



**State of Illinois
Department of Human Services
Division of Rehabilitation Services**

DHS-DRS Case Number

CLIENT'S INITIAL PROPOSAL FOR A SELF-EMPLOYMENT ENTERPRISE

Client's Name	Phones: Home	Business
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Business address	City	County
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CLIENT'S AGREEMENT

One of the most important tools for success in a self-employment or business enterprise is good and continuous record-keeping. Without detailed accounting of the activities of a business, the manager is operating without knowing the true condition of the enterprise and supporting evidence to meet tax and other legal obligations will not be available.

I, the undersigned, fully understand that the Department of Human Services - Division of Rehabilitation Services (DHS-DRS) cannot consider the approval and authorization of any services and funds to assist me with a plan for a self-employment or business enterprise unless I furnish complete evidence of my qualifications, interests, and need for such employment; that personal funds and/or business loans are available to establish the business on a sound basis; and that the proposed enterprise must offer a reasonable chance for my successful and long-range gainful occupation, with eventual actual net earnings to meet the major portion of usual living expenses for my dependent family and myself.

I further understand and agree that any deliberate misrepresentation on my part regarding information and finances related to the establishment of the enterprise will be sufficient cause for the DHS-DRS to deny services and funds for the requested purpose.

I understand that in the effort to gather as much objective information as possible to evaluate my request for DHS-DRS support in a business enterprise, it may be necessary for DHS-DRS personnel to make inquiry of certain members of my home community relative to how they view such a venture under my management.

In the event that I do not demonstrate satisfactory management and operation of the enterprise, cooperate fully with the suggestions and recommendations of DHS-DRS personnel and other authorized consultants, furnish regular accounting and progress reports as indicated above; I understand and agree that DHS-DRS may recover and/or all items purchased from DHS-DRS funds, or an equivalent fair cash value, and that DHS-DRS may take necessary legal action through the State of Illinois for such recovery where title to the items furnished by DHS-DRS to establish a self-employment or business enterprise has not been officially assigned to me by DHS-DRS.

PREPARE THIS FORM CAREFULLY AND COMPLETELY. FAILURE TO DO SO WILL RESULT IN REJECTION OR DELAY.

Client's signature	Date
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In my judgment, this client has the necessary qualifications to engage in the self-employment enterprise as proposed.

Counselor's Signature	Date	District	Region	Area
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Office & Phone Number

Casework Supervisor's Signature

NOTE TO COUNSELOR: ATTACH COPY OF EACH - Interview Information form, Client Financial Analysis, Medical reports, Vocational Testing (if available)

FOR CENTRAL OFFICE USE ONLY:

_____ Reviewed and approved as presented	_____ Reviewed - further work-up as requested below
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COMMENTS:

DATE: _____

GENERAL INFORMATION

Should You Go Into Your Own Business? Many people go into business without knowing about planning, costs, responsibilities, hard work, and the actual amount of money to be earned. Many of these soon fail, lose their money and go into debt because they did not know how to manage and operate a business.

Before you go into your own business - Complete this plan YOURSELF to make sure that you have carefully looked into all the conditions which may apply to your proposed enterprise. Collect your information based on facts, reading, talking with your family and friends - and get advice from a banker, a number of businessmen, public officials, a lawyer, tax and other government agencies, as well as jobbers and suppliers who know and service your proposed type of enterprise.

Conditions - The Department of Human Services - Division of Rehabilitation Services (DHS-DRS) will not encourage you to use your own money, nor invest your own funds unless your plan has a reasonable chance for success.

The fact that you complete and present this plan, or any additional information requested, does not mean that DHS-DRS will provide the services and funds you suggest. **DO NOT USE YOUR OWN MONEY OR CREDIT** for expenditures, debts, contracts, leases, or in any other manner for your proposed enterprise - assuming that DHS-DRS will assist you in the way and to the extent you request in this plan. Your Rehabilitation Counselor will inform you of the official approval and authorization of any services and funds which may be provided as part of your plan by DHS-DRS.

Your plan and any additional information requested must be adequately prepared and on file with DHS-DRS before any consideration can be given to assist you with services and funds to establish a proposed self-employment or business enterprise.

DHS-DRS is required by law to purchase goods and services from qualified supplies at lowest cost based on three (3) competitive bids, and DHS-DRS retains the title to those items purchased.

DHS-ORS funds are NOT available for:

1. cash for the establishment of a business enterprise;
2. the purchase of land;
3. the purchase or construction of a building;

NOTE: However, DHS-DRS must review and approve the plans, specifications, labor and material bid quotations before any building activity is started; this allows DHS-DRS to coordinate the approval of funds other than for building.

4. the major preparation or remodeling of a building for business purposes;

NOTE: Special consideration may be given to simple modifications such as a ramp, widening of a door, handholds and supports in a bathroom or similar changes to enable a severely disabled person to carry on a business in an otherwise suitable building.

5. the purchase of motorized vehicles to be used on public roads; or
6. purchase of accounts receivable, for utility deposits, tax bonds, rent deposits or business "goodwill."

INSTRUCTIONS

The information requested on this form is necessary if the Department of Human Services - Division of Rehabilitation Services is to assist in the establishment of an enterprise.

Complete the Financial Analysis in the spaces indicated. Be sure to provide an itemized list either in the available spaces or attached to the pamphlet.

If a particular request does not apply, simply state "Not Applicable" after that number.

Answer the questions in the order listed on pages 3 through 8. Attach additional sheets if necessary.

ESTIMATED TOTAL AMOUNT OF MONEY NEEDED TO START THE ENTERPRISE

Show ALL expenses required to "open the doors" and where you will get the money for them. Itemize by the categories listed on the unmarked lines provided (attach additional sheets if necessary). Insert these totals where requested.

MAJOR CATEGORIES (itemize below)	PROPOSED SOURCE AND AMOUNT OF FUNDS		
	DHS-DRS	CLIENT	OTHER
Equipment & Fixtures:			
Tools:			
Insurance:			
Inventory of Supplies:			
Inventory of Merchandise:			
Inventory of Parts:			
Vehicle:			
Land:			
Utility deposits, tax bond, rent deposits:			
Building - purchase or construction:			
Improvement of Building or Land:			
Amount of cash on Hand to Start Business:			
Rent - (Not deposit):			
Additional Services:			
TOTALS:			

Complete a listing of all the items needed to establish the enterprise. Indicate those on hand, those to be obtained through loans and the sources of loans, and those that DHS-DRS might provide. Include the estimated cost of value of cash. After itemizing, insert the total figures in the space provided in the box. You may show hand tools as one "lump" figure.

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FINANCIAL ESTIMATE OF FIRST 12 MONTHS OPERATION

A. Estimated Expenses:

1. Maximum personal withdrawals for yourself during first 12 months (Money you must take from business to live):	_____	
2. Employee's wage or salaries other than yourself (Include FICA, Worker's Compensation, etc.):	_____	
3. Business rent:	_____	
4. Business utilities:		
Heat:	_____	
Electricity:	_____	
Gas:	_____	
Water and sewer:	_____	
(Total of 4):	_____	
5. Business telephone (Include toll charges and yellow pages):	_____	
6. Bookkeeping and accounting service:	_____	
7. Advertising other than yellow pages:	_____	
8. Auto/Truck/Vehicles:		
Fuel:	_____	
Payments:	_____	
Repair:	_____	
Service/maintenance:	_____	
Insurance:	_____	
Mileage to be driven:	_____	
(Total of 8)	_____	
9. Licenses, permits:	_____	
10. Business insurance coverage (Include Personal Liability, Property Damage, Worker's Compensation, etc.):	_____	
11. Maintenance - repair of equipment & replacement:	_____	
12. Payments & interest on business loans:	_____	
13. Bad business debts:	_____	
14. Other:		
Depreciation:	_____	
Real estate tax:	_____	
Emergency:	_____	
(Total of 14):	_____	
*15. Cost of goods sold:	_____	
*16. Cost of supplies used:	_____	
17. Sales tax and bond:	_____	
18. Total operating costs:		_____

Anticipated
vehicle mileage:

*NOTE: To determine "Cost of goods sold" and "Cost of supplies used," it is necessary to:

1. establish beginning inventory (See your answer - page 3);
2. add additional monthly purchases; and
3. deduct closing inventory:

For purposes of this estimate, assume beginning and closing inventories to be the same. Therefore, estimate anticipated monthly inventory expenditures for supplies and goods sold and insert these figure above. Remember that good business practice will lead you to an increase in inventories to meet increased business activity without jeopardizing a proper turnover rate.

5. List any training courses or individuals that can help you to better prepare for the management and operation of an enterprise, either before you start, or during the time business is being established.

6. List the members of your family who can help you in your business and describe the work they will do.

7. Do you have any present financial income or assistance that might be reduced or stopped if you go into business regardless of it's earnings? List the source and amount of reduction.

8. Managing and operating a business successfully requires long and irregular hours. List the number of days the business will be operated each week. List the number of hours each day needed for the proposed business.

9. Present evidence of the need for the proposed service or business in the community. Include population, competition, convenience to customers and other favorable conditions which will assure a reasonable volume of business to support the enterprise successfully. Where do people get this service now?

10. Show how you will price your merchandise and charge for your services to make a fair profit and remain competitive. (Mark-up, hourly rate, etc., and how the amount was calculated.) BE SPECIFIC.

11. Describe your plans and arrangements for merchandising, marketing, business development, advertising, and for getting the cooperation and interest of the community in your enterprise.

12. Describe the plan you have to regularly save a part of the profit from the earnings of your enterprise to build a money reserve for emergencies and future growth of the enterprise.

13. Describe the arrangements you will make to set up and maintain accounting records for your business. Such records are required by law for tax and legal requirements; mandatory for DHS-DRS participation and essential to proper management. Show name and address of accountant.

14. Describe the location for your proposed enterprise. INCLUDE ZONING REGULATIONS, SUITABILITY OF SPACE AND FACILITIES FOR OPERATION AND STORAGE, attractive appearance, convenience to customers, street or highway traffic routes and parking, reasonable costs for rent, utilities and other expenses. Show directions if rural.

15. State the legal, ZONING, tax, accounting, insurance coverage, and other such requirements which apply to all phases of the operation of your proposed enterprise and how you have been advised and action you have taken to meet all of these requirements. DHS-DRS cannot assist in establishing an enterprise unless these requirements are met. Show driver's license number.

16. List the name and address of concerns which can deliver merchandise and supplies for your business, and where you can get repair and maintenance on your equipment.

17. Describe the policies for extending credit to customers and what money you will use to carry such credit in the business.

18. Describe the policies regarding your payment of bills for goods and services supplied by others for the operation of your enterprise.

19. Where will you obtain funds required beyond DHS-DRS investment (i.e., loans, etc.)?
20. Show all present debts, both personal and business. Show amounts and repayment schedule.
21. If your plan is to purchase a "going business," you must know about the following conditions, and information must be available to the representatives of the DHS-DRS.

Check the items below which you have thoroughly investigated.

- a. Business records and accounts for two or three years showing income, expenses, taxes, Federal tax form (Schedule "C"). etc.
 - b. Suitability of business location. Length of time anticipated to be available.
 - c. Condition and age of equipment and fixtures.
 - d. Saleability of merchandise and materials on hand.
 - e. Reputation of present owner with customers, suppliers.
 - f. Mortgages, back taxes, liens upon the business, or other creditor's claims.
 - g. Length of time business has existed.
 - h. Will current owner sign "Declaration of Non-competition?"
 - i. Local changes which may impact on business and/or location.
22. Show names, addresses and phone numbers of three people in your community whom we may contact who are knowledgeable about you. If possible, select those who may be familiar with your proposed business or similar business.

USE THIS SPACE OR ADDITIONAL PAGES FOR FURTHER INFORMATION -INDICATE THE SPECIFIC ITEM TO WHICH THIS INFORMATION OR INFORMATION ON ADDITIONAL PAGES PERTAINS.