**Memorandum of Understanding (MOU) Examples**

**Example 1**

Memorandum of Understanding

between

ABC Center and

Sunny Community Services

August 2010

ABC Center agrees to engage in a negotiation process with Sunny Community Services for a managed services organization (MSO). The MSO is an extension of services provided by Sunny Community Services, of which ABC Center is a member organization.

This MOU commits ABC Center to providing the staff time and organizational documents necessary to negotiate the design and implementation of the MSO. As the lead organization in the process, Sunny Community Services will be responsible for managing project funds and any reporting required by funders.

A future addendum is planned for this MOU once the negotiation stage is completed and would encompass full details of each organization’s exact roles and responsibilities.

ABC Center will assign one or more representatives to serve on the negotiation team led by Sunny Community Services.

This agreement will be binding for a period of one year or the dissolution of interest as recognized by a majority vote of the boards of directors of either ABC Center or Sunny Community Services.

This Memorandum of Understanding will be effective August 20, 2010.

 *Susan Smith Michael Anderson*

ABC Center Sunny Community Services

Susan Smith, Executive Director Michael Anderson, CEO

**Example 2**

Memorandum of Understanding

between

ABC Center and

Sunny Community Services

This memorandum of understanding (MOU) constitutes a description of a relationship between ABC Center and Sunny Community Services, two Georgia nonprofit corporations. It outlines the intent of ABC Center and Sunny Community Services to collaborate in mutually beneficial activities in the interest of furthering the missions of both organizations.

It is understood that this MOU is a letter of intent only and the participants agree to proceed in good faith to determine the feasibility of the collaboration described in this MOU and to enter into a mutually agreeable written agreement that memorializes the terms and conditions of the collaboration (the “Definitive Agreement”). No participant shall have any legal obligation to the other as a result of this MOU other than as expressly stated herein. This MOU does not constitute a binding agreement nor does it constitute an agreement to enter into an agreement.

1.0 Intent of Participants

It is the intent of ABC Center and Sunny Community Services to participate in a collaborative effort to increase administrative efficiency and in the submission of a joint proposal pursuant to the Organizational Partnerships program administrated by The Community Foundation for Greater Atlanta. To that end, the participants intend to negotiate a contractual arrangement whereby ABC Center will manage the day-to-day operations of Sunny Community Services (the “Management Affiliation”) as outlined in this MOU and as defined and governed in a Definitive Agreement between ABC Center and Sunny Community Services.

2.0 Management Affiliation

ABC Center and Sunny Community Services intend to explore and, if mutually acceptable to ABC Center and Sunny Community Services, enter into a Definitive Agreement regarding the Management Affiliation as outlined below:

 2a ABC Center agrees to the following with respect to the Management Affiliation:

1. Management of day-today operations, as follows:
	1. Staffing Services – ABC Center employees will fill all full-time staff positions required to perform daily duties on behalf of Sunny Community Services. As an ABC Center employee, Mary Taylor will be the lead contact for Sunny Community Services, with other employees being assigned duties as needed. ABC Center will provide employees to Sunny Community Services on a cost reimbursement basis.
	2. Finance Services – ABC Center will prepare an annual budget for approval of the Sunny Community Services board of directors. ABC Center will provide Sunny Community Services with accounting services (including accounts payable and receivable) in accordance with Generally Accepted Accounting Procedures.
	3. Vendor Procurement & Management – ABC Center will procure contracted services as needed, following all applicable procurement rules and regulations, and will manage these services to ensure contract compliance.
	4. Marketing Services – ABC Center will oversee all marketing efforts performed on behalf of Sunny Community Services, such as web site development and maintenance, attendance at regional and national conferences, ongoing communication with Sunny Community Services users, client site visits, community meetings and industry related speaking engagements. ABC Center will perform all marketing activities on a cost reimbursement basis.
2. Technical Services
	1. Reporting – ABC Center will provide the Sunny Community Services board of directors with quarterly and year-end financials, along with quarterly reports on progress toward Sunny Community Services’ strategic goals
	2. Audit – ABC will provide support to auditors selected by the Sunny Community Services board of directors to ensure timely production of an annual audit or financial statement review.

2b Management Fee: Sunny Community Services agrees to pay ABC Center a management fee equal to 10% of collected Sunny Community Services revenues as compensation for the Finance Services, Reporting and Audit as described above in paragraph 2a. In addition, ABC Center will bill Sunny Community Services, and Sunny Community Services will pay ABC Center, for all other services described above in paragraph 2a on a cost reimbursement basis.

2c Both parties specifically acknowledge that the foregoing may be modified or deleted as a result of the discussions between the parties contemplated by this MOU and that additional terms and conditions will be explored and negotiated.

3.0 Management Affiliation Term

The Definitive Agreement will set forth the term and any renewal terms of the Management Affiliation. The Definitive Agreement will provide that the Management Affiliation may be terminated for cause by either party. Cause will include a material breach of the Definitive Agreement and will be further defined in the Definitive Agreement.

4.0 MOU Termination

The undertakings of the parties described in this MOU to explore the feasibility of the Management Affiliation and to agree upon and execute the Definitive Agreement will expire on December 31, 2011 at 5PM EST unless either: (a) mutually acceptable Definitive Agreements are signed by both parties, on or before such date, or (b) the parties agree in writing to extend the terms of this MOU. Either party may terminate its continued participation in the discussions contemplated by this MOU, and the MOU, at any time and for any reason or no reason by giving the other party written notice of the termination. Signed, emailed or faxed documents shall constitute originals and written notice.

5.0 Points of Contact

Each participant agrees to provide a point of contact, who will serve as the responsible person to ensure that activities outlined in this MOU are accomplished as agreed. For ABC Center, the person is Andrew Walker or his designee. For Sunny Community Services, the person is Jane Parker or her designee.

6.0 Communications

Communications between ABC Center and Sunny Community Services will be accomplished through email, post, regular meetings and teleconferences.

7.0 Good Faith, Cooperation

ABC Center and Sunny Community Services agree to continue in good faith and use their best reasonable efforts to negotiate, execute and deliver Definitive Agreements with respect to the Management Affiliation and consummate the transactions contemplated by this MOU. However, this undertaking does not obligate either ABC Center or Sunny Community Services to continue their discussions or negotiations, and ABC Center and Sunny Community Services each reserve the right to terminate its continued participation in the discussions contemplated by this MOU, and the MOU, as described in section 4.0.

8.0 Fees & Expenses

ABC Center and Sunny Community Services shall pay their own expenses in connection with the proposed transaction, including, but not limited in each case to, all advisers, consultants, counsel and accountants used in the transaction.

9.0 Confidentiality

ABC Center and Sunny Community Services agree that no press release or other general public announcement (including in any trade journal or other publication) of the transaction shall be made without the prior written consent of each of the parties hereto, except to the extent that disclosure may be required by law, in which case the party required to make such disclosure will give the other party prior notice.

10.0 Binding Nature of This Letter

This MOU is not intended to be a binding agreement, except as set forth in sections 8.0 and 9.0, each of which shall be binding on the parties and their respective successors and assigns. Except as provided in the preceding sentence, the parties will not be contractually bound unless and until Definitive Agreements have been prepared and executed. This MOU shall be governed by the internal laws of the State of Georgia, without regard to its conflicts-of-law principles.

Signing this MOU indicates agreement with the foregoing.

This Memorandum of Understanding will be effective October 15, 2010.

 *Susan Smith Michael Anderson*

ABC Center Sunny Community Services

Susan Smith, Executive Director Michael Anderson, CEO