

NEW CONTRACT REVIEW CHECKLIST



A contract review is an important control that ensures your contracts accurately reflect the terms and conditions that you negotiated, and allow for an appropriate allocation of risk between your organization and the vendor.

Before entering into a new agreement, use this checklist to ensure you've got all of the key provisions covered and that they conform to your own contractual standards.

PROVISION	DESCRIPTION	IS THE PROVISION INCLUDED? (YES/NO/NA)	DOES IT CONFORM TO COMPANY STANDARDS? (YES/NO/NA)	IF IT DOES NOT CONFORM, WERE LANGUAGE CHANGES APPROVED BY AN AUTHORIZED SIGNATORY? (YES/NO/NA)
Name of Parties	Identifies the Company and the Vendor as parties to the agreement.			
Recitals	Describes why the agreement is being made.			
Term	Defines the length of the agreement.			
Termination for Cause	Defines the events that enable either party to get out of the agreement should one of the events occur.			
Termination for Convenience	Allows for the unilateral termination of the agreement by the Company (and potentially the vendor), with appropriate notice.			
Definitions	Clarifies critical and/or ambiguous terminology and acronyms when not defined elsewhere in the agreement.			
Scope	Defines the products, services or software to be provided to the Company under the agreement.			
Pricing/Cost	Documents the negotiated pricing and/or fees to be provided by the Vendor.			
Deliverables	Defines any work product to be provided by the Vendor.			
Payment	Defines the terms for payment to the Vendor.			

Limitations on Liability	Caps the amount of potential damages to be paid by one of the parties due to some failure to perform according to agreed-upon criteria.			
Indemnification	Defines each party's responsibility for compensating the other in case of loss due to the acts of one of the parties.			
Insurance	Defines the Vendor's insurance requirements, if any.			
Jurisdiction	Defines the jurisdiction whose laws govern the agreement.			
Assignment	Requires that neither party has the ability to assign rights or obligations to another party without prior approval.			
Severability	Requires that the whole agreement remains effective even if one clause is not.			
Relationship of the Parties	Clarifies that the parties are separate organizations and have no other formal, legal relationship.			
Force Majeure	Frees both parties from liability or obligation when an extraordinary event or circumstance occurs that is beyond the control of the parties.			
Non-waiver	Requires that if a party fails to enforce one paragraph, others are not waived.			
Notices	Lists who will get notices as required under the agreement.			
Entire Agreement	Clarifies that the agreement is the complete and final agreement, and replaces any prior agreements.			
Signature Block	Allows for execution of the agreement, and should include signature, name, title, company name and signature date.			

A small mistake with your contracts can be costly. We'll help you establish the necessary systems and controls to avoid those costly mistakes.



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