

# **ONTARIO DISABILITY SUPPORT PROGRAM - EMPLOYMENT SUPPORTS**

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## **DIRECTIVE 4.4**

### **SELF-EMPLOYMENT SUPPORTS**

#### **SUMMARY OF DIRECTIVE**

To describe the goods and services that clients can access to help them become self-employed/start a business.

To identify requirements for ODSP Employment Supports funding where the goal of the client is to be self-employed.

#### **LEGISLATIVE AUTHORITY**

[Sections 32 \(1\) of the ODSP Act 1997](#)  
[Section 4 of the Regulation](#)

#### **INTENT OF POLICY**

To ensure that clients are provided the services and supports needed to achieve sustainable employment through self-employment activities.

#### **APPLICATION OF POLICY**

ODSP Employment Supports will provide the supports required by a client whose competitive employment goal is self-employment. Service providers with expertise in the area of self-employment will help the client develop a self-employment business plan and provide supports to assist the client to implement their self-employment business plan and generate revenue.

Self-employment supports may include the development of a business plan, training in financial management and budgeting, assistance with marketing strategies, mentoring, business tools, equipment and supplies, licenses/certification, etc. As with traditional employment, service providers may offer the services themselves or purchase them on behalf of the client from other suppliers.

Regional Offices will contract with self-employment service providers in their community (e.g. small business advisory services such as Ministry of Economic Development and Trade Small Business Enterprise Centres, municipal business advisory services, community college business centres, individual service providers specializing in self-

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employment services, etc.) to assess the viability of the applicant's business plans and support self-employment/business development, as required.

### **Client Pathway**

Applicants will participate in the ODSP Employment Supports Employment Information Session. If an applicant shows interest in becoming self-employed, there will be a follow-up discussion with Employment Supports staff. This discussion will help the applicant determine if he/she is ready for self-employment by looking at factors such as whether the applicant:

- possesses a strong interest in self-employment/operating a small business;
- has a business idea that sounds reasonable;
- has the basic skills required to prepare, maintain and submit business income and expense records; and
- is aware of, and committed to, meeting all milestones (e.g. completing a self-employment business plan, generating and reporting business income, etc.).

After participating in the Employment Information Session including the follow-up discussion, the applicant will decide whether they are ready, motivated and committed to pursue self-employment. ODSP Employment Supports staff will assist the client to select an appropriate service provider.

Applicants who feel they are not ready or not capable of proceeding towards self-employment can voluntarily withdraw from the program. ODSP Employment Supports staff should discuss with the client whether he/she may be interested in pursuing traditional employment or provide alternative options to employment, as appropriate.

Once the client has selected the service provider, the service provider will complete a determination of the client's readiness to undertake self-employment by considering the individual's entrepreneurial, financial, business and marketing skills and experience, as well as the initial business idea. This review will show if the client is ready to pursue self-employment or if they should be looking at other alternatives e.g. preparing for traditional employment, upgrading education and/or skills, etc.

If appropriate, the service provider will help the client prepare a self-employment business plan outlining the viability of the venture and supports necessary to become self-employed. Service providers will receive an interim payment for assisting the client to develop their self-employment business plan and providing basic training in money management and recordkeeping.

The self-employment business plan should include:

- business idea/description;

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- client's business knowledge and skills (e.g. training, experience, organizational abilities, communication, writing and presentation skills, etc.);
- market research (e.g. demand for product or service, potential customers, etc.);
- goods and services needed by the client to start or maintain the business;
- financial considerations (business cash flow, financial projections, sources of funding);
- access and accommodation needs of the client; and
- recommendation on the viability of the business based on the above analysis.

Service providers will assist the client to implement their self-employment business plan by providing the supports needed by the client to begin generating income from self-employment activities and continue to grow their business. Service providers will earn the job placement and retention fees when the client has implemented their business plan and started generating net business income. ([See Directive 5.1 Employment Supports Funding](#))

Clients are required to submit information on their business income and expenses to their service provider on a monthly basis in order to calculate net business income. The ODSP Income Support "Income and Expense" form can be used for this purpose. The information submitted on this form may be verified by reviewing the client's business bank account records and/or providing copies of business invoices and receipts. (Note: The cost of items provided/purchased by the service provider are not considered an allowable business expense when determining the client's net business income or for income tax purposes.)

Clients participating in self-employment activities may also require exceptional work-related disability supports (e.g. sign language interpreters, assistive devices and adaptive technology) in order to operate their business. ODSP Employment Supports may negotiate funding agreements with service providers to cover these costs. ([See Directive 4.3 Exceptional Work-Related Disability Supports](#))

ODSP Income Support recipients who earn income from a business may continue to be eligible for Income Support, depending on the amount of income they earn from their business less allowable business expenses. Service providers should advise ODSP recipients of the benefits they may access including:

- Employment Start-Up Benefits (ESUB) to cover items such as business cards/flyers, transportation, work safety equipment, telephone charges, etc.;
- the monthly Work-Related Benefit, if the client is generating chargeable earnings (effective November 1, 2006);
- allowable business expenses deductions (e.g. business supplies, office rent, tools and equipment, etc.);
- earnings exemptions and deductions for child care costs and disability-related work expenses;

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- allowable business assets of up to \$20,000, if necessary for operation of the business; and
- annual reporting and averaging of income over the year.

### **Self-employment Resources**

Self-Employment information and assistance is available from a variety of sources including Human Resources and Social Development Canada (HRSDC) self-employment development programs, the Ministry of Economic Development and Trade business advisory and assistance programs, Industry Canada Community Futures Development Corporations, general business associations, community agencies and private sector service providers offering small business planning assistance. There are also numerous web sites that provide information and tools for people starting a small business. Service providers should be aware of the resources available to help clients interested in being self-employed to access these supports in their communities.

A useful workbook and self-help guide for clients interested in pursuing self-employment is the publication "Exploring Self-employment Opportunities for People with Disabilities" developed by Social and Enterprise Development Innovations (SEDI) in partnership with the Government of Ontario. This publication contains self-assessment workbooks, a business plan guide, a practitioner's guide on helping people with disabilities to explore opportunities for self-employment, and a resource guide listing web sites of government programs, business development groups and disability organizations throughout Ontario.

### **RELATED DIRECTIVES**

[2.1 Program Eligibility](#)

[3.2 Employment Information Session, Employment Supports Funding Agreement, and Selection of Service Providers](#)

[4.3 Exceptional Work-Related Disability Supports](#)

[5.1 Employment Supports Funding](#)

[6.4 Performance Measures and Information Reporting](#)