

# SELF-EMPLOYMENT BENEFITS (SEB) APPLICANT'S GUIDE





## Introduction

The Workforce Expansion Self-Employment Benefit (SEB) program helps the unemployed re-enter the workforce by starting a new business. The program provides various types of support during the initial business development phase, including financial assistance, coaching and ongoing technical advice. Coaching, which is tailored to individual needs, may focus on business plan development, accounting, marketing, etc.

In addition to the longstanding SEB program, the New Brunswick Association of Community Business Development Corporations and its affiliated regional offices recently developed the **SEB Program for Persons with Disabilities (PWD)** on behalf of the Government of New Brunswick, working under the supervision of the Department Post-Secondary Education, Training and Labour, in addition to the Premier's Council on Disability.

## Applicant Eligibility Criteria

To be eligible for the program, applicants must meet the following criteria:

- Must be legally entitled to work in Canada.
- Must reside in New Brunswick or be willing to establish residency in New Brunswick.
- Must not be a full-time student.
- Must be unemployed.
- Must be EI-eligible.
  - \* **SEB-PWD program applicants may or may not be EI-eligible.**
- Must submit a business plan.
- Must work full-time at the business (at least 35 hours per week).
  - \* **SEB-PWD program applicants must work part-time at the business (at least 25 hours per week).**
- Must have decision-making control over the business operations.
- Must have an ownership stake of 50% or more.
- Situations in which you and/or family members (spouse, parent, child, brother or sister) own similar businesses must be reviewed for eligibility on a case-by-case basis.
- Must agree to and take part in an appropriate credit review.
- Must be able to provide additional capital to the business in form of cash or in-kind contributions representing a minimum of 5% of the total start-up costs.
- Must not have started the business prior to being approved and signing a contract under the SEB program.

- Must not have received funding under the regular SEB program within the last five years.
- **Applicant of SEB-PWD must meet with the liaison officer in order to assess their needs and obtain support in accessing appropriate individualized resources.**

## Business Eligibility Criteria

A business started under the SEB program must meet the following general criteria:

- The business must be a for-profit venture.
- The business must operate on a full-time basis for a minimum of 44 weeks per year.
  - \* **Under the SEB-PWD program, a business must operate on a part-time basis for a minimum of 44 weeks per year.**
- The business must be established in New Brunswick and must begin operations within ten (10) weeks following the signing of the SEB contract.
  - \* **Under the SEB-PWD program, a business must be established in New Brunswick and must begin operations within fifteen (15) weeks following the signing of the SEB contract.**
- Businesses deemed to be in undue competition with existing ventures will not be eligible for funding.
- 50/50 business partnerships will be considered if a formal written agreement is provided detailing the business partnership relationship. Both partners can apply to the program.
- Businesses with a franchise fee of \$50,000 or less are eligible.
- Businesses based on commission sales, pyramid-type selling, network marketing or 1-900 numbers are not eligible.
- A business that is not in the public interest is not eligible.
- A business which exploits sex, religion or politics is not eligible.
- A business that exploits vulnerable groups is not eligible (e.g., payday loans).
- The business must demonstrate long-term viability.

## What financial assistance will you receive?

Under the SEB program, if you are receiving or are eligible to receive EI benefits, you will continue to receive those benefits until your claim ends. After that point, you will receive support at a provincially established rate for the length of time remaining under the program.

If you are approved for the SEB program but are not receiving EI benefits, you will receive a weekly allowance at a provincially established rate. The SEB Coordinator in your area will provide you with additional information on other support that may be available to you. Benefit payments for a period of 50 weeks.

**\* Benefit payments under the SEB-PWD program are for a period of 75 weeks.**

Revenue from the business will not be deducted from your benefits while you are participating in the SEB program. Please note, however, that if you earn over a certain amount in a given tax year (as determined by the Canada Revenue Agency), benefits may be clawed back when you file your income tax return for that year. Please check with the CRA if you have any questions in this regard.

### Special instructions to EI claimants

To remain eligible for EI benefits while your SEB program application is pending, you must be able to prove that you are still unemployed and available for work. You must continue to make an effort to find work. You must not start your business until SEB program approval has been granted and you have signed a contract.

### Special instructions to SEB-PWD program applicants

The Training and Employment Support Services (TESS) program provides funding and support to New Brunswickers with permanent disabilities so they can participate in training and/or employment opportunities, including self-employment.

## Steps in the application process

### 1. Attend an orientation session

You must meet with the local SEB Coordinator in your area. After analyzing your strengths and needs, the Coordinator will recommend whether or not self-employment is a viable option for you. If it is, you will be asked to submit an application and, with the assistance of the SEB Coordinator, to put together a business plan. You may be



required to attend an orientation session provided in your community (*see Appendix A for contact information*).

**\* SEB-PWD program applicants are required to meet with the Liaison Officer to confirm their disability and to determine their eligibility for the SEB-PWD component.**

## 2. Put together a Business Plan

Most business failures result from poor planning. Countless pitfalls can be avoided if you spend some time now anticipating how your business will be run. Some questions to be answered in your business plan are provided below. Your answers will be considered in determining whether or not your business concept is viable. All aspects will be examined in detail with your SEB Coordinator. (*see Appendix B for Business Plan Components*)

## 3. Selection process

The application and completed business plan will be submitted by your SEB Coordinator to a committee and evaluated in accordance with provincially established criteria. If your application is approved, you will be officially notified that you have been accepted into the SEB program by means of a Letter of Offer from the Department of Post-Secondary Education, Training and Labour.

## 4. Agreement

Before you accept and sign the Letter of Offer, your SEB Coordinator will review all other program regulations with you.

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

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



## **Appendix A**

### **Contact Information**

Self-Employment Benefit Coordinators: 1-800-303-2232

#### **Liaison Officer**

219 Main Street, Suite 3,  
Bathurst, NB, E2A 1A9  
Telephone: 506-548-2406

#### **CBDC Acadian Peninsula**

3620 Main St. P.O. Box 3666  
Tracadie-Sheila, NB, E1X 1G5  
Telephone: 506-395-9700

#### **CBDC Chaleur**

219 Main Street, Suite 3,  
Bathurst, NB, E2A 1A9  
Telephone: 506-548-5951

#### **CBDC Charlotte-Kings**

123 Milltown Boulevard  
P.O. Box 455  
St. Stephen, NB, E2L 2X3  
Telephone: 506-466-5055

#### **CBDC KENT**

190 Irving Boulevard  
Bouctouche, NB, E4S 3L7  
Telephone: 506-743-2422

#### **CBDC Madawaska**

24 St. François Street,  
Edmundston, NB, E3V 1E3  
Telephone: 506-737-8925

#### **CBDC Northumberland**

1773 Water Street,  
Miramichi, NB, E1N 1B2  
Telephone: 506-778-2121

#### **CBDC Restigouche**

41 Water Street, P.O. Box 1089  
Campbellton, NB, E3N 1A6  
Telephone: 506-753-3344

#### **CBDC Southwest**

73 Millenium Drive,  
Hanwell, NB, E3C 0E2  
Telephone: 506-454-2747

#### **CBDC Victoria/ Madawaska-South**

439 Terrace Street,  
Grand Falls, NB, E3Z 2W4  
Telephone: 506-473-6446

#### **CBDC Westmorland Albert**

337 Main Street,  
Shediac, NB, E4P 2B1  
Telephone: 506-532-8312

## ***Appendix B***

### **Business Plan**

#### ***Management***

As manager of the business, you will need to give a brief statement of your background as it relates to the business. Indicate the interests, skills, knowledge, experience and abilities that you possess that will contribute to the business's success. If the business is a partnership, provide the names of your partners together with a copy of the partnership agreement. Be sure to detail the roles each of you will play in the business.

#### ***Marketing plan***

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

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

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

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

#### ***Production plan*** (if applicable)

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

### ***Financing***

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

### ***Organization***

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

### ***Legal requirements and insurance***

Will you list your company in the Corporate Registry of New Brunswick? Will you obtain a provincial sales tax number (this is a requirement for certain businesses, such as those selling goods to the public) from the provincial consumer tax office? Will you obtain a CRA tax number (necessary for hiring staff)? Have you provided workers' compensation for your employees? What business licenses and permits do you need? What type(s) insurance will you take out for your business? (Contact an insurance agent for details - you may require liability insurance if the public has physical access to your premises.) You may also need fire, theft and vehicle insurance.

### ***Forecasts***

Your plan must include a cash flow forecast. Show estimates of incoming funds as well as disbursements. Include personal investments as well as any outside financing you are planning to obtain. Estimate your expenses, including personal expenses, over the forecasting period.

### ***Accounting systems and records***

What accounting systems and records will you use to keep track of your business operations?

### ***Business risk assessment***

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