

# Inn Cornwall Team Tronc Tips, Gratuities & Tronc Policy

Inn Cornwall Limited — Tips, Gratuities & Tronc Policy (2026/2027)

**Effective Date:** 9 March 2026 (First processing date 7<sup>th</sup> April 2026)

**Review Cycle:** Annually

**Applies To:** All Inn Cornwall Limited team members across The Victoria Inn (Threemilestone), The Victoria Inn (Roche), and The Norway Inn (Perranarworthal)

## 1. Purpose of This Policy

This policy outlines how **Inn Cornwall Limited** collects, records, manages, and distributes tips, gratuities, and service payments. It ensures that:

- All tips and gratuities received by team members are **fairly and transparently distributed**.
- The tronc system remains **team-managed and compliant**, without employer influence in allocation.
- All legal requirements for documentation, payroll processing, and reporting are met.

## 2. Definitions

- **Tip / Gratuity:** Voluntary payments made by guests in recognition of service. These may be in **cash, PDQ/card, digital payments, or other gift-based forms**.
- **Tronc:** A team-managed arrangement for fairly distributing tips through payroll.
- **Tronc Payee:** An appointed independent team member responsible for administering the tronc in line with HMRC guidance.
- **Tronc Master:** A designated administrator responsible for calculation, processing, and HMRC submissions (may also be the tronc payee).
- **Tronc Account:** A dedicated Inn Cornwall team tronc bank account used exclusively for receiving and distributing tronc funds.

## 3. Collection & Recording of Tips

### 3.1 Recording Requirements

All team members must record **every tip or gratuity received**, regardless of the form:

- Cash
- PDQ/card gratuities
- Digital tipping methods
- Any other guest-provided monetary or gift-based gratuity

Recording must be done **at least daily via the till system**, using the dedicated **CASH TIP** and **PDQ TIP** buttons.

Any cash recorded must be put directly into the till.



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## 3.2 Accuracy & Accountability

- Team members must record **the exact amount** they personally receive.
- No tip may be withheld from the recording process.
- Failure to record tips correctly may be considered gross misconduct under the **Inn Cornwall Limited Disciplinary Procedure**.

## 3.3 Company Deductions

- The company may be required to make deductions from the tronc fund if it finds any errors, fraud or malpractice. The Tronc Master and Administrator will be informed in advance of any such deductions.

## 4. Banking & Financial Administration

### 4.1 Weekly Banking Transfer

At the end of each working week:

- All recorded tip values for each site are collated.
- The equivalent cash and PDQ amounts are transferred internally into the **Inn Cornwall Team Tronc Bank Account**.

### 4.2 Dedicated Tronc Account

A separate bank account is maintained exclusively for tronc funds and administration. "Inn Cornwall Team Tronc"

### 4.3 System & Software

- Tronc is processed through a **secondary PAYE scheme** within **the payroll software**.
- Bacs payments shall be made via the 'Inn Cornwall Team Tronc' bank account

## 5. Tronc Governance & Administration

### 5.1 Tronc Payee & Tronc Master

- A designated **Tronc Payee** oversees compliance and ensures employer non-interference.
- Any company payroll involvement is **administrative only**, not decision-making.
- A **Tronc Master** (or team of administrators) is responsible for:
  - Calculating monthly tronc allocations
  - Creating payroll files
  - Distribution of payslips / P60s / P45s
  - Processing tronc pay runs
  - Submitting **P32 PAYE**
  - Processing of payroll year end
  - Overseeing HMRC compliance
- The tronc email address **tronc@thevicinn.com** is used for queries or corrections.

## 5.2 Independence

- No company director is permitted to receive tronc payments.
- Directors may **only oversee** policy adherence—not influence allocation or distribution.

## 6. Tronc Payroll Processing

### 6.1 Monthly Schedule

- Tronc payroll will run **monthly**, normally by the **first Tuesday of each month**, excluding bank holidays.
- If delays occur, team members will be notified promptly.
- Team members receive a **separate tronc payslip** in addition to their weekly Inn Cornwall payslip.
- Payments will be made to the team members bank account declared for their general pay.
- Tips must be paid no later than the end of the month after the one in which they were received.
- All tronc payments will be made no later than the end of the month following the month in which the tips were received, as required by UK law.

### 6.2 Who May Process Tronc Payroll

- A payroll manager
- A trained general team member
- A designated tronc administrator

### 6.3 PAYE & National Insurance

- All tronc payments are subject to **employee National Insurance contributions**, deducted automatically through the tronc PAYE scheme.

## 7. Distribution Method

### 7.1 Site-Based Distribution

Each Inn Cornwall site operates its own tronc pot. Distribution is based on:

**Total tronc received at site ÷ Total hours worked = Tronc hourly rate**

### 7.2 Individual Allocation Formula

For each team member:

**Your Hours Worked × Tronc Hourly Rate – NI = Your Tronc Payment**

### 7.3 Permitted Deductions

- The tronc master will not make any deductions from tips or tronc funds except those required by HMRC (such as employee National Insurance). No administrative, payroll, banking, or software costs will be deducted.



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## 8. Eligibility Rules

- Allocation must be based **solely on actual hours worked**

## 9. Misuse, Fraud & Disciplinary Consequences

Any of the following constitute **misuse of tronc funds**:

- Theft or misappropriation of tips
- Failure to accurately record tips
- Interference with the tronc system
- Manipulating hours or reporting for financial gain

These fall under the **Inn Cornwall Disciplinary Procedure** and may lead to serious disciplinary action, up to and including dismissal.

## 10. Consultation & Review

### 10.1 Team Consultation

Any changes to this policy or tronc operation will be made **through consultation with site team representatives**.

### 10.2 Annual Policy Review

The policy will be reviewed **annually** by management alongside the tronc group, or earlier if:

- Legislation changes
- HMRC guidance changes
- Operational systems are updated

## 11. Transparency & Access to Information

In line with UK legislation:

- Team members have the right to request written statements on how tips are distributed.
- Inn Cornwall Tronc will be required to maintain transparent records for at least **three years**.
- Tronc balances, distribution rates, and calculations will be available upon request via the tronc mailbox.
- Team members may request a written statement explaining the tronc allocation methodology, their individual allocation, and related records. This information will be provided within four weeks of the request

## 12. Policy Approval

Approved by: **Inn Cornwall Team Management**

Supported by: **Inn Cornwall Tronc Group**

