

It was very odd, chatting away about my book and myself at the NSW Small Business Book Club last week. Welcome, of course, but still odd! And even stranger, I had fans. One in particular, who would be more rightly referred to as a 'stalker'. She was very keen to get more information after my speech, although it was all stuff I'd already talked about. She then wanted to have her photo taken with me! Sadly, one of the staff told me she turns up to every event - for the free food. Exciting to have a stalker though, even if she was motivated by treats and not information! And thanks to all of you who came, I appreciated the moral support and putting faces to names. And as to the fact that this is April's newsletter I didn't forget March, I just decided to jump ahead. This month we look at what to do when a client doesn't pay. I hope it doesn't happen to you.

Monica



Freelance F A Qs

*Dear Monica,
I'm not registered for GST, but plan to register in April. Can I claim the purchases I made before April as tax deductions from my income tax?* Jules

Yes. GST and income tax are quite separate. Once you are registered, you can claim back the GST you have spent from the GST you have charged your clients. If you are *not* registered, even for part of a financial year, you can't claim the GST back separately. You can, however, claim back the *whole* amount (including the GST) from your business income. Remember, though, you can only claim business deductions from your business income. Apart from some specific art-based concessions, which require more info, that's the rule.

Fancy an answer? Email Monica at faq@freelancesuccess.com.au and we'll get back to you soon!

Feature Article: When a Client Doesn't Pay

We might have all the skills we need to make our creative business work, but if we can't get clients to pay we can get into a lot of trouble very quickly. Annoyingly, we've usually done the work *before* we ask for payment, adding insult to injury.

Firstly, make sure you are invoicing correctly. Your invoice needs to specify *terms*, or how long the client has to pay. In my opinion, 14 days is about right.

Next, if the client is late, give them a friendly call and find out why. Don't go on the attack straight away. Chances are the paperwork was lost or Janine from Accounts had her baby. Your client doesn't always get to control the money, so remember not to hassle if the situation is not their fault. No use burning that bridge when it's in fact the fault of those in Accounts.

At this point, you'll probably be able to tell the difference between a client who is just slow (a turtle) and a client who has absolutely no intention of paying (a weasel).

Turtles can be rushed by using a Letter of Demand (available from the Arts Law Centre of Australia). This asks the client to pay either a reduced amount in full, or the whole amount in installments. In my experience turtles usually require no more reminding.

Weasels require a different tactic. Certainly start off with a letter of demand, but be ready for the next step. This could be a Small Claim, which can be made through any local court. This is a reasonably simple debt recovery process for small amounts.

Bigger weasels might need a bigger gun—the debt collector. Make sure you choose one that has a no collection/no fee structure. It's less risk for you.

In my experience, both turtles and weasels respond well to the penalty payment. If you let them know about it in advance, via your contract or estimate, you can include a penalty rate on your invoice that is as harsh as you deem necessary. Mine is 20%, compounded fortnightly. It's not designed to extract more money from my clients, simply to encourage them to pay on time.

AdHOC

The Freelance Success Newsletter

What's Up Freelance Success?

◆ The Sandpits are going strong, why not come along? (I rhymed!).

If you want to meet some like-minded creatives and enjoy a bevvy then come along to our non-networking night The Sandpit. Sydney, Melbourne and Brisbane are all happening throughout late March and April, and we'll have the new ACT event up and running soon (thanks Robert). If you'd like more info, check out www.freelancesuccess.com.au/thesandpit for details. You can also find us on **Facebook**. See you there for a cheeky vino!

◆ The Workshop is heading back to Brisbane...

And we'd love to see you there! It's the full three days, including tax, so if you're ready to launch yourself in creative freelance business, now's the time! The dates are...
Friday 16th to Sunday 18th April
Cost: \$475 inc. GST
Venue: Judith Wright Centre of Contemporary Art, 420 Brunswick St Fortitude Valley.
For more information please visit our calendar on the website at www.freelancesuccess.com.au/calendar or call the office on 02 9559 1901 or 0408 211 318.

◆ Thanks as well to our new designer, Chris Myers!

Chris is a Sydney based graphic designer and an absolute dear. He gave my business cards the much-needed kiss of life and was great about the whole process. He comes highly recommended! Visit his website for more information and details, www.chrismyersdesigns.com.au Chris handles both print and web solutions, so check him out.

Next mailout... Friday 23rd April 10

freelance success

Business Skills for Creative People.

www.freelancesuccess.com.au
info@freelancesuccess.com.au
Telephone: 02 9559 1901
Mobile: 0408 211 318