

TIPPING & GRATUITIES

NEW: As of May 1, 2023, all tips received at events will be distributed via payroll. There will be no same-day cash tips distributed to team members. This includes bar tips and any other cash received at an event.

There are multiple reasons why we will no longer distribute tips as cash.

1. Our current practice presents issues compliance issues from a tax perspective. As an employer, we are required to withhold taxes (including income taxes and the employee's share of social security tax and Medicare tax) based upon all known wages and tip income received by the employee.
2. We often have issues where employees do not pick up their cash tips. This can be for a variety of reasons, but often it is hard for event staff to come during office hours which is when tips are available to be picked up. Envelopes often sit at the office for many days/weeks. Our priority is for employees to get their hard-earned money as soon as possible. Distributing via payroll is a more fair and equitable way for this to be done.
3. We have received feedback that tips have not been distributed in a consistent manner. It is only fair that team members know exactly how and when they will receive any tips earned and it is the same for every individual.

There will be no change as to how employees are currently receiving tips paid by credit card.

Tip Distribution:

It is important to note that gratuities are not automatically included on events and are not to be expected as part of compensation for any event (certain holidays are an exception where a guaranteed tip will be included in the employee contract). TC staff should **never** ask the client for a tip. It is grounds for termination.

In the event that a cash gratuity is included for the staff, **it should be collected by the Event Supervisor or Bar Supervisor but not distributed.** Two supervisors should count the cash tip together and record the total on the event comment sheet. Then a supervisor should place collected tips in the drop safe located in the basement. If there is only one supervisor working an event, the tip is not to be counted, and should just be placed in the drop safe. The tip will be divided via the calculation shown below. Tips will be processed with the next payroll and will be included on employee paychecks per our normal payroll schedule.

Gratuities will be divided as follows:

1. If gratuity paid by credit card a 3% processing fee is deducted from the total amount.
2. 20% of the remaining gratuity will be split amongst any supervisors working the event (FOH, BOH and Bar).
3. The remaining gratuity is split amongst the rest of the staff who worked that event, based on the number of hours worked by each team member.

Example: On an event with 1 supervisor and 3 servers (supervisor for 8 hours, 1 server at 6 hours, 2 servers for 5 hours) that is paid a \$300 gratuity by credit card, the amount each server receives breaks down as follows:

$$\$300 \times 3\% \text{ cc fee} = \$9$$

Remainder is \$291. $\$291 \times 20\% = \58 for supervisor
Remainder is $\$233 / 24$ hours (total hours worked by staff) = 9.70 per
hour
Multiply \$9.7 by hours worked and you get:
Server 1 & 2 @ 5 hours = \$48.54 gratuity
Server @ 6 hours = \$58.20 gratuity
Event Supervisor @ 8 hours = 77.60+ 58 off top = \$135.60

If the gratuity calculated for the a Supervisor is over \$700 for a single event based on the above, the percentage will go down to 10% for the Supervisors and the remaining gratuity will be split amongst the rest of the staff.

An exception shall be made when gratuities are given directly to each team member personally by the client or if specific direction is provided by the client regarding to whom a tip should be distributed. **Tip distribution and amount is ultimately at the direction of the client. If the client gives no instruction, it will be distributed as shown above.**

Bar Tipping:

Cash Bars & Tipping:

Tipping and tip jars are acceptable on most cash bars dependent on client approval. A tip jar will be provided for use.

Host Bars & Tipping:

Tipping on host bars is discouraged and a tip jar will NOT be placed in a visible location. Bartenders are to politely refuse offers of tips by responding that tipping is unnecessary and it is our pleasure to serve you. If a guest leaves a tip anyway, place it in communal jar out of sight of guests. *Soliciting tips from guests or accepting tips without first declining is grounds for immediate dismissal for TC staff and automatic three strikes for guest staff.*

All tips will be collected by the Bar Supervisor and will become part of the overall tipping pool which will be processed via payroll and included on the team member's paycheck.

*Splitting tips without the supervision of the event supervisor is grounds for dismissal for TC staff.
Pocketing a tip under any circumstances is grounds for immediate dismissal.*

Tips for Casual Catering:

If gratuity is added for a drop off order, the tip will be distributed to the employee(s) who delivered the order. If the tip is over \$100 the tip will be split amongst the operations team working the day of the order.



Acknowledgement:

I acknowledge that I have received and read the updated policy regarding event tips and will abide by the new process. Any questions will be directed to the Filed F&B Manager or HR Director.

Signature

Printed Name

Date