

Process: Hotels Disaffiliation: Procurement to Pay

Subprocess: Hotels Disaffiliation: Procurement to Pay and Operational related Tasks

Process Owner: Francisco Morillo

Process Leader: Francisco Morillo

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Name	Function	Date	Comments
Francisco Morillo	Process Owner		
Francisco Morillo	Process Leader		

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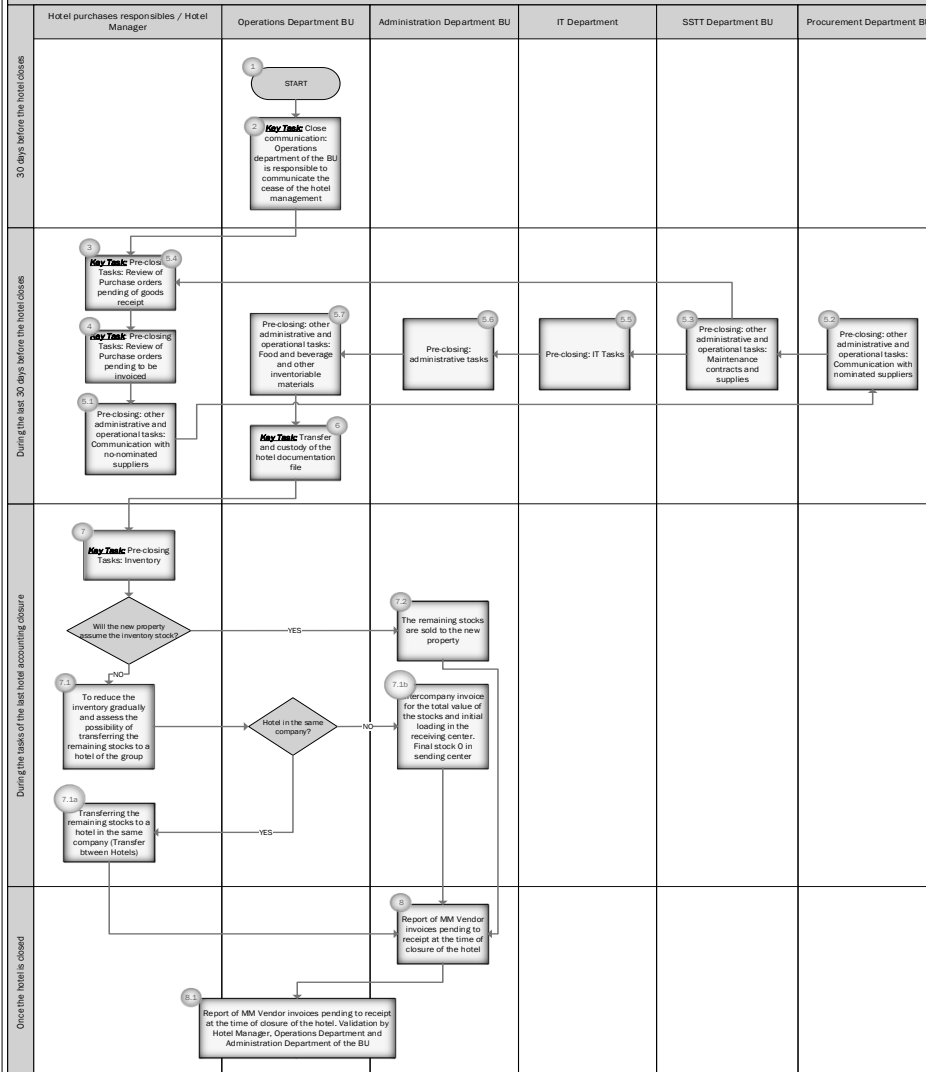
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Hotels Disaffiliation / Pre-closing Tasks



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	Controls defined by NH Internal Audit
	Systems	Application 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.
	Notifications	External/Internal Notifications.

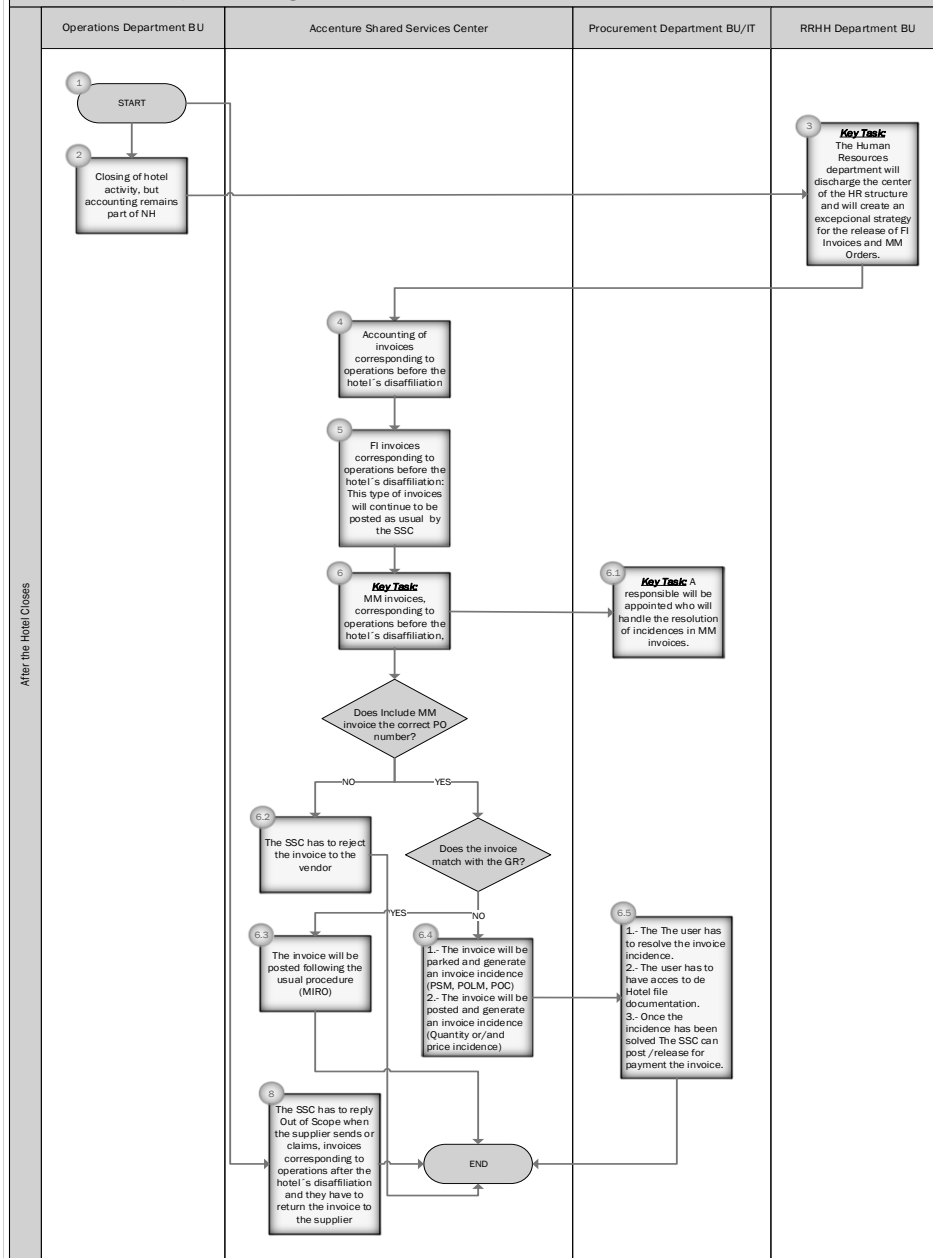
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Order	Task	Task Description	When	Responsible	Frequency	Tools 
PRE-Closing: Procurement to Pay and Operational related Tasks						
1	Purpose and scope	This block of the document describes the set of tasks to be performed prior to the disaffiliation of a Hotel, to avoid subsequent incidents during the monthly closing process. All the tasks indicated in this procedure are mandatory , so it is important to verify that all tasks have been completed satisfactorily before the last accounting closing of the Hotel .	30 days before the hotel closes	Hotel purchases responsible / Hotel Manager / F&A Department BU/ Operations Department BU / Procurement to Pay Administration / Coperama / S&T MM	N/A	N/A
2	Mandatory Task: Closing Communication	Mandatory Task: The Operations department of the BU is responsible to communicate in time and manner the date when the management of the hotel will cease and this will trigger the process of disaffiliation . This communication should be addressed to all areas involved in BU and HQ (Supply Chain, Administration, Operations, Coperama, Commercial, IT, HR, Legal, Construction & Engineering and S&T MM).	30 days before the hotel closes	Operations Department BU	N/A	Email
3	Mandatory Task: Management of purchase orders pending of goods receipt	Mandatory Task: Before starting the tasks of the last hotel accounting closure, the users responsible for the hotel's purchases should make sure that: 1.- All goods and services are correctly registered with a purchase order and their corresponding goods receipt in the system, including those last minute services directly related to the closing of the hotel (transport of goods or documents, destruction of documents, etc.) . 2.- There are no goods delivered or services rendered at the hotel pending reception in the system. In the case of detecting orders that do not correspond to purchases in force or that will be received after the disaffiliation, these orders must be checked and, if needed, eliminated (Enter "o" as quantity and check "Final Delivery" box for this materials and generate the goods receipt).	During the last 30 days before the hotel closes	Hotel purchases responsible / Hotel Manager	N/A	/CCSHT/IM_ASSISTANT - Inventory Manag assistant / ME2L Transaction
4	Mandatory Task: Pre-closing Tasks: Purchase orders pending to be invoiced	Mandatory Task: The hotel user will review all purchase orders with goods receipt pending to be invoiced (total or partially). Those goods receipts can be cancelled either because an error is detected, duplicity or because the hotel user is sure that s/he will not receive the invoice . The cancellation will be done following the usual process of return of goods receipt (See tasks 1-2 of MM Accrual Periodic Audit Process).	During the last 30 days before the hotel closes	Hotel purchases responsible / Hotel Manager	N/A	AP_5-MM Accrual Periodic Audit
5	Pre-closing: Other administrative and operational tasks	The following tasks detail other administrative and operational actions, related to Procurement To Pay area, to be carried out by the different Departments of the company, once the date of disaffiliation is formally known, and with the objective of performing all actions related with Procurement to Pay processes .	During the last 30 days before the hotel closes	Hotel purchases responsible / Hotel Manager / F&A Department BU/ Operations Department BU / Procurement to Pay Administration/ Coperama / SSTT Department BU	N/A	N/A
5.1	Pre-closing: Other administrative and operational tasks: Communication with no-nominated suppliers	1.- Communicate in writing to the local suppliers the date of disaffiliation of the hotel. 2.- Cancel services contracts (security, cleaning glasses ...) with local suppliers from the date of disaffiliation of the hotel.	During the last 30 days before the hotel closes	Hotel Purchases Responsible / Hotel Manager	N/A	N/A
5.2	Pre-closing: Other administrative and operational tasks: Communication with nominated suppliers	1.- Communicate in writing to the nominated suppliers , the date of disaffiliation of the hotel. 2.- Cancel services (Pay TV, laundry, press subscriptions ...) from nominated suppliers from the date of disaffiliation of the hotel.	During the last 30 days before the hotel closes	Coperama / Procurement to Pay Administration	N/A	N/A

5-3	Pre-closing: Other administrative and operational tasks: <u>Maintenance contracts and supplies</u>	1.- Verify cancellation of maintenance contracts or subrogation to the new property if applicable. 2.- Change of holders in supplies or cancel ones.	During the last 30 days before the hotel closes	SSTT Department BU	N/A	N/A
5-4	Mandatory Task: Review Purchase orders pending to goods receipt	Mandatory Task: Once these tasks (5.1-5.3) are completed, it is important to review the purchase orders with lines pending to receipt and, if necessary, close them as indicated in task 3.	During the last 30 days before the hotel closes	Hotel purchases responsible / Hotel Manager	N/A	/CCSHT/IM_ASSISTANT - Inventory Manag assistant / ME2L Transaction
5-5	Pre-closing: IT Tasks	1.- Communicate closure date of the center in the systems . 2.- Communicate closing date for the withdrawal of equipment and possible termination of contracts . 3.- Withdrawal Business Center equipment.	During the last 30 days before the hotel closes	IT Department	N/A	N/A
5-6	Pre-closing: Administrative tasks	1.- Cancel insurance policies . 2.- Cancel taxes and fees . 3.- Calculation of variable lease for provision if applicable.	During the last 30 days before the hotel closes	Administration Department BU	N/A	N/A
5-7	Pre-closing: Other administrative and operational tasks: <u>Food and beverage and other inventoriable materials</u>	1.- Manage perishables and consumables that the Property or the new operator does not want to keep. 2.- Manage perishables and consumables that the Property or the new operator wants to keep. 3.- Cancel HACCP contract.	During the last 30 days before the hotel closes	Operations Department BU	N/A	N/A
6	Mandatory Task: Transfer and custody of the hotel documentation file.	Mandatory Task: The hotel documentation file has to be stored for the legal period of time (Depending on the document and the information indicated in the process: " SAP-TMS SAP-MM_ Templates and File Periods "). The Operations Department has to define where this documentation will be filed and arrange the transfer of this archives to the new place . This documentation also has to be available, for future reference if necessary .	During the last 30 days before the hotel closes	Operations Department BU	N/A	SAP-TMS SAP-MM Templates and File Periods
7	Mandatory Task: Inventory Execution	Mandatory Task: Before issuing the physical inventory document, the hotel purchasing responsible should ensure that all movements of the month have been recorded, verifying that : 1.- All the purchase orders have been registered into the system for all purchases of inventory material received. 2.- There are no transfers between warehouses pending to be processed . 3.- The stocks of the general warehouse (if the hotel has General Warehouse) are those reflected in the system. The Purchasing Responsible / Hotel Management / Supply Chain Administration and BU F&A Department should make sure that a stock count has been made at all SAP warehouses for that hotel and that final stocks are correctly recorded and accounted for. According to the type of disaffiliation, we can find two different cases:	During the tasks of the last hotel accounting closure	Hotel Purchases responsible / Hotel Manager / F&A Department BU / Procurement to Pay Administration	N/A	/CCSHT/IM_ASSISTANT - Inventory Manag assistant / MI24 Transaction
7.1	Case 1: The hotel will cease all activity once disaffiliated by NH Hotel Group, or the new property will not assume the inventory stock reflected on the closing day	In this case, the Hotel Purchasing Responsible will have to reduce the inventory gradually (leaving only the volume of stocks necessary for the normal functioning of the operation), ensuring that the stock is zero , at the closing day. In addition, the Operations Department must assess the possibility of transferring the remaining stocks to another hotel . For this, it is necessary to evaluate which are the closest hotels (preferably within the same company) and the transportation cost of the stocks from one hotel to the other.	During the tasks of the last hotel accounting closure	Hotel purchases responsible / Hotel Manager / Operations Department BU	N/A	/CCSHT/IM_ASSISTANT - Inventory Manag assistant / MI24 Transaction
7.1a	Case 1a: Transferring the remaining stocks to a hotel in the same company .	If it is determined that the stocks will be transferred to another hotel (within the same company), this action has to be registered in SAP with the option transfer between hotels of the same company. If the user does not have permission to make transfers between hotels belonging to the same company, it must be requested to IT via JIRA.	During the tasks of the last hotel accounting closure	Supply Chain Administration / F&A Department BU / Operations Department BU	N/A	/CCSHT/IM_ASSISTANT - Inventory Manag assistant - Stock Transfer


7.1b	Case 1b: Transferring the remaining stocks to a hotel that does not belong to the same company.	<p>If it is determined that the stocks will be transferred to another hotel (belonging to a different company), three actions will be carried out:</p> <p>1.- The F&A Department BU will issue (in the sender center) and will account (in the recipient center) an intercompany invoice for the total value of the stocks.</p> <p>2.- The Supply Chain Administration and the F&A Department BU will request IT via JIRA the initial loading of the stocks at the receiving center.</p> <p>3.- Once all these movements have been made, Hotel purchases responsible will carry out the inventory process in the system leaving the final stocks of the closing hotel with value: 0.</p>	During the tasks of the last hotel accounting closure	Supply Chain Administration / F&A Department BU / Hotel purchases responsible / Hotel Manager	N/A	Intercompany Invoicing Process / JIRA / Inventory Process
7.2	Case 2: The hotel will be managed by another property, which assumes (buys to NH Hotel Group) the stocks reflected at closing day in the hotel inventory	<p>In this case:</p> <p>1.- the inventory will be made as a normal closing of the month, taking into account that at the time of the physical count of stocks may be present the person, designated by the new property of the hotel.</p> <p>2.- Once the amount and quantity of the final stocks are accepted by both parties, the Administration Department must invoice the total amount of the stocks to the new property.</p> <p>3.- Finally, the user will have to make a new inventory leaving the final stocks with value: 0.</p>	During the tasks of the last hotel accounting closure	F&A Department BU / Hotel purchases responsible / Hotel Manager / Operations Department	N/A	/CCSHT/IM_ASSISTANT - Inventory Manag assistant / MI24 Transaction
8	Report of MM Vendor invoices pending to receipt at the time of closure of the hotel.	Once all accounting operations have been closed, the F&A Department of the BUs shall obtain the list of purchase orders with goods receipt pending to be invoiced (total or partially) once the hotel is closed. On the basis of this report should be made the postings and payments that are received after the closure of the center.	Once the hotel is closed	F&A Department BU	N/A	Excel Sheet Validated
8.1	Mandatory Task: Report of MM Vendor invoices pending to receipt at the time of closure of the hotel. Validation	Mandatory Task: This report has to be validated by the Hotel Manager, Operations Department and Administration Department of the BU. This document has to be filed by the Administration Department. Only invoices which match with purchase orders with goods receipt included in this documents, will be accepted and posted.	Once the hotel is closed	Hotel Manager / Operations Department BU / F&A Department BU	N/A	Excel Sheet Validated

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POST-Closing: Procurement to Pay and Operational related Tasks						
1	Purpose and scope	<p>This block of the document describes the set of tasks that will be carried out after the disaffiliation of a Hotel, and mainly, how to resolve incidents related to invoices from suppliers that may arise, once the hotel is closed, as well as those responsible and deadlines for resolving them.</p> <p>All the tasks indicated in this procedure are mandatory.</p>	After the hotel closes	F&A Department BU/ Operations Department BU / Procurement to Pay Administration / Accenture SSC	N/A	N/A
2	Post-closing tasks: Possible scenarios	<p>In reference to the tasks once closed the hotel, we can distinguish two possible scenarios:</p> <p>1.- Scenario 1: Hotel that is disaffiliated and all the balance is sold: In this case, AP / AR, inventories, etc. are sold to a new company, so NH does not have to perform any maintenance accounting task after the sale.</p> <p>2.- Scenario 2: Closing of hotel activity, but accounting remains part of NH: In this case NH will be responsible for accounting maintenance tasks, referring to the dates prior to the disaffiliation of the hotel.</p> <p>The following tasks refer only to scenario 2:</p>	After the Hotel Closes	F&A Department BU/ Operations Department BU / Procurement to Pay Administration / Accenture SSC	N/A	N/A
3	Mandatory Task: Cancellation of the center in the HR structure	<p>Mandatory Task: Cancellation of the center in the HR structure:</p> <p>1.- The Human Resources Department will discharge the center of the HR structure.</p> <p>2.- It will be designated, via an exceptional strategy, a responsible of the release of FI invoices and MM orders that may be generated in the future.</p> <p>3.- The Human Resources department must request via JIRA, the exceptions in both workflows, FI and MM for the center.</p>	After the Hotel Closes	HR Department / IT Department	N/A	N/A
4	Accounting of invoices corresponding to operations before the hotel's disaffiliation	In the following tasks, it is described how the invoices corresponding to operations before the hotel's disaffiliation (which are still received) will be posted .	After the Hotel Closes	Accenture Shared Services Center / Procurement to Pay Administration	When the invoice is received	N/A
5	Mandatory Task: FI invoices corresponding to operations before the hotel's disaffiliation	FI invoices corresponding to operations before the hotel's disaffiliation: This type of invoices will continue to be posted as FI by the SSC and, the payment will have to be released via workflow.	After the Hotel Closes	Accenture Shared Services Center	When the invoice is received	Transaction SAP: FBVO / SAP Business Workplace AP 2.1 Non PO (FI) Invoice Registration
5.1	Release of FI payments corresponding to operations before the hotel's disaffiliation	Related to the release for payment of hotel FI invoices , corresponding to operations before the hotel's disaffiliation, once the hotel has closed and the hotel manager is no longer in the approval structure, please, see Task 3 .	After the Hotel Closes	Responsible designed in Task 3	N/A	N/A
6	Mandatory Task: MM invoices, corresponding to operations before the hotel's disaffiliation	<p>MM invoices, corresponding to operations before the hotel's disaffiliation: This type of invoices will continue to be posted by confrontation with the corresponding purchase order and goods receipt.</p> <p>Only MM invoices with Purchase orders number and goods receipts, included in the list of purchase orders with goods receipt pending to be invoiced, extracted at the time of closure of the hotel and validated by Operations, Administration and Hotel Manager, will be accepted and posted (See task 8 in block Pre-closing tasks).</p>	After the Hotel Closes	Accenture Shared Services Center	When the invoice is received	AP 2.2 PO (MM) Invoice Matching

6.1	Mandatory Task: Responsible to manage MM invoice incidences.	<p>Mandatory Task: From Procurement to Pay Administration, a responsible will be appointed who will handle aspects related to the resolution of incidences in MM invoices, corresponding to operations before the hotel's disaffiliation.</p> <p><u>As a general rule, this user will be the Key User MM responsible for this hotel.</u></p> <p>This user, will manage all the incidences in MM invoices once the hotel is closed and he will have access to the archive of documentation of this hotel.</p> <p>It is the responsibility of the Supply Chain Administration Department to communicate to the new responsible their new functions before the closing of the Hotel, and inform the rest of areas so that they are aware of the new contact person.</p> <p>Procurement to Pay Administration has to open a ticket JIRA to IT department to delegate the incidences workflow to the new responsible.</p>	After the Hotel Closes	Procurement to Pay Administration Department / Key User MM / IT Department	N/A	Email / JIRA
6.2	MM invoices, corresponding to operations before the hotel's disaffiliation and without purchase order number	If the received invoice does not include the corresponding Purchase Order Number , the SSC has to reject the invoice to the vendor, following the usual procedure .	After the Hotel Closes	Accenture Shared Services Center	When the invoice is received	Email AP 2.2 PO (MM) Invoice Matching
6.3	MM invoices, corresponding to operations before the hotel's disaffiliation: Invoice matches with the goods receipt	If the MM invoice matches with the PO and goods receipt pending to be invoiced, the SSC will post the invoice , using the standard procedure (MIRO). The invoice is posted and will appear as released for payment .	After the Hotel Closes	Accenture Shared Services Center	When the invoice is received	Transaction SAP: MIRO AP 2.2 PO (MM) Invoice Matching
6.4	MM invoices, corresponding to operations before the hotel's disaffiliation: Invoice does not match with the goods receipt	If the MM invoice does not match with the PO and Goods receipt pending to be invoiced, depending on the type of incidence : 1.-The SSC has to park the invoice (Parked status: in the case of Packing Slip Missing, PO Line missing or PO Consumed) and the system automatically will generate an invoice incidence workflow or 2.-The SSC posts the invoice blocked for payment (in the case of Price incidence and Quantity incidence) and the system automatically will generate an invoice incidence workflow .	After the Hotel Closes	Accenture Shared Services Center	When the invoice is received	AP 2.2 PO (MM) Invoice Matching
6.5	MM invoices, corresponding to operations before the hotel's disaffiliation: Invoice incidences Resolution	1.- As the usual procedure , the user responsible to manage this incidences (See Task 6.2), has to resolve the invoice incidence . 2.- For this, if it is necessary, the user can consult the archive of documentation of the hotel, and check the delivery note in order to solve correctly the incidence. 3.- Once the incidence has been solved , the SSC can post the invoice and/or release it for payment .	After the Hotel Closes	Key user MM of area	When the invoice is received	AP 2.2 PO (MM) Invoice Matching
7	FI and MM Invoices corresponding to operations after the hotel's disaffiliation: Out of Scope	The SSC has to reply Out of Scope when the supplier sends or claims invoices , corresponding to operations after the hotel's disaffiliation date , they have to return the invoice to the supplier, explaining clearly "please contact to the new property".	After the Hotel Closes	Accenture Shared Services Center / Vendor Query Team	When the invoice is received	e-mail