

<b>STANDARD OPERATING PROCEDURE</b>	<b>CODE: AR - 007</b>		<b>PAGE: 1 of 3</b>
	<b>EFFECTIVE:</b>		<b>UPDATE NO.: 0</b>
	<b>INITIATED BY: PRIMA CONSULTANT CO., LTD.</b>		<b>DEPT./SECTION:</b>
	<b>REVIEWED BY:</b>		
	<b>APPROVED BY:</b>		
	<b>SUBJECT:</b>	<b>TRANSFER TO CITY LEDGER PROCEDURE</b>	

**OBJECTIVE:**

To ensure the proper transfer, in a timely manner of all balances from checked-out guests into A/R City ledger as per the hotel policy

**POLICY:**

1. Charges owed to the hotel by customers who have since left the hotel should be transferred to the Back Office city ledger from the Front Office guest ledger the following day and posted by the Accounts Receivable into related individual sub-ledger accounts.  
The correctness of balance and the completeness of all guest folio documents must be checked by the Accounts Receivable prior to the transfer.
2. Any accounts used as temporary or suspense accounts must be cleared everyday with all outstanding balances of more than one day to be reported to the Credit Manager/AR supervisor.

**PROCEDURE:**

1. At check-out, the Front Office Cashier must identify the company to be charged and transfer the folio into the A/R transfer account. Permanent folios maintained in the guest ledger must be strictly controlled and limited to:
  - Tenant accounts: transfer to A/R for subsequent billing should be done once a month or according to the contract
  - Advance deposit: to record pre-payment received from guest not yet checked in and for which the check-in is within the current period.
  - All pending balances in clearance folios must be cleared within 24 hours after check out.
2. Accounts Receivable must ensure that all folios transferred the previous day are complete and correct before transferring them to the individual city ledger account, i.e.

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- A/R account selected and account that should be billed are the same;
- All transferred folios are fully supported (guest folio with all supporting checks, guest registration card, Travel agent voucher and/or letter of guarantee)

In the case of missing documents or an incorrect allocation from the Front Office cashier, Accounts Receivable should immediately inform the Credit Manager who will liaise with the Front Office Manager to arrange the collection of missing documents and ensure it will not happen again.

3. In the case of billing to a company without an account in the city ledger, the Accounts Receivable will ask the Credit Manager to create an individual A/R account. Transfer to a hold all account is not allowed.
4. All credit balance folios must be transferred on a daily basis into A/R city ledger as any other debit balance folios. As such, the Credit Manager will create on request individual A/R accounts under the main category "Guest overpayment".
5. A daily summary of A/R transfer by account code must be prepared by Accounts Receivable and controlled by the Credit Manager. A daily print out of the detailed A/R transfer account from the PMS system should be done and controlled by the Credit Manager to ensure that amounts to be transferred to back office are not held between front office and back office for more than 2 days.
6. The guest and city ledger must be reconciled with the general ledger accounts daily and all discrepancies explained and corrected.

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\_\_\_\_\_  
Chief Accountant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Financial Controller

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director of Finance

\_\_\_\_\_  
Date