



| EBOOK

# Hotel Standard Operating Procedures: **Finance**



2023

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# Intro

**Standard operating procedures (SOPs) are common tools used by businesses to ensure consistency and excellence.**

In the hotel and hospitality industry, creating and maintaining high-quality SOPs is imperative. These documents prevent accidents, increase staff efficiency and effectiveness, and improve the guest experience. Finance SOPs, for example, are important because they help ensure that financial transactions are handled consistently, accurately, and in compliance with legal and regulatory requirements.

SOPs are step-by-step instructions for an activity or process in the workplace. They ensure every task is done to the same standard no matter the time of day or staff member.

Creating a set of SOPs for each department can be easier said than done, especially when you're understaffed. So, whether you're starting from scratch or updating your SOPs, we've created this guide for you. In each section, you'll find multiple checklists to work from.



**Want to go back to basics?  
Read our complete guide  
to standard operating  
procedures (SOPs).**

# Payment card handling

**Staff members must handle and process card payments in compliance with payment card industry data security standards (PCI DSS) and other legal and regulatory requirements. Having a high quality SOP for payment card handling ensures the protection of customer payment card data and fewer breaches.**

## Payment card acceptance

- ▶ Check the payment card type (e.g., Visa, Mastercard, American Express) presented by the guest and confirm that the hotel accepts that payment type.
- ▶ Confirm that the hotel accepts the payment card type.
- ▶ If the payment card type is not accepted, inform the guest and offer alternative payment options.
- ▶ Enter the payment amount into the payment system.
- ▶ Obtain authorisation for the payment card transaction from the payment processor.
- ▶ Confirm the payment card is not reported as lost or stolen.
- ▶ Check the payment card expiration date.
- ▶ Check the payment card identification number (CID/CVV) on the back of the card.
- ▶ If the payment card is expired or the CID/CVV is incorrect, inform the guest and request alternative payment options.

## Payment card processing

- ▶ Never store payment card data on personal devices or in unsecured locations.
- ▶ Use secure connections for payment card transactions.
- ▶ Never share payment card data with unauthorised personnel.
- ▶ Use a secure payment gateway or processor that is compliant with Payment Card Industry Data Security Standards (PCI DSS).
- ▶ Follow established procedures for securely processing payment card transactions.
- ▶ Never process payment card transactions without obtaining proper authorisation.
- ▶ Enter the payment amount into the payment system.
- ▶ Obtain authorisation for the payment card transaction from the payment processor.
- ▶ Confirm the payment card is not reported as lost or stolen.

## Incident response

- ▶ Notify the appropriate personnel (such as the IT department or the payment processor) immediately.
- ▶ Determine the scope of the incident, including the number of payment card transactions or data potentially affected.
- ▶ Stop all payment card transactions immediately.
- ▶ Disconnect affected systems from the network or internet to prevent further damage.
- ▶ Secure any physical payment card information, such as receipts or paper copies.
- ▶ Determine the cause and extent of the incident.
- ▶ Collect all relevant information, such as log files, network activity reports, and payment card data.
- ▶ Identify the payment card data elements that may have been compromised, such as payment card numbers or expiration dates.
- ▶ Notify the payment card brands and the payment processor immediately.
- ▶ Notify legal and regulatory authorities, if required.
- ▶ Notify guests whose payment card information may have been compromised.
- ▶ Implement fixes to the payment card processing system to prevent further incidents.
- ▶ Review and update payment card processing policies and procedures.
- ▶ Rebuild affected systems and networks, if necessary.



**Integrate payments into your property management system (PMS) to save time and money, and reduce errors and fraud.**



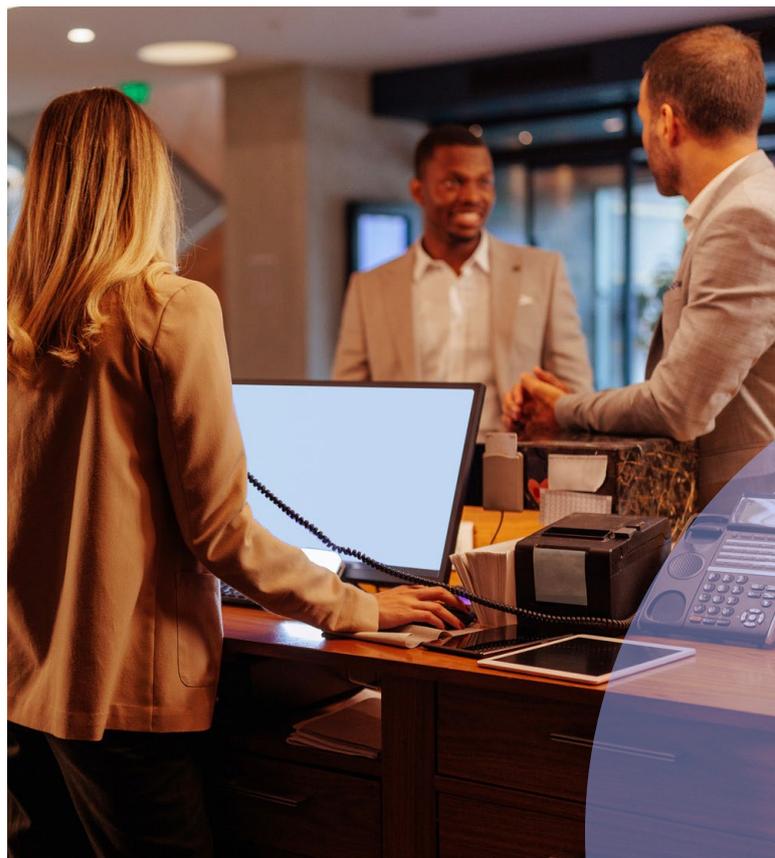
# Sales and invoicing (Accounts receivable)

**The Accounts Receivable department is responsible for recording and collecting payments from guests in a timely and accurate manner. They need to do this while ensuring compliance with internal controls and legal and regulatory requirements.**

Involved in the accounts receivable process are front desk staff, billing clerks, and other staff responsible for invoicing and collecting payments from guests.

## Invoicing

1. Check that all necessary information is included on the invoice, such as the guest name, invoice number, and payment terms.
2. Confirm that the goods or services provided match the invoice details and the invoice amount is accurate.
3. Create an invoice in the hotel's accounting system and enter the appropriate guest and payment information.
4. Confirm that the invoice reflects the correct payment terms and any discounts or credits.
5. Send the invoice to the guest through the appropriate channel, such as email or mail.
6. Include all necessary details in the invoice, such as payment instructions and contact information.
7. Follow up with the guest to confirm receipt of the invoice and payment status.
8. Record payment in the accounting system once received.
9. Follow up on outstanding invoices and send reminders as necessary.
10. Review overdue invoices and escalate to management if necessary.
11. Communicate any issues or concerns related to invoicing to management.

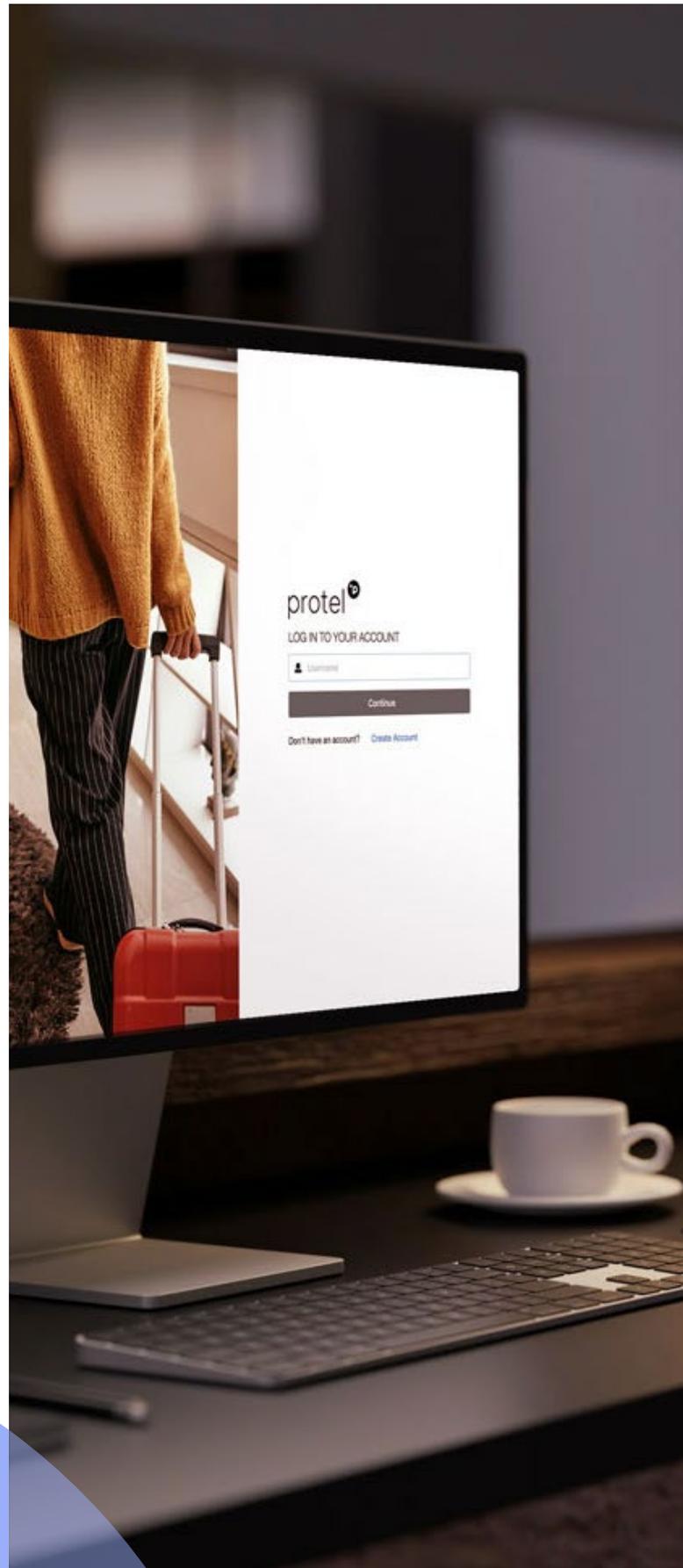


## Payment collection

1. Review accounts receivable reports to identify overdue accounts.
2. Contact guests with overdue accounts to request payment.
3. Follow up with guests to confirm payment status and provide any necessary assistance.
4. Provide guests with payment options, such as credit card or bank transfer.
5. Escalate to management if necessary.
6. Record payment in the accounting system once received.
7. Update accounts receivable reports to reflect payment status.
8. Follow up on any discrepancies in payment or account information.
9. Ensure compliance with hotel policies and procedures.

## Payment tracking

1. Receive payment information from the guest, such as the payment method, amount, and date of payment.
2. Verify that the payment information matches the invoice details.
3. Record payment information in the hotel's accounting system.
4. Update the guest's account to reflect the payment.
5. Confirm that the account balance is accurate.
6. Update accounts receivable reports to reflect the guest's payment.
7. Verify that the accounts receivable reports are accurate and up-to-date.
8. Monitor any outstanding balances and follow up as necessary.
9. Reconcile accounts on a regular basis to ensure accuracy.
10. Identify and investigate any discrepancies in payment or account information.
11. Escalate to management if necessary.
12. Follow all established hotel policies and procedures related to payment tracking.
13. Maintain accurate records of all payment tracking activity.
14. Communicate any issues or concerns related to payment tracking to management.





## Sales and invoicing (Accounts payable)

**The Accounts Payable department in a hotel is responsible for recording and paying invoices from suppliers in a timely and accurate manner. They also need to do this while ensuring compliance with internal controls and legal and regulatory requirements.**

Involved in the accounts payable process are accounts payable clerks, department managers, and other staff responsible for approving invoices and making payments.

## Invoice receipt and verification

1. Verify that the invoice is for goods or services that have been received and are approved for payment.
2. Check that the invoice is complete and accurate, including vendor name, date, description of goods or services, quantity, and price.
3. Confirm that the purchase order matches the invoice.
4. Check that the goods or services have been received and match the description on the invoice.
5. Check that the quantities and descriptions match.
6. Confirm that the pricing and discounts on the invoice match the purchase order or contract.
7. Verify that any applicable taxes or fees have been correctly applied.



## Invoice approval

1. Verify that the invoice has been received and verified.
2. Check that the invoice is complete and accurate, including vendor name, date, description of goods or services, quantity, and price.
3. Confirm that funds are available in the budget to pay for the invoice.
4. Check that the expense is allocated to the correct budget category.
5. Confirm that the invoice complies with all established hotel policies and procedures related to payment processing.
6. Check that the invoice is properly authorised for payment.
7. Obtain approval for the invoice from the appropriate personnel.
8. Verify that the approval is in writing and includes the date of approval.
9. Record the invoice approval in the hotel's accounting system.
10. Document the approval for future reference.

## Vendor management

1. Identify and evaluate potential vendors based on the hotel's needs and requirements.
2. Conduct due diligence on vendors, including verifying their business registrations, financial stability, and reputation.
3. Establish a written agreement with vendors outlining the terms and conditions of the relationship, including pricing, delivery, and payment terms.
4. Review and negotiate contracts with vendors to ensure the hotel's interests are protected.
5. Monitor vendor performance to ensure that they are meeting the requirements of the contract.
6. Establish a process for resolving any issues that arise with vendors.
7. Process vendor payments in accordance with the hotel's established policies and procedures.
8. Verify that all invoices are properly authorised and approved for payment.
9. Foster a positive and productive relationship with vendors based on mutual respect and trust.
10. Continually evaluate vendor performance and explore opportunities for improvement or cost savings.





# Petty cash handling

**Managing and recording petty cash transactions in a secure and accountable manner is vital for the financial management of your hotel. Creating a SOP to help keep on top of petty cash handling can help improve operational efficiency, accountability, compliance, and financial control.**

## Petty cash fund setup

- Determine the types of expenses that will be covered by the fund.
- Determine the maximum amount of cash that will be kept on hand.
- Select an individual who is trustworthy and responsible.
- Train the person on the proper procedures for handling petty cash.
- Establish procedures for handling cash withdrawals and replenishments.
- Set up a secure location for storing the cash and receipts.
- Use a log to record all petty cash transactions.
- Ensure that the log includes the date, amount, purpose, and recipient of each transaction.
- Decide how often the petty cash fund will be audited to ensure that it is being properly managed.
- Establish procedures for conducting the audits and resolving any discrepancies.
- 11. Establish guidelines for reimbursing staff members who have used their own funds for hotel expenses.
- 12. Ensure that all reimbursement requests are properly documented and approved.

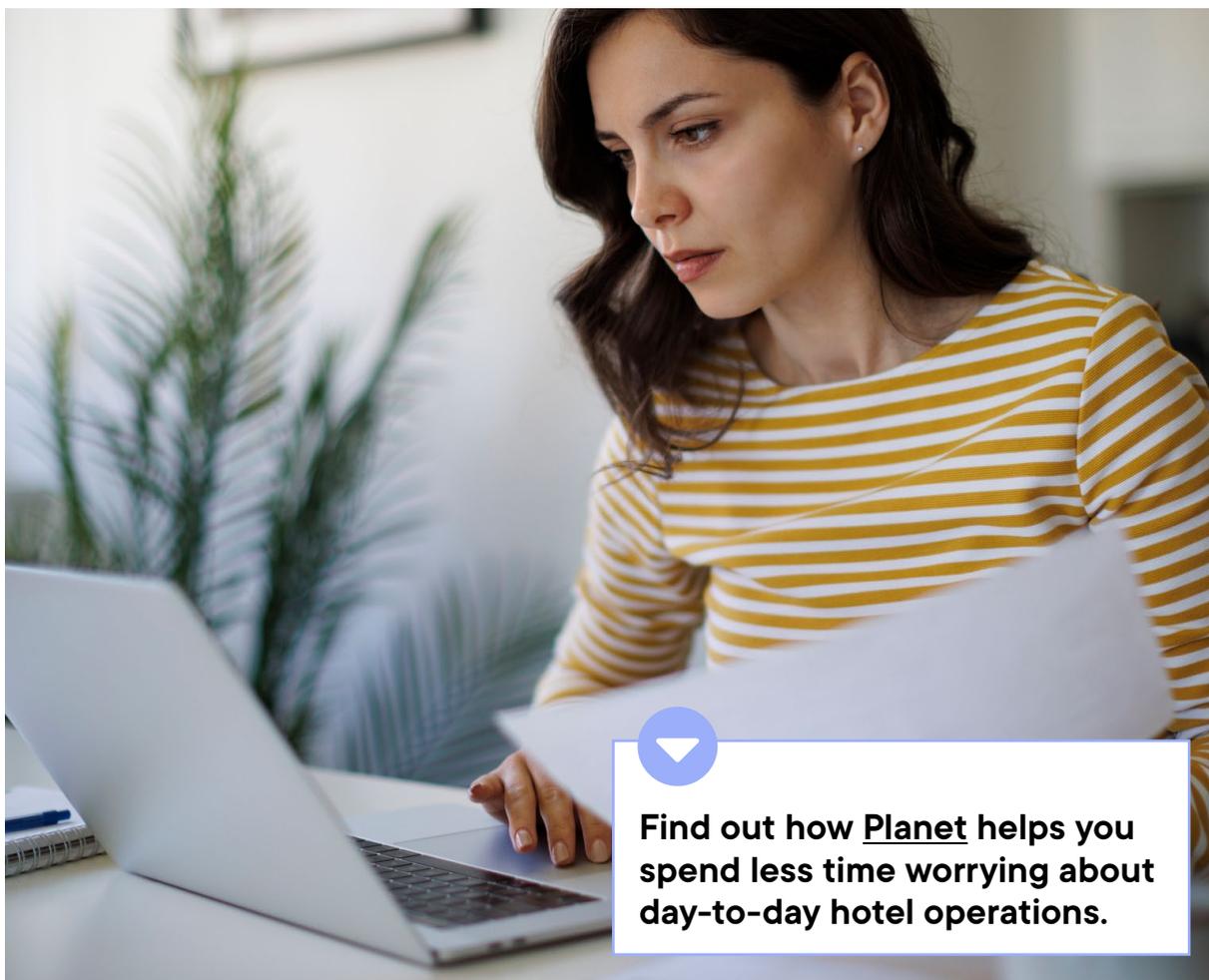


### Petty cash transactions

- ▶ Ensure that the transaction is authorised and necessary.
- ▶ Ensure that the expense is in line with the hotel's policies and procedures.
- ▶ Record the date of the transaction, the amount of cash withdrawn, and the purpose of the expense.
- ▶ Obtain the signature of the person receiving the cash.
- ▶ Take the exact amount needed for the transaction.
- ▶ Ensure that the remaining cash in the fund is secured.
- ▶ Ensure that the receipt is itemised and includes the date, vendor name, and amount of the expense.
- ▶ Attach the receipt to the petty cash voucher.
- ▶ Enter the date, amount, purpose, and recipient of the transaction.
- ▶ Ensure that the total amount of cash in the fund is updated.
- ▶ Ensure that the voucher and receipt are properly documented and approved.
- ▶ Submit the voucher and receipt to the designated person responsible for reimbursement.

## Petty cash reimbursement

- ▶ Complete a petty cash reimbursement form. Enter the date of the reimbursement, the amount of cash to be reimbursed, and the purpose of the expense.
- ▶ Attach all original receipts to the form.
- ▶ Submit the reimbursement form to the designated person responsible for approving petty cash reimbursements.
- ▶ Ensure that the form is properly documented and authorised.
- ▶ Ensure that the exact amount of money requested is provided.
- ▶ Obtain the necessary signatures to acknowledge receipt of the cash.
- ▶ Ensure that any unused cash is returned to the fund immediately after the reimbursement.
- ▶ Enter the date and amount of the reimbursement in the petty cash log.
- ▶ Ensure that the total amount of cash in the fund is updated.
- ▶ Ensure that the remaining cash in the fund is reconciled against the log and that it matches the approved balance.



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## About Planet



**Planet are a global technology leader with industry leading cloud software and payments solutions for the Retail, Hospitality, and Financial Services verticals.**

We operate in over 120 markets. We employ more than 2,800 people worldwide. We partner with over 100 banks. And serve over 800,000 merchants.

We combine software, payments and technology to help our customers deliver consistent, convenient and personalised experiences, which meet the changing demands of their own consumers.

Our single end-to-end platform allows retailers to support unified shopper journeys across all channels, including complex processes, such as click and collect, shop and ship, and advanced return management.

For hoteliers, we offer integrated and built-in payments that power digital guest journeys, saving them time and enabling them to generate revenue through integrated value-added services. protel Cloud PMS by Planet (formerly protel Air PMS) was created over 10 years ago with a new user interface rebuilt in 2020. It is intuitive and simple to use with a straightforward workflow that is easy to learn and teach.

We also work with a network of Financial Services Partners around the world to provide global payment processing solutions.