**COVID-19 Cancellation Tips**

**Meeting/Event Contracts With Hotels/Venues**

**Harvard Strategic Procurement**

Many Schools and Units find themselves having to cancel upcoming meetings and events due to the COVID-19 outbreak. As a result, they find themselves faced with cancellation and other fees. While each contract and circumstance is different, below are some general tips that might help.

Please e-mail spcontracts@harvard.edu with any questions or if we can assist in any way.

**Initial Notes**

Venues are severely impacted by this outbreak as well (including laying off many employees), so we want to be fair. Even if we are successful in cancelling with no penalties, we may not really “win” if it drives a venue out of business, damages Harvard’s reputation, or harms Harvard’s future relationship with the venue.

If you reschedule any event, or if you book a new event going forward, use our updated Hotel/Event Venue Combined Rider (available [here](https://internal.procurement.harvard.edu/contract-templates)). It has updated Force Majeure language. Also, have an upfront and honest discussion with the venue about COVID-19 and any penalties for cancellation. Legal arguments that might let you get out of existing contracts probably will not work for new contracts, because COVID-19 is likely no longer “unforeseeable.”

Note: This document is intended to address only event venue contract cancellations. Many other types of contracts (such as for goods or less time-specific services) may be affected by Covid-19, but the legal and practical issues may be different. Please reach out to us directly if you need assistance in this area.

**Gathering Information**

You are likely going to end up negotiating with the venue. Before you do that, you want to prepare.

1. Check the cancellation policy in your specific contract.
	* If you can cancel with little or not penalty, that is your easiest option.
	* Penalties usually increase as you get closer to the event, so take note of upcoming deadlines that might influence how you proceed.
	* Are any deposits due soon?
	* For hotel rooms where guests make their own reservations, the cancellation policy is generally more lenient (for example, 72 hours in advance of arrival) – but you should confirm and coordinate whatever you do with any guests who have already reserved rooms. Note: The Charles Hotel contracts often have a less lenient policy on this point.
2. Check the contract language dealing with these circumstances, if there is any.
	* This will likely be under a section called “Force Majeure” or “Impossibility.” Because this language varies widely, please reach out to us for advice on this language.
	* Even if there is no Force Majeure language, or the language does not seem to include epidemics, we can advise you, including as to whether there are other legal principles (such as “frustration of purpose”) that might offer similar help.
	* For most contacts, Force Majeure or similar legal theories will only be available if it is literally impossible or illegal for the event to take place. Events in the very short-term may be impossible due to Governor’s orders, transit shutdowns, etc. However, given the uncertainty of COVID-19, it is likely not currently legally impossible to hold events scheduled for a few months from now. A current Harvard requirement to postpone or cancel does not equate to a legal impossibility.
	* Even if you have a strong legal claim for Force Majeure, that does not necessarily mean that you owe nothing. For example, if the venue has already ordered and paid for food and beverages, you might need to still compensate the venue for this expense.
	* In some cases (such as if you have already paid a large deposit and the venue is being really difficult), you might be better off waiting and seeing if the event does become impossible. However, cancellation fees generally increase with time, so there may be a point where you just need to cut your losses.
3. Assess your leverage. For example:
	* Does your unit have a lot of past or planned future business with the venue?
	* Does Harvard do a lot of business with the venue?
	* Does Harvard have a partnership with the hotel? (See list at [Travel Website Meetings Tab](https://travel.harvard.edu/offsite-meetings).)
	* Could you reschedule your event rather than just cancel it?
	* Have you paid a deposit already? As a purely practical matter, you are better off if the hotel is trying to get you to pay a fee then if you are trying to get a refund.

**Negotiating With The Venue**

Once you have prepared, you should reach out to the venue to try to work out the best deal that you can. Some venues have been taking any inquiry about a possible cancellation as a cancellation notice and immediately charging the full cancellation penalty to the credit card on file. Unless you want to simply cancel and pay the full penalty, be very careful in how you communicate with the venue.

1. If you have several affected contracts, you may want to discuss them all together to get the best deal.
2. If Harvard has a partnership, our contacts at the Web site above may be a good place to start discussions.
3. If you hope to reschedule the event, ask if the cancellation fee can be applied to the rescheduled meeting.
4. If possible, work with the venue to see if you can reschedule to a month/timeframe when it is typically looking for business.

Again, feel free to e-mail us at spcontracts@harvard.edu with any questions.