

# LRS CHAPTER 4, TECHNICAL ASSISTANCE & GUIDANCE MANUAL



Part	Name	Effective Date
412.19	Small Business Enterprises	*June 29, 2020**
<b>Authorization</b> Federal Register, Volume 81, Department of Education, 34 CFR 361, Part IV, State Vocational Rehabilitation Services Program, §361.48, §361.49, §361.52, §361.53, §361.54 and 2 CFR 200.407.		

## I. PURPOSE

The purpose of a self-employment goal for a consumer is to establish an individual with a disability in a small business enterprise that will provide sufficient income to support the individual and their family, thereby enabling the individual to meet ordinary daily living expenses and business costs.

LRS desires to make self-employment an available option only when it is clearly demonstrated that self-employment is the best choice for the consumer.

## II. THINGS TO CONSIDER

When considering the potential for a consumer to succeed in small business the following should be considered:

- Does the consumer’s disability preclude them from working in a traditional employment environment?
- Have alternative employment options been explored?
- Does the consumer have a clear understanding of the business they want to start?
- Have they sought employment and been denied, if so, why?
- Can consumer perform the essential (physical/psychological) requirements of the job?

## III. SCOPE OF ESTABLISHMENT OF SMALL BUSINESS ENTERPRISE

A. When it is determined by a counselor and an eligible consumer that self-employment, through establishment of a small business enterprise, is the best option for the consumer, the following apply:

1. The Counselor will give the self-employment assessment to the person that expresses an interest in self-employment. This is located in Omni-forms in the Counselor Toolbar.

2. The consumer must present evidence of a record of recent success or training in the industry pertinent to the products and/or services the consumer plans to offer in this particular self-employment venture; (i.e. worked in the industry for money, trained in vocational-technical school/college/apprenticeship for a sufficient amount of time to learn the essential functions of the business. Consumer should be able to identify the key tasks and functions.)
3. The consumer must attend at least one workshop on small business development designed to develop and raise the management skills of small business owners. Acceptable workshops include those operated by the small business development centers (SBDC), chambers of commerce (SCORE), Louisiana Department of Economic Development, and colleges and universities;
4. The consumer must develop a business plan;  
The business plan must:
  - a. be thorough, realistic, and in writing;
  - b. include, but is not limited to:
    - (1) estimates of revenues and expenses;
    - (2) estimates of profit;
    - (3) local market analysis;
    - (4) insurance quotes - provide copies to counselor;
    - (5) consumer as the owner/proprietor of the business actually working in/managing the business;
    - (6) evidence to indicate the business venture has the potential to generate sufficient profits to provide consumer with gainful income to support consumer/family's daily living expenses and business costs; (See Counselor Tool Box in Share (S) drive/OWD/LRS/Omniforms for further assessment tools & resources)
    - (7) 6 month cash flow projection.
5. Refer the consumer to benefits planning to learn of Social Security work incentives such as PASS and IRWE.

6. The consumer must:
  - a. Submit the business plan to a small business development center for evaluation of the viability of the business venture in terms of competitive profitability.
  - b. Share with LRS the small business development center's evaluation of and comments regarding the business plan.
  - c. If suggested by the small business development center, make modifications to the business plan with the recommendations made by the small business development center.
  - d. Resubmit such plan for re-review by the small business development center.
  - e. Submit a letter to the Counselor indicating approval of the business plan by the Small Business Development Center.
7. LRS can contribute reasonable start-up costs, not to exceed \$20,000, for a small business establishment. The cost of any training/workshops relative to establishing the consumer in a small business and/or disability-related assistive technology devices is not included in the \$20,000 limit.

Counselor should check the Secretary of State's website at <https://coraweb.sos.la.gov/CommercialSearch/CommercialSearch.aspx> to ensure the requested business is not already listed. If it is, the counselor should take note of the date in which it was listed.
8. Commitment by the consumer to make a minimum cash capital contribution of 20 percent<sup>1</sup> of the total transaction. In-kind contributions will not be counted as part of the cash capital contribution. Such funds can be from the consumer's personal resources, loans, etc.
9. The consumer will need a statement of line of credit, savings, credit report or other financial resource from a financial institute.
10. LRS will not assist a consumer in the establishment of multiple (more than one) small businesses. Once the initial business is set up, LRS will not provide funds for expansion or improvements to the business. If changes in the nature of the consumer's disability require disability-related modifications and/or assistive technology to enable the consumer to continue in this employment capacity, the individual must:
  - a. be an eligible consumer or eligible for post-employment services;

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<sup>1</sup> SSI/SSDI recipients are exempt from the 20% cash contribution

- b. complete and provide to the counselor a profit and loss statement to determine if the business is still enabling the individual to meet ordinary business cost and receive a salary no less than minimum wage;
  - c. meet all other applicable policy/procedure regulations.
- 11. LRS will not provide funding for:
  - a. businesses that are speculative in nature, such as investments in real estate, etc.;
  - b. businesses organized as nonprofit;
  - c. businesses organized as hobbies;
  - d. construction and/or purchase of real estate;
  - e. purchase of land;
  - f. refinancing of existing debt;
  - g. purchase of vehicles.
- 12. LRS will not provide cash advances or pre-loaded bank cards to be used for business expenses.
- 13. All other applicable state, federal, and agency laws, policy and procedure must be followed, including state purchasing laws.
- 14. These policy provisions do not apply to the Randolph Sheppard Program.
- 15. The Small Business Review committee at State Office is available to review and provide recommendations on small businesses. Regions are not required to refer small business plans to the Small Business Review Committee. Any recommendation by this committee is simply a recommendation. The final decision for approval or denial of a small business is the responsibility of the region.
- 16. To refer a case to the Small Business Review Committee, please send all pertinent information to the Bureau Administrator for Community Rehabilitation Programs in State Office.
- 17. Ultimate approval of funding a small business enterprise for an eligible vocational rehabilitation consumer lies with Louisiana Rehabilitation Services.

#### IV. BUSINESS DEVELOPMENT PROGRAMS AND ORGANIZATIONS

The following programs/organizations can assist the consumer in developing their Business Plan, and provide other counseling services and workshops related to the consumer's self-employment venture.

The consumer should receive assistance in developing their Business Plan from one of the following program/organizations to insure the viability of the business venture in terms of competitive profitability.

- A. The **Louisiana Small Business Development Center (LSBDC)** is a resource for entrepreneurs that provides one-on-one business consulting, training and information resources at no cost through a network of 10 centers. For more information on the LSBDC and to locate a center use the following link:  
<https://www.lsbdc.org/locatecenter.php>

- B. References and Resources

##### **Dixie Business Development Center**

1810 S. Range Avenue  
Denham Springs, LA 70726  
Telephone: (225) 665-0809  
Fax: 225-665-8171  
<http://www.dixiebusinesscenter.org/>

The Dixie Business Center is a nonprofit business incubator program dedicated to helping new and emerging businesses develop, grow and succeed. The Dixie Business Center is a joint economic development project between Dixie Electric Membership Corporation (DEMCO) and Livingston Economic Development Council (LEDC).

##### **Louisiana Business & Technology Center**

LSU Innovation Park  
Louisiana Business & Technology Center  
8000 Innovation Park Drive  
Baton Rouge, LA 70820  
Telephone: 225-578-7555  
Fax: 225-578-3975  
[lbt@lsu.edu](mailto:lbt@lsu.edu)

The Louisiana Business and Technology Center is a business incubator program located on LSU campus that offers technical assistance, consulting and rents space to budding technology companies.

### **Louisiana Economic Development**

1051 North Third Street  
Baton Rouge, LA 70802-5239  
(225)342-3000/ (800)450-8115  
<http://www.opportunitylouisiana.com/>

Louisiana Economic Development (LED) is responsible for strengthening the state's business environment and creating a more dynamic Louisiana economy. LED also assists citizens in opening their own businesses through various offered programs, including the Individuals with Disabilities Initiative. LED offers a guide aimed at individuals who are interesting in starting a small business. The guide addresses a number of decisions which must be made to insure that the newly developed business starts properly and has the maximum opportunity for success. To view the guide:

<https://www.opportunitylouisiana.com/business-incentives/small-business-loan-and-guaranty-program>

### **Louisiana Public Facilities Authority**

2237 South Acadian Thruway, Suite 650  
Baton Rouge, LA 70808  
Telephone: (225) 923-0020/ (800) 228-4755  
Fax: (225) 923-0021  
<https://www.lpfa.com/>

Louisiana Public Facilities Authority (LPFA) is a quasi-public agency that fosters economic development and job creation in Louisiana. The LPFA acts as a "conduit" issuer of bonds on behalf of a borrowing entity. This means that the LPFA issues bonds on behalf of other entities in order for those entities to be able to finance their projects on a tax-exempt basis.

### **Service Corps of Retired Executives (SCORE)**

SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. SCORE is supported by the U.S. Small Business Administration (SBA), and has over 11,000+ volunteers who offer their services at no charge or at very low cost. To find a SCORE chapter location use the following website:

<http://www.score.org/about-score>

## V. PURCHASING GUIDELINES FOR SMALL BUSINESS ENTERPRISES

NOTE: These guidelines do not apply to the Blind Enterprise Program.

- A. The Counselor must apply all Agency policy/procedure relative to use of comparable services and similar benefits and consumer participation in the cost of services. (Refer to Chapter 4, Part 410.)
- B. LRS can contribute reasonable start-up costs not to exceed \$20,000 for a small business establishment. The only exceptions to the \$20,000.00 are as follows:
  - 1. Costs of training/workshops to assist the consumer in learning how to establish the small business.
  - 2. Purchase of assistive technology devices to improve the consumer's functional capabilities and to enable the consumer to successfully operate a small business. (Refer to Chapter 4, Part 412.04 for further information on Assistive Technology Devices.)
- C. The consumer must make minimum cash contribution of 20%<sup>1</sup> of the transaction. In-kind contributions will not be counted as part of the contribution. Such funds can be from consumer's personal resources, loans, etc.
- D. Request for Price Quotes

If the Counselor chooses not to use the State Contract to purchase the item(s) and the item/ or total of all the items exceed \$5,000.00, the Counselor or the Counselor's Associate must:

- 1. Obtain quotes from at least three local vendors. (If fewer than three vendors are available, obtain quotes from only available vendors.)
- 2. If the consumer expresses a choice of vendors, the Counselor should obtain the quotes from those vendors.
- 3. If the Consumer chooses to use the Vendor submitting the lowest quote, then the Consumer need not participate in the cost of services for the purchase of occupational tools, equipment, or personal computers.
- 4. If the Consumer chooses to use a Vendor other than the one submitting the lowest quote, then the Consumer must pay the difference in cost between the lowest quote and the quote submitted by the chosen vendor.
- 5. Telephone quotes are not acceptable

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6. Give the vendor a time limit for submitting a price quote.
7. The Counselor or Counselor's Associate should include at least the following information as part of the request for a price quote:
  - a. Any features, drawings, and performance specifications.
  - b. Indicate the award as "all or none" or "as a package" if multiple items are involved.
  - c. Request for warranty information.
  - d. Date by which item(s) must be delivered.
  - e. A request to include delivery and set-up costs (if applicable) in the price quote.
  - f. Any particular specifications, for example: the specification could require that the vendor is located within 25 miles from the consumer's domicile to facilitate any adjustments, repairs, etc., that could be required after delivery.
  - g. The closing date for receipt of the quote.

- E. \*\*\* \*The completed IPE/Plan must be submitted to the District Supervisor for approval unless Counselor is on Independent Status. Upon approval of the IPE the RCA/Counselor will enter the Authorization(s). See Chapter 4, Part 411.1 for further instructions on Secondary Approval requirements.

If the total of all items/services on any IPE/ Plan is equal to or greater than \$25,000, it shall be considered "high cost."\*\*\* In these instances, all Counselors must have the IPE/Plan approved by both the District Supervisor and the Regional Manager.

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