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# Key Contracts for Your Practice

This guide accompanies the broader Cloud Practice Development Playbooks. For more information on these playbooks or to download the full versions, please visit [aka.ms/practiceplaybooks](https://aka.ms/practiceplaybooks)



# Key Contracts for Your Practices

Practices need to use a set of legal documents to ensure compliance, deliverables, and a variety of other things.

## **SERVICE LEVEL AGREEMENT**

A Service Level Agreement (SLA) is a contract between a service provider and the end user that defines the level of service expected from the service provider. SLAs are output-based in that they specifically define what the customer will receive both in terms of service levels and in form of compensation should service levels not be achieved.

## **MASTER SERVICES AGREEMENT**

A Master Services Agreement (MSA) is a contract reached between parties in which the parties agree to the most common terms that will govern future transactions or future agreements. For example, it may detail standard rates from a practice rate chart, services provided, standard payment terms and terms for liability, ownership of intellectual property, and the dispute resolution process.

## **STATEMENT OF WORK**

A Statement of work (SOW) is a document that defines what work or deliverables will be provided to the client, including a brief description of the project, delivery milestones, costs, and payment schedule. This document typically references the MSA that is already in place with the customer and intended to allow the quick agreement on definition of an effort with minimal additional contractual paperwork, as shown in this [Sample SOW](#).

## **MUTUAL NON-DISCLOSURE AGREEMENT**

A mutual non-disclosure agreement (MNDA or NDA) is a document that defines the terms for the handling of confidential information exchanged between the vendor and customer. A mutual NDA is recommended because it fairly addresses the confidentiality needs of both parties and, as such, is often the first document signed before any detailed discussions begin (usually well before any of the other contracts listed on this page). An NDA (the non-mutual kind) is variant of the MNDA that is specifically authored to favor the confidential information disclosure of one party.