

# GEORGE T. RIGG

*Design, Illustration and Animation*

## 2005 Fees and Terms - Page 1 of 2

Projects are usually based on a flat fee. It is very difficult to provide an hourly estimate - time estimates are usually too restrictive. I rarely charge by the hour. Instead, you will always get a firm written Project Estimate before any work commences.

We do not work for free for anyone.

We do not work on "spec" jobs. However, there might be exceptions for well-established, existing clients.

We believe in stating our billing policies as simply as possible and openly to avoid future misunderstandings.

Compare our prices with others if you like. We provide value for your money and stand behind all our work.

The job is not done until you are satisfied with the work that was promised on your Project Estimate.

### Credit & Payment Terms

**Minimum Charges:** Our minimum fee for any new custom creative is \$250.00.

**Project Estimates:** Prior to beginning work, we will provide you with a written Project Estimate. All fees and costs are estimated and valid for 30 days, unless specified otherwise. Changes in the scope of work and/or project specifications may require a revision to the original quote. Any revision of this quote must be approved in advance by both parties, and will be reflected in the Final Invoice (also see Client Changes below). Project Estimates will be emailed (PDF) or delivered to you in person.

**We cannot and will not proceed without authorization in writing.** You will always be provided a written Project Estimate before we commence with a project. The Project Estimate must be signed before a project is started. The person authorizing a job (signing the Project Estimate) is declaring that he or she is a signing officer of the firm and is authorized to make such agreements and that the firm or individual will honor the agreement.

**Email Authorizations:** This option is for well-established, existing clients only. To expedite a project, you can send us an email approving and authorizing us to proceed with the project as stated in your Project Estimate. Then you must mail us the original "signed" Project Estimate with your Deposit Payment.

**Commencement of Work Date:** This is the date in which we are given authorization to begin work on your project, which is either the date the Project Estimate is signed or the date we received your Email Authorization.

**Client Changes:** You will always be advised of any additional costs in advance. Corrections and revisions are free of charge, unless: the requested revision(s) deviate from the original "approved" creative parameters of the Project Estimate; and/or, there are excessive copy changes in the project. These are classified as the client's changes and are billable.

**Turnaround / Rush Charges:** Standard turnaround for initial concepts or designs (1st draft comps or proofs) is typically 5-10 business days from client approval of quote (payment of deposit or commencement of work date) unless notified otherwise in advance. Actual turnaround depends on scope of project and current workload. Upon approval, we will provide a specific date when you can expect to receive initial design concepts. If you need faster turnaround, rush charges will be applied accordingly. In any case, we will provide you with a detailed, written Project Estimate.

Final delivery is dependent on client turnarounds and final approvals. We recommend that you provide a minimum of 10 business days prior to your materials deadline in order to avoid rush charges.

(cont'd)

**2005 Fees and Terms - Page 2 of 2**

**Discounts:** We often are asked for discounts because "there will be a lot work in the future." If that's the case, then we will discuss discounts in the future. In the meantime, we'll do the first 3 projects at the normal rate which other clients pay. One exception where a discount might apply, would be to contract us by means of a Monthly Retainer.

**Monthly Retainer** (minimum 6 month increments): The client commits to a long-term project commitment at an agreed upon monthly rate. Monthly retainer fees are paid in advance of work performed. Retainer fees are due on or before the 1st of every month. The client will be billed for additional overage work performed beyond the parameters as described in the Project Estimate for Retainers. Overage billing payments due within (5) days of the invoice date. Interest on past due balances is charged at the rate of 1.5 percent per month. We reserve the right to refuse completion or delivery of work until past due balances are paid. Unused services (and/or hours) within any Monthly Retainer month are not carried over into the following month (e.g. if your Project Estimate/Retainer says we will develop 10, full-page magazine ads a month and you only have us produce 8 ads during one month, you will forfeit the opportunity to produce the other 2 ads; and we will not produce 12 ads the following month).

**Payment of Deposit: All jobs require a minimum 50% deposit** on commencement of work as described in the written Project Estimate you are provided. Please note that we cannot begin work until we have received your deposit.

**Balance Due** (whichever occurs first):

- The balance is due upon submission and approval of the final proof(s);

or,

- The balance is due 30 days after the "commencement of work date." This payment schedule is to prevent projects from dragging on. When this happens it actually increases our work substantially because we have to reconstruct our thinking and all the steps taken earlier. It is much more efficient to start and finish a project in a timely fashion. Legitimate delays can be negotiated.

**Final art will only be released to the client upon receipt and bank clearance of the final payment in full.** This means final payment should be made by a valid company check, certified (cashier's) check or wire transfer direct to our account.

**Final Statement/Invoice:** Upon approval of the final proofs, or 30 days after the commencement of work date, you will receive a final Statement/Invoice showing payment(s) that have been made and the balance due.

There are **very rare** exceptions to the Payment of Deposit and Balance Due requirements, as stated above. If your project is one of these rare exceptions, you will be provided a detailed addendum to the above terms, which will be included in your written Project Estimate(s).

**Credit card payments** are not accepted at this time. However, if this is your only possible method of payment, special arrangements can be made.

**Cancellation Fee:** A cancellation fee of 50% of the Project Estimate (equal to your deposit paid) will be charged on all projects cancelled once work has begun.

**Out-of-pocket Expenses:** Fees for professional services do not include outside purchases, such as (but not limited to) media purchasing, mail services, postage, printing, bindery finishing, film output, photography, retouching, color separations, Photography, illustrations, art and color proofing materials, shipping, training and courier services. Expenses are itemized on each billing invoice. The standard agency service charge is included in the price you are billed. Expenses are subject to applicable Texas sales taxes unless 1) the work is for resale and you have submitted a resale certificate; or 2) the work is done for and billed to offices outside the state of Texas. If consultation or supervisory services required in out-of-town locations, we will bill lodging, meals and transport at cost. Reimbursement for mileage is calculated at current allowable rates 0.31 per mile.

# GEORGE T. RIGG

*Design, Illustration and Animation*

## 2005 Fees and Terms

Projects are usually based on a flat fee. It is very difficult to provide an hourly estimate - time estimates are usually too restrictive. I rarely charge by the hour. Instead, you will always get a firm written Project Estimate before any work commences.

We do not work for free for anyone.

We do not work on "spec" jobs. However, there might be exceptions for well-established, existing clients.

We believe in stating our billing policies as simply as possible and openly to avoid future misunderstandings.

Compare our prices with others if you like. We provide value for your money and stand behind all our work.

The job is not done until you are satisfied with the work that was promised on your Project Estimate.

### Credit & Payment Terms

**Minimum Charges:** Our minimum fee for any new custom creative is \$250.00.

**Project Estimates:** Prior to beginning work, we will provide you with a written Project Estimate. All fees and costs are estimated and valid for 30 days, unless specified otherwise. Changes in the scope of work and/or project specifications may require a revision to the original quote. Any revision of this quote must be approved in advance by both parties, and will be reflected in the Final Invoice (also see Client Changes below). Project Estimates will be emailed (PDF) or delivered to you in person.

**We cannot and will not proceed without authorization in writing.** You will always be provided a written Project Estimate before we commence with a project. The Project Estimate must be signed before a project is started. The person authorizing a job (signing the Project Estimate) is declaring that he or she is a signing officer of the firm and is authorized to make such agreements and that the firm or individual will honor the agreement.

**Email Authorizations:** This option is for well-established, existing clients only. To expedite a project, you can send us an email approving and authorizing us to proceed with the project as stated in your Project Estimate. Then you must mail us the original "signed" Project Estimate with your Deposit Payment.

**Commencement of Work Date:** This is the date in which we are given authorization to begin work on your project, which is either the date the Project Estimate is signed or the date we received your Email Authorization.

**Client Changes:** You will always be advised of any additional costs in advance. Corrections and revisions are free of charge, unless: the requested revision(s) deviate from the original "approved" creative parameters of the Project Estimate; and/or, there are excessive copy changes in the project. These are classified as the client's changes and are billable.

**Turnaround / Rush Charges:** Standard turnaround for initial concepts or designs (1st draft comps or proofs) is typically 5-10 business days from client approval of quote (payment of deposit or commencement of work date) unless notified otherwise in advance. Actual turnaround depends on scope of project and current workload. Upon approval, we will provide a specific date when you can expect to receive initial design concepts. If you need faster turnaround, rush charges will be applied accordingly. In any case, we will provide you with a detailed, written Project Estimate.

Final delivery is dependent on client turnarounds and final approvals. We recommend that you provide a minimum of 10 business days prior to your materials deadline in order to avoid rush charges.

**Discounts:** We often are asked for discounts because "there will be a lot of work in the future." If that's the case, then we will discuss discounts in the future. In the meantime, we'll do the first 3 projects at the normal rate which other clients pay. One exception where a discount might apply, would be to contract us by means of a Monthly Retainer.

**Monthly Retainer** (minimum 6 month increments): The client commits to a long-term project commitment at an agreed upon monthly rate. Monthly retainer fees are paid in advance of work performed. Retainer fees are due on or before the 1st of every month. The client will be billed for additional overage work performed beyond the parameters as described in the Project Estimate for Retainers. Overage billing payments due within (5) days of the invoice date. Interest on past due balances is charged at the rate of 1.5 percent per month. We reserve the right to refuse completion or delivery of work until past due balances are paid. Unused services (and/or hours) within any Monthly Retainer month are not carried over into the following month (e.g. if your Project Estimate/Retainer says we will develop 10, full-page magazine ads a month and you only have us produce 8 ads during one month, you will forfeit the opportunity to produce the other 2 ads; and we will not produce 12 ads the following month).

**Payment of Deposit: All jobs require a minimum 50% deposit** on commencement of work as described in the written Project Estimate you are provided. Please note that we cannot begin work until we have received your deposit.

**Balance Due** (whichever occurs first):

- The balance is due upon submission and approval of the final proof(s); or,
- The balance is due 30 days after the "commencement of work date." This payment schedule is to prevent projects from dragging on. When this happens it actually increases our work substantially because we have to reconstruct our thinking and all the steps taken earlier. It is much more efficient to start and finish a project in a timely fashion. Legitimate delays can be negotiated.

**Final art will only be released to the client upon receipt and bank clearance of the final payment in full.** This means final payment should be made by a valid company check, certified (cashier's) check or wire transfer direct to our account.

**Final Statement/Invoice:** Upon approval of the final proofs, or 30 days after the commencement of work date, you will receive a final Statement/Invoice showing payment(s) that have been made and the balance due.

There are **very rare** exceptions to the Payment of Deposit and Balance Due requirements, as stated above. If your project is one of these rare exceptions, you will be provided a detailed addendum to the above terms, which will be included in your written Project Estimate(s).

**Credit card payments** are not accepted at this time. However, if this is your only possible method of payment, special arrangements can be made.

**Cancellation Fee:** A cancellation fee of 50% of the Project Estimate (equal to your deposit paid) will be charged on all projects cancelled once work has begun.

**Out-of-pocket Expenses:** Fees for professional services do not include outside purchases, such as (but not limited to) media purchasing, mail services, postage, printing, bindery finishing, film output, photography, retouching, color separations, Photography, illustrations, art and color proofing materials, shipping, training and courier services. Expenses are itemized on each billing invoice. The standard agency service charge is included in the price you are billed. Expenses are subject to applicable Texas sales taxes unless 1) the work is for resale and you have submitted a resale certificate; or 2) the work is done for and billed to offices outside the state of Texas. If consultation or supervisory services required in out-of-town locations, we will bill lodging, meals and transport at cost. Reimbursement for mileage is calculated at current allowable rates 0.31 per mile.

Q: Recently one of my good clients trimmed my consulting work to a minimum but is still expecting me to charge the same rate. I'd like to establish a retainer or non-refundable fee instead. Do you have any suggestions about how to go about doing this?

A: Working on retainer with clients offers homebased business owners something close to duplicating the regularity and security of a paycheck. With a retainer, you agree to be on call for a specified number of hours for an agreed-upon monthly fee. Normally the retainer is paid in full, in advance or periodically on a payment schedule, such as monthly, quarterly or annually, but is generally made in advance of your work. Think of the retainer as operating like a "draw": If the client doesn't use all the time you've allotted, they lose it.

Since your client will have prepaid you for your time up to a certain amount, you need to make provision in your retainer agreement for periods when your client uses more than the time you've sold them in advance. Then you want to negotiate to bill them for the extra time you've spent rather than carrying it over to another period.

Usually the retainer involves a quantity discount that's offset by the security of knowing you'll have a steady income. This is the carrot to the client, but some consultants whose time is in high demand take an opposite position: Committing their time in advance commands a premium above their normal rate. Obviously, this involves your impressing the client with your unique abilities, how well you know your client's special needs, the competitiveness of the market and the prestige you have.

Since your situation involves a client who's been cutting back your time, you need to think of how you can "incentivize" this client. Maybe it's with a price break or perhaps you can add some special service, such as providing content your client will value, such as current information from your field that's relevant to the client or special insights you provide in the form of a client newsletter or bulletin.

Client attrition is something that's particularly important for consultants to think about because clients usually think of consulting services as a temporary expenditure, not an ongoing commitment. So even with retainer business, you need to continue marketing for new business.