

## Hosting receptions or dinners with contract for services

Any time you are arranging for the services of caterers, musicians, bartenders, security, etc., the Foundation's policy on professional service contracts should be followed. This policy states:

Professional services for the benefit of AU or AUF may be paid from AUF funds. As this is subject to 1099 reporting, these expenditures must be paid directly to the provider of the services. Payments made by cash will not be reimbursed. Therefore, at the time of contracting for the services, the contractor should be directed to register as a vendor on the AU Web site. A letter or memorandum of understanding should be obtained to document the services to be provided and the agreed upon compensation. If the services are to exceed \$600, a professional services contract should be executed. Services provided to an AU unit that are to be paid from AUF funds may be documented with either an AU professional services contract or an AUF professional services contract.

You must fill out a Professional Services Contract form and submit it to Development Accounting **prior to** the event. The form is available at <http://developmentaccounting.auburn.edu/pdf/AUFPSC.pdf>. Be sure that all entities to which payments must be made have registered as AU vendors at an early date to avoid problems.

Employees may not pay personally for rentals, services or other items for which 1099s are required and then be reimbursed for these costs. Also, you may not use the Foundation credit card for purchases for events, including professional services (i.e., using an event planner), rentals, contracted services, deposits, etc. Vendors should register at the AU vendor Web site as soon as the contract for their services is signed so their payments can be processed in a timely manner. It also is imperative that you make sure your vendor is approved and that the vendor information on file is accurate and current. Failure to follow these steps very likely will result in delayed payments. We recommend that you verify this information yourself from the outset of the planning phase when you initially contact the vendor. You can check this information with the Office of Procurement and Payment Services at [http://www.auburn.edu/administration/business\\_office/pps/](http://www.auburn.edu/administration/business_office/pps/). New vendors can register with Auburn University's Vendor Center online at <https://secure.auburnuniversity.net/system/register.mv?type=Vendor&domain=vendor>.

Private clubs sometimes may be used when a member makes arrangements for us as his/her guest. These membership organizations often can sell only to their members, and they will not be able to register as a vendor. In such cases, arrangements for payments need to be clarified well in advance of the event.