

HIRING THIRD-PARTY VENDORS AND INSURANCE

The contract template is intended to be used in the absence of the Vendor or Venue presenting a contract to the chapter and requesting it be executed. The template includes the fundamental things a chapter should request of a Third-Party Vendor when retaining the Vendor to provide services for a chapter function.

Insurance for Chapter Developed or Sponsored Large Events:

Chapters and colonies are required to purchase liability insurance and list the National Fraternity as additional insured for any event that has anticipated or historical attendance or participation of approximately 300 or over and meets the following criteria:

- Any social, professional, philanthropic or Fraternity event or activity they originate, plan, develop, encourage, sponsor and/or co-sponsor and is not coordinated/managed by the Central Office staff.
- Joint Initiations
 - On-campus facilities for the actual initiation ceremony itself are specifically exempt from this policy.
 - Social events including, but not limited to, banquets or receptions related to joint initiations are not exempt from this policy.

For any event covered by this policy, the hosting chapter or colony is required to submit any necessary contracts to the Executive Director at least 90 days in advance of the event for advice and suggestions before signing them. All contracts must be clearly signed on behalf of the specific chapter (“Alpha Alpha chapter”) or colony and not on behalf of the International Fraternity of Delta Sigma Pi (or just “Delta Sigma Pi”). Once the event has been approved and the insurance purchased, a copy of the certificate of insurance must be sent to the Executive Director for the files.

Chapters or colonies failing to comply with this policy are subject to disciplinary action as provided in the Bylaws.

Payment of Deductibles: For most insurance claims involving volunteers, the Fraternity will pay deductibles in full after all secondary insurance coverage is exhausted.

The difference between a Certificate of Insurance (COI) and an Additional Insured:

- A venue requesting to be listed as a certificate holder on the COI is merely being provided proof that there is insurance in force. They have no legal rights under the contract of insurance.
- Listing the party as an additional insured on the COI makes them an “Insured” under the policy creating legal rights under the contract.

Additional Named Insureds Policy: The Fraternity will not add additional named insureds to its insurance coverage unless the request is:

- From staff for Grand Chapter Congress or LEAD event purposes.
- From school administration for chapter recognition or campus facility use.
- In conjunction with a philanthropic activity, at which alcohol is not involved in any way.

Click [here](#) to view a copy of the Fraternity’s Certificate of Insurance (COI), and if you have other questions about the Fraternity’s insurance policy you can find it in the [National Policy and Procedures manual](#) or at dsp.org on our Chapter Insurance Information page.

We encourage you to reach out to Central Office for a contract review and recommend all chapters follow the event approval/review protocols that are in place. We further recommend any chapter requesting exceptions deviating from the Vendor/Venue requirements outlined within the attached contract template, such as failure to obtain Additional Insured status from a Vendor/Venue, be fully vetted and reviewed by the Central Office staff.

PLANNING A THIRD-PARTY VENDOR EVENT

Third-Party Vendor- “is a company or entity with whom you have a written agreement to provide a product or service on behalf of your organization to your customer or upon whom you rely on a product or service to maintain daily operations”.

Examples of Third-Party Vendors include bars, restaurants, catering companies, hotels, etc. *Third-Party Vendors are NOT individuals who work as bartenders.*

Planning the Event

- Are there university or Delta Sigma Pi policies that reference Third-Party Vendor events on campus? **Y N**
- Are there university or Delta Sigma Pi policies that reference Third-Party Vendor events off campus? **Y N**
 - *If so, what do those policies say? [Do they require a particular amount of insurance? Do they limit the type of alcohol that can be purchased?]*
- Have you reviewed your chapter’s contract with the Third-Party Vendor? *It is recommended you reach out to Central Office staff for contract questions and review.*

The contract should be signed and dated by both the person authorized by your respective organization (e.g. chapter president, advisor, etc.) and the vendor. In doing so, both parties understand that only through compliance with these stipulations will the chapter be in compliance with Delta Sigma Pi policy (see Contracts Template for Hiring Third-Party Vendors if a vendor does not present a contract to you).

- All brothers, pledges, and guests should provide ID at the door [and again at the time of purchase] to verify their age. Who is handling this at the door?
 - The Third-Party Vendor [*Recommended*]
 - The chapter has hired a security company [*see Security Vendor Checklist*]
 - Brothers
- How are you identifying the guests, brothers, and pledges who are of the legal drinking age [e.g. 21 and over]?
 - Wristbands have been dated and marked for the event
 - Specific hand stamp unique to the event
 - Other [*Describe*]:
- What time will alcohol stop being served?

CONTRACT TEMPLATE FOR HIRING THIRD-PARTY VENDORS

Name of Vendor/Venue:

Delta Sigma Pi Chapter Name:

Date of Event:

Beginning/End Time of Event:

Address of Event:

BY SIGNING THIS AGREEMENT, THE VENDOR/VENUE AGREES TO THE FOLLOWING TERMS:

1. The Vendor is properly licensed by the appropriate local and state authority. This requires both a liquor license and a temporary license to sell on the premises if the function will not be held at the Vendor's normal place of business. (You may request a copy of the license)
2. The Vendor carries General Liability Insurance with minimum required limits of \$1,000,000 per occurrence and \$2,000,000 aggregate, evidenced by a properly completed Certificate of Insurance prepared by the insurance provider. (Request a copy of the Certificate of Insurance) The Certificate of Insurance should also show evidence the Vendor has, as part of its coverage, "Liquor Liability coverage and Hired and Non-Owned Auto Liability coverage." The Certificate of Insurance should name as Additional Insured (at a minimum) the local chapter of the fraternity hiring the Vendor as well as Delta Sigma Pi.
3. The Vendor/Venue agrees to defend, indemnify and hold Delta Sigma Pi and the local chapter harmless for loss, damages, expenses, including reasonable attorney fees, arising out of the negligence of the Vendor, its employees, sub-contractors and agents.
4. The Vendor assumes in writing all the responsibilities that any other purveyor of alcoholic beverages would assume in the normal course of business, including but not limited to:
 - a. Check identification cards upon entry.
 - b. Identify those who are of legal age to consume alcohol.
 - c. Per-drink sales only during the function.
 - d. Refrain from serving minors.
 - e. Refrain from serving individuals who appear to be intoxicated.
 - f. All alcohol sales are cash/credit per drink to individuals.
 - g. Maintain absolute control of ALL alcoholic containers present.
 - h. Collect remaining alcohol at the end of a function and remove all alcohol from the premises.
 - i. No excess alcohol - opened or unopened – is to be given, sold or furnished to the chapter.

THE CHAPTER AGREES TO COMPLETE THE FOLLOWING:

1. Attach copies of state and local licenses to this checklist
2. Attach a copy of the Certificate of Insurance and highlight required clauses

Chapter Representative's Signature & Date

Signing on behalf of the local chapter of Delta Sigma Pi

Vendor's Signature/Company & Date