



An Extended Guide · No. 1904

Tip Screens and Tip Reports — Set Up Without Annoying Customers

Fair tip prompts, sensible sharing,
and clean records for payroll

Tech Made Simple — Service Made Personal

BillsHomeTech.com · (330) 200-8042 · Atwater, Ohio

Free & printable — share it with someone who needs it



Book a visit —
billshometech.com/book

✓ The goal: fair to your staff, easy on your customers

A tip screen should help the people who earn tips without making customers feel cornered. That balance is the whole game. Set it up thoughtfully and tipping feels natural; set it up greedily and you'll chip away at the goodwill that keeps folks coming back.

Tip screens, set up so everybody's comfortable

That moment when the screen spins around and asks for a tip has become a flashpoint. Set up well, it's a small kindness to your staff. Set up badly, it's the thing customers grumble about in the parking lot.

I'm Bill, and I run Bill's Home Tech here in Portage County, Ohio. In 30-some years of helping folks with their technology, I've watched the tip screen go from a nice option to a sore subject. The good news is you have more control over how it feels than you might think.

This guide covers two things: setting up tip prompts that are fair without being pushy, and tracking the tips your staff earn so payroll and taxes are handled right. The first is about goodwill; the second is about staying on the right side of the rules.

★ I'll set it up; your accountant handles the taxes

I can set up your tip prompts and show you where the tip report lives. But tips are taxable income with real payroll rules, and that part belongs to your accountant or payroll service — I'll point you there and stay in my lane.

The whole guide, on one page

If you remember only these things, your tip setup will treat customers and staff fairly.

- ❑ Offer reasonable tip options and always make 'no tip' easy to choose without a hassle.
- ❑ Keep preset percentages sensible for your kind of business — sky-high defaults breed resentment.
- ❑ 'Tip fatigue' is real; a pushy screen can cost you more goodwill than the tips are worth.
- ❑ Decide where tipping fits — before or after the sale — and what suits your service.
- ❑ If staff share tips, set up pooling or splitting clearly and tell your team how it works.
- ❑ Tips are taxable income and must be tracked and reported for payroll. The POS tip report helps — your accountant handles the tax rules.

✓ One rule to hold onto

A tip is a thank-you, not a toll. If your setup ever feels like it's squeezing customers rather than inviting generosity, dial it back. The long-term goodwill is worth more than a few extra percentage points.

The three kinds of tip prompt

Nearly every system offers the same building blocks. Knowing them lets you design a screen that feels fair.

Preset percentages

The screen offers a few buttons — say three options plus no tip. They're quick and most customers pick one. The art is choosing percentages that fit your business; what feels right at a sit-down restaurant can feel pushy at a counter where someone just handed you a coffee.

A custom amount

Let the customer type their own tip or pick a dollar amount. It's respectful — it says 'tip what feels right to you' — and it's handy for folks who think in dollars rather than percentages. Offer it alongside the presets.

No tip

There must always be a clear, easy way to decline. A 'no tip' button that's tiny, grayed out, or hidden behind an extra tap makes customers feel trapped — and that feeling sticks to your business, not to the screen.

! Never bury the no-tip button

Hiding or shaming the no-tip choice is the fastest way to turn a tip prompt into a complaint. Make declining as easy as tipping. A customer who can say no gracefully is a customer who comes back.

Tip fatigue is real — and it costs you

Customers are being asked to tip in more places than ever, and a lot of them are worn out by it. That weariness has a name, and it matters to your bottom line.

When a tip screen pops up somewhere a customer doesn't expect it — a quick retail purchase, a self-serve counter — or the suggested amounts feel high, people feel put-upon. They may still tip that once, but they leave a little less warm toward you, and warmth is what brings them back.

So the question isn't just 'how much can we prompt for?' It's 'will this prompt make people glad they came in, or quietly annoyed?' A tip setup that costs you repeat customers is a bad trade no matter what it adds to today's till.

✓ Fit the prompt to the service

Ask yourself honestly whether your kind of service is one customers expect to tip on. Where a tip makes sense, a gentle prompt is welcome. Where it doesn't, pushing one anyway reads as a money-grab — and customers remember.

Choosing your preset amounts

The numbers you put on those buttons set the tone. Here's how to pick them without tipping into pushy.

Pick presets that match what's normal for your type of business and your prices. Options that feel reasonable invite a yes; options that feel steep invite a no-tip tap and a little resentment. When in doubt, lean modest — a genuine small tip beats a grudging big one that costs you the customer.

Percentages or dollar amounts?

On larger tickets, percentages work well. On small, fixed-price items, a percentage of a tiny total is awkward, and a couple of modest dollar buttons often feel friendlier. Match the style to your prices, and always keep a custom option so no one's boxed in.

★ Let's pick amounts that fit your shop

The right presets depend on what you sell and who your customers are. Tell me about your business and I'll help you set options that feel fair to everyone — staff and customers both. Call or text (330) 200-8042.

Before or after the sale?

When the tip prompt appears changes how it feels. There's no single right answer — it depends on your kind of service.

A tip asked before service is rendered — when a customer's just ordering at a counter — can feel presumptuous, like you're being tipped for work not yet done. A tip asked after, once the service is complete, usually sits better because it's a genuine thank-you for something received.

Counter-service systems often prompt at payment, which comes before the coffee's made. Table service and many jobs naturally tip at the end. Think about where the real 'thank you' moment is for your service, and set the prompt as close to it as your system allows.

✓ Tip at the thank-you moment

The best time to ask is the moment a customer feels grateful — after the haircut, when the meal's done, as the job wraps. A prompt that lands then feels earned; one that lands too early feels like a reflex you're exploiting.

Sharing tips among staff

If more than one person serves a customer, you'll need a fair way to share tips. Your system can help, but the plan is yours to set.

Tip pooling gathers tips together and divides them among the team by some agreed rule — evenly, by hours worked, or by role. Tip splitting divides a single ticket's tip among the people who served it. Most systems support one or both; pick what matches how your team actually works together.

Whatever you choose, the golden rule is to tell your staff exactly how it works and apply it the same way every time. Tips are a sensitive subject, and nothing sours a team faster than a sharing scheme that feels secret or arbitrary.

! Tip-sharing has legal rules — check them

Who can be included in a tip pool, and whether owners or managers can share in it, is governed by employment and wage law — not by what feels fair to you. Before you set up pooling, run your plan past your accountant or an employment professional. This is firmly their territory, not mine.

Tips are taxable income — plan for it

This is the part owners most often get wrong, and it's the part the rules care most about. Tips aren't a free extra — they're income that has to be tracked and reported.

Tips your staff receive are taxable income, and as an employer you have responsibilities around reporting them and handling payroll taxes on them. The exact rules are detailed and they change, which is precisely why this is a conversation for your accountant or payroll service, not a tech helper.

What your POS does well is give you the raw numbers: a tip report showing what was tipped, when, and to or among whom. That report is the starting point your accountant needs. Your job is to capture it accurately; their job is to apply the rules to it.

! Talk to a CPA about the tax handling

I can show you how to pull a clean tip report, but how tips get reported, withheld on, and paid is tax and payroll territory with real rules behind it. Get that part from your accountant or payroll service, and keep your records so they have what they need.

The POS tip report — your paper trail

Your system keeps a running record of every tip. Knowing how to pull it and what it shows turns tax time from a scramble into a download.

The tip report typically shows tips by day, by staff member, and by payment, so you can see totals for a pay period at a glance. Pulled regularly, it feeds straight into payroll; left until year-end, it's a lot to reconstruct. Pull it each pay period and hand it to whoever runs your payroll.

The report shows	Why it matters
Tips per employee	For each person's payroll
Tips per day	Ties to your sales records
Card vs cash tips	Different handling
Pay-period totals	What payroll needs

✓ **Cash tips count too**

The POS captures card tips automatically, but cash tips are income just the same and often need to be reported by staff. Set up a simple way for staff to record cash tips so the full picture reaches your accountant.

Two kinds of small business, two setups

Whether a tip prompt even belongs on your screen — and how it should feel — depends a lot on whether you serve people at a counter or out on a job.

If you sell from a fixed counter or shop

You serve customers at a fixed counter — a cafe, a salon, a quick-service spot. Tipping is often expected here, so a gentle, well-timed prompt is usually welcome, as long as declining stays easy.

- Set reasonable presets that fit your prices, plus a custom and a clear no-tip option.
- Prompt as close to the 'thank you' moment as your counter system allows.
- If several staff serve one customer, set up pooling or splitting and explain it to the team.
- Pull the tip report each pay period for payroll.

If you sell on the go — markets, trucks, house calls

You do work out on jobs or on the go — a tradesperson, a mobile service, a market vendor. Tipping may be less expected, so think hard about whether a prompt fits before you turn one on.

- Ask honestly whether your customers expect to tip; if not, a prompt can feel like a money-grab.
- If you do prompt, do it after the job is done — the natural thank-you moment.
- Keep amounts modest and the no-tip choice obvious on a handheld screen.
- Still pull the tip report so any tips are tracked for payroll and taxes.

★ Not sure a tip prompt even fits your business?

That's a real question, and the honest answer for some businesses is 'skip it.' Tell me what you do and I'll give you my straight take on whether a tip screen helps you or hurts you. Call or text (330) 200-8042.

Setting up your tip screen

The actual setup is quick once you've decided how you want it to feel. Here's the order to work through.

- ❑ Decide whether a tip prompt fits your business at all.
- ❑ If yes, choose your presets — modest and matched to your prices.
- ❑ Add a custom-amount option and a clearly visible no-tip button.
- ❑ Set the prompt to appear at the right moment for your service.
- ❑ If staff share tips, set up pooling or splitting and document the rule.
- ❑ Turn on the tip report and pick who pulls it each pay period.

Every system — Square, Clover, Toast, Shopify — handles these settings in its own menu, but the choices are the same. You don't need the fanciest system to do this well; you need to make thoughtful choices in the one you have.

✓ Test it on yourself first

Before you turn it loose on customers, run a sale and look at the screen from their side. Is 'no tip' easy to find? Do the amounts feel fair? If it feels pushy to you, it'll feel pushy to them.

Talking to your staff about tips

Tips are money and money is sensitive, so how you talk to your team about them matters as much as the settings. Clear and open wins.

Tell your staff how tips are collected, how they're shared, and when they're paid out. If you pool or split, walk through the rule so no one wonders whether they're getting a fair shake. Surprises and vagueness breed suspicion; plain explanation builds trust.

Be clear, too, that tips are income that gets reported — staff shouldn't be blindsided at tax time. You don't need to lecture; just be upfront that the tip report feeds payroll and that cash tips count the same as card tips.

★ A fair system is one everybody understands

The tip setups that work are the ones the whole team understands and trusts. If you can explain yours in a sentence and apply it the same way every shift, you're doing it right. Happy to help you land on one.

Tips versus service charges — not the same thing

Some businesses add an automatic service charge, especially for large groups. It looks like a tip, but it's treated differently — and that difference matters.

A tip is voluntary and chosen by the customer. An automatic service charge that you add to the bill is something else — the rules often treat it more like regular business income or wages than a tip, with different handling for taxes and payroll. They are not interchangeable.

If you're thinking about a mandatory service charge — an automatic gratuity for big parties, say — set it up as its own thing in your system, disclose it clearly to customers, and ask your accountant how it should be handled. Don't just relabel it a 'tip,' because the rules don't see it that way.

! Disclose any automatic charge plainly

An automatic service charge the customer didn't see coming is a classic complaint — and sometimes a dispute. Print it clearly on the menu and the receipt, and let your accountant tell you how to handle it. Our chargebacks guide covers the kind of surprise charge that triggers a dispute.

Fitting tips into your reports and books

Tips touch your sales reports, your payroll, and your bookkeeping. Keeping them straight across all three saves headaches.

On your sales side, tips show up separately from the sale itself — they're the customer's money passing through to your staff, not your revenue. Your end-of-day reports should show the split clearly. Our end-of-day reports guide covers reading that daily summary.

On the payroll side, the tip report is what gets tips to your staff and handled for taxes. Keeping the two views — daily sales and pay-period tips — lined up is mostly a matter of pulling the reports regularly and handing the tip numbers to whoever does your payroll.

✓ Reconcile little and often

Checking that your tip totals, your payouts, and your payroll agree takes minutes each pay period and prevents a nasty year-end surprise. Little and often beats one big reckoning in the spring.

Keeping it fair all around

A good tip setup balances three groups: your customers, your staff, and you. When one gets squeezed, the whole thing wobbles.

Customers want to feel invited to be generous, not cornered. Staff want a share that's clear and consistent. You want the goodwill that keeps customers coming back and the records that keep payroll clean. None of those has to lose for another to win.

When you're weighing a change — higher presets, an earlier prompt, a new pooling rule — ask how it lands for all three. A tweak that pads today's tips but annoys customers or confuses staff isn't worth it. The sustainable setup is the fair one.

✓ Generosity you invite beats a tip you extract

The businesses with the best tipping cultures don't push — they earn it with good service and a prompt that feels respectful. Aim for that, and the tips and the loyalty both follow.

Questions to work through before you turn it on

Answer these for your own business and your tip setup will almost design itself.

Q: Do my customers actually expect to tip here?

If yes, a gentle prompt is welcome. If not, pushing one can cost you more goodwill than it earns. Be honest about your kind of service.

Q: Are my presets reasonable, and is no-tip easy?

Match presets to your prices, lean modest, and make declining a one-tap, no-shame choice. Test the screen from the customer's side.

Q: When does the prompt appear?

As close to the real thank-you moment as your system allows — after service, not before it, where you can.

Q: How are tips shared, and does my team know?

If you pool or split, set a clear rule, document it, and explain it to staff — and check the legal rules with a professional.

★ Want a second opinion on your setup?

I'm happy to look at your tip screen and your sharing plan and give you an honest read on whether it's fair and clear. Call or text (330) 200-8042 — and for the tax side, I'll point you to your accountant.

Common mistakes people make

A handful of missteps turn a helpful tip feature into a customer complaint or a payroll headache. Here they are.

- **Hiding or shaming the no-tip button**, which makes customers feel trapped and resentful.
- **Setting presets too high** for the kind of service, so people tap no-tip and leave annoyed.
- **Prompting at the wrong moment** — asking before any service is rendered.
- **A murky sharing scheme** that leaves staff suspicious they're being shorted.
- **Treating tips as untracked extra cash** instead of reportable income.
- **Confusing a service charge with a tip** — the rules treat them differently.

! The costly one cuts two ways

Pushy prompts cost you customers; untracked tips cost you at tax time. The fix for both is the same spirit — be fair and be honest: a respectful prompt and a clean tip report pulled every pay period.

Where I stop and your accountant starts

I can set up the technology side of tips all day. The tax and payroll side, though, belongs to a professional — and I won't pretend otherwise.

I'm a tech helper, not an accountant or a payroll service. I can configure your tip prompts, set up pooling or splitting in the system, and show you how to pull a clean tip report. How tips get reported, withheld, and paid — and who can be in a tip pool — is tax and employment law, and that's for your accountant or an employment professional.

Those rules are detailed and they change, so don't take a tech helper's word on them. Hand your tip reports to your accountant or payroll service and let them apply the current rules. That division of labor keeps you out of trouble.

★ I'll get you the numbers; they handle the rules

The cleanest setup is one where your POS captures accurate tip records and your accountant handles the tax side. I'll make sure the capture part is solid and point you to the right professional for the rest. Call (330) 200-8042.

Reading your own customers

No guide can tell you exactly what's right for your crowd. The best tip setup is one you tune by paying attention to the people you serve.

Watch how customers react. If lots of them tap no-tip quickly, or you hear a grumble, your prompt may be landing wrong — too high, too early, too insistent. If tipping feels easy and natural, you've struck the balance. Your customers will tell you, if you watch.

Don't be afraid to adjust. Lowering a preset, moving the prompt later, or even turning it off for a slow season are all fair moves. The screen isn't set in stone — it's a dial you can turn as you learn what feels right for your shop and your regulars.

✓ Let your regulars be your guide

The people who come back again and again are the ones worth listening to. If the tip screen bothers them, it's costing you more than it's making. Tune it for the customers you want to keep.

Setting honest expectations

A tip screen is a small tool with an outsized effect on how your business feels. Knowing what it can and can't do keeps you grounded.

A well-set prompt will make tipping easy for customers who want to and painless for those who don't, and the tip report will give your accountant clean numbers. It won't manufacture generosity that good service hasn't earned, and it won't sort out your payroll taxes — that's still a professional's job.

Expect to tweak it as you learn your customers, and expect the tax side to need a real conversation with your accountant. Get both of those right and the tip screen quietly does its job without becoming a sore spot for anyone.

✓ Small tool, big manners

Treat the tip screen as a matter of manners as much as money. Set up courteously, it earns goodwill and fair tips alike. That's the whole aim — not to wring out every last percentage point.

Common Questions

The questions I hear most from owners setting up tips, answered plainly.

Q: What tip percentages should I put on the screen?

Ones that fit your prices and your kind of service — lean modest. High defaults make people tap no-tip and leave annoyed. Always include a custom amount and an easy no-tip button.

Q: Should the tip prompt come before or after service?

After, where your system allows — that's the natural thank-you moment. A prompt before any service is rendered tends to feel presumptuous.

Q: Can I make my staff share their tips?

You can set up pooling or splitting, but who can be included and how is governed by employment and wage law. Set a clear rule, document it, and run it past your accountant or an employment professional first.

Q: Do tips really have to be reported for taxes?

Yes — tips are taxable income with real payroll rules, and that includes cash tips. Your POS tip report gives the numbers; how they're reported and paid is a conversation for your accountant.

Q: Is an automatic service charge the same as a tip?

No. A mandatory service charge is often treated more like regular income than a tip, with different tax handling. Disclose it clearly and ask your accountant how to handle it.

★ Want help getting it right?

I'll happily set up your tip prompts and show you where the tip report lives, then point you to your accountant for the tax side. Call or text me at (330) 200-8042 and we'll get it fair for customers and staff both.

You don't have to figure this out alone

You just have to remember that a friendly, patient person who speaks plain English is one call away.

I hope this guide made tip screens and tip reports feel a little less daunting and a lot more doable. Keep it with your other business papers, come back to a page whenever you need it, and don't feel you have to memorize a thing.

When you'd rather have a hand, that's exactly what I do. I come to your shop or your kitchen table, work at your pace, and never make you feel rushed or silly for asking. A first visit is a flat \$99, and for the parts that don't need me on-site I can often help right on your screen for \$49. Every visit comes with a 30-day, come-back-free guarantee. I don't sell payment processing and I earn no commission from any company — so the advice you get is just honest advice. For the tax and legal fine points, I'll point you to your accountant or attorney.

★ Bill's Home Tech — real help, close to home

Call or text me at (330) 200-8042, or visit BillsHomeTech.com. Serving Atwater and all of Portage County. 30+ years of patient, plain-English tech help — and if you're ever not 100% happy with a visit, I'll make it right or refund it. That's a promise. — Bill

A Fair Tip Prompt Has Three Choices

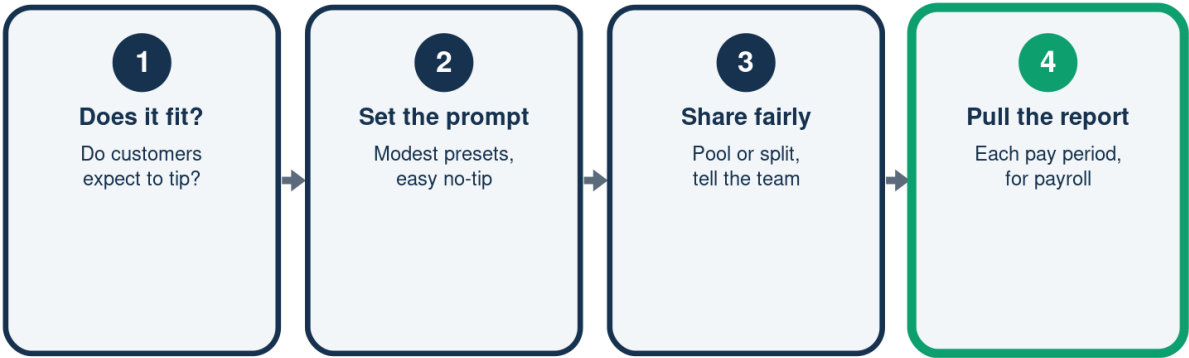
Invite generosity -- don't corner anyone

	Choice	Keep it
Preset amounts	A few options	Modest
Custom amount	Type your own	Always offer
No tip	One easy tap	Never hidden
When it shows	After service	Thank-you moment

If the no-tip button is hard to find, the setup is too pushy.

Setting Up Tips, Start to Finish

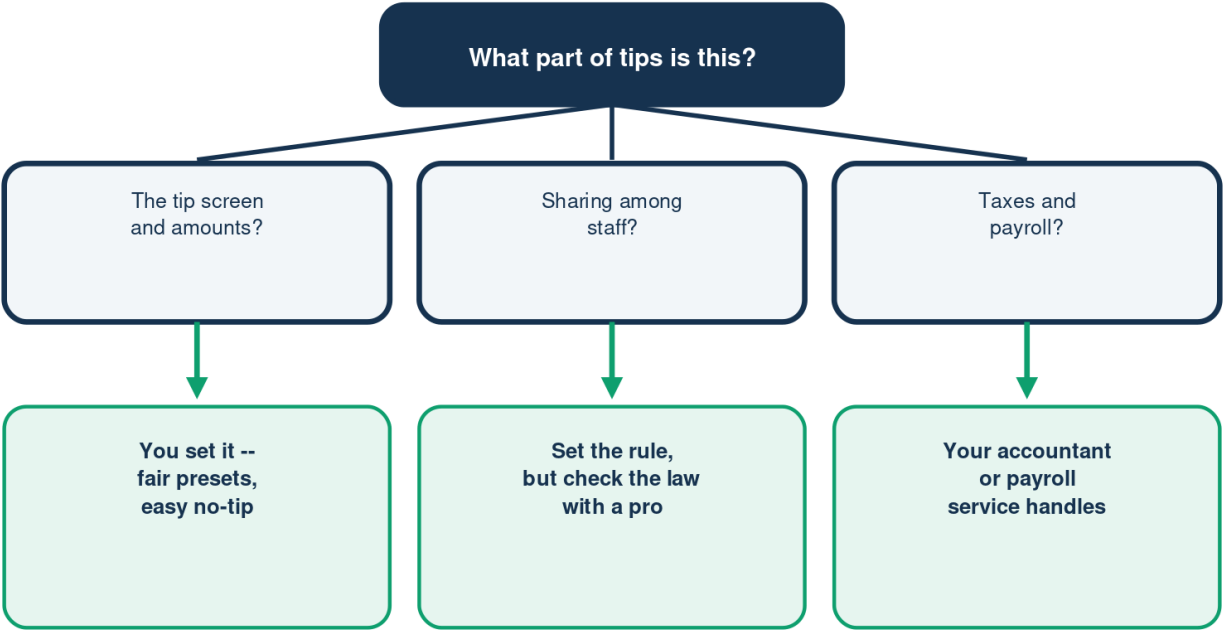
Decide the feel first, then the settings



The tip report feeds payroll -- your accountant handles the taxes.

Who Handles What?

Set the screen yourself; the rules need a pro



Tips are taxable income -- the POS tracks them; a CPA handles the rules.

Illustration - a schematic, not to scale. Your setup may differ.

What the Tip Report Gives You

Clean numbers for payroll and your books

	It shows	Used for
Tips per employee	Each person	Payroll
Tips per day	Daily totals	Sales records
Card vs cash	Split out	Full picture
Period totals	Pay period	Your accountant

Pull it each pay period -- year-end reconstruction is a nightmare.



Need a Real Person?

You do not have to remember all of it.
You just have to remember you can call.
Friendly, in-person tech help -- I come to you.

BILL'S PROMISE

If you are not 100% happy with a visit, I will
make it right -- or refund it. No awkwardness,
no fine print. That is how I would want to be treated.

(330) 200-8042 · BillsHomeTech.com

Bill@BillsHomeTech.com · Mon–Sat 9:00 AM – 7:30 PM

— Bill

Prefer help without a visit?

Bill can screen-share and fix many things remotely — a flat \$49, free for Support Plan members.



A Note From Bill

A quick note from Bill.

I write these guides to make home tech a little less frustrating, and I do my best to keep every step accurate and up to date. Still, every home, device, and setup is a bit different, so I can't promise a guide will match yours exactly or fix your particular problem. These guides are for general information only — they're not professional, legal, or financial advice, and they don't replace your device's own manual or the manufacturer's instructions. Please go slow, use your own good judgment, and use everything here at your own risk. If a step involves electrical wiring, a gas appliance, a water heater, plumbing, or climbing a ladder — or if anything just doesn't feel safe — please stop and call a licensed professional (or give me a call at 330-200-8042). Bill's Home Tech and Bill Davis can't be responsible for any damage, data loss, or injury that comes from using these guides. Thanks for reading, and stay safe out there.

— *Bill*



Book a visit —
billshometech.com/book

Use of these guides is subject to our Terms of Use (billshometech.com/terms-of-use).

(330) 200-8042 · BillsHomeTech.com

Bill@BillsHomeTech.com · Mon–Sat 9:00 AM – 7:30 PM

For general information only — not professional advice. Use at your own risk. For electrical, gas, water, or ladder work, please call a licensed professional. — Bill's Home Tech