

PROPERTY OPERATION AND MAINTENANCE—SCHEDULE 7

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	FORECAST	PRIOR YEAR	ACTUAL	FORECAST	PRIOR YEAR
	\$: %	\$: %	\$: %	\$: %	\$: %	\$: %
EXPENSES						
Payroll and Related Expenses						
Salaries, Wages, and Bonuses						
Salaries and Wages						
Bonuses and Incentives						
Total Salaries, Wages, and Bonuses						
Payroll-Related Expenses						
Payroll Taxes						
Supplemental Pay						
Employee Benefits						
Total Payroll-Related Expenses						
Total Payroll and Related Expenses						
Other Expenses						
Building						
Complimentary Services and Gifts						
Contract Services						
Corporate Office Reimbursables						
Decorations						
Dues and Subscriptions						
Electrical and Mechanical Equipment						
Elevators and Escalators						
Engineering Supplies						
Equipment Rental						
Floor Covering						
Furniture and Equipment						
Grounds Maintenance and Landscaping						
Heating, Ventilation, and Air Conditioning Equipment						
Kitchen Equipment						
Laundry and Dry Cleaning						
Laundry Equipment						
Licenses and Permits						
Life/Safety						
Light Bulbs						
Miscellaneous						
Operating Supplies						
Painting and Decorating						
Plumbing						
Printing and Stationery						
Swimming Pool						
Telecommunications						
Training						
Travel—Meals and Entertainment						
Travel—Other						
Uniform Laundry						
Uniforms						
Waste Removal						
Total Other Expenses						
TOTAL EXPENSES						

Property Operation and Maintenance—Schedule 7 illustrates the proper format for reporting the Payroll and Related Expenses and Other Expenses for Property Operation and Maintenance. Individual properties may delete irrelevant line items, but the *Uniform System* does not provide for the addition or substitution of expense line items. Rather, properties may choose to develop a sub-account/sub-schedule to provide more detail related to a particular expense 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*.”

Expenses

Property Operation and Maintenance expenses are separated into two major categories: Payroll and Related Expenses and Other Expenses.

Payroll and Related Expenses

Payroll and Related Expenses for Property Operation and Maintenance comprises the expenses associated with Salaries, Wages, and Bonuses and Payroll-Related Expenses for employees classified as Property Operation and Maintenance. A list of the positions typically included in Property Operation and Maintenance is shown on page 177.

Salaries, Wages, and Bonuses. This grouping includes (1) Salaries and Wages and (2) Bonuses and Incentives. Salaries and Wages includes only earnings paid to an employee for duties that relate to the operation of the property, such as regular pay, overtime pay, and shift differential pay. If an employee works in a department other than his or her regular home department, his or her earnings are charged as Salaries and Wages in that other department, regardless of the duties being performed. For example, if a maintenance department employee works as a server for an employee awards banquet, his or her earnings are charged to Salaries and Wages in Administrative and General, and not to this line item. Payroll-Related Expenses (described below) for the above example are treated similarly and charged as Payroll-Related Expenses in Administrative and General.

Salaries and Wages also includes contract or leased labor. Contract or leased labor refers to those situations in which a property enters into an agreement with an outside service to provide employees to fill positions that would normally be held by individuals paid on the regular payroll. In these situations, the property usually supervises the individuals and records or tracks their hours worked and pays them on an hourly basis. A typical example is the use of individuals brought into the property to fill a clerical function such as filing. This situation differs from a contract service in which a property has an agreement with an outside company to provide some type of service, such scanning documents in connection with digitizing records. In this case, the contracted organization typically provides the supervision and ensures that the work is performed. The costs associated with this type of agreement are charged under Contract Services for the department receiving the service.

Bonuses and Incentives includes bonuses, incentive pay, and other types of performance pay designed to drive revenue through sales, profit, or guest satisfaction measures.

Total Salaries, Wages, and Bonuses. Calculated by adding together Salaries and Wages and Bonuses and Incentives.

Payroll-Related Expenses. Payroll-Related Expenses includes amounts paid for an employee for duties that relate to the operation of the property and amounts paid for an employee who works in a department other than his or her regular home department regardless of the duties being performed. Payroll-Related Expenses includes the following items:

- **Payroll Taxes.** Includes Federal Retirement and Medicare (FICA), Federal and State Unemployment Taxes (FUTA and SUTA), State Disability Insurance (SDI), and other mandated payroll-related taxes or social insurance items. (See *Payroll-Related Expenses—Schedule 13*.)
- **Supplemental Pay.** Includes personal days, vacation pay, sick pay, holiday pay, jury duty pay, relocation pay, paid time off, and severance pay. Supplemental Pay also includes bonuses and incentive payments that are discretionary and not determined by results from operations.
- **Employee Benefits.** Includes all other payroll-related expenses, such as employer-paid health insurance expenses, cost of meals furnished to employees, pension contributions, and union fees. (See *Payroll-Related Expenses—Schedule 13*.) The distribution of employee meal costs from *Employee Cafeteria—Schedule 12* is charged to this line.

Total Payroll-Related Expenses. Calculated by adding together Payroll Taxes, Supplemental Pay, and Employee Benefits.

Total Payroll and Related Expenses

Total Payroll and Related Expenses is calculated by adding together Total Salaries, Wages, and Bonuses and Total Payroll-Related Expenses. The percentage for each line item as well as Total Payroll and Related Expenses is calculated by dividing the line item amount by Total Revenue for the entire property.

Other Expenses

This expense grouping includes the significant Property Operation and Maintenance expenses approved as Other Expenses in the *Uniform System*. Individual properties may delete irrelevant line items, but the *Uniform System* does not provide for the addition or substitution of other expense line items. Rather, properties may choose to develop a sub-account/sub-schedule to provide more detail related to a particular expense item. This sub-account/sub-schedule is then to be rolled into the appropriate line item listed below.

Building. Includes any cost of material and contracts related to repairing and maintaining the building, both interior and exterior. The cost of locksets, as well as the cost associated with sign maintenance, is charged to this account.

Complimentary Services and Gifts. Includes the cost of providing gift items used in gratis presentations for promotional purposes to guests and vendors associated with Property Operation and Maintenance.

Contract Services. Includes expenses for activities not otherwise identified in this department that are performed for Property Operations and Maintenance by outside companies. The cost of contracting outside companies for pest control is a typical example. If supplies are purchased for contract companies to use, the supplies are charged to the appropriate supply account.

Corporate Office Reimbursables. Includes the allocations of salaries and expenses of corporate or management company property operation and maintenance personnel billed to the property by the regional or corporate office or by the management company. Travel expenses of such corporate or management company personnel that are incurred while visiting the property, including the costs of meals and other applicable services or amenities provided to corporate or management company staff while on business in the property for the benefit of the property, are also charged to this account.

Decorations. Includes the cost of decorative items used in Property Operations and Maintenance areas for holidays and special events. The cost of exterior holiday decorations is also charged to this account.

Dues and Subscriptions. Includes the cost of membership of Property Operation and Maintenance staff, when authorized to represent the property, in business or professional organizations. Dues and Subscriptions is also charged with the cost of subscriptions to newspapers, magazines, and books for use by the Property Operation and Maintenance staff.

Electrical and Mechanical Equipment. Includes the cost of materials and contracts related to repairing and maintaining general equipment not specifically identified elsewhere. Maintenance contracts for telecommunications and information systems are charged to Administrative and General.

Elevators and Escalators. Includes the cost of materials and contracts related to repairing and maintaining elevators and escalators.

Engineering Supplies. Includes the cost related to any maintenance and chemical supplies and small tools used in Property Operation and Maintenance.

Equipment Rental. Includes the cost of renting any type of equipment that may be used either sporadically in Property Operation and Maintenance or as a replacement for equipment out of service on a temporary basis. Equipment that is rented on a continuous basis and, if purchased, would qualify as a capital purchase is charged to Other Property and Equipment under the Rent section of *Rent, Property and Other Taxes, and Insurance—Schedule 10*.

Floor Covering. Includes the cost of materials and contracts related to repairing floor covering for guestrooms, corridors, dining rooms, and public rooms.

Furniture and Equipment. Includes the cost of repairing and replacing furniture and equipment not specifically addressed elsewhere. For example, the cost of contracts, materials and supplies such as textiles, fibers, lumber, metal parts, and glass related to the repair of furniture, including beds, tables, dressers, chairs, curtains and draperies, and other articles of similar nature is charged to this account, as is the cost of repairing guestroom televisions.

Grounds Maintenance and Landscaping. Includes the cost of supplies and contracts related to the maintenance of grounds, such as parking lot resealing and stripping and snow removal. For properties located in an area where snow removal tends to be a significant operating expense, a sub-account may be established for snow removal, with the total cost of that account rolled into Grounds Maintenance and Landscaping.

Heating, Ventilation, and Air Conditioning Equipment. Includes the cost of materials and contracts related to repairing and maintaining all heating, ventilation, and air conditioning equipment.

Kitchen Equipment. Includes the cost of materials and contracts related to repairing and maintaining kitchen equipment.

Laundry and Dry Cleaning. Includes the cost of laundry and dry cleaning services applicable to Property Operation and Maintenance, whether the services are performed by an in-house facility or are contracted to an outside company. If the services are performed by an in-house laundry, an allocation from House Laundry is charged to Laundry and Dry Cleaning. If the services are performed by an outside company, the amount charged to Laundry and Dry Cleaning should be based on invoices sent by the outside laundry. The cost of cleaning employee uniforms is charged to the Uniform Laundry account.

Laundry Equipment. Includes the cost of materials and contracts related to repairing and maintaining laundry equipment.

Licenses and Permits. Includes the cost of federal, state, and local licenses, including costs of inspections needed for licensing, for activities associated with Property Operation and Maintenance.

Life/Safety. Includes the cost of regulatory inspection fees, certification tests, and materials and contracts to maintain fire control panels, tamper and flow switches, smoke detectors, and pull stations. The cost of inspections, repair, and maintenance of equipment and facilities required under the Americans with Disabilities Act is also charged to this account.

Light Bulbs. Includes the cost of replacement light bulbs.

Miscellaneous. Includes any expenses of Property Operation and Maintenance that do not apply to the other line items discussed in this section.

Operating Supplies. Includes the cost of operating and general office supplies needed to operate Property Operations and Maintenance that are not included in the descriptions of specific accounts.

Painting and Decorating. Includes the cost of materials, supplies, and contracts related to painting and wallpapering throughout the property.

Plumbing. Includes the cost of repairing and maintaining plumbing equipment and facilities throughout the property, including kitchen and bathroom fixtures, supply lines, and drains.

Printing and Stationery. Includes the cost of printed forms used in the Property Operation and Maintenance department, whether they are purchased from an outside source or produced internally.

Swimming Pool. Includes the cost of materials, supplies, and contracts relating to the maintenance and repair of swimming pools when a separate Other Operated Department does not exist.

Telecommunications. Includes any telecommunications expenditures that can be directly related to Property Operations and Maintenance, including the costs of local, long distance, and Internet communications. Telecommunications includes not only traditional telephone systems, but also the cost of cellular phones, including the equipment and periodic service charges, used in the Property Operations and Maintenance Department.

Training. Includes the cost, other than time, that can be directly attributed to the training of employees in Property Operation and Maintenance. Examples include the costs of training materials, supplies, and instructor fees. The cost of employee wages incurred during training is charged to Salaries and Wages.

Travel—Meals and Entertainment. Includes the reimbursable cost of food and beverage expenses for travel and entertainment by employees of Property Operation and Maintenance traveling on property business.

Travel—Other. Includes the cost of travel and reimbursable expenses, other than food, beverage, and entertainment, by employees of Property Operation and Maintenance traveling on property business.

Uniform Laundry. Includes the cost of cleaning uniforms for employees of the Property Operation and Maintenance whether performed by an in-hotel facility or contracted to an outside company.

Uniforms. Includes the cost of employee uniforms used in Property Operations and Maintenance, whether purchased or rented. Repair costs are also included in this line item. The cost of cleaning uniforms is charged to the Uniform Laundry account.

Waste Removal. Includes the costs of removing trash, rubbish, and any other types of garbage. Any costs associated with recycling of glass or other items as well

as the rental charges for a trash container or compactor are also included in this line item.

Total Other Expenses

Total Other Expenses is calculated by adding all items listed under Other Expenses. The percentage for each line item expense as well as Total Other Expenses is calculated by dividing the line item amount by Total Revenue for the entire property.

Total Expenses

Total Expenses is calculated by adding Total Payroll and Related Expenses to Total Other Expenses. The percentage for Total Expenses is calculated by dividing Total Expenses by Total Revenue for the entire property.

Total Expenses is the same amount that appears on the Summary Operating Statement under Undistributed Operating Expenses—Property Operation and Maintenance.