

Best Practices Coding for the 10th Edition Uniform System of Accounts

Three Perspectives

- Database Organization
by Bruce Bensetler, Data Plus
- Operational Implications
by John Smith, The Woodland Resort
- Evolution of the 10th Edition
by Henry “Buddy” Weeks, The Homestead, Inc.

Account Structure – Why It Matters

- User Convenience
- Accuracy
- Application Functionality
- Consolidation
- Database Reporting

9th Edition Recommendation

Four Parts

- Property (optional)
- Department
- Major Account
- Sub-account (optional)

Departments/Cost Centers

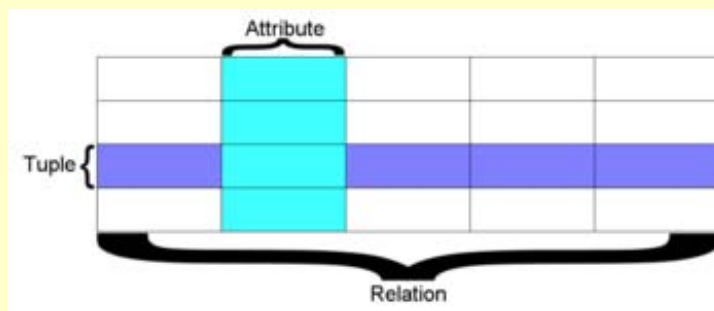
- 000 – Property Wide
 - 100 – Rooms
 - 200 – Food
 - 300 – Beverage
- and so forth

Major Accounts

- 100-199 Assets
- 200-279 Liabilities
- 280-299 Equities
- 300-399 Revenues
- 400-499 Cost of Sales
- 500-599 Payroll
- 600-699 Other Expenses
- 700-799 Fixed Charges

How the Database Views the Data

- Relational databases group data by common attributes



Why This Matters

Extracting the Property FICA Expense

100-221 – Rooms Dept. FICA Expense

200-221 – Food Dept. FICA Expense

300-221 – Beverage Dept. FICA Expense

600-221 – A&G Dept. FICA Expense

700-221 – Marketing Dept. FICA Expense

Changes to 10th Edition...

- Focuses on Basic Financial Statements
 - Balance Sheet, Statement of Income, etc
 - Designed for External Reporting Purposes
 - Conforms to GAAP Standards
- Disallows Alternative Formats
 - Summary & Dept Schedules must use revenue and expense accounts that are approved line items to conform
 - Terms used may not be in accordance to GAAP.
 - May delete/ignore unused lines, but may not add to revenue/expense lines.
 - Forces properties to create sub-account/sub-schedules to accurately report.

Changes to Summary Statement....

- Account Titles altered to typical lodging jargon
- Does not link to Net Income - Capital Reserves
- Prepared for Analytical Purposes only
- Reduces Undistributed Expense to 4 Categories
 - A&G
 - S&M
 - Maintenance/Engineering
 - Utilities

How Have These Changes Effected Industry?

- Insiders Still Hit & Miss
 - General Consensus is that we follow the general spirit of USALI, but not to the letter
 - Still depends on various management contracts and ownership requirements
- Industry Outsiders
 - Many of the CPA firms don't understand USALI or care about it
 - Ownership, especially of mixed industry, have differing requirements from analytical side and many prefer straight GAAP.
- In some arenas, new requirements create more questions than answers.
 - Mixed portfolio (full service, select service, etc)
 - Huge "Other Revenues" may contain so many variables that cross section analysis may not be very representative.