

So you want to establish a Tip Committee?

We're here to guide you! As the operator and trustee of receiving gratuities from customers, it's in your best interest to support the formation of a Tip Committee to facilitate a direct tip system.

Establish a successful Tip Committee in 4 simple steps



01 Formation of the Tip Committee

- Determine the committee members by taking into consideration all of the roles in Front of House (FOH), Back of House (BOH) and management.
- Evaluate which employees among the three groups would be a good fit for the committee as they will be making decisions on gratuity sharing among all employees within the restaurant.

💡 Tip: Consider employees with seniority, which may help in getting other team members aligned, building trust through experience.

- Consult your provincial employment standards to understand if any requirements exist for the committee and governance rules around gratuities.
- Keep in mind that while you as the trustee will start the process of forming the Tip Committee, your employees must align themselves and approve of the Tip Committee in writing.
- The committee will be making decisions and updating any changes to any current gratuity sharing arrangement as they see fit.

02 Establish the Tip Committee governance process

The Tip Committee will need to establish governing rules, including:

- How often will the committee meet to review the agreement and make any changes? We'd recommend meeting at least once a year.
- How will the committee communicate the tip sharing rules to the rest of the staff? Please see step 3 for guidance.
- How will the tip committee work with you as the employer to ensure there is appropriate record keeping? This will be important, in case an audit occurs.



03 Communication and documentation

- Once the committee has been decided upon, a Collective Agreement is necessary to ensure the formation and governance guidelines around gratuities have been clearly communicated and approved by the entire staff.
- A Collective Agreement (CA) is a written legal contract between an employer and the Tip Committee representing the employees.

As a partner of AnyDay, you have access to our templated, industry-leading CA. To request access please fill out our form [here](#).

- Once you have your CA in place, it will be the Tip Committee's responsibility to get employee buy-in, meaning have employees sign an acknowledgement form that confirms they have approved the tip sharing policies.
- Place the CA in your employee manual for any new staff members who come on board and require proof of acknowledgement.
- The committee should provide the signed agreement to you for filing, should an audit ever occur.




Tip: Keep the agreements each year as multiple years might be audited by the CRA.



- Consider holding an all-employee meeting where you discuss tip pooling and ensure the Tip Committee answer employee questions.
- This meeting is a great opportunity to reiterate that owners cannot participate in the tip pool as well as ask for feedback from employees whenever reviewing and updating the CA.

04 Set up and automate your Tip Committee process

- Our easy-to-use AnyDay Admin Portal lets you empower your Tip Committee to distribute gratuities appropriately.
- In your AnyDay Admin Portal, go to the “Add Manager” section and add in the various Tip Committee members, including their access levels.

 **Tip:** Set the Account level permissions for your various Tip Committee members. “Admins” will have the highest level of permissions, which will likely be reserved for operators/management. It is recommended that the highest level of Tip Committee members be “Manager” and below.

- For an optimal compliance, transparent and easy-to-facilitate tip pool, leverage our Tip Calculator to seamlessly set rules based and custom job codes.

Take a **self-guided tour** of Tip Calculator. In just 2 minutes, you will see the power of this industry-leading tip pooling automation solution. [Learn more here.](#)

- Try to establish a gratuity pool based on actual gratuities received and not on estimated gratuities using food or bar sales:
 - Example: 5% of bar sales to bartenders
 - Example 1.5% of food sales to kitchen staff.

Add manager

First name
First name

Last name
Last name

Email or mobile number
Email or mobile number

Mobile number: No country code, 10 digit numbers only. Ex 555999123

User level
User level

[What are the user levels?](#)

Wallets to assign
Wallet(s)

Timezone
Timezone

Password
Password

An email/SMS will be sent to the new manager to set their own password in case the communication did not reach them

Load limitations (optional)
☐ Set load limitations ?

Add manager

Remember, by establishing a formal Tip Committee, it is up to the committee to determine the share of the gratuities amongst themselves. The CA and employment agreements should clearly communicate that a direct tip system is in place, which will help the CRA in understanding that the employees are the decision makers on gratuity sharing.



Have questions? Get support from us.

Yes we're human! Get in touch at clientservices@paidanyday.com if you have any questions about a tip committee or compliance issue.

Email us

Happy employees get paid any day

Give employees fast, flexible and convenient access to their earnings.

Email us