

# NHALL\_Tips

Version	Corporate Area	Approved by:	Approval date
1	Organization & IT	Organization & IT	November 2014
	Administration	Administration	
2	RRHH	SVP RRHH	September 2018
	Operations	SVP Operations	
	Organization & Business Transformation	Organization Director	
	Taxes - Finance	SVP Tax & Finance	
	Administration	SVP Administration	
	Treasury	SVP Treasury	
	Consolidation & Internal Control	SVP Consolidation	

## Definition

Any mandatory or voluntary monetary compensation done by a customer to NH Group Employee due to the provision of service by the hotel (customer pays a greater price than NHHG has established for any service / product provided).

Examples of TIPS: TIPS received in POS (F&B, Shops, SPA), TIPS received in Front Office (front office staff), TIPS received for M&E services (F&B staff), mandatory TIPS charged in breakfast, minibar and laundry services.

## Objective

How to handle the tips settled at all hotels across all Business Units (record, approval and reimbursement). **As the principal rule, this process must be implemented in accordance with local tax and labour framework**

Administration, Operations and Human Resources departments are in charge of the communication to the hotels within their Business Units about how this procedure / policy must be implemented according to the local tax and labor regulations of each country

## scope

This document describes how to do the following:

1. Voluntary tips management added to invoices and tickets (TMS forHotels / TMS forPOS):
  - ✓ On-desk payment. To avoid cash imbalances TIPS settled by credit card or by room charge must be charged in TMS forHotels / TMS forPOS.
  - ✓ Credit payment. BU Financial and Operation Management have to approve this practice (tips in a credit invoice) in any country in their BU.
2. Mandatory tips management and/or determined by law or custom and practices of the country added to invoices or tickets in accordance with the local labour legislation (or in a collective labour agreement with the hotel) which are received in cash, by credit card or by room charge .
3. Compensations management for special services contracted with agencies and companies due to special sales services (they are not considered as TIPS).

## PROCESS RESTRICTIONS

- TIPS IN INTERCO INVOICES: It is not allowed to include TIPS in InterCompany credit invoices. TIPS charges only can be included in an “On-desk payment” folio of the reservation.
- FEW EXCEPTIONS IN TIPS POLICY / PROCEDURE IN NHHG:
  - Argentina: Record TIPS in SAP\_TMSforHotels and SAP\_POS are not allowed
  - Italy: TIPS are not allowed

## OPEN POINT – ACCOUNT IMPACT IN TIPS CHARGE POSTING

How to account the received TIPS and their subsequent settlement / reimbursement are still pending to be validated in some countries:

- Received TIP: P&L (revenue) or liability account
- TIP reimbursement: P&L (640\* - Payroll expense) or liability account (counterparty)

Responsible for the resolution:

- Consolidation & Internal Control Department
- Tax & Finance Department

## Content

### 1. Voluntary TIPS

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## 1. Voluntary TIPS

TIPS received by a **credit card** or by a **room charge** when customer pays a greater price than NHHG has established for any service / product provided.

### 1.1 SAP TMS forHotels

#### KEY TASKS

In the event of hotels with M&E Area (or other departments which may receive TIPS through SAP\_TMS), and to differentiate the TIPS received from other departments, it is recommended to modify the charge description and include the TIP recipient department for a proper and subsequent settlement and reimbursement.

#### 1.1.1. Record

If a customer wants to pay a TIP through the invoice, we will add a TIP charge for the desired amount in the reservation folio.

SAP TMS Transaction: Enter charges in a reservation

Task: Add the TIP in an "On-desk payment" folio of the reservation

**Enter charges in a reservation**

Insert item

ESMU:AMIMU NH Amistad Murcia \*\*\*\*

Reservation : 38863471 Room: 337 Main guest: SERRANO NAVIDAD, ALBERTO

Concept: TIPS Tips Service date: 03.09.2017

Quantity: 1 Price: 12,71 EUR Target folio: 1 Tax included: ☐

SAP TMS Transaction: Modify items of all folios

Task: Change the charge description and include the TIP recipient department

**ESMU:AMIMU. Modify items of all folios**

Folio 1 Folio 2 Folio 3 Folio 4 All folios Current date Charges until today Canceled Revenue

Reservation: 38863471 Status: Check in Arrival: 02.09.2017 Departur: 03.09.2017 Upgrade: ☐

Main Client: CELEVENTOS SL Voucher: ☐ Room: 337

Main guest: SERRANO NAVIDAD, ALBERTO Type: STDDBL Standard Double GST: AD 2 JU 0 CH

FOLIOS: F1 12,71 EUR SERRANO NAVIDAD, ALBERTO-00286 F2 75,00 EUR CELEVENTOS SL-2200217815

(tax incl.) F3 0,00 EUR SERRANO NAVIDAD, ALBERTO-00286 F4 0,00 EUR SERRANO NAVIDAD, ALBERTO-00286

Status	Revenue date	Folio	Concept	Description	Quantity	Price	Disc.(net)	Amount	Tax in.	Service date	Sou.	Guest Name	Client %	Comm.Am.	Arr.
00	02.09.2017	2	BB	Alojamiento y desayuno	1	34,09	0,00	34,09		02.09.2017	337	SERRANO NAVIDAD, AL...	0,00	0,00	
00	02.09.2017	2	BB	Alojamiento y desayuno	1	34,09	0,00	34,09		02.09.2017	337	GINER ALVES, JESSICA	0,00	0,00	
00	03.09.2017	1	TIPS	TIPS - Front Desk	1	12,71	0,00	12,71		03.09.2017	337	SERRANO NAVIDAD, AL...	0,00	0,00	

## TIP display on the invoice:

NH Amistad Murcia  
CONDESTABLE 1  
30009 - MURCIA  
España  
Tel: +968282929 Fax: +968280828  
nhamistadmurcia@nh-hotels.com

**Datos fiscales**  
370202769  
CELEVENTOS BL  
FINCA BUENAVISTA SN  
30120  
EL PALMAR - España  
Partido 2200217815  
Reserva 003885471

**Datos postales**  
CELEVENTOS BL  
FINCA BUENAVISTA SN  
30120  
EL PALMAR - España  
DOBLICADO

Rectificativa de la 4128092723 del día 03.09.2017 e importe 75,00 EUR, motivo:

Num. Factura	Fecha	Habitación	PAX	Nombre	Fecha IN	Fecha OUT	Página
4128809205	03.09.2017	337	2	ALBERTO SERRANO NAVIDAD	02.09.2017	03.09.2017	1/1

Fecha	Cant.	Servicio	%IVA	Base	Cuota	Total	Saldo
02.09.2017	1	Alojamiento v desayuno	10%	68,18	6,82	75,00	75,00
03.09.2017	1	Tips - Front Desk	0%	12,71	0,00	12,71	87,71

	%IVA	Base	Cuota	Total
IVA	10,00%	68,18	6,82	75,00
Tips		12,71		12,71
<b>Total</b>		80,89	6,82	87,71 EUR

**Forma de pago**  
CASH 87,71 EUR

## 1.1.2 Review and approval:

### PROCESS TASKS

1. At least with the reimbursement frequency (as explained in point 1.1.3), Front Office, M&E and F&B Managers (if applicable) will review all TIPS charged in SAP\_TMS.
2. They will print the TIPS report (see next point) and they will review it to ensure that all TIPS charges are correct. The TIP report must be signed by all Department Managers involved.
3. Once the TIP report has been reviewed by Department Managers involved, this will be signed by the General Manager (giving its approval on all TIPS recorded in SAP\_TMS).
4. File system and periods: See document [Templates and File periods.xls](#)

## SAP\_TMS browsing: Charges report:

Navigation tree showing the path to the Charges report:

- CUSTOMIZING
- EMERGENCY REPORTS
- INFORMATION SYSTEMS
  - Management reports
  - Reservations
  - Front-Office
  - Currency exchange
  - Billing - Tips
    - /CCSHT/FC\_ST\_07B - Unpaid invoice report
    - /CCSHT/R\_NA\_SL\_04 - Cancel/no-show with pending charges
    - /CCSHT/R\_FC\_SL\_01 - Till operations
    - /CCSHT/R\_CE\_SL\_01 - Charges**
    - /CCSHT/R\_FC\_SL\_06 - Canceled charges
    - /CCSHT/FC\_LIST\_COMIS - Invoices - commissions report

## TIPs report:

**Charges**

ESMU-AMIMU NH Amistad Murcia \*\*\*\*

Username: \_\_\_\_\_ to: \_\_\_\_\_

Room number: \_\_\_\_\_ to: \_\_\_\_\_

Reservation identifier: \_\_\_\_\_ to: \_\_\_\_\_

Concept identifier: TIPS to: \_\_\_\_\_

Charge status: \_\_\_\_\_ to: \_\_\_\_\_

Charge date: \_\_\_\_\_ to: \_\_\_\_\_

Revenue date: 28.08.2017 to 03.09.2017

SAP TMS Transaction: Charges report  
Task: TIPS report by recipient department

Charges													
ESMU.AMIMU NH Amistad Murcia *****													
User E00000088078 Hotel date 03.09.17 / 15:00													
Prod. date	Reservation	Folio	Charge No. Room	Concept ID	Description	Charge date	Q. Quantity	Amount	Cur.	Tax incl.	Discou.	CPS %	Tran. Price
03.09.2017	38863471	2	337	TIPS	Tips - Front Desk	11.10.2017	1	12,71	EUR	0,00	0,00	0,00	12,71
							1	12,71	EUR				12,71

### 1.1.3 Settlement / Reimbursement of TIPS “On-desk payment” (Front Desk, M&E Departments, etc):

#### PROCESS TASKS

- BU HHRR and Administration Departments will determinate which form of settlement / reimbursement will be applicable, **complying always with the local tax and labour framework.**
- **Settlement / Reimbursement types:**
  1. **In cash by cheque or bank withdrawal and subsequent individual distribution, or by individual bank transfer** separately from regular payroll payment (unless TIPS are not subject to withholding tax at the time of reimbursement):
    - 1.1 Once all TIPS loaded in SAP\_TMS are approved by Hotel General Manager, Department Managers involved, Union Committee, etc must be submitted for reimbursing to BU Treasury Department (by nominative cheque, bank cash withdrawal or individual bank transfer). Administration / Treasury Department must **keep the signed payment receipt** from the tips distribution responsible (not applicable to reimbursement by individual bank transfer).
    - 1.2 If reimbursement is in cash (by cheque or bank withdrawal), the Department Manager will distribute the TIPS between their employees. Fill and sign the *TIPS Distribution and Reimbursement\_period.xls* template with the individual payments done for each employee.
  - 2 **Within the regular payroll payment:** Once all TIPS loaded in SAP\_TMS are approved by Hotel General Manager, Department Managers involved, Union Committee, etc, the said sum must be submitted with the other payroll issues in order to pay them in the employee payroll.
- Settlement / reimbursement frequency: At least once a month.
- File system and periods (*TIPS Distribution and Reimbursement\_period.xls*): See document *Templates and File periods.xls*

## KEY TASKS: Fund for breaks and losses (china, glassware, silverware, etc)

**Definition:** Amount or percentage retained by the hotel from TIPS received (in accordance with the labour regulations or in a collective labour agreement with the hotel) set to cover potential breaks and losses caused by employees that receive regular TIPS. These TIPS will not be reimbursed in the regular settlement done by the Hotel.

### **Some points must be considered:**

- The percentage or amount of the retained TIPS and the final settlement period shall be the one stated by labour regulations or agreement established between Hotel and employees.
- The amount retained must be reclassified in accounting by the GL - Administration Department to account **41400008—CLEARANCE ACCOUNT FO 2**.
- At the end of the established period, (normally one year), Hotel and employees must determine the value of the breaks and losses incurred:
  - ✓ If fund / retained amounts are higher than the real breaks and losses incurred: The excess amount will be refund to the employees (extraordinary settlement).
  - ✓ If fund / retained amounts are lower than the real breaks and losses incurred: The negative balance will be accrued over the next period and it will be evaluated if an





































### 1.1.4 TIPS in credit invoices (special considerations):

#### KEY TASKS

1. TIPS credit invoicing must be expressly approved by BU Administration and Operations Department. SVP Operations, SVP Administration and Organization Director must be informed about this practice.
2. Only voluntary TIPS at M&E Area are allowed in credit invoices.
3. There must be a signed mandate by the customer accepting the TIP credit invoicing (contract / agreement signed by the customer).
4. If a TIP in a credit invoice is not finally collected / accepted it will be immediately cancelled from SAP\_TMS forHotels (indicate "TIPS from M&E Area" in the cancel description).
5. BU Administration Department must do regular checks in order to verify that the TIPS in credit invoices not collected are cancelled from the Hotels and deducted in subsequent settlements.

SAP TMS Transaction: Modify items of all folios

Task: Change the cancellation charge description and include the TIP recipient department

(tax incl.) F3		0,00		EUR	SERRANO NAVIDAD, ALBERTO-00286...		F4		0,00		EUR	SERR
<div><div></div></div>												

#### TASKS

**Review, approval and settlement / reimbursement of TIPS:** In accordance with points 1.1.2 and 1.1.3 respectively taking into account the special considerations in this point 1.1.4

## PROCESS RESTRICTIONS

- It is not allowed cash withdrawal from front desk cash float in TIPS invoiced to credit. Settlement and reimbursement will be done by nominative cheque, bank cash withdrawal, individual bank transfer (whether such practice is allowed by the local labour / tax regulations ) or in payroll payment, as established by BU RRHH / Administration Departments and according to law regulations of each country.
- It is not allowed to retain any amount from voluntary or mandatory TIPS received (for breaks and losses) whether such practice is not contemplated by the local labour regulations or by collective agreement signed between Hotel and employees.

## 1.2 TIPS in SAP TMS for POS

### KEY TASKS

In order to properly settlement / reimbursement and in accordance with the amounts and percentages established by the hotel, **split manually the mandatory / voluntary TIPS** received and recorded in each POS whenever they must be distributed among a few departments or positions within the hotel.

### 1.2.1 Record in SAP\_TMS forPOS

Close the ticket / invoice in POS using the method of payment room charge, credit card or cash and indicate that the amount in excess must be recorded as TIPS.

An example of a TIP charged to a credit card:

The screenshots illustrate the process of recording a tip in the SAP TMS for POS system:

- Top Left:** A list of items with their prices: Ensalada Cesar (10,00), Sprite (0,20) (2,50), and Pastel de chocolate (5,00). The total is 17,50.
- Top Right:** The payment screen showing the total amount of 17,50. The payment method is selected as AMEX (American Express). The amount 20 is entered, and the difference of 2,50 is recorded as a tip.
- Bottom Left:** A dialog box titled 'Change' showing the tip amount of 2,50. The 'Tip' button is highlighted, and the 'CANCEL' button is also visible.
- Bottom Right:** A receipt from NH AMISTAD MURCIA, CONDESTABLE, 1, 30009 - MURCIA, NH HOTELES ESPAÑA, S.A. The receipt shows the total amount of 17,50 and the tip amount of 2,50, both recorded as AMEX.

NHALL\_TIPS

Organization – Business Transformation



## **TIPS cancellation in a room charge:**

In the event that a customer declines a TIP charged in his / her room at check-out, the TIP charge must be immediately cancelled in SAP\_TMS forHotels. The reason of the cancellation must be included in the description of the cancelled charge (i.e., "TIPS declined by the customer").

*Example of how to cancel a charged TIP:*

Status	Revenue date	Folio	Conce	Description	Quantity	Price	Disc. (net)	Amount	Tax incl.	Service date
	19.07.2018	2	TIPS	F&B Ticket 0265002270	1	1,80	0,00	1,80	✓	19.07.2018
	18.07.2018	2	ROOM	Room	1	69,00	0,00	69,00	✓	18.07.2018
	19.07.2018	2	ROOM	Room	1	72,00	0,00	72,00	✓	19.07.2018
	18.07.2018	2	RO	Room Only	1	0,00	0,00	0,00	✓	18.07.2018
	19.07.2018	2	RO	Room Only	1	0,00	0,00	0,00	✓	19.07.2018
	19.07.2018	2	POSR	F&B Ticket 0265002270	1	10,20	0,00	10,20	✓	19.07.2018
	19.07.2018	2	POSR	F&B Ticket 0265002271	1	4,50	0,00	4,50	✓	19.07.2018

Before the charge is cancelled:

Prod. date	Reservation F.	Charge number	Room	Concept ID	Description	Charge date	± Qua.	±	Amount	Cur.	Device ID.
19.07.2018	55436222	2	218	TIPS	F&B Ticket 0265002270	19.07.2018	1	1	1,80	EUR	POS.HIRSC1
							1	1	1,80	EUR	POS.HIR...

After the charge is cancelled:

Prod. date	Reservation F.	Charge number	Room	Concept ID	Description	Charge date	± Qua.	±	Amount	Cur.	Device ID.
19.07.2018	55436222	2	218	TIPS	F&B Ticket 0265002270	04.10.2018	1-	1-	1,80-	EUR	POS.HIRSC1
22.07.2018	55436222	2	000006	218	TIPS	F&B Ticket 0265002270	0	0	0,00	EUR	POS.HIR...
							0	0	0,00	EUR	

### **1.2.2. Review and approval:**

#### **PROCESS TASKS**

1. At least with the settlement / reimbursement frequency, F&B Manager must review the TIPS charges loaded in SAP\_TMS forHotels.
2. TIPS report must be printed (see next point) and once the TIPS report has been validated, it must be signed by the F&B Manager.
3. Once the TIPS report has been approved and signed by the F&B Manager, it will be submitted to the Hotel Manager for approving and signing of the TIPS settlement / reimbursement.

## Reports to be printed and signed in order to properly review of TIPS to be settled to POS employees:

SAP TMS Transaction: Charges report

Task: TIPS report by recipient department or point of sale

**SAP Menu**

- CCSHT/ENTRA\_HOTEL - Change hotel
- CRM FRONT-OFFICE
- LOYALTY
- RESERVATIONS
- FRONT-OFFICE
- TILLS
- CURRENCY EXCHANGE
- BILLING**
  - Billing
  - Post charges
  - Folios
  - Invoice correction
  - Fiscal printers
  - Information systems
    - /CCSHT/FC\_SI\_07B - Unpaid invoices report
    - /CCSHT/R\_NA\_SI\_04 - Cancel/no-show with pending charges
    - /CCSHT/R\_FC\_SI\_01 - Till operations
    - /CCSHT/R\_CE\_SI\_01 - Charges**
    - /CCSHT/R\_FC\_SI\_07 - Cancelled charges

**Charges**

COBO.BOGOT NH Collection Royal Teleport COLLECTION

Username \_\_\_\_\_ to \_\_\_\_\_

Room number \_\_\_\_\_ to \_\_\_\_\_

Reservation identifier \_\_\_\_\_ to \_\_\_\_\_

Concept identifier TIPS to \_\_\_\_\_

Charge status \_\_\_\_\_ to \_\_\_\_\_

Charge date \_\_\_\_\_ to \_\_\_\_\_

Folio \_\_\_\_\_ to \_\_\_\_\_

Revenue date 010617 to 300617

Task: Choose /TIPS layout

**Charges**

COBO.BOGOT NH Collection Royal Teleport COLLECTION

User E00000088078  
Hotel date 16.10.17 / 16:22

Choose Layout

Layout setting: A

Layout	Layout description	Default setting
/CARGOS	/CARGOS	
/CARGOS_SEC	/CARGOS_SEC	
<b>/CHARGES</b>	<b>AUTOMATIC CHARGES REPORT 1</b>	✓
/DISCOUNT	DISCOUNT REPORT	
/FREE CHARGE	FREE CHARGES REPORT	
/INTERFACE	INTERFACED CHARGES	
/MINIBAR	MINIBAR	
/MINUS CHARG	NEGATIVE CHARGES REPORT	
/OPEN BAR	Open Bar charges	
<b>/TIPS</b>		
/TOTPROD	TOTPROD	
/TTAX ADMIN	/TTAX ADMIN	

Prod. date	Reservation	Folio	Charge N°	Room	Concept ID	Description	Charge date	Quantity	Amount	Cur	Device ID
06.06.2017	34733294	1			TIPS	Ticket 0683000072	06.06.2017	250	16.785.044	COP	
06.06.2017	34727976	1			TIPS	Ticket 0683000039	06.06.2017	1.006	7.506.026	COP	POS.BOGOT1
06.06.2017	34727867	1	000002		TIPS	Ticket 0683000035	06.06.2017	274	2.248.637	COP	POS.BOGOT2
06.06.2017	34727976	1	000002		TIPS	Ticket 0683000039	06.06.2017	505	2.372.216	COP	POS.BOGOT3
06.06.2017	34727935	1	000002		TIPS	BODEGÓN Ticket 0683000038	06.06.2017	22	376.100	COP	POS.BOGOT4
06.06.2017	34728108	1	000002		TIPS	BODEGÓN Ticket 0683000042	06.06.2017				
06.06.2017	34728253	1	000002		TIPS	Ticket 0683000047	06.06.2017				
06.06.2017	34728253	1	000002		TIPS	Ticket 0683000047	06.06.2017				
06.06.2017	34728108	1			TIPS	BODEGÓN Ticket 0683000042	06.06.2017				
06.06.2017	34728158	1			TIPS	Ticket 0683000045	06.06.2017				
06.06.2017	34728158	1	000002		TIPS	Ticket 0683000045	06.06.2017				
06.06.2017	34737792	1			TIPS	TEN BAR Ticket 0683000172	07.06.2017	2.057	29.288.023	COP	

TIPS report broken down by point of sale:

**Charges**

COBO.BOGOT NH Collection Royal Teleport COLLECTION

User E00000088078  
Hotel date 16.10.17 / 16:22

Prod. date	Reservation	Folio	Charge N°	Room	Concept ID	Description	Charge date	Quantity	Amount	Cur	Device ID
								250	16.785.044	COP	
								1.006	7.506.026	COP	POS.BOGOT1
								274	2.248.637	COP	POS.BOGOT2
								505	2.372.216	COP	POS.BOGOT3
								22	376.100	COP	POS.BOGOT4
								2.057	29.288.023	COP	

- 1.- "Device ID" is not indicated: TIPS charged from SAP\_TMS for Hotels (i.e. TIPS from Front Office and/or M&E Departments)
- 2.- "Device ID" is indicated (i.e., POS.BOGOT1, POS.BOGOT2, etc): TIPS from POS tills

### 1.2.3. Settlement / reimbursement of the TIPS recorded in POS:

#### PROCESS TASKS

Follow the process tasks stated in point 1.1.3

#### PROCESS RESTRICTIONS – Mexico specific peculiarities

- Review and approval (points 1.1.2 and 1.2.2.): If additional approvals are required (i.e., Union Committee) it will be necessary to get these additional signatures on the printed TIPS report.
- Settlement and reimbursement (points 1.1.3): If Union Committee acts as a link between Hotel and employees and it is in charge of receiving the payment from hotel and subsequent distribution to employees, the Union Committee Head must sign the receipt as a proof of payment received. Likewise, Union Committee must submit to Hotel the *TIPS Distribution and Reimbursement\_period.xls* template with the individual payments done for every employee.

## 2. Mandatory TIPS and/or determined by law or custom and practices of the country

TIPS received in **cash**, by **credit card** or by **room charge** established by:

- Local legal regulations: A mandatory charge TIP must be recorded in the issued invoice (ticket)
- Custom and practices of the country: It is mandatory to add the received TIP in the issued invoice (ticket) if the customer gives his/her explicit consents.

### 2.1 TMS forHotels TIPS (special considerations):

#### KEY TASKS

1. Comply with mandatory TIPS policy in accordance with local regulations or collective agreement signed between Hotel and employees (also with regard to amounts and percentages to be applied).
2. Record TIPS manually and immediately once the charge which generate the TIP is loaded in SAP\_TMS forHotels (if mandatory TIPS are not automatically set in SAP). Indicate the department which is the recipient in the loaded charge description.
3. Responsible for loading the TIP charges in SAP\_TMS must assure that they are correct.
4. Some examples of mandatory TIPS to be manually loaded in SAP\_TMS (if they are not automatically set in SAP): **Laundry, M&E and minibar**

#### PROCESS TASKS

**Review, approval and settlement / reimbursement of the TIPS:** In accordance with points 1.1.2 and 1.1.3 respectively taking, into account the special considerations in this point 2.1.

### 2.2 TIPS in TMSfor POS (special considerations):

#### KEY TASKS

1. Comply with mandatory TIPS policy in accordance with local regulations or collective agreement signed between the Hotel and their employees (also with regard to amounts and percentages to be applied).
2. The POS till Responsible must ensure that the TIPS setting (if applicable) and the TIPS charged in TMS forPOS are properly loaded.

#### PROCESS TASKS

- **Review, approval and settlement / reimbursement of the TIPS:** In accordance with points 1.2.2 and 1.1.3 respectively taking, into account the special considerations in this point 2.2.

### 3. TIPS distribution among the employees

The distribution criteria of the TIPS among the departments and employees within the hotel must be established jointly by the employees and the Hotel Management, unless it is defined by local and labor legislation or by internal collective agreement.

#### KEY TASKS

1. In accordance with the **Policy of Transparency of NH Hotel Group**, the distribution criteria of the TIPS reimbursements must be public and known and it must be available if it is requested by any employee.
2. Hotel Manager must provide to any employee the distribution criteria of the TIPS collected by the Hotel.
3. The TIPS distribution criteria can be documented in the following template or any other that Hotel Manager or BU HHRR Department can consider appropriate. [TIPS distribution criteria among employees.xls](#)
4. File period of this template (or equivalent): See [Templates and File periods.xls](#) document.

## 4. Account impact in TIPS charge posting

**Responsible: BU Administration & Finance Department**

### OPEN POINT – ACCOUNT IMPACT IN TIPS CHARGE POSTING

How to account the received TIPS and their subsequent settlement / reimbursement are still pending to be defined in some countries:

- Received TIP: P&L (revenue) or liability account
- TIP reimbursement: P&L (640\* - Payroll expense) or liability account (counterparty)

Responsible for the resolution:

- Consolidation & Internal Control Department
- Tax & Finance Department

- a) In countries where TIPS is not considered a hotel revenue: Liability account **41400004 – C/A Employee:**

### KEY TASKS

1. The TIP charge is recorded in SAP\_FI as “Open Items” in a movement of the type “NK” when the invoice with TIPS included is issued. When TIP charge is loaded in SAP\_TMS for Hotels, two “NA” movements are generated and automatically cleared in 414000004 account.
2. As a general rule, the settlements will not match with the balance in the 414000004 account (for the reason given above)
3. The TIPS settlements will always be done by the reports issued in SAP\_TMS for Hotels.
4. The TIPS reimbursements done in cash by cheque, bank withdrawal or by individual bank transfer (separately from regular payroll payment) must be debited to the 414000004 sheet account.
5. The TIPS reimbursements done by payroll payment and posted in any 640 - Payroll P&L account must be reclassified to the 414000004 sheet account.
6. The compensations reimbursements to the Front Desk Staff due to special services provided (see point 3 in this procedure) must be considered as higher amount of the 640 – Payroll P&L account (they are not posted in 414000004 sheet account).
7. On a quarterly basis, the credit balances that have not been settled must be adjusted: At the adjustment date, the 414000000 account balance of three months ago must be zero. It means that if we are in June-17 closing we must adjust the credit balance in this sheet account to 31/03/17, and so on. Debit balances must not be adjusted and they must be analyzed.

- b) In countries where TIPS is considered a hotel revenue: P&L account **705XXXX – TIPS:**

### TAREAS CLAVE DEL PROCESO

1. As general rule, settlement amounts must match with the figures and the balance of the P&L account for each period (VAT differences must be taken into account when TIP service is subject to VAT).
2. The TIPS settlements will always be done by the reports issued in SAP\_TMS for Hotels.
3. The TIPS reimbursements will be done by payroll payment and posted in a 640 - Payroll P&L account.

## 5. Compensations for special services contracted with agencies / companies

**Definition:** Amounts (which are not considered as TIP) to be paid to employees due to the invoicing of a hotel service which is reflected and included into a commercial arrangement signed with an agency and/or Company.

The service provided by the hotel has an additional task or extra work for the employee not contemplated within her/his tasks and/or jobs functions (in accordance with local labour laws and regulations), if this service is not provided by the Hotel it will entail an extra cost for the Company and/or a loss of business with the customer who requires the service. For Example: "Porterage service".

### KEY TASKS

1. This type of compensations must be previously approved by BU HHRR Department. If they are not, these compensations shall under no circumstances be reimbursed.
2. The amount or the percentage of the service to be paid to the employees must be established by the Hotel Manager (unless such practice is regulated by the local labor legislation)

### PROCESS TASKS

1. The concept identifier to be used in SAP\_TMS forHotels must be **PORT–Maletero** (with IVA if applicable). If the type of the service included into a commercial arrangement is not "porterage", the charge description must be modified.
2. These compensations to be paid to the employee must be posted in the **64010000 EXTRA PAYROLL PROVISIONS** account.
3. Settlement / reimbursement considerations of these compensations:
  - The amounts to be reimbursed must be communicated to BU HHRR Department by the Hotel Manager.
  - The reimbursement must be done in accordance with the local tax and labor framework (normally, in the payroll payment).
  - If the compensation is paid in payroll payment, it will be necessary to ask the BU Payroll Department the payroll concept to be used.

### PROCESS RESTRICTIONS

1. These types of services or concepts must not be invoiced if they are not included into a commercial arrangement signed with an agency and/or company.
2. The amounts to be paid to the employees will under no circumstances be higher than the tax base of the charge to be invoiced to the customer (not including VAT).

## 6. Summary

Type of TIP	Collection: Credit / On - desk payment	Record	Special consideration in the record	Review / approval	Settlement frequency	Settlement / Reimburs. form	Special considerations
1.1 Voluntary TIPS in SAP_TMS4H: Reception and M&E	On-desk payment (credit card / room charge)	Manual TIPS	Modify the "descrip." field	According to the settlement frequency	At least, monthly	Cheque / Bank Transfer.	Exception for cheque / individual bank transfer: <b>Not applicable to TIPS subject to withholding tax at the time of reimbursement</b>
					According to payroll payment period.	Payroll	N/A
1.1.4 In TMS4H: M&E Area	Credit	Manual TIPS	Modify the "descrip." field	According to the settlement frequency	At least, monthly	Cheque / Bank Transfer.	This practice must be approved by the BU Administration and Operations Departments. Exception for cheque / individual bank transfer: <b>Not applicable to TIPS subject to withholding tax at the time of reimbursement</b>
					According to payroll payment period.	Payroll	
1.2 Voluntary TIPS in SAP_TMSforPOS Hotels which charge TIPS in room charges, or by credit cards and they must be recorded in the POS ticket	On-desk payment (credit card or room charge)	Manual TIPS	N/A	According to the settlement frequency	At least, monthly	Cheque / Transfer.	Exception for cheque / individual bank transfer: <b>Not applicable to TIPS subject to withholding tax at the time of reimbursement</b>
					According to payroll payment period.	Payroll	N/A
2.1 Mandatory TIPS in SAP_TMSforHotels	Credit / On – desk payment	Manual or automatic TIPS	According to local legal regulations or internal agreement	According to the settlement frequency	According to local legal regulations (at least, monthly)	Cheque / Bank Transfer. Payroll	Make a manual split if different departments are TIPS recipients
2.2 Mandatory TIPS in SAP_TMSforPOS	Credit / On – desk payment	TIPS	Automatic charge	According to the settlement frequency	According to local legal regulations (at least, monthly)	Cheque / Bank Transfer. Payroll	Exception for cheque / individual bank transfer: <b>Not applicable to TIPS subject to withholding tax at the time of reimbursement</b>
5. Compensations for special services contracted with agencies / companies (porterage TIPS, etc)	On – desk payments / Credit	Revenue concept: "Port"	Use the concept with or without VAT as applicable	According to the settlement frequency	According to payroll payment period.	Payroll ( or according to local legislation)	Compensations for special services must not be invoiced if they are not included into a commercial arrangement signed with an agency and/or company

## 7. Related documents

### Templates:

- [TIPS Distribution and Reimbursement period.xls](#)
- [TIPS distribution criteria among employees.xls](#)

(Note: These templates can be internally adapted by each country / BU according to established criteria for TIPS distribution and reimbursement)

### Others:

- [SAP-TMS SAP-MM Templates and File Periods](#)
- [TMS forPOS FOH Manual](#)