

**Module 3: Pricing By the Hour or By the Project
HOMEWORK**

Download and read the [IRS fact sheet](#) on the differences between contractors and employees.

Review the three Common Law Rules and consider whether you are at risk of appearing to be an employee for any of your clients.

1. Behavioral: Does your client control or have the right to control what you do and how you do your job?
2. Financial: Are the business aspects of your job controlled by the client? (these include things like you are paid, whether expenses are reimbursed, who provides supplies, etc.)
3. Type of Relationship: Are there written contracts or employee type benefits (i.e. pension plan, insurance, vacation pay, etc.)? Will the relationship continue and is the work performed a key aspect of the business?

Reflect on a time when you charged by the hour. How could you repackage or renegotiate that situation into a flat-fee project? Can't figure out how? Look at the value you offered; what else does your client highly value?
