

Freelance Time Tracking & Billing — Workbook

This workbook turns the course into a working system you can run this week. You will set up a tracker, log a real week, build an invoice from your data, and complete your first monthly profitability audit. Fill in every field with your own numbers; the value is in the specifics, not the theory.

Why Tracking Is a Money Decision

Establish your baseline numbers so every later decision is grounded in your real rate, hours, and utilization.

Exercise: The Guess vs Reality Gap

Pick your last completed project. Write down what you billed and your honest guess of hours, then estimate the true hours including email, revisions, and file prep. Compute both hourly rates.

• What did you bill for the project, and what hours did you assume when you quoted it?

• Counting calls, email, revisions, and admin, what were the true hours?

• What is the gap between your assumed hourly rate and your true effective hourly rate?

• What would you quote differently if you ran this project again?

Worksheet: Baseline Numbers Worksheet

Fill in your current business baseline. You will revisit these figures after 30 days of real tracking to see how far your estimates were off.

Target effective hourly rate (USD)

Estimated billable hours per week

Estimated total worked hours per week

Estimated utilization rate (billable divided by total, as a percent)

Annual revenue goal (USD)

Annual non-billable hours you must cover (marketing, admin, learning)

Checklist: Mindset and Baseline Setup

- I have written my target effective hourly rate as a single number
- I have listed my recurring business costs that my rate must cover
- I have separated billable from non-billable work in my own words
- I have committed to tracking for at least 30 days before judging the data

Choosing and Setting Up Your Tracker

Select one tool, configure a clean client and project structure, and remove the friction that makes tracking fail.

Worksheet: Tool Selection Worksheet

Score Toggl Track, Clockify, and Harvest against what you actually need, then commit to one for 30 days. Fill in the fields for your chosen tool.

Primary billing model (hourly, fixed, retainer, or mix)

Do you need built-in invoicing (yes or no)

Monthly budget for a tracking tool (USD)

Tool chosen (Toggl Track, Clockify, or Harvest)

Reason for the choice in one sentence

Date I will re-evaluate (30 days out)

Exercise: Build Your Project Structure

Inside your chosen tool, create your client and project hierarchy now. Use this exercise to plan it on paper first so the setup is fast and consistent.

- List each paying client as a separate entry, one per real invoice recipient.
 - Under each client, name the active projects or retainers you can total.
 - Define your work-type tags, for example Design, Revisions, Calls, Admin.
 - Create one internal Studio Overhead client for non-billable time and list its projects.
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Checklist: Friction Reduction Setup

- Desktop app installed and pinned, start/stop shortcut learned
- Browser extension installed in the tools where I do client work
- Mobile app installed for calls and offsite work
- Idle detection turned on so away-time is caught
- A billable rate is set on every client project
- Non-billable projects are tagged so they never inflate client reports

Turning Tracked Time into Clean Invoices

Convert a real week of tracked time into a professional invoice and lock in payment terms that get you paid faster.

Worksheet: Invoice Builder Worksheet

Take one client's tracked time for a period and draft the invoice fields here before generating it in your tool. Translate raw log entries into client-friendly line items.

Invoice number and issue date

Client name and billing contact

Line item 1: description, hours or quantity, rate, amount

Line item 2: description, hours or quantity, rate, amount

Subtotal, tax if any, and total due

Due date (for example Net 14) and accepted payment methods

Exercise: Choose the Right Billing Model

For each active client, decide and justify the billing model, then note how you will use tracked data within it.

- Which clients are best billed hourly, and why?
 - Which projects suit a fixed fee, and how will you check EHR afterward?
 - For any retainer, what is the monthly hour cap and the overage rate?
 - Where is your current pricing most likely losing money, based on a gut check?
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Checklist: Payment Terms and Follow-Up

- I require a deposit of 30 to 50 percent before starting projects
 - My invoices state a clear due window such as Net 14
 - My terms include a late fee, for example 1.5 percent per month
 - I offer card or bank-transfer payment with a payment link
 - A reminder sequence is set up at day minus 3, day plus 1, and day plus 7
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Auditing Profitability and Building the Habit

Run your first profitability audit, decide on actions per client, and install a permanent weekly and monthly routine.

Worksheet: Monthly Profitability Audit Worksheet

Pull one month of data and complete a row per client. Rank by effective hourly rate and mark the action you will take.

Client name

Total fees billed this month (USD)

Total hours tracked this month

Effective hourly rate (fees divided by hours)

Position versus target EHR (above, at, or below)

Action: keep and grow, tweak scope, re-quote, or release

Exercise: Decide Your Three Moves

Based on your audit ranking, choose specific actions. Be concrete: name the client, the new number, and the date.

- Which good client will you raise, to what rate, and effective when?

- Which project type will you re-quote higher or scope tighter next time?

- Which bottom client will you release, and how will you exit gracefully?

- What did the ranking reveal that genuinely surprised you?

Checklist: Install the Tracking Routine

- Daily two-minute timeline review is part of my end-of-day
- A recurring weekly review block is on my calendar (utilization and caps)
- A first-of-month billing block is scheduled to generate and send invoices
- A monthly profitability audit block is scheduled
- A quarterly rate-review reminder is set to decide raises and releases

Your Action Plan

1. Choose one tool today (Toggl Track, Clockify, or Harvest) and create your account
2. Build your client, project, and tag structure with a billable rate on every project
3. Add a Studio Overhead client and tag all non-billable work to it
4. Install the desktop, browser, and mobile apps and turn on idle detection
5. Track every work block live for a full week without editing from memory
6. Set your payment terms: deposit, Net 14, late fee, and easy payment methods
7. Generate one real invoice from tracked time and send it with a clear due date
8. Turn on the automatic reminder sequence at day minus 3, plus 1, and plus 7
9. At month end, run the profitability audit and rank every client by effective hourly rate
10. Decide one raise, one re-quote, and one release, and put the weekly and monthly blocks on your calendar

