# 4.3 Forming Agreements Tip Sheet

**Purpose:** This tip sheet provides information on the pros and cons and practices of network agreements. Written agreements spell out why members of a network are working together and what they can expect of one another. Agreements are referred to by many names and each has a specific purpose: Memorandum ofAgreement; Memorandum of Understanding; Letter of Understanding; Statement of Understanding; Working Agreement; Partnering Agreement; and Service Level Agreements.

**Directions:** The need for agreements emerges after the initial organizing period for the network when working relationships are established and after participants refine their mutual understanding of the network purpose. Use the frequently asked questions (FAQs) below to respond to questions among network members about the value of agreements.

Agreements work best when agencies have obtained formal commitments of support from leadership. Then, agency policy provides a framework for legal counsel to conduct a legal review if the agreement requires it.

## FAQs about Agreements

**How might the network benefit from agreements?**

* Agreements prompt members of a group to think out loud together about their mutual challenges, working relationships, and purpose.
* Writing an agreement encourages network participants to clarify their level of commitment and identify areas of misunderstanding and disagreement. Agreements provide a venue for finding common ground.

**What are the downsides to written agreements?**

* Some participants, particularly community-based organizations (CBOs) and faith-based organizations (FBOs), may be uneasy with making any type of written commitment.
* Poorly written agreements can create problems where none existed. The network will use its internal expertise to assure that the written document clearly reflects participants’ intent and will be a useful working document.
* Individual partners need time for internal review.

**What do agreements usually cover?**

Networks can choose to cover either or both of the following broad categories:

* How the network partners will work with one another. This can include frequency of meetings, who will handle meeting notices and documentation, defining participation (e.g., individual or representative membership), the use of alternates, decision rules, etc.
* What the network will do to achieve its purpose (e.g., communicate through one another to reach special and vulnerable populations).

**Who is able to make the commitment in the agreement?**

* Participants may be able to make agreements without additional input from their organizations if the agreement is focused simply on how the network will operate (e.g., frequency of meetings).
* The network can build in time for internal agency reviews if the agreement focuses on more complex issues and commitments.
* Participants will have different approval processes and timeframes.
* Public sector agencies, such as transportation and emergency management, will have much more experience with various types of cooperative agreements; other community-based partners may not have the same familiarity and may have more concerns.

**What are specialized provisions for mixed groups of public and private sector organizations, including nonprofits?**

Depending on the network’s stated purpose and goals, the following information may be useful:

* “Out clauses” describe circumstances when one partner might not be able to meet a commitment. This can be particularly important to CBOs and other voluntary and private sector partners who may have thin margins of staff and resources. These clauses can be an opportunity for the network to have candid conversations about capabilities and alternate plans. This can also be an entree to discuss the importance of Continuity of Operations Planning for network participants.
* Financial considerations will vary from network to network. This can foster discussion about resources, documentation for reimbursement for services, in-kind services, and many other related topics.
* Termination clauses allow a party unilaterally to terminate participation in the agreement without penalty. If a signatory organization decides to terminate its commitment to the agreement, encourage the organization to remain a part of the network to continue to receive information and contribute their knowledge. A termination is not a repudiation of the network’s purpose; organizational circumstances and leadership can change.