It is highly recommended that organizations utilize the following checklist when planning third party vendor events in order to document compliance with the FIPG standards:

___ The Vendor should be properly licensed by the appropriate local and state authority. This might involve both a liquor license and temporary license to sell on the premises where the function is being held. Ask for copies of the license from the Vendor.

___ The Vendor should be properly insured with a minimum of $1,000,000 of general liability insurance, evidenced by a properly completed certificate of insurance prepared by the insurance provider.

The above “certificate of insurance” should also show evidence that the Vendor has, as a part of their coverage, “off premise liquor liability coverage and non-owned and hired auto coverage.” The certificate of insurance should name as additional insured and Certificate Holder (at a minimum) your undergraduate organization, as well as the national organization. Ask for copies of the certificate of the insurance on an ACORD FORM 125.

___ The Vendor should agree in writing to cash/credit sales only to individuals over the legal drinking age, collected by the Vendor, during the function.

___ The Vendor should assume in writing all the responsibilities that any other purveyor of alcoholic beverage would assume in the normal course of business, included but not limited to:
  • Checking identification cards upon entry
  • Not serving to minors
  • Not serving individuals who appear to be intoxicated
  • Maintaining absolute control of ALL alcoholic containers present
  • Collecting all remaining alcohol at the end of the function (no excess alcohol, opened or unopened, is to be given, sold, or furnished to the organization)
  • Removing all alcohol from the premises

___ The contract with the Vendor (if requested):
  • Should only be executed in the name of the undergraduate chapter (i.e. Alpha Chapter of Alpha Beta Gamma). Do NOT use “Alpha Beta Gamma Fraternity” or the name of your local housing corporation to execute the contract.
  • Should limit the obligation to defend or indemnify the Vendor to the sole negligence of the undergraduate chapter.
  • Should only include additional insured requirements that assume responsibility for the actions of the undergraduate chapter, not the Vendor or third parties.

** It is strongly recommended that a written agreement is signed and dated by the organization president and the Vendor stipulating the agreement.

If requested, Sorority & Fraternity Life staff may be able to refer you to a professional staff that is willing to review the contracts for your events.
BEST PRACTICES & HELPFUL TIPS

DON'T ASSUME - Don’t assume that contracts are all-inclusive or non-negotiable. If you see something missing or the wording sounds a little off to you - speak up! You can most likely negotiate certain terms outlined in the contract before signing.

USE BLUE INK - In order to keep track of originals and copies, sign with blue or another color ink. This will help keep things organized and prevent miscommunication in terms of who has the original contract.

KNOW YOUR OPTIONS - There are multiple venues and vendors around town to choose from. If your preferred vendor isn’t working with you to make the contract realistic, shop around other options. Also, tell your vendor that you’re looking at other places and they may be more willing to work with you to make a sale.

READ THE FINE PRINT - This should go without saying. Be sure to read absolutely everything on the contract before you sign. There may be hidden fees or policies that you may not be able to uphold should you need to.

GET A SECOND OPINION - Have another person with your best interests in mind, like an advisor or OSFL staff, look over the contract before you sign. Having another pair of eyes looking over the fine print could potentially save you lots of time or money.

UNDERSTAND EVERYTHING - Just because you ‘think’ you know what the contract says, doesn’t mean that you completely understand all of the arrangements. If you are unsure of anything, look over the contract with legal help who can answer any questions.

HAVE AN ESCAPE PLAN - Sometimes plans fall through, and you may need to cancel your event. Check to ensure that there is a way for you to be released from the contract should a variety of situations occur. Look for agreements that will free you from any additional fees if you terminate the contract.

SLEEP ON IT - Never sign a contract right on the spot. Take an unsigned copy home with you to review and think about before you sign. You may forget about important details that should be included in the moment, so take extra time before you sign it.

KEEP THE ORIGINAL - Ask to keep the original copy of the contract in your records. Sometimes the Vendor will request that two original contracts be created or the original might be kept with a third party. Be aware of what form of the document you will have, and at least get a copy for your records.

KNOW YOUR ROLE - Be sure that you understand any liability and responsibilities that you might be agreeing to take on. Ensure that you not only understand what you’re being asked to do, but that you also have the means to do so.

SEEK EXPERT LEGAL ADVICE FOR ANY CONTRACT NEGOTIATIONS BEFORE SIGNING

This document is a resource to help interpret policy and best-practices; they should be read as recommendations only. Always observe federal, state, local law in addition to national organization policies. Source: Pi Kappa Phi Fraternity [http://pikapp.org]