

Things to know while writing contract

If you are creating a contract for goods or services, then you must take several measures to protect yourself by ensuring that the contract is legal and enforceable. It is important to ensure that your contract should be an appropriate legal contract.

Here are some necessary elements to create and execute a legal contract.

1. **Forming a Contract**

▪ **Make a valid offer**

Your contract should include a valid offer which must include three elements: communication, commitment, and definite terms. From this, it means that you must communicate the offer in written, oral, or in an understandable form so that other parties can understand the contract. A commitment should be there in your contract because the commitment will be bound to the terms of the agreement, and the terms should be clear and precise.

▪ **Think about consideration**

Consideration in a contract is the agreement by all parties about what they are going to do or refrain from doing. Consideration should be fair and equitable.

▪ **Negotiate offer acceptance**

An offer alone is meaningless unless it has been accepted by the offeree. It can be possible that the offeree may accept an offer in the way it is written on the contract or the offeree may change some of the terms of the offer. Sometimes, changes in an offer negate the initial offer and create a new counter-

offer.

- **Take notes**

If you plan on having a verbal or oral contract which most lawyers don't recommend, taking notes at the time of agreeing will help you if the contract is later challenged.

2. **Putting a Contract into Writing**

- **Have a written contract**

Nowadays, day-to-day offers and counter-offers are in oral form rather than written (except with real estate). However, it is crucial to have a written contract. Some states require that contracts be written for them to be considered enforceable. An oral contract is more difficult to enforce, even if it is legal. Because there are chances that other parties can deny that contract.

- **Name the contract and the parties involved**

The contract must have a name like "sales agreement" or "service contract." You should also include the other party's name. If you are going to use a contract repeatedly, you can provide a shorthand representation (such as "buyer" and "seller") throughout the contract, there should be the legal names of the parties involved in the contract.

- **Layout the terms of the contract**

It is important to specify the exact terms of the agreement in the contract. If your contract is related to the exchange of goods or services, then the specific goods or services should be specified along with the expected return.

- **Provide dates and other details**

In your contract don't forget to mention exact dates. You can also add a deadline because some of the events or actions do not end by a specific date, so you can also use the phrase "on

or before” preceding the deadline.

- **Provide a signature area**

There should be enough space to sign and print the names of both parties. Make sure there is enough space for the date and the signature is affixed to the contract.

- **Include a termination clause**

Many contracts, especially those that are for longer periods, have a termination clause. And in this, both parties knew how to legally “get out” of the contract without being held responsible for breaching it.

3. **Ensuring that a Contract is Legal**

- **Ensure that all parties can enter a contract**

To enter into a contract, all parties involved must be legal adults (over the age of 18 in most states), of sound mind, and free of mental incapacity that precludes their understanding of the content of the contract.

- **Do not coerce someone into entering a contract**

If someone is coerced, threatened, or blackmailed into signing the contract then the contract becomes voidable. For a legal contract, all parties must enter the contract willingly and mindfully.

- **Avoid fraudulent claims or terms within the contract**

Be sure that the claims and conditions mentioned in the contract are not fraudulent. Contracts based on fraudulent premises, whether or not the fraud was intentional, are not legally enforceable

- **Do not write a contract for something illegal**

A contract should not include any illegal activities. If the goods or services in the contract are illegal, then the

contract should not be written for such purposes, because it is illegal to work.