

Understanding Basic Contracts - Graphic Design Contracts Explained

Written by [Allan Branch](#) on Sep 16



Graphic design contracts or contracts in general should not be scary. Using a contract does not mean you don't trust your client, or that you're gearing up for lawsuit. A contract is an outline of how the business relationship and the project will proceed.

In its simplest form, a contract takes the information used in the proposal and adds terms and conditions to it. Remember, both you and your client must sign the contract to make it legally binding.

A contract will change if you work hourly, by fixed bid, or give an estimate, etc. Different clients mean different contracts and processes. Large projects might merit a larger, more formal contract. Smaller projects might use a smaller, short-form contract.

What to Include in a Graphic Design Contract

Statement of Work (SOW): clearly outlines the work you're going to do for the client, what to expect, and details related to the project. Read a full article on ["What is a Statement of Work"](#).

Payment Schedule: tells the client how and when to pay. Help Tip: keep copyrights to the work until they pay in full, keep the code until they pay in full, and keep whatever the deliverable is until they pay in full.

Default in Payment: this statement outlines what happens if the client doesn't pay. The client is responsible for all legal fees that you have to pay to collect.

This is just an estimate! Be sure your contract states the price quotes are estimates only. Add a sentence about notifying them to get permission to proceed if the estimates go up by X%.

Changes/ Revisions: this statement is really for fixed-bid workers. It should outline what changes are included. Also include what happens after the client has reached the limit of included revision cycles—they have to pay your hourly rate for further revisions. Help Tip: you should have first opportunity to make changes to anything before the client seeks outside help.

Client Responsibilities: specify how soon the client must provide you with materials you need to get started. Place time limit for clients to give you any revisions after you have given them a draft.

Client Contact: who is the main contact for the client? You want one person making decisions and giving feedback. You know the old saying, “Too many cooks in the kitchen...”

Client Approvals: Give the client a timeline of the expected feedback loop. Approvals/Sign-offs and feedback from the client will be returned to you within X days. Giving your clients a deadline will keep projects from being delayed by the client.

Expenses: are you paying for all the expenses related to the project? Tell the client what expenses they're responsible for. Stock photos, parking for meetings, travel for meetings, sound effects, etc.

Cancellation: what happens if the client decides they want to stop the project? Help Tip: if the client cancels mid-project, you get to keep all copyrights to what you have done so far. The client must pay you for all work you actually do, up to the date they cancel the project. You might even add a cancellation fee. Can you end the project early? How? Why? What's the repercussion?

Accreditation/Promotion: include a sentence or two about how you'll get a credit line on the work you produce. At the very least, state that you'll keep the right to showcase the work in your portfolio, on your website, design show, etc.

Warranty of Originality: you will not use any materials that you do not have the right to use in the designs you make for your client. This protects the client.

Vendor Representations and Warranties: are you offering a warranty for your work? What happens if there are bugs and changes after the final payment is made and your work is delivered? Yes, please tell them if there is no warranty.

Indemnification; Limitation on Liability: extremely important!!!! Make sure this is in your contract. It should state that you cannot be held responsible for monetary damages over the amount you were paid for the job. In some US states, there is a rule that this must be easily understood and noticeable, so just put it in all capital letters.

Subcontractors: some people add verbiage that outlines if they add a subcontractor, their clients will be notified for approval of the subcontractor.

Industry Specific Tips

- **Tip for Print Designers:** specify you do or do NOT supply printing in the estimate.

- **Tips for Developers:** disclose that you will be using third party apps, licenses required, and list possible open-source license details, etc.
- **Tip for Copywriters:** copywriting often goes through multiple revision cycles, so figure out how many revisions you are willing to do before your rate changes or charge hourly.
- **Tip for SEO:** your client should understand you cannot guarantee search engine results. That hours you spend working may or may not equal results in ranking.

The above notes guidelines are just a simple starting point adapt a contract for your specific needs as a designer and talk to an attorney.

Remember, a graphic design contract shouldn't scare you or your client. Instead, it should give both of you peace of mind because you each know what your responsibilities are.

Common Contracts Used by Graphic Designers

- [Short Website Services Agreement: includes Statement of Work.](#)
- [Article outlining certain situations and why types of contracts to use.](#)
- [Short NDA:](#) non-disclosure agreement.
- [App Design Contract](#)
- [Web Development Contract:](#) outlines training, assurance, right-to-know how, etc.
- [Plain English Contract:](#) no legal jargon.

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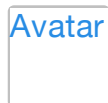
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KairosVision · 4 days ago

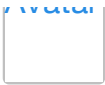
There are some excellent notes here. Even for graphic designers overseas, like the UK. I think it's vital to state revisions/changes and how you will charge if you make more revisions than was originally specified.

One thing that I'd say is what would you do in a crisis. Such as flooding or a fire and your office is ruined. The last thing you'd want is an angry client breathing down your neck :). Great post, however and thanks.

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Chris Johnson · a month ago



Chris Johnson · a month ago

Another thing is that it should be beautiful. We made the conscious choice to not have some of this language because we had marketing reasons that transcended this sort of stuff. It's a choice - and we're aware of the risks that accompany it.

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Allan Branch → Chris Johnson · a month ago

Explain further.

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Chris Johnson → Allan Branch · a month ago

Well, we made our contract look good because when someone is choosing us vs. someone else, that's what they are dealing with. We omitted terms (that were previously there) because we wanted to communicate our process - not the mud wrestling that could happen. It was a choice - if something goes awry, that's a cost but instead, we've won proposals at a much higher rate than we did.

So if we have a default or whatever because we have made the choice to go with softer language, that's a bummer, but it's a product of our choices.

I'm not saying that we're right or that we're wrong - what's important is that designers are aware of the choices and the opportunities created by the choices. We keep things loose. We know that we win a higher % of proposals because we have a friendly contract. We know that we are exposed to more risk, but it works out in our favor.

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Chris Johnson → Chris Johnson · a month ago

Think about it this way: our win rate has increased from 15% to 40%. Our default risk has increased from 2% to 5%.

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