Agreements and Insurance Toolkit

Read this first. Everything from Part 1, in order.

Four things that keep your business safe

Your business setup in good standing, a written agreement with your customers, the right insurance, and the dates you cannot miss. Nehemiah built and protected at the same time (Nehemiah 4:17). An LLC has limits. It does not replace insurance. Ask your lawyer and your agent which protections fit your work (SBA: choose a business structure).

A quote is not automatically a contract

A quote tells the customer the work, the price, and the date. Make sure both sides agree to the work, price, payment, changes, and cancellation terms before work starts. Your lawyer can help you put those terms in the same document. Keep it as short as it can be and still be clear. Some businesses need more than one page.

Ian Clarke taught us last year: both sides have to agree on the same thing. Agree on the work, the deadlines, the payment, and how you will handle a dispute. Not “I'll pay you after I get paid.” Put the real dates in writing. In his words: “You must spell those things out for your own protection.”

Six questions your agreement has to answer:

1. Who are we? Your legal name and theirs.
2. What exactly am I doing, and what am I not doing?
3. How much, and when do you pay me? The deposit, the balance, what happens if a payment is late.
4. When? The dates, and what happens if the dates move.
5. What if something goes wrong? Who is responsible for what. Your lawyer words the limits.
6. How do we end it? We talk first, then a mediator, then court, last.

Your deposit size, your refund rule, and any late fee are business choices that depend on your work and your state. Pick one clear policy, have a lawyer review the template once, then use it every time. Church family gets the same agreement: “I do this for everybody. It protects you and it protects me.”

DO THIS: If this is your pick: put your payment and cancellation terms on your next customer quote.

Do I need a lawyer?

AI can help you draft a customer agreement. A lawyer should review your template once before your first customer signs it. For anything you cannot afford to lose (a lease, a partner, a large contract someone hands you), talk to a lawyer before you sign. SCORE and the SBDC can point you in the right direction. But a mentor is not a lawyer.

Paying someone to help you

Controlling where, when, and how someone works can point toward employee status. The money arrangements and the relationship matter too. A 1099 doesn't decide it. Ask your CPA or employment lawyer before the first payment. We cover hiring in November. Where to check: IRS, contractor or employee.

Your insurance

Insurance can help pay covered claims, after your deductible and up to your limits, minus what the policy excludes. If you go into people's homes or host events, ask about general liability. If you give advice or do work on a computer, ask about professional liability. Tell the agent everything you do. Ask what's covered and what's not. Where to check: SBA: get business insurance.

Workers' compensation rules depend on your state and how many people you employ. In Virginia, it usually kicks in when you have more than two employees, and some subcontractors can count. Other states are different. Ask your agent and your CPA. Where to check: Virginia Workers' Compensation Commission.

A certificate of insurance (COI) summarizes your coverage for a customer. It does not add coverage, and it does not make anyone else covered by itself. Where to check: Virginia law on certificates of insurance. Keep a current COI in your Sales Kit folder with your one-page sheet, W-9, references, and a quote on letterhead.

DO THIS: If this is your pick: call one licensed business-insurance agent by Friday.

Your name and your creative work

- Trademark: protects a name, logo, or slogan used so customers know the product or service comes from you. A business-name or DBA filing is not a trademark. Search before you invest in a name. USPTO: trademark process.
- Copyright: your original work is protected once it is created and saved. If you ever need to go to court over it, you will need it registered first. Ask about it before you need it. Copyright Office FAQ.
- DBA (doing business as): lets you operate under a name that is not your LLC's legal name. It does not mean you own the brand.

Your calendar

Your state filing keeps your LLC alive. Virginia LLCs pay a $50 annual registration fee, due by the last day of the month the LLC was formed. If you don't pay it, the state cancels the LLC about three months later. Where to check: (Virginia SCC: maintaining your business). Maryland entities generally file an annual report due April 15, with extensions available (Maryland SDAT forms and filing). Use My Compliance Calendar (handout 5) to list your real dates, each with its official source.

DO THIS: Pick one thing to start tonight: a customer agreement, an insurance call, or one verified filing date. Tell your quote buddy by Friday.

This handout is general education for the VEC class, not legal, tax, or insurance advice. Rules change and vary by state, county, and business. Check the official source and ask a licensed professional before you act.