

Title

**TERMS AND CONDITIONS OF AN INTER-MUNICIPAL AGREEMENT
BETWEEN THE TOWN OF _____ AND THE TOWN OF _____**

I. General Terms:

- A. State the names of each participating city and town
- B. Identify the effective date and term of agreement
- C. State the general purpose of the agreement
- D. State that costs will be shared
- E. State how municipalities may terminate participation (required)
- F. State how the agreement may be amended
- G. Acknowledge acceptance of liability under agreement
- H. Include a severability clause; identify applicable laws
- I. Provide addresses for official notices

II. Operations Terms and Conditions¹

- A. Describe services to be provided:
- B. Identify personnel or department to perform services
- C. Establish reporting relationship and successorship in shared department
- D. Specify where shared services, personnel or department will be located
- E. Establish lines of communication among participating municipalities
- F. Describe dispute resolution process

III. Finance Terms and Conditions

- A. Identify salaries, wages and benefits to be shared
- B. Identify operating expenses to be shared

¹ Excerpts taken from “Understanding and Applying the New Inter-municipal Agreement Law,” by Laura Schumacher, City & Town, Vol. 21, No. 10, December 2008.

- C. Address sharing of capital cost incurred prior to and after agreement date
 - D. Describe how each participant approves the shared budget
 - E. Describe how shared costs will be allocated
 - F. Describe payment methodology
 - G. Specify insurance and indemnification requirements
- IV. Provisions for Financial Safeguards Required by c.40, s.4A
- A. The HOST town must maintain accurate and comprehensive records of services performed, costs incurred, and reimbursements and contributions received;
 - B. The HOST town must arrange for the performance of annual audits of such records, which audits can be part of the HOST town's annual, independent audit of its financial statements.
 - C. The HOST town must ensure that all officers or staff responsible for carrying out the terms and conditions of this AGREEMENT shall give appropriate performance bonds.
 - D. The HOST town must provide the PARTIES with monthly expenditure reports and quarterly revenue reports and any other information reasonably requested by the NON-HOST town to present a complete picture of the financial condition of the shared department, function or position.
 - E. The PARTIES otherwise must to comply with all other provisions of M.G.L. c.40, s.4A.
- V. Signatures
- A. Provide lines for signature, titles and date of a city mayor and each city councillor, town board of selectmen and/or district prudential committee.