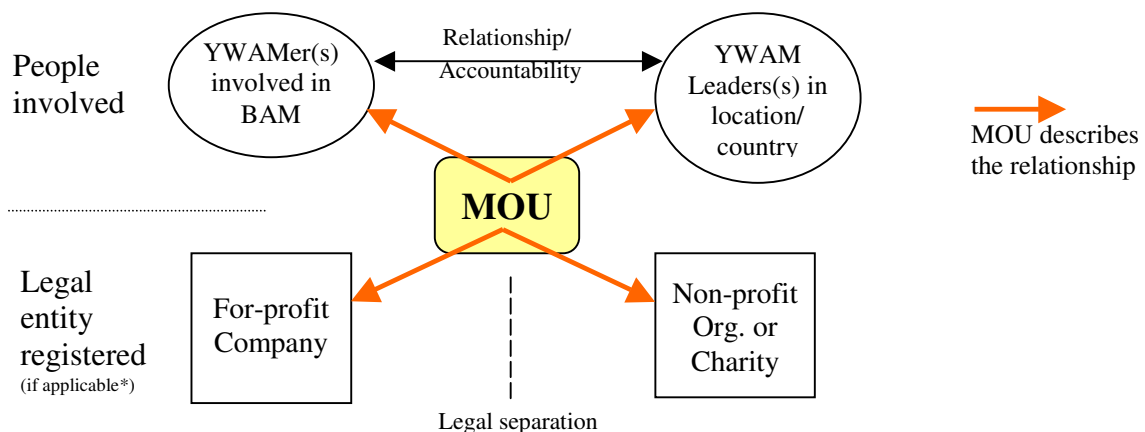


Guidance for Establishing a Memo of Understanding

Memo of Understanding (MOU) – definition: a document describing an agreement between two or more parties

The YWAM principles for Business as Mission (BAM) say that a MOU must be agreed between the YWAM staff leading a business as mission ministry and the YWAM Leader(s) of that operating location (or in some cases country/region). This document provides some information and help for writing an MOU.

The MOU is a relational tool – describing and strengthening a relationship. The MOU should describe both a) the relationship between the people or teams involved and b) the relationship between the BAM Company and the YWAM Organisation. It does not have to be a legally binding document – although it can be. The main purpose of such a Memo is to bring clarity and understanding on critical issues and questions which could arise in the future. It should be developed mutually by both parties as a result of discussion and shared understanding.



* In some cases the BAM initiative in question will be a non-profit Training Initiative rather than a for-profit company/business – this may **not** require a separate legal entity in some cases. In other cases there may be no legal registration for ‘YWAM’ in a country or it is under a different identity. In this case, the MOU should describe the relationship to the organisational structure of YWAM (as team/base/national work) in whatever form it takes.

TOPICS TO INCLUDE IN A MEMO OF UNDERSTANDING:

These guidelines should be applied locally, the terms of the MOU will depend on the local context.

1. Describe the **accountable relationship** between YWAMer(s) involved in BAM (BAMer) and the local (or national/regional) YWAM Leaders. Decide who, when and how. Accountability should provide for personal moral support plus the ongoing evaluation of BAM objectives and the terms of the MOU.
2. Give an **overview of business plan** and evaluate broad business objectives**.
3. Agree on **ministry objectives** (vision, aims, goals) for the BAM initiative, understand how these integrate with the business objectives.
4. Agree on **participation of the BAMers with wider YWAM team** (in location and/or nation). Communicate expectations on both sides (relating to responsibilities, time etc.).
5. Agree on nature of **involvement of other YWAMers** in the BAM initiative.
6. Work out how **pastoral care** will be provided to the BAMers.
7. Discuss **application of YWAM values** to the initiative.

**YWAM Leaders are not expected to be in control of the business or give input on every aspect of the business plan – business expertise should be sourced from elsewhere i.e. a mentor, advisory group or Board and operational control ultimately rests with the business owner(s), executive or legal board. However the YWAM Leader should understand the major goals and steps for growing the business and other key facts, such as expected size and employment strategy. The Leader should be able to broadly evaluate whether the business is legal, Christ-honouring and suitable for the community – and should keep in mind the impact of the business on the wider Body of Christ and/or YWAM in that location, area or nation.

8. Make sure there is a commitment to **ethical and fruitful business practice**. Describe a source of **business advice** for the BAM initiative e.g. a mentor, an advisory group, a Board.
9. Make sure there is a commitment to comply with **legal/governmental requirements** e.g. over legal registration of Company, tax payment, visas, obligations to employees etc. (See 'Legal & Structural Checklist')
10. Discuss expectations for **day to day management of business operations/key decisions**. e.g. Will control of business rest with the owner, group of partners or a Legal Board? Will a YWAM leader give input as part of a group or legal board? (See note** and 'Legal & Structural Checklist')
11. Reach understanding about ownership and use of **assets/property** (of the Company or YWAM).
12. Describe intention or expectation of BAMer over the **use or distribution of profits**.
13. Describe the **eventuality should the business close or staff depart from YWAM** (handling of assets, non-liability to YWAM etc).