Doing business is not just about shaking hands on a deal and then celebrating. You might have a contract now, but over time, people forget what they agreed to or change their mind and try to back out of the deal.

Things will go smoothly for you with a contract that spells out the terms and conditions of your agreement and clearly lays out the expectations for both sides, including specific details about timeframes, payments, materials and procedures for sorting out any disagreements. This way, both parties are on the same page, or at least have something to take to court if something goes wrong.

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As anyone who has tried to write a valid contract will tell you, it isn’t easy. There are so many things that need to be included to make your contract binding. Here are some things to consider.

## Contract Tips

### Read Through the Contract steps Carefully

Whether it is your contract that you wrote yourself, you are using a template or you have been given the contract to sign, make sure to read it first.

Check that all the information is what you have agreed to, Check that all names and details are correct and have been spelled correctly. Check any ambiguous language that may create confusion later. Check the fine print and make sure you understand the meaning of any terms that you aren’t sure of.

After the contract is signed, it is legally binding and you may find yourself stuck with something you didn’t want or facing a breach-of-contract. Some contracts have an indemnity clause or other ways to assign responsibility for errors, check how it could apply to you and what you might be liable.

### Important Elements of a Contract

According to the [University of New Mexico](http://jec.unm.edu/education/online-training/contract-law-tutorial/contract-fundamentals-part-2), all contracts need to include at least four things:

1. Something needs to be offered (the “offer”)
2. Something needs to be exchanged for it, usually money, otherwise it is a gift or a promise rather than a contract. (a “consideration”)
3. Both sides need to accept the terms of the contract (the “acceptance”)
4. Both sides need to agree to the conditions and understand that they have entered into a contract (“mutuality”)

### Research Local Regulations

Even with a template, get advice about local regulations that might apply to your situation. There may also be union or industry association requirements that need to be included. Are there insurances or noise restrictions that apply? Perhaps there are fees or planning permissions that have to be in place before work can start.

### Define Specific Details

Leave nothing to chance. Spell out in your contract all the information that is relevant to your agreement. What is obvious to you may not be so obvious to someone else. Define key terms and the exact products and services you will be providing. A term like “due in 30 days” might mean calendar days or business days, if you assume business days but the other party assumes calendar days you may find yourself arguing over a late fee.

Make sure to cover:

* All of the information for both parties
* The start and end times of the contract
* Any key terms used
* The products or service that you will be receiving or providing
* Payment terms, due dates and any milestone payments or part payments that may be needed
* Any fees or interest for late payments
* Any insurances or liability requirements
* Dispute resolution process or breach-of-contract process