

Information Memorandum Transmittal

Vocational Rehabilitation



Howard Fulk, Policy and Training Manager

Authorized signature

Topic: Other

Subject: Microenterprise Technical Assistance Guide

Number: VR-IM 21-02

Issue date: 9/17/2021

Due date: 9/17/2021

Applies to (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging: {select type} | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Aging and People with Disabilities | <input type="checkbox"/> Office of Developmental Disabilities Services (ODDS) |
| <input type="checkbox"/> Self Sufficiency Programs | <input type="checkbox"/> ODDS Children's Intensive In Home Services |
| <input type="checkbox"/> County DD program managers | <input type="checkbox"/> Stabilization and Crisis Unit (SACU) |
| <input type="checkbox"/> Support Service Brokerage Directors | <input checked="" type="checkbox"/> Other (please specify): Vocational Rehabilitation |
| <input type="checkbox"/> ODDS Children's Residential Services | |
| <input type="checkbox"/> Child Welfare Programs | |

MESSAGE:

This transmittal introduces the [Microenterprise Technical Assistance Guide](#) for the microenterprise self-employment process.

Previous guidance on microenterprise self-employment is considered obsolete.

Instructions in this transmittal and the Microenterprise Technical Assistance Guide must be followed effective immediately.

The following transmittals and field guide are obsolete and have been rescinded.

- VR-IM-18-08,
- VR-PT-15-06, and,
- The Oregon Microenterprise Field Guide Rev. 9/9/2019

This transmittal clarifies instructions regarding the microenterprise self-employment process from following documents:

- OVRS Technical Assistance Guide 3.13: Self-Employment; and,
- Self-Employment Business Startup Toolkit (rev.10/14/2011);

The more comprehensive, “traditional” self-employment process detailed in the Self-Employment Business Startup Toolkit (rev 10/14/2011) remains in effect as previously written **except** for changes noted in this transmittal and as provided in the Microenterprise Technical Assistance Guide.

IMPORTANT CLARIFICATIONS:

Self-Employment is not an occupation or an employment outcome in and of itself. Self-Employment is a career strategy to achieve an employment outcome.

Vocational Rehabilitation (VR) assists eligible individuals through the comprehensive assessment process to determine the employment outcome and use a strategy of self-employment or wage employment. Only one Individual Plan for Employment (IPE) employment outcome can be supported.

The typical IPE for wage employment may use traditional job placement services. An IPE using the self-employment option contains resources and strategies to help the individual create a profitable business. The potential business must be feasible. Wage employment can be pursued if self-employment is not approved.

VR supports two self-employment planning processes to assist eligible individuals: The comprehensive self-employment process which requires time, effort, and significant resources. The microenterprise process which requires limited assistance with startup costs.

IMPORTANT CHANGES:

Microenterprise limit is \$3,000

Vocational Rehabilitation Counselors (VRCs) must use the Microenterprise Technical Assistance Guide and accompanying tools to help eligible individuals pursue self-employment or supported self-employment who require \$3,000 or less in startup costs.

Individuals who require **over** \$3,000 in startup costs must use both:

- The OVRs Technical Assistance Guide 3.13: Self-Employment, and,
- The Self-Employment Business Startup Toolkit (rev.10/14/2011).

Requirements for an Existing Business

- Services may be provided to individuals requiring VR services, who need assistance with disability related accommodations to maintain an existing business, and otherwise meet eligibility requirements for VR services.
 - The business and individual must meet all VR requirements for services.
 - The individual must be the business owner, sole proprietor, majority owner, or primary partner of the existing business; and,
 - The business must not be speculative in nature, prohibited by federal law, a nonprofit business or a multilevel marketing or “pyramid” scheme; and,
 - The business must meet the definition of Competitive Integrated Employment found in [34 CFR §361.5\(c\)\(9\)](#), and;
- All individuals will complete the VR Financial Needs Test. If an individual’s financial participation is required, it must be met prior to VR’s contribution for any business-related expenses; and,
- All individuals will be required to complete a feasibility study, SWOT analysis, business plan, and cash flow statement (as appropriate to the business venture) to determine viability; and,
- Although VR generally does not require that an individual utilize loan funds as a comparable benefit, when considering self-employment activities, a business plan may require loan funding or additional funding sources outside of VR support to be considered viable.

Note: An existing business may be profitable without a business plan, but VR requires a business plan prior to writing and carrying out the IPE.

Franchises are allowable

Franchise opportunities may be considered an acceptable self-employment outcome if:

- They meet all federal and state vocational rehabilitation (VR) requirements; and,
- The business must meet the definition of Competitive Integrated Employment found in [34 CFR §361.5\(c\)\(9\)](#).

VR is prohibited from supplying funds to support the franchise fee.

Allowable expenses

VR can only assist with reasonable startup costs determined necessary to launch the business after all comparable services and benefits have been applied.

- VR cannot assist with ongoing business expenses or inventory.
- VR can provide accommodations for the individual to perform functions of the business when necessary.

No requirement to involve a Qualified Business Expert (QBE)

There is no requirement to involve a QBE in the Microenterprise process.

Policy has rescinded the requirement to purchase QBE services for self-employment.

VRCs must assess the individual's ability to succeed in a self-employment setting. Feasibility studies, SWOT analyses, and Business Plans need to be completed using the [Microenterprise Technical Assistance Guide and Tools](#). Individuals are not required to use the templates. However, their document(s) must contain all the information in the provided templates. (See pages 17-25.)

Supports in Self-Employment Microenterprise

Individuals with physical, cognitive, or both impairments may require significant support to develop a feasibility study, business plan, or both. The VRC may submit an exception to the job developing contract for this help. To do this:

- Use the directions to submit the exception. See the [Business Integrity Manual](#) pages 67-69 for the exception process.
- Use the [Office of Contracts and Procurement-Purchasing Forms](#)
 - Scroll to the middle column. Click on “Vocational Rehabilitation Exception”
 - Request Form MCS0118VR

NOTE: Requesting an exception to the Job Developing Contract requires:

- Branch Manager, Regional Chief, and Field Chief approval.
- The VRC must negotiate a price with the Job Developing Agency for “Self-Employment Preparation Services” (service category in ORCA).

For more assistance:

For supported self-employment questions contact the Program Analyst for Supported Employment Program within the Policy and Training Unit.

Contact(s): mailto: VR.Policy@dhsoha.state.or.us	
Phone:	Fax:
Email: VR.Policy@dhsoha.state.or.us	