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## BUDGET UNIT BRIEF – FY 2019

Fiscal Services Division

September 20, 2018



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## Entrepreneurs with Disabilities Program

### Program Overview

Iowa Vocational Rehabilitation Services (IVRS) works in collaboration with the Iowa Department for the Blind to administer the Iowa Self-Employment (ISE) Program, also known as the Entrepreneurs with Disabilities (EWD) Program. The Program provides business development funds in the form of technical assistance (up to \$10,000) and financial assistance (up to \$10,000) to qualified Iowans with disabilities who start, expand, or acquire a business within the State of Iowa.

Limitations of the Program include:

- IVRS may limit or deny ISE assistance to an applicant who has previously received educational or training equipment from IVRS through another rehabilitation program when such equipment could be used in the applicant's proposed business.
- Any equipment purchased for the applicant under this Program that is no longer used by the applicant shall be returned to IVRS.
- An applicant must demonstrate at least 51.0% ownership in a for-profit business that is actively owned, operated, and managed in Iowa.
- Recommendation for and approval of financial assistance is based on acceptance of a business plan feasibility study and documentation of the applicant's ability to match dollar-for-dollar the amount of funds requested.
- The applicant's business plan feasibility study must result in self-sufficiency as measured by earnings that equal or exceed 80.0% of substantial gainful activity.
- IVRS does not support the purchase of real estate or improvements to real estate.
- IVRS does not provide funding to be used as a cash infusion, for personal or business loan repayments, or for personal or business credit card debt.

IVRS may deny ISE assistance to an applicant planning to start, expand, or acquire any of the following types of businesses:

- A hobby or similar activity that does not produce income at the level required for self-sufficiency.
- A business venture that is speculative in nature or considered high-risk by the Better Business Bureau or a similar organization.

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### More Information

Iowa Vocational Rehabilitation Services — Iowa Self-Employment Program:

[www.ivrs.iowa.gov/lowaSelfEmploymentProgram/ISEFrontPage.htm](http://www.ivrs.iowa.gov/lowaSelfEmploymentProgram/ISEFrontPage.htm)

Iowa Vocational Rehabilitation Services: [www.ivrs.iowa.gov](http://www.ivrs.iowa.gov)

LSA Staff Contact: Robin Madison (515.281.5270) [robin.madison@legis.iowa.gov](mailto:robin.madison@legis.iowa.gov)

- A business registered with the federal Internal Revenue Service as a Section 501(c)(3) entity or other entity set up deliberately to be not-for-profit.
- A business that is not fully compliant with all local, State, and federal zoning requirements and all other applicable local, State, and federal requirements.

### **Technical Assistance Funds**

Business development specialists or counselors are available for direct consultation to each applicant to ensure that quality services for business planning are provided in a timely manner.

Technical assistance funds may be used for specialized consulting services as determined necessary by the counselor, the business development specialist, and the client. Technical assistance funds may be awarded up to a maximum of \$10,000 per applicant. Specialized technical assistance may include but is not limited to market analysis; marketing plans; engineering, legal, accounting, and computer services; preliminary business plan feasibility studies; financial packaging; and other consulting services that require specialized education and training.

### **Financial Assistance Funds**

Following the business development specialist's evaluation and scoring of the business plan feasibility study, the business development specialist issues a recommendation to support or not support the proposed business venture. The counselor then makes the final decision regarding approval or denial of the recommendation. If the recommendation is approved, the client and counselor review conditions of the financial assistance award and sign the appropriate forms of acknowledgment.

Financial assistance funds may be awarded up to \$10,000 based on an approved business plan feasibility study and evidence of business need or evidence of business progression. Before receiving financial assistance, the client must demonstrate a dollar-for-dollar match based on the amount of funding needed. The match may be provided through approved existing business assets, cash, conventional financing, or other approved sources.

These funds may be approved for items such as: equipment, tools, printing of marketing materials, advertising, rent (up to six months), direct-mail postage, raw materials, inventory, insurance (up to six months), and other approved start-up, expansion, or acquisition costs.

Businesses started as a result of the Entrepreneurs with Disabilities Program include: laser cartridge recycling plant, florist, advertising specialty firm, agricultural business, printing, artist, and dairy farmer.

### **Funding**

The Entrepreneurs with Disabilities Program began in FY 2009. The General Fund appropriation is currently \$138,506 annually.

### **Related Statutes and Administrative Rules**

Iowa Code chapter [259](#)

Iowa Administrative Code [281—56](#)

### **Budget Unit Number**

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