
Undocu-Ally Training: Entrepreneurship Pathways for Undocu-Spartans

Juan Ruiz, MA
UndocuSpartan Student Resource Center
April 27, 2023

[Recording Link](#)

Passcode: undocuspartan427!

Who am I? Why am I here?



NEPANTLA
PHILOSOPHY, LLC

- Juan Ruiz, MA (Philosophy)
- Critical Race & Ethnic Studies, BA
- Latin American & Latino Studies Department, Ph.D. Student
- Founded Nepantla Philosophy, LLC
 - Created a limited liability company with a mission to nurture equity, diversity, and inclusion in higher education through programming, professional training, and consulting
- *Undocumented non-DACA entrepreneur*

Presentation Content

1. Income Generating Options
 2. Cover state & federal policies allowing professional & occupational licensure
 3. Brief break-out room conversation
 4. Resources for you to share with students
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SJSU-hosted, SBDC

- Free membership to grow or start your business at any stage
- Non-profit organization providing multilingual:
 - Advising
 - Financial Planning
 - Webinars
- Specialties include:
 - Restaurants
 - Technology
- Inclusivity Projects
 - Undocumented focus forthcoming
- **Contact:** Edgar Ceron, SBDC Director,
edgar.ceron@sjsu.edu



AMERICA'S
SBDC
CALIFORNIA
NORTHERN CA NETWORK

SMALL
BUSINESS
DEVELOPMENT
CENTER

SILICON VALLEY

Silicon Valley SBDC is part of a 40-year national legacy committed to small business success.

With unparalleled access to no-cost expertise from entrepreneurs who have seen it all, Silicon Valley SBDC at San Jose State University provides small businesses with the solutions they seek and the confidence they need to realize their dreams.

Professional Licensing for Undocu Folx

- **CA SB-1159** of 2014, licensing boards within the Department of Consumer Affairs may accept an Individual Tax Identification Number (ITIN) in lieu of SSN for professional licenses
- May take licensing exams and become licensed upon passing
 - **Example:** CA Bar Exam open to undocu-students to practice law
- May NOT deny licensure to an applicant based on their citizenship or immigration status (i.e., DACA or TPS)
- **Undocu-individuals may earn a living as professional consultants!**
- A complete list of professional licenses issued by the Department of Consumer Affairs:

https://www.dca.ca.gov/about_us/entities.shtml



Hiring Undocu-folx at SJSU

- Create undocu-friendly internship or fellowship
 - Independent contracting
 - Immigration Reform and Control Act of 1986 deemed hiring undocumented workers as illegal
 - However, “sporadic or domestic workers” allowed under Independent Contracting protocol
 - By-passes the I-9 Employment Eligibility Verification system
 - Folks hiring workers under this process not obliged to verify work authorization of their independent contractors
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It is all about the language!

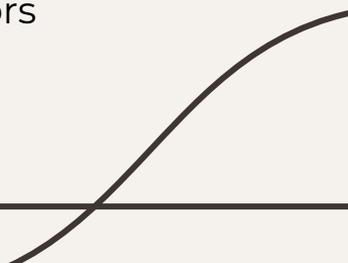
No Stipends!

- Misused in the past
- We need to justify how we deliver students money

Not hourly pay!

- You cannot employ Undocumented students without EAD's, or have them work hourly gigs

Push towards...

- Scholarships
 - Inclusive fellowships, if optional
 - Incorporate them as Vendors
- 

Basic Facts

- All immigrants regardless of legal status are able to earn a living as independent contractors, or start a business using an **ITIN** (individual taxpayer identification number), **EIN** (employer identification number), or **SSN** (social security number).
- Individuals may choose to apply for an EIN to identify a business entity and hire employees. An ITIN may be used to obtain an EIN.
- An independent contractor must pay self-employment tax and income tax.
- Independent contractors should submit a **W9 Form** instead of the I-9 Form to each entity (client) they provide independent contractor services to. **The W-9 is filled out at the start of work by an independent contractor and kept on record by the payer (client).**

Spark your Dreams!

- <https://spark.immigrantsrising.org>
- Entrepreneurship content created by and for people with undocumented status
- **Interactive Worksheets**, allow you to organize and save your ideas into a concrete business plan
- **Community Support** with entrepreneurs who have the same lived experience
- **Free and Confidential!**
- **\$5,000 Grant Application Open Now!**



OPEN NEW DOORS

GET YOUR HUSTLE ON.

We're here to show you how to leverage your skills, knowledge and experience to generate income through contracting or business start-up opportunities.

GET STARTED **SIGN UP**



SPARK YOUR DREAMS

WE ARE CURRENTLY OFFERING \$1.5 MILLION

FOR IMMIGRANT ENTREPRENEURS IN CALIFORNIA THROUGH OUR SEED INITIATIVE

Independent Contracting (IC), Sole Proprietorship, & Limited Liability Company (LLC)

There are a variety of different business structures to meet business needs. For the purposes of this workshop, we will draw our attention to three accessible and popular models.



IRS Forms Required of Independent Contractors

- An independent contractor is responsible for having a valid SSN, ITIN or EIN to complete a W-9 Form.
- **W-9:** The IRS requires that payers (clients) use **Form W-9** to obtain taxpayer identification numbers from independent contractors. The W-9 Form is filled out at the start of work by an independent contractor and kept on record by the payer.
 - If an independent contractor is paid anything less than \$600 then the payer does not need to request a W-9 Form
- **1099:** The IRS requires that payers (clients) use **Form 1099** to record the total amount of money paid to independent contractors in any given calendar year.
 - A payer must file a 1099 for each independent contractor paid \$600 or more.
 - A copy of the 1099 is mailed to the independent contractor at the end of the year and he or she becomes responsible for paying taxes thereafter.

Sole Proprietorship

- You are technically one and the same with your business.
- There is **no legal distinction** between you (the owner) and the business.
- You are liable for all business debts & legal proceedings as the business.
- Your assets (car, house, and personal property) also belong to the business.
- If you're going to be a sole proprietor, you'll need your Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN), and in some cases you may have to apply for and Employer Identification Number (EIN) or file as a business Doing Business As (DBA) with your local government agency, typically the City or County Clerk's Office.

Table 2. Steps to Set Up a Sole Proprietorship in California²²

Steps to Set Up a Sole Proprietorship in California

1. Start with a business plan.
2. If you use a business name that is different from your legal name, California requires you to file a Fictitious Business Name Statement in the county recorder's office where the business is located.²³ The cost is about \$35 depending on the type of business.
3. Go to city hall to register the business and get a business license. The cost varies by city, but it is generally around \$10. You may consider asking for a business tax exemption form, usually provided to first time business owners.
4. Research other licenses or permits needed to conduct your specific business. You may obtain this information by going to the California Governor's [Office of Business and Economic Development CalGold website](#).
5. Open a business account at a bank using an SSN, ITIN or EIN.
6. Other requirements may have to be fulfilled depending on the county, such as registering with the local newspaper.
7. Report and pay taxes using your SSN, ITIN or EIN (if hiring employees).

Source: Income Generation Options for Undocumented Students Toolkit, pg. 26

Limited Liability Company (LLC)

- A Limited Liability Company (LLC) is a business structure allowed by state statute that provides the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership.
- Considered a Disenfranchised Entity
 - **The owner(s) or member(s) have limited liability with all business matters, and are considered “independent” from the business**



California Secretary of State
Shirley N. Weber, Ph.D.

- Registered with the California Secretary of the State
 - **Filing tips and info:**
<https://www.sos.ca.gov/business-programs/business-entities/filing-tips/filing-tips-llc/>
- *May obtain an **EIN**: Employer Identification Number (EIN)—assigned by the Internal Revenue Service (IRS), and is used to identify a business entity & used by employers, sole proprietors, corporations, partnerships, non-profit organizations, government agencies, and other business entities.*

Employees vs. Independent Contractors: Main Differences

	Employee	Independent Contractor
Behavioral Control	Employer trains and directs work, including hours of work, what tools or equipment to be used, specific tasks to be performed and how the work is to be done	Worker can set their own hours and works with little or no direction or training
Financial Control	A worker is paid a salary, is restricted from working for others, and does not participate in company profits or losses	Worker may work for others at the same time and can incur a profit or loss
Type of Relationship	Worker is entitled to benefits; work is directly related to the company's core work	Worker finance his or her own benefits out of the overall profits of the enterprise; worker works on a specific project or period of time

Source: Income Generation Options for Undocumented Students Toolkit

ITIN

- An ITIN, or Individual Taxpayer Identification Number, is a tax processing number only available for certain nonresident and resident aliens, their spouses, and dependents who cannot get a Social Security Number (SSN). It is a 9-digit number, beginning with the number "9", formatted like an SSN (NNN-NN-NNNN)
- To obtain an ITIN, you must complete IRS [Form W-7, IRS Application for Individual Taxpayer Identification Number](#). The Form W-7 requires documentation substantiating foreign/alien status and true identity for each individual.



<https://www.irs.gov/individuals/international-taxpayers/taxpayer-identification-numbers-tin#itin>

ITIN Does

&

Doesn't

- Allow options for Independent Contracting
- Report federal tax earnings
- Launching an **LLC**
- Requesting an **EIN** (Employer Identification Number)
 - Opening a business account
 - Hiring employees

An ITIN **does not**:

- Authorize work in the U.S.
- Provide eligibility for Social Security benefits
- Qualify a dependent for Earned Income Tax Credit Purposes

Filing Taxes as an Independent Contractor (IC)

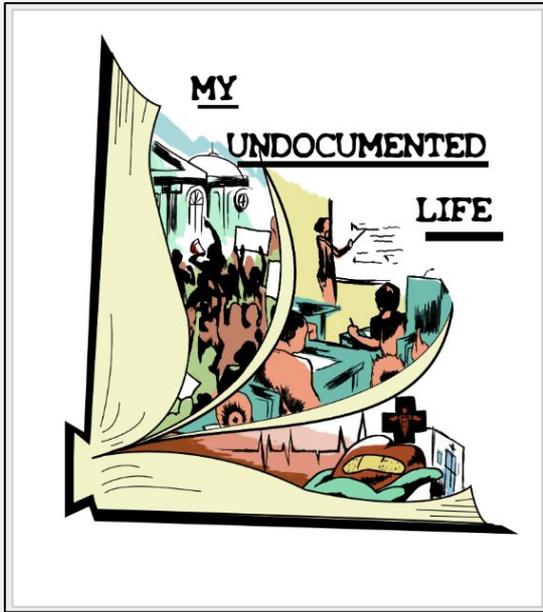
- [W9 Form](#) – you submit this form to each client(s) so they can keep track of how much they pay you.
- [1099 Form](#) – this form is mailed to you at the end of the year by each client(s) who pays you more than \$600. **Note:** You should report earnings even if you do not receive a 1099 form (IRS Publication 5369)
- [Form 1040](#) – form used to report self-employment income.
- [Schedule C EZ Form](#) – form used to calculate net profit from business (used for smaller businesses).
 - Your business expenses are less than \$5000
 - You have no employees
 - You have no physical inventory
 - You are not using depreciation or deducting the cost of your home
- [Schedule SE Form](#) – used to determine how much you pay in social security and Medicare taxes (in addition to income tax).

The image features two horizontal lines, one at the top and one at the bottom. Each line has a smooth, curved end on the left and right sides, creating a decorative frame for the central text.

Resources

My Undocumented Life

UP-TO-DATE INFORMATION & RESOURCES FOR UNDOCUMENTED STUDENTS



- <https://mydocumentedlife.org/>
- All-things undocumentedness
- Grad School Resources
- DACA updates
- Mental Health Resources
- Community Circles
- Conferences
- Networking Opportuninies



UNDOCUPROFESSIONALS

PAID & UNPAID OPPORTUNITIES FOR UNDOCUMENTED (NON DACA), DACA & TPS

Search for jobs, internships, scholarships, contracting opportunities and fellowships

- <https://www.undocuprofessionals.net/opportunities/all>
- Updated opportunities in real-time
- Browse by Industry, Level, Type of Work, Opportunity Type
- Also great for Networking, Workshops, Mentoring, and Conferences



- <https://www.radiateconsulting.coop/bay-area>
- Cooperative (Co-op) that provides:
 - Professional opportunities for members from underrepresented communities
- Interpretation & translation
- Bookkeeping
- Digital design
- Website creation
- Marketing & more!
- Opportunities to join their cooperative, reach out!



**ANDREA
HERNANDEZ**

Healthcare Interpretation &
Translation

andrea@radiateconsulting.coop

El Pajaro CDC

- CA Dream Fund Participating Center
- Business Consulting & Coaching
- Training Events
- Commercial Kitchen Incubation
- Empresari@ Business Program

<http://www.elpajarcdc.org/>

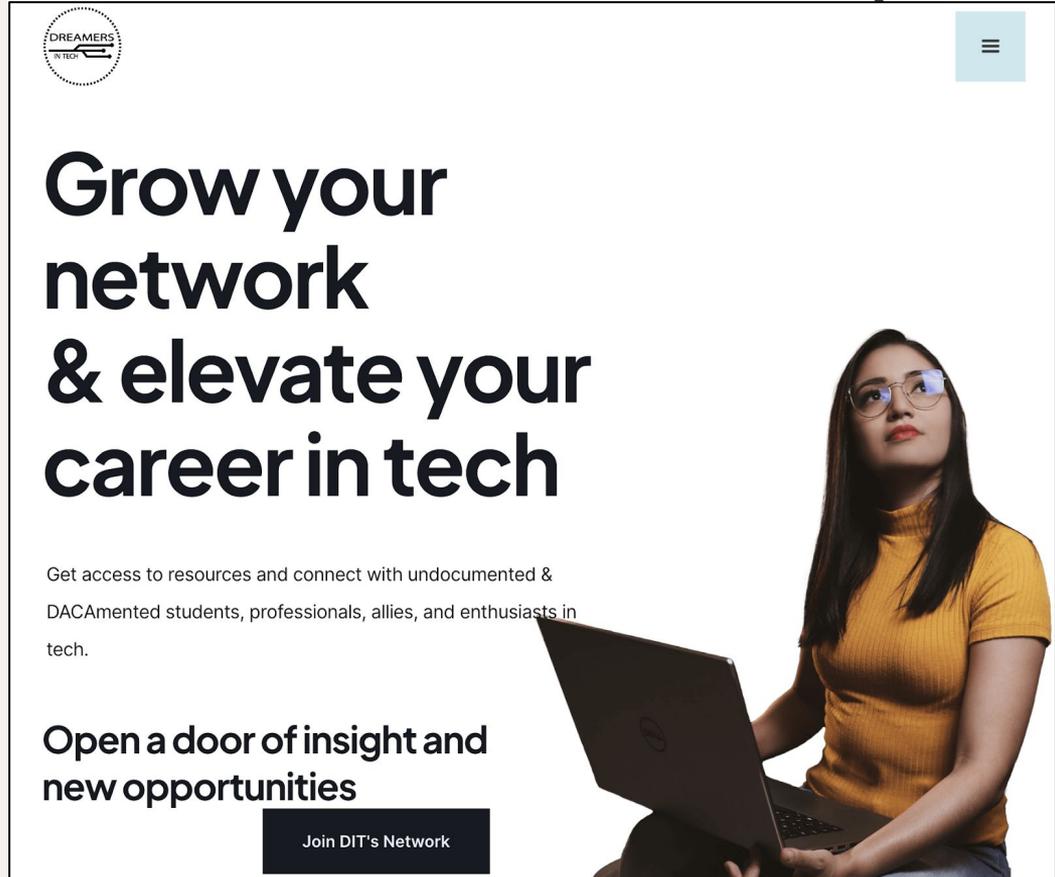


Plaza Vigil Incubator



Dreamers in Tech

- Partnership with Coursera—free online learning platform and access to 3,000 cutting-edge courses
- Next workshop on Entrepreneur Mindset, we will have a panelist from Dreamers in Tech.



The image shows a screenshot of a website banner for 'Dreamers in Tech'. In the top left corner is a circular logo with 'DREAMERS IN TECH' and a laptop icon. In the top right corner is a light blue square with a white hamburger menu icon. The main headline reads 'Grow your network & elevate your career in tech' in large, bold, black font. Below the headline is a paragraph: 'Get access to resources and connect with undocumented & DACAmented students, professionals, allies, and enthusiasts in tech.' At the bottom left of the banner is a dark blue button with the text 'Join DIT's Network'. On the right side of the banner is a photograph of a young woman with long dark hair, wearing glasses and a yellow turtleneck, sitting and looking at a laptop.

**DREAMERS
IN TECH**

**Grow your
network
& elevate your
career in tech**

Get access to resources and connect with undocumented & DACAmented students, professionals, allies, and enthusiasts in tech.

**Open a door of insight and
new opportunities**

Join DIT's Network

Mission Asset Fund - lending circle

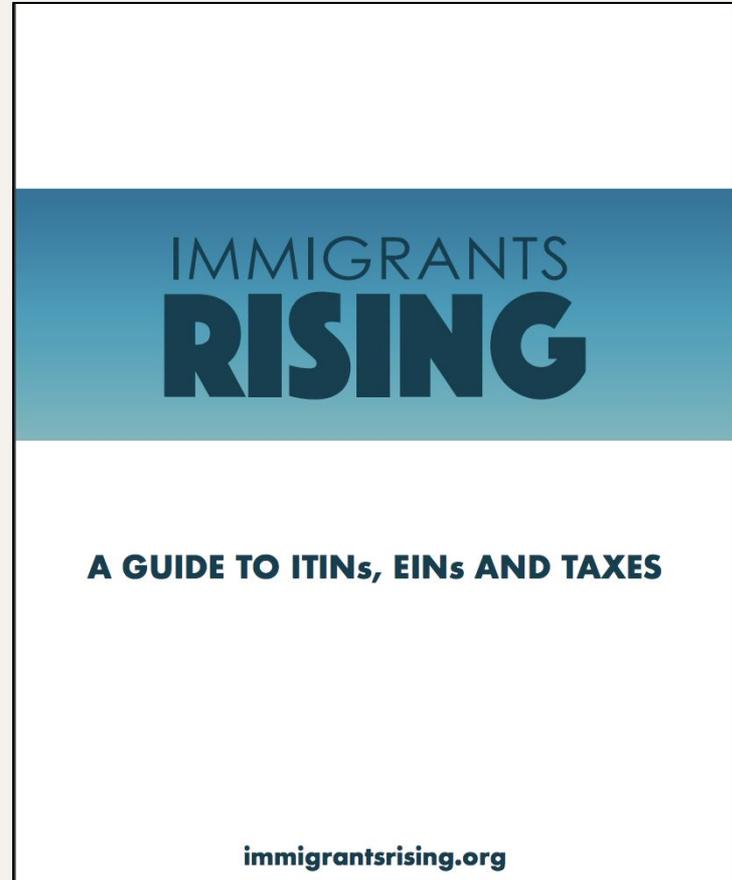
- Report your activity to credit bureaus
- Access to money while helping other members of your community
- Online financial education
- Encrypted, secure, and private
- **Zero-interest loans**



<https://missionassetfund.org/lending-circles/>

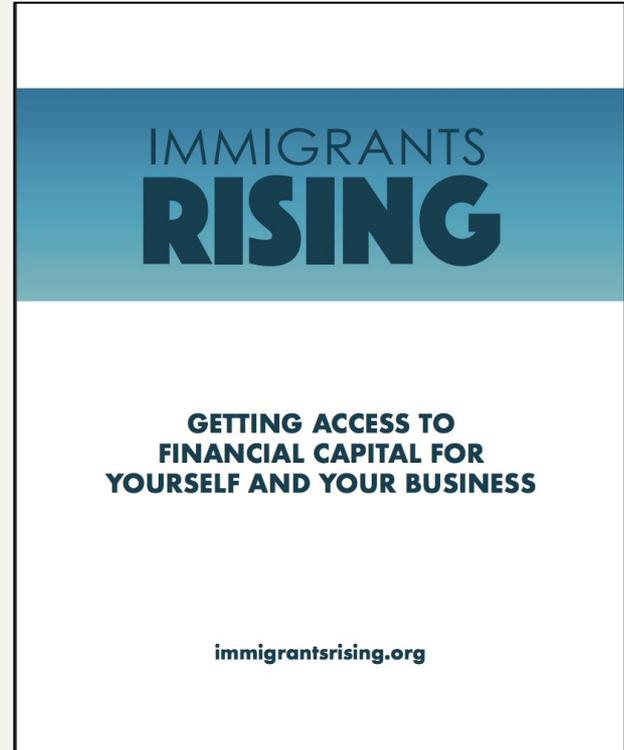
A Guide to ITINs, EINs, and Taxes

- https://immigrantsrising.org/wp-content/uploads/Immigrants-Rising_ITINs-EINs-and-Taxes-Guide.pdf



Getting Access to Financial Capital for Yourself and Your Business

- https://immigrantsrising.org/wp-content/uploads/Immigrants-Rising_Credit-and-Financial-Capital-Guide.pdf



Immigrants Rising & UC Collaboration

- [Income Generation Options for Undocumented Students Toolkit](#), created by ImmigrantsRising for the University of California Office of the President
- 47-page document that covers all-things entrepreneurship for undocumented students

INCOME GENERATION OPTIONS FOR UNDOCUMENTED STUDENTS TOOLKIT

**IMMIGRANTS
RISING**
TRANSFORMING LIVES THROUGH EDUCATION

**UNIVERSITY
OF
CALIFORNIA**

Created for the
University of California
Office of the President

Released 05/2020

Liability Insurance

Finding the right insurance provider may involve doing some research. There are a number of different coverage types, monthly fees, and deductibles that need to be taken into consideration. There are also free online tools, such as [Insureon](https://www.insureon.com/), to get free quotes and compare policies.

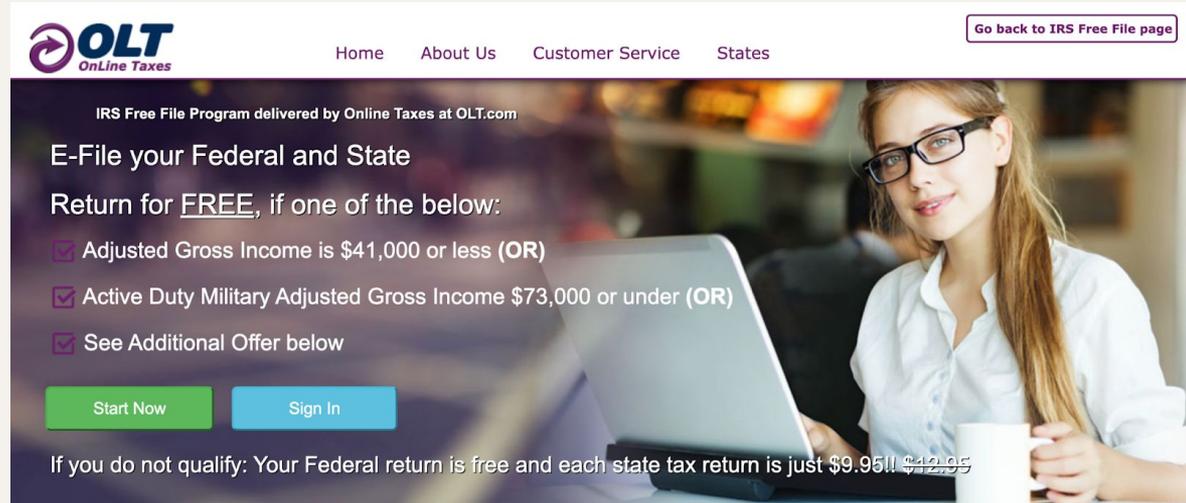


<https://www.insureon.com/>

- Your client may request proof of liability insurance
- General liability insurance: covers legal expenses resulting from a lawsuit
 - Bodily injury caused to someone else
 - Slip and fall accidents
 - Copyright infringement
 - Errors & Omissions
 - Property damage

Free Tax Preparation

- www.Olt.com
- IRS free filing program
- If adjusted gross income is \$41k or less
- Free customer service
- Reliable accuracy



The screenshot shows the OLT (OnLine Taxes) website. At the top right, there is a link: "Go back to IRS Free File page". The navigation menu includes "Home", "About Us", "Customer Service", and "States". The main heading is "IRS Free File Program delivered by Online Taxes at OLT.com". Below this, it says "E-File your Federal and State Return for FREE, if one of the below:" followed by three checked items: "Adjusted Gross Income is \$41,000 or less (OR)", "Active Duty Military Adjusted Gross Income \$73,000 or under (OR)", and "See Additional Offer below". There are two buttons: "Start Now" (green) and "Sign In" (blue). At the bottom, a note states: "If you do not qualify: Your Federal return is free and each state tax return is just \$9.95!! ~~\$12.95~~". The background of the page features a woman with glasses working on a laptop.

SJSU undocu-alumni, Tax Expert!

The image shows a promotional graphic for 'Andrea's Tax Services'. It features a central logo of two hands, one blue and one teal, reaching towards each other. Below the logo, the text reads 'Andrea's Tax Services' and 'Taxes, Travel, Public Notary'. To the left and right of the central text are two portrait photos of a woman with long dark hair, wearing a black top and a blue necklace. At the bottom of the graphic, there is a list of services in Spanish and English. The text 'Andrea's Tax & Travel Services' is overlaid in large white font across the bottom of the graphic.

Andrea's Tax Services
Taxes, Travel, Public Notary

- Rembolso Rapido
- Impuestos Personales
- Small Business Returns
- Emiendas de Años Anteriores
- Disponibles todo el Año
- Boletos de Avion
- Reservacion de Hoteles
- Renta de Carros
- US passports & Visas
- Paquetes de Vacaciones a

Andrea's Tax & Travel Services

- Successful SJSU undocumented alumni, presented last year for LAC Series
- Reach out with specific questions:
- andreaquzman.18@gmail.com

Break-out room activity (5-10 mins)

1. **Group work:**

- a. What is one situation you've encountered with undocumented students related to employment (entrepreneurship, independent contracting, work authorization)?
- b. What is one practice you actively do that others might also implement?

c. **Roles**

- i. Time-keeper
- ii. Speaker
- iii. Note-taker

2. We will reconvene and share the main takeaways from this interaction

- a. 1 min per group

3. Google Doc for note-taking:

- a. <https://docs.google.com/document/d/1uo1NnQkANM9ky1EAb3DuyqqFse7doAITVo3BSoNfLyc/edit?usp=sharing>

Thank you! Questions, comments, feedback?

Please complete the following feedback [survey](https://forms.gle/NaDbCHCzTydicEdx9):
<https://forms.gle/NaDbCHCzTydicEdx9>



Contact the consultant, Juan Ruiz, at
juanruiz@nepantlaphilosophy.com

Additional Links:

Professional Networks

- [Dreamers in Tech](#)
- [Pre-Health Dreamers](#)
- [UndocuFilmmakers Collective](#)
- [Undocumented Professionals](#)

Itins and Taxes

- [Applying for an ITIN: A How-To Guide – NAKASEC](#)
- [Free Tax Help - United Way Bay Area](#)

Examples of Fellowships Open to ALL Undocumented Students

- [Tutor Fellowship– Elevate Tutoring: Deadline June 25, 2023](#)
 - [DreamSF Fellowship](#) (April Deadline)
 - [UCLA Labor Center | Dream Summer](#) (February Deadline)
-