



# TTG HOSPITALITY CASE STUDY

## Background

The client operates two restaurants, each with approximately 40 employees. Founded by the parents, the business is now managed by the second generation.

## Client Challenge

The client was facing operational challenges with its point-of-sale (POS) system, which managed timekeeping and tip reporting. These inefficiencies created compliance risks and administrative burdens for the management team. The restaurant struggled with inaccurate tracking of meal and rest breaks, increasing the risk of wage and hour violations. A lack of a consistent process for reporting cash tips for hosts and bussers, leading to potential IRS liability. Discrepancies in tracking state-mandated sick time and voluntary vacation, resulting in employee complaints and confusion.

## TTG's Solution

- Update system settings to automatically track and calculate penalty pay for missed, late, or short breaks.
- Develop a standardized process for recording cash tips, reducing the risk of an IRS audit.
- Revise and implement an updated employee handbook, aligning it with state regulations and payroll policies.
- Coordinate with the payroll provider to ensure accurate tracking of paid time off and assist in rolling out clear PTO guidelines to employees.

## Results

- **Compliance Assurance:** Reduced manual timecard reviews while ensuring adherence to California labor laws, mitigating potential lawsuits under PAGA.
- **Operational Efficiency:** Decreased employee complaints about PTO, improving trust in both the technology and management.
- **Risk Reduction:** Eliminated IRS liability concerns regarding cash tip reporting.
- **Peace of Mind:** Although penalty pay slightly increased, the business owners felt reassured by their strengthened compliance and reduced legal exposure.