

The Tipping Point

What's Best for Fairs & Concessionaires?

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Tipping is a common practice that, when handled correctly, benefits both employees and customers. NICA encourages fair, transparent, and well-structured tipping procedures to support excellent customer service and workplace morale. This guide outlines best practices, types of tips, legal considerations, and training recommendations for owners and operators at Fairs, Festivals, and Special Events.

Tipping Procedures & Best Practices

Before accepting tips, Concessionaires should review Fair-specific regulations. Some Fairs may prohibit tipping or have strict parameters, and these must be followed. If permitted, tips should be pooled and shared among the entire team—*not just front-line staff*—since all roles contribute to customer satisfaction.

It's important that tipping is always optional. Customers should never feel pressured to tip, and employees should understand that tips are not guaranteed. Additionally, business owners should never receive a share of the tip pool, and all tips should go directly to employees as a reward for excellent service.

[A branded tip display can tie into the theme of your stand](#)



[Displays should reflect the professionalism of your business](#)

Tips are not considered business gross income and should not be included in rent calculations. Clear tracking and reporting—*especially within cloud-based systems*—prevents confusion and supports transparency.

Types of Tips

Cash Tips—Cash remains a valuable method for tipping. To ensure proper tax reporting, pooled tips should be distributed through payroll. Be upfront about tip policies during hiring or offer discussions to avoid confusion later.

When accepting cash tips, it's important that tip jars or signage are displayed in a clean, professional, and non-obtrusive manner. Tip jars should be clearly labeled, easy for guests to spot (*without being pushed in their face*), and aligned with the look and feel of your stand. Avoid handwritten, sloppy, or aggressive signage. A simple, polite message thanking guests for their generosity works best. **Remember:** *Presentation matters—tip displays should reflect the professionalism of your business.*

Credit Card Tips—Modern POS systems can accurately track credit card tips. Tip screens should be customer-friendly, offering modest

preset percentages and always including a “No Tip” or “Skip” option. All tip prompts must be clearly marked as optional.

NICA supports a flexible tipping approach that allows guests to show appreciation using the method they prefer.

The Benefits of Tipping

Instituting a tip-friendly culture often significantly improves customer service, especially from front-line staff. Employees motivated by tips are more likely to smile, engage positively, and return for future events. A team of returning staff not only offers better service but often brings along other reliable workers, strengthening the business.

Tip Training and Compliance

Clear tipping policies should be introduced during the hiring process. Operators must also stay informed about federal and state tip laws, including the difference between tipped and non-tipped wage requirements.

Tips should never be used to offset labor costs. They are taxable income and must be reported accurately on paychecks. Distribute pooled tips based on hours worked, and



Tipping on POS systems is a reality for most businesses

avoid confusion by setting clear expectations. Proactive communication prevents issues when employees ask about tipping policies.

Reaching a “*Tipping Point*” in our Industry means recognizing that fair, transparent, and well-managed tip policies benefit everyone—*from Employees and Operators to Customers*. By following these best practices, you can foster a positive work environment, encourage exceptional service, and build lasting customer relationships. Let’s work together to make sure tipping remains a gesture of appreciation—*not expectation*—and continues to express the Guest Experience at every event. ▲

