



Cornell University
Student Activities Office

**Contract Negotiation Basics
for Registered Student Organizations**

Introduction

A contract is a legally binding agreement between 2 or more parties. Never sign a contract until you can meet all of the terms. Do not sign a contract or make an offer until you have secured all of the funding you need to pay for the event.

A contract is drawn up following a written offer that has been accepted in writing by an artist or agent. The written offer should include date, venue, time, name of artist, name of sponsoring organization, fee, deadline for acceptance and a clause that indicates that the offer is contingent upon both parties' mutual agreement on terms in the contract and addenda.

Be careful! Some agents will accept verbal offers that include the specific information mentioned in the above section. Verbal offers can be legally binding. We strongly recommend putting everything in writing instead to protect you and your organization.

An artist or his/her agent may draw up a contract and send it to you to review and edit.

- ***University organizations** are required to have contracts reviewed by the appropriate employee(s) in your department/unit who shall seek review by representatives in University Counsel and Risk Management and Insurance. An appropriate university authority will execute the agreement on behalf of the university.
- ***Independent organizations** may wish to seek independent legal advice prior to entering into a contractual agreement. The independent organization, and not Cornell University, is party to, and bound by, the agreement. While staff in the Student Activities Office cannot offer legal advice, they are available to consult with you re: your contract and recommend and/or require that you make certain changes.

When an artist does not have a contract, independent and university organizations can draw up a contract and send it to an artist or his/her agent for review using forms available via SAFC, GPSAFC, CUTonight and SAO. The forms are called **Standard Engagement Agreements** and have been developed by University Counsel. **The form used by independent organizations is slightly different from the form used by university organizations, so be sure to use the proper format.**

**NOTE: Look up your organization's status (independent vs. university) at <http://www.sao.cornell.edu/SO>*

SUGGESTED CONTRACT NEGOTIATION GUIDELINES

BEFORE making an offer:

Make a preliminary phone call(s) to agent and/or artist to collect information.

- **Independent Organizations ONLY:** You MUST make it clear that you represent an organization that is independent from Cornell University and that you can only represent YOUR ORGANIZATION. An independent organization officer, and not the advisor, should be the exclusive contact for communication with artist and/or agent, including the receipt and transmittal of all documents.
- **University Organizations ONLY:** University organization officers should work closely with advisors to adhere to university, department, and unit procedures related to negotiating contracts.
- Complete all necessary forms if your group is SAFC/GPSAFC funded (i.e.: Letter of Intent).
- Develop a budget and secure adequate funding for all aspects of event.
- Be sure to confirm all co-sponsorships in writing.
- Secure a venue and get reservation confirmation in writing.
- Obtain approval for making an offer from your organization and advisor.
- Consult with an SAO representative about negotiating an offer and a contract. Call 255-4169 to schedule an appointment.

- Meet with the Events Management Planning Team to discuss event logistics. To get on an agenda, call 255-4169. (NOTE: EMPT meets at 3 PM on Thursdays in Barton Hall (CU Police Conference Room).

Making an offer

- Call agent/artist.
- Verify artist availability on date you have secured a venue.
- Review any concerns, what you can/can't provide, etc.
- **Independent Organizations:** You MUST make it clear that you represent an organization that is independent from Cornell University and that you can only represent YOUR ORGANIZATION. You cannot make commitments on behalf of the university.
- **All correspondence on behalf of the organization with these parties shall include the following statement: “[NAME OF ORGANIZATION] is an independent organization and is neither a unit of Cornell University nor an agent of Cornell University for any purpose.”**
- Official offers from your organization should be made in writing. Your offer letter should include text such as: "NAME OF YOUR ORGANIZATION offers X amount of money for a performance by NAME of artist on DATE at TIME in VENUE."
- Include a deadline for the agent or artist to accept your offer in writing AND make sure to include text such as, “This offer is contingent upon the receipt, review and successful negotiation of the terms of the contract and any attached addenda by both parties.” OR, "This offer is contingent upon both parties' mutual agreement on terms in contract and rider(s).”
- Either the agent or the artist will then send you a contract OR you will draft a Standard Engagement Agreement that you will send to the agent or artist. (Be sure to use the proper format -- independent organization format vs. university organization format.)

Review and Edit the Contract

- When the contract from an agent or artist arrives, make a copy and label it, "Working Copy." Set original(s) aside in a safe place.
- Read it over carefully and edit clauses as necessary with your advisor and club officers.
- Review contract, your proposed changes, and your concerns with SAO representative. Call 255-4169 to make an appointment.
- **Independent organizations:** Consider seeking independent legal advice.
- **University organizations:** Submit contract/addenda with proposed changes to University Counsel and Risk Management and Insurance for review and advice.
- Negotiate terms you wish to revise directly with agent and/or artist.
- **Independent organizations MUST include the following clause in the contract or standard agreement: “[NAME OF ORGANIZATION], the party to this agreement/document, is an independent student organization and is neither a unit of Cornell University nor an agent of Cornell University for any purpose. [NAME OF ORGANIZATION] is not authorized to commit Cornell University contractually and therefore this agreement/document does not contain the commitment of, and is not in any manner binding upon or enforceable against, Cornell University.”**
- Make final changes on at least two (2) original copies of the contract.
- Both parties must sign and initial changes on all original copies.
- Submit one original signed and initialed copy to the appropriate accounting office in order to process payment (SAFC/GPSAFC takes up to 28 days following the event.)
- Keep an original copy for your records for seven (7) years. Be sure to have a copy on site day of event.