

## INSTRUCTIONS FOR CLIENT SERVICE AGREEMENT

1. On the top of the page, insert your business name in **[COMPANY]**. The remainder of the Agreement uses the word “Company” so that you only need to change your business name here and at the signature line.
2. Underneath **SERVICE AGREEMENT**, insert your business name in **[COMPANY]** and the client’s name in **[Client Name]**.

### **1. Scope of Project Clause:**

- a. Purpose: The scope of project clause defines the scope of work needed to complete a project or set of services. The details of your scope of project will be outlined in Schedule A, Services and Fees
- b. Instructions: Organize the set of services and fees in Schedule A, Services and Fees..

### **2. Fees**

- a. Purpose: The fees clause expressly states your monetary rate in exchange for services or a product. Simply, you should specifically explain how much you are charging your client for your services. Are you charging by the hour, week, or by project? Explain it all here!
- b. Instructions: Explain how you will charge your clients for your services. Make sure to specify if you are operating hourly or project-by-project.
- c. Alternate Language: If the proposed language does not fit your business model, review or alternate clauses below. Whichever structure you do choose, be sure to follow it with each client.

### **3. Expenses**

- a. Purpose: The Expenses and Reimbursements clause details how expenses (travel, materials, etc.) related to the agreement will be handled. Will both parties cover their own expenses, or will your Client cover all expenses related to the contract? You decide in this provision. Here, the clause is currently set up for the client to pay the additional costs.
- b. Instructions: List out the specific foreseeable, additional costs to you wish for your client to pay for. *This will likely change client-to-client, so tailor this provision appropriately for each new client.*

### **4. Invoicing**

- a. Purpose: The purpose of the invoicing clause is to explain how your Company plans to deliver invoices to your Client. The purpose of the late payment clause is to explain what type of late fees incur when clients fail to make timely payments. Not all clients are good clients, so make sure to think wisely about how much you will charge in a late fee to incentivize timely payments.
- b. Instructions: Explain your invoicing policy in detail. If you do not have an invoicing policy, use the recommended policy and/or edit to your liking. Here, switch out **the first five (5) business days of each month describing the hourly fees incurred** for your desired invoicing system. Switch out the late fee percentage (**10% late fee**) to your company’s preference.

- c. Alternate Language: If the proposed language does not fit your business model, review alternate clauses below. Whichever structure you do choose, be sure to follow it with each client.

## 5. Termination

- a. Purpose: Sometimes, business relationships just do not work out. Termination clauses provide parties with a legal way out of the deal. Going off the previous clause, sometimes your Company will need to cancel a contract because you will not be able to complete the contract in “good faith.” This term gets thrown around a lot in the legal world. It boils down to this question, can your Company complete the services honestly, fairly, and lawfully? If not, this clause gives your Company the right to not fulfill the contract. However, before refusing your services, your Company must make reasonable efforts to complete the contract.
- b. Instructions: Switch out **10 Business days** to your Company’s preferences. Review to ensure it matches your desires. There are not legal limitations other than keeping good faith and fairness in mind.

## 6. Termination Fee

- a. Purpose: This clause is included to explain the fees and procedures associated with your Client cancelling this contract. The theory behind termination fees is that your Company has foregone other deals to pursue this one and has sacrificed resources and time, thus a fee is warranted when the deal is not completed. There are different consequences for when a client cancels the contract determined by how much work you have already completed. Here, if you have started to perform services, you are entitled to keep any amount the client has paid, and **10%** of the remaining contract. If you have completed all the agreed upon services, you are entitled to recover the full amount detailed in the contract.
- b. Instructions: Switch out **10%** for your Company’s preferences. Review to ensure it matches your desires. There are not legal limitations other than keeping good faith and fairness in mind. Do not make the termination fee unreasonable, or it could jeopardize the enforceability of the fee.

## 7. Abandonment

- a. Purpose: The purpose of this clause is to provide direction for how your Company should proceed if your client fails to communicate with you. Unfortunately, sometimes clients are flaky--all businesses deal with this. After 45 days of no contact with the client, the project is deemed abandoned. Between days 45-60 of attempted contact with your client, the client can reach back out and pay a **\$500** fee to re-initiate the project. Following the 60 day period of no contact, the project is terminated, and the client owes you for all work performed up to the date of abandonment (day 45) along with the termination fee. Any previous payments are non-refundable.
- b. Instructions: Switch out **\$500** for your Company’s preference.

## 8. Subcontractors

- a. Purpose: Sometimes you need a little extra help on a project. This clause allows you to utilize subcontractors on Company projects if needed without having to get client approval.

- b. Instructions: None.

## **9. Decision-Making and Limitation of Liability**

- a. Purpose: The limit of liability clause ensures that your Client will not bring any claims against your company related to your company's participation in contracted services. This clause is extremely friendly to the protection of your company and serves as a release from liability against your Client.
- b. Instructions: None.

## **10. Indemnification**

- a. Purpose: An indemnification clause assures that your clients will defend your company against all claims brought against you related to the services performed for your client. To indemnify means to "defend" or "hold harmless," so here, the client agrees to cover your losses if they do something that causes you harm or causes a third party to sue you. Think of this clause as your safety net against claims brought against your company.
- b. Instructions: None.

## **11. Content and Social Media**

- a. Purpose: As someone working in the marketing field, you know more than anyone how powerful social media is. This clause states that the Company is not liable for content posted on behalf of your clients. Clients may (and probably will) ask for prior approval of all content, and this clause provides them with that right. Additionally, if you subcontract a project out, you are not liable for any content posted by them or in connection to them.
- b. Instructions: None.

## **12. Search Engine Optimization (SEO)**

- a. Purpose: Staying on top of the search engine optimization is a tricky task. Google, Instagram, Facebook, and many others are constantly changing their algorithms (subsequently giving the rest of us headaches). This clause states that the Company does not guarantee results from utilizing SEO methods.
- b. Instructions: None.

## **13. Cybersecurity**

- a. Purpose: In the 21st century, hackers are everywhere. This clause protects the Company from liability if a third party hacks the client's account or steals the client's information. It is not your duty to provide optimal security but to reasonably safeguard the Client's account information.
- b. Instructions: None.

## **14. Capacity as Independent Contractor**

- a. Purpose: This clause expressly states that your company serves as an independent contractor of the client. This is needed to clarify that you are not working as an employee of the client.
- b. Instructions: None.

## **15. Ownership Of Intellectual Property**

- a. Purpose: Intellectual property is defined as intangible creations such as trade secrets, industrial design, and rights associated with a patent or trademark. Here, this clause

gives the ownership of intellectual property to the Client for all work arising out of the work the Company was hired to perform.

- b. Instructions: If there are aspects of your work that you wish to retain ownership of, these need to be outlined by stating “except...”.

#### **16. Portfolio**

- a. Purpose: This clause grants your portfolio rights. Portfolio rights are simply the permission to display the work in your portfolio after it’s done. As a creative professional, this clause is super important because it allows your company to showcase your work completed for previous clients in order to self-advertise and attract future business.
- b. Instructions: None.

#### **17. Ownership of Marketing Material**

- a. Purpose: All marketing materials that the Client provides you with to perform your services still belong to the Client. This includes Client logos and brand content. Additionally, this protects your Company in the event that the Client supplies you with infringed property.
- b. Instructions: None.

#### **18. Compliance with GDPR and Other Laws.**

- a. Purpose: You are not an attorney, and this clause should serve as a reminder to the Client that it is your role to provide marketing and business advice--NOT legal advice. Ultimately, it is the Client’s duty to be in compliance with any applicable laws.
- b. Instructions: None.

#### **19. Failure to Perform:**

- a. Purpose: As a business owner, you can potentially run into situations where you are not able to fulfill your end of the deal with your Client. As listed in the contract, sometimes illness or acts of God (earthquake, flooding, pandemic, etc.) make your obligations impossible to be completed. Under this provision, your Company must seek out a viable replacement, i.e. another marketing firm or freelancer, to satisfy your duties you contracted to complete.
- b. Instructions: None.

#### **20. Deliverables.**

- a. Purpose: As the clause states, it is your goal and duty to deliver all deliverables to the Client laid out in Schedule A. If your deliverables do not conform to the specifications laid out in Schedule A, the Client has the right within (15) days of delivery to notify you.
- b. Instructions: If you allow revisions, specify that here. The 15 days are to provide certainty as to their acceptance of your work.

#### **21. Change in Specifications**

- a. Purpose: This provision explains how to handle situations when clients change their scope of services. This is to ensure you and your Client remain on the same page as to expectations of each other.
- b. Instructions: None. Whenever you run into this situation, make sure to obtain all requests for changes in specifications from clients in writing.

## **22. Confidentiality.**

- a. Purpose: Underneath this confidentiality provision, your company cannot disclose your client's confidential information. Confidential information is not limited to banking information or launch dates but to any and all information that is not readily available to the public. This clause places the duty to identify confidential information as such on the Client.
- b. Instructions: None.

## **23. Severability**

- a. Purpose: The severability clause allows the main part of the contract to remain in effect even if certain clauses are illegal or unenforceable. On the off chance that a clause is unenforceable, this provision guarantees that one bad clause does not break or "sever" the deal completely. This is one of those "boilerplate" clauses that is really important.
- b. Instructions: None.

## **24. Waiver or Modification.**

- a. Purpose: In the case that your company or your client desires to waive or modify a section within this contract, you may do so, but it must be in writing and signed by both parties. It is imperative that these waivers and modifications are written and signed by both parties to protect your company if the waiver or modification was ever challenged by your client. This is another boilerplate clause that is very important to include in a Client Agreement.
- b. Instructions: None. Whenever you run into this situation, make sure to obtain all requests for waivers or modification from clients in writing.

## **25. Attorney's Fees.**

- a. Purpose: This clause explains if your company or the client is responsible for attorneys' fees. If there is a dispute that requires retaining attorneys, whomever prevails from the dispute will be reimbursed for their attorneys' fees. This clause is incredibly important should you need to retain an attorney as it makes it more cost effective because now your Client may have to reimburse you for legal fees.
- b. Instructions: None.

## **26. Governing Law.**

- a. Purpose: This clause clarifies what laws will govern this contract. Contract laws vary state-to-state, so the contract must clarify what state laws govern this particular agreement.
- b. Instructions: Replace [CHOOSE STATE] and [CHOOSE COUNTY] with your state and county of your company's primary location.

## **27. Entire Agreement.**

- a. Purpose: The purpose of this clause is to ensure that all of the terms and conditions of your agreement with your client is set out in a single contractual document. An entire agreement clause promotes certainty of obligations and prevents either party from relying on conversations or preconceived notions outside this contract.
- b. Instructions: None.

## **28. Non-Solicitation**

- a. Purpose: Put simply, this non-solicitation clause ensures that your client will not solicit your employees to go work for your client. This clause ensures integrity between your company and your client that your client will not steal employees out from under you within a one-year period of termination of the contract.
- b. Instructions: None.

**Lastly, insert your business name, name of owner/president, and name of client in the signature block.**