

Legal Aspects of Collaboration

This fact sheet outlines legal aspects of collaboration that should be discussed beforehand and documented in the written agreement. So-called “boilerplate” language in written contracts has legal meaning and can impact the collaboration and your organization, so it is critical to understand it and get legal advice where needed.

Define the Purpose of the Collaboration

A purpose statement should identify the scope of the collaboration. Define the target population or constituents. Are some objectives important only to one of the parties?

Identify Contacts

The contract should identify each organization’s contact person, who may be different from the signing authority. The contact person needs to know the purpose of the collaboration, have internal authority to communicate and assign responsibilities, and receive any notices required under the agreement.

Develop Clear Tasks and Deliverables for Each Party

Try to be as specific as possible in describing which party is responsible for what tasks and reporting. Spell out what costs will be borne by which party, and whether and under what circumstances assets will be transferred between the two organizations. These terms are often described in an attached Schedule or Scope of Work.

Define Risks and Who Will Be Responsible

Accurately reflect the agreement between the parties regarding liability. If neither party will have responsibility for any liabilities or costs incurred by the other party, or for the actions or negligence of the other party, the agreement should say so. Parties may also indemnify (legally protect) each other from liabilities in the agreement.

Will each party rely on its own insurance will protect it, or will one of the party’s insurance be primary? If insurance will cover multiple parties, spell out what insurance documentation is required.

Reporting Responsibilities

If a funder will require reports, which party will make those reports? What information will be required from the other party, and on what schedule?

Term, Evaluation, and Termination

How long is this collaboration meant to last? Will the parties evaluate every six to twelve months to decide if it’s effective? Define the circumstances under which one of the parties may terminate the agreement. Will the other party be required to reimburse the other?

Representations and Warranties

Define what each party is requiring of the other. Have they performed appropriate background checks? Are they complying with related state and federal laws and regulations? Do they have the necessary certifications or licenses?

Get Legal Advice Before You Sign!

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Source: 1. Adapted from Pro Bono Partnership, Background on Memoranda of Understanding, April 2010.