Process: Procurement Execution

Subprocess: Opex Purchase Orders Management

Process Owner: SVP Administration   **Process Leader: SVP Administration**

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Date	
Last modification date	
Document version	

NH Approvals

Name	Function	Date	Comments
SVP Administration	Process Owner		
SVP Administration	Process Leader		

Modification History

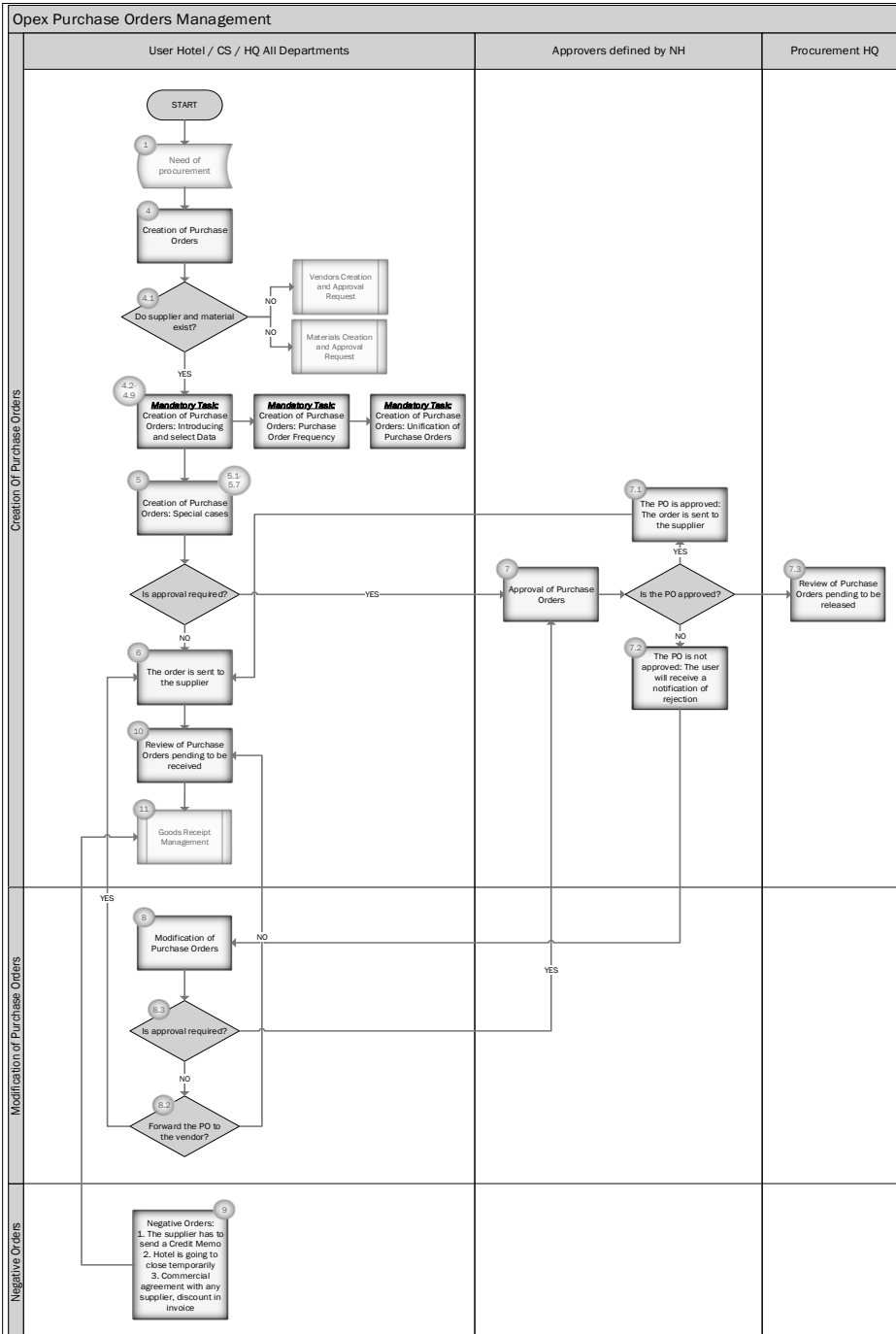| Document Version	Date	Modified by	Comments
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Opex Purchase Orders Management

User Hotel / CS / HQ All Departments	Approvers defined by NH	Procurement HQ

Creation Of Purchase Orders

START

1 — Need of procurement

4 — Creation of Purchase Orders

4.1 — Do supplier and material exist?
- NO → Vendors Creation and Approval Request
- NO → Materials Creation and Approval Request
- YES ↓

4.2 / 4.9 — **Mandatory Task:** Creation of Purchase Orders: Introducing and select Data | **Mandatory Task:** Creation of Purchase Orders: Purchase Order Frequency | **Mandatory Task:** Creation of Purchase Orders: Unification of Purchase Orders

5 / 5.1 5.7 — Creation of Purchase Orders: Special cases

Is approval required?
- YES → 7 — Approval of Purchase Orders
- NO ↓

7 — Approval of Purchase Orders → Is the PO approved?
- YES → 7.1 — The PO is approved: The order is sent to the supplier
- NO → 7.2 — The PO is not approved: The user will receive a notification of rejection

7.1 — The PO is approved: The order is sent to the supplier → 7.3 — Review of Purchase Orders pending to be released

6 — The order is sent to the supplier

10 — Review of Purchase Orders pending to be received

11 — Goods Receipt Management

Modification of Purchase Orders

8 — Modification of Purchase Orders
- NO

8.3 — Is approval required?
- YES
- NO ↓

8.2 — Forward the PO to the vendor?
- YES

Negative Orders

9 — Negative Orders:
1. The supplier has to send a Credit Memo
2. Hotel is going to close temporarily
3. Commercial agreement with any supplier, discount in invoice

Shape	Name	Description
	Task	Represents a manual activity of the process.
	Automatic Task	Represents an automatic activity of the process.
→	Flow direction	Input or output of the task or decision.
Internal Audit Control	Internal Audit Control	Controls defined by NH Internal Audit
	Systems	Applicatio or Tool.
	Start/End	Indicates the beginning or the end of a process.
	Manual Process	Manual Business process composed of tasks, decisions, flow directions, documents and measured on a time
	Decision point	It is originated after one task and it generates two or another decision.
	Report or document	It is a physical or electronic file used as input or output of a task.
SAP ERP	Notifications	External/Internal Notifications.

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Order	Task	Task Description	When	Responsible	Frecuency	Tools
0	Opex Purchase Orders Management	This process is related **only** with OPEX Purchases. For CAPEX purchases, please see the *Capex Purchase Orders Management Process* .	N/A	N/A	N/A	[Capex Purchase Orders Management](#)
1	Need of procurement	When arises a need of procurement in a hotel/BU/HQ Department and it is necessary to request a merchandise or service to a supplier, the user has to place a Purchase Order in SAP. The aim of this procedure is to regulate the Procurement process in the BU´s, ensuring the proper authorization and registration in the system in the period in which the expense is incurred, all in an environment that ensures the efficiency of one of the most basic processes of the Company	When the need arises	Hotel /BU / HQ Users	When the need arises	SAP MM
2	Expenses that are not introduced by Purchase order (Exceptions)	All the expenses must to have a Purchase Order in SAP, except the following ones that are posted directly by FI: - Community expenses - Hotels rents - Supplies (Water, electricity, phone and mobile, fax and gasoil). Storable supplies orders shall be created in MM. - Packaging materials - Data and Wi-Fi service lines - Radio and pay-tv licenses - Courier services - Insurance - Financial expenses and local taxes - Lawsuit expense - Travel expenses (train, plane tickets, etc.) - Employee lunch vouchers - Other employee expenses - Commissions (of rooms sales) and rappels - ISO sales & expenses - Intercompany charges - Car leasing & rents and fuel cost - Garbage	When the need arises	BU FI / HQ FI / SSC	When the need arises	SAP FI
3	Responsible of the creation of purchase orders	The Hotel General Manager will be responsible for assigning the person/s in charge of placing the Purchase Order, depending on the structure of the hotel. **If the hotel has a Storekeeper / Inventory Manager, he or she will be responsible for processing all of his/her center´s purchase orders.** The Area Responsible for the BU or HQ will be responsible for assigning the person/s in charge of placing the Purchase Orders.	N/A	Hotel General Manager / Area Responsible for BU or HQ /	N/A	N/A
3.1	Creation of Purchase Orders and Goods receipts by General Managers: **Exception Criteria**	**As a general rule, General Managers are not allowed to place purchase orders, as they are responsible of approvals.** Only in case of **exceptions, authorized by Operations Department,** GM's will be authorized for placing orders. The **exceptions** will only be authorized to centers that meet one of these **two criteria**: - **Hotel's size and structure:** General Managers will be allowed to place orders only in those small centers with lack of specialized staff to place complex orders as maintenance, security, outsourcing, etc. - **Openings:** As the General Manager is the main resource assigned to further openings, these hotels will be considered as an exception but the permissions will have to be reviewed 3 months after the opening, in order to define if the center meets the previous criteria.	N/A	Hotel General Manager / Operations Department	N/A	N/A
3,2	Creation of Purchase Orders and Goods receipts by General Managers: **Request for inclusion in the Exceptions list**	In case that a center has to be added to the exceptions list, it has to be requested with a JIRA ticket by the Regional Operations Director, being this one the responsible of validating these two main restrictions.	N/A	Regional Operations Director	N/A	N/A

3.3	Creation of Purchase Orders and Goods receipts by General Managers: **Annual review of the Exceptions list**	**Operations Department** will **review annually** the Exceptions list to analyze if this center continues to **meet the exception criteria and therefore must remain on the list or can be excluded** from the list of exceptions and to **withdraw the General Manager´s permissions** to place orders in the system.	Once a year	Hotel General Manager / Operations Department	Annually	N/A
4	**Mandatory Task: Creation of Purchase Orders**	**_Mandatory Task:_** **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). For this, it is necessary that the supplier and the related materials have been previously created in SAP. In case that the supplier or material does not exist in the system, the user has to request it through SAP.	When the need arises	Hotel /BU / HQ Users	N/A	PRO_Vendor Creation and Approval Request PRO_Material Creation and Approval Request
4.1	**Mandatory Task: Creation of Purchase Orders: Mandatory purchase to Nominated Supplier**	**_Mandatory Task:_** Nominated supplier: A supplier with an agreement with the Procurement Department must always be the first choice because this supplier meets the requirements of quality and service standards defined by Corporate Procurement Policy: _"As long as there is a nominated option for the supply of equal or similar goods or services, the purchase must be placed to the nominated supplier. In the case of lack of knowledge of nominated suppliers for a certain good or service, the requesting department must contact the Procurement Department. The unawareness of this information will not exempt the compliance of this rule"_	When the need arises	Hotel /BU / HQ Users	N/A	NH Hotel Group Procurement Policy PRO_Vendor Creation and Approval Request
4.2	Creation of Purchase Orders: Date, Delivery Date, plant and warehouse.	The purchase orders have to be created through the transaction "_/CCSHT/PO_ASSISTANT - Order Entry Assistant_ ". In a first step, the user has to introduce the date of creation of purchase order (current date) and the delivery date. Subsequently, has to introduce the plant and the warehouse.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant SAP-MM_Category tree & generic items
4.3	**Mandatory Task: Creation of Purchase Orders: Selection of Warehouse**	**_Mandatory Task:_** The correct choice of warehouse is very important because the warehouse determines automatically the cost center. Operations Control has implemented some validations in the Order Entry Assistant, in order to avoid some purchases in the wrong warehouses. The user can see the warehouses allowed per category in the document "_SAP-MM_Category tree & generic items_ ". It should not be done more than one daily purchase order to the same supplier, for the same warehouse.	When the need arises	Hotel /BU / HQ Users	When the need arises	SAP-MM_Category tree & generic items
4.4	**Mandatory Task: Creation of Purchase Orders: Purchase Orders Frequency**	**_Mandatory task:_** **Purchase orders must be made to the supplier based on an efficient and effective frequency**, which allows reducing the administrative burden of the center, avoiding extra logistics costs, reducing the number of invoices to be registered by the SSC and optimizing inventories. Optimal provisioning management implies an optimal forecast of needs. This implies that **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 (see task 4.5).	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
4.5	**Mandatory Task: Creation of Purchase Orders: Unification of Purchase Orders**	**_Mandatory task:_** In order to reduce the number of invoices to be accounted for by the SSC, **purchase orders corresponding to groups of items that, by their nature, are likely to be requested by more than one department of a hotel to a same provider must be unified in only one**. In this way from the center, **a single purchase order will be sent to the supplier** that will include the needs of all the departments.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant

4.5.1	**Mandatory Task: Creation of Purchase Orders: Unification of Purchase Orders: Responsibles**	**Mandatory Task:** The hotel manager will designate **a user responsible for coordinating the communication and compiling the needs of all departments in order to place a single order in the system.** This user will also be responsible for **registering the goods receipt and the necessary transfers in the system**, once the order has been received and verified that it is correct (See task 4.5.2).	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
4.5.2	**Mandatory Task: Creation of Purchase Orders: Unification of Purchase Orders: Delimitation of materials in SAP**	SAP allows you to place an order for several warehouses but does not allow you to break down the same material into several warehouses in the same purchase order, so in this case you must enter the total amount necessary in a single material and warehouse. Once the order has been received, the goods receipt must be registered and finally the transfer to the corresponding warehouses must be done.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
4.6	Creation of Purchase Orders. Select the supplier.	In a second step, the user can select one supplier or create several purchase orders for several suppliers.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
4.7	Creation of Purchase Orders. Select Material/s and price.	The user has to select the materials that he/she needs. If the user has selected materials for more than one supplier, SAP automatically creates several purchase orders (one per supplier). The user only has to introduce the quantity for the nominated suppliers as prices are fixed, and quantity plus price if the vendor is a non-nominated vendor.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
4.8	**Best Practice: Creation of Purchase Orders: Quantities and price**	**Best Practice:** It´s very important to enter the quantities correctly, paying attention to the unit of measurement of the material. If the material is related to a nominated supplier, the price is loaded in the system. If the material is related to a non-nominated supplier, the price has to be introduced manually. The user must verify that the entered price he enter is correct. To do so, the user must obtain written confirmation from the supplier and keep it until the corresponding invoice arrives as a backup in case of price incidences.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
4.9	**Best Practice: Editable materials.**	**Best Practice:** Editable materials: In those purchase order positions where the standard description of the material is insufficient for a subsequent analysis of the income statement (and if this material belongs to a category of editable materials) the user will modify the literal to correctly report about the purchase being made or the service being hired. **For purchase orders for matching vendors:** it's possible to introduce several lines with the same material, whenever the user changes the text of the material. **For Portal or EDI Suppliers:** is not possible to create several lines with the same material. Please check the categories of editable materials in the document "*SAP MM - Category Tree and Generic Items* " (Column AO). Please, see the main differences between Paper (matching), Web and EDI orders in Annex 3.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant SAP-MM_Category tree & generic items
5	Creation of Purchase Orders. Special cases.	The user will introduce a purchase order in advance for all needs regarding products or services, taking into account the following special situations (See Tasks 5.1-5.6).	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
5.1	Creation of Purchase Orders. Special case: Fruit and vegetables (Spain and Germany)	Fruit and Vegetables (Spain and Germany): Enter one consolidated order per month (every 28th in Spain or 26th-28th in Germany depending of the supplier) summarizing all the deliveries of the month, detailed per material and with the average price of the month according to the vendor's pro forma invoice.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
5.2	Creation of Purchase Orders. Special case: Maintenance Expenses (Repairs)	Maintenance Expenses (Repairs): This type of expenses will be registered anytime that a service is required and it will use a generic material (the user must check the detailed information about generic items in the document "*SAP-MM_Category tree & generic items* ").	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant SAP-MM_Category tree & generic items

5.3	**Best Practice: Creation of Purchase Orders. Special case: Maintenance Expenses (Repairs)**	**_Best Practice:_** In quantity field enter 1 unit and in Price field enter the amount of the service. Once the user knows exactly the amount of the repairs, it is possible to modify the amount in the order. (Depending if the vendor is Matching vendor, Portal vendor or EDI vendor. Please see task 8). Please, see the main differences between Paper (matching), Web and EDI orders in Annex 3.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
5.4	**Best Practice: Creation of Purchase Orders. Especial Case: Maintenance Expenses (Repairs). Quote request**	**_Best Practice:_** The user must ask the supplier for a repair quote in writing. In this way, the user will be enter the purchase order with the correct amount and subsequent modifications to the purchase order and / or goods receipt will be avoided, as well as possible invoice incidences.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
5.5	Creation of Purchase Orders. Special case: Recurrent Expenses	Recurrent Expenses: Regardless of the type of supplier (Paper, Portal or EDI) the user will enter one purchase order per expense or what is the same, one purchase order and one goods receipt for each of the invoices issued by the supplier.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
5.6	Creation of Purchase Orders. Special case: Periodical Maintenance Contracts	Periodical Maintenance Contracts: For Periodical Maintenance Contracts, please see Annex 1.	When the need arises	Hotel /BU / HQ Users	When the need arises	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
5.7	**Best Practice: Purchase Orders Templates**	**_Best Practice:_** SAP allows the creation of purchase order templates, which can be very useful for the user. For orders in which the user requests the same materials from the supplier, it is advisable to create templates that will be retrieved every time it is necessary to create an order and at that moment, the user only has to modify the quantities.	N/A	Hotel /BU / HQ Users	N/A	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant - Save Template / Use Template
6	Purchase orders that don't need approval: sending the order to the supplier	If the purchase order, by its nature and amount, don´t need approval, is directly sent to the vendor: **For Portal / EDI Vendors:** The supplier will receive the order through the portal or directly in his/her ERP (only if the supplier is totally integrated: EDI) and the PDF order by email. **For Matching Vendors:** The supplier will receive the PDF order via email. Please, see the main differences between Paper (matching), Web and EDI orders in Annex 3.	When the PO has been saved	Automatically	N/A	e-mail / B2B portal
7	Approval of purchase orders	Once the purchase order has been created in SAP, depending on their nature and amount, the system may trigger an approval workflow whose approvers will be determined by the human resources hierarchy defined in the system (See Annex 2). The mandatory deadline to approve or reject it, will be of maximum 2 working days, always taking into account that all expenses must be registered in the period where they have been generated.	When the PO has been saved	Approvers defined by NH	N/A	Sap Business WF
7.1	The PO is approved	Once the order is approved, NH has two different processing order types: **For Portal / EDI Vendors:** The supplier will receive the order through the portal or directly in his/her ERP (only if the supplier is totally integrated: EDI) and the PDF order by email. **For Matching Vendors:** The supplier will receive the PDF order via email. Please, see the main differences between Paper (matching), Web and EDI orders in Annex 3.	When the PO has been saved	Approvers defined by NH	N/A	Sap Business WF / NH Suppliers B2B Portal / e-mail
7.2	The PO is not approved	If the order is not approved, the user will receive a notification that the order has been rejected.	When the PO has been saved	Approvers defined by NH	N/A	Sap Business WF
7.3	Review of Purchase orders pending to be released.	On a biweekly basis, in the Weekly News communication, the purchasing department, checks and sends to the end users a report in which indicates the purchase orders pending to be released and the approvers who must release these Purchase order.	Biweekly	Procurement Department HQ	Biweekly	Transaction SAP ZWF_MM_PO_LOG

8	Modification of Purchase orders	**For matching Vendors:** The user can modify the purchase orders if it is necessary except if the purchase order is completely received and invoiced. The user can modify the quantity, price (if it is modifiable) or even add lines, delete lines or modify the description of a service requested. **For Portal Vendors (Web):** The user can modify quantities and add new materials (except if the purchase order has had any goods receipt movement) but is not possible to create several lines with the same material. **For EDI Vendors:** Purchase orders for EDI vendors are not modifiable. Please, see the main differences between Paper (matching), Web and EDI orders in Annex 3.	N/A	Hotel /BU / HQ Users	N/A	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
8.1	Modification of Purchase orders. Substitutive materials.	**For matching and Portal (Web) Vendors:** Additional materials than the ones ordered should never be received. Whenever a supplier notifies to the user (previously to the deliver) that the material requested is not available and offers a substitutive material or the substitutive material is delivered by the vendor, without notification, and the user agrees with the reception, the PO must be updated with the new material, new quantities and new prices. The original material cannot be marked as received and the user has to check the "Delivery completed" box . **For EDI Vendors:** The user has to make a new purchase order including the substitutive material and the original material cannot be marked as received and the user has to check the "Delivery completed" box .	N/A	Hotel /BU / HQ Users	N/A	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
8.2	Modification of Purchase orders: Sending the order to the supplier	When the user saves the modifications in the PO, the system offers the possibility of sending it once again to the vendor or not resend it. If the user chooses to resend it, an updated PO is sent to the vendor (with the corresponding copy to the user). Changes can be identified in the PDF in the second column with the legend: **U** for updated lines, **N** for new lines **D** for deleted lines	N/A	Hotel /BU / HQ Users	N/A	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
8.3	Approval of modificated purchase orders	If these changes increase the total amount of the order and it implies an order approval, the approval flow will be activated again and this modified order will not be valid in SAP nor sent to the supplier until its approval (See tasks 7 to 7.3)	When the PO has been saved	Approvers defined by NH	N/A	Sap Business WF
9	Negative Orders	When to use the negative orders: 1. When the supplier has to send a Credit Memo because, for any reason, the goods are not in good condition and the order has been already invoiced without any incidence, so the user is not able to return the goods through the transaction *"/CCSHT/PO_ASSISTANT - Order Entry Assistant- 07 Return Delivery"* because the system does not allow it. if goods haven't been invoiced yet, then the user can do a normal goods return (See Process "*Goods and Services Receipt Management* ", Task 9). 2. When a Hotel is going to close temporarily: The hotel is returning the goods to the supplier and the supplier needs an order number to send the credit memo to SSC. 3. Commercial agreement with any supplier, discount in invoice (eg Diversey: ratio per occupancy, laundry in Germany Discount 2% for separating linen).	See Task Description	Hotel /BU / HQ Users	N/A	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant
9.1	Negative Orders: Goods Receipt	The goods receipt for this type of order, works for the system as a goods return from the inventory point of view. So for: Inventoried Items: if the material has no stock in the system, the user cannot make the reception of this order. In this case, the user has to make an initial stock entry (Transaction 10 Initial Stock Entry) and then, make the Negative Order and its goods receipt. No inventoried Items: The user can always make the reception of this order.	N/A	Hotel /BU / HQ Users	N/A	Transaction SAP: /CCSHT/PO_ASSISTANT - Order Entry Assistant

10	Review of Purchase orders pending to be received.	On a monthly basis, the user has to review that the purchase orders for all purchases or services received have been introduced into the system and none of the merchandise delivered or services provided at the hotel are pending to be registered in the system. In the case of orders that do not correspond to current purchases, they should be verified and eliminated, where applicable. **Remember that the goods receipt has to be done in the same day of the delivery or, at the latest, one day after the goods are received.**	Monthly	Hotel /BU / HQ Users	Monthly	Transaction SAP /CCSHT/IM_ASSISTANT - TMSforMM - Inventory Management assistant / Transaction ME2L
11	Goods Receipt Management	**Goods and Services Receipt Management**	When the goods or services are received	Hotel /BU / HQ Users	When the goods or services are received	Goods and Services Receipt Management

Process: Procurement Execution	
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Annex 1 - Prepaid Maintenance Contracts

SCENARIO A: CONTRACTS WITH MONTHLY INVOICING (REGARDLESS OF THE ANNUAL AMOUNT):

1.- This type of expenses have to be registered:
• One purchase order for each invoice (12 months – 12 Purchase orders)

2.- The user has to use:
• A maintenance material in category 055901 (Account 6 – Expense)

CATEG ORÍA	SAP Code	Item Description SAP	Family (es) 25car.	Subfamily (es) Abreviado 20 carac.	Subfamily (es) 60 carac.	Description (es) 40 carac.
055901	05009335, 05014101, 05014102, 05014103, 05014124, 05014125, 05014126, 05014127, 05014128, 05014129, 05014130, 05014131, 05014132, 05014133, 05014134, 05014135, 05014136, 05014137, 05014138, 05014139, 05014140, 05014141	OTHER MAINTENANCE CONTRACTS COCE <3.000, MAINT AIR CONDITIONING <3.000, MAINT ELEVATORS <3.000, MAINT ANALISYS & VATER TREAT <3.000, TLEPH SVITCHBOARD <3.000, MAINT GOLF <3.000, MAINT FIRE CONTROL <3.000, MAINT PEST CONTROL <3.000, MAINT F&B EQUIPMENT <3.000, MAINT POOLS-SPA EQUIP <3.000, MAINT ELECTRIC INSTALLA <3.000, MAINT LEGIONELLA CONTR <3.000, MAINT SEWER &VELL CLEAN <3.000, MAINT GENERAL MAINT <3.000, MAINT ADVISORY <3.000, MAINT KEY & SECURITY SYS <3.000, MAINT GARAGE&AUTOM GATE <3.000, MAINT MANAGEMENT SYSTEM <3.000, GARDENING <3.000, SUBSCRIPTIONS <3.000, SALES & MARKETING ACTIV <3.000, CLEANING <3.000	NON FOOD - SERVICES	MAINTENANCE CONTRACTS CECO	MAINTENANCE CONTRACTS CECO	MAINTENANCE CONTRACTS CECO

3.- How to introduce the purchase order:
• Regardless of the type of vendor (paper, portal or EDI), it is mandatory to enter one order per each invoice.

4.- How to do the goods receipt:
• The corresponding goods receipt must be made during the corresponding month (12 purchase orders – 12 good receipts), when the service has been supplied.

SCENARIO B: CONTRACTS WITH INVOICING FOR PERIODS LONGER THAN ONE MONTH:

ORDER TYPE B.1: Prepaid Maintenance Agreements with amount above €750 Quarter, €1,500 Semester, €3,000 year. *Please, see at the end of the document, the equivalent in local currency):

1.- This type of expenses have to be registered:
• One purchase order per each invoice, all of them at the beginning of the contract.

2.- The user has to indicate:
• The exact period of accrual of each invoice in the field "texts".
• The user has to use materials of categories 052001 to 052019 related to a 48 account (Balance), so that the expense can be properly balanced by Administration.

3.- How to introduce the purchase order:
• Regardless of the type of vendor (paper, portal or EDI), it is mandatory to enter one order per each invoice, all of them at the beginning of the contract.

4.- How to do the goods receipt:
• Regardless of the type of vendor (paper, portal or EDI), all the services have to be received in SAP.
• The goods receipt of each of the purchase orders corresponding to the same contract must be made during the month of the beginning of the contract.
These expenses goes to a balance account and Administration will post the expense each month.

ORDER TYPE B.2: Prepaid Maintenance Agreements with amount below €750 Quarter, €1,500 Semester, €3,000 year. *Please, see at the end of the document, the equivalent in local currency):

1.- This type of expenses have to be registered:
• One purchase order for each invoice

2.- The user has to use:
• A maintenance material in category 055901 (Account 6 – Expense)

CATEG ORÍA	SAP Code	Item Description SAP	Family (es) 25car.	Subfamily (es) Abreviado 20 carac.	Subfamily (es) 60 carac.	Description (es) 40 carac.
055901	05009335, 05014101, 05014102, 05014103, 05014124, 05014125, 05014126, 05014127, 05014128, 05014129, 05014130, 05014131, 05014132, 05014133, 05014134, 05014136, 05014137, 05014138, 05014139, 05014140, 05014141	OTHER MAINTENANCE CONTRACTS COCE <3.000, MAINT AIR CONDITIONING <3.000, MAINT ANALISYS & VATER TREAT <3.000, MAINT ELEVATORS <3.000, MAINT TLEPH SVITCHBOARD <3.000, MAINT GOLF <3.000, MAINT FIRE CONTROL <3.000, MAINT PEST CONTROL <3.000, MAINT F&B EQUIPMENT <3.000, MAINT POOLS-SPA EQUIP <3.000, MAINT ELECTRIC INSTALLA <3.000, MAINT LEGIONELLA CONTR <3.000, MAINT SEWER &VELL CLEAN <3.000, MAINT GENERAL MAINT <3.000, MAINT ADVISORY <3.000, MAINT KEY & SECURITY SYS <3.000, MAINT GARAGE&AUTOM GATE <3.000, MAINT MANAGEMENT SYSTEM <3.000, GARDENING <3.000, SUBSCRIPTIONS <3.000, SALES & MARKETING ACTIV <3.000, CLEANING <3.000	NON FOOD - SERVICES	MAINTENANCE CONTRACTS CECO	MAINTENANCE CONTRACTS CECO	MAINTENANCE CONTRACTS CECO

3.- How to introduce the purchase order:
• Regardless of the type of vendor (paper, portal or EDI), it is mandatory to enter one order per each invoice. The user will enter as many Purchase orders as invoices have to be received, according to the billing period indicated in the contract.

4.- How to do the goods receipt:
• The corresponding goods receipt must be made during the corresponding month, when the service has been supplied.

Important.

This policy is also applicable for all prepaids going through FI posting.

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Process Owner: SVP Administration   **Process Leader:** SVP Administration

Annex 2 - Workflow MM Approval

WF MM APPROVAL in Hotels	< 500 €	500 - 2.500€	2.501€ - 50.000€	> 50.000€
	1st Approver	2nd Approver	3rd Approver	4th Approver
IT	Hotel Manager	Regional Operations Manager	BU IT Director	HQ - SVP IT
MAINTENANCE & PROJECTS	Hotel Manager	Regional Operations Manager	Maintenance Director	HQ SVP Maint. & Projects
MARKETING	Hotel Manager	Regional Operations Manager	Marketing Director	HQ SVP Marketing

		< 1.000 €	1.001€-2.500€	2.501€ - 50.000€	> 50.000€
SUPPLIES & RECURRING OPERATING EXPENSES (F&B)	* Low F&B index Hotels	It doesn´t require approval	Hotel Manager	Regional Operations Manager	Operations Director
	** High F&B index Hotels	It doesn´t require approval		Hotel Manager	Regional Operations Manager

		< 5.000€	5.001€ - 50.000€	> 50.000€
SUPPLIES & RECURRING OPERATING EXPENSES (F&B)	*** Super High F&B index Hotels	It doesn´t require approval	Hotel Manager	Regional Operations Manager

	< 1.000€	1.000 € - 50.000€	> 50.000€
RECURRING OPERATING EXPENSES (SECURITY, LAUNDRY, OUTSOURCING)	It doesn´t require approval	Hotel Manager	Regional Operations Manager

WF MM APPROVAL in Central Services	< 300 €	300 - 5.000€	5.001€ - 30.000€	30.001€ - 50.000€	> 50.000€
	1st Approver	2nd Approver	3rd Approver	4th Approver	5th Approver
Any department	It doesn´t require approval	Director Department BU	VP Department HQ	SVP Department	HQ Chief Area

WF MM APPROVAL in Central Services	< 300 €	300€ - 5.000€	5.001€ - 50.000€	> 50.000€
	1st Approver	2nd Approver	3rd Approver	4th Approver
Any department	It doesn´t require approval	Director Department BU	SVP Department HQ	HQ Chief Area

WF MM APPROVAL in HQ	< 300 €	300€ - 30.000€	30.001€ - 50.000€	> 50.000€
	1st Approver	2nd Approver	3rd Approver	4th Approver
Any department	It doesn´t require approval	VP Department	SVP Department	HQ Chief Area

WF MM APPROVAL in HQ	< 300 €	300€ - 50.000€	> 50.000€
	1st Approver	2nd Approver	3rd Approver
Any department	It doesn´t require approval	SVP Department	HQ Chief Area

* < 250.000€ annual expense in F&B
** > 250.000€ annual expense in F&B
***> 750.000€ annual expense in F&B

Process: Procurement Execution

Subprocess: Opex Purchase Orders Management

Process Owner: SVP Administration   **Process Leader:** SVP Administration

Annex 3 - Main differences between Matching, WEB and EDI procedures

STAGE	PAPER	WEB	EDI
ORDER	EMAIL	PORTAL + EMAIL	INTEGRATION + EMAIL
ORDER TYPE I (MAINTENANCE AGREEMENT)	1 ORDER PER INVOICE (quantity equals to the number of months or periods to be invoiced) 1 GR PER ORDER, ALL AT THE BEGINNING OF THE CONTRACT		
ORDER TYPE II (RECURRING SERVICE)	1 ORDER PER EXPENSE		
MODIFICATION OF ORDERS	YES (EXCEPT FULLY RECEIVED/INVOICED) *IF IT HAS BEEN RECEIVED OR INVOICED, THESE MOVEMENTS MUST BE REVERSED IN ORDER TO RELEASE THE LINE AND MODIFY IT	ONLY TO MODIFY QUANTITIES OR ADD NEW MATERIALS / NOT THE SAME MATERIAL IN THE SAME ORDER (EXCEPT FULLY RECEIVED/INVOICED *IF A LINE HAS BEEN RECEIVED, EVEN WHEN RETURNED, NO MODIFICATION IS ALLOWED FOR THIS PARTICULAR LINE.	NO
ORDERS (USE OF GENERIC MATERIALS)	YOU CAN REPEAT AN ITEM WITHIN THE SAME ORDER	YOU CAN NOT REPEAT AN ITEM WITHIN THE SAME ORDER	
GOODS RECEIPT	NUMEROUS RECEPTIONS FOR THE SAME ORDER	NUMEROUS RECEPTIONS FOR THE SAME ORDER	ONLY 1 RECEPTION PER ORDER: - FOR ADDITIONAL DELIVERIES WITH THE SAME MATERIALS = SUBSEQUENT DELIVERY. - TO INCLUDE NEW MATERIALS = NECESSARY TO PLACE A NEW ORDER (IN WHICH CASE THE SUPPLIER HAS TO INFORM THE HOTEL)
INVOICE	PAPER TO LISBON OR NHINVOICE@...	PORTAL	INTEGRATION. 1 INVOICE = 1 ORDER
INCIDENCES	SAP WORKFLOW	SAP WORKFLOW DDBB PORTAL AND HOTEL ALERTED BY EMAIL	SAP WORKFLOW HOTEL ALERTED BY EMAIL
CREDIT MEMO	IT IS MANDATORY TO INCLUDE THE PO NUMBER, INVOICE NUMBER AND DATE		