

Applicable Definitions

1. "Appeal Rights" means a form which serves as a written notice of the client's appeal rights regarding decisions made by Staff, as well as contact information for the Client Assistance Program (CAP).
2. "Business Plan" means a comprehensive summary of the planning and development ideas needed to build a successful business.
3. "Client" means an individual who has applied to VR for services and has been determined eligible.
4. "Client Assistance Program" or "CAP" means a program authorized under the Rehabilitation Act, as amended, and is intended to advise, inform, assist, and advocate for clients and applicants in their relationships with projects, programs and community rehabilitation programs providing services under the Act.
5. "Comparable benefits" means services and benefits, including accommodations and auxiliary aids and services, that are-
 - a. Provided or paid for, in whole or in part, by other federal, state, or local agencies, by health insurance, or by employee benefits;
 - b. Available to the client at the time needed to ensure progress towards achievement of the employment outcome; and
 - c. Commensurate to the services that the client would otherwise receive from the VR program.
6. "Competitive Integrated Employment" means work that—
 - a. Is performed on a full-time or part-time basis (including self-employment) and for which an individual is compensated at a rate that-
 - i. Is not less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the rate required under the applicable State or local minimum wage

law for the place of employment;

- ii. Is not less than the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities and who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills; and
- iii. In the case of an individual who is self-employed, yields an income that is comparable to the income received by other individuals who are not individuals with disabilities and who are self-employed in similar occupations or on similar tasks and who have similar training, experience, and skills; and
- iv. Is eligible for the level of benefits provided to other employees; and

b. Is at a location-

- i. Typically found in the community; and
- ii. Where the employee with a disability interacts for the purpose of performing the duties of the position with other employees within the particular work unit and the entire work site, and, as appropriate to the work performed, other persons (e.g., customers and vendors), who are not individuals with disabilities (not including supervisory personnel or individuals who are providing services to such employee) to the same extent that employees who are not individuals with disabilities and who are in comparable positions interact with these persons; and
- iii. Presents, as appropriate, opportunities for advancement that are similar to those for other employees who are not individuals with disabilities and who have similar positions.

7. "Counselor" means a staff of AZRSA who provides vocational guidance and counseling but may not meet the requirements to be qualified staff.

8. "Economic Need" means consideration of the financial need of a client in order to determine the extent of their participation in the cost of vocational rehabilitation services.
9. "Employment Outcome" means entering, advancing in, or retaining full-time or, if appropriate, part-time competitive integrated employment (including customized employment, self-employment, telecommuting, or business ownership), or supported self-employment that is consistent with the client's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.
10. "Family Member" means an individual who is either: a relative or guardian of an applicant or eligible individual or lives in the same household as an applicant or eligible individual; has a substantial interest in the well-being of that individual; and whose receipt of vocational rehabilitation services is necessary to enable the applicant or eligible individual to achieve an employment outcome.
11. "Hobby" means an activity or interest that is pursued outside of a person's regular work and is primarily for pleasure. It is not considered work, nor can it be considered self-employment.
12. "Individualized Plan for Employment" or "IPE" means a written program of services developed with the client that comprehensively documents the purpose, goals, responsibilities, and services necessary for a client's successful rehabilitation.
13. "Informed Choice" means a decision-making process in which the client analyzes relevant information and selects, with the assistance of counselor, vocational goals, intermediate objectives, services, and service providers.
14. "Labor Market Information" or "LMI" means a collection of data that provides employment statistics, among other things, which includes information regarding the employment opportunities, income, and employment wage rates.
15. "Natural Supports" means any assistance, relationships, or interactions that allow a client to secure, maintain, and advance in a community job of his or her choosing in ways that correspond to the typical work routines and social actions of

other employees and that enhance the client's social relationships.

16. "Self-Employment Review Committee" means a statewide committee established by AZRSA to review and approve business plans.
17. "Self-Employment" means work done for a profit in an individual's own business, profession, or trade.
 - a. The individual takes personal responsibility for activities that make or break the business;
 - b. The individual controls his/her own services, hours, pricing, furnishes own tools/equipment;
 - c. The individual owns at least 51% of the business; and
 - d. The individual directly operates the business and manages all or most of the aspects of the operation (or, in the case of supported self-employment, operates and manages those aspects of the business of which he/she is capable).
18. "Staff" means any VR employee, including qualified staff.
19. "Training" means services designed to help the client improve educationally or vocationally, or to adjust to the functional limitations of his or her impairment.

Section 6.3 IPE Development

A. Policy

1. Assistance and Accommodations
 - a. An IPE will be developed by the client on their own or with assistance from the following entities:
 - i. Vocational Rehabilitation Counselor employed by AZRSA;
 - ii. A Vocational Rehabilitation counselor who is not employed by AZRSA;
 - iii. A disability advocacy organization; or
 - iv. Any other resource determined by the client to be helpful in IPE development.
 - b. Staff will provide clients with accommodations and information necessary to exercise informed choice in accordance with VR Policy Section 8.1(E), throughout the IPE process.
 - c. Staff will provide clients with notification of their appeal rights and information about the Client Assistance Program by utilizing the Appeal Rights form when developing the IPE.
2. Developing the IPE
 - a. Staff will utilize existing information to the greatest extent possible to assess the client's strengths, resources, priorities, concerns, abilities, capabilities, and career interests to help develop and/or finalize the IPE.
 - i. VR services will be provided during development of the IPE if necessary to gather information regarding the client's rehabilitation needs and/or to help the client identify an appropriate employment outcome.
 - 1) Economic Need will be determined prior to the provision of any service that requires economic need and, at the latest, prior to finalizing the IPE.

2) Clients who receive SSI/SSDI will be provided with Benefits Counseling through DB 101 and/or community referral, regarding the potential impact that employment may have on SSI/SSDI benefits during IPE development and as necessary throughout their receipt of VR services.

3. Required Elements of the IPE

a. IPE Plan Type;

- i. Vocational Rehabilitation: to be used if the client is seeking competitive and integrated employment and does not need long-term job supports to obtain and maintain employment. This plan type should also be used for clients who are considering self-employment but for whom a business plan is not yet approved.
- ii. Supported Employment: to be used if the client is an individual with the most significant disability seeking competitive and integrated employment, and will need long-term job supports to obtain and maintain employment (i.e. Supported Employment services and Extended Employment services). See Section 6.4 for more information.
- iii. Self-Employment: to be used if a client is seeking competitive and integrated employment in a self-employment setting, has provided Staff with a complete business overview, and Staff have concluded that self-employment appears to be an appropriate option for the client. See Section 6.7 for more information.
- iv. Job Retention: to be used if a client is seeking assistance with maintaining current competitive and integrated employment.

b. A specific employment outcome;

- i. Chosen by the client and agreed to by Staff that is consistent with the client's strengths, resources, priorities, concerns, abilities, capabilities, career interests, and informed choice;

- ii. Developed using labor market information that projects an average number of job openings in the competitive and integrated labor market in next several years;
 - iii. Not illegal by the state or federal government;
 - iv. Not a hobby venture;
 - v. Not sufficiently controversial as to create community disapproval; and
 - vi. Not contrary to generally accepted moral standards of the community, such as an employment outcome related to nudity or sex/sexual appeal.
- c. Services needed to achieve the employment outcome;
- i. Determined, through labor market research, career exploration and assessments, to be necessary for the achievement of the employment outcome.
 - 1) Education and training services must be supported by labor market documentation and relevant job information/postings that show the training/education is required for the employment outcome.
 - 2) Services that address disability related needs must be supported by documentation of disability, informal or formal assessment(s) and must be necessary to achieve the employment outcome.
 - a) Functional limitations and service needs identified on the Eligibility Decision Worksheet (EDW) must be addressed in the IPE.
 - i) IPE Justification will explain why any limitations/service needs identified on the EDW were not addressed in the IPE.
 - b) If the source of Extended Supported Employment services is not identified during development of the Supported Employment IPE, include a statement in the IPE

Justification that describes the basis for concluding that there is reasonable expectation that those sources will become available.

- d. Intermediate objectives and criteria that will be used to evaluate progress toward the achievement of the objective;
- e. Estimated timelines for the initiation and completion of services, intermediate objectives, and achievement of the employment outcome;
- f. Service providers and method of procurement;
- g. The responsibilities of AZRSA Staff in relation to achieving the employment outcome;
- h. The responsibilities that the client will assume in relation to achieving the employment outcome;
- i. The responsibilities of the client regarding applying for and securing comparable services and benefits;
- j. The responsibilities of the client regarding paying for any service;
- k. The responsibilities of other entities regarding service provision including extended support and employment services; and
- l. Any post-employment services as necessary.

B. Procedures

- 1. Client Notification
 - a. Staff will provide the client with the following documents prior to developing the IPE:
 - i. Individualized Plan for Employment (IPE) FAQ handout; and
 - ii. Appeal Rights.

2. Economic Need and Benefits Counseling

- a. Staff will inform the client of the requirement to determine Economic Need prior to the development of the IPE.
 - i. Staff will collect financial documentation to determine the client's economic need in accordance with Section 8.1 of this manual.
 - ii. If the client refuses to have their need determined or fails to provide the financial documentation required to determine need, the client will be informed that any VR service dependent on economic need will be the responsibility of the client.
- b. Staff will provide SSI/SSDI beneficiaries with Benefits Counseling through use of DB101 or community referral, which includes general information regarding the potential impact that employment may have on SSI/SSDI benefits during IPE development and as needed throughout their receipt of VR services.

3. Developing the IPE

- a. Employment Outcome
 - i. Staff will assist the client in identifying an employment outcome that meets criteria in A(3)(b) of this section, an appropriate employment setting, and timelines for the achievement of the employment outcome by:
 - a) Utilizing existing or new information to explore the client's work history, vocational interests, current skills, education, disability-related barriers to employment, financial outcomes, vocational/educational potential, etc.;
 - b) Researching available job options (including potential self-employment) in the client's area, reviewing job requirements and labor market information through utilization of tools, services, and activities such as:
 - i) Arizona Career Information System (AZCis), O*NET, Occupational Outlook Handbook, job search websites; and

- i) Career Exploration, job shadowing, informational interviewing, volunteering, etc.
 - b) Completing self-assessment tools as needed, including self-employment assessment tools for clients interested in self-employment;
 - i) Assessment tools may include career readiness/interest inventories, or self-employment assessments available through self-employment centers or online resources such as <http://vrselfemployment.org/>
 - c) Assisting with the identification and utilization of employment resources, including resources to assist the client is learning about self-employment such as:
 - i) Arizona@Work Job Centers;
 - ii) Self-employment resources (e.g. Small Business Administration (www.sba.gov); Small Business Development Centers (<http://www.azsbdc.net/>), SCORE (<https://greaterphoenix.score.org/>), <http://vrselfemployment.org/>).
 - d) Obtaining professional assessment services from AZRSA contracted vendors as appropriate.
- ii. Staff will request the results of any self-assessment tools that were completed and a written overview of the business idea from any client who is requesting VR assistance with achieving their employment outcome in a self-employment setting.
 - 1) The business overview will be developed by the client on their own, or with assistance from Staff, natural supports, or self-employment community resources.
 - 2) The business overview will be a short summary/outline that provides information about the client and the proposed business idea and includes:

- a) The client's education and work experience, including any experience with self-employment;
 - b) The client's assessment of their skills and abilities related to running a business;
 - c) The client's proposed business idea and potential customer;
 - d) Labor market information (including potential places of employment should self-employment not be feasible/successful);
 - e) Any known requirements of the employment goal/business (i.e. training or licensure);
 - f) The services and supports that the client believes they need from VR in order to be successful in the self-employment plan.
- 3) If the client is seeking VR support to expand an existing business, the client will provide a business overview as detailed above and include:
- a) Details of the existing business;
 - b) Plans for expansion; and
 - c) Sufficient current and historical financial data that show the business is doing well and financially stable.
 - i) VR will not provide support for any existing business that is not financially stable and capable of successful expansion.
- iii. Staff, client, and office supervisor or AZRSA Small Business contracted vendor (if determined by staff to be necessary) will review the business overview and other pertinent information/assessments to evaluate the appropriateness of self-employment as the setting for the employment outcome of interest, as well as the general feasibility of the business idea. The following items will be taken into consideration:
- 1) The client's general understanding of what self-employment entails or the client's ability to understand what self-employment entails given

the client is provided with additional information and support;

- 2) VR's ability to support the proposed business idea (see Section 8.1 for allowable and unallowable services) and services/supports the client believes they need to be successful;
 - 3) Viability/labor market support for the employment outcome in a self-employment setting, including job options working for another person/business/organization should self-employment not be achievable or sustainable;
 - 4) The client's work history and work skills in relation to the scope of the proposed business idea and ability to be self-employed, or the client's ability to learn and obtain the necessary skills given the client is provided with appropriate VR services; and
 - 5) The financial health and stability of a current business (for clients seeking VR support for the expansion of an existing business).
- iv. If significant doubts regarding the feasibility of the business idea and/or the client's ability to be successful in a self-employment setting exist after assessment of all available information and consideration of potential VR services that may help the client overcome any current barriers, Staff will arrange a formal self-employment assessment between the client and their chosen AZRSA Small Business contracted vendor for further discussion and evaluation.

b. IPE plan types

- i. Staff will identify the most appropriate IPE plan type based on a comprehensive assessment of the client's rehabilitation needs and employment outcome.
 - 1) Vocational Rehabilitation: to be used if the client does not need ongoing employment supports during and after closure from VR (i.e. Supported

Employment services and Extended Employment services) to obtain and maintain employment.

2) Supported Employment: to be used if the client is an individual with the most significant disability and needs ongoing employment supports during and after closure from VR (i.e. Supported Employment services and Extended Employment services) to maintain employment. See Section 6.4 for further information.

3) Self-Employment: to be used if a client is seeking competitive and integrated employment in a self-employment setting, has provided Staff with a complete business overview, and Staff have concluded that self-employment appears to be an appropriate option for the client. See Section 6.7 for further information.

4) Job Retention: to be used if a client is seeking assistance with maintaining current employment.

b. Responsibilities

i. Staff will assist the client in identifying and understanding the client's responsibilities during their participation in VR services.

1) Client responsibilities identified in the IPE will include, at a minimum:

- a) Maintaining active participation in VR services;
- b) Making consistent progress toward achievement of the intermediate objectives and employment outcome;
- c) Maintaining contact with staff; and
- d) Applying for and utilizing comparable benefits.

ii. Staff will assist the client in identifying and understanding the responsibilities of staff regarding

supporting the client during their participation in VR services.

- 1) Staff responsibilities identified in the IPE will include, at a minimum:
 - a) Maintaining contact with the client;
 - b) Providing guidance and counseling throughout the VR process; and
 - c) Following through with the planning and authorizing of approved services in a timely manner as not to delay client progress.

c. Intermediate Objectives

- i. Staff will assist the client in identifying the steps (intermediate objectives) that will be taken to achieve the employment outcome.
- ii. Intermediate objectives will include:
 - 1) The major steps that will be taken to address disability-related barriers to employment and current skill gaps to achieve the identified employment outcome;
 - 2) The order in which the objectives will be completed;
 - 3) Timeframes for completion of the objectives;
 - 4) How progress toward completion of the objective will be measured;
 - 5) The who, what, when, and why of the objective; and
 - 6) For clients in Self-Employment IPEs:
 - a) Increasing knowledge/skills related to self-employment through career exploration, on-the-job training, shadowing/interviewing current business owners, etc.; and

- b) The development and approval of the Business Plan, for clients in Self-Employment IPEs.

d. Services

- i. Staff will assist the client in identifying the services that are necessary and must be completed to achieve the intermediate objectives and employment outcome, and the estimated timelines for completing those services.
 - 1) Services that lead to or contribute to the development or expansion of a new or existing business will not be included on the Self-Employment IPE until the Business Plan has been approved by all required parties.
- ii. Services on every IPE will, in accordance with relevant policies, include:
 - 1) Rehabilitation Counseling provided by Arizona State Agency;
 - 2) Services determined to be necessary through informal or formal assessment of existing or new information to address disability-related barriers to the identified employment outcome;
 - 3) Services determined through research of the labor market/industry standards/employment outcome requirements to be necessary to address the skill gap between the client's current skills and the skills required to achieve the employment outcome; and
 - 4) Support Services determined to be necessary to enable the client to participate in approved VR services.
- iii. The IPE of SSI/SSDI recipients will include the service of Information/Referral- Benefits Counseling provided by Arizona State Agency.
- iv. Staff will provide information to assist the client in making informed choices about service providers and

the procurement of services in accordance with Section 8.1 of this manual.

2. Appeal Rights

- a. In the event Staff do not agree to support the client's chosen employment outcome, services, or service providers, Staff will provide the client with:
 - i. RSA Decision letter; and
 - ii. Appeal Rights form.

3. Required Documentation

- a. Staff will write the final IPE on the designated AZRSA Individualized Plan for Employment form in the ECF.
- b. Staff will scan supporting documentation, e.g. labor market information, assessments, and informational interviews into the ECF.
- c. Staff will complete an IPE justification using the IPE Justification Narrative template in the ECF and include the following information:
 - i. The chosen employment outcome and preferred employment setting;
 - ii. Labor Market information that supports the employment outcome;
 - iii. Services necessary to achieve the employment outcome;
 - iv. How the identified services will help overcome disability related barriers to employment identified on the Eligibility Decision Worksheet (EDW), including justification for not addressing disability related barriers identified on the EDW;
 - v. Comparable benefits that have been explored and utilized, including justification for not using any available benefits;

- vi. How the client exercised informed choice during IPE development; and
 - vii. Economic Need Decision.
- d. Staff will obtain the client's signature on the completed IPE prior to obtaining further supervisor approval in accordance with Section 6.5 of this manual.

Section 6.7- Self-Employment IPE

A. Policy

1. IPE Development

- a. Staff will develop a Self-Employment IPE in accordance with Section 6.3 of this manual.
- b. Staff will ensure the Self-Employment IPE includes intermediate objectives relating to:
 - i. Achieving skills/knowledge to obtain the employment outcome;
 - ii. Addressing disability-related barriers to employment;
 - iii. Increasing knowledge/skills related to self-employment through career exploration, on-the-job training, shadowing/interviewing current business owners, etc.; and
 - iv. Developing the business plan.

2. IPE Implementation

- a. Upon implementation of the IPE, the client will:
 - i. Participate in planned services to address disability-related needs and prepare for the agreed upon employment outcome;
 1. VR will not fund services outside of an approved business plan that actually create a business or contribute to an existing business before the business plan is approved and costs are included in an approved Self-Employment IPE.
 - ii. Complete entrepreneurship training as needed (training may be available from post-secondary institutions, the SBA, Small Business Development Centers, or micro-lending agencies).
 1. Comparable Benefits for Self-Employment training such as small business development classes from Small Business Development Centers will be explored and utilized whenever available.

2. Training must be comprehensive in nature, covering the financial, managerial, marketing, and personal factors involved in owning/operating a business.
 3. If the client will need significant support to operate and manage the business (supported Self-Employment), individuals who will be integral members of the client's business plan and who have never successfully operated a business will also complete entrepreneurship training.
 - a. If the individual is, by definition, a family member of the client, the individual may receive the necessary training through the VR program. The client's economic need determination applies to the family member.
 - b. If the individual is not, by definition, a family member of the client, the individual is responsible for funding their own training.
- iii. Develop the business plan on their own, with assistance from Staff, family/friends, local recognized Small Business Development Centers, or, if disability-related reasons warrant, with the assistance of an AZRSA Small Business contracted vendor to include:
1. Executive Summary, Business Description, Marketing Plan, Operations Plan, and Financial Plan; and
 2. Itemized financial calculations to include all start-up costs including but not limited to:
 - a. Business Financials Estimates (total start-up/operating cost estimates including item description, purpose, cost, number of units required, cost per unit, source);
 - b. Business Funding Summary (start-up costs broken down by funding source); and
 - c. Income Statement for first two (2) business years (financial projections to estimate the business's profits and losses over a specified period of time. It is comprised of total sales, cost of goods sold, gross profit, business

expenses, pre-tax profit/loss, taxes, and net profit/loss).

3. Business Plan Consultation

- a. All Business Plans, regardless of cost, are reviewed and assessed to determine the viability of the proposed business and the ability of VR to support the business and business costs.
 - i. Staff and client (client is not required to participate in consultation but is encouraged to do so) will obtain consultation services from an AZRSA Small Business contracted vendor to:
 - 1. Review the plan and obtain feedback and recommendations on the client's business plan; and
 - 2. Discuss reasonable financial outcomes and timelines, not to exceed 12 months from the date the business plan is approved, that will be used to determine when the client has achieved an employment outcome and the VR case will be closed.
 - a. Financial outcomes established for the client must be comparable to an income received by other individuals who are not individuals with disabilities and who are self-employed in similar occupations or on similar tasks and who have similar training, experience and skills.

4. Presentation of the Business Plan

- a. Staff will consider the business plan ready for presentation by the client when:
 - i. Any suggestions/recommendations provided by the AZRSA Small Business contracted vendor during the business plan consultation have been addressed;
 - 1. Staff and client will be prepared to explain why any recommendations were not implemented during presentation of the business plan.
 - ii. The client's disability related needs have been addressed;

- iii. The client, and any integral member of a Supported Self-Employment IPE if applicable, have completed all required training, including entrepreneurship training (if applicable) and are prepared to work in the approved employment outcome and employment setting;
 - iv. The client and Staff have established reasonable financial outcomes and timelines, not to exceed 12 months from the date the business plan is approved, that will be used to determine when the client has achieved an employment outcome and the VR case will be closed; and
 - v. Staff have prepared a comprehensive summary regarding the client and the proposed business.
- b. Business plans with VR support of \$5,000 or less will be presented to, and approved by, Staff and Office Supervisor or District Program Manager.
 - c. Business plans with VR support of more than \$5,000 will be presented to, and approved by, the Self-Employment Review Committee (SERC).
 - i. Business plans of any cost may be referred to the SERC for approval if the Staff and Office Supervisor feel it is in the best interest of the VR program and/or the client.
 - d. Staff will coordinate with the SERC or Office Supervisor, depending on the cost of the business plan, to schedule the business plan presentation.
 - i. Staff and client will determine the most appropriate method of presenting the business plan and required information that meets the client's disability-related needs (e.g. client may choose to utilize a reader or have someone help explain their financial projections, etc.).
 - e. Staff, client, and other individuals significant to the client's plan (guardian or legal representative of the client is required if applicable), will attend the self-employment presentation.

5. Approval of the Business Plan

- a. Upon completion of the client's self-employment presentation, the Office Supervisor or SERC (based on majority vote) will:

- i. Approve the business plan.
 - 1. The plan is complete, financial information is correct and no changes need to be made to the business plan.
- ii. Conditionally approve the business plan.
 - 1. Additional information is requested and/or minor changes to the business plan are recommended by the Office Supervisor or SERC prior to adding business plan costs to the IPE. Information/changes do not have substantial impact on the overall business plan.
- iii. Deny the business plan.
 - 1. Major changes to the business plan are recommended by the Office Supervisor or SERC.
 - a. If the business plan is not approved after recommended changes have been made, the client will be assisted in exploring alternative employment outcomes and/or employment settings; and
 - b. Provided with notification of their appeal rights.
 - b. Written approval or denial, including any recommendations, will be provided to the client within 10 business days of the business plan presentation.

6. Funding of the Business Plan

a. Economic Need

- i. Any client who does not meet economic need criteria will provide a 10% contribution toward the business plan costs from personal resources, loans, family assistance, or in-kind contributions.
 - 1. In-kind contributions include items such as tools and equipment already owned by the client, and rent and utility costs for a business outside the client's private residence.

- a. Items which are to be considered in-kind contributions will be appraised using available information and value assigned as accurately as possible.
 - i. Staff and client will research the item and identify three (3) current values of which the average will be calculated and used to assign value.
- b. VR support of an approved business plan is limited to \$18,000.
 - i. Any exception to the \$18,000 limit will be reviewed and approved by the SERC and be based on the client's unique personal factors, employment outcome, and/or disability-related needs.
 - ii. Any costs not agreed to by VR are the responsibility of the client and the business plan must include how the additional costs will be funded.
 - iii. All comparable benefits, including potential funding sources such as family, friends, SBA, SSA Work Incentives such as PASS, will be explored and utilized for business plan costs prior to using VR funds.
- c. VR funding for the approved Business Plan will only be used for:
 - i. Initial start-up costs not to exceed 6 months' worth as detailed in the business plan which may include:
 - 1. The cost of new or additional equipment (not replacement of equipment).
 - 2. The cost of initial goods/services (never replenishment of goods/services).
 - ii. The client's percentage of the initial start-up costs if the business is a partnership entity.
 - 1. The client must own more than 50% of the business and a signed and dated partnership agreement that clearly states the details of business ownership will be available for review and a copy maintained in the ECF.

2. The business plan will detail the client and the partner's specific contribution toward each start-up cost.

7. Amendments to an Approved Business Plan

- a. Amendments to an approved Business Plan may be made if actual costs exceed the costs identified in the approved Business Plan due to price increases of approved goods/services beyond the control of the client or VR.
- b. Amendments will be supported by documentation of the increase in price of the approved goods/services and approved by Staff and Office Supervisor.
- c. Amendments will not exceed a 10% increase of the originally planned business plan costs (this may result in the Business Plan cost exceeding the \$18,000 limit).
 - i. No new equipment or goods/services will be allowed as part of the 10% overspend.
 - ii. Any overspend of the business plan above 10% or overspend of any percentage related to the addition of new equipment/goods/services or post-employment services, must be justified and approved by the SERC regardless of initial business plan costs.

8. Timelines for Implementation

- a. Goods/services necessary to establish and begin operating (selling the good/service as identified in the business plan) the approved business will be purchased within three (3) months of the date of business plan approval.
- b. All goods/services in the approved business plan will be purchased within six (6) months of the date of business plan approval.
- c. Financial outcomes established in the business plan will be achieved within 12 months of the date of business plan approval.

A. PROCEDURE: PHASE 1

1. Development of the IPE

- a. Staff will develop a Self-Employment IPE in accordance with Section 6.3 and of this manual which includes review and approval of the client's business overview.

2. Implementation of the IPE

- a. Upon implementation of the IPE, Staff will arrange/provide services in accordance with the IPE and intermediate objectives, including development of the business plan.
 - i. The client will develop the business plan on their own, with assistance from staff, family/friends, local recognized Small Business Development Centers, or, if disability-related reasons warrant, with the assistance of an AZRSA Small Business contracted vendor and submit the Business Plan to Staff for approval.

3. Business Plan Consultation

- a. Upon development of the business plan, Staff will arrange a business plan consultation with an AZRSA Small Business contracted vendor and the client (client is not required to participate in consultation but is encouraged to do so) to:
 - i. Review the plan and obtain feedback/recommendations; and
 - ii. Discuss reasonable financial outcomes and timelines, not to exceed 12 months from the date of business plan approval, that will be used to determine when the client has achieved an employment outcome and the VR case will be closed.

4. Presentation and Approval of the Business Plan

- a. Staff will consider the business plan ready for presentation when:
 - i. The client's business plan is complete and recommendations provided by the AZRSA Small Business contracted vendor have been addressed;
 - 1. Staff and client will be prepared to explain why any recommendations were not addressed during presentation of the business plan.

- ii. The client's disability related needs have been addressed;
 - iii. The client, and any integral member of a Supported Self-Employment IPE if applicable, have completed all required training, including entrepreneurship training (if applicable) and is prepared to work in the approved employment outcome and employment setting; and
 - iv. The client and Staff have established reasonable financial outcomes and timelines, not to exceed 12 months from the date the business plan is approved, that will be used to determine when the client has achieved an employment outcome and the VR case will be closed.
- b. Staff will prepare a comprehensive summary to include:
- i. Client's work history/strengths;
 - ii. Results of any assessments (formal and informal) related to the client's ability to be self-employed and/or maintain the proposed business;
 - iii. The client's participation, progress, and time spent planning and preparing for self-employment;
 - iv. Any sources of support for the client (e.g. family members, mentors, agencies, etc.);
 - v. Results of consultation with AZRSA Small Business contracted vendor and how the recommendations were addressed;
 - vi. Client's ability to financially support self and family (if applicable) while working to establish the business;
 - vii. Client's plan for how they will address needs and expenses when VR support has ended (e.g. purchase of goods and services beyond 6 months-worth); and
 - viii. The financial outcomes and timelines that will be used to determine when the client has achieved an employment outcome and the VR case can be closed.
- c. Staff will coordinate with the SERC or Office Supervisor, depending on the cost of the business plan, to schedule the business plan presentation.

- i. Staff and client will determine the most appropriate method of presenting the business plan and required information that meets the client's disability-related needs (e.g. client may choose to utilize a reader or have someone help explain their financial projections, etc.).
 - d. Staff will provide the following materials to their Office Supervisor or SERC for review at least 2 weeks prior to the scheduled presentation:
 - i. Client's resume;
 - ii. Comprehensive Summary written by Staff;
 - iii. Pertinent documentation from the AZRSA Small Business contracted vendor;
 - iv. Complete business plan; and
 - v. Any presentation materials developed by the client (not required).
 - e. Staff, client, and other individuals significant to the client's plan (guardian or legal representative of the client is required if applicable), will attend the self-employment presentation.
 - i. Staff will present, in summary form, the client's desire and preparedness for self-employment.
 - ii. The client will present his/her business plan in a method that meets the client's disability-related needs.
 - iii. Staff and client will expect questions and discussion from Committee members or Office Supervisor throughout the presentation.
 - f. Upon completion of the client's self-employment presentation, the Office Supervisor or SERC may:
 - i. Approve the business plan.
 - 1. The plan is complete, financial information is correct and no changes need to be made to the business plan.
 - ii. Conditionally approve the business plan.

1. Additional information is requested and/or minor changes to the business plan are recommended by the Office Supervisor or SERC prior to adding business plan costs to the IPE. Information/changes do not have substantial impact on the overall business plan.
 - a. Staff and Office Supervisor will ensure the information/modifications have been made before business plan costs will be added to the IPE.
- iii. Deny the business plan.
 1. Major changes to the business plan are recommended by the Office Supervisor or SERC.
 - a. Once recommended changes are made, the updated business plan will be submitted for review and approval to the entity who denied the original plan. The client may be requested to complete a new self-employment presentation.
 - b. If the business plan is not approved after recommended changes have been made, Staff will:
 - i. Assist the client in exploring alternative employment outcomes and/or employment settings; and
 - ii. Provide the client with notification of their appeal rights though utilization of an Appeal Rights form.
 - g. The Office Supervisor or SERC Chairperson will provide written approval or denial, including any recommendations, and an Appeal Rights form to Staff within 7 business days of the business plan presentation. Staff will scan the letter into ECF and provide copy to the client within 3 business days of receipt.

B. PROCEDURE: PHASE 2

1. Upon approval of the business plan, Staff and client will amend the Self-Employment IPE to include:

- a. Start-up costs that were identified in the business plan and approved by VR; and
 - b. New intermediate objectives with timelines that detail the steps that the client and VR will take to establish and begin operating (selling the good/service as identified in the business plan) the business and achieve the agreed upon financial outcomes.
 - i. Goods/services necessary to establish and begin operating the approved business will be purchased within three (3) months of the date of business plan approval.
 - ii. All goods/services in the approved business plan will be purchased within six (6) months of the date of business plan approval.
 - iii. Financial outcomes established in the business plan will be achieved within 12 months of the date of business plan approval.
2. Staff and client will begin to purchase the start-up goods/services identified on the IPE as necessary to establish and begin operating (i.e. selling the good/service as identified in the business plan) the approved business.
- a. All equipment purchases will be documented on an Equipment Contract form.
3. Staff will obtain twice monthly progress updates from the client and provide assistance and support to ensure the client is making consistent progress in establishing and operating (selling the good/service as identified in the business plan) the business and achieving the financial outcomes in accordance with the intermediate objectives and timelines in the IPE.
- a. Staff will document progress updates in the ECF.
 - b. Any barriers to successful establishment, operation, or expansion of a viable business including how those barriers will be addressed, how timelines and achievement of the intermediate objectives will be affected, as well as any new criteria for measuring progress will be discussed and agreed upon with the client.
 - i. Changes to objectives and timelines will be documented in the ECF and IPE.

- ii. Justification for all changes will be documented using the IPE Amendment Justification in the ECF.
- c. If the client fails to make sufficient progress toward achievement of the agreed upon intermediate objectives and timelines after barriers are addressed, the client's case will be closed in accordance with Section 10.1 of this manual and any equipment purchased for the business will be returned to RSA in accordance with the client's signed equipment contract.

Business Plan Outline

1. Executive Summary

- a. Business Rationale
 - i. Brief explanation of what the business will do and why the business is needed
- b. Owner Qualifications
 - i. Description of your qualifications to run the business

2. Business Description

- a. Company Description
 - i. A short description of the business (1 to 3 sentences that includes the business name, brief description of the business' product or service and target customers)
- b. Business History
 - i. A history of how you came up with the business idea, why the business is needed, and your qualifications and accomplishments
- c. Form of Ownership
- d. Industry Trends
 - i. Industry trends including sales, products, competition, marketing, regulations, and financials of the industry you are entering
- e. Owner Background Information
 - i. Your background including training and experience in the business industry, management, marketing, and accounting
 - ii. Resources or expertise you will use to cover gaps in your skill set

3. Marketing Plan

- a. Features and Benefits
 - i. The main features of the business and the benefits to customers
- b. Business Name
 - i. Description of why you chose this business name and business name availability
- c. Target Market
 - i. Target customers, including a description of your customer

- d. Competition
 - i. Existing competition including a description of their products or services, pricing, weaknesses and strengths
 - ii. How your business differs from the competition and will gain market share
- e. Advertising and Promotion Strategies
 - i. A description of your marketing, advertising and promotion strategies to reach customer segments

4. Operations Plan

- a. Facilities
 - i. Facilities including the physical location, building and lot specifications, and site ownership/lease arrangements
- b. License, Permits, Insurance, Taxes
 - i. Legal requirements, including licensing, taxpayer registration, and insurance requirements
- c. Inputs
 - i. Inputs description and costs including:
 - 1. Capital expenditures
 - 2. Fixed operating costs
 - 3. Variable operating costs
- d. Production Methods
 - i. Production methods or the process you will use to produce your product, sell an item, or provide a service
- e. Management Methods
 - i. Description of the day-to-day management of the business
- f. Employees and Contracted Services
 - i. Description of your paid and unpaid workers and any services, such as accountant and legal services, you will use

5. Financial Plan

- a. Start Up Costs
 - i. The need for, and sources of, cash to cover pre-opening and post-opening
- b. Income Statement
 - i. A statement that projects total sales, costs of goods sold, gross profit, fixed operating and other expenses, pre-tax profit, and net profit over a specific period of time (usually one year)

Optional

Break-Even Analysis

- ii. Break-even analysis and pricing description

Sales Forecast

- iii. The level of sales you expect during the business start-up phase

Cash Flow Statement

- iv. Statement that shows when the business will receive cash (receipts) and when cash is needed to pay bills (disbursements)

Balance Sheet

- v. A statement that shows how much the business is worth as a specific point in time based on total assets minus total liabilities