

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 usually do have a contract.

- Contracts don't have to be formal. Email and verbal agreements count. A signed contract or an email exchange showing agreement on both sides of the transaction is preferred.
- Contracts help clarify the assignment – topic, approach, length, deadline.
- Should reflect agreement on payment terms – when, how much, how (check, PayPal, EFT).
- Ask for a kill fee in case the assignment is cancelled after you start working on the story.
- Copyright provisions – one-time use, exclusive period, use in your portfolio. (See below.)
- Non-compete clause – often means you can't write on the same topic for a competitor. Make sure to clarify how long this prohibition lasts.
- Warranty – outlines the standard of care you will take in doing your work.
- Indemnification – what happens if something goes wrong.

II. Copyright

If you create something while working as a contractor or freelancer, you own it – unless and until you sell or license it. (Or if you agree to a work-for-hire agreement, which you shouldn't do unless you are compensated for giving up your rights to your work.) 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 are the legacy print media standard. Reselling and repurposing permitted.
- A license to use an already published story usually goes for less money.
- An all-rights contract means the client can do whatever they want with your work and you will need permission to use the same content in books or any additional mediums.
- 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.

If you display your otherwise unpublished work on your website, consider registering it with the [U.S. Copyright Office](#). This is pretty easy to do.

- Registering a single story costs \$45.
- File for a registration covering a group of up to 10 of your works for \$85.
- The Copyright Office is implementing a system for group registration of “short literary works,” such as blog entries, social media posts, and short online articles.

This outline was updated for the #SPJ2020 Journalism Conference, September 12-13, 2020. It has not been reviewed by a lawyer and should not be substituted for legal advice.

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 – legacy industry standard for written-word assignments. Range from \$0.30 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 a disincentive for the editor to cut to save money.
- Daily and hourly rates.

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 treat your activities.

- Unless you form a business entity, if your net earnings from freelancing total more than \$400 in a calendar year, you need to file IRS 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, file Schedule C with your Form 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 claim 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)
 - Office space based on the percentage of your home relative to the rent or mortgage (note: tax-applicable offices must be used only for your work, e.g. not a bedroom or kitchen nook)
 - 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).

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