

Process: Budgeting

Subprocess: Cash Flow Forecast and Follow Up

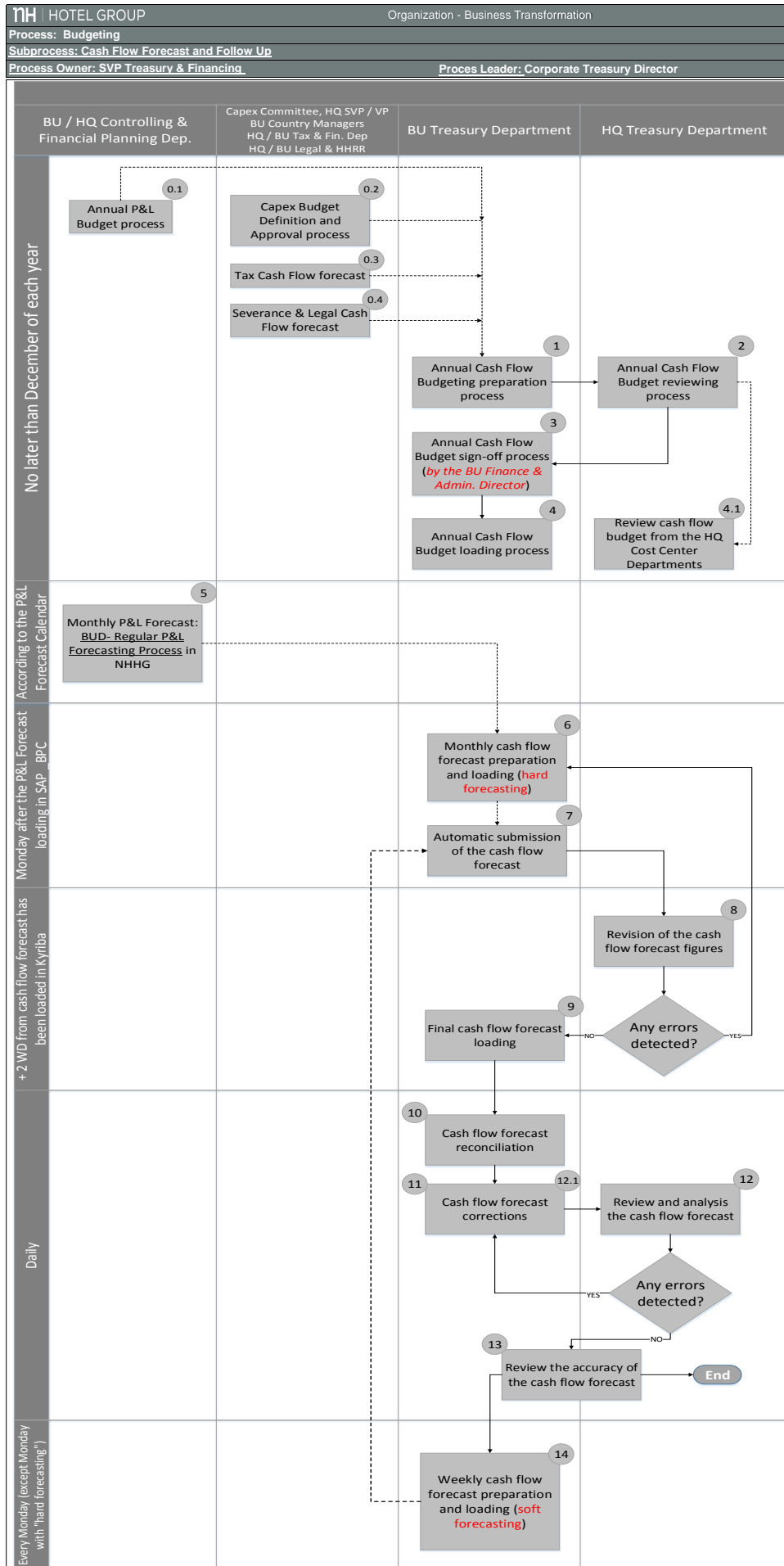
Process Owner: SVP Treasury & Financing






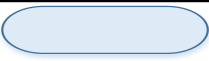
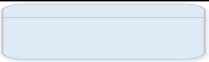



Process Leader: Corporate Treasury Director

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Date	01/08/2018
Last modification date	01/08/2018
Document version	0.1

NH Approvals			
Name	Function	Date	Comments
SVP Treasury & Financing	Process Owner	01/08/2018	
Corporate Treasury Director	Process Leader	01/08/2018	

Modification History			
Document Version	Date	Modified by	Comments



Shape	Name	Description
	Task	Represents a manual activity of the process.
	Automatic Task	Represents an automatic activity of the process.
	Flow direction	Input or output of the task or decision.
	Internal Audit Control	Controls defined by NH Internal Audit
	Systems	Applicatio or Tool.
	Start/End	Indicates the beginning or the end of a process.
	Manual Process	Manual Business process composed of tasks, decisions, flow directions, documents and
	Decision point	It is originated after one task and it generates two or another decision.
	Report or document	It is a physical or electronic file used as input or output of a task.
	Notifications	External/Internal Notifications.

NH HOTEL GROUP			Organization - Business Transformation			
Process: Budgeting						
Subprocess: Cash Flow Forecast and Follow Up						
Process Owner: SVP Treasury & Financing			Process Leader: Corporate Treasury Director			
Order	Task	Task Description	When	Responsible	Frequency	Tools 🛠
0.1	<u>Annual P&L Budget process</u>	Annual P&L Budget figures must be taken into account in order to ensure a proper Operating cash flow budget (monthly and "year to date" figures detailed by BU and also consolidated)	No later than December of each year	BU / HQ Controlling & Financial Planning Dep.	Yearly	SAP_BPC
0.2	<u>Capex Budget Definition and Approval process</u>	Annual CAPEX Budget figures must be taken into account in order to ensure a proper CAPEX cash flow budget (monthly and "year to date" figures detailed by BU and also consolidated)	No later than December of each year	Capex Committee HQ SVP / VP BU Country Managers BU Executives	Yearly	Capex Budget Definition and Approval process Capex Approval Request process Non-Budgeted Capex Approval process
0.3	Tax Cash Flow forecast	According to the P&L actual figures of the current year and P&L / CAPEX budget for next year, a tax cash flow budget must be taken into account in the global cash flow forecasting for the next year	No later than December of each year	HQ / BU Tax & Finance Department	Yearly	Tax forecast template
0.4	Severance & Legal Cash Flow forecast	Expected payments related to Severance and other Human Resources Issues shall also be taken into the Cash Flow budget, together with any legal payment expected linked to any contingent litigation	No later than December of each year	HQ / BU Legal & HHRR	Yearly	Severance forecast template / Legal forecast template
1	Annual Cash Flow Budgeting preparation process	Once the figures above have been collected and analyzed by the responsible above, BU Treasury Departments must: - Prepare the Global Cash Flow budget for the next year - Submit the annual cash flow budget to the HQ Treasury Department for reviewing process	No later than December of each year	BU Treasury Department	Yearly	Cash Flow forecast templates
2	Annual Cash Flow Budget reviewing process	HQ Treasury Department reviews the BUs Cash Flow budget prepared by each BU Treasury Department and, if necessary, contact with the BUs to correct the figures if any inconsistencies are detected	No later than December of each year	HQ Treasury Department	Yearly	Cash Flow forecast templates
3	Annual Cash Flow Budget sign-off process	Once the BU cash flow budgets have been reviewed by HQ Treasury Department, they must be sent to the BU Finance & Administration Director for the sign-off process	No later than the end of December of each year	HQ Treasury Department BU Finance & Administration Directors	Yearly	E-mail
4	Annual Cash Flow Budget loading process (I)	Once the BU cash flow budgets have been signed-off by the BU Finance & Administration Directors, the cash flow figures must be loaded in Kyriba	No later than the end of December of each year	BU Treasury Department	Yearly	Kyriba
4.1	Annual Cash Flow Budget loading process (II)	Additionally, cash flow budgets from the HQ Cost Center Departments must be reviewed and loaded in Kyriba	No later than the end of December of each year	HQ Treasury Department	Yearly	Kyriba
5	Monthly P&L Forecast: <u>BUD- Regular P&L Forecasting Process in NHHG</u>	Receipt of the "Monthly P&L Forecast" from the HQ / BU Controlling & Financial Planning Department	According to the P&L Forecast Calendar	HQ / BU Controlling & Financial Planning Department	Monthly	P&L forecast template
6	Monthly cash flow forecast preparation and loading (hard forecasting)	Once the monthly P&L forecast has been received and the actual cash position has been updated in Kyriba, the BU Treasury Department must prepare, update and load the cash flow forecast for the next months (until the end of the current year).	Monday after the P&L Forecast loading in SAP_BPC	BU Treasury Department	Monthly	Kyriba and loading templates
7	Automatic submission of the cash flow forecast	Once the cash flow forecast has been loaded, Kyriba in an automatic night process creates and sends a snapshot report to the different Treasury designated people (BU treasurers receive their own BU figures and HQ treasurers receive all BU and consolidated reports)	Monday after the P&L Forecast loading in SAP_BPC	Automated process	Monthly / Weekly	Cash flow forecast reports (Cash report BU_XX.xls)
8	Revision of the cash flow forecast figures	Once the cash flow forecast has been created and received, HQ Treasury Department must review that cash flow forecast figures and data are correct. Any errors detected during such revision must be immediately communicated to the BU in order to correct the figures from the source in the following weekly forecast data loading (except if it is a major mistake which must be changed in the current cash flow forecast).	+ 2 working days from cash flow forecast has been loaded in Kyriba	HQ Treasury Department	Monthly / Weekly	Kyriba and cash flow forecast reports (Cash report BU_XX.xls)
9	Final cash flow forecast loading	Once the new cash flow forecast has been-loaded, the previous one is automatically removed from Kyriba (one copy of the previous forecast is kept out of Kyriba)	+ 2 working days from cash flow forecast has been loaded in Kyriba	BU Treasury Department Automated process	Monthly / Weekly	Kyriba
10	Cash flow forecast reconciliation	Cash flow forecast reconciliation (accuracy and reliability) must be a daily process: - Shared Services Center (SSC) must code every bank movement (actual data) - BU Treasury Department must review that bank data has been properly coded	N/A	BU Treasury Department Administration -SSC	Daily	Kyriba / SAP_FI
11	Cash flow forecast corrections	If non-reconciled items / data are detected, cash flow forecast data and figures in Kyriba must be modified by BU Treasury Department. Before any modification is made HQ Treasury must be informed	N/A	BU Treasury Department Administration	Daily	Kyriba Pending forecast template