Council Procedure

Mansfield Shire

Memorandum of Understanding (MoU) Procedure

Department/Unit	People, Communications & Governance	First Implemented	24 November 2026	Review Date	November 2030
Origin	Coordinator Governance & Risk	Reviewed	-	Version	1
Authorising Officer	Council	Effective From	24 November 2026	Records Reference	E14812

Purpose

This Procedure establishes a framework for the development, approval, management and review of Memorandum of Understandings (MoUs) entered into by Mansfield Shire Council (Council).

The Procedure ensures that MoUs:

- Align with Council's strategic objectives and statutory obligations
- Clearly define roles, responsibilities and expectations
- Are developed, reviewed and approved in a consistent and transparent manner

Scope

This Procedure applies to all Council officers involved in the development, review, approval and management of MoUs between Council and external parties, including:

- Government departments and agencies
- Community organisations
- Not-for-profit entities
- Private sector organisations
- Other local governments

When preparing an MoU for the ongoing management and maintenance of an asset initiated through a community initiated project, officers must also refer to Council's Community Initiated Projects Policy.

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This Procedure does **not** apply to:

- Legally binding contracts or procurement agreements (refer to Council's Contract Management Policy & Procedure or Procurement Policy & Procedure)
- Funding agreements
- Service agreements
- Lease or licence agreements (refer to Council's Property Leasing and Licencing Policy & Procedure)

Memorandum of Understanding

A MoU is a formal document that outlines a mutual understanding between parties regarding shared objectives, roles and responsibilities.

An MoU is generally **not legally binding**, unless explicitly stated.

MoUs are typically used where:

- Collaboration is required
- There is no exchange of significant funds
- The parties wish to document intent rather than create enforceable obligations

When an MoU should be used

An MoU may be appropriate where:

- Council and another party are collaborating on a project or initiative (e.g. Council partners with a local environmental group to run a community tree-planting program).
- There is a shared service or cooperative arrangement without financial consideration (e.g. neighbouring councils agree to share emergency management resources during natural disasters).
- Roles and expectations need clarification (e.g. Council works with a local health organisation to support a public health awareness campaign).
- Strategic partnerships are being formalised (e.g. Council and a university agree to collaborate on long-term urban planning research).

An MoU should **not** be used where:

- There is payment for services (e.g. Council hires a consulting firm to deliver a feasibility study for $80,000).
- There are procurement obligations (e.g. Council engages a construction company to build a new community centre).
- There is significant financial or legal risk (e.g. Council partners with a private developer on a major redevelopment project).
- A binding contract is required (e.g. Council leases part of a building to a not-for-profit organisation).

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MoU Register and Record Management

Council will maintain a centralised MoU Register to ensure all Memorandum of Understanding's are recorded, monitored and reviewed in a consistent manner.

The MoU Register must include, but is not limited to:

- Title of the MoU
- Document Location (Efile number)
- Parties to the agreement
- Responsible officer and department
- Date of commencement and expiry
- Review date
- Approval authority (CEO or Council)
- Summary of purpose
- Key obligations or commitments (including financial or in-kind contributions)
- Status (active, under review, expired, terminated)

The Governance Department is responsible for maintaining the register.

Responsible officers must provide all required information to Governance following execution of an MoU.

All MoUs must be saved in Council's records management system. The MoU Register must reference the location of the official record.

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Procedure

Step 1 – Initiation

The responsible officer will:

- Identify the need for the MoU
- Confirm that an MoU (not a contract) is the appropriate instrument
- Obtain approval from their Manager to commence the MoU drafting and approval process

Step 2 – Drafting

All MoUs created and initiated by Council must use Council's approved template (Appendix A).

The draft should, but is not limited to, include:

- Purpose, Background and Objective
- Definitions (if applicable)
- Roles and responsibilities
- Term and review period
- Financial arrangements
- Dispute resolution process
- Variation and Termination clause
- Statement of non-legally binding intent (if applicable)

Step 3 – Review

The draft MoU must be reviewed by:

1. The relevant General/Executive Manager
2. Governance
3. CEO

Finance review may be required if there are financial commitments, or in-kind contributions are significant.

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Step 4 – Approval and Execution

The responsible officer, in consultation with their manager, must determine the appropriate approval pathway based on the following:

CEO Approval

The CEO may approve and execute an MoU where the agreement:

- Is consistent with Council's adopted strategies, policies and budget.
- Does not create significant financial, legal or reputational risk.
- Does not commit Council to substantial ongoing resource obligations.
- Is operational in nature and within the CEO's delegated authority.

Prior to approving the CEO may consult with Councillors and/or provide a copy of the draft MoU to a Councillor briefing for information.

Council Approval

An MoU must be submitted to a Council Meeting for approval where it:

- Commits Council to significant financial or in-kind contributions.
- Involves substantial strategic importance or long-term partnership.
- May result in future legal, contractual or financial obligations.
- Involves the use, management or transfer of Council-owned land or assets (unless already delegated).
- Represents a matter of high public interest or potential reputational risk.
- Is outside the CEO's delegated authority.

MoU's being presented at a Council meeting are typically presented at a briefing prior to the meeting.

Step 5 – Monitoring and Review

The responsible officer must:

- Provide all required information to Governance for registering on Council's MoU Register.
- Monitor compliance with the MoU
- Ensure review prior to expiry
- Evaluate outcomes where relevant
- Arrange renewal or termination once the initiative/project/collaboration has been complete

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Appendix A: Memorandum of Understanding Template

Memorandum of Understanding
in relation to:
[Insert name of initiative/project/collaboration]

An agreement between:

Mansfield Shire Council

and

[Insert name of organisation/s]

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Purpose

This Memorandum of Understanding (MoU) outlines the understanding between Mansfield Shire Council (Council) and [Organisation Name/s] in relation to:

[Insert description of initiative/project/collaboration]

Background

Provide context explaining:

- *Why the collaboration is occurring*
- *Relevant strategic objectives*
- *Any legislative or community drivers*

Objectives

The objectives of this MoU are to:

- X
- X

Definitions

Council means Mansfield Shire Council

Memorandum of Understanding means a document that expresses mutual accord on an issue between two or more parties.

Party or Parties means Mansfield Shire Council and [Organisation Name/s].

[insert other definitions]

Roles and Responsibilities

Council will:

- X
- X

[Organisation] will:

- X
- X

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Financial Arrangements

Specify:

- *Whether there are no financial commitments*

  OR

- *Outline in-kind contributions*

  OR

- *Reference separate funding agreement*

Term

This MoU commences on [date] and continues until [date], unless terminated earlier in accordance with this MoU.

Review

The MoU will be reviewed….

- *Annually*

  OR

- *At the completion of the project*

Dispute Resolution

The Parties agree to notify each other of any problems or issues as they arise and to consult in good faith to determine any unresolved disputes in order to achieve the objectives of this MoU

The parties agree to meet within a reasonable time of a dispute arising with a view to resolution;

If the dispute cannot be resolved to the satisfaction of the Parties and within a reasonable time, the Parties may appoint an independent mediator to assist the Parties to resolve the dispute; and

Should the mediation fail, the Parties may decide to terminate the MoU.

Variation

This MoU may only be varied by written agreement signed by both parties.

Legal Status

This MoU is not intended to create legally binding obligations between the parties, except where expressly stated.

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Executed

SIGNED for and on behalf of **Mansfield Shire Council:**

Signed:

Name:

Position:

Date:

SIGNED for and on behalf of **[name of organisation]:**

Signed:

Name:

Position:

Date:

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