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	EFFECTIVE:	UPDATE NO.: 0
	INITIATED BY: PRIMA CONSULTANT CO., LTD.	DEPT./SECTION:
STANDARD OPERATING PROCEDURE	REVIEWED BY:	
	APPROVED BY:	
	SUBJECT:	GIFT CERTIFICATES

OBJECTIVE:

A clear define of gift certificate procedure is settle and followed.

POLICY:

Gift Certificates sold for a value are a contracted liability on the part of the hotel to deliver future services to a client. They are to be safeguarded, as if they were cash, from an authorized issuance, use or redemption. The following procedure provides a framework for the transactional requirement of gift certificate security.

PROCEDURE:

1. Set Up/General Information

   a. The General Manager of his/her designated employee must maintain the gift certificates in a safe or secure place, accessible only to those authorized to prepare certificates.
   b. The General Manager must be the only authorized signatory for the gift certificate. A blank certificate must never be signed by an unauthorized signatory.
   c. The Finance & Accounting Manager will assign a miscellaneous Guest Ledger account to post gift certificates so that the Night Auditor can settle the charges on a daily basis. No other transactions should be posted to this particular account.
   d. The Finance & Accounting Manager will set up a posting/transaction code "Gift Certificates" on the Property Management System.

2. Purchase

   a. Guest Services/Executive Office
      i. Retrieve the gift certificates.
         (a) Enter the recipient's name.
         (b) Indicate what the certificate is for.

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        (c) Enter the expiration date. The expiration date must be no more than 12 months from the date of purchase.

    ii. Select the pre-established Property Management System Guest Ledger account.
Post a charge to the transaction code "Gift Certificates Sold" and post credit to the appropriate settlement type (American Express, MC/Visa,Cash, etc.) When posting the charge, log the gift certificate number in the control file. Return the certificate and a printed folio to the guest as a receipt for the transaction.

    iii. All gift certificates that are issued must be listed on a manual on a manual gift Certificate Log so they can be tracked and properly controlled. The Log will include the following information: gift certificate number, expiration date and the department which issued the certificate.

3. Redemption

  a. Guest Services

    i. Collect and examine the certificate for authenticity. Deface the certificate by writing "redeemed" across the face.

    ii. Verify room and tax was posted at the appropriate rate per the certificate. If the certificate is a paid certificate, it will have specific value. Therefore, you will have to collect all but the face value.

    iii. Close the folio by using the posting code "Gift Certificate". Post a credit for the face value of the certificate to the room. This will bring the folio balance to zero and enable you to check out the room.

  b. Food and Beverage

    i. Collect and examine the certificate for authenticity. Deface the certificate by writing "redeemed" across the face.

    ii. All cash certificates must have a face value printed. However, they have no cash value. Therefore, you will never distribute

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charge back on a certificate. Collect any amount over the certificate value and settle the certificate out to the appropriate PMS Guest Ledger account.

   iii.   Certificates do not automatically allow for gratuity unless specifically stated on the face of the certificate.

   iv.   Drop the defaced certificate along with your other daily settlements, American Express, Master Card/Visa, etc.

c. Night Audit

   i.   Night Audit confirm all gift certificates posted to the designated Guest Ledger account along with the F&B guest check or folio.

   ii.   Once confirmed and balanced, the Night Auditor should settle the account by using the "Gift Certificate" posting code and making an adjustment for the audited balance. This will bring the folio balance to zero and enable you to check out the room.

d. Accounting

   i.   Validate the certificate by cross-referencing the certificate number with the manual and computer logs.

   ii.   Reconcile with your computer log and adjust the difference. Redemption variances should be posted to "Forfeited Deposits" and settled against "Gift Certificates" used. All redemption variances should be recorded on the appropriate charge voucher and approved by the Finance & Accounting Manager before posting.

   iii.   Example: A certificate is purchased for 2,500 toward dinner in the Café The guest check totals 2,300 and is settled accordingly to the gift certificate room account. The following day, The Accounting Manager will confirm the actual purchase value with the gift certificate low and adjust the difference by posting a 200 to Other Income and settling the balance to "Gift Certificates".

   iv.   The paid gift certificate worksheet file must tie to the computed General Ledger total.

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	SUBJECT:	GIFT CERTIFICATES

_____   _____

Chief Accountant   **Date**

_____   _____

Financial Controller   **Date**

_____   _____

Director of Finance   **Date**