

RENTALS AND OTHER INCOME—SCHEDULE 4

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	FORECAST	PRIOR YEAR	ACTUAL	FORECAST	PRIOR YEAR
	\$ %	\$ %	\$ %	\$ %	\$ %	\$ %
Space Rental and Concessions						
Commissions						
Cash Discounts Earned						
Cancellation Penalties						
Attrition Penalties						
Foreign Currency Transaction Gains (Losses)						
Guest Laundry and Dry Cleaning						
Interest Income						
Proceeds from Business Interruption Insurance						
Other						
TOTAL RENTALS AND OTHER INCOME						

Rentals and Other Income—Schedule 4 illustrates a format and identifies income sources that commonly appear on a supplemental schedule supporting the Net Revenue amounts reported on the Summary Operating Statement as Rentals and Other Income. Individual properties may delete irrelevant line items, but the *Uniform System* does not provide for the addition or substitution of other revenue line items. Rather, properties may choose to develop a sub-account/sub-schedule to provide more detail related to a particular revenue item. This sub-account/sub-schedule is then to be rolled into the appropriate line item. Additionally, properties may choose to delete some of the columns or to show them in a different order and remain "in conformity with the *Uniform System*."

In general, revenue is classified as Rental and Other Income if the following guidelines apply:

- The revenue the hotel receives is a fixed payment, percent of revenue, or a percent of profit, and "net" of any expenses.
- The hotel incurs no direct operating expenses associated with the generation of the revenue.
- The operation of the department generating the revenue is the responsibility of a third party. The hotel owner and/or operator do not participate in the operation of the department, and do not incur any direct liability for the expenses of the department.

For additional information, see Reporting Revenue on a Gross Versus Net Basis under *Other Operated Departments—Schedule 3*.

Space Rentals and Concessions

Many properties wish to offer their guests services and/or merchandise that are not provided by the operated departments previously discussed. In these cases,

properties contract the operations of such activities through rental or concession agreements. Space Rentals and Concessions includes the revenue generated from the rental of space within the property. Examples are gifts shops, coffee kiosks, and car rental agencies that lease space from the hotel. The amount paid by tenants entering into leases with the property is amortized over the term of the lease and reported in Rentals and Other Income.

Commissions to renting agents are amortized over the term of the lease and are charged against Administrative and General—Professional Fees.

Commissions

Commissions received from third parties for services, such as leased telephone stations, leased gaming and vending machines, taxicab stands, garages and parking lots, automobile rentals, non-owned or non-operated audiovisual services, outside laundry services, and photography are included in this line item. Separate sub-categories could be used to identify significant revenue items.

Cash Discounts Earned

Discounts earned by the payment of creditors' accounts within the discount period are included in this line item. Cash Discounts Earned does not include trade discounts that are more properly a deduction from cost of merchandise sales or an individual expense item.

Cancellation Penalties

Penalty income received from groups that cancel their reservations for guest rooms, food and beverage, and other services after a contracted date is included in this line item. "No-show" revenue from individual guests who do not show for a guaranteed reservation and "early departure fees" from the guests who check out earlier than the scheduled departure date are included in Other Revenue in the Rooms department.

Attrition Penalties

Penalty income received from groups that do not fulfill their guaranteed number of reservations for guestrooms, food and beverage, and other services is included in this line item.

Foreign Currency Transaction Gains (Losses)

Any foreign currency gains or losses generated from exchanging foreign currency into the local currency of the country used by the property to report its results of operations are included in this line item.

Guest Laundry and Dry Cleaning

The net income earned for cleaning guest laundry from third-party operated concessions is included in this line item.

Interest Income

Interest earned on cash investments, bank deposits, notes receivable, accounts receivable, and from other sources is included in this line item.

Proceeds from Business Interruption Insurance

Amounts received from an insurance company for a business interruption claim are included in this line item.

Other

This line item includes any income not classified under another caption. Included under Other are fees earned from managing mixed-ownership projects.

Total Rentals and Other Income

Total Rentals and Other Income is calculated by adding all of the amounts listed above. This amount appears on the Summary Operating Statement under Revenue—Rentals and Other Income.

In completing Schedule 4, Total Rentals and Other Income is considered to be 100 percent, and the percentage for each source of income is determined by dividing the dollar amount of that source by Total Rentals and Other Income.