

## Freelance Business Basics

This outline offers a brief introduction to topics journalists need to know about to have a successful freelance business.

### I. Contracts

Experienced freelancers advise that you always have a contract covering your freelance work. Effectively, you always do have a contract.

- Contracts don't have to be formal. Email and verbal agreements count. At least email is preferred.
- Contracts help clarify the assignment – topic, approach, length, deadline.
- Agreement on payment terms – when, how much, how (check, PayPal, EFT).
- Kill fee in case the assignment is cancelled after you start working on the story.
- Copyright provisions – one-time use, other uses by the client, use in your portfolio (see below).
- Non-compete clauses – can't write on the topic for a competitor. Exclusive use – for how long?
- Warranty – Standard of care you will take in doing your work.
- Indemnification – what happens if something goes wrong.

Reading for SPJ members: <https://www.spj.org/freelance-guide-freelance101-contracts.asp>

The SPJ Freelance Community has a collection of contracts at <http://tinyurl.com/SPJFcontracts>

### II. Copyright

If you create something, you own it – unless and until you sell or license it. It's yours as soon as it is created in a fixed medium, whether on paper or in a digital file. So – save your work, and you own the copyright.

- First-time publication rights – the legacy print media standard. Reselling and repurposing permitted.
- License to use an already published story usually goes for less money.
- All-rights contract means clients can do whatever they want with your work.
- Make sure all-rights contracts provide a mechanism for you to use the work in your portfolio.
- Unless the contract says otherwise, you can use your research for another story.

Consider registering your copyrights with the U.S. Copyright Office. This is pretty easy to do.

- Registering a single story costs \$35.
- File for a registration covering a group of your works for \$85.
- If you routinely register your copyrights once every 90 days using the group registration form, you can protect all your works for less than \$500 a year.

Reading: <http://tinyurl.com/SPJGuideCopyright>

### III. Getting paid

How much you get paid is part of your agreement with the editor or news director. The structure of payment is not always negotiable.

- Per word – industry standard for written-word assignments. Range from \$0.03 to upwards of \$3 per word.
- Per page – for editing and writing gigs. Make sure to specify margins and font size.
- Flat fees
  - If for written word, specify a word range – i.e., \$600 for 500-800 words.
  - Used regularly for audio/video gigs.
  - Sometimes preferred by writers as disincentive for editor to cut to save money.
- Daily and hourly rates – ask whether compensation will be reported on W-2 or 1099 forms.

A page in the Freelance Community's Pitching Resources workbook links to some websites for checking what different publications pay. <http://tinyurl.com/SPJFCpitch>

What's a good rate for you? SPJ members, read these chapters in *On Your Own: A Guide to Freelance Journalism* to understand the considerations.

- <https://www.spj.org/freelance-guide-freelance101-dollars.asp>
- <https://www.spj.org/freelance-guide-makingaliving-timemoney.asp>

### IV. Taxes

If you plan to make money freelancing – whether as a full-time pursuit or only selling a few stories now and then – you need to know how the IRS and your state tax agency will consider your activities.

- If your net earnings from freelancing total more than \$400 in a calendar year, you need to file Form 1040. You are not eligible to file Form 1040EZ.
- Unless you decide to report to the federal and state tax authorities as a corporation or S corporation, file Schedule C with the 1040 to report your business income and expenses.
- If you make more than \$600 from any single client in a calendar year, the client is required to report the total amount to the IRS on Form 1099 by Jan. 31 of the following year. You should get a copy of the form soon after they submit it.
- Business expenses you can take include:
  - Advertising (website, business cards, resumes)
  - Supplies and equipment used for work
  - Dues, subscriptions and online fees
  - Professional development (conference registrations and online learning fees)
  - Travel (local from your office to assignments, as well as long-distance)
  - 50% of your meals on travel and assignments
- Self-employed people can adjust their gross income to account for health insurance premiums.
- Self-employed people have to pay the employer's as well as the employee's share of payroll taxes (Social Security and Medicare).

Reading for SPJ members: <https://www.spj.org/freelance-guide-business-taxing.asp>