

# **Records & Audits**

**1.07**

# Records and Audits

## Policy Statement

Each Franchisee must maintain complete and accurate records concerning Gross Room Revenue and all financial, operating, marketing and other aspects of the hotel

## Records and Audits requirements

- ❖ All Franchisees will utilize accounting and reporting standards as required by us:
  - Complete and accurate Gross Room Revenue records are to be prepared on a current basis and retained for a minimum of 4 years, together with all financial operating, marketing, and other hotel data records
  - Accounting records which fully and accurately reflect all financial aspects of the hotel, and its business are to be maintained. These records shall include, but not be limited to:
    - Bank statements
    - Federal tax returns
    - Local occupancy tax returns
    - Daily revenue reports
    - Monthly and annual revenue reports
    - Housekeeping records
    - Guest registration folios
    - Complete annual financial statements (profit and loss statements, balance sheets and cash flow statements)
- ❖ These records are to be maintained at the hotel or, if you notify in writing, at your principal place of business
- ❖ We and/or our authorized agent will have the right to verify information required under this agreement by requesting, receiving, inspecting, copying or auditing any and all records referenced above wherever they may be located, or elsewhere if reasonably requested by us, and to make photocopies of such accounts, books, records and data as necessary
- ❖ If we request in writing, you will send us copies of the hotel data
- ❖ Advance notice will be communicated to the Franchisee of each property that will be audited by Hospitality International Inc. or its authorized agent. The notice will provide a list of the records to be reviewed during the audit
- ❖ If Hospitality International Inc.'s representative or authorized agent is unable to conduct the audit because the required books and records, as specified in the advance notice, are not available at the arranged time and date, Hospitality International Inc. will invoice the Franchisee for the cost of the audit. Invoice to be paid upon receipt