



A convenient and flexible way to pay restaurant worker gratuities

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Quick facts:

-  **Company:** Matchbox Food Group
-  **Headquarters:** Southfield, Michigan
-  **Industry:** Restaurant
-  **Number of Employees:** 1,500
-  **Payroll Platform:** Paycom
-  **Product:** ALINE Card by ADP®
Instant TIPS by GratSync® - Gratuity Solutions®

As Director of Human Resources for Matchbox Food Group, Tim Rogers, working with only one HR generalist, is responsible for HR and payroll for 1,500 restaurant employees in 11 locations, primarily in the Washington, D.C. metropolitan area. We recently spoke to Tim about the integration of the ALINE Card by ADP® with Instant TIPS by GratSync®, a Gratuity Solutions® product, to pay employee tips in almost “real-time.” Tim sang the praises of this solution for Matchbox, for restaurant management and for tipped employees. **Here’s what he had to say:**

Implementation is flawless, with first-day service

Even though I had previous pay card experience and was well-versed using it, I still had a dedicated ADP implementation specialist and she was just amazing. I sent her the information needed to have the ALINE Cards prepared for each new location - employee name, address, ID, social security number and date of birth. She ordered the ALINE Welcome Kits containing personalized cards and they arrived within 10 days.

For each new location, we hire about 120 people over a two-week time period. Once they start working, they’re ready to go. Offering the ALINE Card is available as part of their onboarding, and when we actually begin service on the first day, everything works seamlessly. Instant TIPS is working and the ALINE Cards are loaded once they are activated by the employee. It works the same way with a new employee at an established location. I’ve gone through this same process many times, and I’ve never had an issue. It’s just flawless in my opinion.

Eliminated the need for large amounts of cash on hand

With the integrated ADP and Gratuity Solutions products, we have eliminated the need to have a large amount of cash on hand at each restaurant. Previously, we used an armored car service to deliver daily cash deposits to every location. Then when a shift ended, there were a lot of employees leaving at the same time who wanted to hand in their credit card receipts, get their cash and leave.

Gratuity Solutions provides a continuous “live” system. Once the day is over and closed, those tips are finalized based on actual hours worked by the support staff, service bar, food runners and bartenders, who receive tip outs in addition to the servers. If they have an activated ALINE Card, their share of the tips is loaded directly onto their cards at approximately 7:00 a.m. the following morning.

“ They [employees] don’t have to walk out with cash and worry about carrying it. If they don’t have a traditional bank account, they have the means to pay bills and access cash. They can order an additional card for a family member. If they lose their card, they can cancel it and I can re-issue another one immediately. It’s secure. The funds are transferred almost immediately. There are so many things they can do with the card! ”

Learn more about
Matchbox Food Group at
www.matchboxrestaurants.com


Always Designing
for People™



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Tim Rogers

Director of Human Resources,
Matchbox Food Group



Positive employee feedback

Our employees have not had any issues using the ALINE Card. Honestly, I can't see why anybody would! They don't have to walk out with cash and worry about carrying it. If they don't have a traditional bank account, they have the means to pay bills and access cash. They can order an additional card for a family member. If they lose their card, they can cancel it and I can re-issue another one immediately. It's secure. The funds are transferred almost immediately. There are so many things they can do with the card!

Flexible solution

We're completely flexible regarding how employees receive their pay. We want it to be as accommodating as possible because we don't want to force people into one vehicle to receive their wages. But if they're a tipped employee and want a pay card, we can use Gratuity Solutions and the ALINE Card to expedite tip payments. Tips are scheduled to be paid on the card the first thing the next morning and we can be out of the cash business.

Strategic manager priorities

The best thing about this solution for managers? It frees them up to deal with service, with operations and with their guests. It can get them out of the business of playing bank teller, passing out cash when everyone's leaving. I can't emphasize that enough. That's a huge savings of their time that I can't even begin to quantify. We want our managers to ensure their restaurant operation is efficient. We want them to be interacting with their guests. We don't need them to be worried about dealing with all that cash.

Increased compliance capability

From an employer standpoint, this solution is a great compliance tool. No one wants to deal with an IRS letter or audit. There's a lot to be concerned with in the restaurant business as far as compliance goes and it's always a struggle to keep up with everything.

Tips can be an issue when it comes to certain reporting with the IRS. This solution helps to keep us compliant. There's no underreporting of tips to worry about, and when we're doing our annual reporting, we don't have to be concerned about a discrepancy between cash and credit cards. That's just not something we want to stress about with the IRS.

Significant cost savings

I think there's definitely a cost savings that we realize from getting away from dealing with cash. I don't know the actual cost but I do know that using an armored car service is pretty expensive. The Gratuity Solutions functionality is very inexpensive and the ALINE Card is cost-efficient. I don't know the exact amount we're saving, but I think it's fairly significant all the way around.

What I would say to peers in the restaurant industry

I think it would be a smart application to introduce. If you're in the food service business, the key word is "service." And you cannot be executing on that well if you're focused on back office tasks for hours during each shift. That's just not wise. You're not watching your product being delivered to your guests' tables and you're not interacting with your guests. With this solution, you're going to improve your relationships, you're going to improve the odds that customers will return and you're going to increase revenue. It's one of those things that you wouldn't think makes a really big impact, but it does.

About ADP SmartCompliance

ADP SmartCompliance is a cloud-based platform of outsourced services that integrates with many leading payroll, HR and financial systems to help you maintain HCM-related compliance, mitigate risk associated with noncompliance, improve efficiencies and drive operational growth. Its unified capabilities can help handle your health care, employment tax, tax credits, wage payments, employment verification, unemployment claims, W-2 management and wage garnishments needs. Your information is organized in one place to be concise and actionable.

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