

**POLICY ON REVOLVING LOAN FUND FOR INDIVIDUALS WHEN THE IPE
INCLUDES SELF-EMPLOYMENT**

PURPOSE

To provide access to a revolving loan fund for individuals with disabilities to assist with self-employment.

ADMINISTRATION

The revolving loan fund will be administered by the Lewis and Clark Regional Development Council (L&CRDC) through a contract, cooperative agreement or other appropriate method.

CONDITIONS

Only individuals who are eligible for and receiving Vocational Rehabilitation (VR) services may apply for loan funds under this policy. Application for the funds is an available option, not a requirement.

PROCEDURES

The following steps should be taken to apply for revolving loan funds:

1. If the individual is interested in self-employment, the VR counselor and individual determine the viability of taking the original vocational goal into self-employment based on the results of the *Business Assessment Scale*. Central Office is available to assist in administering and interpreting the BAS as requested by the counselor.

With the client, amend the Individualized Plan for Employment (IPE) as necessary, in order to address any training or service needs identified through the *Business Assessment Scale*.

2. The individual develops a Business Plan, Marketing Plan and strategies to obtain financing. The VR counselor will assist the individual to locate and use state and community resources, such as the Small Business Administration, SCORE, economic development groups, and the Interagency Program for Assistive Technology (IPAT), to develop the Business Plan, Marketing Plan, strategies to obtain financing and any other necessary documents. If requested by the VR counselor, Central Office is available to assist in identifying other services and resources, and to provide technical assistance as the business progresses.

3. The individual completes the Revolving Loan Fund Pre-Application and all additional documentation, as requested. A Pre-Application is included as Attachment B. The individual provides evidence of the 10% equity of the requested loan amount, as required in the Pre-Application. The individual insures that the proper resources and cash flow are available for the on-going operation of the business.
4. The VR Counselor submits the Pre-Application to Central Office to review for completeness and to forward to the Revolving Loan Fund (RLF) Manager at L&CRDC.
5. Central Office notifies the VR counselor of the L&CRDC RLF Board's decision on the loan.

REVOLVING LOAN FUND TERMS

1. The Loan Fund requires a minimum participation by the individual of 10% in cash of the requested loan amount.
2. The maximum loan shall not exceed \$5,000.
3. Adequate collateral will be required of the loan recipient.
4. Revolving loan funds can be used for: working capital, inventory, equipment and acquisition/construction.
5. Individuals have the option to defer the principal payment on the loan for a period not to exceed 12 months, if approved by the RLF Board.
6. The interest rate will be set by the RLF Board. A minimum interest rate allowed will be four percent (4%). The maximum interest rate will not exceed two percent (2%) over prime.
7. Maximum loan length will be five (5) years.