

The Basics of Memorandum of Understanding (MOU)

A **Memorandum of Understanding (MOU)** مذكرة تفاهم defines the broad parameters of a service/partnership relationship between the parties to the agreement, the service/partnership vision, and the exercise of decision making authorities. The MOU typically defines the broad aspects of the service/partnership relationship between the parties particularly what the parties expect to mutually accomplish through the agreement and how the parties will govern the relationship

MOU is an early framework الإطار for:

- 1- A record of key terms agreed on to date
- 2- Detail of fundamental arrangements or a party's commitment for the benefit of third party or the success of a joint venture
- 3- Mechanisms dealing with pre-contractual issues such as exclusivity لتفرد , confidentiality الملكية الفكرية , due diligence المتطلبات اجراءات لارضاء and intellectual property خصوصية
- 4- Some degree of comfort that a deal is possible before the parties incur further expense
- 5- The parties to negotiate a final contract

Often an MOU - describes the organizational relationships (including governance) and management processes that will regulate delivery of the service.

It identifies the commitments the parties are undertaking and establishes the vision رؤية, mission مهمة, and mandate تفويض that frame the service/partnership relationship.

The MOU may be amended in writing at any time with the mutual consent of the Parties, as represented by their Designated Representatives.

The Annexes to the MOU may be amended in writing at any time with the mutual consent of the Parties, as represented by their Designated Representatives or their respective delegates.

Amendments will be effected as follows: The Party proposing the change will submit in writing to the other Party the proposed amendments to any clauses in this MOU.

In general, it is important to seek advice about the terms of the MoU to find out what legal effect it has prior signing the papers.

Important Note:

This document is compiled from various publically accessed information. It is not binding to any institutions. Its main purpose is to provide a guidance on some of the practices in establishing MOU's.

MoU vs agreement

Agreement

- You can legally enforce this document in a court of law.
- The agreement is the final, definitive document detailing the terms and conditions of the deal.
- It is always binding on all the parties.
- It grants substantial rights to the parties.

Non-binding MoU

- This document cannot be legally enforced in a court of law.
- There should be a clear mention of another agreement that will be drawn up at a later stage.
- It becomes binding on all parties if it has been drafted for a monetary exchange.
- It does not grant substantial rights, just captures the intentions of all parties.

MOU Example – Key Elements

Memorandum of Understanding (MOU) مذكرة تفاهم

Between [Party A] and [Party B],...

1. Recitals ("Whereas" and "Therefore" Statements)

This section typically describes the mandates or capabilities of the parties involved and the overall goal of the agreement. For example, "Whereas Department A has the authority, capacity and expertise to deliver XYZ service and is authorized to charge and re-spend revenues received in delivering XYZ service" and "Whereas Department B is a new entity that requires XYZ service", therefore "Department A agrees to provide XYZ service to Department A on a cost recovered basis".

2. Commencement بدء and Duration مدة

This section outlines the start and end dates of the agreement.

3. Mutual Vision الرؤية المتبادلة , Strategy إستراتيجية , and Outcomes النتائج

This section develops a common vision and associated business strategies to ensure the parties are aligned with the mutual vision and strategies as negotiations evolve. This section should identify the outcomes expected from the establishment of a relationship and their linkage to the business objectives of the department.

4. Purpose غرض and Objectives أهداف

This section defines the specific intent of the relationship being formed and the expected outcomes for all parties to the agreement.

5. Reference to Supporting Documents of Related Agreements إشارة إلى وثائق داعمة من الاتفاقات ذات الصلة

This section identifies supporting documents to enforce/validate the written statement in the MOU documents

6. Scope نطاق

This section identifies the service/nature of partnership that will be provided. It should also identify any key service assumptions (e.g., multi-channel strategies and priorities such as in-person centers within a region).

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7. Fee Structure or Resource Pooling **تجميع الموارد Arrangements**

This section outlines the overall financial arrangements for the relationship. In cases where only an MOU is required, this section outlines the specific fee structure and/or resource pooling arrangement for the service in question.

8. Performance Targets and Reporting **أهداف الأداء وإعداد التقارير**

This section outlines the specific service level or other performance targets to be achieved and the nature and frequency of the performance reports related to those targets.

9. Authorities **السلطات** **and Accountabilities** **المساءلة**

This section identifies any changes in the legislative authority and accountability for the program. Typically, authority and accountability generally do not shift to the department delivering the service. At a minimum, accountabilities should be discussed, agreed to, and documented. As the service is further defined, the authorities and accountabilities should be re-examined for compliance.

10. Relative Roles and Responsibilities **الأدوار والمسؤوليات** / **Governance** **الحاكمة**

This section identifies the governance structure that will oversee and guide the service relationship and manage the specific service falling under the service relationship. It outlines the specific roles and responsibilities to be assumed by each party and how key planning and financial decisions will be made, as necessary.

11. Implementation **التنفيذ**

This section identifies the approach and timeframes for the phases and stages of the implementation process, including detailed planning, service management, service delivery, and when the parties expect the service to become operational. It should also identify when designated officials expect to review the effectiveness of the relationship, prior to continuing or including additional services. In large horizontal initiatives, this section may also identify key decision points.

12. Designated **المعين** **Official** **رسمي**

This section identifies who in each party will be accountable for the implementation and for the operation of the service. It may also establish committees and decision-making bodies if necessary.

13. Business Continuity **استمرارية الأعمال**

This section identifies the disaster recovery provisions that will be in place and may also identify specific time commitments for recovery from service disruptions including the clear delineation of recovery priorities.

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14. Dispute Resolution تسوية المنازعات

This section identifies how any disputes arising from the implementation of the MOU will be resolved and how issues that cannot be resolved by the parties to the agreement will be considered by higher authorities (escalation).

15. Amendments and Termination تعديلات و إنهاء

This section identifies how amendments to the agreement will be made (e.g., in writing and with the mutual consent of both parties) and any provisions regarding the termination of the agreement, including authorities required.

16. Signatories الموقعين

Although departmental signing authorities vary across the Government of Canada, execution of service agreements should be aligned with departmental policy. It is anticipated that the parties to any service agreement will identify individual office holders who are accountable for the actions being undertaken. By signing below, Approvers indicate their acceptance of all terms and conditions outlined in this Agreement.

| Approvers | Name Title | Approval Date |
|-------------|--|---------------|
| [Signature] | [The MOU should be signed at the Designated Official, DM/ADM level] | [YYYY-MM-DD] |
| [Signature] | [The MOU should be signed at the Designated Official, DM/ADM level] | [YYYY-MM-DD] |

17. Agreement Termination Signatories

| Approvers | Name Title | Approval Date |
|-------------|--|---------------|
| [Signature] | [The MOU should be signed at the Designated Official, DM/ADM level] | [YYYY-MM-DD] |
| [Signature] | [The MOU should be signed at the Designated Official, DM/ADM level] | [YYYY-MM-DD] |

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