

10A NCAC 63F .0107 ESTABLISHMENT OF SMALL BUSINESS OPERATIONS

(a) The Division shall provide technical assistance and other services to eligible individuals for whom it has been determined that self-employment through a small business operation is the employment outcome to be achieved through services outlined on the Individualized Plan for Employment. These services include market analyses, development of a business plan, and provision of funds that will in full or in part support the business operation as outlined on the IPE at a level agreed upon by the consumer and the Division's counselor. The employment outcome must allow the eligible individual to become a successful entrepreneur with projected income equivalent to, or above, the level of Substantial Gainful Activity (SGA) as established by the Social Security Administration annually. Outside resources, such as the University of North Carolina's Small Business and Technology Development Centers, shall be used to develop a proposal for the establishment or expansion of a small business. The proposal shall consist of a business plan with the following data:

- (1) A summary of product/service or the proposed business;
- (2) Company background information;
- (3) Detailed description of product/service;
- (4) Market information specific to the proposed business location;
- (5) Competition information specific to the proposed business location;
- (6) Marketing strategies;
- (7) Location of the small business with specific details;
- (8) Management and operation plans, to include the eligible individual's role;
- (9) Financial information including a projection of anticipated income per month (or per completed task) and the anticipated expenses of operating the business (If the consumer is unable to establish this independently, an accountant or CPA may be hired to conduct an independent objective assessment; and
- (10) Specific costs of the establishment, including information of the eligible individual's contributions.

(b) All proposals must contain written approval by the Rehabilitation Counselor, the Area Rehabilitation Supervisor, and the Chief of Rehabilitation Field Services for sponsorship by the Division. The feasibility of the venture and the eligible individual's skills, knowledge, experience, competency and contribution of time and money are factors that shall be considered in the review of the proposals.

(c) Review and written approval by the Division's Projects Review Committee is required for the following and shall consider the feasibility of a business plan to include a summary, company background, product/service, competition, marketing of product/service, location, personnel management, and financial information:

- (1) Proposals requesting Division sponsorship of less than under five thousand dollars (\$5,000) as requested by the Chief of Rehabilitation Field Services when feasibility of the proposal is not clear, and
- (2) All proposals requesting Division sponsorship of five thousand dollars (\$5,000) or above.

(d) The Division shall set thirty thousand dollars (\$30,000) as the maximum amount of Division contribution for the establishment of small business ventures by eligible individuals. The Division may modify the maximum level based on availability of funds. The Division may exceed the maximum level on a case-by-case basis when all of the following conditions are met:

- (1) The business plan as described in Paragraph (a) of this Rule contains evidence that:
 - (A) Funds in excess of thirty thousand dollars (\$30,000) are required in order to establish or expand the proposed small business; and
 - (B) All other sources of funding have been researched by the consumer;
- (2) The projected annual income is above the Substantial Gainful Activity (SGA) level established by the Social Security Administration; and
- (3) Funds are available.

*History Note: Authority G.S. 111-28; 34 C.F.R. 361.48(s); 34 C.F.R. 361.50(c)
Eff. February 1, 1976;
Readopted Eff. November 16, 1977;
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Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. November 23, 2015.*