



The North Carolina Division of Vocational Rehabilitation Services

Casework and Service Delivery Policy for the Vocational Rehabilitation Program and the Independent Living Rehabilitation Program

Effective January 1, 1996

Excerpt from Volume I Manual

CHAPTER 2 – NATURE AND SCOPE OF SERVICES

SECTION 2-23 SMALL BUSINESS OPERATIONS

(Also, see INTERIM POLICY AND PROCEDURE DIRECTIVE #02-2006 Self-Employment/Small Businesses with Supports for Individual's with the Most Significant Disabilities)

Completion of a business plan is required of all new business ventures under consideration by the Division. Clients who are requesting assistance with expanding a business and were self employed during the previous calendar year (in the same type of business as the one being proposed) should submit their previous year's personal/business income tax return as well as their year end balance sheet.

The Counselor and client should agree upon a projected income that the client can expect to generate as a result of Division assistance. That level of income should be equivalent to SGA on a monthly basis or as an average monthly income over a mutually agreed upon period of time for full time employment. Part-time employment income should be adjusted accordingly. The client's projected income, must be specified and submitted with the proposal. A standard credit check may be requested by the Modification Review Committee if indicated.

The client must possess a safe and secure place for Division purchased equipment and be able to show proof of insurance before purchased goods begin to arrive. All requests for small business operations involving \$1000.00 or less should be approved and directed by the Unit Manager/Facility Director. Requests for small business operations exceeding \$1000.00 should be submitted to the Chief of Policy and Casework Operations for presentation to the Modification Review Committee. All clients for whom Division assistance is requested for Small Business Operations will receive an on-site visit to discuss their proposal. All services connected with the establishment of or expansion of a small business are subject to the individual's financial eligibility and comparable benefits. The following information should be submitted when proposing new or expanded small business operations:

PURCHASING PACKET - This should include a copy of the R-4, DVR-0116, IPE and subsequent amendments, and pertinent medical and/or psychiatric information. This information should be presented with a cover letter which includes a description of the business venture, and a description of the goods to be purchased, including cost, quantity, and possible vendors.

BUSINESS PLAN - This should include the following elements:

- **Summary** - This is an introductory summary of the product/service, which the target markets are, how the products/services are/will be sold, the competition, present financial position.
- **Company Background** - If applicable, this is information on previous small business or related employment experience.
- **Product/Service** - Define as if the reader knows nothing about the product/service. What makes the product/service unique?
- **The Market** - Describe the business's customers, the potential growth in customer base and how each segment of the market will be reached. What characteristics of the product/service make it unique?
- **The Competition** - Every business has competition. Address how the business will compete, i.e., better pricing, better service, performance, follow-up, etc.
- **Marketing the Product/Service** - This section should describe the strategies that will be used to get the product/service to the customers. Examples of marketing include sales incentives, promotional or advertising ideas, etc.
- **The Location** - Describe the site and its advantages/disadvantages if customers must come to the location to utilize the business.
- **Management** - Describe how the client and any employee(s) will spend their time during each workday.
- **Financial Information** - In addition to the DVR-0116, the client should project the anticipated income per month (or per completed task) and the anticipated expenses of operating a business. It is essential to the success of the business for the client to establish and maintain a particular profit margin. If the client has difficulty producing this information or if the Counselor feels that they cannot evaluate these projections to their satisfaction, then an independent, objective assessment should be obtained or purchased from an accountant or CPA.

PSYCHOLOGICAL EVALUATION/CONSULTATION (if needed) - The resulting report of an evaluation or consultation with a psychologist should be written with a small business venture in mind.

All equipment and supply purchases are subject to specific purchasing policies addressed elsewhere in this manual. [*State Plan; NCAC 20C, Section .0301*]