

## **ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

**Program Name:** Vocational Rehabilitation

**Policy Number:** VR-4.5.1-v3

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**CHAPTER 4:** Individualized Plan for Employment

**Section:** 4.5.1: Self-Employment - Assessment, Business Concept Overview  
Development, Review and Approval Process

### **I. Policy Statement**

This policy provides the guidelines regarding self-employment assessments, business concept development, the review and approval process for business concept overview.

### **II. Authority**

Authority for policies contained in this document includes the following:

- Workforce Innovation and Opportunity Act (WIOA), 29 U.S.C. § 3101 et seq.
- Title IV Amendments to the Rehabilitation Act of 1973, 29 U.S.C. § 701 et seq.
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200.
- State Vocational Rehabilitation Services Program, 34 C.F.R. §§:
  - Applicable Definitions 361.5 (c)(9)(i)
  - Scope of vocational rehabilitation services for individuals with disabilities 361.48(b)(16)(19) and (21)
  - Development of the individualized plan for employment 361.45
  - Content of the individualized plan for employment 361.46
  - United States Department of Education, Office of Special Education and Rehabilitative Services, Policy Directive RSA-PD-16-04, Other Service Data Elements IV. (E) and H
- A.R.S. §§ 23-502 and 503
- Arizona Administrative Code, Title 6, Chapter 4:
  - General considerations R6-4-201 (A)(1)(m) and (n)
  - Economic need and similar benefits R-6-4-403 (A)(1)(a)(vi) and (vii) and (B)(1) and (2)(a)(iv) and (c-e) and (3)

### III. **Applicability**

This applies to clients that request VR support in pursuing a self-employment work setting and business plan development. The client must:

- A. Actively participate in services to address any disability related barriers in relation to the self-employment setting.
- B. Review the agency *Self-Employment Guide* to understand the extent of VR self-employment program and activities that need to be accomplished toward the achievement of a self-employment work setting.
- C. Complete career exploration, labor market surveys and informational interviews to identify an employment outcome and research the industry standards for the proposed business idea.
- D. Conduct research regarding the necessary and requisite skills needed to operate a small business utilizing the resources listed in the *Self-Employment Guide, Part 5 Resources*.
- E. Complete and submit the agency *Self-Employment Readiness Questionnaire, Part 2 form* included in the *Self-Employment Guide*.
- F. Complete and submit a business concept overview proposal following the format outlined in the *Self-Employment Guide, Part 3* and according to IV. I below.
- G. Explore and utilize comparable benefits as per Policy Section 7.2 Comparable Benefits.
- H. Be willing to acknowledge and accept alternative job options should self-employment not be achievable or sustainable.

### IV. **Standards**

- A. The VR Counselor must inform the client interested in self-employment of the role of the VR agency, the relevant policies, and provide the client with the agency *Self-Employment Guide*. The *Self-Employment Readiness Questionnaire, Part 2* and *Proposed Business Concept Overview, Part 3* must be completed by the client, reviewed, and approved by the VR Counselor prior to moving forward with a Self-Employment IPE.
- B. Vocational guidance and counseling must be provided to assist the client in discussion of their proposed business idea concept along with assessing the demands and feasibility of self-employment.
- C. The self-employment IPE does not apply for the independent contractor/subcontractor work setting when a business plan, technical assistance and request for VR funding for business start-up costs will not be pursued.

- D. Guidance must be provided to distinguish between the items below in order to determine the type of IPE needed:
1. Regular VR IPE, Supported Employment IPE, or Self-Employment IPE,
  2. The work setting which the client owns, manages, and operates a small business, and
  3. Work as an independent contractor receiving a 1099 without the need for a business plan, technical assistance or start-up cost.
- E. An initial VR IPE must be developed with an employment outcome to include the following intermediate objectives and services as warranted:
1. Completion of career exploration, labor market survey, informational interviewing and shadowing to explore the industry standards for the proposed business idea,
  2. Research on the educational and/or training requirements for the selected employment goal, finding financial aid resources to pay for the selected educational/training program and applying for financial aid,
  3. Exploration of subject matter knowledge expansion and development of business skills,
  4. Completion of a proposed business concept overview, and
  5. Business concept overview consultation with a Small Business Consultation service provider for pre-service consultation and self-employment assessment.
- F. The proposed business concept overview must be developed by the client on their own, or with assistance from their VR Counselor, natural supports, or self-employment community resources.
- G. VR may utilize a Consultation-Small Business service provider for consultation services when there is significant doubt regarding the client's readiness for self-employment and validity of the client's business concept overview.
- H. The contracted Consultation-Small Business service provider at this stage may only:
1. Conduct an assessment of the client's self-employment strengths and weaknesses related to business knowledge, and
  2. Discuss the vocational goal in a self-employment work setting and review the VR Client's proposed business concept overview; and
  3. Assess and explore the full range of business development and planning issues.

- I. The client's proposed business concept overview must be complete following the format outlined in the *Self-Employment Guide, Part 3* and include the following information:
  1. The proposed business idea,
  2. Labor market information,
  3. The client's assessment of their skills and abilities related to running a business,
  4. The client's experience and background related to the business concept including education, training, and skills,
  5. Training and, licensure required for employment goal and business setting,
  6. The services and supports that the client needs in order to be successful in the self-employment plan, and
  7. Potential places of employment should self-employment not be feasible/successful.
- J. The client's business concept overview must be reviewed and approved by the VR Counselor and applicable intermediate objectives under the VR IPE must be completed prior to moving forward with self-employment work setting.
- K. The following must be taken into consideration when reviewing the client's proposed business concept overview:
  1. The proposed business concept overview meets all criteria listed in IV. I above,
  2. Feasibility of the proposed business concept based on a viable business model/labor market support for employment outcome,
  3. The client's awareness of knowledge and skills level necessary for business operations,
  4. The client's work history and work skills that demonstrate experience in the proposed business industry and ability to be self-employed, and
  5. The financial health and stability of the existing business for a client seeking VR support for the business expansion.
- L. In instances where the client seeks expansion for their existing business, the following must be included in the proposed business concept overview:
  1. Background and overview of the existing business,
  2. Plans for expansion, and

3. Financial documentation for the most recent year(s) that include sales, revenues, expenses and net profit demonstrating the business is financially stable.
- M. In instances where the proposed business concept overview is not approved, the VR Counselor must:
1. Provide the client with an RSA Decision Letter with Appeal Rights regarding disapproval of the proposed business concept overview, and
  2. Assist the client in identifying alternative employment outcomes and/or employment settings.
- N. Upon approval of the client's proposed business concept overview and completion of intermediate objectives, the initial VR IPE must be amended to a Self-Employment IPE with new intermediate objectives. Refer to Section 4.5.2. Self-Employment - IPE Development, Technical Assistance and Business Plan Development.

## **V. Procedure**

- A. Refer to IV. A-B, D-E, J, and M-N above.
- B. Refer to Standard Work (if available).
- C. Refer to the RSA Allowable Services Spreadsheet and the Consultation-Small Business contract service requirements.
- D. The VR Counselor must complete the agency Referral for Services form for technical assistance and business consultation services per IV. G and H above:
  1. Client Service Plan Meeting (3 hours) and
  2. Self-Employment Assessment (5 hours).
- E. The VR Counselor must task the Purchasing Technician to create RSA Purchase Authorization(s) for the service(s) listed in V. D.
- F. The Purchasing Technician must submit the RSA Purchase Authorization for the service listed in V. D along with the referral information to the provider.
- G. Upon receipt of the provider's assessment report, the VR Counselor must review the report for completeness, approve the provider's invoice and process for payment after confirming that the reporting documentation is complete.

## **VI. Documentation Requirements**

- A. The applicant/client's electronic case file must include the following documentation:

- B. Self-Employment Readiness Questionnaire,
- C. Business concept overview,
- D. Referral for service information,
- E. Provider's assessment report, if applicable,
- F. RSA Purchase authorization(s), and
- G. Justification for approval or denial of the proposed business concept overview.