

# Management of Uncollected invoices and Walk-outs

## PROCEDURE VALIDATION

Version	Corporate area	Approved by:	Approval date
1	Financial	SVP Treasury	July 2020
	Financial	SVP Finance Excellence	
	Operations	SVP Business Transformation	
	Financial	SVP Taxes	
	Legal	SVP Legal	
3			March 2022
4			June 2023

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## OBJECTIVE AND SCOPE

This procedure applies to these exceptional situations when at the end of the service in the hotels, the total amount has not been collected and remains pending to be invoiced in the guest ledger.

The main objective is to ensure all services rendered by the hotels are correctly invoiced, accounted for and paid. Additionally, this would help preventing external fraud, improving the financial risk control for non-payment services in the hotel, and complying with tax regulations regarding VAT in the different countries.

This process only applies for future pending balances. The old amounts now in the guest ledger should be reviewed and managed one by one.

This procedure applies to all hotels in all Business Units.

## 1 ACTIONS BEFORE CHECK-OUT

## KEY TASKS

The hotels must always apply all NHHG policies regarding credit, guarantees and prepayments to prevent these situations and issue the corresponding invoices just after the stay or the end of the services.

- [Corporate Credit Policy](#)
- [Credit Policy Quick Reference Guide](#)
- [Terms and Conditions for Business and Leisure Groups](#)
- [Prepayments](#)
- [New TMS Guarantees](#)
- [Individual Reservations Execution](#)

The ultimately responsible of implementations of all NHHG policies is the Hotel General Manager.

## 2 ISSUING INVOICES

There are defined two different ways to manage the pending balances based on the type of customer and must be followed in all cases

### FOR UNCOLLECTABLE AMOUNTS OF TRAVEL AGENCIES AND COMPANIES

- **D-NON-CREDIT new Type of Credit has been created in SAP-TMS comparable to type C-HOTEL credit lines and always under the full responsibility of the hotel.**
  - This credit will be granted only for this hotel and only for this pending balance, so it must be immediately cancelled.
  - Since the invoice is already overdue, the payment term must be zero days.
- **The hotel must request the credit for the corresponding the Regional Operations Director and the Excellence Leader attaching all the evidences of the correct steps followed to avoid and collect the pending amount. This request must be sent by the Hotel General Manager or she/he must be copied CC in the email.**
- **The response email with the authorization must be attached to the Jira ticket that the hotel needs to open to update the credit line in the system to the BU Credit Manager using the category NH Service Desk > SAP Business Suite > SAP FI (Finance) > Customers Credit Management > D-Non Credit.**
- **The Credit Manager will attach all these evidences to the posting of the issue invoice in SAP-FI.**
- **The hotel must issue the invoice with all the correct fiscal identification (complete name, tax id, address).**
- **Then, the hotel issues the invoice with the correct fiscal identification of the customer. It is posted in the corresponding debtor account (GL 4300000- HOTEL BUSINESS TRADE DEBTORS) and it must follow the recovery and collection process and bad doubtful client management.**

## FOR GUEST WALK-OUTS

- **Since system does not allow to grant a credit line to guests, a new payment method has been set-up in SAP-TMS: BAD DUE - PENDING BALANCE.**
  - This payment method cannot be used for travel agencies or companies, since previous process must be applied.
- **The hotel must issue the invoice with all the correct fiscal identification (complete name, tax id, address) and contact data (phone, email address) of the guest. Generic customers as the 1000 Direct Guest or CPDs are forbidden to issue these invoices.**
- **The Hotel General Manager must submit the corresponding official police report and inform the Legal Department of the BU.**
- **The hotel must inform these invoices to the Credit Manager of the BU, the Regional Operations Director and the Excellence Leader attaching all the evidences of the correct steps followed to avoid and collect the pending amount. This communication must be sent by the Hotel General Manager or she/he must be copied CC in the email.**
- Credit Manager should perform an analysis of this account prior to monthly accounting close and comment upon major transactions.
- The Credit Manager will attach all these evidences to the posting of the issue invoice in SAP-FI.
- **These invoices are posted directly in the expense account 6500003 - IRRECOVERABLE GUESTS COLLECTIONS.**
- Of course, the collection and recovery actions must continue after invoicing.

BU CREDIT MANAGER CONTACTS			
BUSINESS UNIT	CONTACT DETAILS		
BU NORTHERN EUROPE	CHRISTINE SCHAUERMANN <a href="mailto:c.schauermann@nh-hotels.com">c.schauermann@nh-hotels.com</a>		
	GARY WALKER <a href="mailto:g.walker@nh-hotels.com">g.walker@nh-hotels.com</a>		
BU SOUTHERN EUROPE	ANNA BASSANESE <a href="mailto:a.bassanese@nh-hotels.com">a.bassanese@nh-hotels.com</a>		
	RAQUEL VILLALBA RODRIGUEZ <a href="mailto:r.villalba@nh-hotels.com">r.villalba@nh-hotels.com</a>		
BU AMERICA	FRANCISCO	JAVIER	VELASQUEZ
	<a href="mailto:fj.velasquez@nh-hotels.com">fj.velasquez@nh-hotels.com</a>		
	JESSICA	GUADALUPE	HERNANDEZ
	<a href="mailto:jg.hernandez@nh-hotels.com">jg.hernandez@nh-hotels.com</a> for Colombia and Ecuador		
	MARIA ELBA	FLORENTIN	
	<a href="mailto:me.florentin@nh-hotels.com">me.florentin@nh-hotels.com</a> for Argentina, Chile and Uruguay		
	MIGUEL ANGEL	LOPEZ MORA	
	<a href="mailto:ma.lopez@nh-hotels.com">ma.lopez@nh-hotels.com</a> for Mexico		

### 3 COLLECTION OF PENDING AMOUNTS

#### KEY TASKS

- **The ultimately responsible of these pending balances and all recovery actions taken is the Hotel General Manager.**
- The dunning communications to the customers must always include a sending proof:
  - Using certified post.
  - Or activating the Delivery and Read receipts confirming of the email.
- **All actions taken to avoid these non-payments or to collect them after the stay must be filled in the hotel, available for further action subject to be audited eventually.**
- Further actions related to the legal process of recovery claims, new bookings of the same customer, alerts in CRM, etc. will be available for all hotels in the short term. In the meanwhile, check with Operations, Finance and Legal departments in your BU.

### 4 REGULAR CONTROL OF PENDING AMOUNTS

On a monthly basis, these invoices within the regular check of the Quest for Excellence.

### 5 COLLECTION OF PENDING AMOUNTS

#### KEY TASKS

- **If these invoiced amounts are finally collected, the hotel must follow these actions based on the type of customer:**
  - **D-NON-CREDIT** for uncollectable amounts of travel agencies and companies: send the notice or detail of the collection to [ARCollectionsNH@digitalsharedservices.com](mailto:ARCollectionsNH@digitalsharedservices.com) including the BU Credit Manager in the email.
  - **BAD DUE** for guest walk-outs: **the issued invoice must be corrected, updating the new payment method** (bank transfer, credit card, ...). The hotel must send an email to the Credit Manager to track and check the correct posting as less expense in the account 6500003 - IRRECOVERABLE GUESTS COLLECTIONS.

### 6 TEMPLATES AND FILE PERIODS

Document or template	Responsible	File period
Invoices by credit along with the backup documentation (agency vouchers, faxes, prepayments received, etc.) and all recovery actions	Hotel General Manager	Until the invoice is collected