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SPHM
HOSPITALITY

TAXES S.O.P



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Series 5000

Taxes

Subject: Sales Tax Exemption

A-5001

A. Policy. It is the policy of the club to take advantage of sales tax exemptions on resale items when allowed by the State in which the club operates.

B. Discussion

1. In certain States sales tax is not paid on items when purchased for resale.
2. In such States the club must provide a sales tax exemption form to vendors to avoid being charged sales tax on purchased items.

Subject: Sales Tax Collection and Remittance

A-5002

A. Policy. It is the policy of the club to collect and remit sales taxes to the State when required.

B. Discussion

1. Most States require a sales tax on purchased items.
2. In such States the club must collect and account for all sales tax collected. Point of sale systems will typically compute and summarize the required amount at the time of purchase.
3. On a periodic basis, usually monthly, the club must fill out the necessary remittance forms for the State and send payment to the State Department of Revenue by a specific due date.
4. There are occasions when the club purchases items from a vendor on a tax-exempt basis, but the club does not resell the items (i.e., it will be the end user). In this case the club must pay sales tax on these items. Example: Special golf shirts purchased for the member-guest tournament were purchased from a vendor who, based on the club's normal tax-exemption as a reseller, did not charge sales tax. Since the shirts are club giveaways to players and not resold, the sales tax must be paid by the club.

C. Responsibilities.

1. The Controller is responsible for ensuring that all sales taxes are collected and accounted for and for remitting payment to the State by the due date.
2. Any Department Head who is aware of any item purchased on a tax-exempt basis that will not be resold by the club, must alert the Controller to the need to pay sales tax.

Subject: Payroll Taxes

A-5003

A. Policy. It is the policy of the club to deduct all necessary withholding taxes from employee paychecks and to pay all required payroll taxes on wages paid.

B. Discussion

1. Withholding Tax

- a. Federal and State law require that withholding taxes be collected on employee pay. Such taxes will be calculated for each employee based upon the number of exemptions declared on his W-4 and State-4 forms (filled out upon hire or whenever his exemption status changes).
- b. The withholding amount will be automatically deducted from employee paychecks by the club's payroll service and the total amount of taxes withheld will be reported to the club by the payroll service.
- c. The amount of the taxes withheld for both Federal and State must be reported and remitted by specific due dates. See [Monthly & Quarterly Withholding Reports] for more information.

2. Payroll Taxes

- a. Companies are also required to pay Federal and State Unemployment Taxes (FUTA and SUTA).
 - b. These taxes will be computed on total wages paid by the club's payroll service and reported back to the club.
 - c. The amount of these taxes must be remitted to the IRS and State Department of Revenue by specific due dates.
3. Withholding and payroll taxes are submitted to the Internal Revenue Service and State Departments of Revenue by the club's payroll service provider.

Subject: Monthly and Quarterly Withholding Reports

A-5004

A. Policy. It is the policy of the club to submit all monthly and quarterly payroll tax withholding reports as required by the Internal Revenue Service and State Departments of Revenue.

B. Discussion

1. All monthly and quarterly payroll tax withholding reports are completed and submitted by the club's payroll service provider.
2. Copies are sent to the club for filing.