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SYSTEMS



Guide to Derived Rates

SMS | Host
v.21+

Configuring and using Derived Rates in SMS | Host

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Introduction

This document provides instruction for the configuration and use of the Derived Rates functionality introduced in v.21 of the SMS | Host Property Management System.

Derived Rates Overview

SMS | Host's Derived Rates functionality provides an easy way to create new rate structures (headers) that 'derive' their pricing from other rates (Base Rates). This provides several advantages.

1. Significantly reduces the amount of time needed to configure and maintain the new rates.
2. Easily apply a percentage discount (or increase) to a base rate to create a new derived rate.
3. Discount percentages can be applied by season (date range), by day-of-week, by length-of-stay and/or by Room Type.
4. Since the Derived Rates' pricing is tied to the Base Rate's pricing, when the Base Rate's pricing changes, so will the Derived Rates' pricing (*with the discount % applied*).
5. Enables you to nest multiple Rates into a new Rate Code.

v.21 Upgrade Considerations

When your property updates to version 21, the derived rates functionality will be enabled by default to the base level (Level 1). This will apply to your live system and demo. Through testing you may find that your property needs more intricate levels of derived rates. See [Additional Levels of Derived Rate Rules](#) later in this guide and contact support if you require changes to your Derived Rate Level. Keep in mind that going from basic to more complex levels of derived rates is not a problem. Converting from complex back to basics will have implications on rate setup that properties need to be aware of. This is discussed later on in the guide.

There are a few immediate things to be aware of when your system is updated and Derived Rates are enabled.

- 1) Derived Rates only works in a package item environment and the ability to add price plans, tiers and calendars will be removed from rate headers.
- 2) This setup will be transferred to a package item as part of the update.
- 3) Package items can be individually enabled to allow in a derived rate. This will be controlled by a new setting on each line item.
- 4) The default for this setting will come from the transaction code setup in Guest Codes.

Base Rates vs Derived Rates

For clarification of these terms, as used in this document, a Basic Rate is any rate configured using any of the existing Rate & Package features (i.e. Price Plans, Tiers, Calendars, etc..).

A Derived Rate is a rate that is calculated (adjusted) based upon the value of a Basic Rate. When a derived rate is created, the rate that it is created from (based upon) becomes a Base Rate.

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Derived Rate Configuration

Subject to Derived Rate / Rules Setting

Each detail line item in a base rate can be controlled as to whether the particular detail item may be used in a derived rate. Base rate line items that are not “Subject to Derived Rate Rule” will post in full (*no price differential applied*). When zooming on a package item the new flag will display as shown below.

The screenshot displays the 'Rate & Package Detail' window for Rate Code RACKRR. The window is titled 'Rate & Package Detail' and shows various configuration options for the rate. The 'Subject to Derived Rate Rule' checkbox is highlighted with a red box, indicating it is checked. Other visible options include 'Subject to Share Splits', 'Taxable', 'Batched', and 'Subject to Reservation Discounts'. The 'Posting Schedule' section shows 'First Posting Day' as 'A' and 'Last Posting Day' as 'L'. The 'Days-of-Week' section shows 'Sun', 'Mon', 'Tue', 'Wed', 'Thu', 'Fri', and 'Sat' all checked. The 'Enable Package Breakage' checkbox is also checked. The 'Package Routing Plan' and 'Breakage Code' fields are empty.

Typically, most Rate Detail Items will be Subject to Derived Rate Rules. There may be an occasional need to set some items as not subject to derived Rate Rules; *for example, Resort Fees or per-occupant based pricing.*

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Guest Transaction Code Configuration

On the Guest Transaction Code there will now be a new setting that allows you to set the default for the **Subject to Derived Rate** setting.

The screenshot shows the 'Guest Transaction Codes' configuration window. The 'Post Code' is 'ROOM'. The 'Description' is 'Room Rate'. The 'G/L Account' is '-0100-001' and 'Room'. The 'Allowed Uses' section includes 'Activated', 'Allow in Routing Plans', 'Allow in Special Billing', 'Allow in SMS|POS', 'Allow in SMS|Touch', 'Allow Line-Item Transfers', 'Triggers Vendor Activity', 'Extended Stay', 'Prompt for Password', and 'Allow on Guest Profile'. The 'Guest Profile Usage' section includes 'Allow on Guest Profile', 'Activate for Guest Access', 'Allow Key Date Entry', 'Allow Key Time Entry', and 'Allow Profile Memo Notes'. The 'Special Billing & Rate/Package Defaults' section includes 'Voucher Count (0-9) 0', 'Default Sub-Folio 1', 'Per Code U', 'First Posting Day (default) A', 'Last Posting Day (default) L', 'Batch for Package-on-the-Fly', 'Allow Editing of Price', 'Apply Discounts', 'Taxable', 'Subject To Share Splits', and 'Subject to Derived Rates' (checked). The bottom of the window has a toolbar with buttons for 'Find', 'Add', 'K-Delete', 'Scan', 'Edit', 'Duplicate', and 'Edits'.

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Derived Rate Rules

Setting up derived rates will be done on a new tab. From the initial rates and packages screen, under the pricing details tab there is a new **Derived Rate Settings** subtab

In here, Derived Rates can be configured using one or more Derived Rate Rules. The Derived Rate Rule allows you to specify the derivation rules (+/- pricing adjustment %, the applicable date range etc...).

The screenshot displays the 'Rates and Packages' window with the 'Derived Rate Settings' subtab selected. The main form contains the following sections:

- Rate Code:** AAA
- Description:** AAA Rate
- Rate Group:** ABC
- Property:** 000000 Home Property
- Meal Plan:** (dropdown)
- Rate Class:** Rate, Package
- Rate Currency:** (dropdown)
- Rate Type:** (dropdown)

Below the form is a table for 'Derived Rate Settings' with columns: Sl, Base Rate, Description, Price Diff %, Begin Date, End Date. The table is currently empty.

At the bottom of the table area, there is a 'Derived Version' dropdown set to 20170105-43724 and a red box highlighting the 'Add Rate Rule' button. Other buttons include 'Edit Rate Rule', 'Rate Rule Zoom', and 'Base Rate Value'.

Below the table are sections for 'Rounding Settings' and 'Other Settings'.

Rounding Settings:

- Final Price Rounding Method: No Rounding, Round Up, Round Down, Round To Nearest
- Round total Derived Price to end with: #####.##
- Example: #####.00 will round the final price to end in .00 (i.e. 250.00) and #####9.99 would round the final price to end in 9.99 (i.e. 259.99)

Other Settings:

- Reservation Discount Policy: Not Discountable, Observe Base Rates' Discount Settings
- Transaction Code Overrides: (button)

The bottom toolbar contains various navigation and action buttons: Scan, Add, K-Delete, Value, Price Plans, Routing Plans, Yield Controls, Order, Edit, Calendars, Rate Blocking, Hurdles/LOS, End, Duplicate, and Edits.

To add a new Derived Rate Rule; select the **“Add Rate Rule”** command button.

The **Derived Rate Rule Detail** form is opened.

The screenshot shows the 'Derived Rate Rule Detail' form with the following fields and values:

- Base Rate Code: RACKRR (Rack Rate)
- Price Diff %: -10.00
- Begin Date: 01/01/1971 (Friday)
- End Date: 12/31/2070 (Wednesday)
- Version Tag: 00000000-00000

The background window shows the 'Rates and Packages' form with the following fields and values:

- Rate Code: AAA
- Description: AAA Rate
- Property: 000000 Home Property
- Meal Plan: [Dropdown]
- Rate Class: Rate
- Rate Type: [Dropdown]

Field	Description
Base Rate Code	Specifies the Base Rate's Rate Code.
Price Diff %	Specifies the price differential percentage that will be applied for this Derived Rate. This can be a discount (negative %) or a price increase (positive %) or neutral (0.00% price difference)
Begin Date	Specifies the beginning occupancy date when the Derived Rule applies.
End Date	Specifies the ending occupancy date when the Derived Rule applies.

When Rate Versioning is enabled, Derived Rate Rules are versioned. This enables you to change the details of the rules without affecting the value of reservations that are already "on-the-books".

Find the base rate code by using the scan list to search or type the rate code directly into the Base Rate code field. Then enter the Price difference percentage and date range. Once completed, Select **OK** or press the page down [**PgDn**] key to save this Derived Rate Rule.

The form will remain open and ready for the next entry. This is done on purpose as it is the same behavior when adding package items. Once the OK button is selected, the rate rule immediately displays on the rate and package setup on the form in the background. When done adding rate rules, select **Cancel** or **Escape** and the button bar will be displayed below your new rate rule.



6 Derived Rate Rule Detail

Derived Rate Rule Detail

Base Rate Code Rack Rate

Price Diff %

Begin Date Friday

End Date Wednesday

Version Tag

Escape
↑
↓
←
→
Add
Edit
⌘-Delete

At this point you may add another rate rule, edit the above or mark it for deletion. Note that if marked for deletion it will be immediately removed from the derived rate settings screen once you escape back.

If you are satisfied with your rate rule, select Escape and you will see your derived rate rule added to the Derived Rate Settings screen.

Rate Detail		Derived Rate Settings			
Derived Rate Settings					
Sr	Base Rate	Description	Price Diff %	Begin Date	End Date
1	RACKRR	Rack Rate	-10.00	01/01/1971	12/31/2070
2					



Additional Controls & Buttons

Command	Description
Derived Version	Displays a list of the various versions of the Derived Rate Rules
Edit Rate Rule	Facilitates inline (in the grid) editing of the Derived Rate Rule
Rate Rule Zoom	Displays the Derived Rate Rule detail for the selected row
Base Rate Value	Displays the selected Derived Rate Rule's Base Rate's unadjusted value. This can be very convenient for checking the Base Rate Values while configuring a Derived Rate

You may now fully use and access the four buttons below the rate settings.

- 1) Add will open the add rate rule form again.
- 2) Edit Rate will actually let you modify the settings right on the screen:

From this edit mode you may change the Base Rate, Price diff %, Begin date and End Date. In the screenshot the price Diff % is currently being modified.

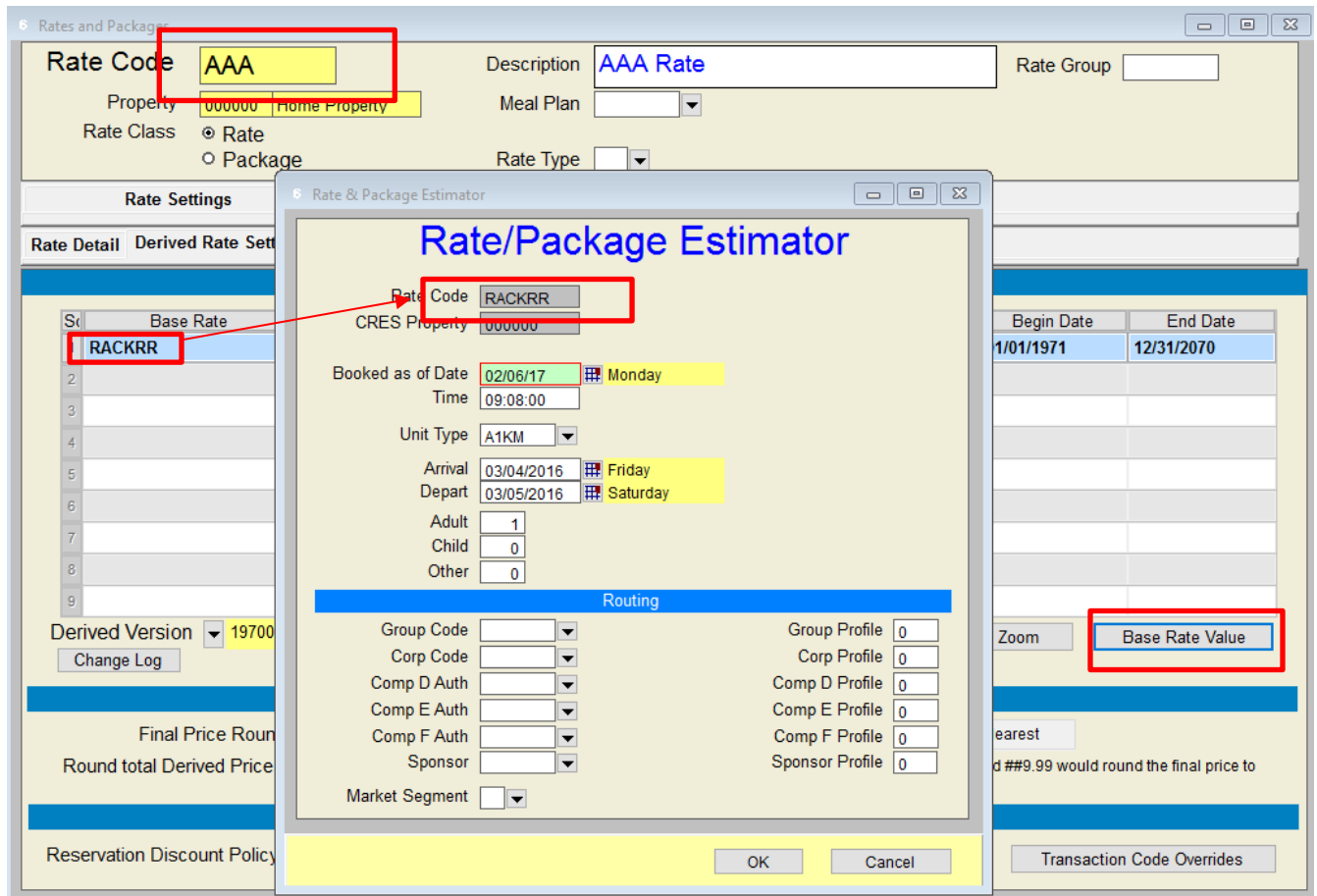
- 3) Rate rule zoom will launch the Derived rate rule detail form for the currently selected item.
- 4) Base rate will allow you to use the value screen to check the base rate values without having to leave this derived rate.

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Rate Values

In the example rate, “AAA” rate is derived from the “RACKRR-Rack Rate”

The Base Rate Value command allows you to view the Base Rates’ values directly from the Derived Rates screen (without needing to navigate to the Base Rate itself). This provides a convenient way of verifying the Base Rate value.



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Base Rate's Value (RACKRR)

6 Values
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\$ Reservation Values

Credit Limit Exceeded	-288.60	Average Daily Rate	260.00
Room Type	A1KM	Average Daily Revenue	260.00
Room Charges	260.00	Extras Per Room	0.00
Extra Charges	0.00	Extras Per Person	0.00
		Extras Per Night	0.00
Reservation Total	260.00	Avg Quote / Room	260.00
Taxes	28.60	Avg Quote / Person	260.00
Gratuities	0.00	Quote Rate / Night	260.00
Discount Applied	0.00	Total Per Room	288.60
Reservation Value	288.60	Total Per Person	288.60
		Total Per Night	288.60
Guest Charges	288.60	Agent #1 Commission	0.00
Group Routing	0.00	Agent #2 Commission	0.00
Corporate Routing	0.00	Net Owner Revenue	130.00
Casino Routing	0.00		

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Escape
Summary Folio
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Derived Rate's Value (AAA)

Accessing the Derived rate value is the same as before using the Value button on the button bar at the bottom of the screen.

6 Rates and Packages
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Rate Code	AAA	Description	AAA Rate
Property	000000 Home Property	Meal Plan	
Rate Class	⊙ Rate		

6 Values
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\$ Reservation Values

Credit Limit Exceeded	-259.74	Average Daily Rate	234.00
Room Type	A1KM	Average Daily Revenue	234.00
Room Charges	234.00	Extras Per Room	0.00
Extra Charges	0.00	Extras Per Person	0.00
		Extras Per Night	0.00
Reservation Total	234.00	Avg Quote / Room	234.00
Taxes	25.74	Avg Quote / Person	234.00
Gratuities	0.00	Quote Rate / Night	234.00
Discount Applied	0.00	Total Per Room	259.74
Reservation Value	259.74	Total Per Person	259.74
		Total Per Night	259.74
Guest Charges	259.74	Agent #1 Commission	0.00
Group Routing	0.00	Agent #2 Commission	0.00
Corporate Routing	0.00	Net Owner Revenue	117.00
Casino Routing	0.00		

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Applying Seasonal Discounting

As mentioned above; by using the Derived Rate Rules' Beginning and Ending Dates; you can define when the Rule applies.

In the following example, the "AAA" rate will be 10% off RACKRR between 01/01/2016 and 03/31/2016. Between 04/01/2016 and 12/31/2070; the discount will be 15% off RACKRR

The screenshot shows the 'Rates and Packages' window for rate code 'AAA'. The 'Derived Rate Settings' table is as follows:

Base Rate	Description	Price Diff %	Begin Date	End Date
1 RACKRR	Rack Rate	-10.00	01/01/2016	03/31/2016
2 RACKRR	Rack Rate	-15.00	04/01/2016	12/31/2070

Other settings visible include: Derived Version 20170105-46375, Final Price Rounding Method set to 'No Rounding', and Reservation Discount Policy set to 'Not Discountable'.

To accomplish the above, simply add a rate rule for the first set of dates and then add another record for the second set.

Caution: When using Seasonal Discounting; it is critical to ensure that the correct dates are covered (*usually without date overlap or gaps*). All Rules that are in effect for a given date will apply. So, if the Rules' dates overlap, then there may be an unintended *doubling effect (where the value is more than intended)*. On the other hand; if there are gaps, then there may be some nights that are not covered by a Derived Rate Rule which could result in inadvertent comping.

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Rounding Settings

In certain cases, depending of the Base Rate value and the applied discount percentage, the Derived Rate Price may be an odd amount. For example, 12% off of the RACKRR rate of 260.00 would result in a derived rate price of 228.80

7 Values
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\$ Reservation Values

Credit Limit Exceeded	-253.96
Room Type	A1KM
Room Charges	228.80
Extra Charges	0.00
Reservation Total	228.80
Taxes	25.16
Gratuities	0.00
Discount Applied	0.00
Reservation Value	253.96
Guest Charges	253.96
Group Routing	0.00
Corporate Routing	0.00
Casino Routing	0.00

Average Daily Rate	228.80
Average Daily Revenue	228.80
Extras Per Room	0.00
Extras Per Person	0.00
Extras Per Night	0.00
Avg Quote / Room	228.80
Avg Quote / Person	228.80
Quote Rate / Night	228.80
Total Per Room	253.96
Total Per Person	253.96
Total Per Night	253.96
Agent #1 Commission	0.00
Agent #2 Commission	0.00
Net Owner Revenue	114.40

This Rate is configured in

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In such cases, you can use the Rounding Settings to 'round' out the price (to 229.00 for example)

The screenshot shows the 'Rates and Packages' application window. At the top, the 'Rate Code' is 'GRP125' and the 'Description' is 'Group Rate'. Below this, there are tabs for 'Rate Settings' and 'Pricing Details'. The 'Derived Rate Settings' section contains a table with columns for 'Sl', 'Base Rate', 'Description', 'Price Diff %', 'Begin Date', and 'End Date'. The first row shows '1', 'RACKRR', 'Rack Rate', '-12.00', '01/01/1971', and '12/31/2070'. Below the table are buttons for 'Add Rate Rule', 'Edit Rate Rule', 'Rate Rule Zoom', and 'Base Rate Value'. The 'Rounding Settings' section, highlighted with a red box, includes radio buttons for 'Final Price Rounding Method' (No Rounding, Round Up, Round Down, Round To Nearest) and a text input for 'Round total Derived Price to end with' set to '#####'. An example text below explains that '#####.00' rounds to .00 and '#####9.99' rounds to 9.99. The 'Other Settings' section has radio buttons for 'Reservation Discount Policy' (Not Discountable, Observe Base Rates' Discount Settings) and a 'Transaction Code Overrides' button. At the bottom, there is a toolbar with buttons for 'Scan', 'Add', 'K-Delete', 'Value', 'Price Plans', 'Routing Plans', 'Yield Controls', 'Order', 'Edit', 'Calendars', 'Rate Blocking', 'Escape', 'Edits', 'Find', 'Duplicate', and 'Hurdles/LOS'.

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Option	Description
Final Price Rounding Method	<p>No Rounding – With this setting no rounding will be applied</p> <p>Round Up – With this setting the price will always be rounded up to the ‘end with’ setting.</p> <p>Round Down - With this setting the price will always be rounded down to the ‘end with’ setting.</p> <p>Round to Nearest - With this setting the price will be rounded normally to the ‘end with’ setting.</p>

Round total Derived Price to end with This setting allows you to set the desired ending digits for the Derived Rate. The “#” character indicates the positions that should not be affected.

Some examples:

- #####.00 would round the amount to end in .00 (for example 229.00 or 228.00)
- ####0.00 would round the amount to end in 0.00 (for example 220.00 or 230.00)
- #####.99 would round the amount to end in .99 (for example 229.99 or 228.99)
- ####9.99 would round the amount to end in 9.99 (for example 229.99 or 239.99)

Note: Rounding only applies to the Derived Rates elements. If the rate also uses standard Rate Detail line items, the rounding is only applied to the derived amount.

Caution: Changes to Derived Rates’ Rounding Settings are not versioned. Making changes to these settings will affect the values of on-the-books reservations.

For example, with these settings below the rate value will now display 229.00 for the A1KM room type

Rounding Settings

Final Price Rounding Method: No Rounding Round Up Round Down Round To Nearest

Round total Derived Price to end with: Example: ##.00 will round the final price to end in .00 (i.e. 250.00) and ##9.99 would round the final price to end in 9.99 (i.e. 259.99)

Reservation Values	
Credit Limit Exceeded	-254.19
Room Type	A1KM
Room Charges	229.00
Extra Charges	0.00
Average Daily Rate	229.00
Average Daily Revenue	229.00
Extras Per Room	0.00
Extras Per Person	0.00
Extras Per Night	0.00



Reservation Discount Policy Settings

The Reservation Discount Policy settings allow you to control whether additional discounting will be applied to the Derived Rate if the Reservation’s Discount% field is used. For example, since the “AAA” Rate is already discounted; you may not want the Reservation’s Discount % field to apply an additional discount (double discounting)

The screenshot shows the 'Rates and Packages' window. At the top, the 'Rate Code' is 'AAA' and the 'Description' is 'AAA Rate'. Below this, there are fields for 'Property', 'Meal Plan', 'Rate Class', 'Rate Currency', and 'Rate Type'. The 'Reservation Discount Policy' is set to 'Not Discountable', which is highlighted with a red box. Below this, there are sections for 'Derived Rate Settings' (a table with columns for 'Sl', 'Base Rate', 'Description', 'Price Diff %', 'Begin Date', and 'End Date'), 'Rounding Settings', and 'Other Settings'. The 'Other Settings' section includes a 'Transaction Code Overrides' button. At the bottom, there are various control buttons like 'Scan', 'Add', 'Delete', 'Value', 'Price Plans', 'Routing Plans', 'Yield Controls', 'Order', 'Edit', 'Calendars', 'Rate Blocking', 'Hurdles/LOS', 'Find', and 'Duplicate'.

Setting	Description
Not Discountable	With this setting, the Reservation’s Discount % will never be applied to the Rate (<i>no additional discounting allowed regardless of the Base Rate Details’ Discountable settings</i>)
Observe Base Rate’s Discount Settings	With this setting, the Reservation’s Discount % will be applied to the Derived Rate. The configuration of the Subject to Reservation Discounts setting on the Base Rate’s elements will determine which items are discountable.

Caution: Changes to Derived Rates’ Reservation Discount settings are not versioned. Making changes to these settings will affect the values of on-the-books reservations.

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Reservation Discounting example

In the following example, the Rate Code “AAA” is derived from the “RACKRR” Base Rate

The Rate Detail on the Base Rate is configured as **Subject to Reservation Discounts**

The screenshot displays the 'Rate & Package Detail' window. At the top, it shows 'Item Code' as 'ROOM' and 'Posting Description' as 'Room Rate'. The 'Room Types' section is set to 'Post for Room Type' 'A1KM' (Aspens King Mtn) and 'Post Based on' 'Price Basis Room Type'. The 'Pricing' section includes 'Quantity' '1', 'Service Charge %' '0.00', 'Post to folio #' '1', and 'Tickets' '0'. The 'Day-of-Week' section is set to 'Static Tier' and 'Tier Calendar', with 'Price Plan' 'RKA1KM' (RACK ASPENS KING MNT) and 'Calendar Code' 'RKSTND' (RACK STANDARD CALEND). The 'Length-of-Stay' section is also set to 'Static Tier' and 'Tier Calendar'. The 'Rate Calendar' section has 'Calendar Code' set to an empty field. The 'Posting Schedule' section shows 'First Posting Day' 'A' and 'Last Posting Day' 'L', with 'Days-of-Week' checked for Sun, Mon, Tue, Wed, Thu, Fri, and Sat. The 'Enable Package Breakage' section has 'Package Routing Plan' and 'Breakage Code' set to empty fields. A red box highlights the 'Subject to Reservation Discounts' checkbox, which is checked. Other checked options include 'Subject to Share Splits', 'Taxable', and 'Subject to Derived Rate Rule'. The 'Datched' checkbox is unchecked. The bottom of the window features navigation buttons: 'Escape', 'Add', 'Edit', 'K-Delete', and 'Tag As'.

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The value of the Base Rate is 260.00 (Room Charges)

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\$ Reservation Values

Credit Limit Exceeded	-288.60
Room Type	A1KM
Room Charges	260.00
Extra Charges	0.00

Reservation Total	260.00
Taxes	28.60
Gratuities	0.00
Discount Applied	0.00
Reservation Value	288.60

Guest Charges	288.60
Group Routing	0.00
Corporate Routing	0.00
Casino Routing	0.00

Average Daily Rate	260.00
Average Daily Revenue	260.00
Extras Per Room	0.00
Extras Per Person	0.00
Extras Per Night	0.00
Avg Quote / Room	260.00
Avg Quote / Person	260.00
Quote Rate / Night	260.00
Total Per Room	288.60
Total Per Person	288.60
Total Per Night	288.60
Agent #1 Commission	0.00
Agent #2 Commission	0.00
Net Owner Revenue	130.00

This Rate is configured in

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The Value of the Derived Rate without applying any Reservation Discounts is 234.00 (RACKRR – 10%):

6 Values

\$ Reservation Values

Credit Limit Exceeded	-259.74	Average Daily Rate	234.00
Room Type	A1KM	Average Daily Revenue	234.00
Room Charges	234.00	Extras Per Room	0.00
Extra Charges	0.00	Extras Per Person	0.00
		Extras Per Night	0.00
Reservation Total	234.00	Avg Quote / Room	234.00
Taxes	25.74	Avg Quote / Person	234.00
Gratuities	0.00	Quote Rate / Night	234.00
Discount Applied	0.00	Total Per Room	259.74
Reservation Value	259.74	Total Per Person	259.74
		Total Per Night	259.74
Guest Charges	259.74	Agent #1 Commission	0.00
Group Routing	0.00	Agent #2 Commission	0.00
Corporate Routing	0.00	Net Owner Revenue	117.00
Casino Routing	0.00		

This Rate is configured in

In this example, a reservation is using the “AAA” rate and that reservation also has a Discount % (in Special Billing).

Special Billing for Res#: 1000FZ Tufts, Tosha 03/03/16-03/06/16

Posting Controls		Routing Profiles	
Batch Post (Y/N)	N	Confidential Rate (Y/N)	N
Share Split (Y/N)	Y	Group	0
Tax Exempt (Y/N)	N	Corporate	0
Sub-Folios (1-9)	1	Comp-D	0
		Comp-E	0
		Comp-F	0
		<input type="button" value="Routing Details"/>	
Discounts		Group Directory Listing	
Discount %	10.00	<input type="radio"/> Listed <input checked="" type="radio"/> Unlisted	

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If the "AAA" Rate is configured as "Not Discountable"

Reservation Discount Policy Not Discountable Observe Base Rates' Discount Settings

Then the Reservation Discount will not apply to this Rate; the value will not be affected:

Values

\$ Reservation Values

Credit Available	99,739.26	Average Daily Rate	234.00
Room Type	A1KM	Average Daily Revenue	234.00
Room Charges	234.00	Extras Per Room	0.00
Extra Charges	0.00	Extras Per Person	0.00
		Extras Per Night	0.00
Reservation Total	234.00	Avg Quote / Room	234.00
Taxes	25.74	Avg Quote / Person	117.00
Gratuities	0.00	Quote Rate / Night	234.00
Discount Applied	0.00	Total Per Room	259.74
Reservation Value	259.74	Total Per Person	129.87
		Total Per Night	259.74
Guest Charges	259.74	Agent #1 Commission	0.00
Group Routing	0.00	Agent #2 Commission	0.00
Corporate Routing	0.00	Net Owner Revenue	117.00
Casino Routing	0.00		

Projected Guest Balance Due 259.74

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If the “AAA” Rate is configured to “Observe Base Rates’ Discount Settings”

Reservation Discount Policy Not Discountable Observe Base Rates' Discount Settings

In this example, the Base Rate’s detail is configured to allow discounting; an additional 10% discount will be applied to the reservation value.

Reservation Values	
Credit Available	99,765.23
Room Type	A1KM
Room Charges	210.60
Extra Charges	0.00
Reservation Total	210.60
Taxes	23.17
Gratuities	0.00
Discount Applied	23.40
Reservation value	233.77
Guest Charges	233.77
Group Routing	0.00
Corporate Routing	0.00
Casino Routing	0.00
Average Daily Rate	210.60
Average Daily Revenue	210.60
Extras Per Room	0.00
Extras Per Person	0.00
Extras Per Night	0.00
Avg Quote / Room	210.60
Avg Quote / Person	105.30
Quote Rate / Night	210.60
Total Per Room	233.77
Total Per Person	116.88
Total Per Night	233.77
Agent #1 Commission	0.00
Agent #2 Commission	0.00
Net Owner Revenue	105.30
Projected Guest Balance Due 233.77	

If the Base Rate’s detail were configured with “Subject to Reservation Discounts” as unchecked; then additional discounting would never apply for the Derived Rates regardless of the Discount Policy setting.

SMS

Transaction Code Overrides

Some properties use different Transaction Codes for transient, group and corporate revenue tracking. For example, they may use the code "ROOM" for transient lodging and "ROOMGR" for group lodging revenue. These properties can use the Transaction Code Overrides feature to substitute transaction codes on some of their derived rates.

To access this feature, select the **Transaction Code Overrides** command button from the **Derived Rate Settings** subtab.

The screenshot displays the 'Derived Rate Rule Transaction Code Substitution' dialog box. The dialog box contains the following fields and controls:

- CRE Property:** 000000 Home
- Rate Code:** GRP125 Group Rate
- Table:**

Sl	Base Rate Code	Description	Use Code Instead	Description
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
- Buttons:** Add, Edit, Delete

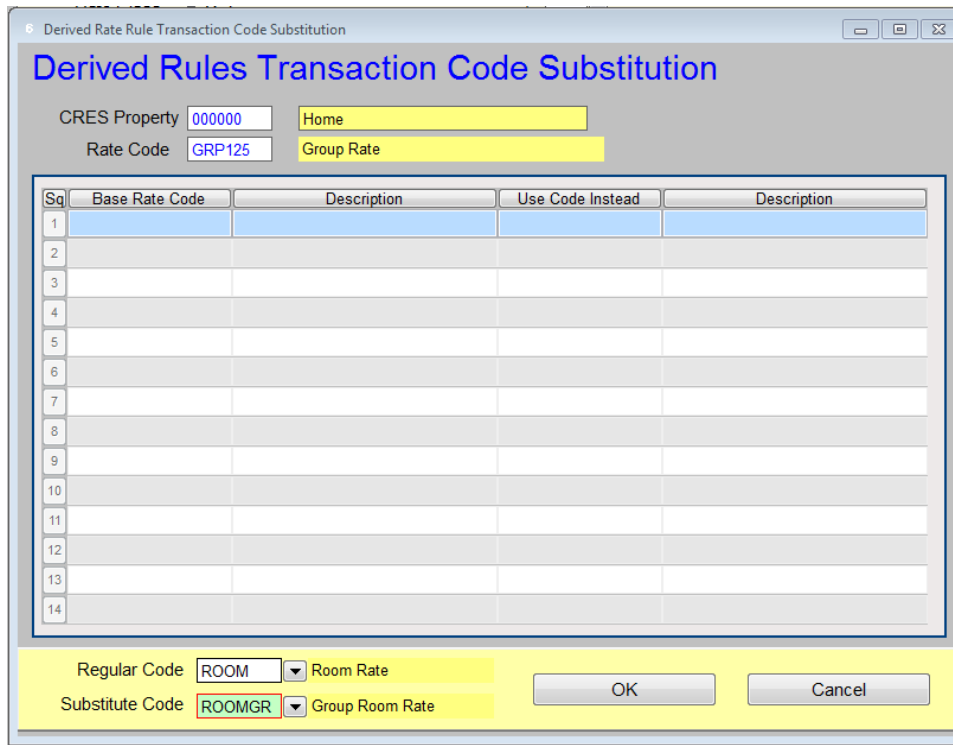
In the background, the 'Rates and Packages' window shows the following information:

- Rate Code:** GRP125
- Description:** Group Rate
- Property:** 000000 Home Property
- Meal Plan:** [Dropdown]
- Rate Group:** [Text Box]
- Rate Currency:** [Dropdown]
- Diff %:** -12.00
- Begin Date:** 01/01/1971
- End Date:** 12/31/2070
- Buttons:** Rate Rule Zoom, Base Rate Value
- Reservation Discount Policy:** Not Discountable Observe Base Rates' Discount Settings
- Transaction Code Overrides:** [Button]

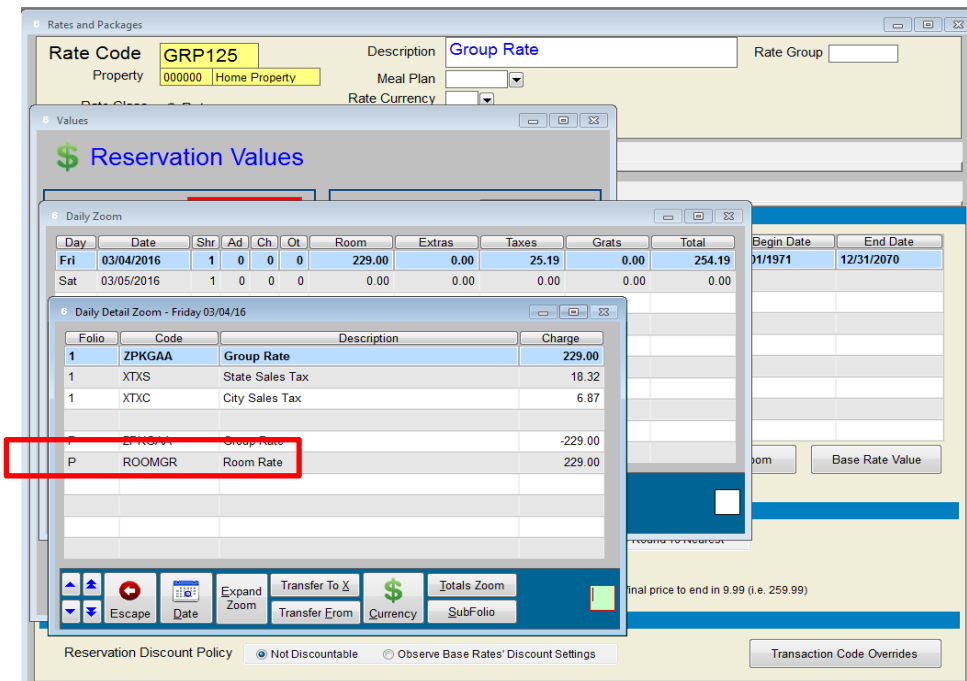
Use the **Add** command to add transaction code overrides.

SMS

A list of the Transaction Codes that are used on the Base Rates will be displayed. Select the code that is to be overridden and then select the substitute transaction code.



The following image of the Value Zoom-Zoom screen shows how the override takes place (i.e. ROOMGR is used instead of ROOM which is used on the Base Rate).



The substituted transaction code will be used for all routing evaluations.

SMS

Package Breakage

When derived rates are used with a base rate that includes package breakage items, the derived rate will also inherit the base rates' package entitlement (*i.e. Usage Limits*). Usage limits are not discounted by derived rates. Package breakage gain/loss will be computed as the difference between the Derived Rates' package allocation amount (*which may be discounted according to how the Derived Rate Rule was configured*) and the actual consumption. Breakage always posts with the breakage code that is configured on the base rate.

Example

For example, if the Base Rate has a FOOD item with a posting amount of 100.00 and allows consumption up to 120.00; if the guest uses 110.00; the breakage would be -10.00 ($100.00 - 110.00$). If another Rate is derived from this Base Rate, and applied a 25% discount; then the FOOD item would post as 75.00. If the guest using the Derived Rate consumes 110.00; the breakage would be -35.00 ($75.00 - 110.00$).

Derived Rates and Traditional Rate Hybrids

Traditional Rate/Package Detail may also be added to Derived Rates. This can be very useful for adding items to the Derived Rate that are unique to the Derived Rate and not contained in the Base Rates; for example, a group baggage handling fee. This is also useful for adding flat amount discounts; for example, 25.00 off.

Here's an example of a Flat Amount Discount being applied on top of a derived rate:

The screenshot displays the 'Rate & Package Detail' window for a 'Group Rate' (GRP125). The 'Posting Amount' field is highlighted with a red box and set to -25.00. Other fields include 'Room Types', 'Pricing', 'Posting Schedule', and 'Enable Package Breakage'.

Key fields and values visible in the screenshot:

- Rate Code: GRP125
- Description: Group Rate
- Property: 000000 Home Property
- Item Code: ROOM
- Posting Description: Room Rate Discount
- Room Types: All Room Types
- Post Based on: Price Basis Room Type
- Posting Amount: -25.00
- Post Per: U Unit
- Service Charge %: 0.00
- Post to folio #: 1
- Tickets: 0
- Subject to Share Splits:
- Taxable:
- Batched:
- Subject to Reservation Discounts:
- Subject to Derived Rate Rule:
- Posting Schedule: First Posting Day (A), Last Posting Day (L)
- Days-of-Week: Sun, Mon, Tue, Wed, Thu, Fri, Sat
- Enable Package Breakage:
- Package Routing Plan: [Dropdown]
- Breakage Code: [Dropdown]

The above example uses a flat amount in the **Posting Amount** field. You may also use rate tiers, rate calendars and any of the other posting features and controls as necessary.



Value-Zoom-Zoom screen

Reservation Values

Day	Date	Shr	Ad	Ch	Ot	Room	Extras	Taxes	Grats	Total
Fri	03/04/2016	1	0	0	0	204.00	0.00	22.44	0.00	226.44
Sat	03/05/2016	1	0	0	0	0.00	0.00	0.00	0.00	0.00

Daily Detail Zoom - Friday 03/04/16

Folio	Code	Description	Charge
1	ZPKGAA	Group Rate	204.00
1	XTXS	State Sales Tax	16.32
1	XTXC	City Sales Tax	6.12
P	ROOMGR	Room Rate	229.00
P	ZPKGAA	Group Rate	204.00
P	ROOM	Room Rate Discount	-25.00



Base Rates

A Rate automatically becomes a Base Rate when another Rate is derived from it.

Base Rates are indicated by a red **“This is a Base Rate”** labeled button displayed on screen (as shown below).

Rate Code RACKRR **Description** Rack Rate **Rate Group** AAA

Property 000000 Home Property **Meal Plan** []

Rate Class Rate Package **Rate Currency** [] **Rate Type** []

Rate Settings **Pricing Details**

Rate Detail | **Derived Rate Settings**

Package Version 20170105-45864 **Rate Details**

Batch Posting Code ZPKGAA **Package Charge** [] **Use Rate Description when posting non-batched items**

Sl	Type	Item Code	Desc	Qty	Amt	1st Pt	Last Pt	Grat	SH	BCH	BFL	TAX	TKT	FOL	Type	Day of Week
1	Currenc	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	A1KL	SMTWRFS
2	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	A1KM	SMTWRFS
3	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	A1KM	SMTWRFS
4	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	A1QL	SMTWRFS
5	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	A2SM	SMTWRFS
6	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	A3SM	SMTWRFS
7	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	A4SM	SMTWRFS
8	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	B1KM	SMTWRFS
9	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	B1QM	SMTWRFS
10	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	B2SM	SMTWRFS
11	Currency	ROOM	Room Rate	1	0.00	ARR	LST	0.00	Y	Y	N	Y	0	1	B3SM	SMTWRFS
12																
13																
14																
15																
16																

Buttons: Add Rate Detail, Edit Rate Detail, Rate Detail Zoom, Info View, Rate Detail Change Log, Display Consolidated View, Filter, Item Code []

Navigation: Escape, Edits, Find, Duplicate, Scan, Add, K-Delete, Value, Price Plans, Routing Plans, Yield Controls, Calendars, Rate Blocking, Hurdles/LOS

SMS

Selecting the “This is a Base Rate” command; displays a list of the Rates that are derived from this Base Rate. Selecting a rate code from the list will display the selected Rate Code/header.

The screenshot shows the 'Rates and Packages' window in the SMS software. The 'Rate Code' is 'RACKRR' and the 'Description' is 'Rack Rate'. A 'This is a Base Rate' button is visible. A pop-up window titled 'Derived From This Rate - By Rate Code' is open, displaying a list of derived rates including '10DRR 10% Discount Rate', 'AAA AAA Rate', 'AAB AAB Package', 'ABC ABC Package', and 'GRP125 Group Rate'. The main window also shows a table of derived rates with columns for Rate Code, Description, and various pricing parameters.

Rate Code	Description	Property	Meal Plan	Rate Currency	Rate Group
RACKRR	Rack Rate	000000 Home Property			AAA

Rate Code	Description	Property	Meal Plan	Rate Currency	Rate Group
10DRR	10% Discount Rate				
AAA	AAA Rate				
AAB	AAB Package				
ABC	ABC Package				
GRP125	Group Rate				

Rate Code	Description	Property	Meal Plan	Rate Currency	Rate Group
9	Currency ROOM Room Rate				
10	Currency ROOM Room Rate				
11	Currency ROOM Room Rate				

Caution: Since Derived Rates inherit their pricing from the Base Rates, the Base Rates are extremely critical. If a Base Rate is deleted; all Rates that are derived from it will lose that portion of their value. This will impact the value of past and current reservations. If you try to delete a Base Rate, the following warning displays:

WARNING: Other rates are derived from this rate. Deleting this rate will affect the value of the derived rates. Are you sure you want to delete this rate ? (Y/N)?

Note: Derived Rates only allows one level of derivation; meaning that you may not derive from a Derived Rate (the Base Rate cannot also be a derived rate).

SMS

Attempting to use a derived rate as a base rate will result in the following message.

The screenshot shows a web application window titled "Derived Rate Rule Detail". The window contains several input fields: "Base Rate Code" with a dropdown menu set to "AAA" and a label "AAA Rate" to its right; "Price Diff %" with a text box containing "-10.00"; "Begin Date" with a text box containing "01/01/1971" and a calendar icon, with "Friday" displayed below; "End Date" with a text box containing "12/31/2070" and a calendar icon, with "Wednesday" displayed below; and "Version Tag" with a text box containing "00000000-00000". At the bottom of the window, a yellow error message box states: "You cannot derive from rate code AAA because it is derived from another rate." followed by a small red square icon.

SMS

Additional Levels of Derived Rate Rules

For organizations that need more complex Derived Rate Rules, additional capabilities (Derived Rate Levels) may be enabled. These additional capabilities come with additional complexity in managing your rates as well. SMS recommends changing Derived Rate Levels to activate these additional features only if needed.

Note: These additional capabilities may be activated by contacting your SMS Support office and requesting that they change your Derived Rate Level configuration.

Derived Rate Rules by Day-of-Week and Length-of-Stay, Level 2

When this activated, Derived Rate Rules allow additional controls/conditions to be applied by DOW and LOS

The screenshot shows the 'Derived Rate Rule Detail' window with the following fields and values:

- Base Rate Code: RACKRR (Rack Rate)
- Price Diff %: -10.00
- Begin Date: 01/01/2016 (Friday)
- End Date: 03/31/2016 (Thursday)
- First Night: A
- Last Night: L
- Days-of-Week: Sun Mon Tue Wed Thu Fri Sat
- Version Tag: 20170105-46375

At the bottom of the window are buttons for 'Escape', 'Add', 'Edit', and 'Delete'.

Option	Description
First Night	This setting determines the first night of the stay that the rule applies to
Last Night	This setting determines the last night of the stay that the rule applies to
Days-of-Week	These settings determine which days-of-week the rule applies to

The DOW and LOS controls are applied in conjunction with each other and in conjunction with the Begin and End dates. All conditions must be true in order for the rule to apply.

Note: In general, Derived Rates may be used in the Channel Manager. However, the Channel Manager does not currently support LOS-based rates. This also applies to Derived Rates. This means that in order to be used in the Channel Manager, all rate elements on both the Base Rate and the Derived Rate must be Arrival – Last (*no LOS variations*). **Derived Rates pricing by LOS is not currently compatible with Channel Manager rate distribution.**

SMS

Use Case – 5th Night 50% Off

The following Rules illustrate how the length-of-stay (First and Last) controls can be used to configure a Derived Rate that offers 50% on the 5th night

Derived Rate Settings								
Sl	Base Rate	Description	Price Diff %	First Night	Last Night	Begin Date	End Date	Day of Week
1	RACKRR	Rack Rate	0.00	A	4	01/01/1971	12/31/2070	SMTWRFS
2	RACKRR	Rack Rate	-50.00	5	5	01/01/1971	12/31/2070	SMTWRFS
3	RACKRR	Rack Rate	0.00	6	L	01/01/1971	12/31/2070	SMTWRFS

In the above example:

The first rule (line# 1) applies beginning on the Arrival night thru the 4th night (A to 4) and will post the full RACKRR value (not discounted).

The second rule (line# 2) applies beginning on the 5th night and also ends on 5th night (5 to 5). This will post the 50% discounted RACKRR value.

The third rule (line# 3) applies beginning on the 6th night thru the Last night (6 to L). This will post the full RACKRR value (not discounted).

Note: The above is one way to configure an Nth discounted or free promotion (there are other ways)

Use Case – Tuesdays 50% Off

The following Rules illustrate how the day-of-week controls can be used to configure a Derived Rate that offers 25% discount on Tuesdays.

Derived Rate Settings								
Sl	Base Rate	Description	Price Diff %	First Night	Last Night	Begin Date	End Date	Day of Week
1	RACKRR	Rack Rate	0.00	A	L	01/01/1971	12/31/2070	SM WRFS
2	RACKRR	Rack Rate	-25.00	A	L	01/01/1971	12/31/2070	T

SMS

Caution: The use of DOW and LOS controls can be very powerful but can also add complexity and potential for configuration errors. As mentioned above, the Derived Rate Rules will only be applied when ALL of the conditions are true.

For example; the following rule will only apply for occupancy nights between 04/01/16 and 04/15/16 AND only on the reservation's 4th night AND only on Monday and Tuesday.

6 Derived Rate Rule Detail

Derived Rate Rule Detail

Base Rate Code: Rack Rate

Price Diff %:

Begin Date: Friday

End Date: Friday

First Night:

Last Night:

Days-of-Week: Sun Mon Tue Wed Thu Fri Sat

Version Tag:

Escape | Add | Edit | K-Delete

SMS

Derived Rate Rules by Room Type, Level 3

When this activated, Derived Rate Rules allow additional controls/conditions to be applied by Room Type (*in addition to DOW and LOS controls described above*)

When this capability is enabled, the Derived Rate Rule Detail screen displays a “Rooms” command

The screenshot shows the 'Derived Rate Rule Detail' window. The title bar reads '6 Derived Rate Rule Detail'. The main content area includes the following fields:

- Base Rate Code: Rack Rate
- Price Diff %:
- Begin Date: Friday
- End Date: Saturday
- First Night:
- Last Night:
- Days-of-Week: Sun Mon Tue Wed Thu Fri Sat
- Room Types:
- Version Tag:

On the right side, there is a 'Unit Type' list with the following items: A1KM, A1KL, D1KL. At the bottom of the window, there is a toolbar with buttons for 'Escape', 'Add', 'Edit', 'K-Delete', and 'Rooms'. The 'Rooms' button is highlighted with a red rectangle.

The Rooms command allows you to select the Room Types for which the Rule Applies. In the above example, the Rule applies to Room Types: A1KM, A1KL and D1KL.

Caution: As mentioned above, the Derived Rate Rules will only be applied when ALL of the conditions are true. The level of complexity increase dramatically when this feature is enabled.

Switching Derived Rate Levels

It is imperative to be aware of the system impact when switching from an enhanced derived rate level back to the basic.

- 1) Derived rate rule with specific unit types on it:
When switching from level three down to two or one, each item is reset to include all unit types. So each line item will now include all room types which can end up charging each room multiple times.
- 2) Derived rate rule with days of Week:
 - a. When switching from level three down to two, these settings are retained and values do not change.
 - b. When switching from level three down to one, the rule is reset to include all days of week. Just like the rooms situation above, each line item now includes all days of the week which can over charge.
- 3) Derived rate rule with LOS restrictions (Frist Night and Last Night):
 - a. When switching from level three down to two, these settings are retained and values do not change.
 - b. When switching from level three down to one, these settings are retained and values do not change although this area is not displayed on the form anymore. SMS would recommend removing these and using being and end dates prior to this switch.

Channel Management

In general, derived Rates may be used in the Channel Manager. The Channel Manager does not currently support LOS-based rates. This also applies to Derived Rates. This means that in order to be used in the Channel Manager, all rate elements on both the Base Rate and the Derived Rate must be Arrival – Last (*no LOS variations*). **Derived Rates pricing by LOS is not currently compatible with Channel Manager rate distribution.**

SMS

Converting your Existing Rate Strategy to begin using Derived Rates

Many rate strategies have BAR (Best Available Rate) or RACK at the center with other rates deriving from BAR (i.e. 10% off BAR; 20% off BAR; etc..). If you are configured in a similar manner, you've probably needed to set up a combination of Price Plans, Tiers and perhaps Calendars for each pricing level. To begin using Derived Rates, you may decide to start fresh and create an entirely new set of Rate Codes. Or, you may prefer to keep using your existing Rate Codes, but convert rates to Derived Rates where appropriate.

The following outlines a process for manually converting your current rate structures to take advantage of SMS|Host's derived rates functionality.

Note: This process may vary from organization to organization. You should plan to test the process in a "demo" (non-production) environment.

1. First, verify that Rate Versioning is enabled.

The following setting in Miscellaneous Rates and Defaults (F, L, U 2) should be set to **Generate** or **Ask User**:

Always (G)enerate Version, (U)pdate Existing Version or (A)sk User (G\U\A)? G

The following setting in Miscellaneous Rates and Defaults (F, L, U 2) should be set to "N"

When Generating First Rate/Pkg Item, stamp it with Start of Time? (Y/N) N

2. Identify the Rate Code that will be converted
3. Temporarily Deactivate the Rate code
 - o So that it cannot be booked while you are in the process of converting it to Derived Rates
4. Add the appropriate Derived Rate Rules
 - o At this stage, the value of the rate should be doubled because the rate value is referencing both the original rate detail configuration as well as the Derived Rate configuration
5. Delete the old Rate Details (Generating a new Rate Version)
 - o It is critical to generate a new Rate Version so that existing reservation values are not affected. Existing reservations will still be referencing Rate Versions that reference the original rate configuration (Plans and Tiers, etc...). It is also critical to not delete the related Plans, Tiers and Calendars
6. Verify the Rate Values for several dates
7. Reactivate the Rate Code