

## ACCREDITATION COMMISSION POLICY

# Management Agreements and Memorandum of Understanding

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The following policies apply in situations of joint governance or when a museum has an operational relationship with a (non-parent) organization that holds or shares key assets or responsibilities that are crucial to the museum's operations.

- » **Joint Governance:** A governance structure in which two or more entities share governance of the museum. This involves dividing or sharing basic governance responsibilities such as determining mission and purpose; hiring, supporting, and evaluating the director; strategic planning; obtaining and managing resources; and monitoring the organization's programs and services. An example is a museum jointly governed by a city government, which owns the collections and the building and employs the staff, and a private nonprofit, which determines museum policy and operates the museum. Another example is a university that owns and manages a museum but delegates responsibility for determining programs and services to an advisory board. Does not automatically include museums that have separately incorporated friends organizations, unless the friends organization has significant responsibility for governance of the museum delegated to it in writing.
- » **Management agreement:** Legal agreement between two organizations, whereby an organization that governs a museum contracts with another organization to manage the museum (i.e., be responsible for day-to-day operations).
- » **Memorandum of agreement/memorandum of understanding:** written agreement spelling out the terms of the relationship between two entities, such as a museum and a support organization, or a museum and a municipality. Signed by the governing authorities of the organizations.
- » Museums that have joint governance are required to have a memorandum of understanding or management agreement in place detailing the governance roles and responsibilities of each party.



- » Museums in which a separately incorporated organization or government entity holds or shares key assets or responsibilities that are crucial to the museum's operations must also have a memorandum of understanding or management agreement in place that delineates the roles and responsibilities in this relationship (e.g., for ownership and management of the building, land, collections, staff, financial assets; level and terms of financial support; maintenance of facilities; advocacy; interpretative activities; fund-raising; volunteer service).
- » In cases of joint governance or a relationship which involves shared ownership or responsibilities for collections, the MOU or management agreement *must* address collections ownership and responsibilities, including decision-making authority for acquisition, accessioning, deaccessioning, and disposal.
- » While it may be signed by individuals representing the museum or the other organization, the documentation must be approved by the corpus of the governing authority of each organization.
- » If an MOU or other agreement is not feasible, the museum must provide documentation that shows a history of support from the organization (e.g., financial reports) that demonstrates for the Commission that there is a precedent for future support; as well as show evidence of efforts on the museum's part to address the contingency of a significant reduction or loss of this support.