

**SAMPLE
MEMORANDUM OF UNDERSTANDING & SERVICE AGREEMENT
RETENTION BONUS**

This Memorandum of Understanding and Agreement (“Agreement”) is made and entered into effect [Date], by and between [Facility], [Employee] (each, a “Party” and collectively, the “Parties”).

I. RECITALS

- A. [Facility] is a North Dakota nonprofit corporation that operates a [type of facility and location].
- B. [Employee name] is an employee of [Facility] working as a [title of position].
- C. In exchange for remaining employed with [Facility] for a period of 5 years, [Facility] is willing to compensate employee in the form of a retention bonus that is in addition to regular wages.

II. AGREEMENT

- A. Eligibility. The following criterion applies in order for Employee to be eligible for the [dollar amount] bonus. Employee agrees to:
 - i. Be a graduate from an accredited program.
 - ii. Hold current North Dakota licensure.
 - iii. Work an average of [number of hours] hours per pay period as a [title of position].
 - iv. Commit to working at [Facility] for a period of five years, with the five-year serve commitment ending on [date]. (this date should be plus five years from date of expected first payment and after all signatures are obtained)
 - v. Provide a prorated payment to [Facility] if employment ends prior to five-year service commitment date.
 - vi. Meet satisfactory performance expectations to be eligible for the retention bonus.

- B. Bonus Payment. Employee is eligible for a retention bonus in an amount totaling [dollar amount], to be paid by [facility] in accordance with the following terms:
 - i. First payment of half the amount of the retention bonus will be paid on [date]. The remaining half will be paid on [date] as long as employee remains employed in good standing. (Reminder: Funds must be expended by September 30, 2027).
 - ii. The bonus payments are subject to federal and state tax withholdings per IRS regulations.

Employee initial an election:

Accept bonus _____
Waive bonus _____

- A. Miscellaneous. This Agreement contains the entire understanding of the parties with regard to the terms contained herein. All prior agreements, negotiations and understandings are superseded hereby and merged into this Agreement.
- B. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of North Dakota and the state courts of the State of North Dakota shall be the venue of any disputes.

- C. Non-Assignability. This Agreement is not assignable by either party without the prior written consent of the other party and the North Dakota Department of Health and Human Services.

- D. Modifications. This Agreement may not be amended or modified orally at any time but only by the written agreement of the parties hereto and the North Dakota Department of Health and Human Services.

Dated this ___ day of _____, 2026.

[Employee name]

Dated this ___ day of _____, 2026.

[Facility]

[Name], Manager

[Name], Human Resources Manager