



Memorandum of Understanding Contracting Tool

Establishing a program that addresses complex care requires coordinated collaboration amongst multiple organizations. While partnerships may use existing agreements as a vehicle to establish ownership of tasks, there may come a time when two parties need to enter into a more formal, contractual relationship. As such, the parties may need to draft and agree to a formal memorandum of understanding (MOU) that serves as a precursor to a legally binding contract. An MOU is intended to indicate the willingness of two or more parties to work together in partnership. The agreement allows each party to clearly state their objectives and expectations for themselves and each other. This can help avoid disputes before they arise, or before a legally binding contract is put in place. An MOU is not legally binding itself but does constitute a formal document that expresses intent to proceed, defining the scope and purpose, with the partnership. The content of the document provides the broad outline of the agreement that has been reached by both parties, including the mutually accepted expectations for all parties involved in the agreement.

This tool is designed to help you understand the various components of an MOU and provide examples of language to serve as a starting point for drafting your MOU. It will also note other types of agreements that you may need.

Elements of an MOU

An MOU clearly outlines the following:

- Names of the parties involved
- Project purpose
- Expected project outcomes
- Roles and responsibilities of parties involved
- Duration and timeline of partnership
- Resource allocation and contributions
- Ownership of intellectual property (i.e., work products, deliverables)
- Rules and regulations of data collection
- Rules and regulations of data use
- Definition of liability, if applicable



Example MOU Language

Company A and Company B Partnership Collaboration

Memorandum of Understanding

This Memorandum of Understanding (the “MOU”) is entered into by and between Company A, a *[insert company description]* company, located at *[insert address]* and Company B, a *[insert company description]* company, located at *[insert address]*, this *[insert date]* day of *[insert year]* (the “Effective Date”). Company A and Company B may be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

This MOU sets forth the terms and understanding between Company A and Company B to *[insert activity]*.

I. Purpose of MOU

The purpose of the MOU is to *[insert purpose and goals of the partnership]*. The MOU represents a good faith agreement between Company A and Company B to accomplish the goals listed above by undertaking the following activities *[list and describe the activities that are planned for the partnership and who will do what]*. Notwithstanding the foregoing, neither Party shall be under any obligation to enter into this MOU.

II. Partnership Objectives

This MOU is intended to outline the responsibilities of the Parties and to govern activities of the partnership. The Parties will *[insert purpose and goals of the partnership]*.

III. MOA Party Responsibilities

- **Company A** will *[insert activities and responsibilities]* include:
 - *List responsibilities*
 -
- **Company B** will *[insert activities and responsibilities]* include:
 - *List responsibilities*
 -

IV. Reporting

[insert expectations and responsibilities related to who will evaluate effectiveness and adherence to the MOU and when this evaluation will occur]



V. Anticipated Timeline

This MOU is at-will and may be modified by mutual consent of authorized officials from [*list partners*]. This MOU shall become effective upon signature by the authorized officials from the [*list partners*] and will remain in effect until modified or terminated by any one of the partners by mutual consent. In the absence of mutual agreement by the authorized officials from [*list partners*] this MOU shall end on [*end date of partnership*].

VI. Other Permissions

The term commences on the Effective Date and automatically terminates upon execution of the contract. Either party can withdraw from the research partnership at will within [*insert specific duration as necessary*] of written notice.

VII. Compensation

Company B will be compensated for their time and [*insert activities*], however, this MOU is not a commitment of funds. The compensation structure will be agreed upon prior to the project start. [*Insert specifics regarding compensation and travel, if applicable*]

VIII. Confidentiality

With respect to any information supplied by a Party in connection with this Agreement and designated by the Party as confidential, or which the other Party should reasonably believe is confidential based on its subject matter or the circumstances of its disclosure (“Confidential Information”), the other Party agrees to protect the Confidential Information in a reasonable and appropriate manner for a period of three (3) years from the date of disclosure; to use the Confidential Information only to perform its obligations under this Agreement and for no other purpose; and not to furnish the Confidential Information to any person other than officers, directors, or employees of the Parties hereto without the prior written approval of the other Party. “Confidential Information” shall not include information that is: (a) publicly known; (b) already known to the recipient; (c) lawfully disclosed to a third party; (d) independently developed; or (e) disclosed pursuant to legal requirement or order.

IX. Ownership

Each Party shall retain ownership of intellectual property rights existing as of the effective date of this Agreement, or developed or acquired independently of this Agreement, and nothing in this Agreement shall assign any ownership to the other Party with respect to such intellectual property rights. Any intellectual property developed jointly by the Parties pursuant to this Agreement shall be jointly owned by the Parties.

X. Term

This Agreement shall terminate upon the earlier to occur of (a) the Parties entering into the Participation Agreement or (b) either Party delivering written notice of termination to the other Party.



X. General Terms

Nothing in this Agreement shall in any way be deemed to limit either Party's current or future activities, programs, relationships, agreements, sponsorships, or arrangements of any nature with any other person or entity. The relationship of the Parties under this Agreement shall be that of independent contractors, and neither Party shall be deemed, nor shall hold itself out as being, a partner, broker, employee, servant, or agent of the other Party. Neither Party shall be liable for the acts, statements or representations of the other. Neither Party shall use the name, logos, trademarks, service marks, trade names, seals, insignia, symbols, or decorative designs of the other Party or any derivatives thereof for any purpose without the prior written permission of the other Party. The Agreement may not be amended or modified except by written instrument executed by both Parties.

XI. Contact Information

Company A	Company B
Partner name	Partner name
Partner representative	Partner representative
Position	Position
Address	Address
Telephone	Telephone
Fax	Fax
E-mail	E-mail

READ, AGREED, and ACCEPTED as of the day and year first set forth above.

Company A

Signature: _____
Name: _____
Title: _____
Date: _____

Company B

Signature: _____
Name: _____
Title: _____
Date: _____



Other Type of Agreements

Business Associate Agreement (BAA)

If a project requires the sharing of data, Health Insurance Portability and Accountability Act (HIPAA) requires that a BAA is established to ensure both parties – the covered entity and the business associate - will protect health information. The BAA also serves to clarify and limit, as appropriate, the permissible uses and disclosures of protected health information by the parties, based on the relationship and the activities or services being performed by the parties. BAAs are required to:

1. Establish the permitted and required uses and disclosures of protected health information
2. Limit use or further disclosures of the information other than as permitted or required by the contract or as required by law
3. Require appropriate safeguards to prevent unauthorized use or disclosure of the information, including implementing requirements of the HIPAA Security Rule with regard to electronic protected health information
4. Require reporting of any use or disclosure of the information not provided for by its contract
5. Require disclosure of protected health information as specified in its contract to satisfy a covered entity's obligations
6. Require compliance with the requirements applicable to the parties' obligations
7. Require availability to HHS its internal practices, books, and records relating to the use and disclosure of protected health information received from, or created or received to determine compliance with the HIPAA Privacy Rule
8. At termination of the contract, if feasible, require return or destruction of all protected health information received from, or created or received during agreement period
9. Require any subcontractors engaged that will have access to protected health information agree to the same restrictions and conditions with respect to such information; and
10. Authorize termination of the contract if a material term of the contract is violated

This [resource](#) from HHS provides example language for a BAA that can be used to draft specific contracts.

Services Agreement

A services agreement is a legal contract between a client and a service provider. It outlines important details about the relationship and the duties that each party is responsible for. These agreements aim to establish clear and enforceable guidelines both parties can follow. If you offer services as part of your business offerings, you will want to develop a standard service agreement that describes the services being provided clearly and accurately. It should also detail the mutual benefits and obligations of the contract to avoid disputes down the road. The services agreement may include information such as:

1. Duration of agreement
2. Responsibilities/Scope of work
3. Payment terms
4. Dispute resolution terms
5. Intellectual property rights
6. Liabilities or indemnification
7. Modifications or amendments
8. Termination



Resources

Harvard T.H. Chan School of Public Health Research Administration. Memorandum of Understanding. Accessed August 2, 2022. Available at <https://hcsra.sph.harvard.edu/memorandum-understanding-mou>.

US Department of Health and Human Services. (2013) Health Information Policy, Business Associates Contracts. Accessed August 2, 2022. Available at <https://www.hhs.gov/hipaa/for-professionals/covered-entities/sample-business-associate-agreement-provisions/index.html>.

Ironclad. What is a Standard Service Agreement? Accessed August 2, 2022. Available at <https://ironcladapp.com/journal/contracts/standard-service-agreement/>

