

**Ministry of Training,
Colleges and Universities**

**Ministère de la Formation
et des Collèges et Universités**



ONTARIO SELF-EMPLOYMENT BENEFIT (OSEB)
Guidelines for Service Providers

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1.0 OBJECTIVE OF ONTARIO SELF-EMPLOYMENT BENEFIT

The Ontario Self-Employment Benefit (OSEB) program provides entrepreneurial skills development support to approved participants to help them develop and implement their business plan and become self-employed. OSEB allows participants to concentrate on building a sustainable business by providing them with financial assistance while they receive business advice and support.

2.0 KEY ELEMENTS OF ONTARIO SELF-EMPLOYMENT BENEFIT

The OSEB objective is achieved through:

- an agreement with an OSEB Coordinator to provide entrepreneurial support to an approved participant; and
- an agreement with an approved participant to provide financial assistance while s/he participates in the OSEB program.

The key elements of OSEB are:

- information sessions for eligible individuals potentially interested in OSEB;
- orientation and support sessions to enable eligible individuals to assess risk/opportunities of self-employment and personal suitability, and to develop a business concept;
- suitability assessment and assessment of the feasibility of the proposed business concept;
- mechanism for independent review of the feasibility of the proposed business concept and subsequent business plan. An independent review may include OSEB Coordinator staff and recognized individuals in the community or an organization that can provide an objective opinion on the feasibility of the business concept;
- entrepreneurial skill development support to enable approved participants to develop and implement a business plan (including but not limited to workshops, coaching, mentoring, etc.)
- on-site monitoring of the implementation of the business plan; and
- provision of financial assistance by the Ministry.

3.0 EMPLOYMENT NEEDS ASSESSMENT AND PLAN TO RETURN TO WORK//EMPLOYMENT SERVICE PLAN (ESP)

All individuals interested in OSEB must meet with staff at an Employment Ontario (EO) assessment centre or Employment Service (ES) service provider to complete a thorough employment needs-based service determination and exploration of the full range of EO and other community employment programs and services.

The process focuses on an individual's employment situation and determining if self-employment in general is an appropriate employment goal.

Through the needs-based service determination process, an individual develops a mutually agreed upon plan to return to work with staff at an EO assessment centre or an

Employment Service Plan (ESP) with an ES service provider. If self-employment is identified as the most appropriate way to address an individual's employment needs to help them find sustainable employment, it must be specified in the plan to return to work/ESP.

It is important to note in the plan to return to work/ESP that an individual has demonstrated that his/her job search has proved unsuccessful before being referred to OSEB.

4.0 CONSIDERATIONS FOR ONTARIO SELF-EMPLOYMENT BENEFIT APPROVAL

There are four incremental levels of assessment to determine participation in the OSEB program:

1. Applicant Eligibility – Determines if an individual meets the basic requirements for further assessment and consideration.
2. Business Eligibility – Determines if an individual's proposed business is eligible as outlined in the Eligible Business Activities and Ineligible Business Activities sections.
3. Suitability and Feasibility of Business Concept – Determines if an eligible individual meets the OSEB suitability criteria including if the proposed business concept is feasible.
4. Provision of Financial Assistance – If an individual meets the eligibility and suitability requirements, financial assistance is provided in conjunction with entrepreneurial support.

As noted above, an EO assessment centre or ES service provider is responsible for completing the needs-based service determination and plan to return to work/ESP and referring participants to an OSEB Coordinator.

The OSEB Coordinator is responsible for determining eligibility (i.e. applicant and proposed business), assessing an individual against OSEB suitability criteria and assessing the feasibility of the proposed business concept. This is a more comprehensive assessment that focuses on both the individual and the business concept.

The Ministry is responsible for confirming eligibility (i.e. applicant and proposed business), reviewing the suitability and business feasibility assessment completed by an OSEB Coordinator as well as approving program participation and financial assistance.

5.0 ONTARIO SELF-EMPLOYMENT BENEFIT APPLICANT ELIGIBILITY

OSEB must only be used to assist individuals who:

- are Canadian citizens or permanent residents legally entitled to work in Canada; and

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- meet the definition of an insured individual.

An insured individual means an insured person who at the time of requesting assistance (i.e. the Ministry's receipt of application) is an unemployed person:

- for whom an EI benefit period has been established, or
- whose EI benefit period ended within the last 36 months, or
- who is re-entering the labour force after having left it to care for newborn or newly adopted children. The individual must have a benefit period that began within the last 60 months during which they were paid maternity or parental benefits.

An individual who has completed a business plan (as determined by an OSEB Coordinator) with the assistance of outside expertise (e.g. accountant or business consultant) prior to seeking support under OSEB, and who does not require assistance during the business plan development phase, is not eligible.

An individual who begins working on his/her business prior to seeking approval from the Ministry for OSEB is not eligible for the program (see Eligible Business Activities).

As well, an individual who has previously completed within the last 24 months or is currently enrolled in a self-employment program (i.e. provincial or other) is not eligible for OSEB. To minimize false expectations, assessment centres or ES service providers must ensure the original employment goal is the most appropriate path to re-employment and individuals facing difficulty are referred back to other EO or community services.

An individual who is not eligible for OSEB should be redirected to other Employment Ontario or community program and services.

6.0 ELIGIBLE BUSINESS ACTIVITIES

The proposed business activity must be full-time. This means that the approved participant must devote at least 35 hours per week to developing and implementing the business plan. Fewer hours may be negotiated for a person with a disability.

The OSEB applicant must be considering:

- a new business or an existing business in which the individual had no prior ownership; and
- a business that is suitable for public funding in the opinion of the Ministry.

The proposed business may be:

- seasonal in nature (an individual must devote all efforts full-time to the development and implementation of the business plan for the duration of the OSEB agreement. In some cases, the individual may be engaged in more than one full-time seasonal activity within the agreement timeframe);
- home-based;

- a hobby (i.e. a leisure activity undertaken for pleasure where the primary intention is not to generate income) converted into a business.

Registering a business with the Province of Ontario or Canada Revenue Agency (CRA) prior to qualifying for OSEB should not be considered an automatic disqualification.

An individual who begins working on his/her business prior to obtaining approval from the Ministry for OSEB will be considered ineligible as s/he would now be considered self-employed and therefore, no longer eligible as per Section 58 of the *EI Act*. Generally speaking, it is CRA's view that a business commences whenever some significant activity is undertaken that is a regular part of the income-earning process or is an essential preliminary to normal operations.

Where an activity consists merely of a review of various business possibilities in the expectation or hope that information will be obtained to justify going into a business of some kind, such an activity might not represent the commencement of a business. A business may be viewed as being merely contemplated for the future if no serious or reasonably continuous efforts are being made to begin normal business operations.

Indications that an applicant may have already incurred significant business start-up costs include (although are not limited to):

- supplies purchased for the proposed business;
- business expenditures have been incurred (e.g. office space, employee training);
- materials purchased for the purpose of resale;
- business, products or services that have been advertised (e.g. web, radio, television, newspaper);
- a significant client base has been established and/or significant sales generated.

6.1 Structure of an Eligible Business

Acceptable types of business structures for OSEB include:

- sole proprietorship;
- partnership: A partnership is an arrangement whereby two or more persons combine their resources in a business. In order to establish the terms of the business and to protect each partner in the event of disagreement or dissolution of the business, a partnership agreement is normally drawn up by the partners, with the assistance of a lawyer. While it is a good idea for partners to consider entering into a legal partnership agreement to protect them, a legal partnership agreement is not an eligibility requirement under OSEB. In all cases, the OSEB partner(s) solely or jointly must show that s/he (they) is the major decision maker and has control over the OSEB venture. Partners share in the profits and losses according to the terms of their partnership agreement. A partnership between two or more OSEB applicants is allowable as long as the individuals have control over the business and they can fulfill their full-time obligation to developing and implementing their business plan.
- Corporation: An individual(s) must hold the majority of voting shares and not be in insurable employment with the company;

7.0 INELIGIBLE BUSINESS ACTIVITIES

The following are ineligible business activities under OSEB:

- any activity that involves, in the opinion of the Ministry,:
 - 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
- business that is partially or entirely based on commission and dependent on a parent company (e.g. real estate agents, insurance brokers, Mary Kay);
- franchise;
- home-based daycare;
- part-time business (less than 35 hours a week unless negotiated for a person with disabilities);
- business the applicant currently owns and operates;
- business the applicant previously owned;
- business owned previously by the applicant's spouse, parent or child where the individual has had significant involvement in the management/decision-making process; or
- not for profit organization (i.e. those that do not qualify as a business under the CRA regulations).

8.0 ONTARIO SELF-EMPLOYMENT BENEFIT SUITABILITY

An individual must meet the eligibility (i.e. applicant and proposed business) requirements to be assessed for OSEB suitability. The OSEB Coordinator is responsible for completing the suitability assessment.

An individual must meet the following OSEB suitability criteria:

- requires business support as demonstrated by lack of prior related self-employment experience and training (based on client documentation, a self-assessment facilitated by an OSEB Coordinator and an OSEB Coordinator's assessment of the individual);
- does not possess a professional designation (e.g. medical doctor, lawyer, CA)
- proposes a business where there are no laws or regulations that impede the individual from starting it;
- possesses product or service knowledge and skills related to the proposed business activity (e.g. construction experience/formal training if a construction business, bookkeeping experience/training if offering such services);
- possesses the certification or qualification, if required under law or regulation, to perform the proposed business activity;
- business concept as presented is considered to be feasible and the individual is an appropriate candidate for self-employment program participation; and
- individual provides evidence of a minimum of 25% equity (cash and/or in-kind) to contribute to the business; and if the business plan indicates need for business

financing/investment, it is reasonable to expect the individual will be able to access the business funds required.

The OSEB Coordinator must ensure there is evidence that the individual meets (or does not meet) all the suitability criteria when providing him/her with the letter of support (or non support).

9.0 FEASIBILITY OF BUSINESS CONCEPT

While it is not considered to be a formal or extensive document, the business concept is intended to reflect an individual's preliminary efforts to explore a specific business opportunity as a feasible option to becoming self-employed. In addition to business eligibility, an individual's business concept must be assessed for its feasibility and potential sustainability.

The determination of the feasibility of the proposed business concept may include (among other things) a review of the concept, preliminary market research that supports the opportunity for the product/service, a bank statement or appropriate written documentation verifying access to funds needed to finance or secure financing related to the start-up of the business, financial projections, resume (CV), proof of ownership of non-cash assets, and other relevant information as determined appropriate based on the business concept.

As well, the business concept must be assessed against the individual's skills and knowledge, achievement of required training and experience, industry designations or certifications, and the individual's self-assessment. Based on business expertise and knowledge of the local labour market (including industries, opportunities, trends, etc.), the OSEB Coordinator must complete a letter of support/non support for the applicant which must be attached to his/her application form (including other required documentation such as resume, plan to return to work/ES, etc.).

Elements that may be included within a business concept include:

Tombstone Data	(name, address, contact numbers, etc. of applicant)
Business Structure	(sole proprietorship, limited company, incorporation)
Product or Service	(products or services)
Geographic Location	(municipality, geographic region, province)
Anticipated Address	(address where business may operate)
Key People Identified	(roles: owners, partners, investors, employees as applicable)
Status to Date	(contacts made, research completed, applications made)
Industry Knowledge	(competitors, challenges, future outlook, special issues)
Business Goals	(short-term and long-term goals)
Financial	(projections, options, investment)

10.0 EVIDENCE OF A PERSONAL INVESTMENT

Under OSEB, an applicant must provide evidence of a personal investment. The personal investment must be equal to a *minimum of 25%* of the total amount of financial support for basic living allowance (\$423 per week for 42 weeks or number negotiated for persons with disabilities) that would be provided to the individual if approved for program participation. While personal investment is part of the suitability assessment, the Ministry is responsible for ensuring proof of personal investment is obtained from an applicant and kept on file.

For the minimum: The Ministry will provide an approved participant with \$423 per week for 42 weeks for a total amount of \$17,766. The participant must contribute an investment of \$4,442 in cash or through an “in kind” contribution (or combination of both).

One or more of the following items may be considered evidence of personal investment:

- a current bank statement showing at least the minimum investment in a bank account belonging to the individual;
- evidence of a loan of at least the minimum investment from a bank or other financial institution or a family/friend source and available only through a bank account in the individual's name or a joint account;
- in-kind contribution including non-monetary items or resources for the business that an individual can contribute or obtain, and proof of ownership and/or a signed statement showing ownership of equipment or materials to be used in the business and a reasonable estimate of their value from a legitimate source (e.g. car/truck, tools, computer equipment, etc.);
- evidence that an overdraft facility or line of credit of at least the minimum investment has been formally accepted and is available through a bank account or joint account; and
- any cost to conduct an Environmental Assessment.

11.0 DURATION

Under OSEB, assistance will be provided for a standard 42 weeks for all participants. A longer duration of support may be approved for participants who have a disability based on the number of hours the individual is able to devote to the development and implementation of her/his business plan. For example, a reasonable duration for a participant with a disability may be 74 weeks if the participant is only able to work 20 hours per week as compared to the full-time minimum of 35 hours per week for the standard 42 weeks. If necessary and on a case-by-case and exceptional basis, Regional Directors have the discretion to approve durations longer than 74 weeks.

12.0 FINANCIAL ASSISTANCE

Financial assistance may be provided to cover basic living expenses and incremental costs (if required and approved) while an individual participates in the OSEB program. It must not be used for business investment purposes (e.g. operating costs, capital).

An approved participant may be eligible to receive financial assistance for basic living allowance (BLA). BLA is provided on a provincial flat rate of \$423 per week. If an individual is in receipt of EI Part I benefits that are lower than the OSEB flat rate, the Ministry may top-up the EI Part I rate with provincial funds.

Financial assistance may also be provided to individuals to cover all or a portion of the incremental costs of participation (i.e. dependent care, disability and transportation) for the business plan development component of the program. The Ministry must obtain proof of the incremental cost prior to agreement signing. The onus of providing evidence for entitlement to incremental costs (e.g. receipts, invoices, vouchers) is the responsibility of the participant and will be maintained in the Ministry's participant file as part of the audit trail.

Participants are required to report any changes in financial circumstances. (Exclusions include participants receiving only Ministry funds who are not receiving incremental supports.) Changes to a participant's financial situation (e.g. part-time work income) may necessitate a change to incremental supports.

Duration of income support is a standard 42 weeks for all participants. A longer duration of support may be approved for participants who have a disability based on the number of hours the individual is able to devote to the development and implementation of her/his business plan. For example, a reasonable duration for a participant with a disability may be 74 weeks if the participant is only able to work 20 hours per week as compared to the full-time minimum of 35 hours per week for the standard 42 weeks. If necessary and on a case-by-case and exceptional basis, Regional Directors have the discretion to approve durations longer than 74 weeks.

12.1 Dependent Care Costs

Financial assistance for dependent care costs may be provided for the business plan development component of the program if they are incurred for the care of a child or other person who is dependent upon the participant while s/he is participating in OSEB. A dependent must reside with the participant or be under the participant's care; be wholly or partially dependent on the participant for support and either be mentally or physically disabled, or be a child under 14 years of age.

The maximum rate of coverage is \$1,000/dependant/month to a maximum of \$2,000/household/month.

The Ministry must take into account how the dependent was cared for prior to the individual participating in OSEB, and will be cared for when the participant has completed the program.

Financial support must not be provided for dependent care provided by household members if this arrangement had previously been in place. It includes alternative household arrangements where roommates or live-in friends provide childcare.

12.2 Disability Costs

Financial assistance for disability costs may be provided for a special device, aid or special assistance if required for OSEB participation.

Support may also cover, special transportation costs, the cost of adapting instructional material and the costs of interpretation or transcription of texts into Braille. When considering disability costs, the Ministry must take into account what the individual needs to participate in OSEB.

When providing financial assistance for disability costs, a distinction should be made between the costs associated with OSEB program participation versus business operation expenditures.

While there is no contribution maximum, individuals should be encouraged to explore all alternate sources of funding available to assist them to cover these costs. Equipment purchased for a person with disabilities is theirs to keep once the program is completed.

12.3 Travel Costs

Financial assistance may be provided for costs incurred for incremental daily commuting expenses (e.g. bus/subway/train pass) to and from the OSEB Coordinator during the business plan development component of the program. These costs must be paid based on local rates for public transit when available or vehicles when required and only in excess of the distance of 24 km each way at 15 cents/km to a maximum of \$250/month or \$57.55/week) and parking.

13.0 OTHER EMPLOYMENT WHILE PARTICIPATING IN ONTARIO SELF-EMPLOYMENT BENEFIT

A participant may work part-time while participating in OSEB as long as s/he can still fulfill the terms of his/her OSEB agreement. For the purposes of defining part-time 'other employment' and of ensuring that the participant is dedicated to working on OSEB, part-time employment is defined as being less than an average of 20 hours per week. A participant receiving EI Part I benefits must contact Service Canada regarding his/her reporting requirements prior to starting part-time employment.

14.0 ADDITIONAL FACTORS FOR CONSIDERATION

14.1 Individuals on Temporary Layoff or Leave of Absence

An individual who is on temporary layoff or who has taken a leave of absence is not eligible for assistance under OSEB because s/he has a return to work date.

14.2 Insured Participants who are Seasonally Employed

An individual who is seasonally employed may be considered for OSEB in exceptional cases. For example, OSEB may be used to support an individual to create a business that would provide year-round employment (during the off/low season) and as long as it is not an addition of services already provided through an existing business.

14.3 Clients with an Existing Family Order/Agreement (FOA)

An OSEB applicant must disclose the existence of a FOA as early in their counselling /case management process as possible, and at least, before approval for OSEB is given. Refer to MTCU Guidelines: Child or Spousal Support Orders and Participation in Ontario Employment Benefits at http://www.tcu.gov.on.ca/eng/eopg/publications/guidelines_mtcu.pdf

14.4 In Receipt of Severance Pay

Severance pay is a form of recognition for years of service and is paid to compensate for the loss of employment. It is usually paid only when the employer-employee relationship completely terminates. Severance pay is earnings *paid or payable by reason of a lay-off or separation*. For EI purposes it is allocated at normal weekly earnings from the date of lay-off or separation depending on which event gave right to the money.

While an individual is not eligible for receipt of benefits under EI Part I until the allocation has been completed, s/he can be considered for OSEB.

The basic principles are:

- Severance payments will be treated much like EI Part I benefits.
- If an individual's allocated weekly earnings (based on former pay) are equal to or above the OSEB flat rate of \$423, Ministry financial assistance will not be provided for basic living costs during the period of EI Part I severance pay allocation.
- If an individual's allocated weekly earnings (based on former pay) are below the OSEB flat rate, Ministry financial assistance will be provided for the difference between the allocated weekly earnings and the flat rate during the period of EI Part I severance pay allocation. For example, if a client's allocated weekly earnings are \$323 then the Ministry would provide \$100 weekly for living costs during the severance pay allocation period.
- Ministry funds for basic living costs will not be provided during the two week EI waiting period.
- Required personal investment will be 25% of the total of the severance allocation period sum (based on former weekly earnings) to a maximum of the \$423 flat rate.
- Ministry financial assistance may be negotiated with an individual for incremental costs such as dependant care, disability needs and travel.

14.5 Clients with an Existing Provincial Overpayment

The existence of an overpayment and whether or not a repayment plan is in place, should not, in itself, change the approval decision. It is very important to discuss with an

applicant the circumstances which lead to the establishment of any outstanding overpayments and/or penalties. An individual applying for OSEB may request a deferral of overpayment recovery until after the end of the intervention.

15.0 ROLES AND RESPONSIBILITIES

15.1 Roles and Responsibilities – Ontario Self-Employment Benefit Participant

Applying for OSEB

In order to participate in OSEB, each applicant must:

- meet eligibility requirements;
- develop a mutually-agreed-upon plan to return to work/ESP with a case manager at an assessment centre or an ES service provider;
- attend an orientation session (i.e. group or one-on-one) provided by an OSEB Coordinator and apply for the OSEB;
- complete a self assessment exercise on risks/opportunities of self-employment and personal suitability;
- submit a proposed business concept for review by an OSEB Coordinator;
- obtain a letter of support from the OSEB Coordinator demonstrating s/he has met the suitability criteria and feasibility of the proposed business concept;
- provide evidence of the need for financial support (incremental costs), if required;
- provide evidence of personal investment equal to a minimum of 25% of the total amount of BLA (as per the suitability assessment);
- must continue to be capable of and available for work and continue to complete and submit claimant reports as required if the individual is an active EI claimant;
- complete the Applicant Pre-Screening Questionnaire on Environmental Issues to determine if Environmental Assessment (EA) is required. When the EA pre-assessment questionnaire concludes that there is a requirement for an EA, an individual must demonstrate prior to the implementation of his/her business plan that the project will maintain and implement any or all environmental protection measures. All costs to conduct an EA are to be incurred by the participant and can be considered as part of the personal investment;
- ensure that s/he consults with Service Canada regarding the impact of his/her possible OSEB participation on his/her EI Part I benefits; and
- completes an OSEB application and submits an application package to the Ministry.

Approval of OSEB

Once the Ministry has approved an individual's application for OSEB, the participant must:

- sign an agreement which includes a Section 25 Referral for an active EI claimant in order to have the availability to work waived;
- develop the business concept into a comprehensive business plan within a reasonable timeframe with the assistance of an OSEB Coordinator. There is no specific time period for developing a business plan, however, a reasonable timeframe is considered to be 10 weeks;

- obtain a letter of support from the OSEB Coordinator on the feasibility of the completed business plan prior to the implementation of the business plan;
- obtain all required business licenses and permits to proceed with the implementation of the business plan;
- prove s/he is actively engaged in the development and implementation of the business plan for a minimum of 35 hours per week (or negotiated number of hours in the agreement for a person with a disability);
- submit regular reports that include a narrative on the progress of the business (including business revenue);
- report all earnings from other sources to the Ministry; and
- follow business direction and/or advice provided by an OSEB Coordinator and/or the Ministry.

15.2 Roles and Responsibilities – Ministry of Training, Colleges and Universities

The Ministry with the OSEB Participant

Prior to and for program approval, the Ministry:

- provides general information on the program and advice regarding OSEB;
- directs potential OSEB applicants to an assessment centre or ES organization;
- reconfirms the OSEB applicant's EI claim status;
- makes the decision whether to approve or reject the applicant for OSEB based on a plan to return to work/ESP, eligibility and suitability requirements, feasibility of the business concept and the local Ministry office's business plan and priorities as well as the impact on the local labour market.
- advises the applicant in writing that his/her application for participation in OSEB has been approved or rejected. The letter of rejection must advise the client why the Ministry has not approved his/her application for OSEB, and where possible, offer alternate options;
- specifies flat rate for BLA and negotiates financial assistance for incremental costs;
- signs an agreement with the participant;
- approves Section 25 Referral for active EI claimants; and
- ensures the participant understands his/her responsibilities.

During program participation, the Ministry:

- administers the OSEB agreement including monitoring the participant's continued eligibility and overall progress, as well as the participant's need for incremental costs;
- issues financial assistance payments;
- ensures current EA policy is followed; and
- obtains the OSEB Coordinator letter of support for the completed business plan (and a copy of the business plan) and approves continued participation for business plan implementation.

The Ministry with the OSEB Coordinator

The Ministry:

- develops a strategy for the delivery of the program;

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FINAL – March 23, 2010*

- markets, develops, assesses, negotiates and approves OSEB Coordinator proposals;
- negotiates and signs and administers agreements with selected OSEB Coordinators to provide business development and implementation support to approved participants;
- monitors and evaluates agreements to determine success; and
- evaluates the quality of services being provided to approved participants and recommends corrective measures if required.

15.3 Roles and Responsibilities – Ontario Self-Employment Benefit Coordinator

The OSEB Coordinator plays a key role in the implementation of the program through the provision of entrepreneurial services to approved participants to improve their likelihood of success.

When an OSEB Coordinator and an individual decide to proceed, the OSEB Coordinator may help the person prepare an application for the Ministry. An OSEB Coordinator can help the applicant work out in detail his/her ability to cover costs and determine what financial assistance the individual will require from the Ministry. An OSEB Coordinator cannot, however, negotiate financial assistance on behalf of the Ministry.

An OSEB Coordinator provides a letter of support (or non-support) for the participant to give to the Ministry as part of the supporting documentation required for the OSEB application. Following business plan development, an OSEB Coordinator provides a letter of support for the participant to provide to the Ministry. This subsequent letter addresses the feasibility of the participant's completed business plan, and includes the rationale supporting the recommendation for the participant to proceed with business plan implementation.

The OSEB Coordinator must not request payment or charge a fee to participants for services provided.

OSEB Coordinator with the Ministry

The OSEB Coordinator:

- consults with the Ministry regarding the establishment of program priorities;
- notifies the Ministry when a participant exceeds the 10-week period for preparing a business plan. In such cases, a decision should be made in conjunction with the OSEB Coordinator as to whether it would be appropriate to continue to provide financial assistance to the participant;
- develops a mechanism to monitor each participant's progress throughout the development and implementation of the business plan;
- reviews and reports on the participant's monthly business reports and hours worked, via on-site visits, telephone contact and other approaches to adequately monitor the progress of the business;
- keeps records on the participant's progress and collects required statistical data on target groups, earnings, types of businesses, etc;

- informs the Ministry of any change to the participant's situation that could affect his/her participation including not meeting program or business milestones and benchmarks, etc.

OSEB Coordinator with Participant:

The OSEB Coordinator:

- provides information on OSEB;
- provides an orientation session to individuals prior to selection for OSEB;
- facilitates each participant's self assessment of his/her risks and opportunities and personal suitability for self-employment;
- develops a mechanism for independent review of the feasibility of the proposed business concept and subsequent business plan. An independent review may include OSEB Coordinator staff and recognized individuals in the community or an organization that can provide an objective opinion on the feasibility of the business concept;
- provides a letter to each individual (1) indicating if the individual meets suitability criteria and (2) supporting or not supporting the proposed business concept as feasible. This letter will also provide the individual with the rationale for the decision;
- evaluates each individual's ability to finance the proposed venture;
- ensures each individual is aware of his/her obligations as they relate to EA, permits, licences, taxes, etc.;
- provides entrepreneurial support and technical and counselling advice to the participant to help him/her develop and implement his/her business plan (including but not limited to workshops, coaching, mentoring, etc.);
- develops a business development and implementation support plan that includes participant responsibilities as well as business milestones and benchmarks, and signs an agreement with each participant based on this plan;
- provides a letter of support (non support) recommending the participant proceed with business plan implementation;
- conducts a business performance review (at minimum at participation mid-point) and assists each participant with revising the business plan if necessary; and
- visits the place of business within the first three months of it being operational; and
- conducts a voluntary end of program satisfaction survey.

16.0 ACTIVITIES OUTSIDE OF CANADA

The intention of the OSEB program is to assist an individual to start a business in Ontario, specifically in the local area where the provincial funds are being invested and the OSEB Coordinator can assist and monitor the participant's progress.

An OSEB participant is not necessarily disentitled from receiving OSEB financial assistance if however, for a period of time, the participant is engaged in activities outside of Canada.

However, in order to maintain continued eligibility, a participant must obtain prior written approval from the Ministry before leaving Canada and must clearly demonstrate that the

purpose of carrying out activities outside the country is directly related to developing and implementing his/her business plan.

A participant may obtain special authorization to conduct business-related activities outside Canada only if s/he can demonstrate that such training/materials cannot be obtained in this country or would be less costly if taken outside Canada. Such activities must be crucial to the successful development and implementation of the business. These activities (including frequency and time) must be identified in the business plan (recognizing that it may be revised or updated).

An OSEB participant may establish partnerships and/or engage in collaborative work with people/businesses outside of Canada.

The Ministry and the OSEB Coordinator must document support for travel and demonstrate how they will monitor the participant's progress while s/he is away from Canada. Being away from Canada does not alleviate the responsibility of the participant. S/he will have to demonstrate that s/he is devoting full-time efforts to developing and implementing the business plan while away.

A participant receiving EI Part I benefits must contact Service Canada regarding his/her reporting requirements as they relate to travel outside the country.

17.0 SUSPENSION AND TERMINATION OF PARTICIPANT AGREEMENT

There are no provisions in the OSEB program for leave or suspension. There may be exceptional and unforeseeable cases, however, that warrant special consideration (e.g. death of a family member or short-term injury or illness). Special cases must be assessed on a case-by-case basis.

An OSEB agreement can be terminated and an overpayment established (where applicable) if a participant does not adhere to program agreement terms and conditions.

A participant's agreement may be terminated if s/he:

- does not work the agreed upon full-time hours (35 or number negotiated for persons with disabilities) developing and implementing his/her business plan;
- does not follow any directions given by the Ministry and/or the OSEB Coordinator;
- does not have an acceptable business plan;
- is not meeting or showing progress toward meeting agreed upon performance milestones and/or benchmarks as set out by the OSEB Coordinator (e.g. sales, net profit, business plan revisions, etc.)
- does not submit regular and timely OSEB activity (including financial) reports as required
- is later determined not eligible for the program; and/or
- provides materially false or misleading information.

Only the Ministry can suspend or terminate a participant agreement. When doing so, the Ministry must notify the participant in writing. The letter should clearly state how the participant failed to fulfill his/her obligations, including following advice provided by the

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Ministry and/or the OSEB Coordinator and a reference to final payments or overpayments (if applicable). Please refer to the participant agreement for details.

18.0 ACCOUNTABILITY

OSEB program accountability is a joint responsibility between Ministry staff and OSEB Coordinators. Accountability is achieved when all parties fulfill their specified roles and responsibilities with respect to program guidelines, agreements, indicators and success outcomes.

The program indicators for OSEB are:

- # of orientation sessions conducted by the coordinator and/or # of individuals to attend orientation sessions (including continuous intake)
- # of business concepts assessed by the OSEB Coordinator
- # of clients who apply for OSEB
- # of clients recommended for OSEB
- type of business to be started by the client

The success outcomes for OSEB are:

Program participation:

- # of clients who complete business plan
- # of clients who implement business plan
- quarterly +/- variance of actual vs. projected business revenue
- # of clients who complete program
- # of clients working full-time on their business with the business being their primary source of income at program completion
- At exit, 100% of clients to be surveyed for satisfaction.

Short-term results (12 weeks after program end):

- # of clients working full-time on their business with the business being their primary source of income 12 weeks after program completion.

Targets for the above program indicators and success outcomes must be negotiated on a contract by contract basis with each individual OSEB Coordinator. The OSEB indicators and success outcomes must be included in the agreement with the OSEB Coordinator.

Long-term (1 year after program end) impact indicators are:

- # of clients working full-time on their business with the business being their primary source of income 1 year after program completion
- # of jobs created (i.e. seasonal, permanent part-time and full-time)
- Amount of income generated (both net and gross) by client through self-employment in the year after subsidy end \$0 - \$15,000, \$15,000 - \$30,000, \$30,000 - \$50,000, \$50,000 - \$75,000, \$75,000 - \$100,000, \$100,000 plus

The Ministry is responsible for the collection of data to measure long-term program impact.

19.0 MONITORING

Under Ministry programming, the key mechanism for ensuring accountability is monitoring agreement activities. This includes commitments made in the OSEB Coordinator contribution and OSEB participant agreements.

Monitoring, under OSEB, is meant to be a collaborative effort between Ministry staff and OSEB Coordinators. Some of the activities that may be expected during the life of an agreement include:

- monthly and/or quarterly activity and financial reporting;
- on-site compliance and evaluation visits (incl. follow-up letter within 10 business days, summarizing observations from the visit);
- discussions via telephone; and
- correspondence by mail or e-mail.

19.1 Monitoring Ontario Self-Employment Benefit Coordinator Agreement

The Ministry will monitor and evaluate the OSEB Coordinator's delivery of services to ensure accordance with program policy and the terms and conditions of the OSEB Coordinator agreement.

All OSEB Coordinator agreements are subject to monitoring of expenditures, activities and results. Monitoring shall occur at pre-determined intervals, established by an Employment and Training Consultant (ETC) at the beginning of the agreement, including at least one on-site compliance/monitoring visit per fiscal year of the agreement.

All monitoring activities must be documented and this documentation must be kept in hard copy in the OSEB Coordinator project file.

Through a combination of the monitoring activities as indicated below, the Ministry will ensure that the OSEB Coordinator:

- is on track with project expenditures;
- delivers activities that are consistent with the contribution agreement;
- fulfils its obligations in managing each participant (as outlined below), and how they are progressing through the program;
- delivers a program that participants see value in; and
- collects required statistical data on target groups, earnings, types of businesses, and/or other indicators identified by the Ministry.

OSEB Coordinator Reporting Frequency

1. The OSEB Coordinator must provide monthly reports that at a minimum:

- identify struggling clients and provide details about advice or support given;
- elaborate on issues or concerns raised in relation to individual participants and their business progression, with details about mitigation strategies put in place;

- mention all, if any, clients who have exceeded the 10 week timeline for business plan development; and
- briefly describe OSEB activities that have taken place in the current month.

2. The OSEB Coordinator must provide quarterly narrative reports that go into depth about what the current results indicate, including an analysis of current performance in comparison to historical performance and/or anticipated results for that quarter. In addition, the OSEB Coordinator must submit the completed Quarterly Statistical Report Template as well as an update on the status of every participant that highlights any variance from their business plan, the type of business started by the client, +/- variance of actual vs. projected business revenue and indicates when the OSEB Coordinator conducted the mandatory on-site visit.

3. The OSEB Coordinator must provide the Ministry with the results for all participants who complete the voluntary end of program survey.

Financial Accountability

Payments will be issued based on an invoicing system as per current OEBSM practices. ETC's must do an analysis of expenditures on a quarterly basis.

All OSEB Coordinator participant files must include:

- copy of the proposed business concept;
- evidence and letter of support from the OSEB Coordinator (including suitability assessment, feasibility of business concept and evidence of personal investment);
- a copy of communication to OSEB Coordinator that grants Ministry approval for the individual to participate in the program;
- a copy of the business development and implementation support plan;
- a signed copy of the OSEB Coordinator agreement with the participant;
- a signed participant consent form;
- monthly documentation regarding the development of the business plan;
- monthly documentation showing the participant is actively engaged (minimum 35 hours or agreed upon hours for persons with disabilities) in developing and implementing her/his business plan, examples include a completed statement of hours worked, copies of meeting minutes, etc.;
- evidence and letter of support from the OSEB Coordinator and evidence of Ministry approval for the participant to move forward to implement the business plan;
- evidence of monthly (at a minimum) review (e.g. milestones, activities and goals) of the completed business plan and any follow-up;
- monthly income statements including revenue and earnings from the business and other sources (as noted under OSEB Coordinator Reporting Frequency, above);
- documentation of any concerns raised with participants and advice/support given;
- identification of any concerns with participant adherence to the directions given by the OSEB Coordinator;
- evidence of on-site visits, telephone contact and other monitoring activities;
- if applicable, documentation in support of travel, a copy of the participant travel-related monitoring plan, and copies of any documentation specified in the monitoring plan;
- a copy of completed Environment Assessment, if required; and

- documentation of program completion (and 12-week) follow-up and
- a copy of voluntary end of program survey, if completed by participant.