

How to Buy Official Functions ^[1]

The commodity, *Official Functions*, covers a meeting, meal, or other function that is hosted by the University for Official University Business, attended by guests and/or associates/employees, and held either on university property or off-site at hotels, motels, resorts, country clubs, learning centers, or other locations. Such functions typically include:

- Conference or meeting facilities
- Meals and beverages
- Catered services (including bartending services that are part of the event)
- Hotels and Lodging (not related to study abroad)

Sales contracts for special events that include group lodging, conference, and/or catered services - regardless of dollar value - must be reviewed and signed by the PSC prior to the event taking place. For more information on contracting authority, refer to the Administrative Policy Statement Contracting Authority ^[2]

If a department charges an admission/registration fee for an official function, conference, or fundraising event, and it includes a meal/beverage, the University is required to pay sales tax on the food/beverage. Additionally, catering and audio-visual services are taxable items. The University cannot use tax exempt status to purchase these goods/services if there are admission/registration fees. For more information: Tax Exempt Status ^[3].

EVENT INCENTIVE OFFERED BY THE STATE OF COLORADO

HB22-1187 ^[4], *Office Of Economic Development COVID Relief Program Extension*, signed into law on March 7, 2022 extends the Meeting & Events Incentive Cash Rebate Program deadline for eligible events from December 31, 2022, to **June 30, 2024**.

The Meeting and Events Cash Rebate, established by HB21-1263 ^[5], provides a 10% cash rebate against eligible hard costs for hosting meetings and events in Colorado that take place on or after July 1, 2021 and on or before June 30, 2024. The minimum rebate is \$3,500 and the maximum rebate is \$100,000.

The program's goal is to increase tourism industry recovery by incentivizing meeting and event planners to:

- book new meetings and events in Colorado rather than in one of our competitor states
- retain meetings and events where there is a demonstrated likelihood that an event or meeting may be canceled, postponed, or relocated outside of Colorado without support

Incentive dollars only apply to NEW business contracted on or after April 6, 2021, when the Meeting and Events Incentive was introduced, and does not apply to existing business or recurring events unless the meeting or event is in danger of cancellation, postponement, or

relocation without program support and can provide sufficient documentation to that effect.

[LEARN MORE AND APPLY](#) ^[6]

Procurement Options and Procedures

\$10,000 or less

Submit a Small Dollar Contract Review Request: Please follow this link for step-by-step instructions on how to complete this [Small Dollar Contract Request Form](#) ^[7]

Please note:

This process replaces the need to email officialfunctions@cu.edu ^[8] for contract review and signature. As of 3/1/2023, this Official Functions email box will no longer be available at all for any contract questions or answers.

Below is the information that will be needed and requested of you when completing the Small Dollar contract request:

- Your Campus (CU Boulder, UCCS, SYS, AMC, CU Denver):
- Department
- Dept. Contact Name
- Phone
- Email
- Supplier Information
- Company name
- Supplier Contact
- Supplier Title
- Supplier Phone
- Supplier's Direct Email
- Total/Estimated value of contract
- How will the event be paid for (p-card/travel card or Marketplace requisition)
- Start/End date of function
- Title and Description of Event
- Admission fee (yes or no)
- ?

NOTE: If there are no legal terms, and business terms only, the PSC will email and let the department know they can sign the contract themselves.

- Payment to the supplier can be made using a University issued Procurement Card for purchases under \$5K, or a Purchase Requisition through the CU Marketplace for purchases over \$5K.
 - A p-card cannot be used to split a purchase, i.e. if a hotel contract is \$7K, a p-card user cannot pay \$3500 one day and \$3500 another day. If the total contract value

exceeds \$5K, the department must enter a requisition and the supplier will be paid by check.

- An event should not be split between two marketplace requisitions. Should an event need a deposit, follow the above mentioned deposit procedure and a line for the deposit and a line for the balance of the event. All events where the total dollar amount will exceed \$10K are required to be on one purchase requisition.

Please Note: The PSC processes a high volume of Official Function contracts under \$10,000. As such, it is the responsibility of the department to understand the business terms in the supplier's contract, such as cancellation and attrition, and ensure dates/deadlines and payment terms are met.

Above \$10,000 ?

- Submit a Purchase Requisition, or a Standing Purchase Order Requisition via CU Marketplace, and ensure to attach the sales contract. Include in the comments who will be negotiating the contract on behalf of the supplier (name, phone, email). *Sales contracts must be reviewed and signed by the PSC.*
- Complete the Official Function Form ^[9] if the cost of an official function includes food/beverage or alcohol including related taxes/tips and attach to the requisition if:
 - Cost of the function exceeds \$500; or,
 - Regardless of total cost of the function, the per-person cost is \$115 or greater.
- Complete the Advance Deposit Form ^[10] if the cost of the deposit is greater than \$10,000 and attach to the requisition.
- If a deposit is required of any amount, obtain a deposit invoice from the supplier and attach to the requisition.
- Once the requisition is received, the Purchasing Agent will look through the attachments to ensure: a) the contract is attached and b) all necessary forms are completed, signed and attached.
- If any necessary documents are not attached the Purchasing Agent will request the documents from the department, and they will be required prior to the approval of the requisition.
- Contracts attached to requisitions will be routed through the contract administration team for negotiation and signature. *The department should submit a requisition as soon as possible to provide plenty of time for contract review and questions.*
- Once a contract is fully executed and all necessary forms are completed/attached, the requisition will be approved.

After a PO is generated, if an Advance Deposit is required, the Purchasing Agent will notify the department to receive against the deposit line and will also notify AP to pay the Deposit Net -0- (immediately).

If an advance deposit is required, A/P has highly requested a PO rather than an SPO requisition type with a line for the deposit and a line for the remaining balance.

Understanding Attrition

What is attrition? Attrition is the commitment to pay for a specific number of rooms

reserved/blocked. Should the number of rooms that are actually booked be less than what was reserved/blocked, this reduction in numbers may require payment as a penalty. Attrition clauses can be included in -\$0- contracts.

Example attrition language:

Attrition Clause:

University of Colorado Campus agrees that a loss will be incurred by Hotel if University of Colorado Campus's actual usage is less than ninety percent (90%) of the Room Night Commitment.

Hotel agrees to allow for a ten percent (10%) reduction in the Room Night Commitment. At the conclusion of University of Colorado Campus's Event, Hotel will subtract the room's revenue derived from the Event (excluding revenue derived from pre- and post- program stays) and the amount of any permissible attrition University of Colorado Campus has taken from the Room Night Commitment set forth above. Any remaining amount will be posted as a charge to University of Colorado Campus's Master Account, plus applicable taxes.

These charges represent a reasonable effort on behalf of the Hotel to establish its loss prospectively and shall be due as liquidated damages.

What this means? *Example:* If 30 rooms were reserved/blocked but only 24 rooms were booked, 80% of the rooms that were blocked were actually booked. The attrition clause above allows for a 10% reduction in rooms booked. However, there was a 20% reduction. As such, the University is responsible for (20% - 10% attrition) = 10% penalty charges, which would be billed to the master account and is CU's responsibility to pay.

Please review any attrition or cancellation language in sales contracts thoroughly. If you have specific questions about obligations, email officialfunctions@cu.edu ^[8] for clarification prior to contract signature.

Attrition can be included in -\$0- contracts, and if the PSC sees a -\$0- contract but includes attrition language with significant potential financial impact, we will ask that the department enters a marketplace requisition with the full potential dollar value to mitigate risk.

Alcohol Authorizations

For information on arranging official functions, see the PSC Procedural Statement Official Functions, which requires the use of the Official Function (OF) form ^[9] for events where food and beverage costs (with taxes/tips) are estimated to be over \$500 total or over \$85/person. The OF form is required for all events with Food and Beverage.

The University of Colorado has defined restrictions on the provision of alcohol for personal consumption at university events. For policy and procedure information, refer to the Finance Procedural Statement Alcoholic Beverages Purchased for University Events ^[11].

The department must complete the OF form for all events that include alcohol, obtain the necessary signatures and either retain it on file in the department office (for small-dollar

purchases) or submit it to the PSC (for PO Requisition and SPO Requisition processing).

Related Links

- [Official Function Form](#) [9]
- [Finance Procedural Statement Official Functions](#) [12]
- [Advance Deposit Form](#) [10]
- [Source Selection and Price Reasonableness form](#) [13]
- [Small Dollar Contract Requests](#) [7]

Purchasing Agent

Sabrina Stewart

- **Email:** Sabrina.Stewart@cu.edu [14]

Please contact psc@cu.edu [15] for questions about forms and preferred hotel suppliers.

Source URL: <https://www.cu.edu/psc/how-buy-official-functions>

Links

[1] <https://www.cu.edu/psc/how-buy-official-functions> [2] <https://www.cu.edu/ope/aps/2005>
[3] <https://www.cu.edu/psc/tax-exempt-status-0>
[4] https://urldefense.proofpoint.com/v2/url?u=https-3A__leg.colorado.gov_bills_hb22-2D1187&d=DwMFaQ&c=sdnEM9SRGFuMt5z5w3AhsPNahmNicq64TgF1JwNR0cs&r=ZoFE_FarLgR3YKdSulgRtZYNSuZw&m=Eumprbt_mrmcbbYG_eHQfOXfHNAMljQR8XyPG72QmrnPNzCn21X8PuvDsoLe_UVT0e9Y8gS20yJjAVhjzaJxbr_3BAEfFfSNY05c&e=
[5] https://leg.colorado.gov/sites/default/files/2021a_1263_signed.pdf [6] https://oedit.colorado.gov/meeting-and-events-incentive?_hsenc=p2ANqtz-9LQh7-xAfEvtVSGw9-2HFyC_PUeVL2KGnptp23-fZ-lwAL8-VS9jq3XQ7r9qnUyCGITk-juGGHD9FFgyTSv4u3-9LPQ&_hsmi=137152858 [7] <https://www.cu.edu/psc/cu-marketplace-how-small-dollar-contract-request-form> [8] <mailto:officialfunctions@cu.edu> [9] <https://www.cu.edu/psc/forms/official-function>
[10] <https://www.cu.edu/psc/forms/advance-payment-suppliers>
[11] <https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-alcoholic-beverages> [12] <https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-official-functions> [13] <https://www.cu.edu/doc/source-selection-and-price-reasonableness-formpdf> [14] <mailto:Sabrina.Stewart@cu.edu> [15] <mailto:psc@cu.edu>