


Title:	Self-employment Policy
Policy #:	80-VR-16
Subsequent Sections of the VR Procedure Manual (80-VR-00)	Self-employment
Legal Reference:	R.C. 3304.15, 3304.16; 34 Ohio Adm.Code 3304-2-56, 3304-2-66; 34 C.F.R. 361.5(9)(i)(C), 361.48, 361.49, 361.40
Date:	January 13, 2025
Approved:	Kevin L. Miller, Director 
Origin:	Bureau of Vocational Rehabilitation, Bureau of Services for the Visually Impaired, and Division of Policy and Partnerships
Supersedes:	80-VR-16 (11/21/2022)
History:	80-VR-16 (10/25/21, 10/26/20, 06/04/18, 12/16/13), Self-Employment Planning – CS (12/31/06)
Review/Implementation	Begin Review – 11/03/25 Implement Revisions By – 05/04/26

I. AUTHORITY

This policy, and if necessary, any subsequent procedures, are issued in compliance with Ohio Revised Code (R.C.) 3304.15 and 3304.16 which establishes the power and authority of the Opportunities for Ohioans with Disabilities (OOD) and its Executive Director to develop all necessary rules, policy, and procedure in furtherance of its statutory duties.

II. PURPOSE

The purpose of this policy is to provide guidelines for the provision of self-employment services to individuals eligible for Vocational Rehabilitation (VR) in accordance with appropriate federal (e.g., Code of Federal Regulations [C.F.R.]) and state law (i.e., Ohio Revised Code [R.C.], Ohio Administrative Code [Ohio Adm.Code]), Governor directives and executive orders, other governing agency (e.g., DAS, OBM) policy or guidance, and/or the Director expectations.

III. APPLICABILITY

This policy applies to VR Staff and VR Contractors.

IV. DEFINITIONS

Refer to “Vocational Rehabilitation Definitions” (80-VR-99.A).

Business Consultant – an OOD approved provider listed on the Provider Management Program (PMP) under Self-employment Services.

Supplies – goods or equipment.

V. POLICY

A. General

1. All OOD policies/procedures, the “VR Procedure Manual” (80-VR-00), and all associated attachments can be found by accessing the “[Policies](#)” webpage and searching for the policy/associated attachment name or number. A link for the “VR Procedure Manual” is on the webpage above the “Search” field.
2. Refer to “Standard Expectations and Funding Information for Vocational Rehabilitation Policies and the VR Procedure Manual” (80-VR-98) for related guidance on general expectations related to all VR policies and the manual.
3. When time extensions for IPE development are needed for individuals pursuing self-employment, VR Staff or VR Contractors shall follow the direction in the “Individualized Plan for Employment (IPE)” policy (80-VR-08) and the “Individualized Plan for Employment (IPE)” section of the “VR Procedure Manual” (80-VR-00).
4. VR Staff or VR Contractors working with an individual participating in the Business Enterprise Program (BE) shall follow the direction in this policy unless otherwise indicated.
5. VR Staff or VR Contractors shall not support self-employment services for an individual who has been appointed a legal guardian.
6. If at any time during the self-employment process the individual, VR Staff, or VR Contractor determine that self-employment is no longer a feasible or viable option, VR Staff or VR Contractor shall:
 - a. document the reason(s) in an AWARE Case Note;
 - b. provide notification to the individual and if applicable, the business consultant; and
 - c. explore placement services and/or other employment options with the individual.
7. An individual is considered self-employed if they:
 - a. do business as an independent contractor and receive a 1099-MISC Form rather than a W-2 form for tax reporting purposes. Independent contractors perform services to a business as a non-employee (e.g., Independent Provider for DODD, landscaper, a paid speaker, housekeeper, accountant, farmhand); or
 - b. have an ownership interest in a business formed as a sole-proprietorship, partnership, or limited liability company (LLC).
 - i. OOD cannot support business formations that include, but are not limited to, LLCs where the applying individual is a non-majority owning member and/or if structured as a corporation, C-Corporations, S-Corporations, B-Corporations, closed corporations, nonprofit corporations, and cooperatives.
7. An individual that is not considered self-employed under Section 6.b.i. above may still be eligible for vocational rehabilitation services outside of business expenses and business support.



8. In order for OOD to support business expenses and business support, an individual must be actively working in the business and performing the core functions of the business.

B. Appropriateness of Self-employment

1. Self-employment services may be supported for an individual to attain their employment outcome when self-employment is consistent with their unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice. The determination of appropriateness for self-employment should include, but is not limited to, the following:
 - a. the selection of an agreed upon employment outcome and an expressed interest in self-employment;
 - b. a legal and fiscal review;
 - c. the completion of the introductory course “Small Business Orientation” from the Small Business Development Center or other approved online training via the following link, <https://clients.ohiosbdc.ohio.gov/events.aspx>;
 - d. the completion of “An Exploration of Self-employment” (80-VR-16-01.A) to assist in the provision of counseling and guidance detailing the advantages and disadvantages of self-employment to ensure informed choice; and
 - e. once the individual completes the above and expresses interest in continuing with self-employment, they shall complete three (3) informational interviews.
2. Items in Section A.1.b. through e. are not required for an employment outcome of barber or cosmetologist, as an independent contractor, however discussion shall be held with the individual to determine if they should be completed.
3. Self-employment shall not be supported for individuals who:
 - a. do not intend on pursuing self-employment in a manner that meets the definition of competitive integrated employment (CIE) (i.e., making minimum wage or more);
 - b. propose developing a non-profit business;
 - c. do not have the skills, abilities, or stamina to operate their own business (i.e., needs assistance to complete the basic tasks necessary to operate and sustain the proposed business) or other priorities and concerns (e.g., criminal background that precludes owning a daycare) as mentioned in “Comprehensive Assessment” policy (80-VR-04) policy and “Comprehensive Assessment” section of the VR Procedure Manual (80-VR-00), may prevent success in this field;
 - d. are not going to be the majority owner (at least 51% ownership stake) of the proposed business;
 - e. cannot demonstrate access to capital needed for the start-up of the business and ongoing access to working capital to handle unforeseen circumstances and/or slow periods within the business;



- f. intend to start marijuana-related businesses, including those that grow, produce, process, distribute or sell marijuana or marijuana products, edibles, or derivatives, because federal law prohibits the distribution and sale of marijuana and OOD uses federal dollars to provide services;
 - g. intend to sell products for known multi-level marketing (MLM) direct sales companies (e.g., Avon, Pampered Chef, LuLaRoe) or purchase used goods for resale within another business (e.g., eBay, Facebook Marketplace);
 - h. intend to start a business for a secondary form of income (i.e., anticipated outcome must be that the business proceeds will be the primary source of income once the business is established);
 - i. intend to start or maintain an illegal or “under the table” business; and/or
 - j. have unpaid liens or overdue taxes owed by the individual, and if applicable, the business partner and/or the existing business, or land upon which the business will operate.
4. If determined necessary, “Self-employment Business Concept” services (available on the VR Fee Schedule) may be authorized. This service would assist OOD in determining if the individual and the business concept is appropriate to move forward.

C. Legal and Fiscal Review

1. A legal and fiscal review shall be conducted on all individuals seeking OOD support in self-employment, unless they are independent contractors who meet certain criteria.
 - a. The criteria are as follows:
 - i. perform services within a single business as a non-employee;
 - ii. do not employ staff; and
 - iii. do not own or rent a physical building/office (e.g., barbers renting chairs, Contracted Direct Support Professionals (DSPs) staff with a single customer, farmhands, independent delivery service drivers, functional employees of a business who by practice receive payment in conjunction with a 1099-MISC).
 - b. Although exempted from the legal and fiscal review, the employment outcome must still meet competitive integrated employment (CIE).
 - c. OOD financial support for a start-up or an existing business shall be contingent upon the satisfactory results of a legal and fiscal review.
2. Legal Review
 - a. The Division of Legal Services (DLS) shall research any pending litigation, outstanding judgments, and liens on property, filed with the appropriate Clerk of Courts or County Auditor’s Office.
 - b. After completion of their review, DLS shall notify VR of their findings and provide a recommendation of whether or not the consideration of self-employment should proceed.



3. Fiscal Review

- a. VR Staff or VR Contractor shall complete a fiscal review of the individual, and if applicable, the business partner and/or existing business as detailed in the “Self-employment” section of the “VR Procedure Manual” (80-VR-00).

D. Continuation of Review Process

1. If, after the successful completion of the legal and fiscal review, VR determines that OOD should proceed with exploring self-employment and the individual continues to express an interest in self-employment, the steps below shall be followed to ensure informed choice.
 - a. Schedule a follow-up meeting with the individual.
 - b. Authorize and schedule a targeted Community Work Experience (Assessment), if appropriate.
 - c. Ensure the individual conducts a minimum of three (3) informational interviews with individuals who operate their own businesses, when appropriate.
 - i. If the Business Enterprise Program (BE) is being considered, the BE Training Manager shall be contacted to obtain BE Operator/Employer interview contacts.
 - d. Recommend additional online resources, if needed
 - e. Request the individual sign a “Consent to Obtain and Release Information” form (80-VR-01.G) as outlined in the “Self-employment” section of the “VR Procedure Manual” (80-VR-00).
 - f. Schedule subsequent meetings to review information obtained and any additional information submitted to determine whether the individual should continue to pursue self-employment.
 - g. If it is determined appropriate to continue assessing self-employment, the individual shall be referred to the local Ohio Small Business Development Center (SBDC) via https://development.ohio.gov/bs/bs_sbdc.htm or Service Corps of Retired Executives (SCORE) office via <https://www.score.org/find-location> as a comparable benefit.

E. BE Referrals

1. Individuals who are legally blind, have an employment outcome of food services worker or manager, and are interested in self-employment should be referred to BE Training manager to determine appropriateness for BE.

F. Business Plan Development, Review, and Approval Process

1. Development and Review

- a. A business plan is required for anyone requesting assistance in a business start-up or requesting additional assets for a business expansion



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- i. If the individual is requesting additional business assets or seeking business expansion, a copy of the individual's existing business plan shall be obtained, if available.
 - b. A business plan is required and shall be submitted to OOD for approval unless the individual meets one (1) of the criteria below.
 - i. The individual is not requesting start up assistance, the purchase of any assets, or other support for the business.
 - ii. The individual is considered an independent contractor.
 - c. The business plan shall include, at a minimum, the following sections:
 - i. Executive Summary;
 - ii. Business Description;
 - iii. Market Plan;
 - iv. Operations Plan; and
 - v. Financial Plan.
 2. Business Plan – Required Modifications, Approval, or Denial
 - a. Business plans shall be approved by VR Staff/VR Supervisor or VR Contractor/OOD Contract Liaison Supervisor if the amount requested is less than \$10,000.
 - i. If the amount requested is \$10,000 or more, the business plan shall also be approved by the Area Manager, or designee.
 - b. A business plan review may result in the requirement of modifications, approval, or denial.
 3. If a business plan is not approved, at any time during the approval process, other vocational services, such as job placement services, shall be explored with the individual.
- G. Individualized Plan for Employment (IPE) Development
1. In addition to following the guidance and direction in the "Individualized Plan for Employment (IPE)" policy (80-VR-08) and the "Individualized Plan for Employment (IPE)" section of the "VR Procedure Manual" (80-VR-00).
 2. An IPE for self-employment should also include:
 - a. the specific employment outcome ("self-employment" is not an employment outcome);
 - b. identification that the IPE included self-employment services (by checking the box).
 - c. service needs in relation to a business start-up (i.e., business consultation, business plan implementation assistance);
 - d. the individual's contribution to the business; and
 - e. a list of business start-up expenses.



- i. OOD is prohibited from providing on-going financial support for a business.
3. Alternative plans for continued funding shall be included in the business plan and documented in the IPE.
 - a. OOD's business support shall not exceed six (6) months from the first business-related authorization.
 - b. OOD's support for rental of business space shall not exceed three (3) months.
4. An amendment to the IPE shall be completed if the individual requests additional start-up goods, services, or financial support, if approved.

H. IPE Implementation and Monitoring

1. The provision of services may begin once the appropriate approvals for the IPE and business plan have been obtained and documented in an AWARE Case Note.
2. "Purchasing" (40-FIN-01) and appropriate subsequently issued procedures (e.g., "Vocational Rehabilitation Purchases [40-FIN-01-06]) shall be followed when purchasing business start-up supplies with OOD funds.
3. The individual shall, upon request, provide documentation of any items (e.g., registration with Secretary of State, licenses/permits needed, proof of insurance, schedule C/SE form 1040) deemed appropriate by OOD
4. During the provision of self-employment services (i.e., business plan development with a business consult [if applicable], a feasibility study, technical guidance), monthly reports shall be completed by a business consultant detailing the progress of the implementation of the business plan.

I. Self-employment Case Closure

1. Self-employment case closure follows the guidance and direction in the "Vocational Rehabilitation Case Closure" policy (80-VR-02) and the "Case Closure" section of the "VR Procedure Manual" (80-VR-00). At a minimum, self-employment case closure shall include wage determination.
 - a. The hourly wage for self-employed individuals is calculated by taking the business' gross income (A) minus expenses (B), then dividing this total (X) by the actual hours worked (C) or $(A - B) = X / C$.

FORMS AND ATTACHMENTS

- N/A

RESOURCES

- 80-VR-99.A Vocational Rehabilitation Definitions
- 80-VR-98 Standard Expectations and Funding Information for Vocational Rehabilitation Policies and Procedures
- 80-VR-00 Vocational Rehabilitation (VR) Procedure Manual
- 80-VR-08 Individualized Plan for Employment (IPE)



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- <https://clients.ohiosbdc.ohio.gov/events.aspx> - Small Business Orientation
- 80-VR-16-01.A Exploration of Self-employment
- 80-VR-04 Comprehensive Assessment
- 80-VR-01.G Consent to Obtain and Release Information
- 40-FIN-01 Purchasing
- 40-FIN-01-06 Vocational Rehabilitation Purchases
- 80-VR-02 Case Closure
- 50-LR-15 Discipline Policy, 50-LR-15.A Discipline Grid

FUNDING

Refer to “Standard Expectations and Funding Information for Vocational Rehabilitation Policies and Procedures” (80-VR-98) for Information on OOD’s federal grant funding amounts and percentages awarded by the U.S. Department of Education (DOE) or the U.S. Department of Health and Human Services (HHS).

REVIEW

It is the responsibility of the Deputy Director, or designee, to review this policy, on or before the date listed in the header and if applicable, make any necessary revisions. The Deputy Director, or designee, shall document the review as required in “Policy and Procedure Process” (10-ADM-01).