End of Day (EOD) Procedure

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VERSION CONTROL

Table 1: Version Control

Version	Date	Author	Approval	Comments
0.1	19/08/2021	Guy Peterson	James Hyndes	Initial Draft
1.0	19/08/2021	Guy Peterson	James Hyndes	First Release
1.1	13/04/2023	Guy Peterson	James Hyndes	Update
1.2	04/09/2023	Guy Peterson	James Hyndes	Update
1.3	05/12/2023	Guy Peterson	James Hyndes	Update

1.0   INTRODUCTION

1.1   BACKGROUND

The day-to-day business operations within a Motel are often complex, dynamic and time consuming. For these reasons, it is necessary to maintain a set routine of streamlined practices that ensure business and financial health are maintained. These practices need to be entrenched as a daily procedure to ensure:

- Accounting errors & issues are identified, investigated and resolved on the day;
- Errors & Issues are not carried over into a new accounting day, avoiding the need for journal entries.
- Our business accounting systems can be reconciled.
- Potential fraud investigations are avoided.
- Our investor reporting obligations are met.
- Our statutory compliance obligations are met.

1.2   PURPOSE

This document is intended to outline the procedures for completing End of Day (EOD) practices.

1.3   AUDIENCE

All Redhill Hospitality management, reception, and front office staff.

1.4   SCOPE

This procedure is applicable to all Redhill Hospitality group properties.

1.5   LEGAL & REGULATORY

This procedure is consistent with International Financial Reporting Standards (IFRS) and Australian Accounting Standards Board (AASB) requirements as governed by the Australian Securities and Investments Commission (ASIC) Act 2001.

2.0 PROCEDURES

Figure 1: EOD Procedures

Figure 1 above, illustrates the three critical steps that must be completed at the end of each business day as part of Redhill Hospitality's EOD Procedures. These steps are not discretionary and are an essential management requirement.

The EOD Procedures should be completed between 17:30 – 18:30 each evening, or as otherwise required. Each of the above steps is described in greater detail in Section 2.1 below.

2.1   END OF DAY (EOD) PROCEDURES

2.1.1   RMS EOD REPORT

Redhill Hospitality automatically roles over the accounting day at midnight each night to avoid the administrative overheads of having to do this process manually. However, there is still a requirement to run an End of Day report within RMS to ensure financial integrity within our accounting systems. To do this, follow the below steps:

2.1.1.1   Generate Cash Transaction Report

Step 1:   Go to Reports > Accounting > Cash Transaction

Step 2:   Leave all fields at the default values.

Step 3:   Press the 'Build' button at the top right of screen.

Step 4:   In the body of the report, select the 'Expand / Collapse All' option.

Step 5:   At the top of the screen, select the export option (Cloud with downward icon), and from the dropdown select 'Acrobat (PDF) file'.

Step 6:   Open the report and have available for remainder of this procedure.

2.1.1.2   Generate EOD Report

Step 7:   Go to Reports > Night Audit > EOD Report

Step 8:   Leave all fields at the default values

Step 9:   Press the 'Build' button at the top right of screen.

Step 10: At the top of the screen, select the export option (Cloud with downward icon), and from the dropdown select 'Acrobat (PDF) file'

Step 11: Open the report and proceed to the 'Receipt' section of the report.

Step 12: Ensure that each line item within the receipts section is validated and is a true representation of what money was receipted during the day. Specifically:

Step 13: Ensure that the 'Cash' taken is equivalent to cash received within the register. (Note. This value will be aggregated each week and will need to agree with the weekly bank deposit. For further information see additional sections below on 'Cash Management')

Step 14: Ensure that all Credit Card transactions are equivalent to the values identified within the 'Cash Transaction' report that you generated in Steps 1 – 6 above.

Step 15: Forward both the 'Cash Transaction' and 'EOD Report' to accounts@redhillhospitality.com.au prior to closing the office each evening.

Step 16: In the subject line of the Email include text 'EOD Report - <Date> - <Property Name> - <EOD Status>'. For example: 'EOD Report - 20 Aug 2022 – Crest Motor Inn – No Issues Noted'

Step 17: In the body of the Email, include any relevant comments related to the EOD report. For example, if all amounts balance, please advise 'EOD Report balances correctly'.

Step 18: Copy and complete the below table into the body of the Email:

Cash Received today	**$xxx**
Cash Used today	**$xxx**
Petty Cash (Cash in till)	**$xxx**
Cash in Hand (Cash in envelopes)	**$xxx**
Total Cash on premises	**$xxx**

Step 19: If cash has been spent, scan and attach the receipt to the email.

Step 20: If there are any issues noted through completing this procedure provide detailed information in the body of the Email. Our accounts department will then be in contact the next business day to help resolve the issue.

Within any business, the handling of Cash is of critical importance in protecting shareholder value, business health and legal obligations. For this reason, the handling of cash needs to be conducted and monitored carefully to avoid potentially legal implications.

Any cash received at the property is to be managed as follows:

Step 1:   Cash received during a business day is to be retained within a locked register in the front office. The register should be located under the front desk in a position where it is easy to store cash as received; however, not possible for anyone on the other side of the desk to reach.

Step 2:   During End of Day (EOD) procedures, the cash is to be counted and checked against the cash received line within the EOD report. Any difference is to be investigated immediately and reported on the same day as occurrence if not resolved.

Step 3:   The cash is then to be placed in a sealed envelope, as follows:

Step 4:   If reusable envelopes:

Step 5:   The person who counted and verified the cash is to Print and Sign their name using a washable felt pen on the back of a 'clean' reusable envelope across the seal.

Step 6:   The Day, date and amount of money within the envelope is to be written on the front of the envelope.

Step 7:   The sealed, dated and signed envelope is then to be placed into the cash deposit safe.

Step 8:   If paper envelopes:

Step 9:   The person who counted and verified the cash is to Print and Sign their name on the back of the envelope across the seal.

Step 10:   The Day, date and amount of money within the envelope is to be written on the front of the envelope.

Step 11:   The sealed, dated and signed envelope is then to be placed into the cash deposit safe.

Step 12:   Once a week, at a time agreed between the motel manager and accounts department, the motel manager will open the safe (See Appendix 3), open all envelopes and count the money. The amount of money should be validated against a 'Cash Transactions Report' generated by the accounts department for the period of retained envelopes. This money is then to be deposited by the manager into the motel bank account on the same day. Under no circumstances is the cash to be left unsupervised or deposited on any other day. As a last resort, if operational demands do not allow for the cash to deposited on the designated day, then the safe is NOT to be

opened, and banking is to be held over a week, and the accounts team is to be notified accordingly.

2.1.3 **UPDATE NITEL VIRTUAL RECEPTION SERVICES**

Before closing the office, the following updates are to be made within the Nitel 'Manager's Portal'.

Step 1: Navigate to the Nitel Manager's Portal using URL: https://managerportal.nitel.com.au/login.php

Step 2: Login to property using property credentials.

Step 3: Select the 'Manager's Message' tab

Step 4: At the bottom of the page edit the Manager's Message to provide a summary of information that you would like the virtual reception service to understand when responding to calls specific to the day. For example, any known issues or outages.

　　　a) Note. All normal responses should already be documented within the Nitel procedures for the property.

Step 5: Select the 'Guest List' tab

Step 6: For each Guest that is yet to arrive, edit the 'General Comment' section to provide any information that may assist Nitel support the guest when arriving after hours.

Appendix 1. Additional Information – RMS EOD Report

Report Section	Description	Additional Information
Debtors Opening Balance	Displays the balance of the Debtors Ledger for the date prior to the report date.	
Charge	Total Charges for the report date grouped by General Ledger Account Code.	The Charge section of the EOD Report will match the Management Charge Report for the same date.
Receipt	Total Receipts for the report date grouped by payment method.	The Receipt section of the EOD Report will match the Cash Transactions Report for the same date.
Nett	Sum of the debtors movements for the report date.	The Nett value represents the difference between the Debtors Opening & Closing Balance for the report date.
Debtors Credit Movement	Sum of new credits on the Debtors Ledger for the report date compared to the previous date.	
Debtors Debit Movement	Sum of new debits on the Debtors Ledger for the report date compared to the previous date.	
Debtors Closing Balance	Displays the balance of the Debtors Ledger for the report date.	

Appendix 2. Redhill Hospitality Cancellation Policy

1. For single room bookings, cancellations may be made up to 24 hours in advance of check-in time (2PM) without incurring any fees. Any cancellations made within 24 hours of check-in time will incur 1 night's accommodation charges;
2. For multiple room bookings (4 or greater rooms) a 72 hour cancellation period applies;
3. If a negotiated deposit has been taken for a group booking this amount is non-refundable;
4. In case of a No Show:
    a. If a single room booking, the first night's accommodation cost will be charged and the remainder of the reservation will be canceled unless motel reception has been notified of a revised arrival time;
    b. If a multiple room booking (4 or greater rooms), the first 2 night's accommodation costs will be charged and the remainder of the reservation will be canceled unless motel reception has been notified of a revised arrival time;
5. If a non-refundable rate has been booked, payment may be taken in full by the property at any time. All 'non-refundable' bookings are 'not' refundable.
6. If the booking has been made through a travel agency (OTA, GDS or other wholesale channel), additional cancellation policies relevant to the travel agency will also apply.

Appendix 3. Use of Secuguard Safes fitted with Prologic L26 Lock

1. Our preferred Safe for use at all properties is a Secuguard safe fitted with a Prologic L26 Lock. The L26 locking mechanism provides advanced functionality to support stronger governance for cash management.
2. If you are using any safe fitted with a Prologic L26 lock, the following will apply:
   a. The property manager will be allocated a six-digit access code that can only be used to open the safe on a predesignated day within a two (2) hour time window.
   b. Once the safe is open, the manager will have 60 seconds to retrieve all cash envelopes and close the safe door.
   c. If the property manager fails to open the safe within the predesignated time window, the safe cannot be opened until the next predesignated day occurs on the following week.
   d. All manager codes and backup codes are kept at the corporate office in a sealed, signed envelope.
   e. The manager is NOT to share their code with anyone under any circumstances. The management code for a property is unique to a person appointed into a management role. Accordingly, the person /manager is accountable for all activities associated with the management code.
   f. All safe programming must be completed by a member of the executive management team.
   g. All managers must ensure that neither themselves or any member of their staff try and tamper with or change the codes on the safe.