

Types of Agreements That Small Businesses Should Consider

Types of Agreements and Why They Are Important

Types of Agreements	Importance and Benefits
Member, Shareholder, or Partnership Agreement	These agreements cover the responsibilities and obligations of the shareholders or business owners in regard to the funding, structure, management and operation of the business. When a business has more than one owner, this type of agreement forms an essential set of rules for how the owners will work together to manage the business and what to do if a dispute arises.
Confidentiality Agreement / Non-Disclosure Agreement	Confidentiality Agreements and Non-Disclosure Agreements (NDAs) are contracts that protect your business ideas and intellectual property from being used and shared by those with whom you discuss them. They are an important step in securing your future business and making sure your unique ideas are protected.
Employment Agreement	Employment Agreements outline the duties, responsibilities, and rights of employers and employees, and often include details such as salary or wages and benefits. Employment Agreements spell out expectations and help avoid misunderstandings later.
Leases	A Commercial Lease is often a small business's largest financial commitment, and many leases require the business owner to personally guaranty the payments. Getting the right space for a new business can be essential, but not at any cost. Understanding the commitment is essential, including the length of time, rent escalations over time, insurance requirements, and net cost with any extra rent such as taxes, fees, and utilities.
Supplier or Purchaser Agreement	These types of agreements cover goods and services being sold or supplied, including the description of what is being bought or sold, pricing and payment terms, the expected delivery location and timing, and the responsibility and obligations of each party. Whether your small business is on the Purchaser or Supplier side of the agreement, having a written agreement in place can help ensure your transaction will proceed as planned and clarify responsibilities (and liability) if it does not.
Loan Agreement	Loan Agreements formalize a loan between two parties and can range from simple promissory notes to mortgages or bank loans. These agreements are important because almost every business needs some type of loan for operating capital. Loan Agreements allow you to negotiate interest rates and the time period you have to pay back the loan. There should be serious thought and care put into Loan Agreements from both parties to make sure there are clear lines drawn that can prevent disagreements in the future.
Website Terms of Use Agreement	A Website Terms of Use Agreement is a statement that removes responsibility from the owner for any issues or negative outcomes that may arise from interacting with the website. It also provides guidelines about the types of behavior that will be tolerated or not tolerated on the website. These are important, especially if your website includes any information or advice that people could take as fact or has any type of user interaction.
Independent Contractor Agreement	An Independent Contractor Agreement details the result of the work the contractor will produce, deadline(s), and the payment that the contractor will receive. A written agreement solidifies the obligations of both parties. Independent contractors are taxed differently from employees. To avoid accidentally turning an independent contractor into an employee, the contract should specify the result of the work, not what will be done and how it will be done, as those aspects should be the independent contractor's choice.

For more assistance about these types of agreements or to request assistance with negotiating or drafting agreements for your business, please fill out our [Intake Form](#).