

**Workforce Expansion Program
Self-Employment Benefit**

Guide for Applicant

October 2019

Introduction

The Workforce Expansion Self-Employment Benefit Program helps unemployed individuals create a job for themselves by starting a new business. The program provides various types of support during the initial development phase of the business including financial assistance, coaching and ongoing technical advice. Coaching is tailored to meet individual needs and can include subjects such as business plan development, accounting, and marketing.

The Self-Employment Benefit Program is delivered in partnership with non-profit, private and/or public organizations. Services with these organizations are purchased in accordance with the *New Brunswick Public Purchasing Act*, Regulation 94-157.

Eligibility Criteria

Applicant

To be eligible for Self-Employment Benefit, you must meet the following criteria:

- Must be legally entitled to work in Canada.
- Must reside in New Brunswick, or be willing to establish residency in New Brunswick.
- Must not be a full-time student.
- Must be unemployed and EI eligible.
- Must present a business plan.
- Must work full-time at the business (at least 35 hours per week).
- Must have decision-making control over the business operation.
- Must have 50% or more ownership.
- Situations where you and/or family members (spouse, parent, child, brother or sister) own similar businesses must be reviewed for eligibility on a case-by-case basis.
- Must agree to and have an acceptable credit review.
- Must be able to provide additional capital to the business in form of cash or in-kind contributions at a minimum of 5% of total start-up costs.
- Must not have started the business prior to being approved and signing a contract for the Self-Employment Benefit program.
- Must not have received funding under the Self-Employment Benefit Program within the last five years.

Business

A business started under the Self-Employment Benefit Program must meet the following general criteria:

- The business must be a for-profit venture.
- The business must operate on a full-time basis for a minimum of 44 weeks per year.
- Businesses deemed to be in undue competition with existing ventures will not be eligible for funding.
- The business must be established in New Brunswick and begin operation within ten weeks of signing a Self-Employment Benefit contract.
- 50/50 Partnership businesses will be considered if a formal written agreement is provided, which details the business partners' relationships. Both partners can apply to the program.
- Businesses with a franchise fee of \$50,000 or less are eligible.
- Businesses which are based on commission sales, pyramid-type selling, network marketing, and 1-900 numbers are not eligible.
- A business which is not in the public interest is not eligible.
- A business which exploits sex, religion or politics is not eligible.
- A business which exploits vulnerable groups is not eligible (ex .pay day loans).
- The business must demonstrate viability.

What financial assistance will you receive?

Under the Self-Employment Benefit Program, if you are receiving or are eligible to receive Employment Insurance benefits, you will continue to receive these benefits until your claim ends. At that time, you will receive support at a provincially established rate for the duration of time remaining on the program.

If you are approved for the Self-Employment Benefit Program but not receiving Employment Insurance benefits, you will receive a weekly allowance at a provincially established rate. The Self-Employment Benefit Coordinator in your area can provide you with additional information on what other support may be available to you.

Revenue from the business will not be deducted from your benefits while you are participating in the Self-Employment Benefit Program. Please note, if you earn over a certain amount in a tax year (as determined by Revenue Canada), benefits may be clawed back when you file your income tax return for the year. Please check with Revenue Canada if you have any questions concerning this matter.

Special instructions to Employment Insurance claimants

In order to remain eligible for Employment Insurance benefits while your application for the Self-Employment Benefit Program is being considered, you must be able to prove that you are still unemployed and available for work. You must continue to make an effort to find work. You must not start your business until approval for the Self-Employment Benefit Program has been granted and you have signed a contract.

How to begin

1. **Attend an Orientation Session:** You must meet with your local Self-Employment Benefit Coordinator in your area. The Coordinator will analyze your strengths and needs, and recommend whether or not self-employment is a viable option for you. If this is an option, you will submit an application and, with the assistance of the Self-Employment Benefit Coordinator, prepare a business plan. You may be required to attend an orientation session provided in your community.

SELF-EMPLOYMENT BENEFIT COORDINATORS 1-888-303-2232		
CBDC Chaleur 219 Main Street, Suite 3 Bathurst, NB E2A 1A9 Telephone: 548-5951	CBDC Restigouche 41 Water Street P.O. Box 1089 Campbellton, NB E3N 1A6 Telephone: 753-3344	CBDC Madawaska 24 St-Francois Street Edmundston, NB E3V 1E3 Telephone: 737-8925
CBDC Péninsule acadienne 3620 Principale Street P.O. Box 3666 Head Office Branch Tracadie-Sheila, NB E1X 1G5 Telephone: 395-9700	CBDC Northumberland 1773 Water Street Miramichi, New Brunswick E1N 1B2 Telephone: 778-2121	CBDC Victoria/Madawaska-South 551 Main Street, Suite 300 P.O. Box 7295 Grand Falls, New Brunswick E3Z 2W4 Telephone: 473-6446
CBDC Kent 190 Irving Boulevard Bouctouche, New Brunswick E4S 3L7 Telephone: 743-2422	CBDC Westmorland Albert 337 Main Street Shediac, New Brunswick E4P 2B1 Telephone: 532-8312	CBDC Southwest 73 Millennium Drive Hanwell, New Brunswick E3C 0E2 Telephone: 454-2747
CBDC Charlotte 123 Milltown Boulevard P.O. Box 455 St. Stephen, New Brunswick E2L 2X3 Telephone: 466-5055	CBDC Hampton 27 Centennial Road P.O. Box 1165 Hampton, New Brunswick E5N 8H1 Telephone: 832-6208	

2. **Prepare a Business Plan:** Most business failures often result from poor planning. Countless pitfalls can be avoided if you spend time now to anticipate how the business will be operated. Following are some of the questions to be answered in your business plan. These factors will be considered when determining whether or not your business concept is a viable one. All of the elements will be examined in detail with your Self-Employment Benefit Coordinator.

Management

As manager of the business, you will need to give a brief statement of your background as it relates to the business. Indicate the interests, skills, knowledge, experience and abilities that you possess that will contribute to the business success.

If the business is a partnership, provide the names of your partners and the partnership agreement as well as the role each of you will play in the business.

Marketing Plan

Product - Describe your product or service, and why you think customers will buy it. Include any drawings or samples, if appropriate. Will you offer more than one product or service? Are other businesses offering the same or similar products? If so, what makes your product different or unique? What gives you a competitive advantage? Do you have any confirmed customers? (If you have done a market survey, please indicate the results).

Place - Where will your product or service be offered and how will you distribute it to your customers? What hours and days will you be available to your customers?

Prices - What prices will you charge? Indicate what you will base the prices on and how this will compare with similar products or services. What do you estimate your monthly sales will be?

Promotion - Who are your customers and how will they find out about your products or services? Describe your sales strategy. Can you get free publicity for your business? How much do you plan to spend on advertising and how will you advertise? Will you use any other promotional techniques? What follow-up will you do with customers after they have used your products or services? Will you offer guarantees?

Production Plan (if applicable)

Briefly describe your plan to manufacture or purchase your products. What kind of physical premises do you need? How will you obtain machinery, fixtures or equipment? Who will be your suppliers? Will you need employees?

Financing

What will be your estimated start-up costs? How do you plan to obtain other funds? Will any of this money have to be repaid if you are not successful? How will you do that?

Organization

If your business is organized as something other than a sole proprietorship, provide details on the legal form of the business, and, if appropriate, include an organizational chart outlining the duties of key personnel.

Laws and Insurance

Will you register your company with the provincial Registrar of Companies? Will you obtain a provincial sales tax number (necessary for certain businesses, such as those selling goods to the public) from the provincial consumer tax office? Will you obtain a Revenue Canada taxation number (necessary for hiring staff)? Have you applied for workers' compensation for your employees? What business licenses and permits do you need? What insurance will you obtain for your business? (Contact an insurance agent for details - you may require liability insurance if the public has physical access to your business). You may also require fire, theft and vehicle insurance.

Forecasting

You must include a cash flow in your plan. Show estimates of cash coming into the business as well as disbursements. Include personal investment as well as any outside financing you are planning to obtain, and estimate your expenses, including personal expenses, over the forecasted period.

Accounting and Systems

What accounting systems and records will you use to keep track of the business activities?

Assessment of the Business Risk

What risk and critical factors do you feel may affect your business in the first year? Why do you think your business has a good chance of succeeding once the financial assistance has ended?

3. **Selection Process:** The application and completed business plan will be presented by your Self-Employment Benefit Coordinator to a committee and evaluated according to provincially established program criteria. If you are a successful applicant, you will be officially made aware of your acceptance into the Self-Employment Benefit Program by receipt of a Letter of Offer from the Department of Post-Secondary Education, Training and Labour.
4. **The Agreement:** When you accept and sign the Letter of Offer, your Self-Employment Benefit Coordinator will review with you all other program regulations.

Funded by the Government of Canada and the Province of New Brunswick through the Canada-New Brunswick Labour Market Agreements.