

Book Out Procedure

PROCEDURE VALIDATION

Version	Corporate area	Approved by:	Approval date
1	Operations (Process Owner)	Operations Control Director Chief Operations Officer	July 2012
	Internal Audit	SVP Internal Audit	
	Resources	SVP Human Resources	
	Strategy & Development	Chief Commercial Officer	
	Strategy & Development	SVP Quality & Competition	
	Financial	VP Administration	
	Management Committee		Steering Minutes 09/07/2012

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UPDATES

Version	Approved by	Approval date
4	SVP Operations	May 2021
	VP Revenue Management	
	SVP Administration	
	VP Organization	

OBJECTIVE AND SCOPE

To control the management of the transfer of guests from one hotel to another due to overbooking situations (high occupancy, closing periods, etc.).

The purpose is to define and manage this type of situation in a standardized manner, through a homogeneous operation that allows to avoid any possible inconveniences to the guest by facilitating the transfer of their reservation and the billing process.

This procedure applies to all hotels in all Business Units.

1 BASIC RULES

- **The hotel that will receive the book out** (*hereinafter "Hotel 2"*) will preferably be of the **same or higher category** and will be in the same area or as close as possible.
- **Whenever possible, book out the guests to a nearby hotel of the Chain.** It is important to make sure that the Hotel 2 accepts the price and conditions confirmed to the client in case of a book out.
- **We can only book out guests to comparable hotels that do not belong to NH Hotel Group** (*hereinafter "external hotel"*) **if there are no rooms available at any of the NH**

hotels. At all times, try to choose the hotels that apply equal or lower rates than the ones that have been confirmed to the guests for their original reservations. The guest will never have to pay for a higher price than the one initially confirmed. The hotel that books out the guest (*hereinafter "Hotel 1"*) must assume the difference.

- **Whenever possible, we will offer the guest a VIP treatment** and thus inform the guest, agency or Tour Operator.
 - In case that the guest is booked out to an NH hotel, the VIP treatment will be applied according to the standards established in the corresponding Business Unit.
- **In the event that the guests are only booked out for a certain number of nights** and return to spend the rest of their stay in Hotel 1, **they will immediately receive VIP treatment and special attention** will be paid to them during their stay. We will also offer another type of compensation such as a room upgrade or some other kind of special detail (welcome gift, etc.).
- **Avoid booking out the following type of clients: NH DISCOVERY and/or special guests (in any case a NH DISCOVERY Titanium/VIP guest), regular clients, important companies, new companies.** In case there is no other possibility, the Hotel Manager will prioritize the guests to be booked out.
- **In no case will we move to another hotel those guests who have selected their room through the "Choose Your Room" tool or have already checked-in online.**
- When choosing reservations to be booked out, it is preferable to select those with the lowest Total Revenue (both the impact on the ADR and the length of the stay must be analyzed).

2 DAILY SERVICE PERFORMANCE

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

PROCESS TASKS

- Analyze the number of rooms to be booked out and identify the reservations/guests likely to be diverted (check the basic rules explained in the previous section).
- Manage the accommodation for selected guests in another NH hotel (same rate will be maintained to avoid unnecessary invoicing between hotels).
- If the NH hotel does not have the possibility to book out a guest within the NH Hotel Group, (there is no availability or it is the only NH hotel in the city), the guest will be sent to an "external" hotel. **Under no circumstances the guest will pay for a different rate than the one confirmed.**
- Always try to notify the guest before his/her arrival so as to avoid any inconveniences and to save in the costs of transfer (taxi).
- If the guest incurs in expenses due to the transfer from Hotel 1 to Hotel 2, the latter will assume the costs.
 - **Internal book out:** NH hotel must register the ticket in TMS as a 'miscellaneous payment' in the Reception till the same day in which the expense is incurred. Text to enter in the 'Remarks' field: '*Book out reservation xxxxxx*'.
 - **External book out:** External hotel includes the costs when invoicing Hotel 1.

Reservation and invoicing processes must be carried out as indicated in the following table for each case/situation according to the payment method:

Payment method	Hotel 1	Hotel 2
ON-DESK PAYMENT	<ul style="list-style-type: none"> Cancel the reservation in TMSforHotels and delete the "expense code", if informed. Cancellation reason code: <ul style="list-style-type: none"> CXL_OBVI - CXL Overbooking (internal) CXL_OBVE - CXL Overbooking (external) Reservation remarks: "BOOK OUT TO Hotel 2" 	<ul style="list-style-type: none"> Internal book out: <ul style="list-style-type: none"> Register reservation in TMSforHotels with the original data (Main Client, prices and commissions). Same rate will be maintained to avoid unnecessary invoicing between hotels. If you apply a manual price and a commission percentage applies, make sure that the field "percentages by manual price" is informed in the "Prices and Commissions" tab. Invoice directly the guest and charge him/her all the services consumed. Reservation remarks: "BOOK OUT FROM Hotel 1" External book out: external hotel invoices directly the guest and, if there is a price difference between the rate reserved by the guest and the one confirmed by them, they will invoice the difference to Hotel 1. The guest will always pay the reserved price.
PREPAID RESERVATIONS (non-refundable)	<ul style="list-style-type: none"> Check-in the reservation in a Virtual Room. Delete charges and add them manually with the corresponding amount and dates using the corresponding "Book Out" concept according to the tax law of each country. If a commission percentage applies, make sure that the field "percentages by manual price" is informed in the "Prices and Commissions" tab. Reservation remarks: "BOOK OUT TO Hotel 2" Invoice the client on check-out date. 	<ul style="list-style-type: none"> Internal book out: issue invoice to Hotel 1. <ul style="list-style-type: none"> Main Client: Hotel 1 (internal customer 99xxxxxxx). The contract NH_HOTELS is automatically charged, delete it and select a general rate and modify the price manually in the tab "Prices and Commission". No commission percentage must be applied since there is an internal reservation, so net price must be invoiced. Register the correct statistic data Source of Business (IC-Front Office) and Travel Reason (IC-Bookout) Reservation remarks: "BOOK OUT FROM Hotel 1" External book out: external hotel invoices Hotel 1.
CREDIT (Agency changes the name of the hotel on the voucher)	<ul style="list-style-type: none"> Cancel the reservation in TMSforHotels and delete the "expense code", if informed. Cancellation reason code: <ul style="list-style-type: none"> CXL_OBVI - CXL Overbooking (internal) CXL_OBVE - CXL Overbooking (external) <p>Reservation remarks: "BOOK OUT TO Hotel 2"</p>	<ul style="list-style-type: none"> Internal book out: <ul style="list-style-type: none"> Register reservation in TMSforHotels with the original data (Main Client, prices and commissions). Same rate will be maintained to avoid unnecessary invoicing between hotels. If you apply a manual price and a commission percentage applies, make sure that the field "percentages by manual price" is informed in the "Prices and Commissions" tab. Invoice directly the guest and charge him/her all the services consumed. Reservation remarks: "BOOK OUT FROM Hotel 1" External book out: external hotel invoices the agency and, if there is a price difference between the rate reserved by the guest and the one confirmed by them, they will invoice the difference to Hotel 1. The guest will always pay the reserved price.
CREDIT (Agency does not accept to modify the voucher)	<ul style="list-style-type: none"> Check-in the reservation in a Virtual Room. Delete charges and add them manually with the corresponding amount and dates using the corresponding "Book Out" concept according to the tax law of each country. If a commission percentage applies, make sure that the field "percentages by manual price" is informed in the "Prices and Commissions" tab. Reservation remarks: "BOOK OUT TO Hotel 2" Issue the invoice to the Agency on check-out date. 	<ul style="list-style-type: none"> Internal book out: issue invoice to Hotel 1. <ul style="list-style-type: none"> Main Client: Hotel 1⁽¹⁾ Main Client: Hotel 1 (internal customer 99xxxxxxx)⁽¹⁾ The contract NH_HOTELS is automatically charged, delete it and select a general rate and modify the price manually in the tab "Prices and Commission". No commission percentage must be applied since there is an internal reservation, so net price must be invoiced. Register the correct statistic data Source of Business (IC-Front Office) and Travel Reason (IC-Bookout) Reservation remarks: "BOOK OUT FROM Hotel 1" External book out: external hotel invoices Hotel 1.

KEY TASKS: ADJUSTMENT FOR COMMISSIONS

This process only applies to reservations paid directly by the guest because they must be invoiced from NH Hotel 2.

Hotel 1:

- Accept commissions' claims in TMS-Onyx corresponding to these reservations (indicate BOOKOUT modification reason or complete the comments field with this information).
- **The adjustment can be requested only for monthly total amounts over EUR 500.**
- Fill in the InterCompany Invoicing request form and send it to the F&A Department, copying the Hotel General Manager and the Front Office Manager of the hotels included in the template.

Hotel 2:

- With the information received from Hotel 1 (commissions reinvoiced), identify the automatic TMS accrued commissions to be adjusted.
- Request the F&A Department the posting adjustment indicating all available information (reservations numbers, party ID, guest, dates, TMS invoice, etc.).

The full process of adjustment for commissions of overbooking reservations (responsible parties, deadlines, summary of postings and impact on KPI, etc.) is available in the following document: [Commissions in booked out reservations](#).

2 ALLOCATION COST

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

The allocation costs derived from the book out reservations will be managed in two different ways, based on the type of hotel:

- **INTERNAL BOOK OUT:** they are posted in the expense account 62050000 GUEST TRANSFER EXPENSES. They are managed as other internal business reservations costs, following the InterCompany-Intercenter TMS process. *See more details in the Internal Business Reservations Policy.*
- **EXTERNAL BOOK OUT:** In this case, they must be registered as MM expenses, that is, with a previous Purchase Order in SAP, using the following generic materials:

MEANING	CATEGORY	SAP Code	Item Description SAP
OVERBOOKING	054701	05000878;05015585; 05015584	OVERBOOKING LOW REGULAR TAX; OVERBOOKING HIGH TAX OVERBOOKING NO TAX

3 TEMPLATES AND FILE PERIODS

Document or template	Responsible	File period
Documentation to back up the reservation booked out	Front Office Department	See Templates and File periods per BU
Intercompany invoice template		