**My word and handshake aren’t good enough?**

**Should all agreements be in writing?**

Although there are times when an oral agreement is just as legally binding as a written contract in Illinois, it is best to memorialize the terms in some form of writing that is signed by both parties. There are four elements of a contract, whether it be oral or written; meeting of the minds, offer, acceptance, and consideration. For there to be a contract, the parties are required to have a meeting of the minds, meaning they need to agree upon the specifics of the bargain. An offer is when someone proposes an exchange to another person and acceptance is when the other person agrees to the terms of the offer. Consideration is something done or given by one party for the act or promise of another. If there is no consideration, then the exchange is considered a gift.

As you can imagine, if the agreement is not set out in some form of writing, then there could be multiple points of contention down the road about the terms of the deal, or whether there was even an agreement at all. If there is no written document to reference, it will come down to the memories of the parties, which may not be able to recall all the details of the deal, or the details may get inadvertently changed in the minds of the parties. Having the terms of the agreement written out helps to ensure that both parties have the same idea about details of the agreement, for instance, payment dates, length of term, and party providing insurance. An additional benefit of memorializing the agreement to written form is that it provides an opportunity for the parties to think through potential problems or elements not initially considered, and to address them.

In Illinois, there are some types of agreements that cannot be oral, they must be in writing. These include contracts for the sale of land, contracts that are not able to be performed within a year, and agreements for the sale of goods over $500 (as with most laws, there are limited exceptions). Under federal statutes, particular types of contracts in certain industries/businesses are unenforceable if not in writing. The intention behind these statutes is to protect one party since the belief is the other party is more sophisticated on the subject.

Even though oral agreements are enforceable in some circumstances, there are too many pitfalls to not put your contracts in writing.