

CONTRACT CHECKLIST

Note: This information sheet is meant to help contract employees know what to look for in a contract before signing. A fillable version is available in our online resource library.



What are the start and end dates of this contract?

You can only be paid for hours worked during this time period unless you and the contract administrator agree to and sign a written contract modification in advance of the end date.

What is the maximum dollar amount of this contract?

You will only be paid for any invoices up to this total amount unless you and the contract administrator complete a written contract modification in advance of the end date.

What are the deliverables and expectations in the "Scope of Work"?

You will be required to do these things for "successful" contract completion, and you will only be paid for hours billed for work on these items. Check with your contract administrator before doing any work outside of this scope.

Are the deliverables broken down with separate hours/dollars specified?

Consider these like two contracts in one document and allocate the hours/time accordingly.

How much is the payment per hour or per deliverable?

Ask your contract manager whether or not you are to bill per deliverable, or on a regular schedule per hours worked. Also, different deliverables may be compensated at different rates or costs.

Do you retain the rights to use products you brought into the contract? Do you retain the rights to use knowledge and information gained during the contract?

Make sure that if you incorporate any frameworks/concepts/products you developed before the start of the contract that you still have the right to use them as your independent work afterward.

What are the expectations for communication or a "Code of Conduct"?

Your contract may include expectations for how you show up or clarified expectations for communication. Double-check these to avoid being in breach of contract.

What are the conditions for termination of the contract?

All contracts will list the circumstances that allow termination of the contract by you or by the organization and how it can be done.

What are the conditions for modification of the contract?

Note: contracts can usually be modified in writing as long as both parties agree. This can be helpful if you need to increase hours or pay, add or remove a deliverable, or extend the closing date for the contract. Most administrators will need 2-4 weeks advance notice if you anticipate needing a modification.

OTHER QUESTIONS TO ASK ABOUT YOUR CONTRACT

WHO IS MY CONTRACT ADMINISTRATOR?

This is the person who will be your point of contact for what to do, what is allowable within your contract, or whether or not the work meets the criteria for successful completion. Even if you are working with other contract partners or employees of the hiring organization your primary contact for successful completion, tasks assigned, and tasks remaining will be your contract administrator.

WHO IS MY BILLING CONTACT?

Sometimes the contract administrator handles all billing and invoicing, and sometimes it is a separate person. If the contract administrator is your primary contact for billing/invoicing, please direct inquiries to them to avoid confusing lines of communication.

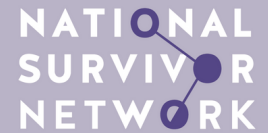
IS TRAVEL REQUIRED? HOW IS IT COVERED?

If your contract deliverables require travel, check to see if travel is outlined in your contract. How is it paid -- in advance, or by reimbursement of receipts? Is it coordinated for you, or are you in charge of coordinating your own? Will you be required to pay any deposits or provide a credit card for incidentals? Is it paid through the original contract or by a third party? Knowing this in advance can help you plan and reduce the likelihood of unexpected challenges.

WHAT ARE THE INVOICING AND PAYMENT PROCEDURES?

How often should I invoice you? Do you offer electronic payments? How long does it typically take from when I submit my invoice to when I receive the payment? Most contracts take between 30-60 days to process invoices from submission to your receipt of the payment.

OVERALL CONTRACT REMINDERS



- Contract work is challenging to break into. Many consultants start by working other jobs (even if it is not a job they love) to have security while slowly building their contract “portfolio” on the side. It is often emotionally and financially unsustainable to make a livable income off of contracting before you have built a solid network and portfolio.
- Contract work typically pays significantly more per hour than full-time employment. This is because benefits are not provided and you will be covering your own healthcare, retirement, and other insurance; spending unpaid time managing your accounting and invoicing; providing your own materials (computer, supplies, office space); and building a financial buffer to allow for time off (since you do not get paid time off).
- Contract work is not a regular job. It is for a set time period, and even if someone loves your work they may not be able to offer you additional contracts beyond your current one.
- Contract work is owning your own business. Someone is not paying for your time; they’re paying for a product. These products are called “deliverables” and will be listed explicitly in your contract. Just like you wouldn’t pay someone for a cabinet if they only gave you half a cabinet, you do not get paid for contract work until the product is complete. *Some organizations will modify this practice for survivors or contractors with fewer financial resources and will pay for time worked even if the deliverable is not complete, but they will want to see steady, tangible progress.*
- Some states prohibit someone from hiring a full-time employee if they’ve been a contractor within a period of time, or from contracting with someone who is a recent former employee. *Ask your state’s Department of Labor or the Human Resources director for the organization you want to work with if you are unsure about your state.*
- **If you are also applying for full-time employment, please note that your “hourly” pay may decrease since the organization will be covering your benefits, as well as providing the security and stability of full-time employment.**
- Organizations do not withhold taxes from your contract payments. **You will be responsible for filing and paying your own taxes, so anticipate that expense, review income tax requirements, and plan accordingly.** Save your receipts for business expenses, and track your mileage and per diem for any business-related travel. Consult a tax expert for additional guidance.