



Memorandum

Date: December 31, 1998

To: Directors
Employment and Income Assistance

From: Gerry Schmidt
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Client Services
Employment and Income
Assistance
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Subject: **Self-Employment – Approval of Business Plans**

Employment and Income Assistance Regulation, Section 8(4), provides the authority for approving earning exemptions for clients who are employed or self-employed. Sections 8(8) and 8(9) of the *Regulation* provides additional authority that allows for the exemption from consideration as a financial resource all income derived from a business operation for a period of up to 44 weeks with a possible extension to 52 weeks “provided that all income not allocated for the payment of business expenses is reinvested in the business”. The authority for approving the reinvestment (enhanced income exemption) rests with the Minister or the Minister’s Designate.

A Self-Employment Committee (SEC) has been established to review and make recommendations to the Minister’s Designate on all cases for which the enhanced income exemption may be requested. The SEC will consist of the Director of Program Improvement, a Program Specialist and the Director of the District Office in which the case is managed. If the District Director determines that a business venture is to be recommended for the enhanced income exemption the request is to be forwarded to the Program Specialist. In all cases, if the proposal is not approved for the enhanced income exemption the EIA District Director may consider the business proposal for the regular self-employment program.

The attached procedures have been developed to assist staff in reviewing self-employment proposals and in determining if eligibility exists for the enhanced income exemptions. The procedures marked “Appendix A” apply to all self-employment proposals. The procedures marked “Appendix B” apply only to self-employment proposals that are being considered for the enhanced income exemption.

Training and Continuing Education (TCE) have agreed to have staff from the Employment Development Centres (EDC) provide self-employment counseling to EIA clients in rural and northern Manitoba. EDC staff will assist clients in determining if a self-employment proposal has merit and in the development of a business plan either through direct services or by referring the client to an appropriate agency. For clients referred to the EDC, the review and approval of the business plan is to be a joint undertaking by the EIA District Director and the EDC Regional Manager. TCE has provided EDC staff with procedures respecting their involvement.

Included in this package are examples of letters marked (“Appendix C1 through C8”), which will be available in SAMIN for your use when advising clients of any decision respecting their self-employment proposals, the business plan and continuing income assistance. Letters 1 and 2 are

applicable to both regular and the enhanced income exempted self-employment cases. Letters 3 and 4 are applicable only to regular self-employment cases. Letters 5 through 8 are only

applicable to the income exempt self-employment cases. Until the letters are available in SAMIN, please make copies of the attached examples as required.