



# VCU

VIRGINIA COMMONWEALTH UNIVERSITY

## **HOTEL CONTRACT PROCESSING PROCEDURES:**

### **A. Hotel Facilities - Equipment / Catering Services:**

Departments are responsible for identifying the applicable hotel facilities, (i.e. lodging rooms and meeting rooms), equipment (e.g. audio visual {"AV"} equipment) and catering service requirements for their specific events.

#### **"Green" Facilities:**

When selecting hotel facilities for events with 50 or more attendees taking place within the Commonwealth, departments must choose "green" facilities as outlined in Executive Order #82 (refer to [http://www.lva.virginia.gov/public/EO/eo82\(2009\).pdf](http://www.lva.virginia.gov/public/EO/eo82(2009).pdf) for details).

(Refer to <http://www.deq.virginia.gov/Programs/PollutionPrevention/VirginiaGreen/GreenConventionsConferences.aspx> for the listing of "green" facilities).

#### **Gratuities:**

When establishing pricing, departments should:

- Attempt to negotiate a gratuity that does not exceed twenty (20%) percent; and
- Ensure that **no** gratuity is applied to lodging rooms or meeting rooms.

#### **VCU Travel Policy Per Diem Rates / Alcohol:**

The Travel and Events Contracts Administrator reviews hotel contract documents for legal sufficiency, not for compliance with VCU Travel Policy or for compliance with allowable expenditures:

##### VCU Travel Policy Per Diem Rates:

If any payments will be processed through VCU Accounts Payable to a vendor or to an individual, the Department is responsible for verifying compliance with VCU Travel Policy (<http://procurement.vcu.edu/i-want-to/travel/>).

If expenses are over the allowable VCU Travel Policy per diem rates, the Department is required to:

- Provide the reason for any overages; and to
- Secure appropriate funding and approvals.

##### Alcohol:

If alcohol will be served during the event, regardless of the manner in which it is served (i.e. a cash bar or included in the cost of the menu), the Department is responsible for ensuring compliance with the "[Allowable](#) and [Non-allowable](#) Expenditures"

Note:

- For contract values up to \$10,000, the Department is responsible for obtaining, maintaining and submitting a copy of the required approval to Accounts Payable; a copy of the approval is not required by the Travel and Events Contracts Administrator.
- For contract values of \$10,000 or more, the Department shall forward a copy of the approval to the Travel and Events Contracts Administrator, **with the Hotel contract document(s)**.

### **Deposits / Prepayment:**

Departments should advise the Hotel representative, that VCU does not pay deposits or prepay for an event; and that instead, VCU will issue a purchase order, or utilize a credit card, to reserve the event at the Hotel.

## **B. Requisitions / Credit Card Transactions:**

### **Requisition Line Items:**

The requisition shall have a **separate line** item (as applicable) for:

- Lodging rooms;
- Meeting rooms;
- AV equipment;
- \*Meals; and
- Incidentals (e.g. portorage, parking, bar tender, meat carvers, etc.) to be paid by VCU.

Each line item dollar value must reflect the **total maximum estimated dollar value** for the event – i.e. the dollar value must reflect all estimated charges, **inclusive of taxes, service charges and/or gratuities**.

**\*Note:** When calculating the total maximum estimated dollar value for meals, **the dollar value must reflect the price of the meal, tax and service charge / gratuity**. If the total maximum estimated dollar value for meals will **exceed 150% of the allowable VCU Travel Policy per diem rate**, the dollar value over the 150% must be split-coded to a local fund account.

### **Requisition Status – For Contract Values Up To \$10,000:**

If the contract value **does not exceed \$10,000**, the requisition must be left in "**Submitted**" status (or "**Composing**" status, if the requisition "Creator" is the "Approver" for the requisition; i.e. the requisition **must not be fully "Approved" and**

**converted to a purchase order) until** the Travel and Events Contracts Administrator has returned the Hotel contract document(s), signed by VCU, to the Department. The signed hotel contract and approved purchase order should be sent together to the hotel.

### **Credit Card Transactions**

If the event will be paid with a credit card, the Department **shall identify** (within the email sent to [contracts@vcu.edu](mailto:contracts@vcu.edu) containing the Hotel contract documents) **the total maximum estimated dollar value, inclusive of taxes, service charges and gratuities; and shall provide a breakdown for the costs associated with (as applicable):**

- Lodging rooms;
- Meeting rooms;
- AV equipment;
- Meals; and
- Incidentals (e.g. portorage, parking, bar tender, meat carvers, etc.) to be paid by VCU.

**Note: Do not fax the credit card number to the Hotel; or include the credit card number on the contract document(s).**

### **C. Hotel Contract**

#### **Documents: Processing**

#### **Lead Times:**

Hotel contract documents, **regardless of the procurement value**, shall be submitted to the Travel and Events Contracts Administrator for processing; department representatives (e.g. the VCU Event Coordinator, faculty, etc.) are not authorized to sign hotel contact documents, except a "Banquet Event Order" ("BEO") document as provided below.

All contracts requiring signature must be sent to [contracts@vcu.edu](mailto:contracts@vcu.edu). This is a shared account that is monitored daily. Do not send contracts to individuals' email. The subject line must contain "Hotel" and the eVA generated PR# or reference payment with credit card corresponding to the contract. The body of the email must contain the dates of service for the contract and the index code charged. If you require an original signed contract to be returned to you through campus mail, please indicate so and include the PO Box. If you do not indicate the need for an original, then you will only receive a scanned copy.

Departments should ensure that Hotel contract document(s) are submitted to the Travel and Events Contracts Administrator a **minimum of two (2) weeks prior to the event.**

#### **Banquet Event Orders ("BEO"s):**

In the event the Hotel submits a BEO document for signature, the Department shall be responsible for:

- Ensuring that the terms (if any) of the BEO document are consistent with the terms of the Hotel contract document(s) **as executed by VCU and the Hotel;** and the

Department shall be responsible for

- Signing / returning the BEO document to the Hotel.

**Originals / Copies:**

- For contract values up to \$10,000, the Department:
  - Should retain a copy of the Hotel contract document(s) submitted to the Travel and Events Contracts Administrator; and
  - Shall retain the original fully executed Hotel contract document(s) (i.e. the documents signed by both VCU and the Hotel). – the Department shall not forward the original document(s) or any copies, to the Travel and Events Contracts Administrator.

**D. Change Orders:**

Departments are responsible for ensuring / validating that any additional cost associated with the event is in accordance with the terms of the Hotel contract document(s) **as executed by VCU and the Hotel**, to include verifying that VCU is invoiced:

- only for goods / services that were actually provided / consumed;
- for the correct number of meeting rooms, lodging rooms, number of meals, break refreshments, AV equipment, etc; and
- based upon the contract price for the meeting room(s), lodging rooms, number of meals, break refreshments, AV equipment, etc. (to include verifying that no service charge or gratuity was applied to the cost of meeting rooms or lodging rooms)

**before** submitting the change order.

If the initial total maximum estimated dollar value for the event (refer to section “**B**” above) did not exceed \$10,000, but a change order results in a dollar value that exceeds \$10,000, the Department shall submit a copy of the Hotel contract document(s) **as executed by VCU and the Hotel**, when submitting the eVA change order.

**E. Credit Applications / Direct Bill Applications:**

Department personnel should never sign a credit or direct bill application. If a hotel or other vendor requests credit information to establish direct billing privileges for VCU, our standard credit reference letter is available to provide the necessary information. Departments may provide their specific contact information for the application process, but they should not fill out any other information on a credit / direct bill application. VCU's standard credit reference letter can be obtained from Accounts Payable.

**Questions concerning hotel contracts?** Contact Nick Fetzer 8-3409 or [nbfetzer@vcu.edu](mailto:nbfetzer@vcu.edu).

**Questions concerning P-Card Transactions?** Contact the Program Administration Team at [corpcard@vcu.edu](mailto:corpcard@vcu.edu).

**Questions concerning allowable rates and payment?** Contact Nick Fetzer 8-3409 or [nbfetzer@vcu.edu](mailto:nbfetzer@vcu.edu).