Manager Guest Service, Tip & Sales Policy

Version 2.0 | Effective September 4, 2026

Applies To: All Managers, Shift Leads acting as Managers, and Owners acting in an operational or supervisory capacity

Purpose

This policy establishes clear and consistent rules for management participation in guest service, ownership of guest checks and sales, tips (gratuities), and service charges. Its purpose is to protect tipped employees' earning opportunities, ensure consistent operating practices, address Toast POS limitations, reduce guest confusion, and maintain compliance with applicable wage and tip-handling requirements.

Core Operating Rule (Non-Negotiable)

MANAGEMENT SUPPORTS SERVICE - MANAGEMENT DOES NOT COMPETE FOR TIPPED SALES
When eligible tipped service employees are on site and reasonably capable of serving additional guests, guest checks and sales must be assigned to those employees. Manager sales are an operational exception, not a routine source of restaurant sales.

Managers may never accept, retain, or receive tips (gratuities) under any circumstance. This applies regardless of whether the manager personally served the guest, whether no servers or bartenders were scheduled, whether the guest intended the tip for the manager, or whether Toast displays a tip line on the check.

When Managers May Have Sales Under Their POS Account

When Tipped Employees Are Available

When one or more eligible tipped service employees are clocked in and have reasonable capacity to serve additional guests:

- Guests and their checks must be assigned to an eligible tipped service employee.
- Managers should not open or maintain guest checks under their own POS account merely because they greeted the guest, took an initial order, are working behind the bar, or are assisting with service.
- A manager may prepare beverages, run food, clear tables, assist with orders, resolve guest concerns, or otherwise support service without assuming ownership of the guest's check.
- When no bartender is scheduled but servers are working, management may perform bartending duties while an available server maintains responsibility for the guest and the guest's check.
- Slow business, convenience, or a manager's physical location within the restaurant does not justify taking sales that could reasonably be handled by an eligible tipped employee.

The objective is to preserve legitimate sales and tip-earning opportunities for the tipped employees scheduled to work while allowing management to provide whatever operational support is necessary.

When Manager Sales Are Appropriate

A manager may place guest sales under their own POS account only when:

1. No eligible tipped service employee is clocked in and available to provide the service; or
2. Eligible tipped employees have reached reasonable service capacity and assigning additional guests to them would compromise service quality or the guest experience.

Examples of the second circumstance may include an unexpected rush, fully committed server sections, significant simultaneous table demand, or another legitimate operational need requiring management to assume direct responsibility for additional guests.

BEFORE TAKING A GUEST

The manager should ask: "Is there an eligible tipped employee currently capable of taking this guest without compromising service?" If yes, the guest should be assigned to that employee. If no, the manager may assume responsibility for the guest and open the check under the manager account.

Management Support vs. Check Ownership

Management may actively assist any area of service without owning the sale. Examples include:

- Making alcoholic and non-alcoholic beverages when a bartender is unavailable or needs support.
- Taking an initial order or greeting guests while a server becomes available.
- Running food or beverages and completing table touches.
- Clearing, resetting, or assisting with guest requests.
- Resolving complaints, comps, voids, or other manager-level issues.
- Providing temporary coverage during a rush while preserving the tipped employee's check whenever that employee can reasonably continue serving the guest.

Tip Rule

Managers may never accept, retain, or receive tips (gratuities). The current Sanctuary Social rule applies whether the manager personally performed service or whether the guest specifically intended the tip for the manager.

Under the Fair Labor Standards Act (FLSA), as reflected in Sanctuary Social's existing policy, managers and supervisors are prohibited from keeping employee tips. Kentucky follows the applicable federal standards referenced by this policy.

Toast POS Limitation

Sanctuary Social uses Toast POS. Toast displays a tip line on checks and does not allow the restaurant's tip prompts to be disabled by manager job code. This technical limitation does not change the manager tip rule. Compliance is achieved through manager procedures and behavior.

Required Guest Communication for Manager-Owned Checks

When a manager is properly providing direct guest service under this policy and the check is under the manager's POS account, the manager must proactively inform the guest before presenting the payment screen:

APPROVED SCRIPT
“I’m a manager, so I can’t accept tips - but we do have a service charge that supports operations.”

Managers may not suggest tipping, refer to a service charge as a gratuity, or imply that a service charge benefits the individual manager. Failure to follow the required communication procedure may result in corrective action.

If a Tip Appears on a Manager Check

Managers must take immediate corrective action:

3. Remove the tip before closing the check; or
4. Refund the tip immediately after payment.

If the tip cannot be removed or refunded:

- Escalate immediately to ownership or senior leadership.
- Document the incident, including the date, check number, and amount.
- Do not distribute or retain the funds.

Managers must never knowingly close a check with a gratuity applied.

When No Tipped Employees Are On Site

If a manager is the only front-of-house person working and no non-managerial tipped employees are clocked in, the manager may provide direct service and carry the sales under the manager's POS account. However:

- The manager may not keep a tip.
- The business may not keep the tip.
- The tip may not be held or reassigned later.

Correct action: decline, remove, or refund the tip.

Service Charges (Approved Alternative)

When managers provide service without tipped employees present, the approved alternative is a Service Charge (Not a Gratuity).

- The charge must be clearly labeled as a service charge.
- It must state or be communicated that it is not a tip or gratuity.
- It must be disclosed to the guest before payment.
- Service charges belong to the business and may be used for wages or operational costs.
- Service charges are governed by a separate policy and are never included in tip pools.

Online, Takeout, and Catering Tips

- Managers are never eligible to receive tips from online, takeout, or catering orders.
- If a manager is the only person on site when such a tip is left, the tip must be removed or refunded.
- The tip may not be retained or redistributed.

Owner Clarification

Owners acting in an operational, supervisory, or managerial capacity are treated the same as managers for tip purposes. Owners may not accept or retain tips during normal restaurant operations. The narrow owner-only service exception referenced in the prior policy should not be relied upon without prior legal review.

POS Accountability & Management Review

Manager sales may be reviewed by ownership or senior leadership. A meaningful amount of sales under a manager's POS account during a shift when eligible tipped employees were working may be reviewed to determine whether the employees were at service capacity and whether manager ownership of the checks was operationally necessary.

Managers are expected to be able to explain the operational reason for manager-owned sales when tipped employees were clocked in.

Prohibited Actions

Managers may not:

- Keep tips “just this once.”
- Allow gratuities to remain on manager-owned checks.
- Transfer manager tips to employees who were not working.
- Pool manager tips with employee tips.
- Reclassify a tip as a service charge after payment.
- Retain tips as business revenue.
- Take guest checks or sales under a manager POS account when an eligible tipped employee has reasonable capacity to serve the guest.
- Use the absence of a scheduled bartender, by itself, as a reason to own bar guest checks when eligible servers are available.

Documentation & Enforcement

- All managers must review and acknowledge this policy.
- Tip-handling errors must be reported immediately.
- Managers must follow guest-assignment and POS-ownership requirements.
- Violations of this policy may result in corrective action, up to and including termination.

Manager Acknowledgment

By working in a managerial capacity at Sanctuary Social, I acknowledge that I have reviewed and understand the Manager Guest Service, Tip & Sales Policy. I understand that management is expected to support service without unnecessarily taking sales or tip-earning opportunities from eligible tipped employees; that manager-owned sales are limited to the circumstances described in this policy; and that managers may never accept or retain gratuities.

Manager Name	**Date**
Manager Signature	**Management/Owner Signature**
Position/Title	**Date**