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SPHM  
HOSPITALITY

CLUB GENERAL S.O.P



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Series 6000

Club General

Subject: Adjustments

A-6001

A. Policy. It is the policy of the club that employees will do everything possible to ensure member satisfaction up to and including making full adjustments to members'/guests' for unsatisfactory experiences.

B. Discussion

1. If it comes to the attention of any employee that a member or guest is dissatisfied with any product or service of the club, that employee must do everything possible to rectify the situation. This includes cheerfully:
  - a. Replacing the unsatisfactory merchandise, meal, beverage, etc.
  - b. Not charging for unsatisfactory meals and beverages, if not already charged.
  - c. Adjusting charges from member accounts for meals and beverages, green fees, cart fees, guest fees, etc., if already charged.
  - d. Refunding the full charge or providing a full credit for merchandise returned if:
    - (1) the item is in re-saleable condition, i.e., not damaged or worn.
    - (2) the return is within 60 days of the purchase.
  - e. Making a sincere apology for any inconvenience and dissatisfaction.
2. While satisfying dissatisfied members and guests is part of the cost of doing business, we want to derive value from that cost. We do this by analyzing the incidents, events, and circumstances leading to the member's dissatisfaction so that we may learn from our mistakes and design or modify systems and procedures to avoid the problem in the future.

C. Procedures

1. When an employee feels the need to adjust or not apply member charges as described above, he must fill out a Member Adjustment, [SPHM Form 215], describing the problem for which the adjustment is being made, factors leading to the problem, and proposed solutions to the problem.
2. The completed Member Adjustment must be signed by the Department Head or departmental Manager on Duty.
3. Approved same-day adjustments may be made by the employee using the point of sale system. The approved Adjustment form will be turned in to the Accounting Office with that day's shift reports.
4. The Accounting Office will make approved, non-same-day Adjustment to the member's account

by reversing the charges and the corresponding revenue for the day.

5. After the Accounting Office has reviewed or processed all adjustments, the Member Adjustment form will be forwarded to the General Manager for review and action.

Subject: Charge Accounts for Department Heads

A-6002

A. Policy. It is the policy of the club that, at the discretion of the General Manager, charge accounts may be set up for the Department Heads. All such accounts must be kept current or charging privileges may be revoked temporarily or permanently.

B. Discussion

1. Department Heads are designated in [Club Organization].
2. At the discretion of the General Manager, the Controller will set up charge accounts for the individuals occupying the Department Head positions and provide them with account numbers.
3. Department Heads may use their charge account to charge retail items in the club's retail shops and meals in food and beverage facilities for their personal use. These charges will be paid by the individual Department Head.
4. At the discretion of the General Manager, Department Heads may use dining privileges to sample food and beverage under the provisions of [Quality Assurance – Sampling].
5. Department Heads may not use facilities for recreational purposes except as authorized by the General Manager.
6. Department Heads using dining facilities for business reasons will not charge meals to their individual charge account. These meals should be charged to [Travel and Entertainment].

Subject: Retail Discounts for Department Heads

A-6003

A. Policy. It is the policy of the Company that, at the discretion of the General Manager, Department Heads be allowed to make discounted purchases in the club's retail outlets.

B. Discussion

1. Department Heads are designated in [Club Organization].
2. Department Heads may purchase retail items in club retail outlets at cost plus 10%.
3. Department Heads must use their individual charge account or an accepted credit card when making such purchases. See [Charge Accounts for Department Heads] for more information.
4. From time to time, at the discretion of the retail outlet Department Head or Merchandise Manager, discounted sales to employees of certain items may be curtailed to allow members first opportunity to purchase.

Subject: Retail Discounts for Employees

A-6004

A. Policy. It is the policy of the club that, at the discretion of the General Manager, employees are allowed to make discounted purchases in the club's retail outlets.

B. Discussion

1. Employees may purchase retail items in retail outlets at cost plus 10%.
2. Employees may only use personal credit cards to make such purchases.
3. From time to time, at the discretion of the retail outlet Department Head or Merchandise Manager, discounted sales to employees of certain items may be curtailed to allow members first opportunity to purchase.

Subject: Travel Reimbursement

A-6005

A. Policy. It is the policy of the club that employees who travel on club business be reimbursed for all legitimate expenses to include transportation costs (airfare, train, bus, and cab fare), lodging, meals, tips, entertainment, and incidental expenses related to travel.

B. Discussion

1. To qualify for travel reimbursement, the employee must be traveling on approved club business. Such travel is usually budgeted for and approved in advance by the General Manager.
2. Employees are expected to seek the most economical means of travel by making advance reservations for air travel. Lodging reservations should be made at a quality establishment. Luxury lodging establishments will be avoided. Moderate dining establishments should be chosen rather than fine dining unless entertaining for business purposes.
3. The club will not reimburse expenses for consumption of alcoholic beverages or pay-per-view movies. Employees seeking meal reimbursement should separate such expenses from normal meal expenses.
4. The club may not reimburse personal entertaining expenses (in room movies, tickets, golf, etc.) while traveling on club business.

C. Procedures

1. Employees seeking travel reimbursement must collect receipts for all their expenses and complete a Travel Expense Reimbursement, [SPHM Form 139], noting the dates and reason for travel in the “Travel Detail” section of the form.
2. After completing the form, the employee must have their Department Head approve the reimbursement by signing the form at the bottom.
3. The approved reimbursement form will be submitted to Accounting for the preparation of a check. Checks are usually prepared once a week. In order to have a check prepared, expense reimbursement forms must be submitted as early in the week as possible.

Subject: Local Mileage Reimbursement

A-6006

A. Policy. It is the policy of the club that employees who use their personal vehicles for travel on club business will be reimbursed for their mileage at the standard rate approved by the Internal Revenue Service.

B. Discussion

1. To qualify for mileage reimbursement, the employee must travel off club premises. Travel between various buildings on facility premises does not qualify for reimbursement.
2. Employees will not be reimbursed for normal commuting from home to work. In the case, where it makes sense for the employee to leave directly from home to travel on club business, reimbursement will be made.
3. Non-management and non-supervisory employees will be reimbursed for emergency return visits to the club, such as alarm calls or facility maintenance emergencies.

C. Procedures

1. Employees seeking local mileage reimbursement must keep track of their mileage and complete a Mileage and Expense Reimbursement, [SPHM Form 102], noting their mileage, the date, and reason for travel in the appropriate section of the form.
2. After completing the form, the employee must have their Department Head approve the reimbursement by signing the form at the bottom.
3. The approved reimbursement form will be submitted to Accounting for the preparation of a check. Checks are usually prepared once a week. In order to have a check prepared, expense reimbursement forms must be submitted as early in the week as possible.

Subject: Expense Reimbursement

A-6007

- A. Policy. It is the policy of the club that employees who make authorized purchases of items legitimately used in the course of club business be reimbursed for those expenses.
- B. Discussion
  1. There are times when departments must purchase items from vendors with whom the club has not established a credit account.
  2. In such cases, when authorized by a Department Head, an employee may purchase the items using their own funds or credit cards.
  3. Upon submission of appropriate documentation, the club will reimburse such expense.
- C. Procedures
  1. Employees seeking expense reimbursement must collect receipts for all their expenses and complete a Mileage and Expense Reimbursement, [SPHM Form 102], noting the dates and reason for the purchase(s).
  2. After completing the form, the employee must have their Department Head approve the reimbursement by signing the form at the bottom.
  3. The approved reimbursement form will be submitted to Accounting for the preparation of a check. Checks are usually prepared once a week. In order to have a check prepared, expense reimbursement forms must be submitted as early in the week as possible.

Subject: Travel and Entertainment

A-6008

A. Policy. It is the policy of the club that Department Heads are authorized to charge certain well-defined entertaining expenses to the Entertainment Account.

B. Discussion

1. Department Heads are designated in [Club Organization].
2. Department Heads may use the Travel and Entertainment Account to charge food and non-alcoholic beverages when entertaining business associates, vendors, contractors, and other individuals for the purposes of furthering the club's business.
3. Entertaining may take place either at the club or at an off-property establishment. If the entertaining is off property, the Department Head must have the prior approval of the General Manager and will pay for the entertaining and submit receipts for reimbursement, noting the names of entertained individuals and the purpose of the charge, e.g., "lunch with ABC Club Membership Director."
4. When entertaining on club premises, Department Heads will notify the server that the charges will be applied to the Travel and Entertainment Account. When signing the charge ticket, the Department Head will note the names of entertained individuals and the purpose of the charge.
5. Exclusions. The Travel and Entertainment Account will not be used for the following:
  - a. For personal use. In this case, Department Heads should use their personal charge account. See [Charge Accounts for Department Heads] for more information.
  - b. To adjust members' accounts for poor quality food and/or service. In this case, follow the procedures found in [Adjustments].
  - c. To sample the food service for quality assurance purposes. See [Quality Assurance – Sampling] for more information.
  - d. To buy meals or beverages for members. See [Member Relations] for more information.

Subject: Vending Machines

A-6009

A. Policy. It is the policy of the club that vending machines may be used to provide convenience snacks and beverages in various areas of the club.

B. Discussion

1. Vending machines provide convenience snacks and beverages in areas where members may want this service outside of normal operating hours.
2. The following areas of the club may need vending machines:
  - a. The Tennis Center.
  - b. The Sports/Activities Center and/or Aquatics facility.
  - c. The employee break room in the Clubhouse.
3. Service will be established with a vending company to provide vending machines with appropriate snacks and beverages. The vending company will be responsible for maintaining, stocking, and harvesting the machines. If revenue will be derived from the vending machines, it will be paid to the club by the vending company on a monthly basis. Vending revenues will be posted to the Miscellaneous Income account on the Food schedule of the monthly financial statement.
4. In some cases it may be more advantageous for the club to stock vending machines and harvest the receipts. In such cases, the General Manager will make the determination and establish appropriate procedures and responsibilities for maintaining the machine and harvesting the receipts.

Subject: Quality Assurance - Sampling

A-6010

A. Policy. It is the policy of the club that General Managers have the discretion to establish sampling accounts allowing Department Heads to dine in the club's dining areas to help ensure the quality of food and service.

B. Discussion

1. Department Heads are designated in [Club Organization].
2. Quality assurance is a responsibility of management. In order to ensure an adequate number of quality assurance samplings, General Managers may require Department Heads to assist in sampling meals. The following outlines a sampling policy that may be used:
  - a. Department Heads and their spouses or significant others may dine as a couple in the dining room once a month for the purposes of quality assurance sampling.
  - b. When dining for quality assurance purposes, Department Heads may use a Quality Assurance - Sampling Account, to charge food and non-alcoholic beverages. Should the Department Head desire to order alcohol with the meal, the alcoholic beverages will be charged separately to the Department Head's personal account.
  - c. Department Heads will notify the server at the beginning of the meal that the charges will be applied to the Quality Assurance – Sampling Account. When signing the charge ticket, the Department Head will note that the meal(s) were for quality assurance purposes.
  - d. When dining for quality assurance purposes, Department Heads will make reservations, follow the attire policy for members, and avoid traditionally busy periods.
  - e. Within 72 hours of the meal, Department Heads will provide the General Manager with a brief written critique of the meal and service, noting the day, date, time, location of the meal, and name of server(s).
3. Exclusions. The Quality Assurance - Sampling Account will not be used for the following:
  - a. For personal use. In this case, Department Heads should use their personal charge account. See [Charge Accounts for Department Heads] for more information.
  - b. For business entertaining purposes. In this case, Department Heads should use the [Travel and Entertainment Account].
  - c. To adjust members' accounts for poor quality food and/or service. In this case, follow the procedures found in [Adjustments].
  - d. To buy meals or beverages for members. See [Member Relations] for more information.

Subject: Departmental Transfers

A-6011

A. Policy. It is the policy of the club that the cost of food, beverage, and retail items transferred from one operating department to another be detailed and charged to the appropriate department.

B. Discussion

1. When food, beverage, and retail items that have initially been charged as an expense to one department are transferred to another department, the cost of those items will also be transferred.
2. The mechanism to do this is to complete a Departmental Transfer, [SPHM Form 216].

C. Responsibilities

1. The receiving Department Head will prepare the Departmental Transfer, requesting the items to be transferred and coding the costs to departmental expense categories.
2. The issuing Department Head will enter and extend the cost of the issued items and sign the transfer form. The cost will be the cost to the department, not the retail price.
3. The receiving and issuing Department Head will each keep a copy of the transfer form and send the original to the Accounting Office with the monthly inventory.
4. The Controller will credit the issuing department for the cost of the transfer and charge the items to the coded accounts of the receiving department.

Subject: Monthly Analysis of Expense Accounts

A-6012

A. Policy. It is the policy of the club that the Accounting Department performs a monthly analysis of a particular expense account and submit the results to the General Manager for review.

B. Discussion

1. There are many expenses in a club operation.
2. A thorough understanding of the club's cost structure helps ensure efficient operations and profitability. It also helps Department Heads do a better job of budgeting.
3. Each month the Accounting Department will undertake a review of a particular expense account.
  - a. This will be done by analyzing the General Ledger detail for that account to better understand the specific expenses that contribute to the overall expense line.
  - b. If there are any recurring expenses that contribute to the expense line, these should be looked at in detail. Recurring expenses should be analyzed over a period of time to ensure the expenses billed are correct and in line with similar comparable services or with original quotes. In cases where the expense is significant, it may be helpful to price the service with other vendors to see if the cost can be lowered.
4. The Controller should coordinate with the General Manager to determine which expense categories should be reviewed. Generally, those expense accounts with large amounts will be the highest priority. Utility accounts will be given high priority.

Subject: Employee Holiday Fund

A-6013

A. Policy. It is the policy of the club that an employee holiday fund may be collected from members and distributed to employees according to prescribed procedures.

B. Discussion

1. It is traditional in private clubs that a holiday fund be collected from members for distribution to club employees.
2. Typically, the General Manager would send out a letter in October announcing the fund and suggesting the customary amount of contribution. Members should be instructed to include the amount they wish to contribute when they pay their monthly club bill.
  - a. This letter may be included in the monthly billing statement.
  - b. By sending it out in October, members have two opportunities (October and November billing statements) to respond.
  - c. It also allows sufficient time for the Controller to distribute the collected funds to employees with their paychecks prior to the holiday season.
3. Eligibility
  - a. All non-exempt employees and those exempt employees who do not have any incentive compensation opportunities (bonuses, commissions, or other incentives) are eligible to share in the holiday fund.
  - b. Employees must be on the club pay rolls and be working at the time of the distribution. In other words, a seasonal employee, who is being carried on the pay rolls in anticipation of working during the holiday season but is not currently working, would not be eligible.
  - c. Employees will receive a pro rata share of the total funds collected based upon their hours worked in that fiscal year. In other words, if Mary Smith worked 1,200 hours since January 1<sup>st</sup> of the current year and all employees combined worked 26,000 hours, Mary would receive a 4.62% share of the total ( $1200/26,000 = .0462$  or 4.62%). Full time exempt employees will be considered to have worked 40 hours per week up to the time of the computation. In other words if the computation is being made in the first week of December (say the 48<sup>th</sup> week of that year), they would have worked 1920 hours (40 hours per week X 48 weeks = 1920 hours).
  - d. Holiday fund distributions will be made by separate check so that employees can readily identify the money as being part of the holiday fund.
  - e. All appropriate withholding amounts will be deducted from each individual's distribution.

Subject: Contractors

A-6014

- A. Policy. It is the policy of the club that Contractors performing work at the club meet certain requirements.
- B. Discussion
  1. Various types of contractors will have contracts with the club.
  2. All contracts must be signed by the General Manager and an officer of the club. See [Authority to Sign Contracts] for more information.
  3. The names of all approved contractors will be placed on an up-to-date Contractors List maintained by the club's Administrative Assistant.
  4. All contractors must provide proof of insurance to the club before being allowed to work on the premises. At a minimum the contractor must have \$1,000,000 in liability coverage and proof of Workers' Compensation coverage.
  5. All contractors must check in with the Administrative Assistant prior to beginning any work on the premises. The Administrative Assistant will ensure that any contractors wishing to work on the premises are on the Contractors List.