

How to Buy Official Functions [1]

This commodity 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)

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].

Procurement Options and Procedures

\$10,000 or less

- Submit a request for review of an official function contract to: officialfunctions@cu.edu [4]
Sales contracts are required to be reviewed and signed by the PSC. The PSC does not sign Banquets Event Orders (BEOs).
- When submitting your contract for review include the following information in order to complete your contract request in an efficient and timely manner:
 - Campus/contact information
 - Supplier/contact information
 - Anticipated dollar amount
 - How the event will be paid (p-card, travel card or Marketplace requisition)
 - Start/End date of function
 - Description of event/pertinent info
 - Attach an unassigned non-edited contract copy ****Links to web contracts are not accepted****
 - *The Official Function form is required if paying via a Marketplace Requisition*
- Note: Once submitted to the email address, you will receive an auto reply email requesting the above captioned information. If you have already provided, please disregard.

- If there are legal terms, the PCS will process a contract with the supplier within 2-3 days of receipt and send the requestor status updates including when the contract is in-process, if there are questions, and when the contract is fully executed.
- 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.

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 ^[5] 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 \$85 or greater.
- Complete the Advance Deposit Form ^[6] 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 ^[4] 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 ^[5] 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 [PSC Procedural Statement Alcoholic Beverages Purchased](#) [7] for University Events.

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](#) [5]
- [PSC Procedural Statement Official Functions](#) [8]
- [Advance Deposit Form](#) [6]

Purchasing Agent

Katey Gath

- **Phone:** 303.764.3445
- **Fax:** 303.764.3434
- **Email:** OfficialFunctions@cu.edu [9]

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/node/321>
- [3] <https://www.cu.edu/psc/tax-exempt-status-0>
- [4] <mailto:officialfunctions@cu.edu>
- [5] <https://www.cu.edu/psc/forms/official-function>
- [6] <https://www.cu.edu/psc/forms/advance-payment-suppliers>
- [7] <https://www.cu.edu/psc/procedures/alcoholic-beverages-purchased-university-events>
- [8] <https://www.cu.edu/psc-procedural-statement-official-functions>
- [9] <mailto:OfficialFunctions@cu.edu>