

Self-Employment Questions and Answers:

Q: How do I know if I am eligible for self-employment program?

A: Eligibility requirements include that the participant must:

- Be eligible for, on or have received EI regular benefits/Reachback Status Client (EI last 5 years) or PWD/BCEA Client
- Have a practical, legitimate business idea and a business that you can work in for 35 hours per week for the duration of the program. Clients with disability assessment – 20 hours per week
- Have a product or service knowledge that is relevant to the business idea
- Provide evidence of a personal financial investment into the business
- Once accepted to the program, be able to participate on a full time basis with no interruptions or vacations (48 weeks)

Q: Who do I get a referral from to begin the SE Program?

A: Contact Community Futures Sun Country and we can connect you.

Q: Is my business/idea eligible for the SE Program?

A: Eligibility requirements include:

- It is a new business, or it is an existing business in which the eligible participant had no prior ownership, or it is a business that will not result in putting another individual out of business
- Has not advertised the business, products or services available (e.g. on the internet, radio, television or newspaper)
- Are not already using a separate bank account for business use (e.g. if a separate bank account has been established, there have not yet been any business transactions)
- Are not open for business – including not open for business through the “underground economy”
- Are not intending to start a business that would be determined by the SE Services Provider as an inappropriate use of public funding
- Has not generated revenue through the provision of services or products to Clientele

Q: I have a hobby that I want to turn into a business, is it eligible for the SE Program?

A: In addition to more traditional business models, the following business models may be approved:

- Home-based businesses
- Conversion of a hobby into a business (in this context, a hobby is considered a leisure-time activity undertaken for pleasure)
- Business that are seasonal in nature, under certain circumstances. The participant must devote full-time effort to the development and implementation of the business plan for the duration of their participation in SE Services

Q: Can I open a franchise opportunity through the SE Program?

A: An individual interested in opening a franchise operation may be supported under SE if he/she has some flexibility with respect to operating the franchise and making business decisions. If the parent company exercises complete control and the franchise operator/SE participant has no flexibility with respect to the business (e.g. staffing, marketing and day to day operations), then the participant would have little need for the support offered by the SE Services Provider.

If an SE participant does have flexibility with respect to the franchise operations and some support/training is provided by the parent company, this should not automatically rule out the need for SE entrepreneurial training, advice and/or mentorship nor should it be assumed that they would not benefit from the support offered under SE. However, SE Services support should be different from what is offered by the parent company.

Q: Do I need to provide personal investment into the business to be eligible?

A: Individuals must provide evidence of personal investment to participate in SE Services. Personal investment is identified as the amount of equity available to contribute to the business.

While it is preferable to see evidence of personal investment at the time of application, in exceptional circumstances, it can also be considered if the participant provides proof of personal investment prior to the beginning of the business implementation stage.

The amount of personal investment should be equal to a minimum of 25% of the total amount of financial assistance (EI Part I and II) that would be paid to the individual, or 100% of the investment required to launch and operate the business if less than 25% of EI Part I and II.

For example, if the EPBC Service Provider agrees to provide the individual with a total amount of \$14,400 in financial assistance for the duration of their participation in the SE Services, normally the individual must contribute a minimum investment of \$3,600 (14,400x25%) of his/her own money or the equivalent through an in-kind contribution (or combination of both) before the implementation phase. However, if the business involves low start-up and overhead costs (such as a house cleaning business), the participant must demonstrate his/her ability to adequately cover these costs.

Q: What can be used as proof of personal investment?

A: One or more of the following items could be considered as proof of equity:

- A current bank statement showing at least the minimum investment in the bank account of the proposed venture
- Evidence of a pre-approved loan of at least the minimum investment from a bank or other financial institution, specifically for use in the business and available only through a bank account in the individual's name or a joint account
- For in-kind contributions, which include non-monetary items the individual can contribute/obtain and which are needed for the business, proof of ownership and/or a signed statement showing ownership of the resources and a reasonable estimate of their value from a legitimate source (e.g. car/truck, tools, computer, warehousing facilities such as a backyard shed, workspace, desk, printers, telephone, work equipment or furniture)
- Evidence of the availability of an overdraft or line of credit of at least the minimum investment through the Client's bank account or joint account

Q: Is a part-time business eligible for the SE Program?

A: A part time business (less than 35 hours a week) is ineligible unless negotiated for a person with a disability.

Q: Can I take vacation while on the SE Program?

A: Vacations are NOT permitted during the time period of the Client's participation in SE Services. If Clients plan to take a holiday, it would have to be confined to statutory public holidays or weekends. There are no exceptions to this rule.

Q What type of businesses are ineligible?

A: SE Services can be provided to individuals starting businesses that are appropriate for public funding support and are not to be used to support the following types of business activities.

Any activity that involves:

- Sexual exploitation
- Illegal activity
- The production of materials that promote hate, discrimination, or illegal activity
- Otherwise promoting hate, discrimination or illegal activity
- Proselytizing of a particular religious or political opinion

- A business that is partially or entirely based on commission when it is acting as an agent of a parent company (e.g. Real Estate Agents, Insurance Brokers)
- A part time business (less than 35 hours a week) unless negotiated for a person with a disability
- A business that is currently in operation and open for business that the applicant has ownership in
- A business in which the applicant had previous ownership
- A business that will result (high probability) in putting another individual out of business
- A business owned previously by the applicant's spouse, parent or child where the eligible participant has had significant involvement in the management/decision making process
- A not for profit organization (that does not qualify as a business under Canada Revenue Agency regulations)

Q: How long is the SE Program?

A: Clients may participate in SE Services for up to a maximum of 48 weeks. Clients with disabilities may receive SE Services for up to a maximum of 68 weeks.

Q: Will I receive any financial support while in the SE Program?

A: The applicant can receive up to \$300 per week for living support.

Q: Will I receive any business support?

A: Community Futures Sun Country will provide:

- Overall support, from Business Plan Development, through Launch, and follow up 12 months after program completion
- Help identify and assist with challenges and issues
- Provide workshops & coaching to support completion of business plan
- Provide business success workshops
- One-on-one coaching

Q: How will I know if my business idea/concept will be viable?

A: Contact Community Futures Sun Country to discuss your business idea. We provide free and confidential support to our clients and will help you towards achieving your goals.