

## **Plan to Achieve Self Support** **“PASS Plan”**

The PASS Plan is a program that we offer at no cost to our clients or at any compensation to us.

We feel that the PASS Plan Program can be a great start which can help people become self-sufficient.

The first sections of this document are our instructions to explain the PASS Plan. The actual PASS Plan Form that you will submit starts on page 13. **It is not necessary to print or submit the first 12 pages of our instructions with the PASS Plan Form, it is just for your reference.** [SSA's explanation of the PASS Plan \(page 21\) http://www.ssa.gov/redbook/eng/TheRedBook2013.pdf](http://www.ssa.gov/redbook/eng/TheRedBook2013.pdf). [Condensed version: <http://www.ssa.gov/ssi/spotlights/spot-plans-self-support.htm>.]

### **The PASS Plan works differently for SSI and SSDI recipients:**

**SSI:** If a beneficiary wants to do a PASS Plan, they will first need to get a job. Here's how it works. Say you earn \$885 of wages for a month. Social Security doesn't count the first \$85, and then divides the remaining \$800 by 2, leaving \$400 in countable earned income ( $885 - 85 = 800$ ;  $800 / 2 = 400$ ).

Normally your SSI check would be reduced by \$400, but with the PASS Plan, you use that \$400 to help pay for business related expenses only.

So instead of just getting your SSI check of \$733 (or other state amount) you could get that check and your wages of \$885. So for the first month you could get \$1718 in income in this example! (\$400 would go towards the PASS Plan.)

**SSDI:** You would receive 2 checks which would both go to your bank account. Your current SSDI would be used to pay for your business related expenses.

You would then get an additional SSI check of \$733 (or other state amount) to cover your living expenses.

**Combo SSI and SSDI:** You would use you SSDI portion to pay for your goal, and your SSI would be increased to the full amount of \$733, in most states. ([Amount depends on state http://www.ssa.gov/pubs/EN-05-11015.pdf](http://www.ssa.gov/pubs/EN-05-11015.pdf) page 8.)

## Obstacles to a PASS Plan

**F.Y.I. - Obstacles that may make a PASS Plan unsuitable for you, are for the PASS Plan, not the Ticket to Work program.**

**1. Married:** If your spouse is working, part of their income also has to be put into the PASS Plan. If there are children living at home that will be considered, around \$300/month/child excluded.

**2. High resources:** - (\$2000/individual, \$3000/couple.) Things such as cash in banks, pension funds, stocks – unless willing to put the extra into the PASS to pay for PASS expenses.

**3. Need a lot of money, now!:** Money comes in monthly checks (not lump sums).

**4. Do not intend to lose cash assistance (SSDI only):** You will not lose your assistance during the start up period. Your goal after you PASS Plan is completed, has to be a job that will earn you enough that you will no longer need cash assistance. (You can still be eligible for medical assistance even if you don't receive any cash benefits.)

**5. Receiving SSI of exactly \$733 (except CA, \$879) and not currently working:** If you are only receiving SSI benefits, the funds for your PASS Plan are based upon your wages from working. When you work, your SSI is normally reduced about \$1 for every \$2 earned. With a PASS you get to keep all of your wages AND your SSI income, however the amount that your SSI would normally be reduced to, you would be obligated to put into your PASS. You would have to continue to work to receive this benefit. The PASS will end when the PASS expenses have been paid for. The more you work, the more assistance you receive.

If the information above does not eliminate you, then you need to know- [SSDI \(Social Security Disability Insurance\)](#) has different rules than SSI (Social Security Supplemental Insurance.) If you receive SSDI, you need to make sure you understand where you are in your Trial Work Period (TWP) and other work incentives. After you have finished the PASS Plan, you will be working and earning over TWP amount; we can protect you from losing your SSDI prematurely through our Ticket to Work program. We are here to help you through the process.

## **Gathering Information for an Business PASS Plan**

If you started your business already, this will not be too difficult. If you are just in the “idea” stage, you will have some items to take care of before sending your application to the PASS Cadre.

Please understand that Social Security can/will provide you with assistance to pay for your business expenses for up to 4 years, but there are requirements from you.

You are agreeing that, once you have completed your PASS Plan, to earn enough to no longer need assistance other than health care. **This is your plan**; it doesn't mean you will lose assistance immediately or that if your disability flares up, you cannot get back on your benefits.

### **When you start your PASS Plan the first question will be, what is your goal?**

Briefly explain the type of business you are planning to start in the lines provided. A suggestion is that you check out <http://www.onetonline.org/>. This is an occupational handbook to help you know what the requirements are for your future career path. When you type in any occupation, it will give you a list of choices. As you scroll down you will see tasks required by the job, educational requirements, and estimated salaries.

Remember, the PASS can assist you, but you **might** still need grants and loans.

**Things the PASS can pay for, that are not covered under any other type of grant are numerous. It depends on your disability and your needs.**

**Examples of business related expenses** are listed on the IRS Website:

<http://www.irs.gov/publications/p535/>

<http://www.irs.gov/uac/Employee-Business-Expenses-1>

## **Plan to Achieve Self-Support (PASS) Applying for SSI**

1. **Any** PASS Plan applicant **receiving SSDI only** must apply for SSI to **qualify** for the PASS Plan. **You will be denied SSI, but you need to show you meet all other criteria other than excess unearned income.** This date will be your “start” date for the PASS.

Fill out the PASS Plan form (starting on page 13, SSA-545-BK). Make sure you fill out the complete application, not the abbreviated form.

2. You must have resources of less than \$2,000 (excluded resources: home & attached property, household items, one car, PESS)

**or** you can put any excess resources or income (your SSDI) into the PASS, but they will need to be used only to pay for PASS expenses.

3. Call your local Social Security Office and make an appointment to apply for SSI or call 1-800-772-1213.

**\* Make a note of who is helping you, in case you need to talk to them again**

**\* Be sure to tell them you are applying for a PASS Plan**

**\* You may be told your SSDI is too high: your SSDI is going into the PASS Plan and therefore will be excluded from being counted in determining your eligibility or payment amount for SSI**

4. Any problems: ask to speak to the Work Incentives Liaison (WIL) or the Supervisor.

5. If you are at a local office, get a receipt showing the date and why you were there.

**Below is the actual verbiage from SSA’s POMS manual.**

**Social Security Administration Policy Site: POMS SI 00870.001 Plans to Achieve Self-Support** — Overview: Introduction to PASS

The Social Security Act authorizes the exclusion of income and resources of an individual who has a disability or is blind when the individual needs such income and resources to fulfill an approved Plan to Achieve Self-Support (PASS). The income and/or resources the individual uses to pursue the PASS will not be counted in determining his/her eligibility or payment amount for Supplemental Security Income (SSI). Any earned income set aside under a PASS does not affect the amount of earnings considered for the purposes of a substantial gainful activity determination, if needed.

The PASS provision is part of the original SSI statute. The legislative history shows that the Congress expressed a “desire to provide every opportunity and encouragement to the blind and disabled to return to gainful employment.” Congress intended that the PASS provision “be liberally construed if necessary to accomplish these objectives.”

Several factors make PASS an effective tool for someone wanting to work under the SSI program:

10. PASS reflects individual choice. Individuals choose their own work goal.

**11. PASS is self-financed. Individuals use their own funds (often, their Social Security Disability Insurance (SSDI) benefits) to pursue the plan. The receipt of, or an increase in SSI benefits up to the amount of the Federal Benefit Rate (FBR), and any applicable state supplement, replaces some or all of the funds that the individual uses for the PASS.**

12. PASS is largely self-directed. Individuals decide what goods and services are needed to reach the work goal.

## Instructions

Answer all questions even if it doesn't pertain to you. "N/A" so that they know you did not miss the question (The PASS Plan form starts on page 13).

### Part I – Your Work Goal

**A.** What is your goal?

**You need to be specific as you can.** This is the job title you will have once you start working. We would suggest that you go to <http://www.onetonline.org>. Once there type in the type of job you will have and see whether it is an area that is in demand and what you can expect for wages. The wages are listed at the bottom of the page. **If your goal does not require the things you have listed, it will not be approved.** The rest of the question is only for those who have a job coach working with them.

**B.** Show the duties and tasks you will need to perform for your business. Be as specific as possible (*standing, walking, sitting, lifting, stooping, bending, contact with the public, writing reports/documents, etc.*). Show the essential elements of the job. What they are looking for are the specific duties of a particular occupation. They want to make sure you know what your duties will be and if your disabilities would limit your chances of success. **You want to make sure you will be able to do the duties even with your disability.** A website you can use is <http://www.onetonline.org/>. Use this site to see if demand for this type of position is rising or falling.

**C.** "How did you decide on this work goal and what makes this job attractive to you?" They want to make sure you do some research on your job goal so that you are making an informed decision.

**D.** Yes or no.

**E.** If you are receiving SSDI you will have to show (project) you will earn enough to no longer need to receive an SSDI check after the first 2-3 years, when your PASS is completed. **Must be over \$1070/month, 2014 otherwise the PASS will not be approved.**

**F.** "If your work goal involves self-employment..." explain why working for yourself will make you more self-supporting than working for someone else, and then note that you have attached a detailed business plan. At a

minimum, the business plan must include: the type of business, products or services offered by your business, a description of the market for the business, the advertising plan, technical assistance needed, tools, supplies, and equipment needed, and a profit-and-loss projection for the duration of the PASS and at least one year beyond its completion. Also include a description of how you intend to make this business succeed. (There is an example of a business plan at the end of this document.)

**G.** In most cases, check “No” for all 3 boxes and fill in the blanks with N/A.

**H.** Check “Yes” and include our contact info: [Disabled Workers LLC, 1903 W Ridgeway Ave, Waterloo, IA 50701 Ph: 319-215-4543, fax 888-504-7957, email: \[disabledworkers@passplanhelp.com\]\(mailto:disabledworkers@passplanhelp.com\)](#)

## **Part II – Medical/Vocational/Educational Background**

**A.** List of disabling conditions.

Do not get too specific, but do list. More is not necessarily better.

**B.** Describe limitation...

You want to describe limitations caused by the disabling conditions that are listed above. Do not overdo here and say you are more disabled than you are as that might make it look like you would not be able to do the job. *This is one of the catch questions.*

In light of limitations...

Show what you are capable of doing, even though you have a disability. **Give detail.**

**C, D, & E.** Self-Explanatory.

**F.** “Have you had or expect to have...”

The Cadre’s like you to have had someone evaluate you to show that you are capable of doing the work that you are going to be doing when you have completed the PASS. This is **not required** even though they may say it is. Do give a reason for not having done this, such as previously being put on a “waiting list” or you tried before and they did not help you.

\*Show address if you have worked with VR (Vocational Rehabilitation) before.

\* You can include our contact info: [Disabled Workers LLC, 1903 W](#)

Ridgeway Ave, Waterloo, IA 50701 Ph: 319-215-4543, fax 888-504-7957, email: [disabledworkers@passplanhelp.com](mailto:disabledworkers@passplanhelp.com).

\*If requested by the PASS Cadre, we can provide a copy of the IWP (Individual Work Plan) that you signed with us.

**G.** If you have a college degree or specialized training...

If your training was before your disability, this is a pretty easy answer.

If the field that you did your studies in is not a field with a lot of job openings, which could be another reason you cannot be self-supporting with the training/education you have.

### **Part III – Your Plan**

**I want plan to begin** – list date you started doing anything associated with you reaching your final goal of employment in your chosen field. This could include when you started business activities. You may be able to go back up to two years and get reimbursed for those expenses.

**And my plan to end** - list a date that is a couple of months after you complete your PASS Plan (up to 4 years). If your goal requires purchase of equipment, or transportation your ending date should be when you have completed your purchases.

**Step – Beginning date – Completion date (when do you propose to do this?) You need to list for each line item that you have – they may be just estimates.** Show dates any expenses were paid and how likely that relates to your goal. The more detail you provide, the more likely your PASS Plan will be approved. This shows that you are aware of what you will be responsible for. If a car is being purchased, you will need to show how that will help with your business.

**This is the main part of your plan:** you need to list every agency, school or business you contacted and what they did for you. **You need to include every step that you will take. Include what you will need to purchase, cost, and when. This needs to be detailed.** You will need to provide a copy of items listed (receipts or estimated price) by fax. The PASS is not in effect until it has been approved by the PASS Cadre.

If you currently receive only SSDI and no SSI you will have to apply for SSI. You will need to have resources of less than \$2000 (individual) or \$3000 (couple) to qualify. Resources not counted are your home, household items,

PESS (Property Essential for Self Support), and one car.

**If you receive SSI Only:**

**You will only have the amount your SSI would have been reduced (half of your gross earnings each time you get paid from your job) to put into the PASS.** You would have to continue to work to receive this benefit. PASS will end when PASS expenses have been paid for. The more you work the more assistance you receive. ‘I understand that dedicating my Countable Earned Income to my PASS expenses will stop any monthly deductions to my SSI benefit.’

**If you receive SSDI:**

**The most you will have available from PASS funds is your current SSDI amount - \$20, plus any countable earned income from wages.** If you currently receive only SSDI and no SSI you will have to apply for SSI. You will need to have resources of less than \$2000 (individual) or \$3000 (couple) to qualify. Resources not counted are your home, household items, PESS (Property Essential for Self Support), and one car.

**Part IV Expenses**

**A. Yes or No**

1. If public transportation is available you will not be able to get a car unless you can explain why the public transportation will not work for you (the schedule or drop off locations don't meet your needs, etc).
2. Self-Explanatory
3. If you already own a car you will have to show why fixing it would not be worth it, or you can provide estimates of what it would cost to get it fixed. Ask for major repairs to start with, after it is approved you can ask to amend to get things like: tires, wipers, oil changes or other repairs fixed.
4. Do not ask for too much if needing a car. **We would suggest between \$5000 and \$8000.**
5. Enter “N/A”-- the PASS Plan will NOT purchase a new car.

**B. If you plan on buying a computer, make sure to attach a description of**



the computer that you are asking for. You can get the price from various sites on the internet or from the store.

**C. Self-Explanatory**

**D.** Show how you will be using the computer and if purchasing a high cost computer, exactly why you need the capabilities that you have listed.

**E.** This is where you have to provide the cost, who you will be buying it from, if it something that will be a one-time payment or monthly payments. **The “How will this help you reach your goal?” should be clear and detailed.**

- You need to do this for each and every expense listed in **Part III** that you want the PASS to help you pay for.
- If you have more than the 6 items that space is provided for make sure you make a note that there are more items attached.

**F.** Will your Vocational Rehabilitation or PELL pay for part of any expenses? If so, mark “yes”, otherwise mark “no”.

**G. This is the part that causes most PASS Plans to not be approved.**

You need to provide a list of your living expenses. You have to be able to show that you will be able **to pay the expenses listed here with the SSI check** that you will get with the PASS. In most states that is \$733/month, in California it is \$879/month some other states are in the middle, but most are \$733. **All of your current SSDI check has to be used to pay for PASS expenses.** These expenses have to be reasonable or the PASS will be considered unreasonable. Some of your current expenses may be part of the PASS Plan, if approved (ex. Internet, car expenses, etc). You may also be eligible for food stamps, if you aren't currently receiving them.

If you receive **SSI Only**:

**You subtract countable income (wages) from the \$733 to determine your SSI check. 'I understand I will be using my countable earned income to pay for my PASS expenses through the duration of my plan. I can use the remainder of my wages that are not considered “Countable Earned Income” to pay for my living expenses.'** **(Countable Earned Income = Gross**

***Monthly wages- \$65 then divided by 2.)***

If you receive **SSDI**:

**All of your current SSDI check has to be used to pay for PASS expenses. If you have wages, the remainder of your wages that are not considered “Countable Earned Income” can be used to pay for your living expenses.** (Countable Earned Income = Gross Monthly wages- \$65 then divided by 2.)

If you will be using your car for your business, your current car expense will be part of the PASS and not counted here.

If you receive child support that income is counted as income to children. The same is true if your children receive SSDI from your record.

If you are married you will also have to put the countable part of their income into the PASS to pay for PASS expenses and will only have the rest to pay for living expenses. ***In most instances if married a PASS will not work unless there are a number of children.*** Sorry but there is a marriage penalty. **Call your congressman and ask to get this changed.**

**Also while on a PASS you may be eligible for food stamps** (except in CA). Your SSDI check will be exempt from counting (should not be reported when figuring food stamp assistance).

**H.** The answer here has to be the following:

**“I will be able to pay for my living expenses with the SSI check, food stamp assistance, the remainder of wages that are not considered countable, and the child support I receive.”** Cross out child support if not receiving it. Make sure you figure this out before you send in your PASS.

**Part V – Funding for Work Goal**

**A.** Self-Explanatory

**B.** Have you saved any...?

You want to answer this “no” if you have less than \$2000 in resources. *If more than \$2000* you will have to put the excess into the PASS to pay for PASS expenses to be eligible.

**C.** List the income..... list all types

**These will not count against you:**

- Children's SSDI if they are receiving off your record
- Child support that you receive to pay for children's expenses

**You have to put these into the PASS to pay for only PASS expenses.**

- Your SSDI check - \$20
- Deemed part of spouses income
- Any other type of income other than wages
- ALSO, you will have to put the "Countable Earned Income" into the PASS Countable Earned Income = Monthly Gross wages - \$65 then divided by two. List as "wages".

**For SSI Only**

- Your Countable Earned Income (**Countable Earned Income = Gross Monthly wages- \$65 then divided by 2**) List as "wages"
- Deemed part of spouses income.
- Any other type of income other than wages

**D.** How much will you set aside...

**SSDI**

"I will put all of my SSDI - \$20, into PASS to pay for my pre-approved PASS expenses. I will also put all my countable earned income into the PASS."

**SSI**

I will put all of my Countable Earned Income (**Countable Earned Income = Gross Monthly wages- \$65 then divided by 2**). Understanding that dedicating my Countable Earned Income to my PASS expenses will stop any monthly deductions to my SSI benefit."

**E.** Do you plan to save...?

Yes, give bank name address and your account number. You can say that you will set up a separate account once your PASS is approved.

**F.** Will any person or organization...

Most likely this is "no" unless you are going to school. If going to school, list PELL grant and any other grants or scholarships that you received.

### **Part VI - Other Contacts**

This is your PASS plan you do not have to list us, if you do not want to. Make sure you put a mark in every box, either yes or no. Answer all questions, even if it doesn't pertain to you (use "N/A"), so that they know you did not miss the question.

**Make sure that you have done this throughout this entire document.**

### **Part VIII – Agreement**

You must check each box. This is what you are agreeing to. If not checked and signed with your hand written signature, your PASS Plan will not be approved.

Good Luck and hope this has helped!!

**Here are the actual PASS Forms- You can fill out and save this form to your computer. You will only need to print the signature page.**

**Following the PASS Plan form, there are instructions on how to write a Business Plan and an example of a previously approved PASS Plan.**

# PLAN TO ACHIEVE SELF-SUPPORT

Date Received

*In order to minimize recontacts or processing delays, please complete all questions and provide thorough explanations where requested. If you need additional space to answer any questions, use the Remarks section or a separate sheet of paper.*

Name \_\_\_\_\_ SSN \_\_\_\_\_

## PART I - YOUR WORK GOAL

A. What is your work goal? (Show the job you expect to have at the end of the plan. Be as specific as possible. If you cannot be specific, provide as much information as possible on the type of work you plan to do. If you do not yet have a specific goal and will be working with a vocational professional to find a suitable job match, show "VR Evaluation" and be sure to complete Part II, question F on page 4.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If your plan involves paying for job coaching, show the number of hours of job coaching you will receive when you begin working. \_\_\_\_\_ per  week  month (check one).

Show the number of hours of job coaching you expect to receive after the plan is completed. \_\_\_\_\_ per  week  month (check one).

B. Describe the duties and tasks you expect to perform in this job. Be as specific as possible.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. How did you decide on this work goal and what makes this type of work attractive to you?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Is a license required to perform this work goal?  YES  NO  
(If yes, include the steps you will follow to get a license in Part III.)

E. How much do you expect to earn each week/month (gross) after your plan is completed?  
\$ \_\_\_\_\_ per  week  month (check one)

**PART I - YOUR WORK GOAL (Continued)**

F. If your work goal involves self-employment, explain why working for yourself will make you more self-supporting than working for someone else.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**IMPORTANT:** If you plan to start your own business, attach a detailed business plan.

The business plan must include:

- the type of business;
- the advertising plan;
- technical assistance needed;
- a profit-and-loss projection for the duration of the PASS and at least one year beyond its completion.
- products or services to be offered by your business;
- a description of the market for the business;
- tools, supplies, and equipment needed;

Also include a description of how you intend to make this business succeed.

For assistance in preparing a business plan, contact the Small Business Administration, Chamber of Commerce, local banks, or other business owners.

G. Have you ever submitted a Plan to Achieve Self Support (PASS) to Social Security?

YES     NO    If "no," skip to H.

Was a PASS ever approved for you?

YES     NO    If "no," skip to H.

When was your most recent plan approved (month/year)?

\_\_\_\_\_

What was your work goal in that plan?

\_\_\_\_\_

Did you complete that PASS?

YES     NO

If no, why weren't you able to complete it?

\_\_\_\_\_

\_\_\_\_\_

If yes, why weren't you able to become self-supporting?

\_\_\_\_\_

\_\_\_\_\_

Why do you believe that this new plan you are requesting will help you go to work?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

H. Have you assigned your "Ticket to Work"?

YES     NO    If "no," skip to Part II.

Show name, address and telephone number of the person or organization it was assigned to.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## PART II - MEDICAL/VOCATIONAL/EDUCATIONAL BACKGROUND

A. List all your disabling illnesses, injuries, or condition(s). \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

B. Describe any limitations you have because of your disability (e.g., limited amount of standing or lifting, stooping, bending, or walking; difficulty concentrating; unable to work with other people, difficulty handling stress, etc.) Be specific.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

In light of the limitations you described, how will you carry out the duties of your work goal?  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

C. List the jobs you have had **most often** in the past few years. Also list any jobs, including volunteer work, which are similar to your work goal or which provided you with skills that may help you perform the work goal. List the dates you worked in these jobs. Identify periods of self-employment. If you were in the Army, list your Military Occupational Specialty (MOS) Code; for the Air Force, list your Air Force Speciality code (AFSC); and for the Navy, Marine Corps, and Coast Guard, list your rank.

Job Title	Type of Business	Dates Worked	
		From	To

**PART II - MEDICAL/VOCATIONAL/EDUCATIONAL BACKGROUND (Continued)**

**D. Select the highest grade of school completed.**

0  1  2  3  4  5  6  7  8  9  10  11  12

GED or  High School Equivalency :College  1  2  3  4 or  more

Were you awarded a college or postgraduate degree?  YES  NO

When did you graduate? \_\_\_\_\_ If "no," skip to E.

What type of degree did you receive? (AA, BA, BS, MBA, etc.)? \_\_\_\_\_

In what field of study? \_\_\_\_\_

**E. Have you completed any type of special job training, trade or vocational school?  YES  NO**

If "no," skip to F.

Type of training \_\_\_\_\_

Date completed \_\_\_\_\_

Did you receive a certificate or license?  YES  NO If "no," skip to F.

What kind of certificate or license did you receive? \_\_\_\_\_

**F. Have you ever had or expect to have a vocational evaluation or an Individualized Written Rehabilitation Plan (IWRP) or an Individualized Plan for Employment (IPE)?  YES  NO**

If "no," skip to G.

If "YES," attach a copy of the evaluation. If you cannot attach a copy, when were you evaluated (or when do you expect to be evaluated) and when was the IWRP or IPE done ( or when do you expect it to be done)?

\_\_\_\_\_  
Show the name, address, and phone number of the person or organization who evaluated you (or will evaluate you) or who prepared the IWRP or IPE (or will prepare the IWRP or IPE.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**G. If you have a college degree or specialized training, and your plan includes additional education or training, explain why the education/training you already received is not sufficient to allow you to be self-supporting.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## PART III - YOUR PLAN

I want my Plan to begin \_\_\_\_\_ (month/year)  
*(This should be the date you started or will start working towards your goal.)*

and my Plan to end \_\_\_\_\_ (month/year)  
*(This should be the date you expect to start working in your job goal.)*

List the sequential steps that you have taken or will take to reach your work goal starting with your begin date above and concluding with your expected end date above. Be as specific as possible. If you are or will be attending school, show the number of courses you will take each quarter/semester and attach a copy of the degree program or plan that shows the courses you will study. Include the final steps to find a job once you have obtained the tools, education, services, etc., that you need.

Step	Beginning Date	Completion Date

**PART IV - EXPENSES**

A. Do you propose to purchase or lease a vehicle?  YES  NO  
If yes, list the purchase or lease of the vehicle as one of the steps in Part III and complete the following: If "no," skip to B on Page 7

1. Explain why less expensive forms of transportation (e.g., public transportation, cabs) will not allow you to reach your work goal. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Do you currently have a valid driver's license?  YES  NO  
If "yes," skip to 3

If no, does Part III include the steps you will follow to get a driver's license?  YES  NO  
If "yes," skip to 3

If no, who will drive the vehicle? \_\_\_\_\_  
How will it be used to help you with your work goal?  
\_\_\_\_\_  
\_\_\_\_\_

3. Do you already own a vehicle?  YES  NO  
If yes, explain why you need another vehicle to reach your work goal. If "no," skip to 4

\_\_\_\_\_  
\_\_\_\_\_

4. Describe the type of vehicle you propose to purchase or lease:  
Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Year: \_\_\_\_\_  
Purchase price: \_\_\_\_\_  
OR Lease price: \_\_\_\_\_

5. If the vehicle is new, explain why a used vehicle is not sufficient to meet your work goal.  
\_\_\_\_\_  
\_\_\_\_\_

**Part IV - EXPENSES (Continued)**

B. If you propose to purchase a computer or other major equipment, describe the computer or equipment you will purchase, including the cost for each item.

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C. Do you already own a computer?  YES  NO  
If yes, explain why you need another computer to reach your work goal.

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D. Please explain why you need the capabilities of the particular computer and/or equipment you identified.

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E. Other than the items identified in A through D above, list the items or services you are buying or renting or will need to buy or rent in order to reach your work goal. Be as specific as possible. If schooling is an item, list tuition, fees, books, etc. as separate items. List the cost for the entire length of time you will be in school. Where applicable, include brand and model number of the item. **(Do not include expenses you were paying prior to the beginning of your plan; only expenses incurred since the beginning of your plan can be approved.)**

NOTE: Be sure that Part III shows when you will purchase these items or services or training.

1. Item/service/training: \_\_\_\_\_

Total Cost: \$ \_\_\_\_\_

Vendor/provider: \_\_\_\_\_

How will you pay for this item (*one-time payment, installment or monthly payments*)?

How will this help you reach your work goal? \_\_\_\_\_

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**Part IV - EXPENSES (Continued)**

2. Item/service/training: \_\_\_\_\_  
Total Cost: \$ \_\_\_\_\_  
Vendor/provider: \_\_\_\_\_  
How will you pay for this item (*one-time payment, installment or monthly payments*)?  
\_\_\_\_\_  
How will this help you reach your work goal?  
\_\_\_\_\_  
\_\_\_\_\_

3. Item/service/training: \_\_\_\_\_  
Total Cost: \$ \_\_\_\_\_  
Vendor/provider: \_\_\_\_\_  
How will you pay for this item (*one-time payment, installment or monthly payments*)?  
\_\_\_\_\_  
How will this help you reach your work goal? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Item/service/training: \_\_\_\_\_  
Total Cost: \$ \_\_\_\_\_  
Vendor/provider: \_\_\_\_\_  
How will you pay for this item (*one-time payment, installment or monthly payments*)?  
\_\_\_\_\_  
How will this help you reach your work goal? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Item/service/training: \_\_\_\_\_  
Total Cost: \$ \_\_\_\_\_  
Vendor/provider: \_\_\_\_\_  
How will you pay for this item (*one-time payment, installment or monthly payments*)?  
\_\_\_\_\_  
How will this help you reach your work goal?  
\_\_\_\_\_  
\_\_\_\_\_

**Part IV - EXPENSES (Continued)**

6. Item/service/training: \_\_\_\_\_

Total Cost: \$ \_\_\_\_\_

Vendor/provider: \_\_\_\_\_

How will you pay for this item (*one-time payment, installment or monthly payments*)?

How will this help you reach your work goal? \_\_\_\_\_

F. Will any of the items, services or training costs be reimbursed to you or paid by any other source, person or organization?  YES  NO

If yes, be sure to complete Part V, question F on page 11.

**CURRENT LIVING EXPENSES**

G. What are your current living expenses each month? \$ \_\_\_\_\_ /month

Include all living expenses:

- Rent, Mortgage, Property Taxes,
- Property/Personal Insurance,
- Utilities, Phone, Cable, Internet,
- Food, Groceries,
- Automobile Gas, Repair and Maintenance, Public Transportation,
- Clothes, Personal Items, Laundry/Dry Cleaning,
- Medical, Dental, Prescription,
- Entertainment, Charity Contributions, etc.

H. If the amount of income you will have available for living expenses after making payments or saving money for your plan is **less than** your current living expenses, explain how you will pay for your living expenses.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

## PART V - FUNDING FOR WORK GOAL

- A. Do you plan to use any items you already own (e.g., equipment or property) to reach your work goal?     YES     NO

If "no," skip to B. If yes, show the items you will use that you already own:

Item \_\_\_\_\_  
How will this help you reach your work goal? \_\_\_\_\_

Item \_\_\_\_\_  
How will this help you reach your work goal? \_\_\_\_\_

Item \_\_\_\_\_  
How will this help you reach your work goal? \_\_\_\_\_

- B. Have you saved any money to pay for the expenses listed on pages 6-9 in Part IV? (*Include cash on hand or money in a bank account.*)     YES     NO

If "yes," how much have you saved? \_\_\_\_\_

- C. List the income you **receive or expect to receive** below. (*Include Social Security benefits, wages, self-employment, assistance, royalties, pensions, dividends, prizes, insurance, support payments, etc.*)

Type of Income	Amount	Frequency (Weekly, Monthly, Yearly)

- D. How much of this income will you set aside to pay for the vehicle, computer, major equipment and other items, services and training listed in Part IV?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## PART V - FUNDING FOR WORK GOAL (Continued)

E. Do you plan to save any or all of this income for a future purchase which is necessary to complete your goal?

YES     NO If "no," skip to F.

If "yes," you will need to keep this money separate from other money you have. How will you keep the money separate. *(If you will keep the savings in a separate bank account, give the name and address of the bank and the account number.)* \_\_\_\_\_

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F. Will any other person or organization (e.g., grants, assistance, or Vocational Rehabilitation agency) pay for or reimburse you for any part of the expenses listed in Part IV or provide any other items or services you will need?

YES     NO If "no," skip to Part VI.

If "yes," provide details as follows:

Who Will Pay	Item/Service	Amount	When will the item/service be purchased?

## PART VI - OTHER CONTACTS

Did someone help you prepare this plan?     YES     NO

If yes, give the name, address and telephone number of that person or organization:

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State and Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_

E-mail address \_\_\_\_\_

Are they charging you a fee for this service?     YES     NO

If yes, how much are they charging? \_\_\_\_\_

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**PART VI - OTHER CONTACTS (Continued)**

May we contact them if we need additional information about your plan?  YES  NO

Do you want us to send them a copy of our decision on your plan?  YES  NO  
If yes, please submit a Consent for Release of Information, form SSA-3288.

*(If you also wish to authorize this person or organization to act on your behalf in matters pertaining to this plan, please submit an Appointment of Representative, form SSA1696.)*

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**PART VII - REMARKS**

Use this section or a separate sheet of paper if you need additional space to answer any questions:

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## PART VIII - AGREEMENT

### If my plan is approved, I agree to:

- Comply with all of the terms and conditions of the plan as approved by the Social Security Administration (SSA).
- Report any changes in my plan **to SSA** immediately.
- Keep records and receipts of all expenditures I make under the plan until asked to provide them to SSA.
- Use the income or resources set aside under the plan **only** to buy the items or services shown in the plan as approved by SSA.
- Report any changes that may affect the amount of my SSI payment immediately. (For example: income, resources, living arrangement, marital status.)

I realize that if I do not comply with the terms of the plan or if I use the income or resources set aside under my plan for any other purpose, SSA will count the income or resources that were excluded and I may have to repay the additional SSI I received.

I also realize that SSA may not approve any expenditure for which I do not submit receipts or other proof of payment.

**I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge.**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

City, State and Zip code \_\_\_\_\_

Telephone: Home \_\_\_\_\_

Work \_\_\_\_\_

Other \_\_\_\_\_

E-mail address \_\_\_\_\_

If you have a representative payee, the representative payee must sign below:

Representative Payee Signature \_\_\_\_\_ Date \_\_\_\_\_

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## Plan to Achieve Self-Support, SSA-545-BK

### Privacy Act Statement Collection and Use of Personal Information

Section 1631(e) of the Social Security Act, as amended, [42 U.S.C. 1383(e)] authorizes us to collect this information. We will use the information you provide to help us determine if we can approve your plan to achieve self-support. The information you furnish on this form is voluntary. However, failure to provide the requested information may limit your ability to participate in this program.

We rarely use the information you supply for any purpose other than for making a determination relating to participation in the program. However, we may use it for the administration and integrity of Social Security programs. We may also disclose information to another person or to another agency in accordance with approved routine uses, which include but are not limited to the following:

1. To enable a third party or an agency to assist Social Security in establishing rights to Social Security benefits and/or coverage;
2. To comply with Federal laws requiring the release of information from Social Security records (e.g., to the Government Accountability Office and Department of Veterans Affairs);
3. To make determinations for eligibility in similar health and income maintenance programs at the Federal, state, and local level; and
4. To facilitate statistical research and audit activities necessary to assure the integrity and improvement of Social Security programs (e.g., to the Bureau of the Census and private entities under contract with us).

We may also use the information you provide in computer matching programs. Matching programs compare our records with records kept by other Federal, state, or local government agencies. Information from these matching programs can be used to establish or verify a person's eligibility for Federally-funded or administered benefit programs and for repayment of payments or delinquent debts under these programs.

A complete list of routine uses for this information is available in our System of Records Notice 60-0255 (Plans for Achieving Self-Support Management Information System). The Notice, additional information regarding this form, and information regarding our systems and programs, are available on-line at [www.ssa.gov](http://www.ssa.gov) or at any local Social Security office.

**Paperwork Reduction Act Statement** - This information collection meets the requirements of 44 U.S.C. § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. The OMB control number for this collection is 0960-0555. We estimate that it will take between 120 minutes to read the instructions, gather the facts, and answer the questions. ***Send only comments relating to our time estimate above to SSA 6401 Security Blvd, Baltimore, MD 21235-6401.***

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## OUR RESPONSIBILITIES TO YOU

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We received your plan for achieving self-support (PASS) on \_\_\_\_\_.  
Your plan will be processed by Social Security employees who are trained to work with PASS.

The PASS expert handling your case will work directly with you. He or she will look over the plan as soon as possible to see if there is a good chance that you can meet your work goal. The PASS expert will also make sure that the things you want to pay for are needed to achieve your work goal and are reasonably priced. If changes are needed, the PASS expert will discuss them with you.

You may contact the PASS expert toll-free at 1- (     )     - \_\_\_\_\_

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## YOUR REPORTING AND RECORDKEEPING RESPONSIBILITIES

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**If we approve your plan, you must tell Social Security about any changes to your plan and any changes that may affect the amount of your SSI payment. You must tell us if:**

- Your medical condition improves.
- You are unable to follow your plan.
- You decide not to pursue your goal or decide to pursue a different goal.
- You decide that you do not need to pay for any of the expenses you listed in your plan.
- Someone else pays for any of your plan expenses.
- You use the income or resources we exclude for a purpose other than the expenses specified in your plan.
- There are any other changes to your plan.
- There are any changes in your income, help you get from others, or things of value that you own.
- There are any changes in where you live, how you live, or your marital status.

You must tell us about any of these things within 10 days following the month in which it happens. If you do not report any of these things, we may stop your plan.

You should also tell us if you decide that you need to pay for other expenses not listed in your plan in order to reach your goal. We may be able to change your plan or the amount of income we exclude so you can pay for the additional expenses.

**YOU MUST KEEP RECEIPTS OR CANCELLED CHECKS TO SHOW WHAT EXPENSES YOU PAID FOR AS PART OF THE PLAN.** You need to keep these receipts or cancelled checks until we contact you to find out if you are still following your plan. When we contact you, we will ask to see the receipts or cancelled checks. If you are not following the plan, you may have to pay back some or all of the SSI you received.

# Creating Your Business Plan

## Information Gathering Outline

Cover Sheet or Title Page

Name of your business and your name

- Your contact information - address, telephone number, fax, email or website address.
- "Business Plan" should be written on the title page

## Business Plan

Table of Contents - Needs to cover all areas listed below

### Table of Contents

- I. Executive Summary
- II. Business Description
  - A. Description of Business
  - B. Background
  - C. Business Goals and Objectives
- III. Marketing
  - A. Products & Services
  - B. Market Description
  - C. Competition
  - D. Promotional Plan & Strategy
- IV. Management Structure & Organization
  - A. Legal Form & Ownership
  - B. Organizational Structure
  - C. Risk Management
- V. Financial Plan
  - A. Owners Equity and Personal Income Statement
  - B. Estimated Monthly Income
  - C. Estimated Monthly Operating Expenses
  - D. One-Year Profit & Loss Statement
  - E. Source & Use of Funds
- VI. Supporting Documents

## Table of Contents Explained:

**I. Executive Summary** - You will actually write this last, after you have all the information compiled. It is an overview of your business plan, and should contain one or two sentences on each section.

## **II. Business Description**

### **A. Description of Business**

- Describe the business you want to start in detail. Start each answer in the position like below.
- Name of business and location.
- State days and hours of operation.

### **B. Background**

- What skills or experience do you have that will benefit you in starting this business? List the education you have, seminars you have been to, past employment experiences in working with others or supervising, even managing your household budget if nothing else, etc.

### **C. Business Goals and Objectives**

- What are your short and long term goals for the business?  
Make sure you answer the following questions – What is it I want to have accomplished (sell, service provided)? How am I going to get there? What startup expenses will I have, will I need a steady infusion of capital for a while, why? When do I expect to become self-sufficient (PASS end)? How will I know when I get there? You need to have a list of realistic and measurable goals. Sample might be to increase sales by X% by the Nth month. To increase customer base each month. Maybe leave part time employment by the end of the first year... Generate \$X a month profit by end of first year. Move into a storefront location or office outside my home Etc.

## **III. Marketing**

This section should cover: Why would someone buy from you? What makes your product marketable (different)? How will they find your product or service? Is your market seasonal? How will you determine price? What is the competition?

### **A. Products and Services**

- Describe your product or service.
- How will you price your product or service?

- What is the demand for your product or service? Check around the community and see what kind of demand there is, maybe send out a written survey to see if your product will sell.

**B. Market Description:** Use your public library it is a great source of information. Tell the librarian what you are looking to find and she can direct you to Encyclopedia of Associations, Census of Population and Housing, County Business Patterns etc. The Chamber of Commerce will also have information. Search the internet

- Who are your customers or your target market?
- What is the geographic area that you plan to serve?
- In that market how many potential customers are there?

**C. Competition:** Check the yellow pages of the geographic area you plan to serve. Call or visit the business and act as if you are a customer wanting their product or service to gather information. You should be able to determine pricing, customer service delivery, products or services they offer, how long have they been in business, etc. Check out the local newspapers to see your competitors advertising technique.

- Who are your competitors in your market area?
- What advantages will your business have over theirs?
- How is their business performing?
- What strengths and/or weaknesses do you see in their business?

**D. Promotional Plan/Selling Strategy:** Are you going to use newspapers, shoppers, fliers, business cards, brochures, local cable channels, radio, etc. Make sure you check the costs for comparison. Internet – ebay, your own website. If you are going to have a website how are you going to get people to see your website?

- How do you plan to sell your product or service?
- What advertising/promotion sources will you use?
- How will you implement your promotional plan?

## Table of Contents Explained: (Continued)

### **IV. Management Structure and Organization**

#### **A. Legal Form and Ownership**

- State the legal form of business ownership.
- How will your business be managed on a daily basis? Who will do the scheduling, ordering of supplies, purchasing materials, marketing, making bids, completing invoices, etc.

#### **B. Organizational Structure**

- Where will your business be located?
- Your contact information - address, telephone number, fax, email or website address.
- What will your business phone number be?
- Is there an email address?
- Is a state of Sales Tax permit required or any other licenses or permits?
- Do you have an EIN?
- Will you open a separate checking account for the business and where will it be located?
- What type of record keeping system will be used?
- Who will be responsible for the monthly financial reports?
- Who is your accountant, attorney or people you can turn to for advice?

#### **C. Risk Management**

- What are your business insurance needs? Call an insurance agent stating what type of business you plan to operate and ask them for a quote. If you already have homeowners or renters insurance they may just add a rider to your policy for the business.

## Table of Contents Explained: (Continued)

### **V. Financial Plan**

#### **A. Owners Equity/Personal Financial Statement**

- What equipment/supplies do you already have that will be used in the business and what is their value?
- Include a personal financial statement. For example: What amount of income do you have coming in each month?  
\_\_\_ What are your monthly expenses for household?

#### **B. Estimated Monthly Income Potential**

- What is your estimated monthly income potential? What is this amount based on?

#### **C. Estimated Monthly Expenses**

- What are your estimated monthly expenses for operating the business?

**D. One Year Profit and Loss** You will need to gather all of these figures; I have included a template monthly cash flow statement for you that will auto –calculate some information for you. If you need assistance with a Profit and Loss Statement, I would recommend contacting your local Small Business Administration branch.

#### **E. Source and Use of Funds**

- Provide a Source and Use of Funds - this is a list of your financial assistance requests and vendor information. Remember to include your PASS plan funds.

**VI. Supporting Documents** In this section you might include documentation of:

- Quotes from each vendor for your financial assistance requests
- Sales tax permit (if applicable to the business) -Other permits that may be required -
- Business registration form -
- Certificates of training, seminars, education, etc. Resume -
- Letters of reference - Letters of intent -
- Proposed lease agreements --
- Samples of brochures, business cards etc.
- Samples of business forms

The following is an example of a completed Business Plan from one of our clients.



**Business Plan of:**

**A Blessed Creation**

Sherry Allen

\_\_\_\_\_

\_\_\_\_\_

Phone:

Email: \_\_\_\_\_

Date Prepared: 7/23/07

## ***Business Plan of “A Blessed Creation”***

### Table of Contents

- I. Executive Summary
- II. Business Description
  - A. Description of Business
  - B. Background
  - C. Business Goals and Objectives
- III. Marketing
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  - B. Market Description
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  - C. Risk Management
- V. Financial Plan
  - A. Owners Equity and Personal Income Statement
  - B. Estimated Monthly Income
  - C. Estimated Monthly Operating Expenses
  - D. One-Year Profit & Loss Statement
  - E. Source & Use of Funds
- VI. Supporting Documents

## Sample Business Plan: (Continued)

### Executive Summary

“A Blessed Creation” is a newly started Embroidery & Smocking apparel business owned and operated by Sherry Allen, at \_\_\_\_\_. The business phone number is \_\_\_\_\_. The e-mail address is \_\_\_\_\_.

This business will be based out of the home to start, as inventory and equipment needs are purchased. The business will be a retail shop of uniquely created smocking and embroidery items. Each item will be uniquely tailored to the individuals own ideas and desires.

I have done this type of work before earning up to \$8000+ in sales. Previously, I did all the work by hand as I did not have proper equipment, such as a computerized embroidering machine or an adjustable table. I was able to create business by showing customers a portfolio of items that I had made. I would take orders, get deposit for materials, and then deliver them when finished. The cost of the items I sold before started in \$85 - \$100 range and went up from there, depending on the amount of hours it took to do the embroidering. With the help of an embroidering machine I will be able to do embroidering that took 4-5 hours by hand in 15 minutes or less! There is a market for this type of item and I know how and have done it before.

Researching the area I have found that there is no one who specializes in uniquely designed smocking with the personalized embroidering. It will take some time to develop a clientele since I am new in the area, but with the purchase of the needed equipment I will be able to create a product that will be highly sought after.

Please, read through the rest of my plan and give me a chance to make this work. With the use of the Social Security PASS to provide me with funds to purchase the starting inventory and equipment, I can have a profit at the end of year 2 to go off the PASS Plan.

By year 3, using conservative projects I will be projecting enough profit to no longer receive any SSI or SSDI assistance. I feel the financials provided are very conservative, and as the business expands I will be adding additional accessories, thereby increasing profit.

## Sample Business Plan: (Continued)

### **Business Description**

#### **Description of Business**

The business will be a retail shop of uniquely created smocking and embroidery items. Each item will be uniquely tailored to the individuals own ideas and desires. People are will to pay a good premium for something that is one of a kind. I will be selling a service (made to order), where minimal materials will be needed to be on hand. Most of the time the customer will provide the material that they want something added to. I will have Australian Smocking magazines available which include patterns for people to look at. I will as cash permits build up an inventory of wholesale items to which I can add some embroidering to, in addition to the original "A Blessed Creation" items.

I will be operating out of my home located at \_\_\_\_\_. I will be available for orders from the hours of 8 to 4 Monday thru Friday and by appointments on Saturdays. The area that I live has many cottages and boutique shops, it also has many different events that go on throughout the year. We are 10 minutes from Gulfport and within an hour of New Orleans.

"A Blessed Creation" will be a sole proprietorship, which will not only sell originals, but will selling retail items at shows, Christian gatherings, fairs, high-end day care schools, and word of mouth. As funds become available I hope to setup a Website where people can get an Idea of what I sell.

#### **Background**

I learned how to do by self training, found stores that sold sewing equipment, but only sold embroidery items that were already done. They did not sell unique type of items, so I started making items for my children. I found people wanted to buy the smocking items with the embroidering.

I have done this type of work before earning up to \$8000+ in sales. Because of pain in my back I was forced to quite. I did all the work by hand and did not have any proper equipment, such as a computerized embroidering machine or an adjustable table. The adjustable table would eliminate the bending, which is what causes my back problems.

### Sample Business Plan: (Continued)

In the past, I would go to women that were customers at their business with magazines, take orders for child, get deposit for materials, and then deliver them when finished. The cost of the items I sold before started in \$85 - \$100 range and went up from there, depending on the amount of hours it took to do the embroidering. With the help of an embroidering machine I will be able to do embroidering that took 4-5 hours by hand in 15 minutes or less! There is a market for this type of item and I know how and have done it before.

### **Business Goals and Objectives**

Since before my back injury I have been able to sell over \$8000 worth of items, without the specialized equipment, I would expect to sell at least twice that amount/year by the second year of business. I have moved, so it will take a while to establish my customer base. To start 2-5 regular customers would make me \$200 to \$300/month, as the clientele grows through word of mouth and I exhibit my craft at shows and around town I expect to sell \$500 to \$750 during the months around Christmas, Easter, and start of school year during the first year.

I will not be able to do a lot of work until I have purchased the adjustable table and embroidering machine because of my back. I hope that the PASS Plan be able to go retroactive so I can start working right away. I need an adjustable table to alleviate the back problems. I will also need a computer/printer/scanner fairly early so I can create some flyers and have an email address. The third item I need right away is a digital camera this will allow me to create my portfolio to show both on my emails and in book form.

In my projections I did not start saving for the embroidering machine and software until I had the items listed above paid for. If I am able to do those with any retroactive funds I would like to save and purchase the embroidering machine as soon as possible, as this will be my main money making tool. Once I have the embroidering machine I will need transportation as my car is not in good shape. I am asking the PASS Plan to also support the purchase of a newer car in the price range of around \$6000. It does not help sales if you are driving around a junker.

## Sample Business Plan: (Continued)

As my monthly cash flow projections show this is a seasonal business from what I learned when doing this before, with the specialized equipment, I am able to overcome my disability, and work my way off of both SSDI and SSI. By the second year of business I will have a net profit even after the purchase of the equipment and a car. My SSDI will end at the end of year 2 and my SSI for year 3 will be zero.

In the longer run I want to purchase items wholesale, add my designs and then sell, but my main goal is selling the embroidering and smocking. Ultimately I want to have cottage-like shop with porch (after all smocking is an heirloom apparel) where I do the smocking and others do the rest.

### **Marketing**

With the purchase of the camera and computer equipment I will be able to create a portfolio that I will be able to show potential clients. My clientele will be upper middle class, young mother, and the older population. I have a play and party center called “Not too Little” that I take my children to that has a lot of young mothers. Since my product will be unique one of a kind product the demand is there. There are also high income daycare centers/schools close to our home.

Another large group of potential clientele is Christian gatherings where they have exhibits. These are more seasonal, but provide a larger audience. I have previously done very well at these.

### **Products and Services**

My main product is Heirloom clothing for children which helps keep them looking like children. There are pageants all over and some of these have went to strictly heirloom type clothing. With my product they can usually wear them for 1, 2, and 3 years of wear out of the because of the 4-6 inch seam that I have with all the items I make. It's strictly “made to order” so you get exactly what you want. The items are charged by the amount of time taken to create them. I am currently using \$15/hour as my rate, but the customer just sees the final cost. An item would start in the \$85 to \$100 range. I have a good idea of how much time something will take to create. In most situations the customer, at this time, will have purchased something from another store that they want something added, to make it unique. I hope in the future to be able to buy things wholesale and have them for sale at a little storefront.

### Sample Business Plan: (Continued)

This was not figured into these projections but would offer more options for the consumer.

I have taught classes before and will do so if there are enough people interested.

I have included a couple of picture that a friend took to show what the smocking with the embroidery look like. With a digital camera I would have better quality and be able to send them to people.

### **Market Description**

The market I will work with the most is upper middle class young mothers with small children, some work will be with the older women who would like to have unique sweater/clothing. There is a play area for children here in town called "Not too Little" that offers, music, dance, art, and exercise classes while the parents wait for them. Since these are more doctor, lawyer, business men and their families cost will not be the determining factor, but more the uniqueness of have a one of a kind item from "A Blessed Creation".

To start the market will consist of residents of Ocean Springs, MS as of the [censusGR2](#) of 2000, there were 17,225 people, 6,650 households, and 4,688 families residing in the city. The median income for a household in the city was \$45,885, and the median income for a family was \$56,237. The median age was 38 years. As shown by the median age, there are a lot of young mothers with income available for discretionary items. Keesler Airforce base near town, Gulf Port is 10 minutes, New Orleans an hour to the west, and Mobile AL and hour to the east. As time allows I will cover Biloxi and then the entire Mississippi Gulf Coast.

This area is known for its specialty stores, cottage businesses. The town has organized events every month or so to promote the area. We have Gulf Marinas, Casinos, even the movie "Ocean's Eleven" was filmed in the area, so we have many tourist/travelers visit our town.

Looking through the yellow pages there are 11 stores listed under "embroidery" but none that currently sell uniquely made smocking's and embroidery. The closest to selling my type of products would be the fabric stores where you have to make your own, and screen printing shops which

### Sample Business Plan: (Continued)

will put things on tee shirts and caps, but they do not do my type of embroidering. With my product uniqueness, marketing will start with a portfolio that I will take to the different areas that cater to my clientele from there I will develop a return customer list that will want my product for a variety of occasions.

### **Promotional Plan/Selling Strategy**

Our main promotional aids will be my Pictorial Portfolio. The portfolio is of my granddaughter wearing outfits I've made (with a base pricelist). I plan on starting with 10 copies that I will leave at different locations and let customers look at.

Such as:

1. "Not too Little" play center
2. Pediatrician, Dentist & other Dr. Offices
3. Fabric stores
4. High End Day-cares
5. Copies for office
6. Ballet schools

I have developed business cards, I will put out flyers that I will send to residents when I have enough funds saved, I will develop a website so that I can also show my portfolio via the internet. Weekly shopper and newspapers will also be used to get my name and product information out to the public. The Yellow Pages will be used once I have been in business for a while. All of these things will be developed as the business grows, to start it will be word of mouth and my pictorial portfolio.

### **Management Structure and Organization**

#### **Legal Form and Ownership**

This will be a sole proprietorship owned and operated by Sherry Allen.

#### **Organizational Structure**

I Sherry Allen will be handling all aspects of "A Blessed Creation". I will be the one ordering all materials and supplies that are required. I will also do the embroidering of the product. Plus the job isn't complete until the paperwork is done.

We will be located at \_\_\_\_\_



### Sample Business Plan: (Continued)

I have not yet attained my State or Federal Tax Id #, Business Licenses, or an EIN#. I will be opening a business checking account at Wachovia located at Ocean Springs. All business income and expenses will come out of this account. I will be using Quick Books accounting software for the business books and will have monthly financial reports so that I can see how the business is progressing. For additional business advice, I will contact the [service corps of retired executives](#).

My sister is a State auditor, if I need help. I will keep my own books and will hire a CPA/account at tax time.

### Risk Management

My renter's insurance policy covers my needs at home, where I will be doing the work. My auto policy will not change unless; I put the company name on the vehicle. So all my insurance needs are met for now.

Once the PASS is approved I will buy insurances that will be needed to protect inventories, personal injury, and liability.

## Financial Plan

### Owners Equity

Here is the list of currently owned Property Essential to Self-Support (PESS)

Sewing machine	value – \$400
Patterns	value - \$200
Austrian Smocking Magazines	value - \$200
Laces & Notions	value - \$100
Variety of fabric	value - \$250

PESS Total Value=\$1150

### Personal Financial Statement

I currently have \$628/month in SSDI and \$15 SSI. We also receive \$300 in food stamps.

## Sample Business Plan: (Continued)

### My Monthly expenses:

Rent	\$140
Gas, lights	\$250
Phone	\$30
Car insurance	\$0
Car Gas	\$75
Cable & Internet	\$45
Food	\$100-\$150 above the \$300 food stamps we receive
<u>Clothing</u>	<u>\$ 0</u>
Total	\$640

Income with PASS Plan for living expenses

SSI	\$623
<u>SSDI - \$20 GIE not put into PASS</u>	<u>\$20</u>
Total	\$643

With the use of the PASS Plan, part of my current expenses will become part of the PASS. All legitimate business expenses according to IRS are also legitimate PASS plan expenditures.

Above living expenses that will become part of the business expense, thereby making the PASS plan feasible according to Social Security and IRS rules.

Rent - one room in house used for business		
Estimated at 25% of rent	$\$140 * 25\%$	= \$70
Gas & lights	$\$250 * 25\%$	= \$125
<u>Phone</u>	<u><math>\\$30 * 50\%</math></u>	<u>= \$15</u>
	Total	= \$210

As my financial plan shows, I believe I will be able to net around \$20,000 by my third year. While on the PASS Plan, I will be eligible for Medicaid, which will cover almost 100% of my medical bills.

I will also continue to receive Medicare for at least 93 months after my TWP has ended. I am asking that you allow my SSDI to be put into the PASS Plan for 24 months, after which time I will be profitable by end of year 3 and SSDI check will end. I will then be able to be off of government assistance.

## Sample Business Plan: (Continued)

### Estimated Monthly Income Potential

I feel that I have been very conservative in my income figures; I expect \$20000 - \$50000 dollars net income after the 3rd year with the addition of more variety of wholesale items added to the items which have the "A Blessed Creation" logo made by me. The projections only show income from personally made items. See Census data.

### Estimated Monthly Expenses

See attached Monthly Cash flow projections.

### Three Year Profit and Loss

See attached 3 year Profit and Loss Statement

NESE Year 1 projection = (Loss) Receive Maximum SSI

Year 2 =  $\$1950 * .9235 = \$1806.75/12 = \$150.56$

SSI reduction of  $(\$150-65)/2 = \$42$  from max SSI

Year 3 =  $\$18775 * .9235 = \$17338.71/12 = \$1444.89$

SSI reduction of  $(\$1445-\$85)/12 = \$680$  from max SSI

### Source and Use of Funds

PASS Plan – use SSDI funds to fund business. The PASS plan will last for 24 months. All business funds and PASS funds will be kept in a separate account from the SSI which I will receive to pay for living expenses.

#### PASS Plan funded expenses

Embroidering Machine & software = \$4000

Purchase of inventory = \$500

Purchase of adjustable table = \$299

Purchase of digital camera = \$198

Purchase of computer/printer/scanner = \$773

Purchase of cell phone – one year \$75/month = \$900

Purchase of car - estimate = \$6000

Car taxes & license = \$400

Car insurance – one year estimate = \$400

PASS Plan preparation fee = \$1430

Total = \$14890

## Sample Business Plan: (Continued)

### **VI. Supporting Documents**

In this section you might include documentation of:

- Year 1-3 Projected Profit and Loss
- Year 1-3 Projected Monthly Cash Flow
- Social Security POMS- RS 01803.110 Business Deductions
- Pictures of sample of Smock dresses with embroidering
- Business card
- Computer Desktop Compaq SR2173WM-B
- HP3135 HP Photo Smart C 3135 printer-scanner-copier
- Digital Camera Kodak C875
- ELNA 6005 Heirloom Edition embroidering machine + software
- bar height table for cutting out \$299.00 (BigLots.com)