Company System Change & Business Legal Entity Change

PROCEDURE VALIDATION

Version	Corporate area	Approved by:	Approval date
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OBJECTIVE AND SCOPE

The objective of this procedure is to define the tasks that must be carried out by the Front Office staff when the hotel suffers a change of the company system or a change of the business legal entity of the hotel.

This document describes how to manage the tasks related to the reservations affected right before and after the cut off day between the two systems and/or business legal entities.

This procedure applies to all hotels in all Business Units.

SUMMARY

1   General Guidelines
2   Different Cut Off Cases
3   Information to the guest
4   Related Document

1 GENERAL GUIDELINES

Responsible: Hotel Manager / Front Office Manager / Reservations Department of the hotel

With the objective of achieving a clear and easy computer system change and/or business legal entity change, a new payment method called "PV – PREPAYMENT CUTOVER" and a new till movement called "CV – CUTOVER BALANCE", will be enabled in TMS system. Both will be temporary, they will only be active some days previous and some days after the cut off date.

Once the tasks prior to the cut off day are completed, no invoice should be left pending in the previous computer system and/or business legal entity. The system should be at 0. This review should be checked in advance, in order to manage the pending invoices and the procedure accurately.

Bear in mind that the hotels with the 3a & 3b situations operating with TMS4Pay are not allowed to have any active pre authorization in the cut off date for the business legal entity change. Use the following transaction "/CCSHT/RC_PREAUT-Pre-authorisation situation" to locate all of them.

2 DIFFERENT CUT OFF CASES

***Responsible**: Hotel Manager / Front Office Manager / Reservations Department of the hotel*

The following table will help you to correctly identify the situation regarding the computer system or business legal entity changes:

HOTELS OUT OF THE PORTFOLIO OF NH			
TYPE 1	SYSTEM CHANGE	LEGAL ENTITY CHANGE	Pages. 3-4
TYPE 1a	-	The new entity does not acquire the Working capital	Page. 3
TYPE 1b	-	The new entity acquires the Working capital	Page. 4
TYPE 2	SYSTEM CHANGE	NO LEGAL ENTITY CHANGE	Pages. 5
HOTELS WHITIN THE PORTFOLIO OF NH			
TYPE 3	NO SYSTEM CHANGE	LEGAL ENTITY CHANGE	Pages. 6-7
TYPE 3a	-	The new entity does not acquire the Working capital	Page. 6
TYPE 3b	-	The new entity acquires the Working capital	Page. 7

* Working capital, also known as net working capital (NWC), is the difference between a company's current assets, such as cash, account receivable (customer unpaid bills) and inventories of raw materials and finished goods, and its current liabilities, such as counts payable.

The information related to Working capital will be provided by the F&A and Organization departments in order to clearly recognize in what situation which type of the overview you have to check.

Later in the document you will find the detail of each type and the tasks that must be carried out to correctly manage the reservations and invoices of the customers affected.

TYPE 1a		
	Previous System and Legal Entity – Pre Cut Off	**New System and Legal Entity – Post Cut Off**
FUTURE PREPAYMENTS	• Identify all the future prepayments. • Cancel all prepayments of the reservations and events identified using the new method of payment created for this purpose.	• Create the prepayments previously canceled with the method of payment created for this purpose "PV – PREPAYMENT CUTOVER" ** The total amount of the prepayments canceled in the previous system and legal entity will be the same amount of the prepayments created in the new ones.*
STAYOVERS PREPAYMENTS	• Identify the stayover reservations with prepayments. • Using the corresponding part of the prepayment, invoice of the room and meal plan charges from the check in date to the cut off date[1]. • Cancel the rest of the prepayment amount using the method of payment created for this purpose. ** These steps can be modified if the operation of the previous system requires it"*	• Create the remaining prepayment in each stayover reservation only with the amount of room and meal plan charges corresponding to the nights from the cut off date[1] to the check out date and using the method of payment created for this purpose "PV - PREPAYMENT CUTOVER"
ON DESK PAYMENT STAYOVERS (Direct Payment)	• The day before the cut off, inform the guest about this matter and ask them a payment in advance of the total amount corresponding to the previous system and legal entity. (see point 3. Information to the guest). _SCENARIO 1 -> Guest pay in advance_ • Once the guest is at the front desk, proceed with the invoice of the charges from the check in date to the cut off date[1]. • Check out in the system. _SCENARIO 2 -> Guest does not pay in advance_ • If the guest does not pay in advance the invoice corresponding to the previous system and legal entity, the invoice will be issued with the payment method created for this purpose. • Check out in the system. ** From the previous system and legal entity, it will not be allowed to invoice any future charges corresponding to the new ones. Be aware that the only exception will be through a prepayment.*	• Check in in the system. _SCENARIO 1 -> Guest paid in advance_ • Invoice at the check-out the total charges corresponding to the new system and legal entity. _SCENARIO 2 -> Guest did not pay in advance_ • Charge the amount pending of the previous system and legal entity with the till movement created for this purpose "CV – CUTOVER BALANCE" and collect it with the payment method "CV – CUTOVER BALANCE". It is recommendable to add on the description line of this charge, the date of the stay corresponding to the previous system and legal entity. • Invoice at the check-out with the payment method required by the customer, the total charges corresponding both systems/legal entities and deliver both invoices (one for each system/legal entity). • If there is any wrong charge corresponding to the previous system and legal entity, charge in negative (- minus sign) the most similar concept in the new system and legal entity. • If there is any consumption (i.e. minibar, parking, etc.) corresponding to the previous system and legal entity, and it is not in the invoice, the new system and legal entity will assume the charge. Proceed to add the corresponding concept. • Check out in the system.
CREDIT STAYOVERS	• The charges covered by the voucher will be issued by credit payment method from the check in date to the cut off date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the new system / legal entity and the voucher.	• The charges covered by the voucher will be issued by credit payment method from the cut off date to the check out date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the previous system / legal entity and the voucher.
INVOICE CORRECTION	• To make an invoice correction of the previous system / legal entity apply the habitual procedure established.	• The new system and legal entity will not issue any correction of invoices from the previous system / legal entity, these latter will be the responsible. • For any correction of invoices from the new system / legal entity, comply the procedure established by the company "Invoice Correction"

C U T *O F F*

(1) *If the day N is the cut off, the last room charge that will be invoiced in the previous system / legal entity will be the night of the day N-1. The room charge of the N date will be invoiced with the new system / legal entity.*

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TYPE 1b		
	Previous System and Legal Entity – Pre Cut Off	**New System and Legal Entity – Post Cut Off**
FUTURE PREPAYMENTS	• Identify all the future prepayments. • Cancel all prepayments of the reservations and events identified using the new method of payment created for this purpose.	• Create the prepayments previously canceled with the method of payment created for this purpose "PV – PREPAYMENT CUTOVER" ** The total amount of the prepayments canceled in the previous system and legal entity will be the same amount of the prepayments created in the new ones.*
STAYOVERS PREPAYMENTS	• Identify the stayover reservations with prepayments. • Using the corresponding part of the prepayment, invoice of the room and meal plan charges from the check in date to the cut off date[1]. • Cancel the rest of the prepayment amount using the method of payment created for this purpose. ** These steps can be modified if the operation of the previous system requires it"*	• Create the remaining prepayment in each stayover reservation only with the amount of room and meal plan charges corresponding to the nights from the cut off date[1] to the check out date and using the method of payment created for this purpose "PV - PREPAYMENT CUTOVER"
ON DESK PAYMENT STAYOVERS (Direct Payment)	• The day before the cut off, inform the guest about this matter and ask them a payment in advance of the total amount corresponding to the previous system and legal entity. (see point 3. Information to the guest). *SCENARIO 1 -> Guest pay in advance* • Once the guest is at the front desk, proceed with the invoice of the charges from the check in date to the cut off date[1]. • Check out in the system. *SCENARIO 2 -> Guest does not pay in advance* • If the guest does not pay in advance the invoice corresponding to the previous system and legal entity, the invoice will be issued with the payment method created for this purpose. • Check out in the system. ** From the previous system and legal entity, it will not be allowed to invoice any future charges corresponding to the new ones. Be aware that the only exception will be through a prepayment.*	• Check in in the system. *SCENARIO 1 -> Guest paid in advance* • Invoice at the check-out the total charges corresponding the new system/legal entity *SCENARIO 2 -> Guest did not pay in advance* • Charge the amount pending of the previous system and legal entity with the till movement created for this purpose "CV – CUTOVER BALANCE" and collect it with the payment method "CV – CUTOVER BALANCE". It is recommendable to add on the description line of this charge, the date of the stay corresponding to the previous system and legal entity. • Invoice at the check-out with the payment method required by the customer, the total charges corresponding both systems/legal entities and deliver both invoices (one for each system/legal entity). • If there is any wrong charge corresponding to the previous system and legal entity, charge in negative (- minus sign) the most similar concept in the new system and legal entity. • If there is any consumption (i.e. minibar, parking, etc.) corresponding to the previous system and legal entity, and it is not in the invoice, the new system and legal entity will assume the charge. Proceed to add the corresponding concept. • Check out in the system.
CREDIT STAYOVERS	• The charges covered by the voucher will be issued by credit payment method from the check in date to the cut off date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the new system / legal entity and the voucher.	• The charges covered by the voucher will be issued by credit payment method from the cut off date to the check out date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the previous system / legal entity and the voucher.
INVOICE CORRECTION	• To make an invoice correction of the previous system / legal entity apply the habitual procedure established.	• For any correction of invoices from the previous system, proceed through the transaction: /CCSHT/FC_FMAN_ANUL – Invoice cancelation (Old system only IT, VE, AR, MX, PT and CO). "Invoice Correction (no TMS invoices)" • For any correction of invoices from the new system / legal entity, comply the procedure established by the company "Invoice Correction"

The vertical divider between the two columns reads: **C U T   O F F**

(1) *If the day N is the cut off, the last room charge that will be invoiced in the previous system / legal entity will be the night of the day N-1. The room charge of the N date will be invoiced with the new system / legal entity.*

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TYPE 2		
	Previous System – Pre Cut Off	**New System – Post Cut Off**
FUTURE PREPAYMENTS	• Identify all the future prepayments. • Cancel all prepayments of the reservations and events identified using the new method of payment created for this purpose.	• Create the prepayments previously canceled with the method of payment created for this purpose "PV – PREPAYMENT CUTOVER" ** The total amount of the prepayments canceled in the previous system will be the same amount of the prepayments created in the new ones.*
STAYOVERS PREPAYMENTS	• Identify the stayover reservations with prepayments. • Using the corresponding part of the prepayment, invoice of the room and meal plan charges from the check in date to the cut off date[1]. • Cancel the rest of the prepayment amount using the method of payment created for this purpose. ** These steps can be modified if the operation of the previous system requires it"*	• Create the remaining prepayment in each stayover reservation only with the amount of room and meal plan charges corresponding to the nights from the cut off date[1] to the check out date and using the method of payment created for this purpose "PV - PREPAYMENT CUTOVER"
ON DESK PAYMENT STAYOVERS (Direct Payment)	• The day before the cut off, inform the guest about this matter and ask them a payment in advance of the total amount corresponding to the previous system. (see point 3. Information to the guest). *SCENARIO 1 -> Guest pay in advance* • Once the guest is at the front desk, proceed with the invoice of the charges from the check in date to the cut off date[1]. • Check out in the system. *SCENARIO 2 -> Guest does not pay in advance* • If the guest does not pay in advance the invoice corresponding to the previous system, the invoice will be issued with the payment method created for this purpose. • Check out in the system. ** From the previous system, it will not be allowed to invoice any future charges corresponding to the new ones. Be aware that the only exception will be through a prepayment.*	• Check in in the system. *SCENARIO 1 -> Guest paid in advance* • Invoice at the check-out the total charges corresponding to the new system. *SCENARIO 2 -> Guest did not pay in advance* • Charge the amount pending of the previous system with the till movement created for this purpose "CV – CUTOVER BALANCE" and collect it with the payment method "CV – CUTOVER BALANCE". It is recommendable to add on the description line of this charge, the date of the stay corresponding to the previous system. • Invoice at the check-out with the payment method required by the customer, the total charges corresponding both systems and deliver both invoices (one for each system). • If there is any wrong charge corresponding to the previous system, charge in negative (- minus sign) the most similar concept in the new system. • If there is any consumption (i.e. minibar, parking, etc.) corresponding to the previous system, and it is not in the invoice, the new system will assume the charge. Proceed to add the corresponding concept. • Check out in the system.
CREDIT STAYOVERS	• The charges covered by the voucher will be issued by credit payment method from the check in date to the cut off date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the new system and the voucher.	• The charges covered by the voucher will be issued by credit payment method from the cut off date to the check out date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the previous system and the voucher.
INVOICE CORRECTION	• To make an invoice correction of the previous system apply the habitual procedure established.	• For any correction of invoices from the previous system, proceed through the transaction: /CCSHT/FC_FMAN_ANUL – Invoice cancelation (Old system only IT, VE, AR, MX, PT and CO). "Invoice Correction (no TMS invoices)" • For any correction of invoices from the new system / legal entity, comply the procedure established by the company "Invoice Correction"

The middle spanning column reads vertically: **CUT OFF**

(1) *If the day N is the cut off, the last room charge that will be invoiced in the previous system will be the night of the day N-1. The room charge of the N date will be invoiced with the new system.*

TYPE 3a		
	Previous Legal Entity – Pre Cut Off	**New Legal Entity – Post Cut Off**
FUTURE PREPAYMENTS	• Identify all the future prepayments. • Cancel all prepayments of the reservations and events identified	• Create the prepayments previously canceled with the original method of payment. ** The total amount of the prepayments canceled in the previous legal entity will be the same amount of the prepayments created in the new one.*
STAYOVERS PREPAYMENTS	• Identify the stayover reservations with prepayments. • Cancel all prepayments of the reservations and events identified • Inform again the part of the prepayment that corresponds to the previous legal entity, invoice of the room and meal plan charges from the check in date to the cut off date[1], collecting with the same payment method.	• Create the remaining prepayment in each stayover reservation only with the amount of room and meal plan charges corresponding to the nights from the cut off date[1] to the check out date and using the original method of payment.
ON DESK PAYMENT STAYOVERS (Direct Payment)	• The day before the cut off, inform the guest about this matter and ask them a payment in advance of the total amount corresponding to the previous legal entity. (see point 3. Information to the guest). *SCENARIO 1 -> Guest pay in advance* • Once the guest is at the front desk, proceed with the invoice of the charges from the check in date to the cut off date[1]. *SCENARIO 2 -> Guest does not pay in advance* • If the guest does not pay in advance the invoice corresponding to the previous legal entity, the invoice will be issued with the payment method created for this purpose. ** From the previous legal entity, it will not be allowed to invoice any future charges corresponding to the new one. Be aware that the only exception will be through a prepayment.*	*SCENARIO 1 -> Guest paid in advance* • Invoice at the check-out the total charges corresponding the new legal entity. *SCENARIO 2 -> Guest did not pay in advance* • Charge the amount pending of the previous legal entity with the till movement created for this purpose "CV – CUTOVER BALANCE" and collect it with the payment method "CV – CUTOVER BALANCE". It is recommendable to add on the description line of this charge, the date of the stay corresponding to the previous legal entity. • Invoice at the check-out with the payment method required by the customer, the total charges corresponding both legal entities and deliver both invoices (one for each legal entity). • If there is any wrong charge corresponding to the previous legal entity, charge in negative (- minus sign) the most similar concept in the new legal entity. • If there is any consumption (i.e. minibar, parking, etc.) corresponding to the previous legal entity, and it is not in the invoice, the new legal entity will assume the charge. Proceed to add the corresponding concept. • Check out in the system.
CREDIT STAYOVERS	• The charges covered by the voucher will be issued by credit payment method from the check in date to the cut off date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the new legal entity and the voucher.	• The charges covered by the voucher will be issued by credit payment method from the cut off date to the check out date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the previous legal entity and the voucher.
INVOICE CORRECTION	• To make an invoice correction of the previous legal entity apply the habitual procedure established.	• The new legal entity will not issue any correction of invoices from the previous legal entity, these latter will be the responsible. • For any correction of invoices from the new legal entity, comply the procedure established by the company "Invoice Correction"

The "CUT OFF" label appears vertically in the center divider between the two columns.

(1) *If the day N is the cut off, the last room charge that will be invoiced in the previous legal entity will be the night of the day N-1. The room charge of the N date will be invoiced with the new legal entity.*

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TYPE 3b

	Previous Legal Entity – Pre Cut Off		New Legal Entity – Post Cut Off
FUTURE PREPAYMENTS	• Identify all the future prepayments. • Cancel all prepayments of the reservations and events identified		• Create the prepayments previously canceled with the original method of payment. ** The total amount of the prepayments canceled in the previous legal entity will be the same amount of the prepayments created in the new one.*
STAYOVERS PREPAYMENTS	• Identify the stayover reservations with prepayments. • Cancel all prepayments of the reservations and events identified • Inform again the part of the prepayment that corresponds to the previous legal entity, invoice of the room and meal plan charges from the check in date to the cut off date[1], collecting with the same payment method.		• Create the remaining prepayment in each stayover reservation only with the amount of room and meal plan charges corresponding to the nights from the cut off date[1] to the check out date and using the original method of payment.
ON DESK PAYMENT STAYOVERS (Direct Payment)	• The day before the cut off, inform the guest about this matter and ask them a payment in advance of the total amount corresponding to the previous legal entity. (see point 3. Information to the guest). *SCENARIO 1 -> Guest pay in advance* • Once the guest is at the front desk, proceed with the invoice of the charges from the check in date to the cut off date[1]. *SCENARIO 2 -> Guest does not pay in advance* • If the guest does not pay in advance the invoice corresponding to the previous legal entity, the invoice will be issued with the payment method created for this purpose. ** From the previous legal entity, it will not be allowed to invoice any future charges corresponding to the new one. Be aware that the only exception will be through a prepayment.*	**C U T O F F**	*SCENARIO 1 -> Guest paid in advance* • Invoice at the check-out the total charges corresponding the new legal entity. *SCENARIO 2 -> Guest did not pay in advance* • Charge the amount pending of the previous legal entity with the till movement created for this purpose "CV – CUTOVER BALANCE" and collect it with the payment method "CV – CUTOVER BALANCE". It is recommendable to add on the description line of this charge, the date of the stay corresponding to the previous legal entity. • Invoice at the check-out with the payment method required by the customer, the total charges corresponding both legal entities and deliver both invoices (one for each legal entity). • If there is any wrong charge corresponding to the previous legal entity, charge in negative (- minus sign) the most similar concept in the new legal entity. • If there is any consumption (i.e. minibar, parking, etc.) corresponding to the previous legal entity, and it is not in the invoice, the new legal entity will assume the charge. Proceed to add the corresponding concept. • Check out in the system.
CREDIT STAYOVERS	• The charges covered by the voucher will be issued by credit payment method from the check in date to the cut off date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the new legal entity and the voucher.		• The charges covered by the voucher will be issued by credit payment method from the cut off date to the check out date[1]. Ensure that the voucher number is fulfilled on the voucher field in the invoice. • The invoice will be sent by post mail together with the invoice of the previous legal entity and the voucher.
INVOICE CORRECTION	• To make an invoice correction of the previous legal entity apply the habitual procedure established.		• For any correction of invoices from the previous legal entity, proceed through the transaction: /CCSHT/FC_FMAN_ANUL – Invoice cancelation (Old system only IT, VE, AR, MX, PT and CO). "Invoice Correction (no TMS invoices)" • For any correction of invoices from the new legal entity, comply the procedure established by the company "Invoice Correction"

(1) *If the day N is the cut off, the last room charge that will be invoiced in the previous legal entity will be the night of the day N-1. The room charge of the N date will be invoiced with the new legal entity.*

3 INFORMATION TO THE GUEST

_Responsible__: Hotel Manager / Front Office Manager_

All customers whose reservations are affected by the cut off system and/or legal entity should be notified at the time of arrival.
As far as possible, invoice in advance the charges corresponding to the previous system and/or legal entity, from the check in date to the cut off date, excluding the night of the cut off day.

Furthermore, the guest should be advised at least one day before of the system and/or legal entity cut off through an informative letter. Find below an example that can be used as a model.

"Dear guests,

We would like to inform you that tomorrow "Monday, April 1", we will proceed to change our computer system. For this reason and to avoid possible delays and errors related to the billing, we kindly ask you to come up to the front office until tomorrow before "3 pm" in order to settle the services consumed until this moment, in a partial invoice of your stay.
The rest of services will be invoiced through our new system, at the time of your departure.

Should you need any further information, please do not hesitate to contact us.
Apologies for any inconvenience this change may cause you

Hotel General Manager"

4 RELATED DOCUMENT

Invoice Correction Procedure
Prepayments Procedure
Invoice Correction Excel System Cut Off
Invoice Correction Old System & Entity change invoices
Company System Change & Business Legal Entity Change Template