Existing Business Policy
Debt to Asset Ratio Assessment

STATE OF WISCONSIN DWD
Department of Workforce Development

Vocational Rehabilitation

As part of the Existing Business Policy, a Debt to Asset Ratio Assessment may be conducted if the individual has not made at least minimum wage for each of the past one to 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 individual 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 using the DVR Balance Sheet Template to the service provider.

- Business owners must submit to the Service Provider a business balance sheet using the DVR Balance Sheet Template that has been updated within the last 12 months and signed by the preparer and owner to verify the accuracy of the information.
- Business owner can obtain a current balance sheet 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?

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