



Managing Risk for Nonprofit Meetings and Events in 2025

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Today's Topics

1. How Events Can Go Wrong
2. General Negotiation Tactics
3. Meeting Facility Contracts (Hotels + Convention Centers)
4. Attendee Code of Conducts

Recent Trends

1. Attendee and employee misconduct
2. Low liability limits for vendor nonperformance
3. Event co-hosts withdrawing
4. Boycotting cities/states, and venues
5. Room reservation and mailing list phishing

A Few Negotiation Tips

1. Maximize position by determining which terms are central for your nonprofit
2. Competition reaps savings – consider RFPs and engaging outside meeting support
3. Location, dates, and time of year matter
4. Manage the liability you assume through your other meeting-related contracts
5. Look elsewhere – be ready to walk away!

Notable Provisions

- Rates and Additional Fees
- Room Block Adjustments and Audits
- Force Majeure
- Indemnification
- Insurance
- Food & Beverage Commitments
- Concessions
- Attrition / Cancellation
 - Often silent on cancellation by venue
 - Often silent on mitigation
- Meeting Planner Commissions
- Conditions for Availability of Other Facilities (if portions/all of the Event will be held off-site)
- Incorporation of Hotel Rules

“Business” Terms

- Need to work closely with meeting and Event planners
- Rates and additional fees – avoid cost creep
- Agreements frequently include confusing cross-references and schedules on items that are key to a meeting’s success (such as, move-in and move-out times, specific room reservations, etc.) – those need to be confirmed
- Limit ability to change assigned function space
- Overlapping events/groups
- Concessions – what are some of the sweeteners you can ask for?

Attrition vs. Cancellation

- These concepts are often conflated – distinct but related
- Attrition = underperformance of room revenue and/or F&B functions against minimums
 - Should be assessed against allowable shortfall (10-20% is standard) and any Room Block Adjustment
 - Try to base on cumulative room nights rather than each night
 - Maximize credits (pick-up, shoulder nights, resold nights)
- Cancellation = liquidated damages if Event is canceled or Agreement is terminated
 - Should apply only when canceled without cause (i.e., include exception to not apply when canceled by Hotel, when cancelled due to force majeure, change in brand, or other right for termination)
 - Reverse cancellation: Add clause about damages payable to your organization if venue cancels
 - Avoid caps by Hotel and make cancellation fee Hotel's exclusive remedy
- Keep in mind “duty to make whole” and implement steps to prevent the “double dip”

Blunting the “Double Dip”

1. **Mitigation Clause:** Hotel shall undertake all reasonable efforts to resell canceled rooms and will credit those revenues against the liquidated damages in an amount not to exceed the full amount of such damages.
2. **Timing and Scale of Payment:** Damages, if any, shall be due and payable X days after [original meeting date] provided the Hotel provides proof of its efforts to mitigate damages and proof that rooms being held for Group's attendees were unsold. Similarly, cancellation damages should increase closer in time to the Event (given it is harder to mitigate).
3. **Exclude Fees/Commissions/Taxes:** Fees, penalties, or liquidated damages, if any, shall exclude service charges, surcharges, and commissions, as well as state and local sales taxes, unless required by law.
4. **Deduct Costs Saved:** If Group is required to pay an attrition fee, the fee shall be calculated by multiplying X% of the Single Room Rate by the difference between the number of actually used rooms and the Room Block Target, with credits from guaranteed no-shows, cancellations, and early departure charges, if applicable.
5. **No Last Sell:** Group rooms should be on a first-sale basis.

Force Majeure

- Standard **force majeure clauses** usually aren't enough
- There are five main elements in a well-drafted force majeure clause:
 - List of potential events – do not limit to “emergencies”
 - Catch-all clause
 - Standard for a force majeure event – how restrictive?
 - Effect of the force majeure clause – excusing full or delayed performance/termination
 - Notification provision – remove strict deadlines
- Need to tie force majeure to occurrences preventing a substantial number of attendees to participate and/or get to the meeting site
- Prefer capturing this in the contract rather than leaving to chance

Convention Centers

- Convention center authorities are notorious for being intractable on key terms.
- When the convention center claims it is limited by state or municipal restrictions on matters related to indemnification and liability, don't take their word for it; review the code.

Event Codes of Conduct

- Trend is to regulate – failure to rein in bad conduct by attendees at meetings can present employment law risk, member relations issues, and invite other claims
- Publish the Code of Conduct and seek attendee acknowledgment prior to Event
- Duty to investigate
- Build process that recognizes due process while not being overly burdensome
 - Some states regulate how a membership organization can remove or suspend a member (usually other forms of discipline are not addressed)
 - Expulsion and suspension decisions that are arrived at hastily and are not pursuant to established procedures may be challenged in costly court actions as inconsistent with the organization's internal documents and applicable law
- Decisions should not be public



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