

COACHING AGREEMENT



Coaching Agreement Overview

WHAT IT IS: This is an agreement between you and your Coaching client that outlines the terms of your relationship.

WHAT IT DOES: This agreement sets expectations and outlines terms for you and your client. By signing this agreement, you and your client are literally “on the same page” when it comes to working together. Among other things, this agreement:

- Contains Coaching program details including program duration, frequency and length of coaching sessions, payment terms, your responsibilities as coach, and the client’s responsibilities
- Limits your liabilities (that is, it protects you and your business legally and financially)
- Provides protocols for changing the scope of work, termination of the agreement, and more
- Provides you recourse (e.g., in the event you need to collect payments)
- Ensures that any legal action brought against you will be handled in the state in which you reside so that you’re not required to fly across the country if a client on the other coast sues you and you have to appear in court

WHY YOU NEED IT: To help prevent misunderstandings and disagreements with your clients. When you’re both crystal clear about what to expect, there’s less chance of confusion, and if there is a disagreement, you can refer back to the agreement to determine what to do about it. Without a signed agreement like this in place, you may not be able to collect attorney’s fees or even enforce basic provisions of the deal.

WHEN TO USE IT: Every time you sign on a new Coaching client.

Clause-By-Clause Explanations and Instructions

Editing Instructions: The first time you go through the template, customize it to your business according to the instructions below. Sections that should be filled in, altered to suit your needs, or deleted if they're not applicable to you are in **red**. Leave the signature section at the bottom and the **[Client Name]** in the recitals (the part between the title and the sections) blank for now. Then save the document – this will be *your* template going forward. Each time you bring on a new client, use your template and update the recitals with the client's name where it says **[Client Name]**.

THE TITLE

On the top of the page, insert your business name in **[Company, LLC or Individual]**. The remainder of the Agreement uses the word “Company” so that you only need to change your business name here and at the signature line.

THE RECITALS

In the part between the title and the numbered sections, insert your business name in **[Company, LLC or Individual]**. The remainder of the Agreement uses the word “Company” so that you only need to change your business name here and at the signature line. When you bring on a new client, insert the client's name where it says **[Client Name]**. Client Name can be an individual, business name, or LLC. The remainder of the Agreement uses the word “Client” throughout.

1. Scope of Project

Purpose: The scope of project clause defines the scope of work needed to complete a project or set of Programs. The details of your scope of project can be outlined here or in a separate attachment called Schedule A, Programs and Fees. There are instructions below on how to implement this.

Instructions: You can keep customize this if needed or it is fine if it is generic as it is. Another option is to use a “Schedule A” if you have a highly customized program for each client. This could be your proposal or estimate and you simply reference Schedule a in Section 1. And the attach it at the end.

2. Fees

Purpose: The fees clause expressly states your monetary rate in exchange for Programs or a product and how often that fee is due.

Instructions: Are you charging by the hour, week, or by project? Explain how and how much you will charge your clients for your Programs. Make sure to specify if you are operating hourly, monthly, or project-by-project. There’s alternate language at the end of this guide for you to use as well.

3. Rescheduling

Purpose: This clause is to set expectations with regarding to requests to reschedule your coaching sessions. When you set aside time for a call, you obviously cannot use that time for anything else, so even when your client reschedules, it’s reasonable for there to be a penalty of some sort. You can of course waive this fee if you choose to. For example, you may have a really big client that you don’t enforce this policy on because they rarely reschedule.

Instructions: Review our proposed 24-hour allowance and adjust to fit your needs. What’s important is that you have a clear policy and follow it.

4. Invoicing

Purpose: Review our proposed 24-hour allowance and adjust to fit your needs. What’s important is that you have a clear policy and follow it.

Instructions: Explain your invoicing policy in detail. If you don’t have an invoicing policy, use the recommended policy and/or edit to your liking. Here, switch out [the first five (5) business days of each month describing the hourly fees incurred] for your desired invoicing system. Switch out the late fee percentage [10% late fee] to your company’s preference.

5. Client Responsibility

Purpose: This clause identifies and requires your Client to acknowledge their responsibility for success. It helps shift the risk of loss off of you and clarifies the limitations of your role.

Instructions: None.

6. Termination

Purpose: Sometimes, business relationships just don't work out. Termination clauses provide parties with a legal way out of the deal. This clause also allows your client to terminate the agreement with written notice, and it allows you to both terminate immediately if it's mutual.

Instructions: Switch out [30 days] to your Company's preferences. Review to ensure it matches your desires. There are no legal limitations other than keeping good faith and fairness in mind.

7. Termination Fee

Purpose: This clause is included to explain the fees and procedures associated with your Client cancelling this contract. The theory behind termination fees is that your Company has foregone other deals to pursue this one and has sacrificed resources and time, thus a fee is warranted when the deal is not completed. There are different consequences for when a client cancels the contract determined by how much work you have already completed. Here, if you have started to perform Programs, you are entitled to keep any amount the client has paid, and [10%] of the remaining contract. If you have completed all the agreed upon Programs, you are entitled to recover the full amount detailed in the contract. This also includes an Abandonment clause where 60 days with no communication results in termination. This is just to keep you from having lingering clients out there that show up after a year.

Instructions: Switch out [10%] for your Company's preferences. Review to ensure it matches your desires. There are no legal limitations other than keeping good faith and fairness in mind. Don't make the termination fee unreasonable, or it could jeopardize the enforceability of the fee.

8. Subcontractors

Purpose: Sometimes you need a little extra help on a project. This clause allows you to utilize subcontractors on Company projects if needed without having to get client approval.

Instructions: None.

9. Decision Making & Limitation of Liability

Purpose: The limit of liability clause ensures that your Client will not bring any claims against your company related to your company's participation in contracted Programs. This clause is extremely friendly to the protection of your company and serves as a release from liability against your Client.

Instructions: None.

10. Confidentiality

Purpose: Under this confidentiality provision, your company cannot disclose your client's confidential information. Confidential information is not limited to banking information or launch dates but to any and all information that is not readily available to the public. This is considered a mutual confidentiality provision in that Client also cannot disclose confidential information of Company.

Instructions: None.

11. Indemnification

Purpose: An indemnification clause assures that your clients will defend your company against all claims brought against you related to the Programs performed for your client. To indemnify means to "defend" or "hold harmless," so here, the client agrees to cover your losses if they do something that causes you harm or causes a third party to sue you. Think of this clause as your safety net against claims brought against your company.

Instructions: None.

12. Independent Contractor

Purpose: This clause expressly states that your company serves as an independent contractor of the client. This is needed to clarify that you are not working as an employee of the client.

Instructions: None.

13. No Transfer of Intellectual Property

Purpose: Intellectual property is defined as intangible creations such as trade secrets, industrial design, and rights associated with a patent or trademark. Here, this clause reserves all ownership of intellectual property to the Company.

Instructions: None.

14. Compliance with Laws

Purpose: You are not an attorney, and this clause should serve as a reminder to the Client that your role is to provide business coaching advice--NOT legal advice. Ultimately, it's the Client's duty to be in compliance with any applicable laws.

Instructions: None.

15. Disclaimer

Purpose: This clause makes it clear what coaching is NOT. It is not legal or tax or mental health advice. You are not a magic genie that will immediately turn the business into an overnight success. You are here to help but the client's success is ultimately up to them.

Instructions: None.

16. Failure to Perform

Purpose: As a business owner, you can potentially run into situations where you're not able to fulfill your end of the deal with your Client. As listed in the contract, sometimes illness or acts of God (earthquake, flooding, pandemic, etc.) make it impossible to complete your obligations. Under this provision, your Company must seek out a viable replacement, i.e., another business coaching firm or freelancer, to satisfy your duties you contracted to complete.

Instructions: None.

17. Nonsolicitation

Purpose: This clause ensures integrity between your company and your client that your client will not steal employees out from under you within a one-year period of termination of the contract.

Instructions: None.

18. Nondisparagement

Purpose: This clause is designed to protect you from a disgruntled client who threatens to take to social media or elsewhere and untruthfully bad mouth you, your employees, and/or your business directly or online. There are limitations to the ability to prevent this but this clause helps.

Instructions: None.

19. Severability

Purpose: The severability clause allows the main part of the contract to remain in effect even if certain clauses are illegal or unenforceable. On the off chance that a clause is unenforceable, this provision guarantees that one bad clause does not break or “sever” the deal completely. This is one of those “boilerplate” clauses that’s really important.

Instructions: None.

20. Waiver

Purpose: In the case that your company or your client desires to waive or modify a section within this contract, you may do so, but it must be in writing and signed by both parties. This prevents the failure to enforce a section of the agreement one time from coming back to undermine its enforceability later on. This is another boilerplate clause that’s very important to include in a Client Agreement.

Instructions: None.

21. Prevailing Party

Purpose: If there’s a dispute that requires retaining attorneys, whoever prevails from the dispute will be reimbursed for their attorney’s fees. This clause is incredibly important, as it makes it more cost effective should you need to retain an attorney, because now your Client may have to reimburse you for legal fees.

Instructions: None.

22. Governing Law

Purpose: This clause clarifies what laws will govern this contract. Contract laws vary state-to-state, so the contract must clarify what state laws govern this particular agreement.

Instructions: Replace [State] with your state and county of your company’s primary location.

23. Entire Agreement

Purpose: The purpose of this clause is to ensure that all of the terms and conditions of your agreement with your client are set out in a single contractual document. An entire agreement clause promotes certainty of obligations and prevents either party from relying on conversations or preconceived notions outside this contract.

Instructions: None.

24. Dispute Resolution

Purpose: This sets out a detailed protocol if there is a dispute. This scheme is designed to start with mediation (a voluntary negotiation process) and then end in arbitration (where an arbiter is used to make the final determination instead of a jury using the normal court system). This can save you lots of money on legal fees.

Instructions: Replace [County, State] with your state and county of your company's primary location. This is where your mediation or arbitration will take place.

25. Electronic Signature and Counterparts

Purpose: To allow you and your client to sign this agreement with the same power and authority as signing in person.

Instructions: None.

SIGNATURE BLOCK

Purpose: To clarify who is obligating themselves to these terms and also to actually take the final step in reaching agreement. All of your hard work does little good when you go to collect on an unpaid invoice if you do not have a signed copy of this agreement, so be sure to **get it signed and keep a copy**.

Instructions: Lastly, insert your business name, name of owner/president, and name of client in the signature block. For job title, be sure to include your title (e.g. Member, President, Manager, CEO, etc) as it denotes that you are signing on behalf of the company and not individually.

Pro Tip: Every time you sign something for the business, it is important to always sign your name as a representative of the LLC and not just individually. This maintains the liability protection you're getting with your LLC. For example, sign: "Wesley Henderson, Member" (or otherwise designate you are signing on behalf of the LLC and not as an individual). Finally, have your client sign and date.

Alternate Language

Note: *This language is alternate meaning it can be used instead of the existing language in the template.*

Fees

“Client agrees to pay Company at a rate of [\$_____] per [hour/session]. Client agrees to pay [\$__] upfront at the commencement of the services (“Initial Fee”). Once the Initial Fee has been exhausted, Client shall make payment to Company on a monthly basis according to time and expenses incurred by Company as detailed on monthly invoices. Company shall deliver an invoice within the [first five (5) business days] of each month describing the fees for the preceding month. Failure to make timely payment within 15 days of the receipt of the invoice shall result in a [late fee that recurs every 30 days thereafter until paid in full].”

Purpose: This is an alternate fee agreement for hourly rates and monthly billing. This would replace Section 2 in the template.

Instructions: Input your billing details in red to customize to your practice. Then replace the language in Section 2 in the Agreement template with this language.

Optional Clauses

Note: *This language is additional and may be included in your template but is not required.*

Invoicing Automatic Charge

“Client agrees to be automatically charged for monthly or annual fees unless the Company is notified 7 days in advance”

Purpose: This clause is to be used if you plan on automatically charging your clients a set rate each month. You want to go ahead and get permission ahead of time.

Instructions: Obtain credit card information from your client and explain when they will be charged. You never want to surprise your client with a fee so make sure they understand when and how much they will be charged. This clause could either be a separate clause (recommend after Section 2. Fees) or could be added to the Section 2. Fees Clause.

Expenses

“Company may incur additional costs and expenses in the delivery of Programs, such as account fees, subcontractor costs, and other expenses. Client agrees to pay reasonable and necessary expenses incurred by Company in connection with providing programs.”

Purpose: Use this clause if you will incur expenses on behalf of your clients such as supplies or membership fees or anything else that you pass on to the client.

Instructions: List out the specific foreseeable, additional costs to you wish for your client to pay for. This will likely change client-to-client, so tailor this provision appropriately for each new client. Place this clause directly after Section 2. Fees.

Schedule A: Program and Fees

“Client agrees to be automatically charged for monthly or annual fees unless the Company is notified 7 days in advance”

Purpose: This is where you detail the exact expectations of your agreement. The rest of the agreement can be treated as the same terms over and over. Here is where you’ll do the most customization for each specific agreement.

Instructions: Be as detailed as possible in typing in all of the duties and expectations between you and your client. This will be the material provisions regarding deliverables and expectations of each party. Be as detailed as possible with regard to time, deliverables, fees, etc. You would insert a page break and title it as “Schedule A” (just as if you were doing an addendum).