

The Best Defense is a Good Offense: Why You Need a Signed Contract

By 3Chix.com

Starting a new assignment?

Congratulations. But there's one thing you **MUST** have in your hot hands before you make a single keystroke on that word file...

A signed contract.

It's a must-have before you start any project. Write down everything your project includes. Provide the nitty-gritty details: this includes copy, research you have to do, whether or not you're including rough layouts, your fee structure, and your estimated start date and due dates.

These are the basic items to include on every contract. But time--and experience--taught me that there were several other issues you should add as well. We'll discuss a few of them here.

Before You Write a Single Word...

1. Always ask for a deposit, usually 50% of the total fee.

This is important for a couple of reasons.

First, some writing assignments can take several months before you get the final nod of approval. And you have to eat in the meantime! A deposit will provide some cash flow to tide you over until you can bill for the balance.

Second, a deposit locks in your time with the client. When a client pays your deposit, he's committing to your project and your production schedule.

Finally, a deposit also guards you from wasting a lot of time and effort working on a project that gets killed mid-stream... and may be difficult for you to bill for.

Ideally, a client should overnight you a check. That's a demand I always make for rush jobs, but it's not a sticking point if my start date is a couple of weeks away.

**** TIP **** Also note on your contract that your deposit is non-refundable! That's your "kill fee" if the project gets cancelled.

2. State the number of revisions you will provide in your fee.

Typically, your fee should include the first draft plus two rounds of revisions. That's the industry standard, and that's what you should stick to. For additional revisions, the client is back on the meter at your hourly rate (which should never be less than US\$50, by the way. The standard rate is \$75.00)

This protects you against clients who make endless (and in most cases) silly revisions. You know who I'm talking about - the clients who don't know what they want until they see it. But once they realize their indecision will begin to cost them ... well, it's simply amazing how suddenly the copy changes aren't all that important any more.

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3. Lawyers do it. Master Card does it. Why can't you?

Charge interest, that is. The part I hate most about my job is chasing people down for payment. Most of my clients do pay within a reasonable amount of time... but you have to protect yourself against the ones who don't.

My terms are usually "Payment Upon Receipt," but I don't send a reminder until an invoice is 25 days old. And I make it very plain on my contract that invoices over 30 days old get charged 1-1/2% interest per month until the balance is paid.

Yes, we're talking only a little bit of money, and yes, it may be hard to hold a client to it--but it does show that you treat your freelance business like... well, a business. Remember, you're just as much of a professional as an attorney, a doctor, or an accountant.

4. The client company that hires you is fully responsible for payment. Period.

If you provide copy services for marketing consultants or advertising agencies, this is a must-have line item.

Why? Because advertising agencies are notorious for not paying freelancers with the excuse, "our client never paid us." What they conveniently forget is that they hired you, not their client. Therefore, according to your contract, they're still responsible--no matter what.

Write on your contract that "[name of company] is totally responsible for full payment. Payment of your fee is not contingent on any monies due from a third party."

A contract is an important step that protects you as well as your client. Not only will he or she will tend to take you more seriously as a business owner and a professional, but when they see all that copy and work you're planning to do, they will be much less resistant about your fee. And less resistant about paying it promptly.

What's more, you'll have signed legal documentation in case a client tries to wriggle out of paying you. And as our mothers told us, an ounce of prevention...

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