

# MOU & CONTRACT FOR SERVICES 101

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS  
TOOLKIT



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**INDIANA MAIN STREET**

# What is Indiana Main Street?

- Since 1985, the Indiana Main Street Program has been helping communities revitalize the economy, appearance, and image of their downtown commercial districts using the National Main Street Center's successful 4 Point Approach™.
- The Indiana Main Street Program is managed by the Indiana Office of Community and Rural Affairs (OCRA.)
- For more information on the Indiana Main Street program, visit our website [here](#).
- Follow us on social media for more!



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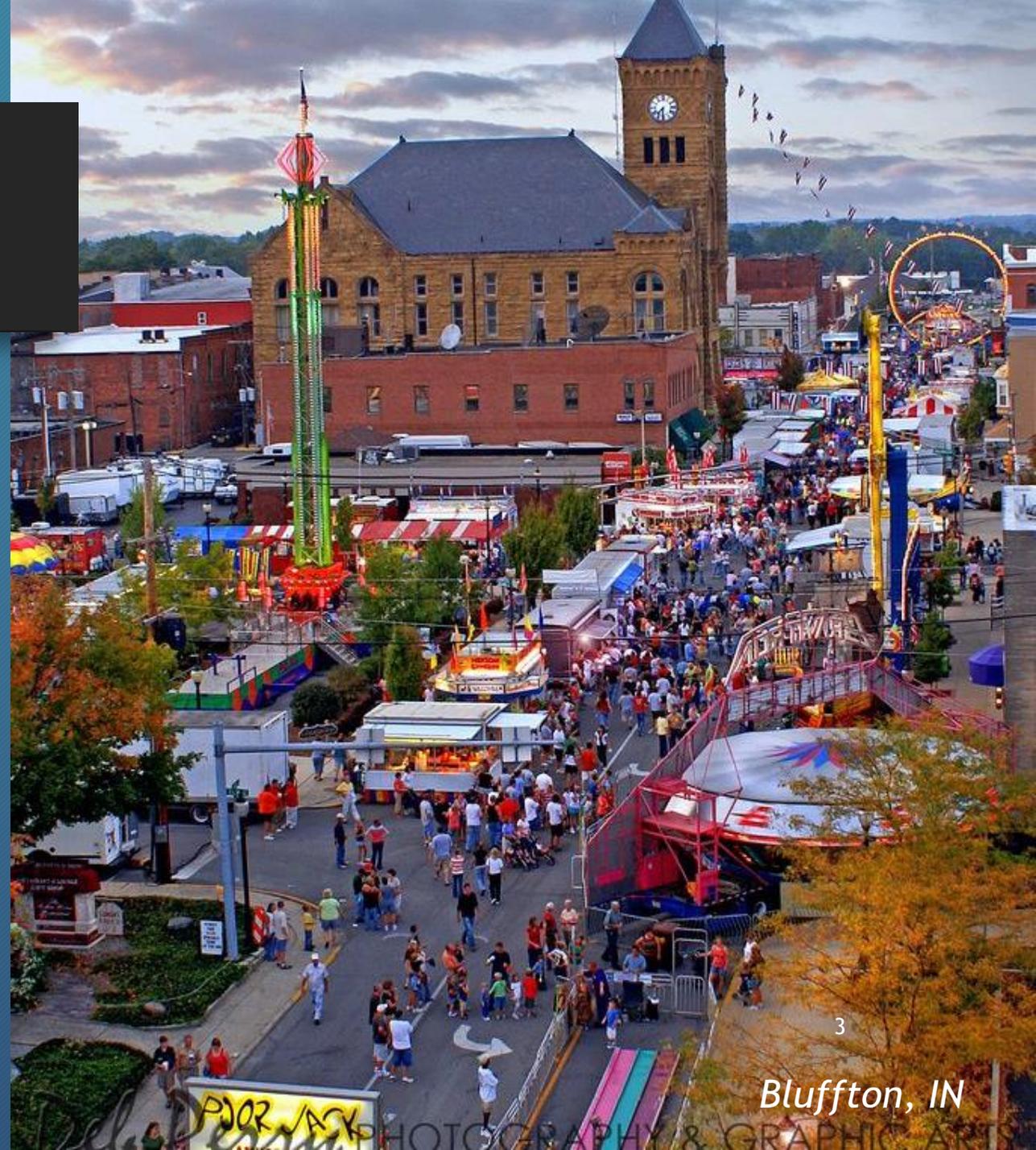
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# Issue Overview: MOUs and Contract for Services

- A Memorandum of Understanding (MOU) outlines the details of an agreement between two or more parties that intend to work together toward a common goal. MOUs solidify the intent of the parties to work together, without forming a binding legal agreement.
- A Contract for Services is an agreement between parties wherein one party usually pays the other to complete a limited service without that party becoming an employee.



## Legal Considerations

- The information provided in this toolkit does not, and is not intended to, constitute legal advice; instead, all information, content, and materials available are for general informational purposes only.
- Readers of this toolkit should contact local counsel to obtain advice with respect to any particular legal matter. No reader should act or refrain from acting on the basis of information in this toolkit without first seeking legal advice from counsel.



*Greenfield, IN*

# Issue Overview: Why action matters

- MOUs and Contracts for Services provide an avenue for Main Streets to diversify their funding sources outside of events, and provide a concrete representation of Main Street's value to a city or town.
- Documents such as MOUs and Contracts for services can foster Main Street's longevity across changing municipal administrations and can ensure continuity amidst turn over by Main Street or municipal staff.



# MOU vs. Contract for Services

- MOUs are informal agreements, which may be preferable because they are highly flexible, and can be expanded upon or contracted as needed. MOUs can be written to allow a relationship to evolve, whereas a Contract for Services (CFS) is more rigid because it is a binding legal document.
- MOUs may vary in length and complexity, but they represent mutually accepted expectations between people, organizations, or government entities.
- While MOUs are not legally enforceable documents, they still hold a lot of power due to the time and organization it takes draft a completed document. MOU negotiations force parties to document and come to an understanding, while prioritizing the most important aspects of the relationship

# MOU vs. Contract for Services

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- CFS may provide more structure, and could be preferable for a community that is in the beginning stages of building a relationship with their municipality. CFS allow for more clear expectations and a well-defined relationship, with consequences if one party does not fulfill the obligations laid out in the contract.
  - A CFS may be preferable if your Main Street org plans to execute a single event or program.
  - A CFS may be a good place to start to build trust with your municipality in the early stages of your relationship.

# Building an MOU

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- Getting Started: Identify your value-add!
  - What does Main Street currently do for the city? What could they do? Consider compiling a list of the possible services, events, and programming that Main Street could provide to the municipality.
  - Think about setting up a meeting with city leadership to review this list - what burden can Main Street take from the city?
- “How can we help?”
  - Think of Main Street as the city’s strategic partner. This can help identify opportunities for Main Street to get involved.
- Examples of Main Street Services & Programs
  - Volunteer Coordination
  - Community Clean Up
  - Holiday Decorating
  - Weed Removal
  - Snow Removal
  - Downtown landscaping and beautification
  - Farmer’s Market
  - Concert Series
  - Craft/Art Shows
  - New downtown business development
  - Marketing and promotion of downtown events/services
  - And more!

# Building an MOU: Important Clauses

1. **Intent of the Parties** - Reflect on what Main Street & the city are trying to do.
2. **The Parties** - Be specific as to which organizations are included in the MOU.
3. **The Time Period** - Will the agreement automatically renew? What are the start and end dates?
4. **Assignments & Responsibilities** - List each party's sole responsibilities, followed by a description of shared responsibilities. This is likely the most important part of the MOU, so be specific!
5. **Disclaimers** - May want to indicate that Main Street employees are not considered to be employees of the city or vice versa.
6. **Financial Arrangements** - When is payment due and to whom?
7. **Risk Sharing** - Who bears the risk if something goes wrong?
8. **Signatures of the Parties**

# Sample MOUs

- [Noblesville, IN Main Street MOU](#)
- [Assistant Secretary for Planning and Evaluation MOU Template](#)
- [Non-profit MOU Template](#)
- [Michigan Nonprofit Association Sample MOU](#)
- [Colorado Main Street MOU Sample](#)
- [Georgia Main Street MOU Sample](#)
- [City Resolution Supporting a Relationship with Main Street Organization](#)
- [Partnership MOU between Main Street and town Preservation Association for single event](#)
- [Whitewater, Wisconsin & Main Street MOU](#)

# Building Relationships & Funding Source Diversification

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- If neither a strong relationship with your municipality nor an MOU presently exist, building trust and respect between the municipality is the first step. This may take time! Start with low-stakes meetings to share what Main Street is working on and share the type of relationship Main Street would like to have with the municipality.
- Offer Main Street as a partner achieving to the municipality's goals!

# Best Practices: Building a relationship with your municipality

- Be Present
  - Make yourself and the Main Street organization seen. Attend community gatherings and city council meetings to build relationships and trust.
- If beneficial, get that handshake agreement in writing!
  - If Main Street has a “handshake agreement” with your town and it feels that the relationship and responsibilities of the parties could use definitions and structure, advocate to get the agreement in writing! This will help parties flesh out details and create longevity across changes in municipal leadership.
- Consider Main Street board composition
  - Think about adding Main Street’s stakeholders as ex officio or voting members of your board
    - Mayor or Town Manager
    - City/County Tourism Department
    - City/County Economic Development Director
    - City/County Planner

# Once MOU or Contract for Services is established

- **Report out to your stakeholders!**
  - Hold Main Street accountable to the city by offering to present quarterly/yearly to the city/town council. This will give you an opportunity to show the impact Main Street has on the city.
- **Track your accomplishments throughout the year!**
  - Keep track of attendance at Main Street events, growth in memberships, and staff responsibilities. This will give cities concrete data that their funds are being put to good use.
- **Develop longevity.**
  - The current city leadership will not be the city leadership forever - as election seasons approach, meet with all candidates to develop a working relationship and establish Main Street and a community asset.



## Questions?

Visit [www.in.gov.ocra/mainstreet](http://www.in.gov.ocra/mainstreet) or contact your [OCRA Community Liaison](#).

## Sources Cited and Additional Resources

- [Drafting a Memorandum of Understanding](#)
- [Collaboration Toolkit - Creating an MOU](#)
- [Contract for Services Template: City Gov't & Consultant](#)
- [Langley, WA Main Street Contract for Services Agreement](#)



Washington, IN