

Existing Business Policy

Debt to Asset Ratio Assessment

Vocational Rehabilitation

As part of the Existing Business Policy, a Debt to Asset Ratio Assessment may be conducted if the consumer has not made at least minimum wage for each of the past three years as determined by the Employment and Wage Assessment (EWA). The Debt to Asset Ratio calculation is completed by a service provider to determine if the consumer is making a wage that is comparable to others without disabilities working in a similar occupation, with similar tasks, training, experience, and skills.

A higher Debt to Asset Ratio means your business has high debt obligations and lower assets to cover the amount of the debt, which is an indicator of greater financial risk and lower borrowing capacity.

By comparison, a lower Debt to Asset Ratio means your business has low debt obligations and high assets that can cover the amount of the debts, which brings flexibility to an operation if it has to withstand unexpected trials. Having a lower Debt to Asset Ratio allows a business to take advantage of opportunities that arise in the marketplace (such as expansion, diversification, etc.).

The result of the Debt to Asset Ratio calculation will be used to determine if DVR can move forward with funding an Assistive Technology evaluation as part of the Existing Business Policy process. To conduct the Debt to Asset Ratio calculation, you will be required to submit a business balance sheet to the service provider.

- Business owners must submit to the Service Provider a business balance sheet that has been updated within the last 12 months.
- Business owners may already have a recent balance sheet from their accountant as part of their annual tax filings. If the balance sheet meets the requirements outlined in the cover letter (see below), they can submit it to the service provider.
- If the business owner does not have a current balance sheet, this can be obtained from the business owner's accountant. If the business is a sole proprietorship, they can also obtain it from a lender. If the business owner does not have an accountant, DVR can authorize for service a local accountant familiar with developing business balance sheets.
- This [cover letter](#) will assist the business owner and the accountant/lender to know what DVR needs by asking specific questions. The Balance Sheet must contain only your business assets and liabilities, not the assets of others. If the business is a sole proprietorship, it may contain your personal assets and liabilities.
- The completed balance sheet should go directly to the service provider who is assessing the balance sheet.

Who can I contact for more information?

DVR Main Office:
(608) 261-0050 (Voice)
(800) 442-3477 (Toll Free)
(608) 266-1133 (Fax)

Email: dvr@dwd.wisconsin.gov
Website: dwd.wisconsin.gov/dvr