

THE LEADER

2007-2009 Altrusa International Leadership Newsletter

Negotiating Conference Contracts

Volume 7

**“Some
make it
happen,
some watch
it happen,
and some
say, ‘What
happened?’”**

- *Unknown*

**2007-2009
Altrusa
International
Leadership
Development
Committee**

Chair
Carolyn Rash
crash@jcpenny.com

Vice-Chair
Bradford Williams
brad4dw@yahoo.com

Any District or Altrusa club hosting a Conference or Convention will be confronted with the task of negotiating a hotel contract. Hotels generally have standardized form contracts which are not “non-profit-friendly.” Accordingly, Altrusans entering into contracts with hotels should pay particular attention to certain parts of those standardized form contracts and ask for, even demand, their revision.

Many hotel contracts for group events call for guarantees of attendance and meals, and attempt to require groups to pay for shortfalls. Obviously, Altrusans must be extremely diligent in their homework and conservative in their estimations of the numbers that should be in attendance, but they should also advise the hotel management with whom they are working that Altrusa Districts or clubs have no ability to pay shortfalls if the anticipated number of registrants is ultimately not accurate; therefore, there is no point in having Districts or clubs make guarantees that they cannot honor. Explanations of the purpose of Altrusa and that no Districts or clubs have “extra” money in their accounts with which to make good on an erroneous estimate is usually sufficient to get such guarantees adjusted.

Similarly, many hotel contracts include a cancellation fee, and it usually escalates as the event’s time approaches. If at all possible, such a fee should be negotiated down or away, again by advising that there is simply no ability for a club to pay such a fee if the event cancels. Many hotels will recognize that there is no point losing the Altrusa’s business over a promise that the host District or club cannot keep and will therefore not make.

It is generally best to insure that the hotel understands that registrants for the event will be making their own reservations and must identify themselves as members of Altrusa. Even more important, the hotel contract should reflect that individuals are responsible for their own hotel room charges and that only specific, identified components of the event (such as meals served as part of the program) will be charged to the District or host club.

Hotels typically require that only their food and beverage services be used. If your event contemplates bringing in food for hospitality rooms or receptions to be held in members’ rooms, that must be cleared with the hotel and noted in the contract.

Finally, since Altrusa Districts and clubs may be tax exempt in some states, you should provide the hotel with a copy of your tax exempt certificate as soon as you can. This will keep you from having to pay state sales tax on Altrusa-directed charges, if allowed. This will keep you from having to pay state sales tax on Altrusa-directed charges.

In short, Altrusans should not simply accept the form of a hotel contract and sign it. That contract should be negotiated in order to provide accurate expectations to both the hotel and the District or host club.

Our thanks to Martha Hardwick Hofmeister, International Foundation Legal Advisor, for her recommendations for this article.