



## THIRD PARTY VENDORS

When planning an event with alcohol present, using a licensed third party vendor is the most effective method for transferring liability away from your organization. In addition to reviewing your own organization / institutional policies, consult the agreement below to ensure that you have adequately planned your event.

Additionally, when planning a third party vendor event, the chapter should still create and manage an invitation guest list for the event and follow all normal procedures for developing and managing an invitation guest list.

### Third Party Vendor Agreement

If you hire a third party vendor, your chapter will be in compliance with the risk management policies of your inter/national fraternity if you complete and can document the following (in addition to any other organization / institution specific requirements):

- The vendor must be properly licensed by the appropriate local and state authority. This might involve both a liquor license and a temporary license to sell on the premises where the function is held. Copies of state and local licenses should be attached to the contract.
- The vendor must be properly insured with a minimum of \$1,000,000 general liability insurance, evidenced by a properly completed certificate of insurance prepared by the insurance provider. The above “certificate of insurance” must also show evidence that the vendor has, as part of this coverage, “off premise liquor liability coverage and non-owned and hired auto coverage”. The certificate of insurance must name as an additional insured (at a minimum) the local chapter of the fraternity hiring the vendor as well as the inter/national fraternity with whom the local chapter is affiliated. Copies of the certificate of insurance should also be attached to the contract with the aforementioned areas highlighted.
- The vendor must agree in writing to individual, cash sales only, collected by the vendor, during the function. Sales must not be subsidized by the chapter.
- The vendor must also assume in writing all other responsibilities that any other purveyor of alcoholic beverages would assume in the normal course of business, including but not limited to:
  - Checking identification upon entry
  - Not serving to minors
  - No serving individuals who appear to be intoxicated
  - Maintaining absolute control of all alcoholic containers present.
  - Collecting all remaining alcohol at the end of a function (no excess alcohol – open or unopened – is to be given, sold or otherwise furnished to the chapter.
  - Removing all alcohol from the premises.
- Attach a written agreement signed and dated by the chapter president and the vendor stipulating agreement to the terms outlined in this checklist.