

Contract Review Checklist

Ministries need to consult an attorney whenever a contract is needed. Generally, contracts should be in writing, and an attorney is the best person to help make sure the ministry's interests are represented and legally covered. This checklist will help you understand what to watch for in a standard contract.

Legal Validity	Yes	Needs Attention
1. Parties: Does the contract specify the parties involved and is the person or people signing the agreement legally authorized to commit to the agreement?	<input type="checkbox"/>	<input type="checkbox"/>
2. Offer: Does the contract clearly explain what is being proposed?	<input type="checkbox"/>	<input type="checkbox"/>
3. Acceptance: Has that offer been formally accepted?	<input type="checkbox"/>	<input type="checkbox"/>
4. Consideration: Does the contract clearly state what each party will get in return for fulfilling the promises made in the contract?	<input type="checkbox"/>	<input type="checkbox"/>
5. Writing: Has the entire agreement been put into written form?	<input type="checkbox"/>	<input type="checkbox"/>
Terms		
1. Dates: Does the contract specify relevant timetables, such as dates for delivery or the length of the agreement?	<input type="checkbox"/>	<input type="checkbox"/>
2. Renewal Term: Does the contract contain a renewal provision? If so, does the ministry have to act to renew or will the contract renew automatically?	<input type="checkbox"/>	<input type="checkbox"/>
3. Penalties/Fees: If there are any penalties or fees assessed if certain actions are taken or not taken, does the contract clearly state what has to happen for the penalties or fees to apply?	<input type="checkbox"/>	<input type="checkbox"/>
4. Ministry's Insurance Requirements: Does the ministry carry the type of insurance coverage that the contract requires?	<input type="checkbox"/>	<input type="checkbox"/>
5. Contracting Party's Insurance Requirements: Does the other party carry adequate insurance to cover the risks created by that party while performing his duties under the contract?	<input type="checkbox"/>	<input type="checkbox"/>
6. Proof of Contracting Party Complying with Insurance Requirements: Has the other party to the agreement shown proof of insurance coverage with a certificate of insurance and appropriate endorsements—indicating specific coverages, applicable limits, and naming the ministry as an additional insured?	<input type="checkbox"/>	<input type="checkbox"/>
7. Hold Harmless and Indemnity Clauses: Does the contract contain a provision that will "hold harmless, indemnify, and defend" the ministry or require the ministry to do so? If so, does the contract clarify that adequate insurance is available to cover these responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	Needs Attention
8. Waiver of Subrogation: If the ministry is required to waive its right to reimbursement against the other party, do you know if your insurance provider requires the ministry to waive the right to recover, in writing, before a loss takes place, and does the insurance company have to approve this?	<input type="checkbox"/>	<input type="checkbox"/>
9. Warranties/Disclaimers: Unless disclaimed, some agreements automatically contain warranties. Has the ministry's attorney reviewed the contract to ensure that each party has the appropriate level of responsibility?	<input type="checkbox"/>	<input type="checkbox"/>
10. Default: Does the contract list specific circumstances, actions, or failures that will be considered breaches of the agreement?	<input type="checkbox"/>	<input type="checkbox"/>
11. Termination Clause: Does the contract define the circumstances that allow the other party to terminate the contract, or does the contract indicate what other options will be available to protect the interests of the non-breaching party?	<input type="checkbox"/>	<input type="checkbox"/>
12. Confidentiality Clause: Does the agreement include a requirement that both parties protect personal information, and is there a penalty for not doing so?	<input type="checkbox"/>	<input type="checkbox"/>
13. Assignment Clause: If the ministry wants the other party to specifically perform the contract, is there a provision stating that the ministry must give its written permission before the other party can engage someone else to fulfill its responsibilities? (This is called an "assignment.")	<input type="checkbox"/>	<input type="checkbox"/>
14. Alternative Dispute Resolution Clause: If the contract requires mediation or arbitration, is it clear that the parties can only settle disputes in this way or does it require that alternative dispute resolution be attempted before any dispute can be heard in court?	<input type="checkbox"/>	<input type="checkbox"/>
15. Arbitration Clause: If arbitration is required, are rules clearly stated for selecting an arbiter from a reputable organization; for example, the American Arbitration Association?	<input type="checkbox"/>	<input type="checkbox"/>
16. Choice of Law Clause: If another state's law governs the contract dispute, has the ministry considered the difficulties this could create, such as finding an attorney licensed to practice in that state?	<input type="checkbox"/>	<input type="checkbox"/>
17. Limitation of Damages: Does the contract limit the type or amount of damages the ministry can recover?	<input type="checkbox"/>	<input type="checkbox"/>

Notes: _____

Completed by: _____ Date: _____

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