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

Revised July 1, 2022

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

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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.

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| **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.  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. |
| Security Deposits and Utilities | Initial one-time costs may be paid, such as a security deposit or charges for the initiation of 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](https://twc.texas.gov/vr-services-manual/vrsm-d-200).

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