

DWP/MFIP ES POLICY

Date Revised: July 26, 2024

To: MFIP & DWP Employment Service Providers

From: Workforce Solutions Integrated Planning Manager

Subject: Self-Employment Policy

Purpose: To communicate the DHS self-employment guidelines

As defined by the DHS MFIP manual, self-employment is employment where individuals work for themselves rather than an employer, are responsible for their own work schedule, and do not have taxes or FICA withheld by an employer. [DHS MFIP/DWP ES Manual: Self-Employment](#)

Business Plan

Participants are required to have a business plan in order to include self-employment in their employment plans. A business plan contains a realistic forecast of earnings within 3-6 months and ultimately to provide enough income to be ineligible for MFIP.

The options for creating a business plan are:

1. **DHS Self-Employment Business Plan** [DWP/MFIP Self Employment Business Plan \(DHS-6200\) \(PDF\)](#).

This may be utilized when setting up a business plan for the following types of self-employment:

- In-home product sales
- Home daycare
- Handyperson services
- Accounting services
- Personal services
- Paper route
- Housecleaning service
- Taxi driver

2. Individuals or organizations trained in helping develop business plans:

- **Small Business Development Centers of MN**
[Minnesota DEED Small Business Development Centers](#)
- **SCORE**; [South Metro SCORE](#)
- **Small Business Development Center/University of St. Thomas**
[University of St. Thomas Opus College of Business Small Business Development Center](#)
- **Small Business Resource Guide provided by the U.S. Small Business Administration**
[U.S. Small Business Administration](#)
- **Small Business Administration's Office of Native American Affairs**
[Office of Native American Affairs U.S. Small Business Administration](#)

Business Plan approval

The Employment Counselor should consider the following for approval. The Business Plan:

- Is complete including timeline, earning goals and specific steps to meeting those goals.
- Has an objective of profitability/ enough income to move a family beyond the MFIP income limits.
- Either follows the DHS business plan or is completed with the help of a small business specialist.

Employment Plan

The Employment Plan should not be replaced by the Business Plan. Consider the following:

- Employment plan should identify actions steps in securing economic stability through self-employment, hours per week, job search log & monthly contact requirements and resources.
- The Employment Counselor should work with participant to include other activities if the self-employment will not meet the required hours.
- If satisfactory progress isn't made on the self-employment activity revise the plan to replace self-employment with other approved work activities.
- If minimum hourly requirements aren't met, find out if there is good cause.
- If there is good cause, use a temporary reduced hours employment plan.

Assessing Progress

- Satisfactory progress could include: pursuing & completing steps in the self-employment business plan, meeting hourly requirements, increased income.
- Not making satisfactory progress could include: not taking steps outlined in the business plan, pursuing multiple steps in the business plan but repeatedly hitting dead ends, not obtaining needed financing or certification, not securing space necessary to run the business.

Activity

Self-employment activities are included in the employment plan only if there is a business plan in place.

Self-employment activities are as follows:

- Job Search: when the participant is preparing for self-employment & has not yet earned income
- Employed/Full-time: when earnings are equivalent to full-time work at federal minimum wage
- Employed/Part-time: earnings are equivalent to less than full-time work at federal minimum wage

Documentation

The Employment Counselor is involved with:

- Weekly job search logs to track hours/activities (identified in activity section above)/results
- Monthly contact with participant to review progress
- Case notes with progress such as steps identified in the employment plan

The Financial Worker will collect earnings documentation to include either 1) tax returns filed with the IRS in the most recent tax year or 2) documentation of all self-employment income attached to monthly household report form as business records or 3) monthly self-employment report form (DHS-3336).

The Financial Worker will calculate work hours for this activity. The number can be found in Workforce One in either 1) the DHS-IX Incoming Status Update tab in the Employment Status Updates section or 2) the Participation Hours Tab (this information will be after the fact).

Childcare

- Employment Counselor will send the child care transmittal for activities and hours specified in the employment plan. Child care assistance will authorize care for all the hours specified in the employment plan.
- Child care assistance does not need to limit the authorized hours based on a calculation with the minimum wage when self-employment is part of the employment plan.