Welcome

Semper Best Practices for Accounting

The objectives are to enable you to implement what we would consider best business practices and processes focusing on the accounting function.

The processes described in this document are not the only that are effective or desired. It remains your prerogative and duty to decide on the processes and practices that work best for your venue.

The key objectives

Semper

- To ensure the correct process is used for managing reservations, invoicing and debtors.
- To ensure accurate monthly figures can be finalized and produced quickly.
- To greatly reduce the cost of the accounting function by automating manual tasks which are tedious, expensive and could be inaccurate.
- To ensure information gets locked periodically (daily, weekly or monthly), which in turn ensures information cannot be altered.
- To enable you to balance between your Semper system and your accounting system.
- To ensure Vat (GST) can be finalized and produced quickly.
- To understand the various reports and by which rules they get produced.
- To select the best management reports.

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- Debtor management and age analysis.
- Recommended management reports.

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Increased management control to ensure integrity of information

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With version 7.3.1 a new feature was added to the system called "Manage by Invoice Control".

The principal with this approach is that ALL reservations *must be invoiced* before the reservation's status can be changed to checked-out. This is done irrespective of whether a balance exists or not.

If a balance does exist, the invoice will automatically be displayed in your debtors system. Once checked out, use your debtors system to manage all outstanding debt.

Reservations that are not invoiced can only be set to Active Out.

Payments received

Payments received or expenses recorded ***AFTER*** the invoice has been created can either be recorded within the reservation or recorded in debtors and then allocated to the correct invoices. If recorded within the reservation, the payment can be allocated to the invoice and a statement produced from there.

Increased management control to ensure integrity of information

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Security changes to limit access

Once a reservation has been **checked out**, it should not be altered unless there is a very good reason. Most users should not have the ability to return and change anything unless authorized.

Change the security access of all users (except an appointed manager) prohibiting them from *changing the status of a checked out* reservation (Security Setting #518).

It is common practice to include payments received on the invoice (which is not done in general accounting systems where the payments received get recorded separately and then allocated to the invoice).

It is also common practice to cancel invoices and re-generate them should something be incorrectly recorded.

The changing of invoices can be eliminated if required, but not recommended as it would create an un-friendly system from the end user perspective who often prefer everything on a single invoice.

In addition to this, the system automatically records all actions performed which ensures you have the ability to track any of these actions (Setup & Admin tab -> Employee Activity Log.

Increased management control to ensure integrity of information

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Locking information to ensure it cannot be altered

The system must be **closed** periodically (daily, weekly or monthly) using a newly implemented function – see next slide.

When one period is closed, all invoices and payments received since the last closed period are locked. Any changes to invoices after the close requires credit notes be generated and new invoices recorded.

This approach provides maximum flexibility without compromising data integrity.

The period selected is dependent on the size of your venue and the level of control you wish to implement.For smaller venues the closing period should be set monthly; medium sized venues to weekly and very large venues daily.

It is easier to manage and control if a monthly close is selected as the close reports will reflect monthly figures.

This period can be changed should you wish to increase or decrease the number of days between closes at a later stage.

Increased management control to ensure integrity of information

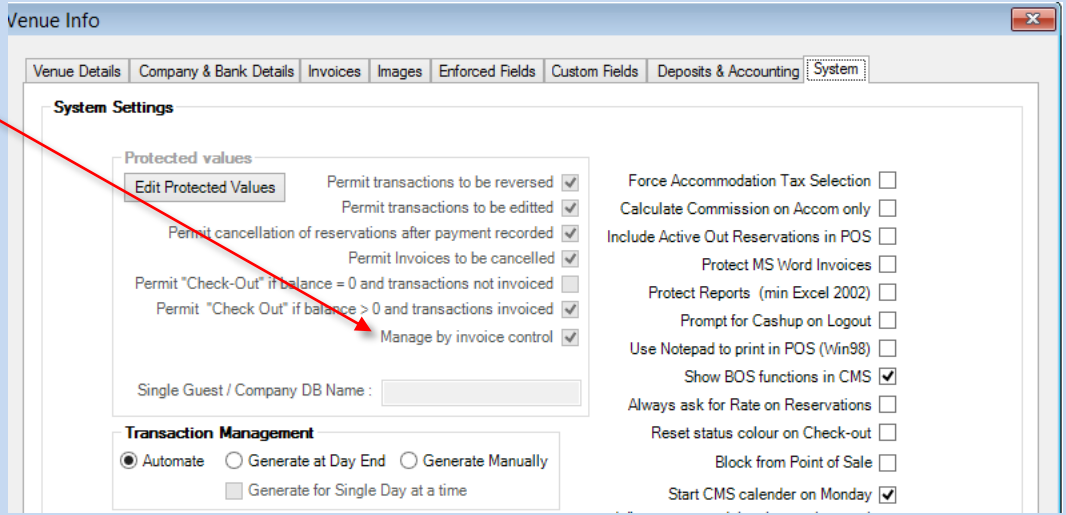
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To implement the **Manage by Invoice Control** approach

Under Setup & Admin → Venue Settings → System. Change the setting (must be requested from your Semper support office).

Once this has been changed:

- Ensure all employees are informed of the subtle change in the operational process.
- Change security for all users (except your manager) to ensure they are not able to alter checked-out reservations.
- Implement a process where a selected manager verifies all reservations for correctness on a daily basis and that all are checked out.
- Implement a Close and Post process as described later in this document.



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Daily Controls

Daily controls differ depending on the reporting and controls required by your venue.

Smaller venues (one or two users)

Use your cash-up report for each employee or the consolidated cash up either daily or weekly depending on the level of control required.

Where cash is taken out for business expenses they should be recorded and petty cash journals entered into the accounting system. This total + the cash banked must balance to the cash total as reflected on the consolidated cash-up.

Credit card batch totals as reflected in your bank statements must be reconciled with the credit card totals from your cash-up to ensure all credit card transaction are accounted for.

The bank transfers (first seen on your bank statement)

- For deposits - record the payment received in your Semper system within the specific reservation.
- For other payments received
    - For guests accounts, payments must be recorded within the reservation and allocated to the correct invoice(s).
    - For companies, record these payments in your debtors system for that company and allocate to the correct invoice(s).

Daily Controls

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Larger venues

A cash-up should be performed at the end of each users shift and monies collected balanced with a float if used.

Use the Cash-up Management facility under the Accounting tab for this purpose.

Once all users have been cashed-up, a day-end should be performed as part off your nigh-audit function.
This should be done as the last action of the day or before any user logs into the system the next day.

The report generated from the day-end should be used for two purposes:

1. Report on Revenue for the day.
2. Controlling money (see next slide).

Daily Controls

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Controlling money

- The day-end report contains a summary of all payments received. The total on this report must balance with the total of all cash-ups for the day.
- Credit card batch totals as reflected in your bank statements must be reconciled with the credit card totals from your day-end(s) to ensure all credit card transaction are accounted for.
- Where cash is taken out for business expenses they should be recorded and petty cash journals entered into the accounting system. This total together with the cash deposited must balance to the day-end cash total.
- Bank transfers (first seen on your bank statement)
  - ❑ For deposits - record the payments received in your Semper system within the specific reservation for either guest or company accounts
  - ❑ For other payments received
    - ❑ For guest or company accounts – Outstanding debt should be reflected in your debtors system where the payment can be recorded and allocated to invoice(s). If the payment received is not found within debtors, the relevant reservation must be located and recorded there. This should only be the case if the final invoice has not been produced or the guest has not check in by the time the payment is received.

Daily Controls

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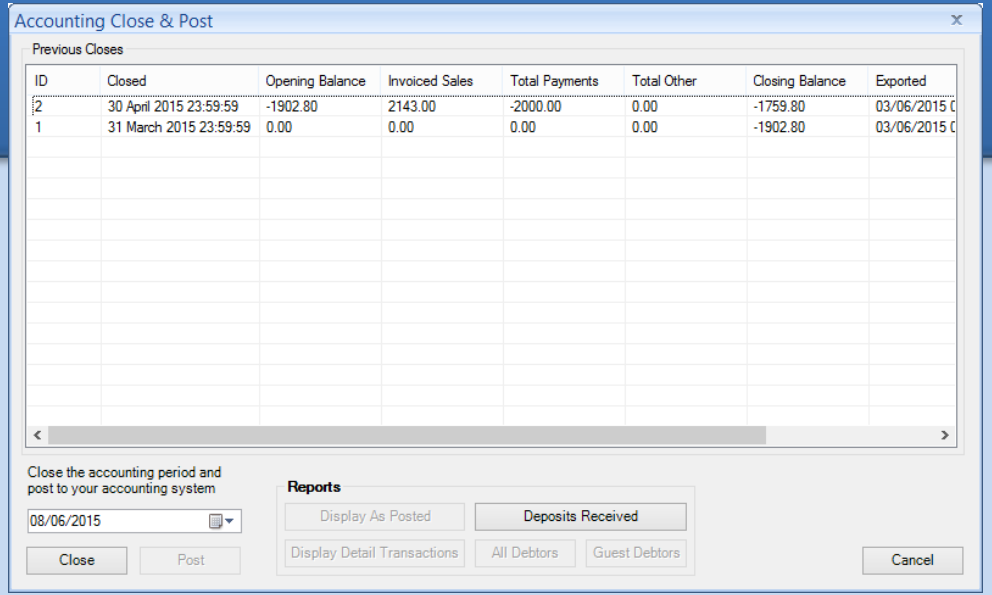
Management Controls :

1. Ensure that NO **Active Out** reservations exist unless you have a specific reason (such as the invoice cannot be finalized).
2. Use your debtors system to manage outstanding debt.
3. Important: Appoint a management person with the task of verifying that all reservations checked out are 100% correct (all transactions recorded correctly on each invoiced).
4. If your venue is large you may wish for a debtors clerk to finalizes all company invoices (Travel agents, tour operators or corporates). In such a case the front desk would finalize the guest invoice and change the status to Active Out. The debtors clerk would then select all the active out reservations, finalize the company invoice and change the status to checked out.

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Posting to an accounting system and balancing the two systems

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How does it work?

As mentioned previously, a period gets selected (such as daily, weekly or monthly) which gets closed.

- Each closed period is uniquely identified and all *invoices*, *receipts* (payments) and *expenses* that fall within that period get marked with the unique identifier.
- The information in the period gets locked in Semper and cannot be altered after the close is performed.
- Each closed period will consist of an opening balance (the closing balance from the previous period) *plus* total invoiced sales, *less* receipts, *less* expenses to derive at a closing balance.
- The closed period's information is then posted electronically into an accounting system (in the case of Pastel Partner, Express or Pastels Sage One Accounting) or entered manually for all other systems.
- Once entered into the accounting system, the closing balance (mentioned above) must balance with the accounting systems Aged Analysis.
- If the venue uses the Semper POS and Stock control system all supplier information as well as Goods Received entries get closed and exported in addition to the above mentioned (this is optional).

Posting to an accounting system and balancing the two systems

Semper

How does it work (cont..)?

The first action is to determine opening balances.

Select a start date (preferably end of financial year or end of VAT (GST) cycle). Opening balances consists of all debtors and all deposits that existed at the start date selected. The start date can be a future date or a date already passed.

If this is a new implementation of Semper, these opening balances need to be established as follows:

For all debtors:

- Create a product called opening balance which is only going to be used for this purpose. It must be VAT (GST) exempt.
- For Guest account debtors (where the guest is paying the account). Record the reservation and then add a charge for the opening balance sale. Invoice the sale and ensure the invoice date falls before the starting date.
- For company debtors. Create the company and record opening balance sale. Invoice the sale and ensure the invoice date is smaller than the starting date.

For deposits.

- Record all future reservations (arrival date > start date) and record the deposits received. Ensure the Bank Date of the deposit reflects the actual date the deposit was received (or must be smaller than the start date if not known).

Posting to an accounting system and balancing the two systems

Semper

How does it work (cont..)?

If this is an existing Semper customer, the opening balances need to be established as follows:

For all debtors:

- If the start date is in the future then the opening balance creation will be done after the start date has passed.
- Check that the debtors position on the start date is accurately reflected.
- Check that deposits of all future dated reservations are accurately reflected.
- Use a trial run to create the opening balances and verify that they are accurate.
- Your Semper support office will assist you.

Posting to an accounting system and balancing the two systems

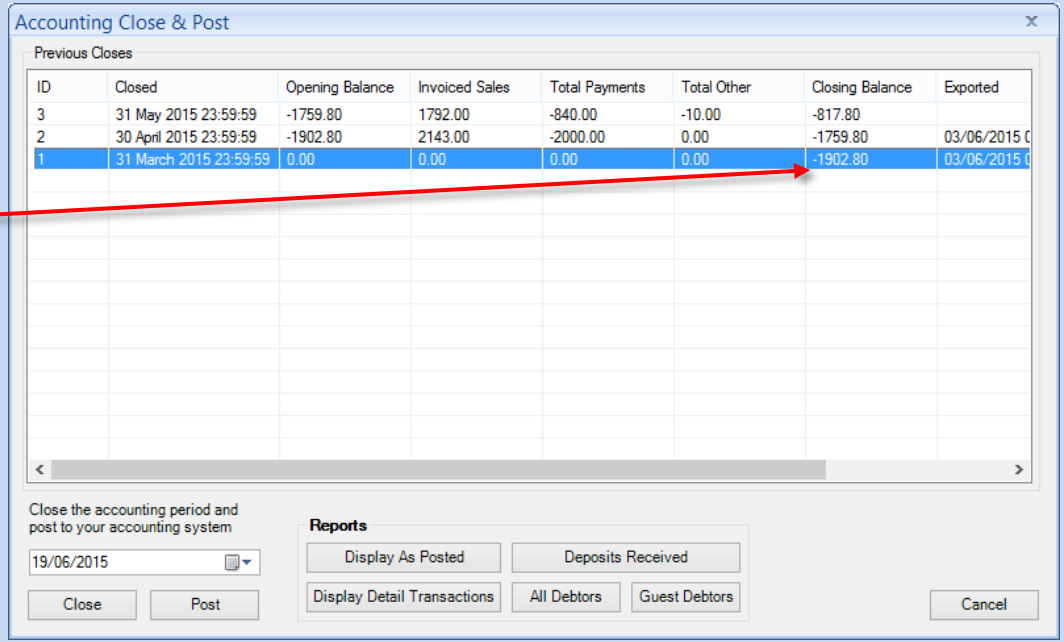
Semper

How does it work (cont..)?

Once the opening balances have been established and verified, the opening balance information must be recorded in your accounting system (e.g. auto exported or recorded manually).

Once posted into the accounting system, balance between the Semper and accounting system.

The closing balance on the high-lighted entry must be the same as the total of the age analysis of your accounting system for the same date.



Posting to an accounting system and balancing the two systems

Semper

How does it work(Cont..)?

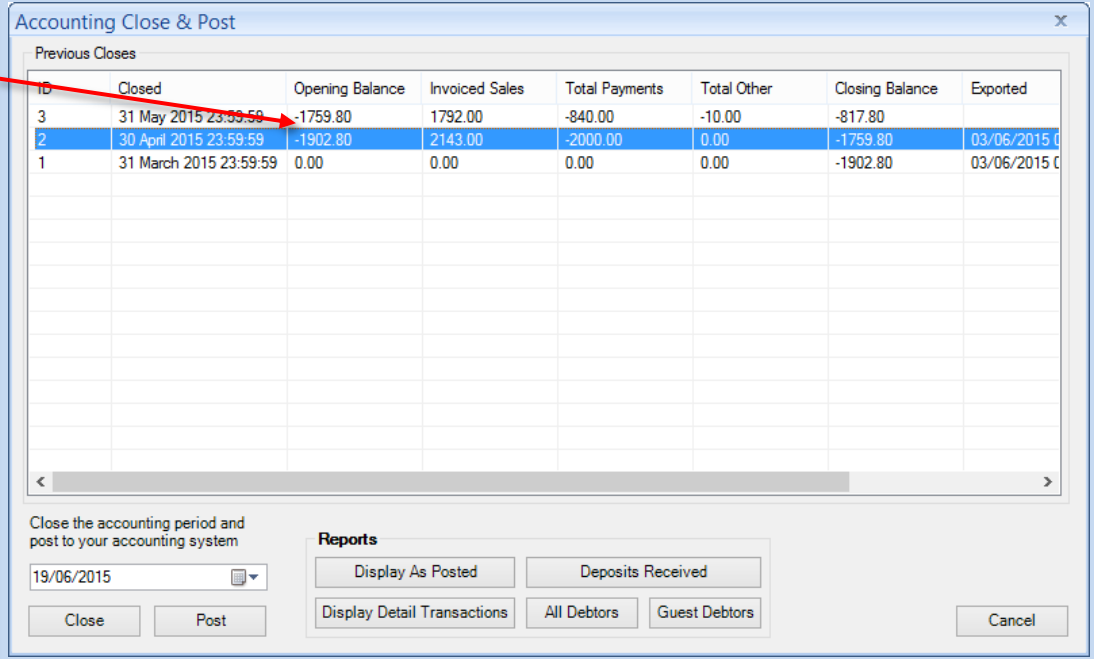
The next period can then be closed and entered into your accounting system.

Note the opening balance of this period is the same as the closing balance for the previous period.

The total invoiced sales will be all sales that have been invoiced since the previous close.

Any payments recorded on the invoice in Semper will be removed from this total and only sales and expenses recorded on the invoice is included in this figure.

The closing balance on the high-lighted entry must be the same as the total of the age analysis of your accounting system for the same date. This process is repeated for each close period.



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Managing the flow of money

Semper

As mentioned under *daily controls* the cash up and /or day-end is used to ensure monies received in Semper get reflected correctly in your bank account.

The next phase is to reconcile money between your Semper system and your bank (i.e. all bank transfers seen in the bank must be recorded in Semper and all cash and credit cards recoded in Semper must be reflected in the bank).

Money flows in two directions.
Bank transfers are first seen in the bank statement and consist of either deposit or other payments. Cash and credit card payments are first recorded in Semper and then reflected in the bank.

This two way flow needs to be reconciled for each closed period as follows:

Create separate bank reconciliation accounts in your accounting system for the different payments types (e.g. Bank Transfer Recon, Credit Card Recon and Cash Recon).

Import you bank statement into your accounting system and post all entries to one of the three recon accounts (debit the Bank and credit the relevant recon account)

Managing the flow of money

Semper

For Bank transfers

All bank transfers recorded in your accounting system must also be recorded within your Semper system.

- For deposits record directly within the reservation.
- For other payments record within debtors for either guest or company debtors. Make sure the payment is allocation to the correct invoice.

Once a close is performed in Semper for that period, these transactions will be marked and posted to your accounting system. For automated postings, the system will automatically credit the debtor account and debit the recon account for each payment type.

The recon account transactions must then be matched and should balance. This ensures all transactions have been processed in both systems. If they don't balance, the differences must be investigated and corrected.

Managing the flow of money

Semper

For Cash and credit card transactions

Each transaction received at the venue and recorded in Semper must be reconciled to the total cash and credit card banked (and reconciled with your day-end and/or cash up as described previously).

Once a close is performed in Semper for that period, these transactions will be marked as posted to your accounting system. For automated postings, the system will automatically credit the debtor account and debit the recon account for each payment type.

The recon account transactions must then be matched and should balance. This ensures all transactions have been processed in both systems.
If they don't balance, the differences must be investigated and corrected.

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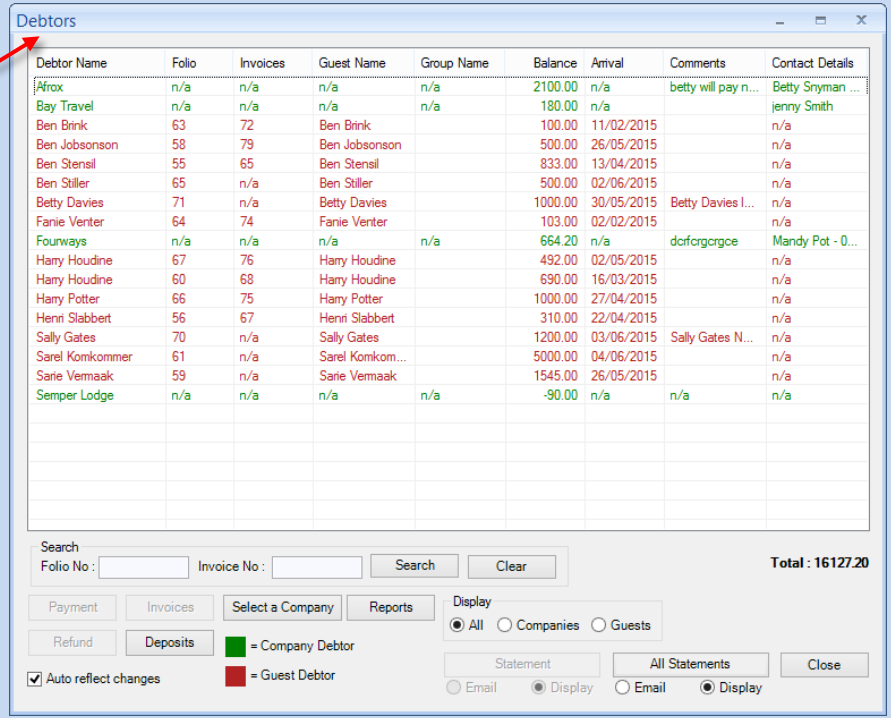
Debtor management and age analysis

Within Semper there exists a number of tools to assist the venue with debtors management. It is important to understand the function of each.

The Debtors screen

It is designed to reflect all outstanding debt (invoiced or not).

- It uses an open-item approach which means it changes in real-time as processing occurs.
- It excludes any deposit payments.
- It includes un-invoiced transactions recorded directly on a debtor.
- It includes transactions such as credits outstanding (where a guest requested the venue to retain the deposit for a future visit).
- It includes un-invoiced Active out reservations (the guest has departed and there exists outstanding amounts.



Debtor management and age analysis

Semper

Debtor Aged Analysis

Generated on 20/06/2015 08:57:01

Debtor Aged Analysis up to 30/04/2015

Debtor Name	Current	30 Days	60 Days	90 Days	120 Days	Total Due
Afrox (56)	R 1 000.00	R 1 000.00	R 0.00	R 0.00	R -1 000.00	R 1 000.00
Ben Brink (63)	R 0.00	R 100.00	R 0.00	R 0.00	R 0.00	R 100.00
Ben Stensil (55)	R 833.00	R 0.00	R 0.00	R 0.00	R 0.00	R 833.00
Fanie Venter (64)	R 0.00	R 103.00	R 0.00	R 0.00	R 0.00	R 103.00
Fourways (63)	R 0.00	R 1 204.20	R 0.00	R 0.00	R 0.00	R 1 204.20
Harry Houdine (60)	R 0.00	R 690.00	R 0.00	R 0.00	R 0.00	R 690.00
Henri Slabbert (56)	R 310.00	R 0.00	R 0.00	R 0.00	R 0.00	R 310.00
Semper Lodge (39)	R 0.00	R 0.00	R 0.00	R 0.00	R -2 382.00	R -2 382.00
	R 2 143.00	**R 3 097.20**	**R 0.00**	**R 0.00**	**R -3 382.00**	**R 1 858.20**

The Age Analysis reports

A number of reports exists, all with the same information.

- Includes all invoices where an outstanding balance exists after allocation of any payment and/or expense have been processed.
- Zero balance accounts are ignored.
- It excludes any deposit payments.
- It includes un-allocated payments received.
- In includes un-allocated expenses.

For the above reasons it cannot be used to balance against an accounting system (Such as Pastels) age analysis as those reports include deposit.

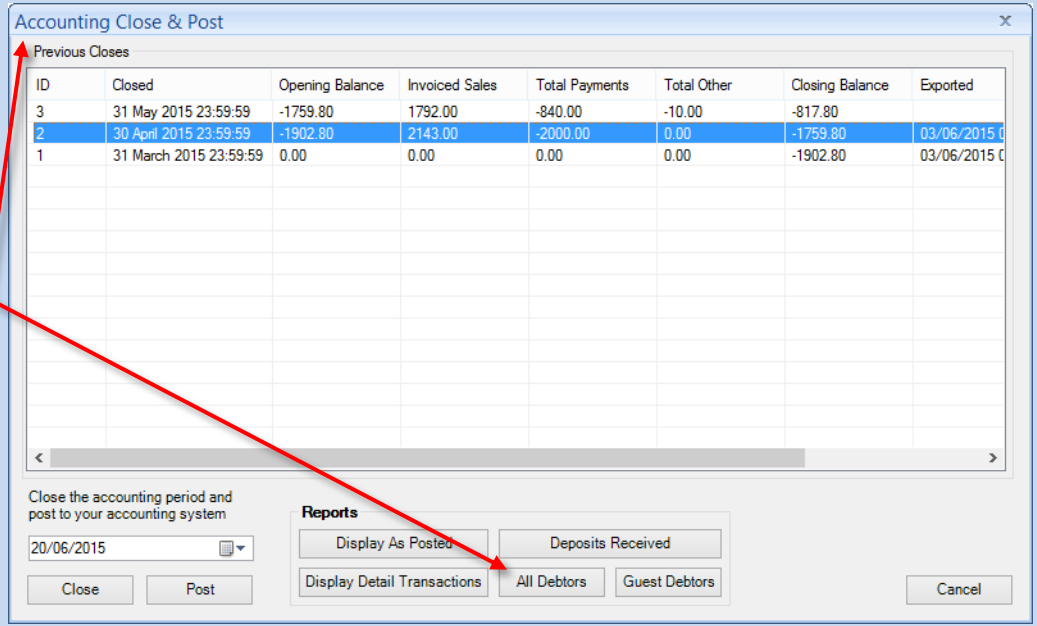
It can also not be used to balance against the Debtors screen for obvious reasons.

Debtor management and age analysis

The *All Debtors* on the Close & Post.

This report produces a list of debtors from a specific close date and will balance with the age analysis found in your accounting system if the same date is selected in your accounting system (provided no manual alterations where performed within your accounting system).

All guest debtors are combined into a single entry on this report but can be produced in detail by selecting the Guest Debtors report (found next to the All Debtors report).



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Recommended management reports and which to use

Semper

Within Semper there are many reports which get produced using different criteria. Good understanding of how this is done is key to understanding the contents of each report.

Within each reservation there exists an arrival and departure date. Transactions are added to each reservation.

Three types of transactions exist: Charges (Sales) Expenses (COS) and Payments (Payments and receipts) and are color coded for ease of identification.

Transactions all have 2 different dates: Creation and Effective. Creation is when first recorded (and can never be changed) and Effective is when it takes effect. E.g. Room charges will have one transaction for each day of the visit. The creation date will be the same for all but the effective date will be for each day of the visit.)

Payments (Receipts) have an additional date which is the Bank date. (The day the money was received in the bank . This date enables the venue to reconcile with the bank statement and also used in many cases to determine if a transaction should be selected for inclusion (e.g. the Close & Post uses the bank date to determine if a payment must be included in that period).

In addition, transactions get invoiced where an invoice date is recorded.

When selecting a report these dates are always considered. If reports refer to invoices, all transactions on the invoice will be included. If reservations are used, then the arrival and departure dates are considered and all transactions within those dates . All transaction reports refer to transactions creation, effective or bank dates.

It is a common mistake to compare reports where different criteria is used.

Be aware of what is included or excluded and which dates are used for the selection.

On each report the selection criteria is indicated.

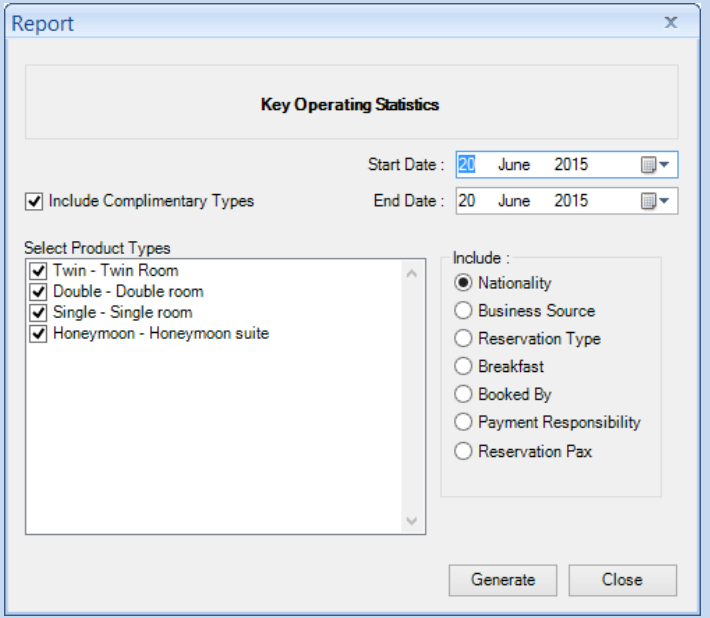
Recommended management reports and which to use

Once a transaction has been recorded in the system it is never completely removed from your database. For alterations to a transaction, a reversal is created and a new one recorded.

This enables an audit trail of all transactions in the system. These reversals also appear on many reports (e.g. Day-end).

Important: For accounting purposes, only transactions that are locked within a period should be used (i.e. Transactions on the Close and Post). This ensures that no movement against transactions will take place after the transactions is marked on a closed period.

All other transactions can be reversed which means that the same report for the same dates selected may contain different information when executed on different days.



Recommended management reports and which to use

Recommended reports

To measure the effectiveness of the business the following is recommended.

For revenue use the day-end report which will include reversals if figures are changed between days. These reversals should be checked.

Use the income comparison by product type report for industry standard figures such as revpar, occupancy, income etc which can be compared to previous periods.

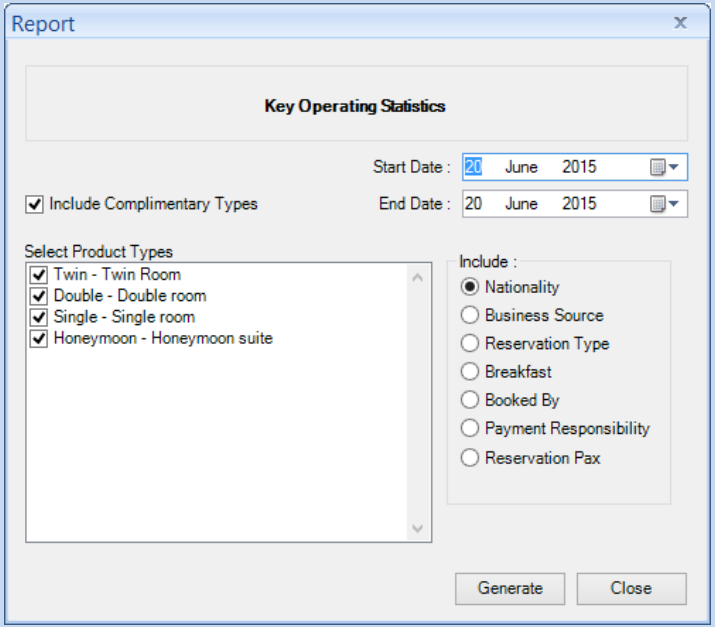
For statistics to decide where to focus future spend, use the Key Operating Statistics report.

For actual figures that are going to be used for accounting or reporting to owners use the close and post reports.

Recommended reports for Front desk:

Rooming List report – This report generates a list of all Stay Overs, Arrivals, Departures and available products from the user specified starting date. If the 'Check Reservation Status' check box is selected, only in house reservations will display on the report. User is given the option of what extra columns to include on the report.

Availability by product - Summary of available products/rooms by product, between and on the user specified dates. By selecting the 'Highlight Differences' checkbox, the report will highlight the dates on which all the rooms are/were fully booked in red and where changes have been made since the user specified date in green.



Recommended management reports and which to use

Semper

Recommended reports for Reservations:

Marketing – Booked by - Booked by Statistics. This report selects all sales (charges) transactions where the effective date falls within the period selected (both dates inclusive). No show transactions are included. Conference accommodation charges are included, but all other conference transactions are excluded from the report including conference venue charges.

Reservations List - This report selects all reservations that fall within the period selected and are related to reservations only.
Both dates are inclusive. e.g. If you select the arrival date option it will select all reservations where the arrival date falls on or within the dates selected. The figures displayed reflect the totals of ALL transactions recorded on reservations selected.

Occupancy (yearly) - This report shows the total occupancy (bed nights and room nights) per day, starting from the user specified month for the next 12 months. User is given the option to specify whether or not the report should include 'Complimentary Types' and 'Provisional Bookings'. Totals include total Bed/Room nights per month, used Bed/Room nights per month and the Occupancy % per month.

User selected - Enables the user to define what transaction information he or she would like to view. Use the option buttons and dropdown box to select your criteria.

User tracking - This report generates a list of new reservations, new transactions and reversed transactions that were created between the user specified time period and by which user/employee it was created. The report is inclusive of the starting & ending date. User has the option to specify which lists the report should include, and these will each fall into their own excel sheet tab. The aim of this report is to keep track of which user performed specific tasks.

Thank You!

