

BUSINESS CONTRACT CHECKLIST

Contract:
Date:

Does the contract accurately set expectations and capture the agreement between the parties?

- Dates are correct
- Name of parties are correct and spelled accurately
- Business entity type is accurate
- Addresses are correct
- Scope of services is well defined (tells who, what, when, where, and how)
- Timeframe of delivery is defined
- Method of payment defined
- Payment due date defined
- Does it clearly state what terms are critical (i.e. material) to the contract (e.g. "time is of the essence," etc.)
- Duration of the agreement is clear
- There are mechanisms in place to accommodate reasonable changes
- There are terms that outline what changes will require additional fees, approvals, or consideration
- There are no inconsistencies between oral conversations, previous agreements and this contract

Are there special performance considerations?

- Special conditions that must be received in order to perform (conditions precedent) are clearly stated
- Timeframe for necessary approvals or feedback are clearly stated

NOTES

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- Critical due dates clearly stated

Does it hold both parties accountable?

- All responsibilities and obligations for both parties are clearly stated
- Consequences for breaching obligations are outlined
- Fees for late payments, if applicable, are stated
- Fee reductions/increases for missed deadlines are stated
- It accurately places the risk of loss with the party that can best control that risk
- Signatures of all parties that have responsibilities or obligations have been obtained
- Persons signing have the necessary authority to act on behalf of the parties to be bound by the agreement

Does it specify under what conditions the contract will end?

- Outlines when the contract will end naturally
- Outlines when the contract should end if a certain event occurs
- Outlines when either party may terminate for convenience
- Outlines when a party can terminate for default
- Contains other exit clauses

Does it give a roadmap through disputes?

NOTES

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- There terms for an informal tie breaker, if necessary
- Includes terms for mediation
- Includes terms for arbitration

Does it protect your company's resources?

- Includes thorough non-disclosure (i.e. confidentiality) provisions
- Includes non-compete provisions, when necessary
- Includes employee non-solicit provisions
- Includes client/customer non-solicit provisions
- Outlines ownership of intellectual property created under the agreement
- Outlines licensing and proper use of existing intellectual property used/exchanged under this agreement
- Specifies the duty of care that is owed to your company when handling company's information assets

Does it prevent excessive monetary loss?

- Caps monetary damages
- Includes terms that indemnify your company
- Includes terms that allow credit reporting, third-party collectors in the event of non-payment
- Include arbitration clauses that allow for quick and inexpensive resolution
- Specifies that all suits will be brought in a jurisdiction that is convenient for you
- Specifies applicable law in a jurisdiction that is beneficial for you
- Includes verbiage that makes your company accountable only for items that are within its direct control
- Insurance requirements are specified

NOTES

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Miscellaneous

- The entire contract has been read
- The agreement is understood, or the terms that are unclear have been addressed with an attorney
- All spaces have been filled in with necessary information
- Alternate and irrelevant verbiage has been removed
- References, attachments, and exhibits are all accurate, complete, and consistent with the main agreement
- Points of contact and those who have the authority to bind the company have been specified

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