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Annual Edition

Navigating New Dynamics in the
New Year



The Hotel Yearbook

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Six USALI Changes Hotel Finance Executives Need to be Aware of in 2025

Financial Reporting Standards

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The Global Finance Committee (GFC), a committee of diverse industry professionals sponsored by the Hospitality Financial and Technology Professionals and the American Hotel and Lodging Association is responsible for the production of the Uniform System of Accounts for the Lodging Industry (USALI). The revised 12th edition USALI is scheduled to be effective in 2026. USALI is the global standard for financial reporting in the lodging industry and will feature important changes to financial reporting practices.

There are six important changes that hotel finance executives should be aware in advance of the January 1, 2026 effective date for the new guidance. **Tip:** *While most hotels will not formally report operating performance based on the 12th edition USALI until 2026, some properties are beginning to track the new revenue and expense categories in 2025. This will allow for equitable year-over-year changes in their 2026 operating statements.* [Changes Enacted to Increase Transparency.](#)

1 GUEST LOYALTY PROGRAM COSTS

Over the past few years, guest loyalty programs have contributed an increasing number of guests for hotels. However, this increase in contribution has come with a rise in the costs paid by owners to support these programs. To enable owners, operators, and the brands to effectively measure the value of their loyalty programs, the 12th edition of USALI presents multiple new discrete loyalty program related expense categories. **Tip:** *Additional expense accounts may be required to separate costs associated with serving loyalty program guests versus all other guests.*

2 EXECUTIVE LOUNGE COSTS

A hotel's executive lounge can be a significant source of revenue, as well as a considerable cost. To enable owners, operators, and the brands to effectively measure the value of their executive lounges, the 12th edition of USALI presents the new Schedule 1-1 in the Rooms Department to capture Executive Lounge related costs. These costs are then allocated to two expense categories within the Rooms Department. Additional guidance is also provided for the handling of Executive Lounge revenue. **Tip:** *Be prepared to separate labor and other costs within the F&B department that are related to the Executive Lounge.*

3 FULL TIME EQUIVALENT SCHEDULE

Labor is the largest expense for hotels. Historically, USALI has reported the salaries, wages, and employee benefits paid to employees, however, hotels have not been required to report any data related to the number of employees or hours worked. The 12th edition of USALI requires a new Schedule 15 to present the number of Full Time Equivalent (FTE) employees working in each department. This enables owners and operators to calculate labor efficiency ratios such as FTEs per occupied room, or FTEs per cover. **Tip:** *Make sure your payroll system or service provider records and presents the hours worked by employees, and the departments the employees are associated with.*

4 BRAND AND OPERATOR COST SCHEDULE

The extent of services provided by hotel brands and management companies has expanded over the years. The costs charged to owners by the brands and management companies are reported in multiple expense categories located throughout the summary operating statement. To provide a single place where all brand and operator related costs can be viewed, the 12th edition of USALI requires a new Schedule 16 to capture all these expenses. **Tip:** *Work with your brand and operator to gain a thorough understanding of all expenses being billed to the hotel.* [Changes Enacted to Account for Contemporary Practice](#)

5 ALL INCLUSIVE HOTELS

Consumer acceptance of all-inclusive (AI) hotels has flourished in the past ten years. Given the growth of this segment, AI owners, operators, and brands have sought guidance from USALI that will enable these unique operations to better account for their revenues and expenses and enable benchmarking across this segment. The 12th edition of USALI presents a new Section (Part II) dedicated to revenue and expense reporting for AI hotels, and special attention was paid to the unique sources of revenue earned by AI properties: package revenue, non-package revenue, and miscellaneous income. **Tip:** *Be sure your accounting systems can distinguish between revenue included in the package, and additional revenue sources such as food and beverage upsells, weddings, golf, and spa services.*

6 ENERGY, WATER, AND WASTE

The emergence of environmental and sustainability standards set by governments around the world has necessitated enhanced reporting of what were previously titled Utility Expenses within hotels. In addition, consumers are now demanding an understanding of the environmental impact of hotels before they make their purchase decisions. Matching current nomenclature, the 12th edition of USALI has renamed the former Schedule 9 – Utility Department to Energy, Water, and Waste. Within this department, expenditures are reported for historical utilities such as electricity, water, and gas, along with new items like composted waste and renewable energy. **Tip:** *Work with your utility providers and waste management company to ensure they are providing the required consumption data needed to enable the required environmental and sustainability reporting.*

To purchase a copy of the 12th edition of USALI, please visit usali.hftp.org.

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