

General Procure to Pay Process

Business Processes - Operations

MINOR
HOTELS

ANANTARA
HOTELS • RESORTS • SPAS

AVANI
Hotels & Resorts

elewana
COLLECTION

OAKS
HOTELS • RESORTS • SUITES

nh
HOTELS

nh COLLECTION
HOTELS

nhow
HOTELS

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HOTELS & RESORTS

INTRODUCTION

What?

This document is a summary of the NH Hotel Group's policies and procedures for Procure To Pay Process. Listed are the key facts of our processes, policies, rules, etc.

Why?

The main objectives of having common standards and procedures are:

- ✓ One Company approach
- ✓ Enhance Quality
- ✓ Transparency
- ✓ Clear guidelines

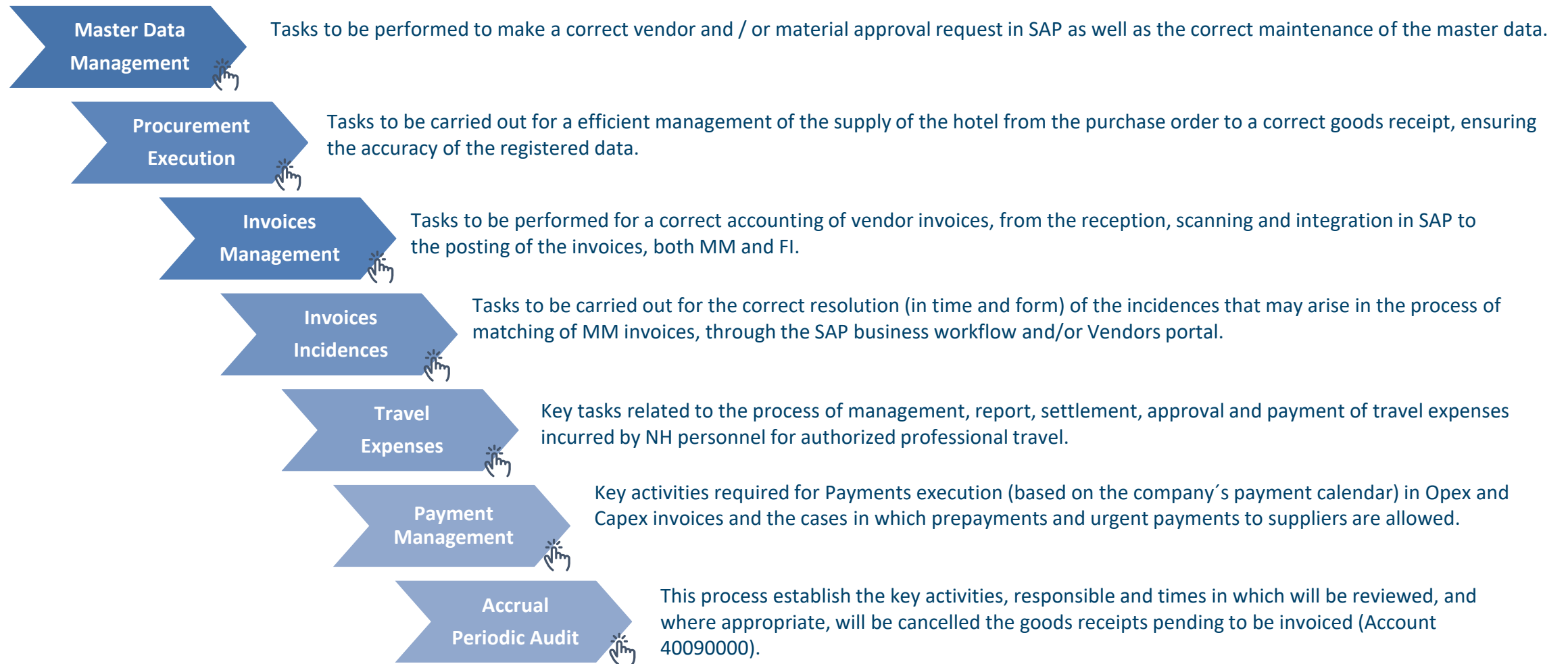
Who?

All people involved in the Procure To Pay Process in all Hotels and Central Services of all Business Units.

Where?

This document and all the related processes are available in the Business Processes section of our Digital Knowledge Workplace:
www.nhorganization.com

PROCESS OVERVIEW



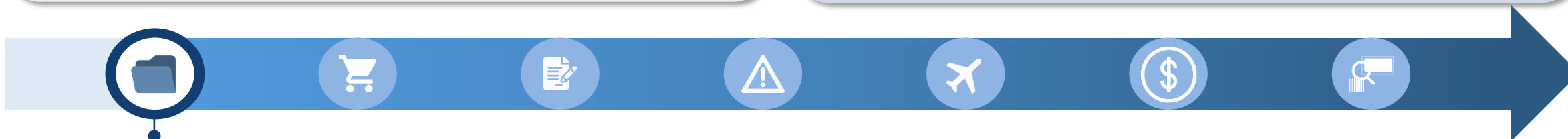
	KEY TASK	RESPONSIBLE	FREQUENCY	TOOL
P 1	Before performing a purchase or hiring a service, the supplier must be created in SAP, thus the user has to apply for registration of the supplier in the system prior to that purchase or hiring, without exception. As long as there is a nominated option for the supply of equal or similar goods or services, the purchase order must be placed to the nominated supplier.	User Hotel / CS / HQ All Departments	4 days to create the Vendor	Transaction SAP: "/CCSHT/MM_PROVE_REQU"
	It is mandatory to send a copy, to the Master Data Manager of the BU, of an official document showing the NIF / VAT number of the supplier, and his / her full bank account number (Bank Certificate), preferably in the IBAN format.	User Hotel / CS / HQ All Departments		Transaction SAP: "/CCSHT/MM_PROVE_REQU"
	The user must indicate in detail the reason for requesting the supplier's registration, justifying why not use one of the nominated suppliers that already exist in the system.	User Hotel / CS / HQ All Departments		Transaction SAP: "/CCSHT/MM_PROVE_REQU"
P 3	The maintenance of the SAP Material Master Data is everyone's responsibility and the user must therefore previously check whether the material already exists in SAP in order to avoid possible errors and duplications.	User Hotel / CS / HQ All Departments	When the user enter the request	Transaction SAP: "/CCSHT/MM_PROVE_REQU"
	For non-inventory materials, always consult the document Category tree and generic items available on the intranet. These materials must not be created as specific materials, except when the MDM in the BU considers they should be created.	User Hotel / CS / HQ All Departments	When the user enter the request	Category Tree And Generic Items
	The user must obtain from the supplier all the necessary information related to the material (description, base measure unit, vendor material reference, order unit, tax code, price ...) if possible in writing, for a correctly introduction of the data in the request.	User Hotel / CS / HQ All Departments	When the user enter the request	Transaction SAP: "/CCSHT/MM_PROVE_REQU"

PROCESSES (P) / POLICIES (POL) / MANUALS & GUIDES (M&G):

- P1.- Vendor Creation And Approval Request
- P2.- Vendors Master Data Maintenance
- P3.- Material Creation And Approval Request
- POL.- NH Hotel Group Procurement Policy
- M&G.- Category Tree and Generic Items
- M&G.- List Of Suppliers With Electronic Invoicing With Date

KPI: COMPLIANCE RATIO

- 1.Objective:** To increase the ratio of purchases performed to nominated suppliers provided by COPERAMA.
- 2.Rating:** Valuable.
- 3.Definition:** Total amount of purchases performed to nominated suppliers compared with total amount of purchases.
- 4. Data Source:** SAP MM & SAP FI.
- 5. Owner:** COPERAMA.
- 6.How & When:** TP Office prepare and distribute a report with the results of the month and detailed information.
- 7.Target:** 20% improvement of the gap (100%) compared with closing 17.



MASTER DATA MANAGEMENT

	KEY TASK	RESPONSIBLE	FREQUENCY	TOOL
P1	The Purchase order must always be performed and sent to the supplier, before receiving the product or service, since the supplier must include the NH purchase order number in his invoice (Exception: Fruit and vegetables in Spain and Germany as well as some operational expenses as Laundry, etc.).	User Hotel / CS / HQ All Departments	N/A	Transaction SAP: "/CCSHT/PO_ASSISTANT"
	The correct choice of material and warehouse in a purchase order is key because the material determines the account and the warehouse determines the cost center. The user can see the materials and warehouses allowed per category in the document Category Tree & Generic Items .	User Hotel / CS / HQ All Departments	When the user enter the request	Category Tree And Generic Items
	Optimal provisioning management implies an optimal forecast of needs: The user has to reduce to the maximum possible number of orders (daily, weekly or monthly) to the supplier, maintaining an adequate level of supply, avoiding the repetition of several orders to the same supplier in the same day and unifying the needs of all departments in a single order.	User Hotel / CS / HQ All Departments	When the user enter the request	Transaction SAP: "/CCSHT/PO_ASSISTANT"
P2	The capex purchase order is created based on the budget and investment order. It will be possible to create several capex purchase orders related to the same investment order as long as it does not exceed the budget.	User/s who create/s Capex P.O.	When the user enter the request	Transaction SAP: /CCSHT/ZCAPEX_ASSISTANT
P3	The user must enter the delivery notes every day and not accumulate all documents by the end of the week or by the end of the month, because this delay will cause many incidences due to Packing slip missing.	User Hotel / CS / HQ All Departments	When the goods are received	Transaction SAP: "/CCSHT/IM_ASSISTANT"
	The user has to perform the goods receipt in SAP, checking one by one the quantities that he enters. The requested quantities must be modified if the quantity delivered by the supplier is different than the requested.	User Hotel / CS / HQ All Departments	When the goods are received	Transaction SAP: "/CCSHT/IM_ASSISTANT"

PROCESSES (P) / POLICIES (POL) / MANUALS & GUIDES (M&G):

- P1.- Opex Purchase Orders Management
 - P2.- Capex Purchase Orders Management
 - P3.- Goods and Services Receipt Management
- M&G.- Best Practices: Prepaid Maintenance Contracts
 - M&G.- Best Practices: Purchase Orders Templates
 - M&G.- Best Practices Invoice Registration Processes



PROCUREMENT EXECUTION



MASTER DATA MANAGEMENT

	KEY TASK	RESPONSIBLE	FREQUENCY	TOOL
P 1	Supplier invoices are directly received in the PO BOX assigned to each legal entity (see exceptions and particular cases in the process). Received invoices will be scanned and recorded in a internal file, with the invoices received via e-mail. Depending on the vendor's industry code it is determined whether an invoice is FI, MM or FI/MM.	Accenture Shared Services Center	Daily	N/A
	Every night (CET) the batch of indexed invoices and integrated by scanning center during that day will move to SAP as "parked" documents at header level, impacting on the account of each supplier and with all the information required by SAP.	Accenture Shared Services Center	Daily	SAP Business Workplace
P 2	SSC User posts the FI invoice in SAP. Invoices are posted blocked for payment. A payment approval workflow of such invoices will triggered that will vary depending on their nature and amount, and that will be determined by the human resources hierarchy defined in the system.	Accenture Shared Services Center	Daily	Transaction SAP: FBVO or F-44
	The approver will receive the request of payment release only through his / her SAP business workplace: If the invoice is correct, the payment will be released: If the invoice is incorrect, it is rejected. If credit memo is needed, the responsible of purchase will be the responsible to request it to the vendor.	Approvers defined by NH	Daily	SAP Business Workplace
P 3	The SSC operator retrieves the MM documents. Each field needs to be reviewed and validated. The PO number should be validated first before posting the invoice.	Accenture Shared Services Center	Daily	Transaction SAP: MIRO
	The SSC user has to review that the line items of the invoice matches with the available materials in the PO and the goods receipt. If the line items and goods receipt matches with the invoice, the user can continue with posting. If not it is triggered an invoice incidence workflow in SAP that the NH user has to solve.	Accenture Shared Services Center	Daily	Transaction SAP: MIRO

PROCESSES (P) / POLICIES (POL) / MANUALS & GUIDES (M&G):

- P1.- Reception, Scanning and Integration of Invoices in EDM and SAP.
- P2.- Non PO (FI) Invoice Registration.
- P3.- PO (MM) Invoice Matching.
- P4.- Capex Invoices Registration.
- M&G.- SAP WF FI Invoices Approval
- M&G.- Report of the WF Approval of FI Invoices

PROCUREMENT EXECUTION



	KEY TASK	RESPONSIBLE	FREQUENCY	TOOL
P 1	The system detects that this PO has not the corresponding GR (totally or partially) done in SAP. This will trigger a workflow in SAP. The NH user receives a notification of incidence in his/her SAP business workplace. The NH user will review the incidence and will check whether the good(s) was / were really received or not. When the incidence is solved, the invoice is posted and the workflow ends.	Accenture Shared Services Center / NH User	Daily	SAP Business Workplace
P 2	The system detects that the PO number indicated in the invoice has been totally used to post another invoice. This will trigger a workflow in SAP. The NH user receives a notification of incidence in his/her SAP business workplace. The NH user will review the incidence and will check whether the good(s) was / were really received or not. When the incidence is solved, the invoice is posted and the workflow ends.	Accenture Shared Services Center / NH User	Daily	SAP Business Workplace
P 3	The system detects that the invoice shows one or more items not included in the PO created in SAP. This will trigger a workflow in SAP. The NH user receives a notification of incidence in his/her SAP business workplace. The NH user will review the incidence and will check the reason of this incidence. When the incidence is solved, the invoice is posted and the workflow ends.	Accenture Shared Services Center / NH User	Daily	SAP Business Workplace
P 4	The invoice is posted. The quantity invoiced by the supplier, exceeds the one received in the PO in SAP. This will trigger a workflow in SAP. The NH user receives a notification of incidence in his/her SAP business workplace. The NH user will review the incidence and will check if it is a quantity incidence or not and if the quantity invoiced is correct or not. When the incidence is solved, the invoice is released for payment.	Accenture Shared Services Center / NH User	Daily	SAP Business Workplace
P 5	The invoice is posted. The price invoiced by the supplier, exceeds the price indicated in the PO in SAP. This will trigger a workflow in SAP. The NH user receives a notification of incidence in his/her SAP business workplace. The NH user will review the incidence and will check if it is a price incidence or not and if the price invoiced is correct or not. When the incidence is solved, the invoice is released for payment.	Accenture Shared Services Center / Nh User	Daily	SAP Business Workplace

PROCESSES (P) / POLICIES (POL) / MANUALS & GUIDES (M&G):

- P1.- PO (MM) Invoice Matching - Packing Slip Missing
- P2.- PO (MM) Invoice Matching – PO Line Missing
- P3.- PO (MM) Invoice Matching – PO Consumed.
- P4.- PO (MM) Invoice Matching – Quantity Incidence
- P5.- PO (MM) Invoice Matching – Price Incidence
- M&G.- Incidence Resolution Guide

KPI: MONTHLY PROCUREMENT ISSUES

1.Objective: To measure the percentage of MM invoices parked or blocked for payment, pending to be solved or managed by NH user.

2.Definition: Detractable.

3.Definition: Number of incidences closed and not attributable to vendors (no credit memo requested) as well as all the open/non treated incidences.

4.Data Source: SAP MM & SAP FI

5.Owner: Procure To Pay – Administration.

6.How & When: TP Office prepare and distribute a report in the beginning of each month.

7.Target: 5%.



P 1	KEY TASK	RESPONSIBLE	FREQUENCY	TOOL
	Employees with nominative SAP User: 1.- The employee will create the trip expense report through the TRIP transaction in SAP. 2.- Once the report of travel expenses has been recorded, the system will automatically initiate the approval workflow. 3.- The employee's responsible receives the TE report in his SAP Business Workplace and will validate each and every one of the liquidated travel expenses. 4.- If the TRIP is not correct, the employee's responsible reject TRIP and return to employee for correction. 5.- If the TRIP is correct, the employee's responsible approve TRIP.	Employee / Employee's Responsible	N/A	SAP Transaction TRIP / SAP Business WorkPlace
	6.- SSC T&E will review that the report is correct, the required information is enough and the expenses, matches with the supporting receipts attached. 7.- If the TRIP is not correct, SSC T&E escalates the trip to employee for correction. 8.- If the TRIP is correct, SSC T&E proceeds with the settlement, processing, posting and payment of the trip.	SSC T&E	On a Daily Basis	Transaction SAP: PREC / PRFI / PRRW
	Employees without nominative SAP User: 1.- The employee will create the trip expense report using the T&E Template. 2.- The employee has to send the template to SSC T&E. The email must be sent to: TE_NH@digitalsharedservices.com . 3.- SSC T&E will review that the report is correct, the required information is enough and the expenses, matches with the supporting receipts attached. 4.- If the TRIP is not correct, SSC T&E escalates the report to employee for correction. 5.- If the TRIP is correct, the process continues. 6.- SSC T&E proceeds with the posting of the travel expense report as FI invoice. 7.- The employee's responsible will receive the request of payment release only through his / her SAP business workplace.	Employee / Employee's Responsible / SSC T&E	On a Daily Basis	T&E Template / SAP Business Work lace

POLICIES (POL) / TEMPLATES (TP) / MANUALS AND GUIDES (M&G):

- [POL.- Travel Expenses Policy](#)
- [TP.- Travel Request](#)
- [M&G.- Travel Expenses](#)



	KEY TASK	RESPONSIBLE	FREQUENCY	TOOL
P 1	Standard payments include all corresponding disbursements to an invoice received and accounted in SAP. As per company policy, these payments must be executed based on the company's payment calendar. This payment calendar is common to the entire company.	BU/AP Department / BU Treasury Dep. / SSC	N/A	N/A
	Direct Debit are only allowed in the following cases: Taxes and Utilities (water, electricity, gas, fuel and telecom). Direct debits are not allowed for the rest of suppliers or expenses.	BU/AP Department / BU Treasury Dep. / SSC	N/A	N/A
P 3	Supplier Prepayments are only allowed in cases were it is impossible to get the invoice before the payment is done: Commercial fairs, Courses, Fundraising and Fiscal Printers and Cash Registers (Only in Romania and Hungary).	Requester / A&F Dep./ SSC	N/A	Payment Request Template / SAP
	The mandatory requirements to request a Supplier Prepayment are: 1.- Vendor created in SAP. Purchase Order created and Goods Receipt done in SAP. 2.- Existence of Proforma Invoice / approved Quote. 3.- Approval of Hotel / Area Director and BU F&A Director.	Requester / A&F Dep./ SSC	N/A	Payment Request Template / SAP
	Urgent payments are only allowed in the following cases: Suppliers that may charge penalties or interest, Suppliers that imply threat of shut down of service and The invoice is due within 7 days and the supplier provides services related to: Taxes, Rents, Legal Services and Utilities (water, electricity, gas, telecom). The mandatory requirements to request an Urgent payment are: 1.- Vendor created in SAP. Purchase Order created and Goods Receipt done in SAP. 2.- Correct and complete invoice available. 3.- Approval of Hotel / Area Director and BU F&A Director.	Requester / A&F Dep./ SSC	N/A	Payment Request Template / SAP

PROCESSES (P) / POLICIES (POL) / TEMPLATES (TP):

- P1.- Payment Management: Standard Payments And Direct Debit
- P2.- Payment Management: Supplier Prepayments And Urgent Payments
- TP.- Urgent Payment Request Template

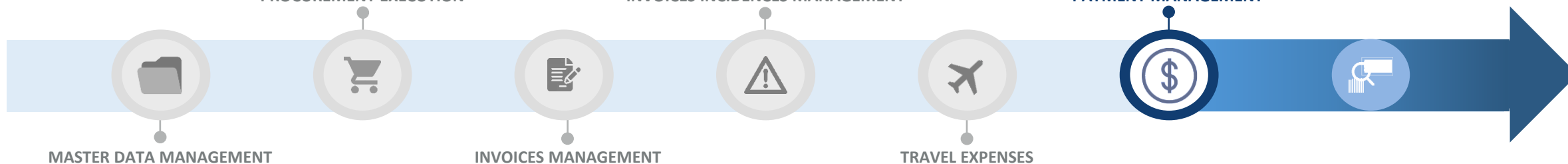
KPI: PAID OUTS?

- 1.Objective:** To measure de compliance Hotel Cash Handling.
- 2.Rating:** Valuable.
- 3.Definition:** Total amount of Paid Outs registered in SAP TMS over external expenses.
- 4.Data Source:** SAP MM & SAP FI.
- 5.Owner:** Treasury and Operations.
- 6.How & When:** TP Office prepare and distribute a report with the results of the month.
- 7.Target:** 2% for H1 and 1,5% for H2.

PROCUREMENT EXECUTION

INVOICES INCIDENTS MANAGEMENT

PAYMENT MANAGEMENT



MASTER DATA MANAGEMENT

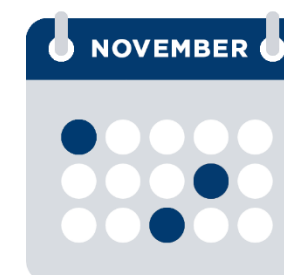
INVOICES MANAGEMENT

TRAVEL EXPENSES

P 1	KEY TASK	RESPONSIBLE	FREQUENCY	TOOL
	On a monthly basis, the hotel or purchasing managers in CS and HQ will review all purchase orders pending to be invoiced (total or partially). Those goods receipts that can be cancelled, either because an error is detected, duplicity or because you are sure that you will not receive the invoice, will be cancelled following the usual process of return of goods receipt.	Users MM in Hotel / CS / HQ	Monthly	SAP Transaction:/ CCSHT/IM_ASSISTANT /07 Return Delivery
	Every 6 months, the Administration Department of the BUs shall obtain and send to the Purchasing Department of the BU the list of purchase orders with goods receipt pending to be invoiced (total or partially) older than 6 months (according to the date of goods receipt) for review and analysis.	BU Administration Department	Biannual (May and November)	SAP Report: FBL3N
	The PtP Department will review the list (Only nominated vendors) in order to determine whether any of the goods receipts older than 6 months should not be returned. The PtP Department will send the list to the key users in order to validate with Hotels the GRs that can be deleted. Once reviewed, PtP Department will send to Administration Department the final report with the POs with incorrect GR because none invoice will be received.	Procure to Pay Department / Key Users / Users MM	Biannual (May and November)	E-mail
	With the information provided by PtP the BU Administration Department examines the list of GRs pending to be invoiced older than 6 months, proceeding to its cancelation those indicated by the PtP Department with MR11 transaction SAP. Moreover, all GR pending to be invoiced older than 2 years will be deleted regardless of being included in the final report sent by the PtP Department (Except nominated vendors indicated by PtP Department).	BU Administration Department	Biannual (May and November)	SAP Transaction: MR11

PROCESSES (P) / POLICIES (POL) / TEMPLATES (TP):

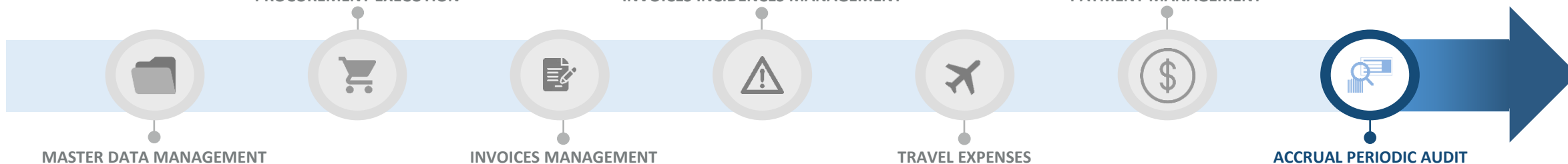
- [P1.- MM Accrual Periodic Audit](#)
- [M&G.- Transaction MR11. User Guide](#)
- [M&G.- Procurement Accrual Periodic Audit and Control](#)
- [M&G.- Report ZMR11. User Guide](#)



PROCUREMENT EXECUTION

INVOICES INCIDENTS MANAGEMENT

PAYMENT MANAGEMENT





All these documents are available in the *Business Processes* section on the **NH Digital Knowledge Workplace**: www.organization.com

Document control

PROCESS: General Procure To Pay Process	
SUBPROCESS:	
PROCESS OWNER: Chief Operations Officer	PROCESS LEADER: Senior VP Operations

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