counselor assists with a self-employment strategy by helping the customer to:

* understand the definition of self-employment and the process required for the service;
* make an informed choice by providing specific information about self-employment;
* ensure completion of the Customer Profile and Self-Employment Exploration form, including purchase of the service from a CBTAC;
* determine and obtain any training necessary to operate a successful business venture, including any basic skills needed to be independent, such as blindness skills, transportation skills, or communication skills;
* arrange a referral to a CWIC for customers receiving any type of assistance such as SSI/SSDI benefits;
* locate financial resources, other than VR funds, to support the venture;
* arrange necessary assistance from resources to develop feasibility studies;
* develop a business plan that includes purchase of the service from a CBTAC;
* develop an IPE with:
  + a wage employment goal—if the IPE for self-employment cannot be developed before 90 days after eligibility determination; or
  + a self-employment goal—if all approvals have been received prior to 90 days from eligibility determination.

The VR counselor must:

* review feasibility studies and consult with the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies (if applicable) to determine if a venture is appropriate for self-employment;
* review business plans;
* provide the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies (if applicable) with the business plan for review and recommendations;
* approve or disapprove the self-employment business plan and document the decision in the case notes;
* obtain all necessary recommendations from program specialists, and approvals from VR Supervisor or VR Manager, and/or regional director, before developing an IPE for self-employment;
* request the regional specialist assigned to self-employment review within three and six months from the opening of the business;
* provide vocational counseling and guidance to the customer throughout the process;
* encourage the customer to seek opportunities that will result in a living wage; and
* obtain all necessary information and documentation necessary for case closure.

The VR counselor may solicit input from the:

* EAS;
* Vocational Diagnostic Unit for customers who are blind or visually impaired;
* deafblind specialists for customers who are deafblind; and
* others as needed.

After obtaining approvals, the VR counselor sends a copy of the following to the regional specialist assigned to self-employment for inclusion in the self-employment plan file:

* The IPE for self-employment
* The final business plan
* A complete list of approved tools and/or equipment

VR counselors must ensure that the items below are submitted to them by the provider and reviewed by the regional specialist assigned to self-employment and others as required:

* [VR1801, Customer Profile and Self-Employment Exploration](https://twc.texas.gov/forms/index.html)
* [VR1802, Concept Development and Feasibility Study](https://twc.texas.gov/forms/index.html)
* [VR1803, Self-Employment Simple Business Plan](https://twc.texas.gov/forms/index.html) (if applicable)
* [VR1804, Self-Employment Comprehensive Business Plan](https://twc.texas.gov/forms/index.html) (if applicable)
* [VR1805-1, Self-Employment Financial Projections Spreadsheet (Statutory Blindness)](https://twc.texas.gov/forms/index.html), or [VR1805-2, Self-Employment Financial Projections Spreadsheet](https://twc.texas.gov/forms/index.html)
* [VR1806, Self-Employment Financial Actual Spreadsheet](https://twc.texas.gov/forms/index.html)
* [VR1815, Certified Business Technical Assistance Consultant (CBTAC) Support Summary Report](https://twc.texas.gov/forms/index.html)

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### C-1103-5: Developing the Business Plan and Individualized Plan for Employment

A business plan is required in every case except when:

* VR does not pay the costs of maintaining a business; and
* the customer returns to or continues in his or her own existing business that has a history of being successful—in these instances, the customer must provide copies of income tax returns or other financial documents for the previous three years that indicate the existence of a viable business.

IPEs for self-employment retention must include:

* a check on the "self-employment" option in RHW;
* any comparable benefits to be used first;
* the specific employment or job title goal of the customer's current self-employment;
* the approved services necessary for the customer to maintain his or her current self-employment
* the customer's contribution of resources to help manage his or her disability (for example, use of private insurance or community resources), as listed under the customer's responsibilities;
* the customer's participation in the cost of the self-employment if income and/or liquid assets exceed BLR, as listed under customer contributions; and
* vocational counseling and guidance.

#### Developing the Business Plan

Before the IPE is developed, the customer must complete a business plan that describes:

* the business owner;
* the business, including structure;
* the business' product and/or service;
* the marketing analysis and plan;
* operations and legal considerations;
* an outline of the feasibility of the planned enterprise;
* a financial plan; and
* extended supports.

The VR counselor, the designated regional specialist assigned to self-employment, the VR Supervisor, and the state program specialist assigned to specialized employment strategies, as well as any others, review the business plan.

The VR counselor provides the customer with [VR1803, Simple Business Plan](https://twc.texas.gov/forms/index.html), or [VR1804, Comprehensive Business Plan](https://twc.texas.gov/forms/index.html), to use for developing the business plan.

The business plan:

* guides the customer toward a successful business; and
* helps the VR counselor and the customer determine which VR services are reasonable and necessary to support the plan.

As part of the business plan, in a separate attachment, a list must include:

* items that the customer requests be paid by VR and the costs; and
* items and resources that the customer will contribute to the plan.

#### Types of Business Plans

Simple self-employment business plan, which requires the following sections, concisely written:

* Business Executive Summary
* Business Description
* Products and Services
* Marketing Analysis and Plan
* Operational and Legal Considerations
* Financial Plans
* Extended Business Supports
* Appendices

Comprehensive self-employment business plan, which requires the following detailed sections:

* Business Executive Summary
* Business Description
* Products and Services
* Marketing Analysis
* Marketing Plan
* Operational and Legal Considerations
* Financial Plans
* Extended Business Supports
* Appendices

For experienced help in developing a business plan, customers may use comparable benefits available through:

* some Workforce Solutions Offices;
* the SBA;
* city and county organizations for business development;
* chambers of commerce;
* community colleges, adult education programs, and educational institutions; and/or
* SBDCs.

Computers with speech and large-print access are available in many Workforce Solutions Offices. A customer may use these computers to access the Internet for research and to create the business plan.

#### Developing the Individualized Plan for Employment

An IPE for a specific employment or job title goal may be developed for wage employment before an IPE is developed for self-employment and must include:

* a specific employment or job title goal;
* vocational counseling and guidance;
* business exploration activities, such as:
  + customer profile and self-employment exploration;
  + concept development; or
  + feasibility study;
* any technical assistance services to assist in the development of a business plan;
* a plan for any necessary training services, such as how to start a business; and
* any comparable benefits to be used.

Note: Do not check the "self-employment" option in RHW.

Once the business plan has received all required approvals, the VR counselor must either develop the IPE for self-employment or amend an existing IPE from wage employment to self-employment.

IPEs for self-employment must include:

* a check on the "self-employment" option in RHW;
* the name of a support organization or business coach for continuing the business after the end of VR funding and case closure;
* any comparable benefits to be used first;
* a specific employment or job title goal;
* the agreed-upon:
  + criteria for business stability;
  + period from business stability to case closure; and
  + method used to periodically report net income;
* plan for any necessary training services, such as:
  + how to start a business;
  + bookkeeping; or
  + tax preparation and reporting;
* any technical assistance services;
* the approved goods and services, as listed in the business plan attachment, to be purchased;
* the customer's contribution of resources to help establish and maintain the business (for example, use of a vehicle, labor, a building, tools), as listed under customer's responsibilities;
* the customer's participation in the cost of the self-employment if income and/or liquid assets exceed BLR, as listed under customer contributions;
* any extended business support necessary to assist the customer in operating the business; and
* vocational counseling and guidance.

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## C-1104: Supported Self-Employment

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### C-1104-5: Vocational Rehabilitation Counselor Responsibilities

The VR counselor is responsible for overseeing the services provided to the customer by the supported self-employment provider. The supported self-employment provider is responsible for providing services in accordance with VR-SFP 19.7 Supported Self-Employment Services.

After determining a customer's eligibility and need for supported self-employment, the VR counselor assists the customer to:

* understand the definition of supported self-employment and the process required for the service;
* make an informed choice by providing specific information about supported self-employment;
* determine whether the customer has the required extended business support, long-term extended support, and circle of support;
* identify a CBTAC to provide supported self-employment;
* determine and obtain any training necessary for the customer to operate a successful business venture, including any basic skills needed to be independent, such as blindness skills, transportation skills, or communication skills;
* arrange referral to a CWIC for customers receiving any type of assistance, such as SSI/SSDI benefits;
* locate financial resources, other than VR funds, to support the venture;
* arrange necessary assistance to develop feasibility studies; and
* develop an IPE with a supported employment wage employment goal (if the IPE for supported self-employment cannot be developed before 90 days after eligibility determination) or a supported self-employment goal (if all approvals have been received prior to the 90 days from eligibility determination).

The VR counselor must:

* review feasibility studies and consult with the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies to determine whether the venture is appropriate for self-employment;
* assist the customer and CBTAC with the availability of required extended business support, including long-term extended support;
* review the business plan;
* provide the regional specialist assigned to self-employment and state program specialist assigned to specialized employment strategies with the business plan for review and recommendations;
* approve or disapprove the self-employment business plan and document the decision in the case notes;
* obtain all necessary recommendations from program specialists and approvals from VR Manager or VR Supervisor, and/or regional director before developing an IPE for supported self-employment;
* request the regional specialist assigned to self-employment to review within three months from the opening of the business and every three months following until service closure, and provide the VR counselor and state program specialist assigned to specialized employment strategies with the information;
* provide vocational counseling and guidance to the customer throughout the process;
* encourage the customer to seek opportunities that will result in a living wage; and
* obtain all information and documentation necessary for case closure.

VR counselors must ensure that the following items are submitted to them by the provider and reviewed by the regional specialist assigned to self-employment and others as required:

* [VR1801, Customer Profile and Self-Employment Exploration](https://twc.texas.gov/forms/index.html)
* [VR1802, Concept Development and Feasibility Study](https://twc.texas.gov/forms/index.html)
* [VR1805-1, Self-Employment Financial Projections Spreadsheet (Statutory Blindness)](https://twc.texas.gov/forms/index.html) or [VR1805-2, Self-Employment Financial Projections Spreadsheet](https://twc.texas.gov/forms/index.html)
* [VR1806, Self-Employment Financial Actual Spreadsheet](https://twc.texas.gov/forms/index.html)
* [VR1808, Supported Self-Employment Assessment](https://twc.texas.gov/forms/index.html)
* [VR1809, Supported Self-Employment Concept Development](https://twc.texas.gov/forms/index.html)
* [VR1810, Supported Self-Employment Feasibility Study](https://twc.texas.gov/forms/index.html)
* [VR1811, Supported Self-Employment Services Plan (SSESP) and Benchmark Report](https://twc.texas.gov/forms/index.html)
* [VR1812, Supported Self-Employment Business Plan Support Summary Report](https://twc.texas.gov/forms/index.html)
* [VR1813, Supported Self-Employment Business Plan](https://twc.texas.gov/forms/index.html)
* [VR1814, Supported Self-Employment Support Summary (SSE-SS)](https://twc.texas.gov/forms/index.html)
* [VR1815, Certified Business Technical Assistance Consultant (CBTAC) Support Summary Report](https://twc.texas.gov/forms/index.html)

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### C-1104-11: Developing the Business Plan and Individualized Plan for Employment

#### Developing the Business Plan

Before development of the IPE, the customer, circle of support, business team, and CBTAC complete a business plan that describes:

* the business owner;
* the business, including structure;
* the business's product and/or service;
* the marketing analysis and plan;
* operations and legal considerations;
* an outline of the feasibility of the planned enterprise;
* a financial plan; and
* extended support.

The business plan is reviewed by the VR counselor, the regional specialist assigned to self-employment, the VR Supervisor or VR Manager, the state program specialist assigned to specialized employment strategies, and others, as required.

The VR counselor provides the customer with [VR1813, Supported Self-Employment Business Plan](https://twc.texas.gov/forms/index.html), to use for developing the business plan.

A business plan is required for every case of supported self-employment.

The business plan:

* guides the customer toward a successful business; and
* helps the VR counselor and the customer determine which VR services are reasonable and necessary to support the plan.

As part of the business plan, a separate attachment must list the:

* items that the customer requests to be paid by VR and the costs; and
* items and resources that the customer will contribute to the plan.

A supported self-employment business plan requires the following detailed sections:

* Business Executive Summary
* Business Description
* Products and Services
* Marketing Analysis
* Marketing Plan
* Operational and Legal Considerations
* Financial Plans
* Extended Business Supports
* Extended Long-Term Supports
* Appendices

VR purchases technical assistance in the following for customers who propose a supported self-employment strategy:

* Self-employment exploration
* Concept development and feasibility study
* Market analyses
* Business plan, including financials

For experienced help in developing a business plan, customers can use comparable benefits—with or without the assistance of a CBTAC—which are available from:

* some Workforce Solutions Offices;
* the SBA;
* city and county organizations for business development;
* chambers of commerce;
* community colleges, adult education, and educational institutions; and
* SBCDs.

Payment information for technical assistance for self-employment is listed in RHW specifications for the following:

* Self-Employment Services
* Technical Assistance Services

The cost of technical assistance is not considered part of the cost of the self-employment plan.

Computers with speech and large-print access are available in many Workforce Solutions Offices. Customers may use these computers to access the Internet for research and to create the business plans.

#### Developing the Individualized Plan for Employment

An IPE for a specific employment or job title goal can be developed for wage employment before an IPE is developed for supported self-employment. The IPE for wage employment must include supported employment services. A supported self-employment IPE cannot be developed until a Supported Employment Assessment, Supported Self-Employment Assessment, Supported Self-Employment Concept Development, Supported Self-Employment Feasibility Study, Supported Self-Employment Business Plan, and Supported Self-Employment Financials have all been completed.

Once the business plan has received all required approvals, an IPE for supported self-employment can be developed or can be amended from a wage employment IPE to a supported self-employment IPE.

The IPE for supported self-employment must designate supported employment and include:

* a check on the "self-employment" and "supported employment" options in RHW;
* the name of a support organization or business coach for continuing the business after the end of VR funding and case closure;
* any comparable benefits to be used;
* a specific employment or job title goal;
* supported self-employment services from a CBTAC;
* the agreed-upon:
  + criteria for business stability;
  + period from business stability to case closure; and
  + method used to periodically report net income;
* any training services, such as:
  + how to start a business;
  + bookkeeping; or
  + tax preparation and reporting;
* technical assistance services;
* the approved goods and services, as listed in the business plan attachment, to be purchased;
* the customer's contribution of resources to help establish and maintain the business (for example, use of a vehicle, labor, a building, tools), as listed under customer's responsibilities;
* the customer's participation in the cost of the supported self-employment if income and/or liquid assets exceed BLR, as listed under customer contributions;
* all extended business support necessary to assist the customer in operating the business;
* all extended long-term support and services to assist the customer in maintaining the business; and
* vocational counseling and guidance.

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