

# Finance and Accounting Update

Presented by

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# Oakwood Franchisee Support Roles

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# **Back Office Support**

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## **Franchisee Reimbursable Billings**

- Currently done monthly - next invoicing will cover time period ending 9/30
- Currently - invoicing for paid invoices only (Cash Basis not Accrual)

## **PTB Billings/Payments to Franchisees:**

- PTB Audits (November Payments)

We are engaged in individual audits for all Franchisees

Steps followed:

- We compared - the provided aging (from June thru August) with all reservations in our PTB Company (#937)
- Validated all reservations as provided by Franchisees thru invoice dates of 11/15 against PTB Company (#937)
- Researched discrepancies
- Created a Variance Report identifying:
  - add'l payments and/or reversals to Franchisees
  - Add'l invoicing needed for clients/guests
- Explanation of Oakwood PTB Process

# **Franchisee Variance Report**

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- **Franchisee Variance Report** contains the following information for all unreconciled tenancies (exceptions) (See handout)
  - Tenancies/Reservations sorted by Market
  - Guest/Corp Client name
  - Oakwood Invoice number & date (to/from):
  - Daily rate (should not be inclusive of tax on stay)
  - Tax on stay
  - Invoice total
  - Audit observations
  - Variance amount
  - Actions
- Our plan is to provide this report to each franchisee on a quarterly basis going forward. The next period to be reconciled will be thru 12/16/12.
- Each franchisee should expect to receive a variance report within the next few weeks.

# **Oakwood PTB process**

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Invoices included in PTB payment:

- Calculated using Oakwood's 30 day billing cycle (Anniversary date) - 16<sup>th</sup> of the previous month thru 15<sup>th</sup> of current month
  - Example: Guest move in December 3<sup>rd</sup>, Oakwood anniversary billing date is January 1. The next billing date will be January 31 (every 30 days)
    - This example highlights how 2 invoices could be generated in the same calendar month
  - All Client invoicing for "C" pay guests is captured from an extract of billing information from our billing system. These tenancies are then merged with "I" pay guests based on Franchisee input
- Tenancies are entered into the Oakwood system based upon a PTB worksheet provided by Franchisee
- PTB worksheet must include type of billing (forward/arrears/anniversary billing dates)
- The inclusion of invoices in the remittance payment to the Franchisee is dependent upon when the worksheet is received by Oakwood. The goal is to have the worksheet in Oakwood's system prior to guest move-in date (not always possible, but should be the rule not the exception)
- Oakwood runs the Payment Support File on the 16<sup>th</sup> of the current month and provides the report to the franchisees by COB. Franchisee needs to review and approve in 48 hours. Oakwood will review and annotate any adjustments provided by Franchisee prior to making payment

# Next Steps

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## **Processes In Development**

Currently in development: PTB Billings/Payments to Franchisees

- Inclusion of “I” pays in Franchisee payment support file
- Change to OSCAR reporting for Franchisee Operations
- FAQ’s – with particular emphasis on ?’s related to how to handle changes/damages/PTB Info Sheet/Contacts/Etc.

Currently in development: Franchisee Reimbursable billings

- Switch to Quarterly from Monthly billings
- Need supporting invoices for all amounts billed – What documents are needed to support billings?
- Ability to make ACH payments - Need to institute software to allow ACH payments (likely not in place until end of Q13)