UNIT: 01
HOUSEKEEPING SUPERVISION

Structure

1.1 Objectives

At the end of this lesson, students should be able to demonstrate appropriate skills, and show an understanding of the following:

- appreciate the role of supervisor.
- understand the purpose and the systematic method of guestroom inspection.
- develop inspection check list for use in guest rooms and public area.
- list the commonly neglected areas with regards to guest room cleaning.
- calculate the staff requirement using the staffing guide.
- developing duty roaster for staff.
- list the method of appraising employee performance.

1.2 Introduction

Managing housekeeping services is one of the most tedious tasks for a supervisor. It's a job full of responsibilities with a good amount of work pressure. The executive housekeeper relies on great extent to her supervisory team. Defining roles and responsibility of a housekeeping supervisor is the most important role of a supervisor is to ensure standards of cleanliness, hygiene and tidiness are maintained throughout the premises and to manage the housekeeping department efficiently to maintain standards and control costs. The Housekeeping Supervisor is responsible for training, supervising and motivating the department personnel to ensure that all schedules are completed.

Supervision is about sharing, showing and giving support to help another person make progress and feel comfortable in their work.

It involves making time and developing a practical structure to provide this support. Good supervision enables staff to:

- build effective professional relationships
- develop good practice in the performance of their work
- exercise judgment and make good decisions
- Improve the quality of work.

Ineffective supervision can reduce productivity, increase absenteeism, create or prolong workplace conflict, damage the culture and impact the quality of care being delivered.

1.3 Importance of inspection

The room inspection is an important part of the housekeeping process for many reasons.

The main purpose of the room inspection is to maintain housekeeping standards

There are a set of standards that housekeeping will need to follow for cleaning, refreshing, and stocking rooms. It's important to maintain these because it will help to keep guest satisfaction high. If our guest satisfaction drops, we may also experience a drop in hotel occupancy. We want to make sure that our guests are kept happy, and one way we can do that is to maintain our standards of good service.

Create a room inspection checklist
This will help us check that we are meeting housekeeping standards. The checklist is very good tool to help establish a set procedure for making sure that every important area is checked and that anything that was not done correctly or is not functioning correctly is fixed.

Room inspections keep guests safe and secure
During, the room inspection, we should find any issues with uneven flooring, locks not functioning and so on. Anything that could injure a guest should catch in a room inspection and fixed.

Guest room inspections help us keep good working order of facilities
This include telephones, TVs, minibars, hot and cold water, guest coffee machine, and other appliances and electronics. All of these things need to be checked to make sure there are no issues in the room. We need to make sure that our guest rooms facilities are kept in proper working condition.

The room inspection reminds housekeepers of any missing items
The average time to clean a guest room is about 30 minutes. Every housekeeper in every room, need to be making sure that amenities are placed in the room in the correct number. During the room inspection, the housekeeping supervisor will able

to check that. They can count the amenities and make sure that they are all included and in good condition before the guest room released for sale.

1.4 Role of housekeeping supervisor

Some roles of housekeeping supervisor are as follows:

Providing Training: Training the housekeeping staff is a primary responsibility of supervisors. This means educating new hires on the organization's policies and procedures, its methods of cleaning and maintenance, the location of supplies and the layout of the facility. An employee's ability to do the job is often a direct reflection of the quality of training he receives.

Giving Clear Instructions: A housekeeping supervisor must communicate effectively, both in writing and verbally. She must clearly communicate expectations, suggestions, constructive criticism and company policy in a professional and easy-to-understand manner. Housekeeping supervisors use written communication to complete paperwork on daily activities, employee progress and necessary supplies. Managing Time and Schedules

Time management is another critical function for a housekeeping supervisor. He creates employee work schedules, designates when and how the work will be accomplished, enforces the rules and regulations regarding breaks and lunches, and reports employee tardiness and absences.

Managing Equipment and Supplies: A housekeeping supervisor is responsible for taking inventory and ordering supplies. It's her duty to make sure employees have what they need to perform their jobs quickly and efficiently. She must also maintain equipment such as vacuum cleaners and floor polishers and perform simple repairs. When equipment requires major repairs, she's responsible for having it done or ordering new equipment.

Providing Customer Services: Providing a high standard of customer service is also important for a housekeeping supervisor. He must be polite, professional and open-minded at all times. He must listen to customer complaints and suggestions and provide constructive feedback to his staff.
Lending a Hand

A housekeeping supervisor often works alongside cleaners to help perform cleaning and maintenance duties. She may make beds, take out trash, change light bulbs and perform other tasks to ensure the work is done in a timely and efficient manner. If her staff is short-handed, she may fulfill the role of the missing team member and help out for the day.

The housekeeping department usually has the following supervisory positions:
- Floor supervisor
- Linen room supervisor
- Public area supervisor
- Uniform room supervisor

- Night supervisor
- Laundry supervisor
- Control desk supervisor

Each supervisor is responsible for certain functions and leads a team of attendant to accomplish them. The assistant housekeeper, though, is not strictly a supervisor as per the designation, but many of the duties for this position are supervisory.

General Duties of a Supervisor:
The general duties and responsibilities of supervisors are as follows-

- To ensure that the staff are aware of their hours of work and that they adhere to the planned duty roster.
- To make any adjustments necessary in their off-days in consultation with the concerned employees.
- To instruct the staff in cleaning routines and schedules.
- To regularly fill up the cleaning and maintenance checklists and inventories after complete physical check.
- To liaise with the maintenance department for any maintenance work required in guestrooms or public areas and to initiate work-order forms.
- To inspect and record room status regularly and liaise with the reception desk.
- To issue the relevant keys, keep track of them, and get them safely back.
- To be responsible for following the correct procedures in dealing with lost and found articles when employees hand these in.
- To check the stocks regularly, take delivery of stocks, and issue supplies to attendants.
- To supervise the staff involved in the cleaning and setting up of banquet halls, meeting rooms, and other event venues.
- To check and record the amount and condition of the house linen during collection, dispatch, storage, repair, and use.
- To arrange for the induction and training of staff.
- To regularly appraise managers of individual staff performance.
- To inform the employees of staff welfare schemes and other facilities.
- To liaise with staff from other departments in a way that shows respect for their skills and abilities.

Supervisory Skills
These skills includes:

- Guiding the work: Taking the direction of the organization and translating it into actionable plans for the work group.
- Organizing the work: Assigning the people, equipment and task to meet the work goal.
- Developing your staff: Actively working to increase the skill level of each being supervised
- Managing performance: Removing the obstacles to better performance so employees can meet their own and the organization's objectives.
- Managing relations: Developing and maintaining good relationship with other group so that the supervisor's employees and the organization meet their goals.

The ability to balance the goal of the organization with the need of the work groups is the common thread that runs through all of the skill dimensions.

1.5 Room Inspection Checklist used by Housekeeping Supervisor

The Guest room inspection ensures that the desired results of an established cleaning system are consistently achieved by the housekeeping department. The main Purpose of a room inspection is to catch any problems that may have been overlooked during the cleaning before it is found by the guest and becomes dissatisfaction and complaints.

Housekeeping department should implement a well-conducted and diplomatic room inspection program this can also motivate the room attendants or room maids as the employees/staff take pride in their work and enjoy having an opportunity to set standards to others.

Every guest room must be checked on the daily basis by housekeeping supervisor, this will help the hotel to attain high guest satisfaction in terms of room comfort and also for safety reasons. If the floor supervisor is not been able to check the room by the end of the shift, the Assistant Housekeeper must do it before releasing the room for guest occupancy.

Use of a pre-printed room inspection check-list form will prove effective for the hotel management. It will establish a set procedure ensuring that will remind Housekeeping Supervisor / Executive and Room maids of any defects and missing amenities for the guest.   Ref Exhibit 1.1

Room and public Area inspection procedure

- Inspection of room and public area is a very systematic process in which the area assigned is checked for cleanliness and maintenance. The supervisor's responsibility is to check the area and also approve for occupancy.
- The checking is done following a detail checklist which does not allow the supervisor to miss even a small aspect of cleanliness
- Eye for detail plays an important role during inspection.
- Supervisors are responsible for the maintenance of the hotel standards thus they do not compromise at any time.
- During inspection they also recognize the need for deep cleaning and other maintenance activity.
- In the rooms generally checking clockwise or anti-clockwise moving high to low level, covering all the areas.
- In public areas checking is done area wise and also depending on the timing of the outlets.
- Each and every item presents in the assigned area has to be checked thoroughly.
- Rooms are checked once in the shift but public areas are checked continuously as there is high traffic in these areas.

XYZ HOTEL ROOM SUPERVISOR CHECKLIST			
ROOM NO.---------------- DATE:------------			
SUPERVISOR NAME:----------------			
• OK √			
• Need repair **X**			
PARTICULARS	HOUSEKEEPING	MAINTENANCE	REMARKS
Main door			
Door/frame(clean, polished, painted)			
Knob/ lock (polished) Peep hole			
Fire exit plan			
Wardrobe			
Shutter (polished, smooth)			
Handle(polished, secure)			
Hanger rod (clean, plated)			
Shelf (clean)			
Hangers (4pcs)			
Laundry and tie rack (clean, polished)			
Laundry List			
Contd--------			

Exhibit 1.1 Room checklist

A supervisor has to check all the rooms on his/her floor, including all vacant room, departure room, expected arrival, VIP arrival, group arrival, blocked rooms and under repair rooms both out of service and out of order. After the end of the shift the floor supervisor has to take hand over from the GRA and make the entry in the floor register. The supervisor has to make the entry of all the DND, R/S, L/S on the floor. The supervisor has to take the handover of lost and found from the GRA for the day.

Before coming to the department the supervisor has to check the floor pantry, guest elevator, and service elevator, back-area of the floor, all fire exit and corridor. The supervisor has to check the floor pantry and has to take the count of all the items in the pantry like all loan item (iron board, hot water bag, water flask, weighing machine, etc) and make an entry in the floor register. After that the supervisor has to fill the log book kept in the department. The supervisor has to make an entry of all the rooms

checked by him for the day. The supervisor has to fill the key register, hand over register. The supervisor has to hand-over the lost and found and keys to the desk attendant/supervisor before leaving for the day.

1.6 Inspection modules for commonly neglected areas (dirty dozen)

Various inspection modules are used for the thorough inspection of guestrooms, so that certain areas and aspects that tends to be neglected while cleaning and inspection are particularly checked by supervisors. Some hotels develop these as separate lists and some incorporate these neglected areas in their routine inspection checklists. These modules have easy-to-remember names such as the Quick Six Inspection or the Dirty Dozens.

In general, the most commonly neglected areas in the guestrooms includes:

- The area between the bed and the nightstand, where food particles, dirt and debris may accumulate since this area is usually hidden by the bedspread.
- The interiors of drawers and wardrobes, where dust may accumulate in the crevices.
- Surface below the lamps and other accessories kept on table, where dust accumulates because they tend to be overlooked.
- The tops of picture frames hung on walls, which tend to gather dust as they are not easily visible to the eye.
- The top edges and backs of doors, which if not cleaned on a regular basis, may collect lot of dust.
- The diffuser grilles of radiators or air-conditioners which can collect stubborn dirt.
- Ceilings, which may show cobwebs if not attended to daily.
- The carpet area behind free-standing furniture that is near but not against the wall, such as a credenza standing to one side.
- Pillows and pillowcases, which should be free of wrinkles or stray hairs and which should have a fresh smell.
- The general odour of the room, which is often overlooked. The room should have a fresh smell.
- The tiled area next to the shower, which collects grime and shows water marks if not attended to daily.
- The area behind the toilet bowl, including pipes, cisterns and the toilet-rolls receptacles, which all provide surfaces and nooks where dirt settles.
- The area under the vanity unit and towel racks, which are hard to reach and may accumulate a lot of dust and debris.
- The tiles behind the vanitory unit also get water marks and soap marks easily.
- The faucet filters, which maybe stained brown due to dirt collecting in them.
- The air vents in the toilet, which are hard to reach and which if neglected during routine cleaning, may collect stubborn grime and dust.
- The baseboards in the guest a bedroom as well as the bathroom, which too accumulate dust.

1.7 Self supervision in Housekeeping

Self-supervision is the ability of a person to understand individual capabilities, evaluate their skills and abilities, to gauge individual qualities, and to organize oneself in order to aptly adapt to any situation, particularly the work environment.

In certain situations, some organizations follow this kind of supervision method. The way supervisors would communicate with the employees and check for work progress is through email or chat even if they are in the same office.

In a way, the workers still feel that they are not closely supervised and can work on their tasks comfortably. Sometimes, the presence of a supervisor can frighten the employees and cause them to worry about the possibility that their superiors are looking at their computer monitors or sorting through the paper works on their desks.

Individuals who have the ability to manage their own lives are admirable. They are often seen as people who have a strong sense of direction and have the potential to become great achievers. Self-supervised individuals were not born with such skills; they learned to take control of their lives with practice and exposure, sometimes with the aid of seasoned experts in self-supervision.

Learning how to self-supervise is beneficial in many ways. You can be totally independent in decision-making. You do not have to worry about having no sense of direction because you are able to guide your actions and the choices you make. You enjoy the freedom of being totally in control of yourself, your work, and your life. Also, you are challenged to discipline yourself and place limitations on your actions, whenever necessary.

The workplace setting imposes a lot of supervision to employees for proper guidance and management. Yet, as ideas about organizational designs are becoming more pragmatic, many companies now shift from a traditional hierarchical structure to a revolutionary self-supervised structure. This transition has paved the way for a realization that allowing career individuals to have their own share of independence and self-supervision in their work is very beneficial to the company's success and the relationship between management and employees.

Management has various ways and means to motivate employees to become independent and autonomous in the workplace. Here are some ways to do it:

- Delegate special projects and let them work on it with less supervision.
- Utilize the skills and competencies of the employees for which they are hired. These skills may be applied through regular tasks and workloads where they can widen their knowledge and develop their abilities.
- Let them participate in trainings and workshops to enhance their skills and learn more.
- Allow them to learn from their own mistakes and avoid having to reprimand them for a shortcoming as it will only lower their self-esteem. Give them a chance to straighten out their flaws.

- Pose challenges and problems that will require them to think out of the box and analyze the situation. This helps develop their problem solving and decision-making abilities.
- Conduct group activities wherein group leaders will be appointed in order to make them experience the role of a supervisor.
- Don't try to control everything. Simply lay out their daily or weekly tasks and let them figure out how they will go about accomplishing them.

1.8 Delegation to cleaning staff

Delegating is a critical skill for supervisors at any level. Delegating involves working with an employee to establish goals, granting them sufficient authority and responsibility to achieve the goals, often giving them.

1. substantial freedom in deciding how the goals will be achieved,
2. remaining available as a resource to help them achieve the goals,
3. assessing the quality of their effort and attainment of the goals,
4. and addressing performance issues and/or rewarding their performance.

Ultimately, the supervisor retains responsibility for the attainment of the goals, but chooses to achieve the goals by delegating to someone else.

Delegating is different than work directing. Work directing is telling someone what to do and how to do it. There usually is much less freedom as to how the employee does the task, and many times is much less ownership, participation and learning on the part of the employee, as well.

Delegation can sometimes be a major challenge for new supervisors to learn because they are concerned about giving up control or struggling to have confidence in the abilities of others. Supervisors that can effectively delegate can free up a great deal of their own time, help their direct reports to cultivate expertise in learning, and can develop their own leadership skills -- skills that are critical for problem solving, goal attainment and learning

Delegation is a great management tool when done right, so follow these steps to help:

Communicate the task
Describe to your employees exactly what you want done, when you want it done, and the end results you expect. Be clear and unambiguous and encourage your employees to ask questions.

Furnish context for the task.
Explain to your employees why the task is important, how it fits into the overall scheme of things, and any possible complications that may arise during its performance. Encourage employees to ask questions, and don't get defensive if your employees push you for answers (someone always will).

Determine standards.
Everyone needs to know when they cross the finish line. Agree on the standards that you'll use to measure the success of the task's completion. These standards should be

realistic and attainable, and you should avoid changing them after performance has begun.

Grant authority.
Empower your employees with the level of authority required to complete the task. They can do without constant roadblocks or standoffs with other employees.

Provide support.
Determine the resources (money, training, manpower, advice, and so forth) your employees require to complete the task and then provide them.

Get commitment.
Don't assume that your employees will automatically accept the assignment; you must make sure that they do. Reaffirm your expectations and confirm your employees' understanding of the commitment to completing the task.

CHECK YOUR PROGRESS I

Q1. What is self supervision?
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Q2. Write two advantages of checklist.
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Q3. Explain the term delegation.
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1.9 Staffing Matrix

The staffing matrix shows all the employees who are the part of housekeeping department. A matrix is an organizational structure of a hotel in which the reporting relationships are set up. Developing a staffing matrix includes many factors such as: historical staffing patterns, effectiveness of current staffing, trends in acuity on the unit, anticipated skill mix or personnel changes, guests' outcomes, education and budget requirements for the department.

Organizations both large and small require structure in order to operate and meet the organization's goals. One of the approaches to solving this problem is to use a hierarchical structure. In a hierarchical organization employees are ranked at various levels within the organization, each level is one above the other. At each stage in the chain, one person has a number of workers directly under them, within their span of control. A tall hierarchical organization has many levels and a flat hierarchical organization will only have a few. The chain of command i.e. the way authority is organized) is a typical pyramid shape.Ref.1.1

A well-known feature of this hierarchical model is that everyone in the organization reports to a single boss.

Characteristic of hierarchical structure

Clear Line of Authority: Using a hierarchical structure establishes clear authority for work and departments. Managers have authority according to management level and have the power to allocate resources, reward and punish behavior and give orders to their subordinates. No one is confused about the boundaries between departments and jobs, and everyone understands the chain of command.

Clear Lines of Communication: The hierarchical structure creates clear lines of communication. The lines establishing the relationships between managers and subordinates also provide communication direction. This approach gives departments a clear spokesperson: the manager. Subordinates know whom to report to and where to get information and directives. This serves to unify the department, resulting in coordination between its members.

Clear Results: When organizing employees according to a hierarchy, it makes sense to organize them by job category. This allows employees doing similar job tasks to share the resources allocated by managers and for managers to coordinate similar efforts for great effect. This grouping sets the stage for efficient operations and cost savings through economies of scale.

Specialization: Larger organizations must manage a variety of diverse tasks, ranging from human resources and accounting to marketing and purchasing. The hierarchical structure divides these areas of concern into various department configurations that specialize. Specialization allows organizations to concentrate particular skill sets and resources to achieve maximum efficiency. Ref Fig1.1
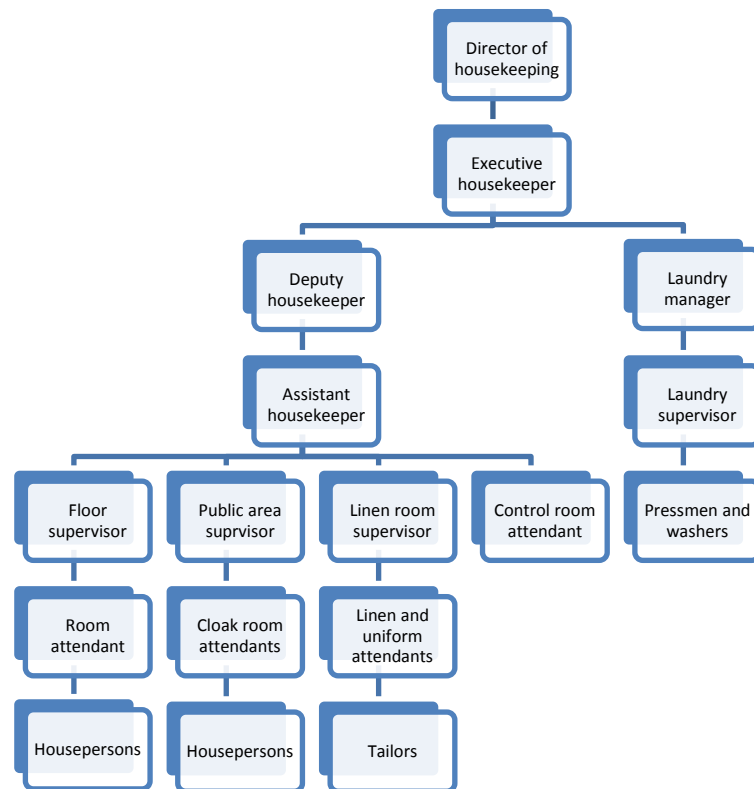
Fig1.1 Hierarchical structure of housekeeping department

Exhibit 1.2 Advantages and Disadvantages of hierarchical structure of organization

Advantages of hierarchical structure of organization.	Disadvantages of hierarchical structure of organization.
Authority and responsibility clearly defined	Hierarchical organisations can be bureaucratic and may respond slowly to changes in customer needs and the market.
Clearly defined promotion path	Poor communication through the organisation especially in the case of horizontal communication (i.e. communication between different departments that are at the same level in the hierarchy)
Hierarchical environment encourages effective use of specialist managers.	There is a danger of departments making decisions that benefit their department but not the whole organisation.
Employees in hierarchical structure organisations can be very loyal to their department	A hierarchical structure leading to multiple managers and departments can be expensive

1.10 Planning duty roasters

Duty roasters specify the allotment of jobs, hours of duty, and days off for each member of the staff. To make for an even share of duties, the roaster should be rotated

every five weeks. Duty roasters must be simple in format, easy to interpret, clearly written, and displayed on the staff notice board at least a week in advance.

Advantages for a duty roaster: Planning a duty roaster in advance helps to ensure:
- The exact number of staff required to be on duty at any given occupancy.
- That staff working hours are as per their employment contract.
- Those regular off-days are availed for enhancing productivity.
- Knowledge of which employees are present on the premises in instances of emergencies.
- Accuracy in attendance and payroll reports.

Steps in making a roaster: the steps in making a duty roaster are as follows:

Step 1: Ascertain occupancy levels and events expected in the hotel. This information is provided by the sales and marketing department at the beginning of the financial year. On a daily and a weekly basis, more specific reports of occupancy are available through coordination with the front office department. The overall forecasts of occupancy must be considered before scheduling the employees' annual leave. These forecasts also help the executive housekeeper to follow the staffing to ensure sufficient staff at peak periods and avoid excess labor during slack periods.

Step 2: Ascertain the spread of duty hours to be scheduled in the duty roaster, whether 12 hours, 16 hours, or 24 hours. Decide whether the positions will work for 5 or 7 days per week.

Step 3: Ascertain the type of shift-straight shift, break shift, rotating shift, or any other alternative scheduling-to be used.

Step 4: Ascertain the number of full time and part time staff on the payroll.

Step 5: Ascertain the number of labour hours per day and per week required for various positions.

Step 6: Incorporate coffee breaks and mealtime allowances in the roaster.

Step 7: Provide for compensatory offs. Schedule one reliever per 6 employees.

Step 8: Ascertain closed days and restricted holidays, and any contingency planning that may be needed.

1.11   Performance appraisal

Performance Appraisal is the process of evaluating an employee's performance of a job in terms of its requirements. Performance appraisal involves assessment of the actual performance of an employee against what is expected of him/her. Such assessment is the basis for awarding promotions, effecting transfers or assessing training needs.

Performance Appraisal management is about getting better results from the organization teams and individuals by understanding and managing performance

within an agreed framework of planned goals, standards and competing requirements. It is a process for establishing shared understanding about what is to be achieved, and an approach to managing and developing people in a way which increases the probability that it will be achieved in the short and long term. It is owned and driven by management.

Performance appraisal is defined as the "process of evaluating the performance and assessing the development/training needs of an employee."
Performance Appraisal is a process that allows for an individual employee's overall capabilities and potential to be assessed for the purposes of improving their performance.

According to Flippo
"Performance   Appraisal is the systematic, periodic and an impartial rating of an employee's   excellence   in matters pertaining   to his present job and his potential   for a better job".

According to Heyel
"Performance Appraisal is the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which he is employed, for purposes of administration including placement, selecting for promotion, providing financial rewards and other actions which require differential treatment among the members of the group as distinguished from actions affecting all members equally".

Characteristics/Features of Performance Appraisal
- It is different from merit-rating   as it is wider than merit-rating.
- It aims to develop   rational bases for personnel decisions.
- It tries to find out how well the employee is performing the job and tries to establish a plan for further improvement.
- It is not a past oriented activity rather it is a future oriented activity showing employees where things have gone wrong, how to set everything in order, and deliver results using their potential in a proper way.
- It is not job evaluation.
- Its focus is on employee development. It forces managers to become coaches rather than judges.
- It may be formal or informal.

Benefits of Performance Appraisal
- To ensure that employees are aware of what is expected of them
- Improve current performances
- Provide feedback
- Increase motivation
- Identify training and development needs
- Identify potential
- Focus on career development and succession planning
- Award salary increases/performance related pay
- Solve job problems
- Set objectives

General performance factors marked during appraisal
- Knowledge, ability and skill on the job.
- Attitude to work, expressed as enthusiasm, commitment and motivation.
- Quality of work on a consistent basis and attention to detail.
- Volume of productive output.
- Interaction, as in communication skills and ability to relate to others in teams.

The Performance Appraisal Form
- Basic personal details, such as name, department, post, length of time in the job;
- Job title;
- Job description;
- A detailed review of the individual's performance against a set of job related criteria;
- An overall performance rating;
- General comments by the senior manager;
- Comments by the employee;
- Plan for development and action.

On the one hand a 'good' and constructive appraisal meeting is one in which:
- Appraises do most the talking.
- Appraisers listen actively to what they say.
- There is scope for reflection and analysis.
- Performance is analyzed and not personality.
- The whole period is reviewed and not just recent or isolated events.
- Achievement is recognized and reinforced.
- Ends positively with agreed action plans.

On the other hand a 'bad' appraisal meeting:
- Focuses on a catalogue of failures and omissions.
- Is controlled by the appraiser.
- Ends with disagreement between appraiser and appraisee.

Managing poor performance
There are five basic steps in handling performance problems:
1. Identify the problem through analyzing feedback and getting agreement from the employee what the shortfall has been.
2. Establish the reason(s) for the shortfall and avoid crudely attaching blame for problems in the job.
3. Decide and agree on the action required, whether it be things like a change in attitude, behavior or improvements in certain skills or abilities.
4. Resource the action by providing coaching, training and guidance to ensure that changes can be made.
5. Monitor and provide feedback, which may also include an element of self-management in the learning process.

The Process of Performance Appraisal
The performance appraisal process follows a set pattern and it consists of the following steps:

Establishing Performance Standards
- The appraisal process begins with the setting up of criteria to be used for appraising the performance of the employee.
- The criteria are specified with the help of job analysis which reveals the content of a job.
- This criteria should be clear, objective and in writing. It should be discussed with the supervisors to ensure that all the relevant factors have been included.
- Where the output can be measured the criteria is clear.
- The work performance cannot be measured the personal characteristics which contribute to employee performance can be measured.
- Who is to do the appraisal and how frequently appraisal is to be done should also be decided.

Measuring Performance
- Once the performance standards are specified and accepted, the next stage is the measurement of actual performance.
- This requires choosing the right technique of measurement. identifying the internal and external factors influencing performance and collecting information on results achieved.
- Personal observations, written reports and-face-to-face contacts are the means of collecting data on performance.
- The performance of different employees should be so measured that it is comparable.

Comparing the Actual with the Standards
- Actual performance is compared with the predetermined performance standards.
- Such comparison will reveal the deviations which may be positive or negative.

Discussing the Appraisal
- The results of the appraisal are communicated to and discussed with the employees.
- Such discussion will enable an employee to know his weaknesses and strengths. Therefore, he will be motivated to improve himself.

Taking Corrective Actions
- Through mutual discussions with employees, the steps required to improve performance are identified and initiated.
- Training, coaching, counseling, etc. are examples of corrective actions that help to improve performance. Standard performance over the actual performance represents negative deviation.

CHECK YOUR PROGRESS 2
Q1. What is Productivity standard?
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Q2. List the Advantages of using duty roaster.

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Q3. Explain the term hierarchical structure of an organization.

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1.12 Summary

This chapter included all the supervisory activities that should be followed in hotel housekeeping and the role of supervision. Supervision is a role usually delegated to the supervisor by the executive housekeeper. There are many resources –manpower, material and financial that the executive housekeeper has to manage. She plans how to utilize these resources.

Performance Appraisal is one of the management process of evaluating an employee's performance of a job in terms of its requirements. Performance appraisal involves assessment of the actual performance of an employee against what is expected of him/her.

This chapter also includes staffing matrix which tells an organizational structure of a hotel in which the reporting relationships are set up. Developing a staffing matrix includes many factors such as: historical staffing patterns, effectiveness of current staffing, trends in acuity on the unit, anticipated skill mix or personnel changes, guests' outcomes, education and budget requirements for the department.

1.13 Key words

Inspection checklist: documents that list the item by item all the surfaces and articles in guestroom and public areas and the standard of cleanliness laid out for them, with space for supervisor to indicate approval or record their observation.

Duty roaster: list of plans showing term of duty.

Delegation: Delegating involves working with an employee to establish goals, granting them sufficient authority and responsibility to achieve the goals.

Self supervision; Self-supervision is the ability of a person to understand individual capabilities, evaluate their skills and abilities, to gauge individual qualities, and to organize oneself in order to aptly adapt to any situation, particularly the work environment

Staff appraisal: It is the process of evaluating an employee's performance of a job in terms of its requirements. Performance appraisal involves assessment of the actual performance of an employee against what is expected of him/her. Such assessment is the basis for awarding promotions, effecting transfers or assessing training needs.

Dirty dozen: dirty dozen are hidden twelve areas identified in guestroom that eludes the GRA'S attention and tend to accumulate dust. They are generally hard to reach areas and are hidden from guest eyes. E.g. carpet corner, W/C rim, wash basin rim etc.

Staffing guide: Is a scheduling and control tool to determine the total labor hours and the number of employees required to operate the department at specific occupancy level of the department.

Log book: An important register in the housekeeping department, it is here that instructions and messages for the staff of the next shift are written by the employees on the current shift.

Room section: A group of 15-16 guestrooms reasonably contiguous to each other.

Labor hours: The term, total labor hours, refers to the total time needed for accomplishing a particular kind of work, which may require one or more employees.

Labor expenses: Labor expenses refer to the expenditure arising out of wages to be paid to the employees engaged in carrying out a particular job.

Check your progress- Answer I

Ans1. Self-supervision is the ability of a person to understand individual capabilities, evaluate their skills and abilities, to gauge individual qualities, and to organize oneself in order to aptly adapt to any situation, particularly the work environment.
Ans2. Its main Purpose of a room inspection is to catch any problems that may have been overlooked during the cleaning before it is found by the guest and becomes dissatisfaction and complaints.
Ans3. **Delegation** is the assignment of any responsibility or authority to another person (normally from a manager to a subordinate) to carry out specific activities. It is one of the core concepts of <u>management</u> <u>leadership</u>. However, the person who delegated the work remains accountable for the outcome of the delegated work. Delegation empowers a subordinate to make decisions, i.e. it is a shifting of decision-making authority from one organizational level to a lower.

Check your progress- Answer II

Ans1. Productivity standard of a worker is the time required to do a specified quantity of work. In depends on the position of the worker and the type of job to be done.

Ans2. Planning a duty roaster in advance helps to ensure:

- The exact number of staff required to be on duty at any given occupancy.
- That staff working hours are as per their employment contract.
- Those regular off-days are availed for enhancing productivity.
- Knowledge of which employees are present on the premises in instances of emergencies.
- Accuracy in attendance and payroll reports.

Ans3. A well-known feature of this hierarchical model is that everyone in the organization reports to a single boss.

1.14 Bibliography

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1.15 Terminal questions

1. What is the role of a supervisor in the functioning of a housekeeping department?
2. List the general duties of housekeeping supervisor.
3. What is inspection checklist explain with proper format?
4. Explain the meaning of delegation of cleaning staff.
5. Write steps in making of duty roaster.
6. Why is performance appraisal carried out in hotel?
7. What are the characteristic of performance appraisal?
8. Explain the term staffing matrix.
9. What are the processes of performance appraisal?
10. What are the advantages and disadvantages of staff matrix?

UNIT: 02
PLANNING TREND IN HOUSEKEEPING

Structure

2.1 Objectives

At the end of this lesson, students should be able to demonstrate appropriate skills, and show an understanding of the following:

- Understand the importance of planning housekeeping operations and role of each planning document.
- Understand the steps involved in the planning process and plan the work of a house keeping department, using the various planning documents.
- Calculate the staff requirement using the staffing guide.
- Discuss the various aspects of scheduling housekeeping staff.

2.2 Introduction

Planning the typical guest-room floor presents one of the greatest challenges in hotel design. Because guest rooms and suites generally represent between 65 and 85 percent of the total floor area in a hotel or resort, any savings in the planning of a given floor arrangement (or grouping of rooms) is multiplied many times. Therefore, a major

planning goal in every lodging project should be to maximize the amount of saleable guest-room space and keep to a minimum the vertical core, horizontal circulation, and necessary support areas. A chief goal for hotel planners is to find an efficient floor plan for guest rooms in addition guest-room planning comprises several important architectural objectives. The architect should select a particular plan configuration and orient the building to enhance the appearance and visibility of the structure.

Housekeeping is a 24/7 operation. It is imperative that the executive housekeeper plans and organizes the work of the department for smooth and efficient functioning. Planning is the executive housekeeper's most important management function, providing direct ion and focus to all activities. Planning the work of the housekeeping department requires a step-by-step, systematic approach to ensure that the work is not only done, but also done correctly, efficiently, on time, and with the least cost to the department.

2.3 Planning of guest room

Guestrooms represents 65 %(luxury hotels) and 85%(budget hotels) of the total built area of hotel. The income forms rooms are invariably the largest source of hotel revenue and makes the largest contribution to gross profit.

The points to be kept in mind while planning guestroom are:

Space saving

Room dimensions are critical reduction in the area of a room is multiplied by the number of rooms involved. A 12% saving in room area represents more than the total space usually required for all public areas.

However rooms which are too small are often visually restricted or crowed, inflexible and difficult to service. Often this leads to increased wall and furniture damage.

Circulation

Usually between 25% and 35% of total gross built area is taken up by corridors, stairs, lift shafts, associated service room and ducts.

Standardization

Rooms are mainly repetitive in size with various options of furniture arrangement. Standardization is important in:

- Cost and time saving in construction and prefabrication.
- Uniform quality and pricing in chain operation.
- Efficiency in organization of room cleaning.
- Economy in bulk purchasing of equipment, furniture and furnishing.
- Rationalization of maintenance, work and replacement

Room Ratio

Exhibit 2.1 Typical ratio of room types

Types of hotels	Single/double	Twin	Notes
Resort hotels	15%	85%	Convertible family rooms with sofa beds
City/ suburban hotels	50%	50%	
Budget hotels/ motels		100%	Standard family room

Room dimension

Room are planned to provide zoned areas for the various functions, each with sufficient activity space for convenient use and cleaning.

Exhibit2.2 Minimum activity space

Lounge work	Near window, daylight, movable
Beds	Quiet area away from window, screened from entrance
Dressing	Good lighting, mirror, chair/stool, multiple use
Luggage and storage	Near entrance, convenient access for making up
Bathroom	Internal, noise isolated, servicing access
Bedside	Controls, lights, telephones, access for making up
Circulation	Adequate width

Room width

As a rule maximum benefits should be obtained from the outside wall and most critical dimension of hotel rooms is the width. Increase the width reduces the number of rooms or increases the length of the corridor.

Room doors are usually 76-90 cm wide. The entrance has the room number displayed on it. A door stop is necessary to prevent damage to walls. Windows should be of a standard size as this avoids the need to sort out curtains of different lengths. The walls should be soundproof as far as possible to exclude noise from the corridors and adjacent rooms. Skirting boards help prevent damage to the walls.

The most critical planning dimension is room width---3.6 meters is efficient, allowing a wardrobe in the living room and furniture along the walls. With staggered wardrobes and minimal or space-saving furniture, the width can be reduced to 3.4 meters. For a narrow frontage, the minimum room width is 3 meters. Increased room width creates an impression of spaciousness and allows alternative bed and bathroom layouts.

The floor-to-ceiling height is usually 2.5 - 3 meters.
Room length

Room length are generally more variable although they may be dedicated by structural or site restrictions. The layout usually provides for bathroom/ sleeping/ working/ day use areas to allow maximum benefits from natural light and views.

Room length is usually more flexible and may extend to a balcony or angled window for directional views. Executive rooms have a workstation or lounge near the window.

Single room is approximately 24 sq. meters,

Double room, 29 sq. meters;

Twin room, 30 sq. meters.

Exhibit 2.3 Ratio of the perimeter is Wall length: volume in closed

Width	In meter	In feet	Comments
minimum	3.0	10	Suitable for single bed length wise
standard	3.65	12	Allows for cross wise bed with wall furniture and space between
Luxury	4.1	3.6	Allows alternative length wise or corner wise positioning of beds and generous spacing.
Suite	6.0	19.8	Adjacent bedroom/ living room area with minimum space

Exhibit 2.4 Internal areas

Hotel type	Room without bathroom or lobby		Bathroom only		Overall including lobby area	
	m	m 2	m	m 2	m	m 2
Budget	3.6X3.5 11'9"X11'6"	14.70(136sq ft)	2.15x1.9 7'x6"	4.09 (44sq ft)	5.8x3.5 19'x11'6"	20.3 66'6"
Mid-grade	4.9x3.6 16'x12'	17.64 (192sq ft)	2.35x2.2	4.70 (50sq ft)	7.0x3.6 23"x12"	25.2 9276sq ft)
High-grade	6.0x3.9 19'6"x12'9"	24.20 (249 sq ft)	2.65x2.2	5.83 (63 sq ft0	8.2x3.9 28'6"x12'9"	33.9 (363 sq ft)

Planning of bathroom

Most of the hotel have en suite bathroom attached with the room.

A standard room should have minimum bathroom space of 9ft x 5ft.

These are mainly sited against the interior walls of the room and equipped with extractor fans and ventilation ducts. For minimum building width, bathrooms may be one adjacent to each other between two rooms. Adjacent pairs of rooms are thus arranged as mirror images to share common vertical ducts and isolate bathroom noise.

Bathtub

- Standard 1700x750mm (5'6"x2'x6"), minimum 1525mm (5'0") long
- Whirlpool tubs- 1700x915mm (5'6"x3'0")
- Water closet may be partially separated from the bathroom
- Wash basin may be pedestal mounted basin 630x485mm(25"x19')

2.4 Planning Leisure facilities for the guest

Leisure change in climate and place, enjoy scenery, de stress, rest and relax. Destination includes hill, beach, and island. Facilities includes the health club, saunas and solarium, swimming pool, spas etc

Health club

"Health Club and Fitness Service" means service for physical well-being such as, sauna and steam bath, Turkish bath, solarium, spas, reducing or slimming salons, gymnasium, yoga, meditation, massage (excluding therapeutic massage) or any other like service;

"Health club and fitness centre" means any establishment including a hotel or a resort providing health and fitness service. Health and fitness services are provided by clubs, fitness centers, health saloons, hotels, gymnasium and massage centers. The services which fall under this category might be for weight reduction and slimming, physical fitness exercise, gyms, aerobics, yoga, meditation, reiki, sauna and steam bath, Turkish bath, sun bath and massage for general well being.

All hotels have an exclusive area for guests to exercise and workout in, perhaps using exercise equipment. Many airlines crews and other groups sign contract with hotels for their employees' stays only if they have some gym facilities with trained staff. Most health clubs have a main workout area, which primarily consists of free weight including dumbbells and barbells and the stands and benches used, with these items and exercise machines, which use gears, cables and other mechanism to guide the user's exercise. This area often has mirrors so that exercises can monitor and maintained correct posture during their workout.

Swimming pool

 Swimming pool, **swimming bath**, **wading pool**, or **paddling pool** is a structure designed to hold water to enable swimming or other leisure activities. Pools can be built into the ground (in-ground pools) or built above ground (as a freestanding construction or as part of a building or other larger structure), and are also a common feature aboard ocean-liners and cruise ships. In-ground pools are most commonly constructed from materials such as concrete, natural stone, metal, plastic or fiberglass, and can be of a custom size and shape or built to a standardized size, the largest of which is the Olympic-size swimming pool.

Many health clubs, fitness centers and private clubs have pools used mostly for exercise or recreation. Many towns and cities provide public pools. Many hotels have pools available for their guests to use at their leisure. Educational facilities such as

universities typically have pools for physical education classes, recreational activities, leisure or competitive athletics such as swimming teams.

Spa bath are small pools of warm water with the temperature maintained at a maximum of 30 degree C.

Jacuzzis are small pool in which alternate jets of water bring about therapeutic effects.

Saunas is a small room or building designed as a place to experience dry or wet heat sessions, or an establishment with one or more of these facilities. The steam and high heat make the bathers perspire.

Solarium is enclosed glass area for the enjoyment of therapeutic use of sunrays

Landscaping

It is essential to appreciate the contribution of landscaping in the hospitality industry. Aesthetic use of landscaping freshens up the atmosphere, enhances the look of the property, and creates a lasting impression on guests. it also has the beneficial effect on the health of guests and, even more on staff. The creation of an area where trees, turf, decks, walks, pounds, and other features are used to create an outdoor space that is functional as well as visually appealing.

A housekeeper must realize the importance of landscaping as an aspect of housekeeping that makes guests feel they are in touch with nature, away from the today's frenzied urban lifestyle.

Landscaping refers to any activity that modifies the visible features of an area of land, including:

1. living elements, such as flora or fauna; or what is commonly called gardening, the art and craft of growing plants with a goal of creating a beauty within the landscape.

2. natural elements such as landforms, terrain shape and elevation, or bodies of water; and

3. Abstract elements such as the weather and lighting conditions.

Landscaping requires expertise in horticulture and artistic design.

2.5 Boutique hotel

A Boutique Hotel is a small and intimate hotel, halt in a stylish design decor with a personal note. It has a unique character and distinguishes itself from other hotel brands. It it true to its heritage, it provides guests with great and ultra-personalized service and is typically situated in a fashionable urban location.

It is a small hotel which typically has between 10 and 100 rooms in unique settings with upscale accommodations and individualized unique selling points. Boutique hotels were a popular style in the 1980s and 1990s.

Many boutique hotels are furnished in a themed, stylish and/or aspiration manner. The popularity of the boutique concept has prompted some multi-national hotel companies to try to capture a market share. They are also found in resort destinations with exotic amenities such as electronics, spas, yoga and/or painting classes.

Characteristics of boutique hotel

Size – Boutique hotels are typically small, with 10 to 100 rooms. They are intimate in scale, creating the ambiance of being a personal guest in a private home, rather than just a hotel occupant. They often have communal "living spaces" where guests can interact.

Individuality – Properties have a distinctive vibe and they are often operated independently and are not affiliated with a major chain. That said, the largest independent boutique hotel operator in the world, the Kimpton Hotel brand, is owned by InterContinental Hotels & Resorts.

Design – The architecture and interior design of a boutique hotel is as unique as its operations, but always upscale and often combining historic details with chic elegance. The lines may be sleek and contemporary or quaint and homey – or even an artistic amalgamation. Boutique hotels convey a progressively forward style with fastidious décor. Guestrooms are individually decorated, and use upscale linens and exclusive amenities.

Rich in local flavor. Often, the small size of an urban boutique hotel affords it a stylish, dead-center location in the heart of town, and its spirited ambiance suits its lively location. You'll find boutique hotels in fashionable resort towns, too. But whether urban or rural, a good boutique hotel reminds you of where you are. Often, it conveys a strong sense of place and pride in its location's heritage.

Character – A boutique hotel's intimate size produces its one-on-one five-star hospitality service and its heady ambiance. A boutique hotel strives to be one-of-a-kind. Whether it's independently owned or a member of a luxury hotel brand or association, it has an independent attitude and works hard to *not* feel like a corporate hotel. A boutique hotel's clientele is individualistic, too, appealing to guests who shy away from cookie-cutter décor and business hotels.

Boutique hotels usually have an eccentric personality. They are fun and funky, trendy and offbeat. Their quirky sense of humor might be exhibited through creative guest offerings. For example the Hotel Monaco in Washington, D.C. will deliver a goldfish to your room if you're missing your own pet.

Location – Again, there is no hard rule, but many boutique hotels are located in the most hip and fashionable urban areas. You'll find them in lively, up-and-coming sections – they may well be one of the factors in the area's rejuvenation – and high-end residential neighborhoods that are away from the crowds, but convenient to city highlights. Trendy boutique hotels are also found in resort areas, generally well hidden from the main tourist throng.

Culture – As an extension of the unique personality of each property, boutique hotels often celebrate the local flavor with a strong sense of place by incorporating locally-sourced materials and reflecting the locations heritage through color and art. Themed boutique hotels build the entire guest experience, from décor to services, around a particular subject such as art, fashion or sports

Service – Highly personalized service is a hallmark of boutique hotels. Staff will know your name on the first day of your stay. Providing bespoke luxury amenities such as an extensive pillow menu and custom toiletries, as well as offering sumptuous spa services creates a very high-quality, individualized experience.

Gastronomy – Like everything else about boutique hotels, their restaurants and bars tend to be hip, trendy and locally-sourced. High quality, authentic cuisine, and comfortable cocktail atmospheres make these dining and drinking spots popular with locals as well as guests.

Clientele – The types of travelers who are attracted to boutique hotels are as individual as the hotels themselves and tend to be just as hip. Guests who enjoy creative design, quirky character, and luxurious service will be right at home in boutique hotels.

It's friendly to four-legged travelers: Boutique hotels tend to have fewer rules and restrictions than bigger, more conventional hotels. Many, perhaps most, boutique hotels are very pet-friendly, welcoming your furry friend.

The hotel design takes inspiration from the history and soul of the vibrant atmosphere. "The entire hotel space and its rooms are filled with objects, artifacts and artworks collected and created to express the charming atmosphere.

CHECK YOUR PROGRESS I

Q1. Explain the term Gastronomy.

_____
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Q2. What are the Leisure facilities offered by housekeeping to their guest?

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Q3. Explain the term solarium.

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2.6 Planning and Organizing in the House Keeping

Planning is probably the Executive Housekeepers most important management function. Without proper planning each day may present one problem after other. Since the Housekeeping is responsible for cleaning & maintaining so many different areas of the hotel. Planning should be undertaken in a systematic manner in order to obtain set objectives. The step by step planning process may differ slightly from one hotel's housekeeping department to another's and different terminology may be in use across companies, but essentially the sub-processes and tasks are the same. Housekeeping planning should be done on paper and needs to be properly documented. The questions that arise at the beginning of the planning process lead to the formation of the basic planning documents. Certain documents are essential and they are: Ref Exhibit2.5

2.6.1 Area Inventory List

Planning the work of the Housekeeping Department begins with creating an inventory list of all items within each area that will need Housekeeping attention. Since most properties offered several different types of guestrooms, separate inventory list may be needed for guest room type. When preparing the guestroom 'AIL', it is a good idea to follow the same system that room attendant will use as their sequence of cleaning task & that supervisor will use in the course of their inspection. E.g. Area within a guestroom may appear on an inventory list as they are found from right to left & from top to bottom around the room. Ref. Exhibit2.5

Exhibit2.5 Basic planning activities

Initial Planning Questions	Resulting Documents
What items within this area must be cleaned or maintained?	Area inventory list
How often must the items within this area be cleaned or maintained?	Frequency schedule
What must be done in order to clean and maintain the major items within this area?	Performance standard
How long should it take an employee to perform an assigned task according to the department performance standard?	Productivity standard

What amount of equipment and supplies will be needed in order for the housekeeping staff to meet performance and productivity standard?	Inventory levels

2.6.2 Frequency Schedule

It indicates how often items on inventory list are to be cleaned. Items that must be cleaned on a daily or weekly basis become a part of a routine cleaning cycle and are incorporated into standard work procedures. Other items which must be cleaned, monthly or less frequently are inspected on a daily basis but they become part of a spring cleaning programme & are scheduled special cleaning projects. Ref exhibit2.7

2.6.3 Performance Standard

They are required levels of performance that establish the quality of work that must be done according to the expectations of the property. The key to consistency in service is the performance standards which the Executive Housekeeper develops, daily inspections & periodic performance. Evaluation should follow up with specific on the job coaching & re-training. This ensures that all employees are consistently performing their tasks in the most efficient & effective manner. Performance standards are achieved when:

- Cleaning methods are correctly selected and systematically followed.
- The ideal cleaning agents are used on the various surfaces involved.
- The correct pieces of equipment are used on the various surfaces involved.
- Cleaning tasks are carried out at required frequencies.
- All the employees carry out their cleaning tasks in a consistent manner.
- Time and motion studies are periodically carried out in the department to obtain best practices in housekeeping.

Extensive research in the form of time and motion studies to analyze work methods has helped the industry to find better and easier ways to carry out tasks and save time and energy. The time and motion studies for a task calculate how long it takes, on an average, to perform a certain task. This helps in calculating staffing levels. To do a time and motion study, several staff members perform the same task (say, bed-making), one by one, their movements are studies and clocked. The results are compared and an analysis is done as to how long it takes on an average to perform the task. The best practices derived from this study are then used by everyone, so that the resulting performance will be more standardized and more predictable. Any of the methods discussed below can be used by the executive housekeeper to do a time and motion study in her department.

Exhibit2.6 Sample guestroom area inventory list

Bedroom	Bathroom

- Doors, locks, chains, stops - Lights, switches - Ceiling - Walls Floor - Wood work - Drapes and hardware - Windows - Heater/ air conditioner - Television Telephone - Headboard - Spreads, bedding, mattress - Dressers, nightstands - Lamp shades, lamps bulbs - Chairs, sofa - Ashtrays, waste paper basket - Carpets - Pictures, mirrors - Closet and safe - Mini bars - amenities	- Bathroom doors - Lights, switches - Walls - Floor tiles - Ceiling Mirror - Tub, grab bars - Shower heads - Vanitory unit - Fixtures, faucets - Toilet- flush handle, cistern, seat - Tissue holder - Sani bin - Exhaust vent - Amenities

2.6.4 Productivity Standard

It determines the quantity of work to be done by the department employees. Productivity standards must be determined in order to staff the department within the limitation with the hotel operating budget plans. Housekeeping Managers must know how long it should take a room attendant to perform the major cleaning tasks identified on the cleaning frequency schedules such as guestroom cleaning. Once this information is known, productivity standards can be developed; performance & productivity standard should be carefully balanced. If the quality expectations are set too high, the quantity of work that could be done may be low. Every hotel must develop their own productivity standards, as there are several factors that influence these standards, which vary from one property to another. Some of these factors may be: Ref Exhibit 2.8

- The type and age of the property.
- The type of surfaces involved and the degrees and type of soiling.
- The accessibility of the work area from the service areas.
- The frequency of cleaning.
- The amount of traffic in the work areas.
- The type of cleaning supplies and equipment available.
- The function of the work area.
- The quality of supervision and inspection.
- The expected standards of cleaning.
- The quality of employees

Exhibit2.7 Sample frequency schedule for night cleaning projects

	Frequency	
Special projects	**Wkly**	**Mthly**
Wash down tiles walls in restrooms	1	
Strip wax the following		
i. Restroom		1
ii. Basement	1	
iii. Lounge, lobby and		1
Shampoo the following		
i. Front desk		1
ii. Stairs		1
iii. Restrooms		1
iv. All dining rooms		2
v. All lounges		1
vi. Coffee shop		1
vii. Meeting rooms		1
viii. Guest elevators		1
ix. Employee cafeteria		2
Spot shampoo the following		
i. Front entrance		2
ii. Front desk area		2
Window cleaning in lobby area		1

2.6.5 Inventory level

Once all the standards are set and the staff members have been trained to follow them the executive housekeeper must ensure that the employees have the necessary material resources to carry out their task. These material resources are the necessary equipment

and operating supplies, which should be adequate in quality and quantity to meet the performance and productivity standards. The term 'inventory' here means the stocks of purchased operating supplies equipments and other items held for future use in housekeeping operations. The executive housekeeper responsible for two types of inventories:

Recycled inventories: These are for items that have relatively limited useful lives, but are used over and over again in housekeeping operations. Recycled inventory items include linen, uniform, most machinery and large equipments, and guest items such as hot-water bolte, heating pads, irons, ironing boards and so on.

Non- recycled inventories: These, on other hand, Items that are used up during the course of routine housekeeping operations. These include most guest amenities, cleaning supplies and smaller piece of equipments such as brooms, mops, cleaning cloths and so on. The executive housekeeper must establish responsible level for both recycled and no recycle inventories**. Ref exhibit2.9**

Exhibit2.8 Example of productive standard worksheet:

Step 1

Determine how long it should take to clean one guestroom according to the Department's performance standards
Approximately 30 minutes*

Step 2
Determine the total shift time in minutes
9hoursx 60 minutes=540

Step 3
Determine the time available for guestroom cleaning.
Total shift time---540 minutes
Less:
Beginning of shift--20 minutes
Morning break--15 minutes
Lunch break---30 minutes
End of the shift duties-- 20 minutes
Time available for guestroom cleaning------------------------------455 minutes

Step 4
Determine the productivity standard by dividing the result of step 3 by the result of step 1
455minutes/3 minutes= Approximately 15 guestrooms per 9 hour shift
*Since performance standard vary from property to property this figure is used for illustrative purpose only.

Exhibit 2.9 Sample Inventory for non- recycle items

Item	Supplier	Purchase unit	Cost per purchase unit	Opening inventory	Items received in this period	No. of item used	Item in stock	Lead time quantity	Minimum inventory quantity	Maximum inventory quantity	Par level

2.7 Standard operating procedures

A job procedure specifies the way in which a task is to be performed. Job procedures should be used during induction and training sessions and ought to be incorporated into the department's procedure manuals. Updating job procedures is necessary as and when changes in equipment, cleaning materials, and so on, occur. They are most popularly called 'SOP's' or standard operating procedures. They are also referred to as 'work cards' or 'order of work' documents.

- SOP's comprise the following information:
- The job to be done
- Equipment and materials required
- Procedure of work
- Safety factors
- Time required to do the job

The goals in establishing SOP's are as follows:

- To aid standardization
- To help in training
- To preserve surfaces and materials
- To ensure the completion of a task successfully
- To effect a saving on cleaning equipment and agents
- To prevent accidents
- To aid the compiling of work schedules and help in staffing requirements

2.8 Job allocation and work schedule

The whole business of staffing is based on the number of man hours needed to accomplish the work. Those who make out chart and work schedule for housekeeping department need only to consult table to figure out the number of employees needed when they know the occupancy expected and all the schedule events. The staffing

helps us not only know how many people are needed but also what the cost for that labor. The entire estimate is made from the previous occupancy record.

Each room attendant is expected to do a certain numbers of rooms each day usually 14-16 room. Different properties have different expectation in regards. However a small but vary elegant hotel, where each guestroom is a suite and has a complicated individual furnishing, expect to do only 9 rooms a day.

In most leaning operations the housekeeper arranges the work on an area aasignment basis. Individual maid is responsible for their particular section or area. This allotment of individual areas leads to the development of sense of responsibilities.

A work schedule is a document that lists the actual tasks to be carried out by an employee in a particular shift and the time frame in which to undertake each task. The document includes the following:

- The position of the employee
- The area of operation
- The time at which the employee has to perform the allotted task
- Timings of meals, breaks, and any special jobs
- Time for tidying equipment and closing up

Work schedules must be written in simple language and have a concise form. Since the amount of work in a day may take longer than the length of one shift, several work schedules need to be compiled for use in one day. The number of schedules made for a given area is thus an indication of the number of staff required to clean that area on the particular day. The schedules should be handed over to the employees when they report for work.

2.9 Manpower planning

Calculating staff strength: Compared to other hotel departments, the housekeeping department employs the largest workforce in most hotels. Manpower thus becomes a major operating expense. Good management of the housekeeping department depends on achieving a balance between the workload and the staff strength. When calculating staff strength, it must be remembered that each property will have its individual requirements. The factors to be considered here are: Ref exhibit2.10

- The type of hotel it is
- The location of the hotel
- Traditions and customs of the locality
- The size of the hotel (in terms of number of rooms)
- The occupancy rate of the hotel
- Management needs
- Company policies
- The quantity of work to be done
- The quality of work expected, that is, the standards to be met
- The time needed to do the work
- The frequency with which the work needs to be done

- The time when the work area is available
- The amount of traffic in the area

The staff strength of the housekeeping department mainly depends on the size and structure of the hotel, that is, whether it has a compact structure with clusters of rooms, the number of rooms per cluster or floor, the expanse of the public areas and landscaped areas, and so on. The general rule of thumb that aid in determining staff strength in the housekeeping department is given below. Ref Exhibit 2.10. We now discuss a few useful relationships or simple formulae that we shall make use of in developing staffing guides.

Let us assume that the job involves offering cleaning services to the occupied rooms.

Step1

The first formula relates to the calculation of number of occupied rooms.

Number of occupied rooms = Total number of rooms x occupancy percentage

Step2

Next, we take up the formula useful in calculating the productivity standard of a worker. Productivity standard of a worker

=Time taken by the worker/number of occupied rooms service by a worker in the specific time

Step3

This formula also helps us in calculating the number of occupied rooms that can be serviced by an employee within his/her working time. We can arrive at it by rearranging equation as follows:

=Number of occupied rooms serviced by a worker within his/her working hours

Step4

Total labor hours can be calculated using the following formula:

Total labor hours required = Number of occupied rooms x productivity standard

Step5

Number of employees required to attend to the work can be calculated as follows:

=total labor hours required/Duty time in hour

An alternative formula is given below for the calculation of number of employees required to attend to the work relating to all the rooms.

Step6

Number of employees required to attend to the work relating to all the rooms

=Total number of occupied room / number of occupied rooms service by a worker within duty period

Step7

Labor expenses required to carry out the work related to the rooms can be calculated as follows:

Labor expenses required = Total labor hours x average hourly rate

We can apply the above principle to develop staffing guides for

- i)   room attendants
- ii)   supervisors and
- iii)   general workers

Exhibit2.10 Thumb rules for determining staff strength

Executive housekeeper: 1 for a 300 room property
Assistant housekeepers: 2 (1 per morning and evening shift)
Floor supervisors: 1 per 60 rooms for the morning shift; 1 for the evening shift; 1 for the night shift.
Public area supervisors: 1 for each shift
Linen/uniform room supervisors: 1
Room attendants: 1 per 16 rooms for the morning shift; 1 per 30 rooms for the evening shift (if turn down service is provided)
Linen and uniform room attendants: 2
Housemen: depends on the size of public areas and functions expected, but on average, 1 per 60 rooms
Desk attendants: 1 per shift
Tailors/upholsterers: 2 (may differ depending on the size of the hotel)
Horticulturist: 1
Head gardeners: 1 per 20 horticulturists
Gardeners: 1 per 4500 sq. ft of landscaped area

2.10 Planning duty roasters

Duty roasters specify the allotment of jobs, hours of duty, and days off for each member of the staff. To make for an even share of duties, the roaster should be rotated every five weeks. Duty roasters must be simple in format, easy to interpret, clearly written, and displayed on the staff notice board at least a week in advance.

Advantages for a duty roaster: Planning a duty roaster in advance helps to ensure:

- The exact number of staff required to be on duty at any given occupancy.
- That staff working hours are as per their employment contract.
- That regular off-days are availed for enhancing productivity.
- Knowledge of which employees are present on the premises in instances of emergencies.
- Accuracy in attendance and payroll reports.

Steps in making a roaster: the steps in making a duty roaster are as follows:

Step 1: Ascertain occupancy levels and events expected in the hotel. This information is provided by the sales and marketing department at the beginning of the financial year. On a daily and a weekly basis, more specific reports of occupancy are available through coordination with the front office department. The overall forecasts of occupancy must be considered before scheduling the employees' annual leave. These forecasts also help the executive housekeeper to follow the staffing to ensure sufficient staff at peak periods and avoid excess labour during slack periods.

Step 2: Ascertain the spread of duty hours to be scheduled in the duty roaster, whether 12 hours, 16 hours, or 24 hours. Decide whether the positions will work for 5 or 7 days per week.

Step 3: Ascertain the type of shift-straight shift, break shift, rotating shift, or any other alternative scheduling-to be used.

Step 4: Ascertain the number of full time and part time staff on the payroll.

Step 5: Ascertain the number of labor hours per day and per week required for various positions.

Step 6: Incorporate coffee breaks and mealtime allowances in the roaster.

Step 7: Ascertain that each employee gets a weekly off day after 6 working days. Provide for compensatory offs. Schedule one reliever per 6 employees.

Step 8: Ascertain closed days and restricted holidays, and any contingency planning that may be needed

Exhibit 2.6 Sample duty roaster for GRA in the housekeeping department

Staff Name	Mon	Tue	Wed	Thus	Fri	Sat	Sun
Pooja	Off (R)	7-4	7-4	7-4	7-12 5-9	7-4	7-4
Shivam	7-4	Off (R)	7-12 5-9	7-4	7-4	7-4	7-4
Manoj	7-4	7-12 5-9	Off (R)	7-4	7-4	7-4	7-4

Haniza	7-12 5-9	7-4	7-4	Off (R)	7-4	7-4	7-4
Khurshed	7-4	7-4	7-4	7-12 5-9	Off (R)	7-4	7-4
Zainab	7-4	7-4	7-4	7-4	7-4	Off (R)	7-12 5-9
Jacob	7-4	7-4	7-4	7-4	7-4	7-12 5-9	Off (R)
Braking Timing :- Coffee Break-15 mint, Lunch -45 min, Dinner -30 min.							

CHECK YOUR PROGRESS 2

Q1. What is Productivity standard?

_____
_____
_____
_____
_____

Q2. List the Advantages of using duty roaster.

_____
_____
_____
_____
_____
_____
_____
_____

Q3. Explain the term Job allocation.

_____
_____
_____
_____
_____
_____
_____
_____

2.11 Summary

Planning is the work of the housekeeping department is an especially challenging task if the property is newly opened. Planning is one of the major management task an executive housekeeper is responsible for the planning process. This chapter includes the planning of different types of rooms, bathroom and their surroundings. Also planned for the leisure facilities offered by the hotel to their guest.

This chapter also deals with the calculation of staff strength. Developing the departmental staffing guide has been given a lot of attention. Staffing is based on the number of man hours needed to accomplish the work. The need of scheduling

employee is discussed and the rules and regulations about working hours break hours and days off. specify the allotment of jobs, hours of duty, and days off for each member of the staff. To make for an even share of duties, the roaster should be rotated every five weeks. Duty roasters must be simple in format, easy to interpret, clearly written, and displayed on the staff notice board at least a week in advance.

2.12 Key words

Area inventory list: What items within this area must be cleaned or maintained?

Frequency schedule: how often must the items within this area be cleaned or maintained?

Job allocation: .The whole business of staffing is based on the number of man hours needed to accomplish the work.

Landscaping: This entails the creation of an area where trees, turf, decks, walks, pounds, and other features are used to create an outdoor space that is functional as well as visually appealing.

Horticulture: it is a science of growing plants or of gardening.

Performance standard: What must be done in order to clean and maintain the major items within this area?

Planning: Planning is the process of thinking about the activities required to achieve a desired goal.

Productivity standard: How long should it take an employee to perform an assigned task according to the department performance standard?

Standard operating procedure: It specifies the way in which a task is to be performed.

Work schedule: A work schedule is a document that lists the actual tasks to be carried out by an employee in a particular shift and the time frame in which to undertake each task.

Check your progress- Answer I

Ans1. The cooking of a particular area.

Ans2 Leisure change in climate and place, enjoy scenery, de stress, rest and relax. Destination includes hill, beach, and island. Facilities includes the health club, saunas and solarium, swimming pool, spas etc

Ans3. Solarium is enclosed glass area for the enjoyment of therapeutic use of sunrays

Check your progress- Answer II

Ans.1.It determines the quantity of work to be done by the department employees.

Ans2. Advantages of duty roaster

- The exact number of staff required to be on duty at any given occupancy.
- That staff working hours are as per their employment contract.
- That regular off-days are availed for enhancing productivity.
- Knowledge of which employees are present on the premises in instances of emergencies.
- Accuracy in attendance and payroll reports.

Ans3. The whole business of staffing is based on the number of man hours needed to accomplish the work.

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2.14 Terminal Questions

1. What is staffing guide? What is the procedure of developing staffing guide for a hotel property?
2. Discuss the importance of planning housekeeping operation. How the work of housekeeping department planned?
3. What are the points to be kept in mind while planning guest room?
4. Draw a neat format of duty roaster.
5. What are advantages of using duty roaster?
6. List the steps in planning duty roaster for housekeeping department.
7. What are the factors o be consider while calculating staff strength?
8. 'Each hotel property should develop its own productivity standard for employee' Justify.
9. What is meant by inventories? Explain the types of inventories used in hotels.
10. What are the various leisure areas in a hotel? Why is it important for guest?

UNIT: 03
BUDGETING

Structure

3.1 Objectives

At the end of this lesson, students should be able to demonstrate appropriate skills, and show an understanding of the following:

- understand the concept of budget and the advantages of preparing budget.
- identify the executive housekeeper's responsibility in relation to the budget process.
- plan and describe the types of budgets made by the housekeeping department.
- distinguish between operating budget and capital budget.
- outline the various housekeeping expenses.
- explain how the concept of 'cost per occupied room" serves as a valuable tool in the budget planning process.
- explain the importance and procedure of stocktaking and controlling expenses.
- discuss the types of purchasing and explain the purchasing procedure for housekeeping department.

3.2 Introduction

Budget is derived from French word baguette (leather pouch). A budget is the statement of expected results stated in numerical terms. It formed in advance period to which it applies. Budget is "A financial and or quantitative statements prepared and approved prior to a defined period of time, of the policy to be pursued during the period for the purpose of attaining a given objective". Budget is a plan of expenditure that projects the revenues that a hotel /department anticipates during a specified timeframe covered by the budget as well as the expenditures required to generate that anticipated revenue and for operating the department. Housekeeping department being a non-revenue generating department of hotel has to plan their budget efficiently so that they can control their operational expenditures and can help in achieving the financial goal of the hotel. Budget serves as a guide by comparing the actual expenses with the allocated expenses in budget and hence helps in checking the efficiency of the department. It is mostly made for a year and helps the executive housekeeper to check that the actual expenses are in accordance with the budgeted amount or not. In this way it acts as a controlling tool. A budget gives a critical insight of the departmental cost, reviews the past planning and present accomplishments. It also suggests necessary actions to accomplish the hotel's financial goal in coming future. Executive house keeper prepares budget on the basis of past records (hotel occupancy, salaries and wages, purchase of equipment etc.) and future forecast of expenses. Budgeting is done for a specific period usually one year, as for longer periods it becomes difficult to forecast requirements and expenses. Further the annual budget may be broken down to monthly budgets. However, the budget may be adjusted if the need arises due to some unforeseen circumstances.

Characteristics of budget.
- A statement of estimated or expected results.
- Stated physical and financial statement.
- Always framed for a well defined future period of time.
- Prepared to achieve certain objective

Budgeting is the main planning activities of an executive housekeeper. It is the process by which, based on actual performance of establishment in the past, estimates of expenditure adjusted for forecasting future outcomes. Budgets can be defined as:
"Budget is a plan by which resources required to generate revenues are allocated"
"A budget may be defined as plan which projects both the revenue the hotel anticipates during the period covered by the budget & the expenses require generating the anticipated revenue"

3.3 Steps in preparing Budget

Many organizations prepare budgets that they use as a method of comparison when evaluating their actual results over the next year. The process of preparing a budget should be highly regimented and follow a set schedule, so that the completed budget is ready for use by the beginning of the next fiscal year.
Here are the basic steps to follow when preparing a budget:

- **Update budget assumptions**: Review the assumptions about the company's business environment that were used as the basis for the last budget, and update as necessary.

- **Review bottlenecks**: Determine the capacity level of the primary bottleneck that is constraining the company from generating further sales, and define how this will impact any additional company revenue growth.

- **Available funding**: Determine the most likely amount of funding that will be available during the budget period, which may limit growth plans.

- **Step costing points**: Determine whether any step costs will be incurred during the likely range of business activity in the upcoming budget period, and define the amount of these costs and at what activity levels they will be incurred.

- **Create budget package**: Copy forward the basic budgeting instructions from the instruction packet used in the preceding year. Update it by including the year-to-date actual expenses incurred in the current year, and also annualize this information for the full current year. Add a commentary to the packet, stating step costing information, bottlenecks, and expected funding limitations for the upcoming budget year.

- **Obtain revenue forecast:** Obtain the revenue forecast from the sales manager, validate it with the CEO, and then distribute it to the other department managers. They use the revenue information as the basis for developing their own budgets.

- **Obtain capital budget requests**: Validate all capital budget requests and forward them to the senior management team with comments and recommendations.

- **Update the budget model**: Input all budget information into the master budget model.

- **Review the budget**: Meet with the senior management team to review the budget. Highlight possible constraint issues, and any limitations caused by funding limitations. Note all comments made by the management team, and forward this information back to the budget originators, with requests to modify their budgets.

- **Process budget iterations**: Track outstanding budget change requests, and update the budget model with new iterations as they arrive.

- **Issue the budget**: Create a bound version of the budget and distribute it to all authorized recipients.

- **Load the budget**: Load the budget information into the financial software, so that you can generate budget versus actual reports.

Advantages of preparing budget
The advantage in preparing a budget is that it provides an opportunity for taking a critical look at the costs of the department.

Reviewing past planning and present accomplishments, and then taking appropriate steps to accomplish more in the coming financial years. The executive housekeeper's responsibility in the budgetary process is two-fold.

First, the executive housekeeper is involved in the planning process that leads to the formulation of the budget. This entails informing the room's division manager and

general manager what expenses the housekeeping department will incur in light of forecasted room sales.

Second, since the budget represents an operational plan for the year, the executive housekeeper ensures that the department's actual expenses are in line with the budgeted costs and with the actual occupancy levels.

The budget thus acts a guide that provides the managers with the standards by which they can measure the success of operations. By comparing actual expenses with allocated amounts, the executive housekeeper can track the efficiency of housekeeping operations and monitor the department's ability to keep its expenses within the prescribed limits. Budgets provide a financial framework within which the housekeeping department operates. Thus, budgets should be carefully prepared and used to govern the department's spending. The budget also acts as a guide as to which things need repair or replacement. It helps to determine what valuable pieces of equipment may be purchased and to pinpoint the areas where emphasis will be placed in the coming year. It can be said that the budget is an instrument used by the management for controlling and directing activities, especially purchasing activities.

3.4 Budgetary control

It is the process of finding out what is being done and comparing with actual against standard budget data in order to solve the differences by adjusting the budget estimates or correcting the cause of differences.

A budget gives a critical insight of the departmental cost, reviews the past planning and present accomplishments. It also suggests necessary actions to accomplish the hotel's financial goal in forth coming future. The budget thus acts a guide that provides the managers with the standards by which they can measure the success of operations. By comparing actual expenses with allocated amounts, the executive housekeeper can track the efficiency of housekeeping operations and monitor the department's ability to keep its expenses within the prescribed limits. Budgets provide a financial framework within which the housekeeping department operates. The budget also acts as a guide as to which things need repair or replacement. It helps to determine what valuable pieces of equipment may be purchased and to pinpoint the areas where emphasis will be placed in the coming year. It can be said that the budget is an instrument used by the management for controlling and directing many activities like purchasing activities. Planning and monitoring the budget helps to identify wasteful expenditures. Whenever the financial situation changes, it can be tracked by budget and necessary steps can be taken to achieve the financial goals. It coordinates all the activities of various departments of a business firm. It provides a means for determining the responsibility for all deviations from the budgeted plan. Budgets provide a tool for corrective action through reallocations.

Advantages of budgeting
- Budgeting avoids wastages& Losses and thus maximum efficiency is attained in the department
- Budgeting gives management a chance to plan ahead to achieve long term goals
- It Increases communication & coordination within the firm

- It motivates workforce because of their participation in setting of budgets
- It leads to identification of areas of efficiency & inefficiency
- Acts as a yardstick for comparing actual performance
- The budget gives a control over the expenses in the department
- It keeps the managers focused on the departmental financial goals
- It keeps the management aware about the different expenses during the budgeted period.
- It also tells how to allocate the funds, how far the hotel is towards reaching the financial goals.
- It helps to organize the expenditures and savings by dividing the money into categories of expenditures and savings.
- It provides you with an early warning for potential problems
- It provides a platform for internal audit since regularly evaluating departmental results.
- Establishes divisional & departmental responsibility
- Helps in identification of people responsible for deviation from budget
- It enables to produce extra money by identifying and eliminating unnecessary spending like late fees, penalties and interests. These seemingly small saving can add up over the time to a significant amount,
- Managements with well-ordered budget plan receive greater favors from credit agencies,
- Extent of financing is predetermined thus avoiding possibility of over or under capitalization.

Limitations of budgeting
- It is based on estimates, so it may be not accurate every time.
- Sometimes one can find it misleading due to change in external factors like market etc.
- Managers suffer from inflexibility of budget since they have to operate within the set limits
- It may make managers complacent, if budgeted performance is easy to achieve
- If budget is perceived as pressure device on workers, they can get demotivated.
- Many a time departmental conflict arises because of competition for resource allocation.
- In budget Short term perspective of the budget limits the manager's perspective.

3.5 Types of budget

Budget can be classified in different ways based on various factors:

On the basis of functional departments
a) Master Budget: This type of budget involves forecasted budget for the whole hotel. It is a summary budget that incorporates the entire functional department's budget, and incorporates all the estimated incomes and expenditures of the whole organization. It is an outlay showing the proposed activity and the anticipated financial results during the budgeted year. Master budget is sent to board of directors for approval, after its approval the functional budgets are sent to the concerned departments, so that they can plan

their working according to their budgets. The management can plan the business activities during the budgeted period on the basis of master budget. This type of budget serves as a planning and control tool also as after completion of the period, actual results can be compared with the master budget and necessary control action can be taken.

b) Departmental Budget: This budget is prepared by all the departments keeping in view of their respective expenses and revenues for the year. Every department of the hotel forwards his to the financial controller. Different departmental budgets in a hotel are housekeeping budget, F&B budget, Maintenance budget, etc

On the basis of type of expenditure:
a) **Capital budget:** It is an intended expenditure on assets that are not used up in the normal course of operations; instead they have a life span that exceeds a single year.

b) **Operational budget:** It is an intended expenditure of items of daily or short term consumption i.e. those costs that the hotel incurs in order to generate revenue in the normal course of doing business. In the housekeeping department the most important and expensive operational cost involves salaries and wages. The cost of non-recycled inventory items, such as cleaning and guest supplies are also considered operational costs.

c) **Pre Opening budget:** It is an intended expenditure of allocation of the resources for opening parties, advertising initial generation of goodwill, liasions and PR. It also includes the initial cost of employee salaries and wages, as well as amenties, supplies, and other day to day useful items like cutlery, crockery, etc

On the basis of flexibility
a) **Fixed Budget:** A fixed budget is one that is prepared on the basis of definite criteria without any provision for modifications at any point during the period of time covered by the budget. It remains unchanged throughout the period it has planned for. Usually fixed budgets are planned for individual activities and are not related to revenues. For example- Budget for stationery, advertisement etc. Fixed budgets are suitable under static conditions and are useful when sales, expenses & costs can be forecasted with great accuracy.

b) **Flexible budget:** Flexible budgets are prepared for a range of activities after considering the unforeseen changes that may occur. It is a budget that adjusts for changes in the volume of activity. They are based on expenditures on anticipated revenues for the budgeted period. All departmental budgets are mostly flexible as they are based on the forecasted business and expected revenue. The flexible budget is more useful than a static budget, which remains at one amount regardless of the volume of activity (like changes in sales).

On the basis of time period of planning:

a) **Long time budget:** Long time budget is a systematic process for directing & controlling operations for a period extending over a year. Mostly this time frame ranges from 1 to 5 years. This type of budget tries to evaluate future implications linked with present decisions. The more is the timeframe of budget, the more will be difficulty in forecasting the expenditures and expected revenues. Market trends, competitors, government policies etc. play crucial role in preparing long term budget. This type of budget is useful in forecasting and evaluation of an organization over a period of time.

b) **Short time budget:** Short term budget is planned for a periods of three to twelve months depending upon nature of business. This type of budget is mostly planned in such a way that it coincide with the financial period, as it facilitate the evaluation of the firms performance. If planned for a shorter period, that period should complete all aspects of business in a season.

c) **Current Budget:** Current budget is prepared according to the relevant circumstances. They are of very short term budgets covering a period of 1 month or so.

3.6 Expenses in housekeeping department

Capital Expenses Operating Expenses on purchase of Equipment like: Vacuum Cleaner, Scrubbing machine, Polishing Machine, Trolleys etc. Expenses on furniture and fixtures of guest rooms and other areas like: Beds, cupboards, tables, chairs, sofa etc. Staff salaries and wages Employee Benefits Linen Guest Supplies & Amenities Laundry & Cleaning Supplies Decoration Small equipment Pest control Horticulture expenses Printing and stationeries Repairs and Maintenance Contract services Miscellaneous expenses Different expenses in the house keeping department can be classified into capital expenses and operating expenses

Housekeeping expenses
Expenses that need to be budgeted for the housekeeping department are Capital Expenses and Operating Expenses.

Capital expenses: Capital expenses involve large amounts on such investments that have a long term impact on the hotel. These are the expenses which are intended for long period of time. Costs for most inventoried items appear in the operating budget as expenses against the revenue generated over the same period, however, costs for machines and equipment are a part of capital expense since they have relatively high costs which require capital investments by the hotel. So it is obvious 8 that decisions on these items are critical and should be made by a team comprising the general manager, financial controller and executive housekeeper. The types of items that come under capital expenses are:
1. Large equipment and machines,
2. Furniture, fixtures and fittings in rooms and public areas,
3. Linen and soft furnishings in guest rooms and public area,
4. Uniforms of staff
5. Any new project planned (like construction of a new block etc.) In housekeeping, decision to invest in capital expenses is caused by:

• Restoration of rooms or public areas.
 • Any addition of rooms or public areas.
• Replacement of any equipment, furnishings, etc.

Operating expenses: Operating Expenses are the allocation of expenses for each item required by the department in order to operate smoothly. In case of a hotel operation expenses are based on occupancy percentage. The budgeted amount for the month varies since there is certain period where occupancy forecasts are unreliable or unpredictable. The various heads of expenditure that are normally reflected in a housekeeping operating budget are:

- Staff salaries and wages
- Employee Benefits
- Linen
- Guest Supplies & Amenities
- Laundry & Cleaning Supplies
- Decoration
- Small equipment
- Pest control
- Horticulture expenses
- Printing and stationeries
- Repairs and Maintenance
- Contract services
- Miscellaneous expenses

Salaries and Wages: This is a major head in operating expenses. It includes staff pay, bonus, incentives, provident fund, etc. The staffing guide and the occupancy forecasts are used to determine the total labor hours cost for each job category. Calculation of staff salaries and wages:

Exhibit3.1 Salaries and Wages

Sl. No	Employee Designation	No. of Employee	Salary/ (wage/hour)	Working hours	Total amount
1)	Executive housekeeper				
2)	housekeeper Attendant				
Total:					

Employee Benefits: This head includes staff meal, medical insurance, staff parties, pensions etc. Human resources and accounting staff help to determine what levels of expense to budget for the employee benefits. In some places this head is merged with employee salary and wages head.

Linens: Every year new line is purchased for the used up linen or linen that has completed its life cycle like towels, bed sheets etc. Replacement cost for new linens can be determined with the help of monthly physical inventories of the housekeeping department.

Guest Supplies & Amenities: Expenses on operating Supplies that includes non-recycled inventory items, such as guest supplies and amenities like soap, shampoo, toothbrush etc.

Laundry & Cleaning Supplies: Expenses on the different type of cleaning agents required in laundry and cleaning of different surfaces like detergents, fabric conditioners, glass cleaners etc. The cost of operating the hotel's on-premises laundry is directly related to the volume of soiled items to be processed
Calculation of expenses on cleaning materials:

Sl No.	Cleaning Agent	Qty used per month(from past experience)	Rate per Unit	Rate per Unit
	Detergent powder			
	Fabric conditioner			
Total				

Exhibit3.2 cleaning materials

Glass cleaner Total:

Decoration: Housekeeping department helps and assists in the beautification of the hotel inside and outside the building. The expense on decoration comes under this category.

Small equipment: Expense on purchase of small equipment like brushes, brooms, microfiber clothes for cleaning, squeeze for glass cleaning etc. comes under this head of expenses.

Pest control: This one is an important category as the sophistication in hotel premises has no place for any kind of pests. Mostly it is done by contracted agencies having competency in this type of job. It can be done by the housekeeping employee also; accordingly the budget should be apportioned.

Horticulture expenses: Expenses on Flower arrangement, decoration, garland for VIP guests on arrival, florist expenses (flowers, oasis and vases) and landscaping expense (seeds, saplings, flower pots and manure) are included in this category.

Printing and stationeries: Expenses under this category is shared by Front office and housekeeping department.

Repairs and Maintenance: This type of operational budget is usually divided between housekeeping and Engineering.

Contract services: Contract or past invoices can be used to budget the cost of outside contractors for cleaning projects, dry cleaning, laundry or any other contracted activity.

Miscellaneous expenses: It includes all other departmental expenses like telephone, lighting, water expenses etc.

3.7 Budget planning process

A budget should not be prepared at the last minute, but ideally the executive housekeeper should have a list prepared throughout the current year's operation with records of relevance which will help with the forthcoming budget. Standard forms are usually issued to each department head for completion and a dead-line date is set for submission. Discussions should have previously taken place between the general manager and the other department heads in order that they are aware of future company objectives which may be reflected in the budgets. Past records and previous budgets may be used as a basis for the new budget, taking into account an inflation percentage. The housekeeper must also consider any changes in company purchasing policy. She should also be aware of new technology and better products which have appeared. When the budget forms have been completed and competitive prices obtained, the forms are usually forwarded to the financial controller in order that the costing may be evaluated against the forecasted profit of the establishment. Discussions take place. This is usually the time when the housekeeping has to state her case regarding the necessity of specific budget items. It is common practice to overestimate budget requirements in order that when any cut backs are made the department head still ends up with sufficient funds to meet the department's needs. Under or over spending on the budget may have serious consequences for the department head responsible. When a budget is under spent, ideally the money saved should be allocated to a contingency fund for future projects or emergencies rather than being spent on unnecessary items. When a budget is overspent, the situation is usually more serious. The housekeeping department will have to submit a report accounting for the reasons why the budget is overspent. In some establishment it is regarded as a serious offence. Overspending may be carried forward to next year's budget so that less money is available next year. On the other hand the establishment may realize that insufficient funds were allocated to the housekeeping department and thus extra funds may be given next year.
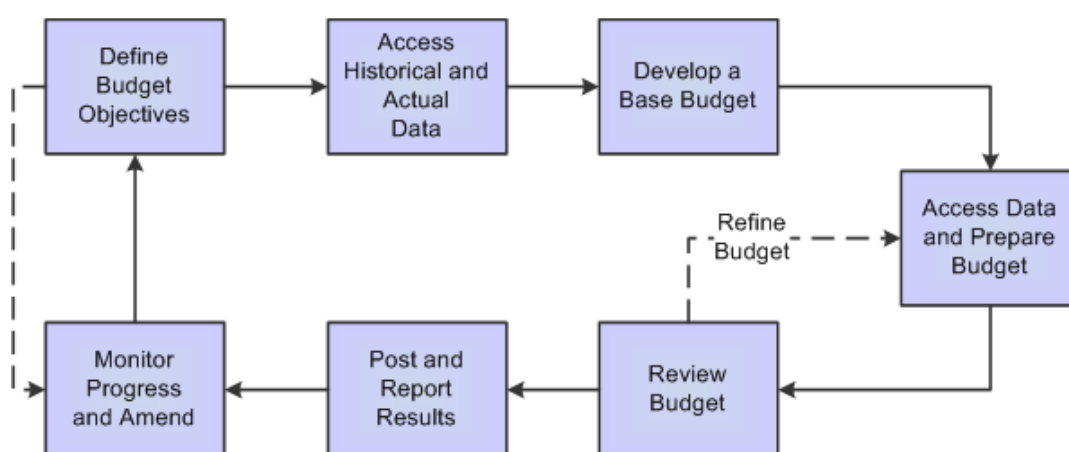

Fig3.1 Budget planning process

The room division's budget planning process depends on two main factors:
  i.   Forecasted room sales or occupancy level.
  ii.   Cost per occupied room

Forecasted Room sales

The room sales for the year are forecasted by the front office manager. The monthly break-ups are also outlined in this forecast. This information is given to the heads of the departments far in advance for the preparation of departmental budget.

Cost per occupied Room

Executive housekeeper works out the cost per occupied room based on the historical data, a sample is shown in the Exhibit

Operating costs

These can be variable, semi-variable, and fixed.

Variable operating expenses

These fluctuate with the occupancy level. These expenses includes guest supplies, laundry and such cost that increase and decrease in proportion to occupancy level.

Semi-variable operating expenses

These fluctuate partly according to the occupancy levels. For instance, employee in housekeeping department cannot be hired or fired according to daily occupancy fluctuations. A minimum number of employees have to be on roll, no matter how low the occupancy may be. Other semi variable costs are cleaning supplies, flowers, linen and uniforms.

Fixed operating expanses

Contract services deducted on a monthly basis and does not depend on the occupancy Since the housekeeping expanses fluctuates based on the occupancy the executive housekeeper uses only cost per occupied room as guide line in planning the budget. Every operating expenses needs to be planned individually for better control

3.7.1 Planning capital budget

Capital expenditure involves large sums on such investments that have a long term impact. It is thus natural that decisions on these items are critical and should be made by a group involving the general manager, financial controller and executive housekeeper.

Decisions to incur capital expenditure in housekeeping arise from:

- Renovation of rooms or public areas.
- Addition of rooms or public areas.
- Replacement of equipment, furnishings, carpets, etc.
- Introduction of automation in the department.

Having received a decision from management on capital expenditure the housekeeper should observe the following steps:

Supplier identification, receiving competitive quotations, selection of a supplier and finally purchase of the product taking into consideration freight and transport, and handling charges.

The types of items that are provided for in the capital budget are:

- Large equipment and machines.
- Furniture, fixtures and fittings in rooms and public areas.
- Linen and soft furnishings.
- Uniforms.
- Special project (construction of new rooms etc.)

Miscellaneous- It is quite normal to have a certain amount of money allocated under such a heading in order to make provision for emergencies e.g

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3.7.2 Planning operational budget

The first step in planning the operating budget is always to forecast room sales, which generates the revenue for operating the various departments. Most of the expenses that each department can expect are most directly related to room occupancy levels. This is especially true of the housekeeping department where salaries and wages, and the usage rates for both recycled and non-recycled inventories are a direct function of the number of occupied rooms. The concept of "cost per occupied room" is the major tool the executive housekeeper uses to determine the levels of expense in the different categories. Once the executive housekeeper knows predicted occupancy levels, expected expenses for salaries and wages, cleaning supplies, guest supplies, laundry and other areas can be determined on the basis of formulas that express costs in terms of 'cost per occupied room.' By specifying expense levels in relation to room sales, the budget actually expresses the level of service the hotel will be able to provide. In this regard, it is important for department heads to report how service levels will be affected by budget adjustments. This is especially important for the executive housekeeper. If the top management tones down the operating budget submitted by the executive housekeeper, the executive housekeeper should clearly indicate what services will be eliminated and downgraded in order to achieve the specified reductions.

The various heads of expenditure that are normally reflected in a housekeeping operating budget are:

- Cleaning and guest supplies
- Office stationery and postage
- Tailor shop expenses
- Small cleaning equipment like brooms and brushes
- Salaries and wages-includes retirement, benefits, bonus, allowances, incentives, etc.
- Heat, light, and power-air conditioning, heating, electricity consumption
- Repairs and maintenance
- Pest control
- Laundry expense
- Horticultural expense: includes florist expense (flowers, oasis and vases) and landscaping expense (seeds, manure, saplings and flower pots)
- Contract cleaning

3.8 Controlling expenses

It means ensuring that actual expenses are consistent with the expected expenses forecasted by the operating budget. There are basically four methods the executive housekeeper can use to control housekeeping expenses.

1. **Accurate record keeping:** It enables the executive housekeeper to monitor usage rates, inventory costs and variances in relation to standard cleaning procedures.

2. **Effective scheduling:** It permits the executive housekeeper to control salaries and wages and the costs related to employee benefits. The housekeeping employees should be scheduled according to the guidelines in the property's staffing guide which is based on the level of room occupancy. Thus it ensures that personnel costs stay in line with the occupancy rates.

3. **Careful training and supervision:** It should not be overlooked as a cost control measure. Effective training programmes that quickly bring new recruits up to speed can significantly reduce the time during which productivity is lower than the standards set for more experienced personnel. Close and diligent supervision, as well as refresher training can ensure that performance and productivity standards are met and may even bring about improvements.

4. **Efficient purchasing:** Efficient purchasing practices afford the executive housekeeper the greatest opportunity to control the department expenses and to ensure that the hotel's money is well spent and the maximum value is received from products purchased for use. The executive housekeeper must set a proper 'par' for the various inventories (recycled and non-recycled), and must have a proper purchasing system with the quantities and specifications submitted to the purchasing department. The executive housekeeper needs to periodically re-evaluate the suitability of existing products for their intended purposes. Alternative products should be investigated and compared to existing products in terms of performance, durability, price and value. By comparing the cost per occupied room achieved by alternative products, the executive housekeeper can evaluate which products yield greater cost savings and base purchasing decisions accordingly.

3.8.1 Using the operating budget as a control tool

An operating budget is a valuable control tool to monitor the course of operations during a specified period. Controlling expenses in the housekeeping department means comparing actual costs with budgeted amounts and assessing the variances. When comparing actual and budgeted expenses, the executive housekeeper should first determine whether the forecasted occupancy levels were actually achieved. If the number of occupied rooms is lower than anticipated, a corresponding decrease in the department's actual expenses should be expected. If occupancy levels are higher, then there will be a corresponding increase in expenses. In either case the expense variation will be proportioned to the variation in occupancy level. The executive housekeeper's ability to control housekeeping expenses will be evaluated in terms of his/her ability to maintain the cost per occupied room expected for each category. Small deviations between actual and budgeted expenses can be expected and are not a cause for alarm

but serious deviations require investigation and explanation. The executive housekeeper needs to formulate a plan to correct the deviation and get the department back 'on budget.' E.g. a re-examination of staff scheduling procedures or closer supervision of standard practices and procedures may be necessary. Other steps might include evaluating the efficiency and costs of products being used in the housekeeping department and exploring the alternatives. Even if the executive housekeeper finds that the department is far ahead of the budget it is not necessarily a cause for celebration. It may indicate a deterioration of service levels that were built into the original budget plan. Any serious deviation from the plan is a cause for concern and requires explanation. Identifying and investigating such deviations on a timely basis is one of the most valuable functions an executive housekeeper can perform in terms of the operating budget.

3.9 Income statement

The statement of income provides important financial information about the results of hotel operations (actual expenses as well as the net income) for a given period, which maybe monthly, quarterly or more but within a business year. Separate departmental income statements prepared by each revenue center presents more detailed information. Housekeeping is related to the rooms' division income statement. The executive housekeeper is directly concerned with some items listed in the expense section. They are: -

- salaries and wages Salaries and wages
- Contract cleaning
- Laundry and dry-cleaning
- Linen
- Operating supplies
- Uniforms

In the budget planning process the room manager will solicit information from the executive housekeeper concerning the expense category falling under housekeeping department's area of responsibility. Expected expenses are assessed as a percentage of the revenue forecasted for room sales. This percentage is standardized in relation to generated revenues.

Budget reports

Based on monthly income statements, a room's division budget report is prepared, which shows the variances between budgeted expenses and actual expenses. When the actual revenue exceeds the budget, or budgeted expenses exceeds actual, it is a favorable variance. When the budgeted revenue exceeds the actual or the actual expenses exceed the budgeted ones, it is an unfavorable variance. Percentage variances are determined by dividing the variance by the budgeted amount. Budgeting expenses

Since the expense levels in the entire expense category on the departmental income statement vary with occupancy, everything in the operating budget depends upon how accurately occupancy levels are forecasted. The rooms' manager gives the executive

housekeeper the yearly forecast of occupancy levels broken down into monthly budget periods. Using historical data along with input from hotel's marketing department, the rooms' manager will provide an occupancy percentage for each budgeted period. The executive housekeeper can predict a certain level of expense when he/she knows

Operating budget and income statement
An operating budget is identical in form to an income statement. The differences are:

Operating Budget	Income Statement
It is a forecast or plan for what is to come.	It is a report of what has actually occurred.
It predicts or anticipates what the income statement will actually show at the end of that period often referred to as "pro forma income statement".	It expresses the actual results of operations during an accounting period identifying revenue earned and itemizing expenses during that period.

The executive housekeeper will be held accountable for controlling the expense areas that fall within the housekeeping department's area of responsibility. As the budgeted period progresses, monthly income statements will be produced that show the actual amounts alongside the amounts originally budgeted.

Checklist for preparing a budget
1. Know the present position of the hotel.
2. Review the previous year's financial statements.
3. Look at the major sports events, festivals and holiday events for the year ahead.
4. Check for any expansion plans, redecorating, raising standards, increase/decrease of staff.
5. Check on the supplies needed-consider automation, new technology and better products.
6. Take each cost heading separately and compile to form the final budget.
7. Plan for practical goals and do not over budget.
8. Take into account the inflation percentage. Prepare by looking at past experiences, present knowledge and judgment of what is likely to happen.
9. Identify areas which can or cannot be controlled.
10. Review wages and salaries, operating costs and expenditure that is variable, semi-variable, and fixed.
11. Plan with the following year's tax policies in mind. Take into consideration any new laws or regulations or policies that may come into effect.
12. Prepare throughout the year for the next year's budget noting changes and scope for improvement.
13. Make decisions of what is more cost-effective:
    - Part time or full time staff.
    - Cost of staff and how often they may be required.
    - The cost of servicing a room i.e. overtime versus extra staff.
    - Contract cleaners versus own staff.
    - In-house laundry against contract.
    - Use of cleaning agents as per dilution rates.

CHECK YOUR PROGRESS I

Que1. What are the characteristics of budget?

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Que2. Explain the term forecasting

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Que3.What is forecasted room sale?

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3.10 Purchasing

Efficient purchasing practices can make a significant contribution to the executive housekeeper's role in controlling housekeeping expenses. Purchasing is a process in which includes buying of materials and equipments needed by various departments of an organization to ensure continuity in product production and supply of essential services to the guest. Therefore it is a very important and challenging function and has to be carried out efficiently to meet the purchasing requirements of the organization. Purchase department must be highly responsible to the organization needs in terms of quality, price, and delivery. The expenses for housekeeping purchases are planned in advance mainly in the form of a Capital Budget or an Operating Budget. The purchase can be of local or imported item. The housekeeping department generates the indents of non-stock items. Stock items are the regular operating supplies such as soap, shampoo, stationeries, and cleaning supplies. Non-stock items are non-consumable items such as crystal vases for flower arrangement. Efficient purchasing practices can make a significant contribution to the housekeeping department. Purchasing includes the process of buying, learning of the needs, identifying purchase locations, selecting best supplies, negotiating for best price, and other relating tasks such as to ensure

deliveries in time. Purchasing is described as an art since it requires talent and satisfaction in judgement i.e. judging the right combination of colour, shape, size, and consistency of item.

Although different properties have different procedures for processing and approving purchases the evaluation of what is needed for the housekeeping department is decided by the Executive housekeeper. Purchasing in housekeeping is basically done for:

Recycled products: The Executive Housekeeper raises a purchase requisition/indent form and forwards it to the Financial Controller and General Manager. The Purchase Manager than makes out the purchase order which is send to the supplier. Once the items are received the Executive Housekeeper checks the quality and specification of the item before approving the consignment. Example-annual linen purchase.
 Linen is the most important recycled inventory item in housekeeping department. It is also the biggest expense. To ensure the purchased linen is worth the money spent the executive Housekeeper should consider:
- The suitability of the product for its intended use.
- The expected useful lifespan of the linen.
- The purchase price.
- The cost of laundering.

Cost per use should be calculated in order to evaluate linen purchase using the following formula:

Cost per use=purchase cost + lifespan laundering cost/number of lifespan laundering

Where lifespan laundering cost=item weight x laundering cost per kg .x number of laundering withstood by item.
The quantity of each item of linen to be purchased annually is decided by assessing the hotel's quarterly requirements in order that the ideal par stock of linen is maintained. The annual linen purchases are made using the following formula:

Annual order= (par stock-linen on hand) +expected annual consumption

Where consumption=Discards + Discrepancies

Non-recycled products: Worksheets are developed by the Executive Housekeeper to monitor usage rates and costs for the different type of non-recycled inventory items. For each product the monthly use report identifies the vendor. The product name and its intended use each month by physical inventory provides the Executive Housekeeper with information concerning how many purchase units of each items have been used. Every week or fortnight the floor supervisor takes an inventory of these items. They are compiled with the par stock to be maintained before ordering new supplies.
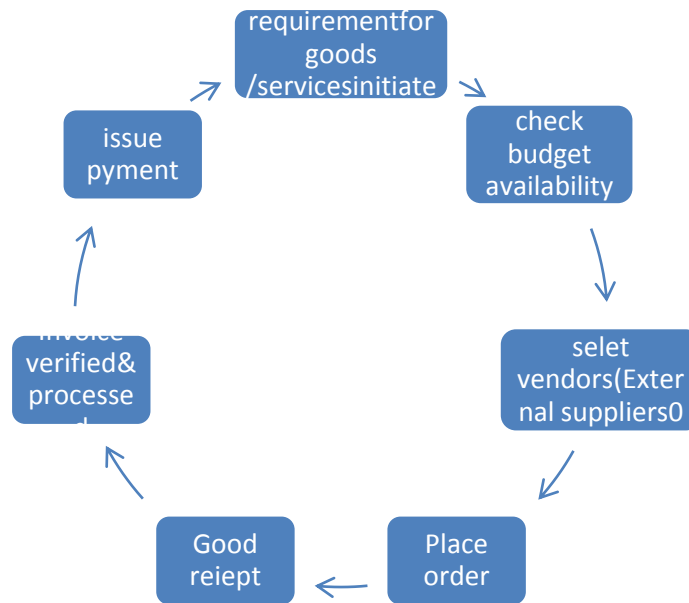
Fig3.2 Purchasing cycle

3.10.1 Principles of purchasing

There are five primary principles of purchasing that need to be upheld by the Housekeeping and the purchase department.

Right quality: The housekeeping department is responsible for providing the guests with a clean, comfortable, and safe environment as well as meets and exceeds the guest's expectations. In this regard the department needs to buy the best products. Value for money is the factor in each of the product supplies to the guestroom and public areas. The entire range of items has to meet the standards and specifications determined by the department and the hotel management.

Right quantity: Placing a purchase order of the right quality is of utmost importance for any organisation. Suppliers usually offer huge discounts large quantities but that should not influence the department's decision. The following factors should be kept in mind while ordering the right quantity of material:
- The cost of the order being placed
- The cost of storage and carrying charges for holding stocks
- Quantity discount
- Stock level and order point
- Buffer stock
- Budgetary controls

Right price: One of the major concerns for both the housekeeping and purchasing department is to get the supplies at the right price. An in-depth knowledge of the market is vital to make sure that the right price is being paid i.e. the payment corresponds to the exact value of the material being purchased. While calculating the right price ex-showroom the terms of payment should also be attended.

Right time: The material should be made available at the right time. Lead time, which is the period between the indent originating from the housekeeping department and the

time the material is ready for use, should be minimal. The total lead time which includes the supplier lead time plus the internal processing, clearance receipt, and inspection time should be as low as possible to work on lower inventory level. The time should also be right as regard ensuring immediate availability of a particular product in the market.

Right source of supply: The right source of supply is critical to the Executive Housekeeper. If the source of supply is correct, right quality, quantity, price, and time are a natural consequence. The selection of the ideal supplier is crucial for both the housekeeping and the purchase departments in which they are aided by:

- Knowledge and experience
- Catalogues, internet, etc
- Hotel supplies directories
- Salespersons
- Trade associations and association companies

3.10.2 Stages in purchasing:

There are two stages in purchasing.

Pre-order stage: It includes the following:

- **Receipt of purchase indent:** The indent should be checked for specification, quality, and quantity required. The last supplies and the last supplier's rate should be checked. If any correction is required, it should be referred to indenting authority at once. If the item indented is not part of the planned budget, it needs the approval of the unit head before the indent is processed.

- **Floating of inquiries:** Where there is only one manufacturer of a particular product it is better to contact that manufacturer straightway instead of approaching commissioned agents or traders.

- **Procurement of samples for approval:** The concerned people in the organization must approve of the samples before an order is finalized.

- **Quotation and ordering:** The order should be placed with the right supplier who must be identified on the basis of right quotation for right quality.

Post-order stage: The following steps are involved:

- **Issue of purchase order:** The purchase order should be issued once the pre-order stage is complete and the right supplier has been identified. Since it is a legal contract between the buyer and the supplier the purchase order should include all the details of the transactions.

- **Confirmation of receipt of the purchase order:** The supplier should confirm receipt of purchase order in writing. A duplicate copy of order should be signed and acknowledged accepting all the terms and conditions of purchase.

- **Follow-up:** There should be a regular follow-up to ensure that the items requested will be delivered on time.

- **Dispatch advice:** A dispatch advice note should be sought from the supplier to expedite the process of receipt.

- **Receipt note:** When the items are received in good condition and are found to meet the desired standards after inspection the receiving department should make out a goods receipt note (GRN) before transferring it to the main store. If the items do not match the prescribed conditions on the purchase order, the purchase manager and the supplier are intimated immediately and the goods are rejected. If the items are seemed as suitable to be received they are accepted and a GRN is send to the department concerned to appraise it of the approval of the goods.

- **Payment:** After the goods have been received and transferred to the department concerned via the main store the purchase department has the important function of following up on payment.

3.10.3 Method of buying

Various types of purchasing methods are used in hotels. A single purchasing activity may also be a combination of several types. Some of the methods are:

1. Formal purchasing/competitive bid buying: Formal quotations are invited from sellers against the written specification for each item to be purchased. These requests for bids may be made through newspapers or other publications that are widely distributed or they may be passed to interested sellers who may be contacted over the phone. The usual practice is to accept the quotation of the lowest bidder unless the products fail to meet the specifications.

2. Wholesale buying: In this method of purchasing the contract is signed with a wholesaler for the purchase of items at a specific price. For the future the agreement specifies the intervals between deliveries for the contract period.

3. Negotiated buying: this method involves negotiation between the buyer and the seller regarding the price and quantities. This method is generally used for items that are in limited supply where both the buyer and the seller are keen that the product be picked up quickly. In this case the buyer contacts the seller directly.

4. Contract purchasing: This method of purchasing assists the buyers and the sellers to improve the re-ordering of items that are repeatedly called for with minimal administrative expenses. This method is similar to blanket order purchasing except that the agreement is long term and the supplier are therefore not changed frequently. The rate of usage and frequency of ordering over the contract period need to be known under the system contract. The buyer receives only those brands which are produced or sold by the contractor. This method of purchasing is most commonly used for the purchase of housekeeping supplies.

5. Blanket order purchasing: A blanket order is an agreement to provide a specific quantity of listed items for a period of time at an agreed price if the price is not settled at the time of placing the order. A method of determining it is included in the contract.

The blanket order method is best for items that are required in small quantities but more frequently and where the usage rate cannot be accurately forecasted.

6. Stockless purchasing: In this case the buyer does not keep the stock of goods ordered. The supplier warehouses them for the buyer instead. The inventory is thus owned by the supplier.

7. Purchase by paid reserve: In this method money is paid in advance for commodities to ensure continuity of supply throughout the year.

8. Total-supply purchasing: In this type of purchasing all the required items are supplied by a single supplier. This helps in reducing the paperwork and negotiations need to be done with only one person.

9. Cost-plus purchasing: In this method of purchasing a supplier buys all the commodities and provides them to the housekeeping department. The supplier is given a small commission for this.

10. Centralized purchasing: This type of purchasing is done mainly by the chain hotels. They purchase items for all their main properties together. This method helps them to source the items at a cheaper price as the quantity of the order is more resulting in economy of volume.

11. Standing order purchasing: In this method daily supplies are fixed for perishable items such as flowers or groceries.

12. Cash and carry method: This is the method of purchasing where the items are purchased from supermarkets so that the prices are competitive. There are no minimum order level orders of certain items in case of non-availability of delivery services.

13. Purchasing from van sales: This method is rarely used for purchasing in the housekeeping department. In this method purchasing is done from mobile shops which move from one place to another.

14. Weekly/fortnightly purchasing: In this type purchasing is done only weekly/fortnightly. This ensures regular availability of the items and makes the suppliers prices more competitive.

15. Daily market purchasing/petty cash system: In this method of purchasing item quantities in the store are checked on a daily basis and only items falling short are purchased. This method operates as a petty cash system. It is effective for purchasing small order from local market in exchange for bill so that a cash payment is made.

16. Cash-on-delivery buying: The ordering system involves payment on acceptance of delivery. The order may be placed over the telephone or through the internet.

17. Cheque-payment ordering: This is a purchase order and draft system. It is a combination of the order and a blank cheque for payment. Besides the products

specification the order also contains delivery instructions, bank account number, unit price quantity, discounts if any, and terms of payment.

18. Auction buying: This method of is useful for purchasing furniture and equipment that are not obsolete. Sometimes certain export shipments that were rejected by the originally intended buyer are also auctioned to other buyer.

3.11 Stocktaking

Stocktaking is a process of calculating the amount of stock you have and turning it into a report. Your report tells you the quantity of stock you have, the value of it, and lets you compare it against your previous inventories.

Stocktaking is a physical verification; by counting of the stock at all point in cycle. It is carried out at periodic intervals. Accurate recording of interties are important during stocktaking so that the overages and shortages can be determined from the difference between the physical count of balances and the balance appearing in the account inventory ledger.

It may be done monthly or quarterly or yearly depending on the policy of the establishment. It is an essential process to prove the accuracy of the stock records and should be carried out by the departmental head or an external auditor. In order to carry out stock taking it is necessary to suspend all movement of goods during the count and to make sure that all goods are checked and accounted for. Any discrepancy should be noted and investigated wherever necessary.

- Stocktaking is the physical inventory of the linen.
- Taking of inventory for each article is carried out at periodic intervals or at the time of 'closing of books'.
- Exact entry for inventory is recorded so that the overages and shortages can be determined from the difference between the physical count of balances and the balances appearing in the account inventory ledger.
- Physical counting is done in three months.
- The discards are stamped 'condemned' and kept separately.
- Now the counted total inventory must be conducted in the presence of housekeeper.
- Stocktaking for uniforms, restaurant linen can be done on a separate days.

Procedure for linen stocktaking
Departments concerned must be intimated at least one day in advance. All linen must be counted on the same day or at least the similar type linen is counted at a time (Room Linen is separated from F & B Linen), so as to prevent 'borrowing' to make up deficiencies. A convenient time is chosen when all linen movement can be halted without causing too much of a problem to the operations.
Stock records – issuing and control
Reason for developing an efficient and effective control system is as follows:
- Shortage or poor stock rotation will reduce standards and therefore directly reduce revenue.
- When supplies are lacking items may need to be borrowed from other sections.
- Excessive stock may constitute a safety risk and reduce cash flow.

- Losses may occur will must be identified, caused established, and controls implemented.
- Good storage control is necessary ti implement health and safety procedures eg. Care for substances hazardous to health safe procedures.
- Monitoring of use and product evaluation is better achieved.
- Budgetary control is facilitated.
- Standardization of quality is facilitated.

Storekeeper: The storekeeper plays a very important role in the control of stock and the smooth functioning of the day to day operations. The storekeeper must have:
- A good technical knowledge of the products especially the shelf life of the products.
- The ability to deal with suppliers, own staff, and personnel from other departments as well as the management.
- The ability to count and measure accurately and keep up-to-date record on costs and level.
- Knowledge of up-to-date legislation e.g. health and safety legislations.
- Absolute honesty and trustworthiness in all dealings.

CHECK YOUR PROGRESS II

Que1. Explain the characteristic of right supplier.
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Que2. What is a purchase cycle?
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3.12 Summary

The executive housekeeper needs to prepare a housekeeping budget annually to allocate the resources required to generate revenue. budget is generally a list of all planned expenses and revenues. The purpose of budgeting is to:

- Provide a forecast of revenues and expenditure, i.e a model showing how our business and department might perform financially, if certain strategies, events and plans are carried out.
- Enable the actual financial operation of the business to be measures against the forecast.

The various types of budgets are described in the chapter and also the planning process of budget by taking into account the individual housekeeping expanses has been explained.

The function of purchase has been described in detail, as optimal purchasing procedure is one means of controlling expenses. Purchasing procedure for both types of inventory items and particular for te annual purchasing of linen have been described.

3.13 Key Words

Budget: A budget may be defined as plan which projects both the revenue the hotel anticipates during the period covered by the budget & the expenses require generating the anticipated revenue

Pre opening Budget: It is an intended expenditure of allocation of the resources for opening parties, advertising initial generation of goodwill, liaisons and PR. It also includes the initial cost of employee salaries and wages, as well as amenities, supplies, and other day to day useful items

Capital budget: is an intended expenditure on assets that are not used up in the normal course of operations; instead they have a life span that exceeds a single year.

GRN: Good received notes

Operating Budget: It is an intended expenditure of items of daily or short term consumption i.e. those costs that the hotel incurs in order to generate revenue in the normal course of doing business.

Recycled inventories: items that have relatively limited useful lives but use over and over again in housekeeping operation.

Stocktaking: it is necessary to suspend all movement of goods during the count and to make sure that all goods are checked and accounted for.

Purchasing: Purchasing is a process in which includes buying of materials and equipments needed by various departments of an organization to ensure continuity in product production and supply of essential services to the guest.

Operating supplies: The items essential to day to day housekeeping operation, including guest supplies and cleaning supplies

Operating expenses: Those cost that te hotel incurs in order to generate revenue in the normal course of doing business.

Non –recycle inventory items: Items that are used up during the course of routine housekeeping operations. These include most guest amenities, cleaning supplies and smaller piece of equipments.

Check your progress- Answer I

Ans1. Characteristics of budget.
- A statement of estimated or expected results.
- Stated physical and financial statement.
- Always framed for a well defined future period of time.
- Prepared to achieve certain objective

Ans2. A planning tool that helps management in its attempts to cope with the uncertainty of the future, relying mainly on data from the past and present and analysis of trends. Forecasting starts with certain assumptions based on the management's experience, knowledge, and judgment.

Ans3. Prediction of the future sales of a hotel room over a specific period of time, based on past performance of the product that is occupancy, inflation rates, unemployment, consumer spending patterns, market trends and rates. In preparation of budget, sales forecast helps the housekeeper to develop a more realistic budget, allocate resources and monitor expenses.

Check your progress- Answer II

Ans1
Knowledge and experience
Catalogues, internet, etc
Hotel supplies directories
- Salespersons
- Trade associations and association companies

Ans2. **:** The purchase cycle is the period of time during which a consumer typically uses the quantity of a product purchase at one time.

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3.15 Terminal questions

1. Explain the different types of budget.
2. List the advantages and disadvantages of preparing budget.

3. Describe the budget planning process.
4. What are the various housekeeping expenses that the executive housekeeper needs to budget for?
5. What is meant by 'cost per occupied room'?
6. What is the difference between capital and operating budget?
7. What is the relation of an operating budget to an income statement?
8. What is stock-taking? Give format of stock record?
9. Discuss in detail the types of purchasing.
10. What are the principles of purchasing?
11. Explain the purchasing cycle of linen.

UNIT :04
FRONT OFFICE ACCOUNTING
AND
NIGHT AUDITING

Structure

4.1   Introduction

Accounting section of any business or organization monitors or tracks, records, and manages the financial transactions that takes place between the hotel and others i.e. resident guests, companies, agencies, non-resident guests etc.. All through the day the hotel undergoes many transactions with its resident guests. The transactions related to various services that the guest can avail, be it room service or laundry service. On most of the occasion the guest does not make any payments after availing the service at the hotel and the amount is posted on his/her room so timely and accurate posting of a guest's transaction in his account is very important for successful running of the business, it help the hotel to make an accurate bill and receive payment from the guest besides that an efficient and error free billing also leads to higher guest satisfaction. So it is very important for hotels to maintain its guest account accurately properly and up to date. The accounting department handles the financial aspect and tracks the performance of hotel directly. It is helpful for the management to take appropriate decisions. When it comes to a hotel business, accounting is managing expenses and revenue. It provides clear information to the guests thereby avoiding any kind of confusion at the time of settlement of the guests.

4.2 Objectives

After reading this unit learner will understand:
- Types of Accounts in hotel
- Types of Folios used in hotel
- Types of Vouchers used in hotel
- Types of Ledger used in hotel
- Front Office Accounting System
- Night Audit procedure followed in hotel

4.3   What is Front Office Accounting?

Accounting may be defined as the process of collecting, recording summarizing and analyzing the financial transaction so the business according to AICPA accounting is an art of recording, classifying, and summarizing in the significant manner and in terms of money, transactions and events which are in part at least of a financial character and interpreting the result thereof. In terms of hotel It is a systematic process in which the front office accounting staff identifies, records, measures, classifies, verifies, summarizes, interprets, organizes, and communicates financial information for a hotel business. In hotels the front desk cashier maintains the guest accounts and ensures the settlement of the same.

4.4 Basic Front Office Accounting Formula

Net Outstanding Balance = Previous Balance + Debit – Credit
Where debit increases the outstanding balance and credit decreases it.
Most of the contemporary hotel businesses employ automated accounting system.

4.5 Objectives of Front Office Accounting System

The main functions of front office accounting system are:
- To create and maintain an accurate accounting record for each guest/ non-guest account.
- To handle transactions between the guests and the hotel accurately.
- To track financial transactions of the guest throughout the guest cycle.
- To monitor the guest's credit limit and ask for deposit from guest in case of high outstanding balance.
- To avoid possibility of any fraud.
- To organize and report the transactional information.
- To ensure internal control over cash & credit transactions.
- To record settlement for all goods & services provided.
- To provide a efficient management information system(MIS) to the management for departmental revenue generation.

4.6 Types of Accounts

The front desk maintains two types of accounts:
- Guest Account
- Non-guest or City Account

4.6.1 Guest Account

It is the record of financial transactions that occur between a resident guest and the hotel. This account is created either at the time of registration, or during reservations when the guest has guaranteed his reservation by giving advance payment. The front office creates an individual folio for each guest for maintaining record of all the financial transactions that take place during the stay of the guest .on that basis a guest's folio or final bill is prepared and presented to the guest for collection. Hotels generally provide credit facility the guest to avail the services and products of the hotel for this credit facility they fix an upper limit which is also known as house limit and when the guest credit balance exceeds the house limit the front office cashier may ask the guest to make part or full payment of the outstanding balance.

4.6.2 Non-guest Account

It is the record of financial transactions that occur between a non resident guest or non guest and the hotel it is also called as House accounts/ City accounts. The FO cashier

maintains the records of financial transactions between hotel and the local resident to whom the hotel has extended the credit facility for the use of hotel products and services. Besides that the cashier also maintains other types of non guest accounts like:

Accounts of guests who leave the hotel without settling their bills also called as skipper. Their account is also treated as city account and is transferred to city ledger and is waited or kept for a fixed time period after which the same is written off as bad debts. The status of the guest whose account are not settled by them like incase of bill to company accounts or those of agencies, groups or individuals with credit privileges some guest changes from resident guest to nonresident guest when they leave the hotel, the amount is transferred to city ledger by the cashier. When the advance payment is received from the guest for guaranteed reservation and later it turns out to be a no show the account is normally according the city sales register.

4.7   Folios

A folio is a statement of all transaction that has taken place in a single account. It is a written record of guest account and is created at the time of starting book of accounting the name of a guest. The front office cashiers records all the transactions between the guest and the hotel on the folio. The folio is opened with zero initial balance. The balance in the folio then increases or decreases depending upon the transactions. At the time of check-out, the folio balance must return to zero on settlement of payment ie it begins with a ZERO balance and ends with the SAME. In between, the balance may be debit or credit depending upon the type of transactions.

Types of Folios: There are following major types of folios:
- Guest Folio
- Master Folio
- Non-guest Folio
- Employee Folio

4.7.1   Guest Folio

Assigned to charge for individual guests. It is created for each guest as soon as the first financial transaction take place between the hotel and the guest. generally a folio is created at the time of registration or sometimes at the time of reservation it is open to post in the credit side the advance payment given by the guest as a token to guarantee his reservation.

4.7.2   Master Folio

Assigned charge for more than one person, usually for Group Accounts./organization i.e. it contains account for more than one guest more common for the entire group master folio is prepared. In small hotels a master folio contains the financial details of all the guest staying in the hotel and by seeing through it one can easily find the net credit or debit balance for the day.

4.7.3   Non-guest Folio

Assigned for non-resident guest. It is also called as city folio, it contain the financial transactions between a hotel and its nonresident guest. A hotel may offer credit facility to local businessman; corporate and even city folio is created for that nonresident s guest who avails the club facilities, health centre, sport centre etc facilities offered by the hotel

4.7.4   Employee Folio

Assigned for hotel employee, his folio contains the credit transactions between hotel and its employees. The folio is created and maintain for employees to whom the hotel has permitted credit facilities, and the amount is later collected from the employees or deducted from their salaries as per the hotels policy.

Postings in Folios: The process of recording the entries on the folio is called 'Posting' of transactions. There are two basic types of postings:

   Credit: They reduce the guest's outstanding balance. These entries include complete or partial payment, or adjustments against tokens.

   Debit: They increase the outstanding balance in the guest account. Debit entries include charges under restaurant, room-service, health center/spa, laundry, telephone, and transportation.

4.8   Vouchers

Vouchers: Vouchers are documents that have the details of the purchases made by the guest from the different outlets of the hotel. These are send to the front desk who carry out the posting process in the guest's folio. Vouchers acts as a supporting document of the transaction happened between the hotel and the guest. If the guest pays the amount in the outlet, then the voucher is filed there itself. And in case, if the guest signs the voucher, it is send to the front desk for the posting purpose. Vouchers are also known as Checks. A voucher is a proof that a transaction has taken place by the guest in the hotel. I.e. assigned vouchers are detailed documentary evidences for a transaction by the guest and is given to the guest at the time of his check out for the final payment. The following typical vouchers are used in the hotel:

   - Cash Advance or Visitor's Paid Out (VPO)
   - Miscellaneous charge voucher
   - Cash receipt Voucher
   - Travel Agency Voucher
   - Allowance vouchers
   - Restaurant/Bar Bill or Check
   - Commission voucher
   - Telephone call voucher
   - Correction vouchers

- Transfer vouchers

4.8.1 Paid Out vouchers (Visitor's Paid Out)

Also called as a Cash Advance or VPO. It is cash paid out by the hotel on behalf of the guest. If petty payments like taxi fare, cinema tickets, postage etc. are made by the front desk, a Visitor's Paid Out Voucher is issued on guest's name and his signature is collected and the amount is debited in guest's folio. The paid outs are made from the cash bank maintained by the front office cashier and before making any such VPO a proper authorization should be taken from lobby manager.

Hotel ABC
Paid out Voucher
Date:…………………………. Time:………………………
Name of Guest:…………………………………………………………
Room No.:………………………. Account Folio No.:………………...
DetailedExplainatioin:………………………………………………………………
……………………………………Rs.:…………………..(inwords…………………)
Prepared by:……………………………….
Authorised by:…………………………….
Audited by:………………………………
Signature of guest…………………

Paid Out Voucher

4.8.2 Miscellaneous Charge Voucher

A voucher used to support a charge purchase transaction that takes place somewhere other than the front office they are deferred payment transactions. In a deferred payment transaction, the guest receives goods or services from the hotel but does not pay for them immediately. This voucher is prepared for the payment of the miscellaneous services like laundry, health club, beauty saloon etc the guest verifies and signs the voucher which is either send to front office cashier for posting into the guest.

Hotel ABC		
Miscellaneous Charge Voucher		
Name of Guest: _____ Room No.: _____		
Date: _____ Account No.: _____		
Explanation	**Charge**	
	Rs.	**Paisa**
Total		
Authorized Signatory		

Miscellaneous Charge Voucher

4.8.3 Cash Receipt Voucher

A voucher used to support a cash payment received from the guest as an advance or deposit made by the guest at the front desk. It act as an acknowledge receipt of the cash received by the hotel from the guest .

Hotel ABC
Cash Receipt Voucher

No._____
Date:_____

Cash Receipt

Received with thanks from Mr./Mrs/_____a sum of
Rs._____(in words_____)
for_____
_____

Received by:_____

Cash Receipt Voucher

4.8.4   Travel Agency Voucher

In travel agent guaranteed reservation, the travel agent forwards a voucher to the hotel as proof of payment and guarantees that the prepaid amount will be sent to the hotel when the voucher is returned to the travel agency for payment.

4.8.5   Allowance vouchers

An allowance is an amount deducted from an invoice to compensate the guest for an expanse or mistake. Allowance vouchers can be of 2 types. One type of allowance is a compensation given to a guest for poor services or discounts etc. The other type of allowance is a correction to a posting error on an existing account after the close of business. And in some cases the guest has deposited a large sum of money as an advance and that amount exceeds the hotel bill. Thus in any case any account allowances made by the front office must be documented with the use of an allowance voucher. All allowance vouchers require management approval.

Hotel ABC
Allowance Voucher

Name of Guest: _____		Room No.: _____	
Date: _____		Account No.: _____	

Detailed Explanation		Amount	
		Rs.	**Paisa**
Total			
		Authorized Signatory	

Allowance Voucher

4.8.6   Restaurant/Bar Bill or Check

Residents guest can enjoy their meals in any of the food and beverage outlets of the hotel on account of which a bill is raised and in case a resident guest wish to utilize the credit facility offered by the hotel, he can sign the bill which serve as a proof of financial transaction between guest and the hotel and are treated as vouchers for posting in the guest folio.

Hotel ABC **XYZ Restaurant**				
Name of Guest:_____ Room No.:_____ S. No. :_____				
Date: ……………………….… Table No. : ………… No. of Pax……………				
Served by…………………………				
S. No.	**Description**	**Quantity**	**Rate/Unit**	**Amount**
			Total	
Please do not sign if paying by cash or credit card				
				Cashier POS

Restaurant Bill

4.8.7   Commission Voucher

Hotels offer commission to the person who provide regular business to the hotel when ever a commission is given by the fo cashier he prepares a commission voucher, which should be signed by the authorized person, generally all such commission voucher are made for taxi driver who bring walk in guest to the hotel, travel agents and tour operators and other agency working on the commission basis or providing business to the hotel.

Hotel ABC **Commission Voucher**		
Name of Guest: _____ Room No.: _____ Date: _____ Account No.: _____		
Detailed Explanation	**Amount**	
	Rs.	**Paisa**
Total		
	Authorized Signatory	

Commission Voucher

4.8.8   Telephone Call Voucher

With the use of computerized system by the hotel, whenever a guest makes a call, the call accounting module automatically transfer the call charges to the guest folio ie in small hotels where outgoing calls are routed through telephone operators the responsibility of billing the callers with the telephone operator who than notes the call details and prepares telephone voucher which is later posted to the guest folio.

<table>
<tr><td colspan="3" align="center">**Hotel ABC**
Telephone Call Voucher</td></tr>
<tr><td colspan="3">Name of Guest: _____   Room No.: _____
Date: _____   Account No.: _____</td></tr>
<tr><td>**Detailed Explanation**</td><td colspan="2" align="center">**Amount**</td></tr>
<tr><td></td><td>**Rs.**</td><td>**Paisa**</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td align="right">Total</td><td></td><td></td></tr>
<tr><td colspan="3" align="right">**Signed by Telephone Operator**</td></tr>
</table>

Telephone Call Voucher

4.8.9   Correction Vouchers

An account correction transaction corrects a posting error in a folio. An account correction is made on the same day the error is made, before the close of business. An account correction can either increase or decrease an account balance. E.g. If a charge is wrongly posted as lower than the actual rate, it can be corrected on the same day after entering the details of correction in a correction voucher

4.8.10   Transfer Vouchers

A transfer voucher is used when the account balance or account entry is transferred or shifted from one folio to another folio. E.g. When one guest staying in room 203, agrees to pay a dinner charge for his friend who is also a guest staying in room 209 in the hotel, the charges must be transferred from room no. 209 folio to room 203 folio and this transfer must be documented by a transfer voucher. An account transfer may also occur when a guest checks out by paying through credit mode. The guest's outstanding account balance is transferred from a guest account to a non guest account through the use of a transfer voucher.

4.9   Ledger

A ledger is a collection of the same type of account or groups of accounts. In terms of front office ledger has a collection of folios i.e. A Ledger is a book in which the accounts of both resident and non-resident guests are entered. it helps in preparing the Profit and Loss account and Balance Sheet of a hotel There are two ledgers the front office handles. They are:

- City ledger
- Guest ledger

4.9.1 City Ledger

The City ledger is also known as the Non-guest ledger. It is the collection or set of records of all accounts that do not belong to resident guests or non-guest accounts. At the time of checkout if a guest account is not settled in full or its outstanding balance is not brought to zero, the guest's folio balance is transferred from the guest ledger to the city ledger in the accounting division for collection. Accounts which are included in city ledger:

- Credit card payment accounts
- Direct billing accounts {guests' whose bill will be settled by the company}
- Airlines
- Travel agencies
- Skipper's account
- Bad cheques account {Bounced cheques of guests}
- Disputed bills account
- Retention charges account from DNA guests

Local business people who are not resident in the hotel but who use the hotel facilities and services for entertainment or business meetings. Guests who walk out of the hotel without settling the outstanding balance. Walkouts are no longer resident so their account is transferred to the city ledger, till the account is settled or closed by writing off as bad debt, if the amount is overdue and not forthcoming for a long period. Guests who have sent prepayments to guarantee their bookings, but have not arrived or checked in. This amount is recorded in the city ledger and the account needs to be closed as per the terms of the reservation.

Account Ageing Report							
Aged Accounts Receivable as on:						Sr. No.	
						Outstanding (in days)	
Name	**Balance**	**Current**	**Up to 30**	**31-60**	**61-90**	**91-120**	**120+**
Total Outstanding							

Account ageing Report

Guest Ledger: Guest Ledger is a type of ledger that has the accounts of all the in house guest or all guests residing in a hotel. After the registration process of the guest is done, a guest folio is opened on his/her name to record all the purchases which he/she is making from the hotel. This ledger is also known as Transient or Room Ledger.

Guests who make appropriate credit arrangements at registration may be extended privileges to charge purchases to their individual account folios. Guests may also pay

against their outstanding balance at any time during occupancy. Guest's financial transactions are recorded in guest ledger accounts to track guest account balances. Some of the accounts of the resident guests may be settled by their company, travel agency or airline company, in this case, at the time of the guest's check-out, his signature is taken and the guest account is transferred from the Guest Ledger to City Ledger. In manual system the financial transactions are recorded in the tabular ledger or tab ledger which is of two types:

- Horizontal Tabular Ledger
- Vertical/Visitors Tabular Ledger

Horizontal Tabular Ledger: With the horizontal tab the departmental charges are lighted across the tab so each guest account is arranged horizontally across the page of the tab. Debit charges to the guest accounts are enter on the left hand side and credit entries on the right. Normally two lines are allowed for each room number this enables the number of entries to be made under the departmental heading for example, a guest may have a number of telephone calls course of a day.

Vertical /Visitors Tabular Ledger (VTL): The rooms numbers of guest are entered across the tab the charger are recorded vertically below each room numbers. This system is often used in hotel the carbon paper is used to ever charger on to the tab and the bill at the same time debit entries forms the main body of the tab, while credits and entered at the bottom after the daily total has been summarized. Each days tab would consist of a number of similar sheets. The exact number of sheets used depends upon the number of rooms occupied.

Hotel ABC Visitors Tabular Ledger							
Room No.	**101**	**102**	**103**	**104**	**105**	**106**	**107**
Name							
No. of Persons							
GR No.							
Plan							
Room Rate							
Tea							
Breakfast							
Lunch							
Dinner							
Beverages							
Room Service							
Telephone							
Laundry							
Tobacco							
VPO							
Others							
Beer							
Wine							
Miscellaneous							
Daily Total							
Cash Deposit							
Allowance							
Balance C/fwd							
Total Dr. Cr.							

Vertical Tabular Ledger

4.10   Front Office Accounting System

The front office accounting system is responsible for:

- Creating and maintaining an accurate accounting record for each guest or non-guest in the hotel
- Tracking all financial transactions throughout the guest cycle
- Ensuring internal control over cash and non-cash transactions
- Settlement of all guest accounts

The front office accounting system can be customized and tailored to meet each hotel's needs. Therefore, the hotels can have their own front office accounting systems. Though the General Concepts of Front Office Accounting is:

4.10.1 Creation and Maintenance of Guest Accounts

All guest folios or account shall be created at the time of pre-arrival (reservation) or arrival (registration)stage of the guest cycle. As it is the responsibility of Front Office Cashier to record all transactions that affect guest-ledger and non-guest accounts accurately and completely for folio creation, the necessary information is taken from reservation & registration records, for pre-numbered folios, the folio number is entered on to the registration card and vice-versa for cross-referencing.

- Manually-/ machine-posted folios are stored in a front desk folio tray (also known as posting tray/folio well/ buckets).
- Electronic Folios are automatically cross-referenced with other records within the system. This considerably reduces transactional accounting errors
- As far as walk-ins are concerned, all their guest folios are created at the arrival stage.

   Record keeping systems: Non- automated systems: Ensured through a series of columns listing individual debit and credit entries accumulated during the occupancy stage after which and establishment of an ending outstanding balance is needed.

   Semi-automated systems: Under this very system, all guest transactions should be printed sequentially on a machine-posted folio. Later, the front office clerk needs to come up with the folio outstanding balance. It is extremely important here to mention that, under this very system, each account's previous balance shall be re-entered each time a transaction is posted to the folio.

   Fully-automated systems: All guest charges are automatically posted to an electronic folio

   Guest charge privileges: The privilege given to a guest to avail hotel facilities on credit basis.

- A guest may be required to present an acceptable credit card or a direct billing authorization at the time of registration (or at the time of reservation in fully automated hotels)
- Guests are authorized to make charge purchases once a line of credit has been established (through Direct Billing Authorizations or Credit Cards).

Credit monitoring: In order to monitor and control charge privileges, the front office clerk should check whether the total net purchases are less than the minimum of floor Limit (i.e.: credit card company's limit) and house limit (i.e. hotel's limit). At least, each day, lists of guests with high risk or high balance accounts shall be communicated to all point of sale outlets. This is vital since, failing to do so, will let point of sales outlets continue giving charge privileges to a point that eventually the credit card company refuses to pay the amount of money exceeding its limit. This will cause very serious financial losses to the hotel. To avoid such situation front office cashier and night auditor in coordination works to check that:

As the guest approaches his credit limit, The night auditor who is primarily responsible for identifying accounts of all the guest which have reached or exceeded predetermined credit limits, prepares a high balance report mentioning the details of all such guest(in detail discussed in night auditing) for the management or front office who may need to be notified, according to hotel policy. Such accounts are called high risk or high balance accounts.

Management than may choose to request additional credit authorization from the credit card company, or request a partial payment from the guest to reduce the accounts balance.☐
The front office may even deny charge purchase privileges to guest with high balance accounts until the situation is resolved.

Account maintenance:

All the monetary transactions that take place between the hotel and a guest are recorded in the guest folio in order of their occurrence an entry in the guest folio may be either debit or credit.

Net outstanding balance = Previous balance + Debits - Credits
        NOB   =   PB   +   DR - CR

Debit entries may include – room charges, food and beverage charges telephone charges etc
Credit entries may include – prepayment in part or full t the time of reservation or registration, allowances given to the guest, adjustments, full payment made at the time of settlement

4.10.2 Tracking All Financial Transactions

In accounting, a transaction is an exchange of goods and services for cash or a promise to pay. The occurrence of a transaction by the guest initiates activity within the front office accounting system. Nothing happens without a transaction. For this reason, the front office accounting system is called a transactional accounting system.

Both the nature of the transaction and its monetary value are required for proper posting procedures. Charge purchase transactions must be properly documented (typically on vouchers) for appropriate postings to be made. These must be promptly communicated to the front office for posting in the guest folios. The night audit

verifies all transactional data to ensure that the hotel collects accounts receivable balances for all goods and services provided.

Under the manual and semi-automated systems, tracking transactions is ensured through an intensive use of vouchers. On the other hand, Under fully automated systems, tracking transactions is ensured through on-line electronic transfer of transactional information from remote points of sale to the front office main frame terminal. A transaction can be one of several types:

- Cash payment
- Charge purchase
- Account correction
- Account allowance
- Current transfer
- Cash Advance

Cash payment: In this transaction, Cash payments made by guests at the front desk are posted as credits to a guest or non guest account, and decrease the balance of the account, and cash vouchers are used as a transaction-supporting document.

Charge purchase: Charge purchases represent deferred payment transactions. In a deferred payment transaction, the buyer receives goods and services but does not pay for them at the time they are provided that increase the outstanding balance of a folio account. In this transaction type, front office clerks shall use charge vouchers as a transaction-supporting document.

Account correction: Account correction is used to resolve a posting error in a folio detected at the day the error is made (i.e. before the closing of the business day). In this transaction, front office clerks shall use correction vouchers as a transaction-supporting document.

Account allowance: Account allowances occur because of two reasons:
1. Either as compensation of poor service, or as rebates for coupon discounts. That way, guest outstanding balance decreases.
2. As to correct a posting error detected after the closing of the business day.

For both reasons, front office clerks shall prepare an allowance voucher as a transaction supporting document.

   Account Transfer: When any one guest offers to pay a charge for another guest, the charge must be transferred from one account to another account. The reduction in balance on the originating folio and the increase in balance on the destination folio will be supported by a transfer voucher.

   Cash advance/ Visitors Paid Out (VPO): Cash advances differ from other transactions in that they reflect cash flow out of the hotel, either directly to or on behalf of a guest. Cash advance transactions are similar to debit transactions and increase a folio balance. Cash advances are supported by cash advance vouchers

4.10.3 Internal Control

In the hotel industry, the main purpose of internal control is:
- Tracking transaction documents

- Verifying accounts entries and balance
- Identifying vulnerabilities/ weaknesses in an accounting system

The keyword to internal control is auditing, which is the process of verifying front office accounting records for accuracy and completeness. Each Financial transaction produces paperwork which documents the nature and amount of the money of the transaction.

For example, the transaction that occurs when a guest charges a meal to his or her account folio may be supported by the restaurant's guest check, cash register tape, and charge purchase voucher. The voucher is prepared and sent to the front office as notification of the transaction. A front desk agent, in turn, retrieves the guest's folio, posts the charge purchase transaction, and files the folio and voucher. Later that day, the night auditor ensures that all vouchers have been properly posted to accounts discrepancies may be easier to resolve if complete documentation is readily available to substantiate account entries.

Below are some forms that are of extreme importance to internally control, one of the most vital assets in the hotel (i.e. cash):

Front office cash sheet: The front office is responsible for a variety of cash transaction, which may affect both guest and non-guest accounts .proper cash handling procedures and controls must be established, implemented, and enforced.

The front office cash sheet records each cash receipt or disbursement in order to reconcile cash in hand, at the end of a cashier's shift, with the documented transaction that occurred during the same shift. It provides separate columns to record transactions affecting guest accounts, non-guest accounts(or city ledgers) and miscellaneous transactions

Cash banks/ Imp rest/ Cash Float: A second set of front office accounting control procedure involves the use of cashier banks. Cash bank is an amount of cash assigned to a cashier so that he/ she can handle the various transactions that occur during the shift. At the beginning of each shift, all cashiers must sign their cash banks and at the end of the shift, shall deposit all cash, checks, and other negotiable instruments in the general cashier's safe deposit box. Moreover, at the end of each shift, cashiers should watch out for cash discrepancies (i.e. any difference between front office cash sheet and the actual amounts in their cash drawers). Cash discrepancies might have the form of cash overages, shortages, or due backs. Lastly, cashiers might come up with the net cash receipt, which is:

Amount of all cash, checks, and other negotiable instruments in cashier's drawer – amount of the initial cash bank + all paid outs

Audit control: A number of audit control measures are used to ensure that the front office staff properly handles cash, guest accounts, and non-guest accounts. Therefore most of the hotels have internal audit as well as external annual audits performed by independent certified public accountants. This is done to ensure that all accounts are being properly handled by the staff concerned. In both cases, a report is prepared and completed for management and ownership for their review.

4.10.4 Settlement of Accounts

One of the responsibilities of front office clerks is to settle guest accounts, which means the eventual collection of payment for outstanding account balances i.e.: bringing account balances to 0 All guest accounts must be settled at the time of checkout and this is usually ensured either by full cash payment, or by transfer to an approved credit card, personal check, special program, or direct billing account. This is the final and concluding phase of the front office accounting cycle; it refers to zeroing the balance of the guest folio to settle their account. The formula for calculating outstanding balance is:

Outstanding amount =opening balance +debit entries-credit entries

4.11 Night Audit

Auditing is nothing but conducting financial inspection of the organization. It is performed to ensure accuracy, reliability & thoroughness of accounting system. As Hotels operate 24x7x365 so Front Office regularly reviews and verifies the accounts. Because the guest staying in the hotel include regular guest or occasional guest and there is duration of stay may vary from few hours to several weeks, and a transaction especially financial one should be reviewed on daily basis guest might depart from the hotel anytime and it may be too late to recover an unpaid bill or loss due to is take in posting the charges in the guest account thus in order to safe guard the interest of the hotel, a systematic and daily examination of the financial transaction of the guest is carried out by the hotel. Thus Auditing in hotel results in balanced guest & non-guest accounts, accurate account statements, credit monitoring and reports generation. It is generally done during night that is why it is called as night auditing and person responsible for doing it is called night auditor.

Definition: According to the oxford's; learner's dictionary audit is an official examination of business and financial records to check that they are true and correct. The night audit is a daily review of guest accounts and non-guest accounts having activity, against revenue centre transaction information which helps guarantee accuracy in front office accounting. It is the process of auditing where the night auditor reviews all financial activities of the Hotel that has taken place in one day. A successful audit will result in balanced accounts, accurate statements, and appropriate credit monitoring and timely reports to management. Since hotels operate 24 hours a day, seven days a week, it is important to review and verify the accuracy and completeness of its accounting records. Whatever the mode of audit the audit routine would remain relatively unchanged. The audit is called a night audit because hotels generally perform it at night.

Why it is called as Night Audit? In most of the business An audit is generally carried out at the end of the every financial years and as hotel operates for 365 days following 24X7 pattern it become compulsory to safeguard the loss of revenue that may occur due to any error in the posting of charges in folios a daily auditing was required in the hotel and as in olden days, manual system was followed it was found night time was the most appropriate period for auditing due to very little business and movement during the night i.e. traffic of guest was less in the night and besides that all the posting will be done till the night so night was the most suitable time to review and

check all the posting done throughout the day, therefore auditing was done in night and thereby it is called as night auditing.

It is called Night Audit because it is performed at Night. In olden days, manual system was followed and For a hotel business, the finance management starts at the front office. Accurate posting of transactions on the guest folios start at the front office, which is further carried to the back-office accounting department. The guest accounts are counterchecked on a daily basis during auditing. Experts recommend the hotel management team to go through the night audit reports daily to get an insight of the hotel occupancy and finances.

The Need for Night Audit: The objective of night audit is to evaluate the hotel's financial activities. Night audit not only reviews guest accounts by checking credits and debits but also tracks the credit limits of the guests and tallies projected and actual sales from various departments. Night audit reviews daily cash flow into and out of the hotel's account. Night audit has a large significance in hotel business operations. The management body refers night audit report to plan future goals and control the expenses. The managers can react immediately on the acquired information.

- Responsibilities of a Night Auditor
- Basic Activities During Night Audit
- The night auditor performs the following steps during night audit activity:
- Posting accommodation and tax charges
- Accumulating guest service charges and payments
- Settling financial activities of various departments
- Settling the account receivables
- Running the trial balance for the day
- Preparing the night audit report

Apart from the basic audit activities listed above, the night auditor carries out the following Functions:
- Establishes the end of day.
- Ensures accuracy of Front Office accounting records and balances them
- Reconciles all financial transactions between hotel and guests.
- Calculates the total revenue generated during the day.
- Verifies and validates the cashier's posting of charges in guest accounts.
- Posts room charges in the guest folios.
- Transfers unpaid guest accounts to city ledger.
- Monitors the house limits of guests.
- Prepares a high balance report of guest accounts nearing or crossing their house limit.
- Monitors current status of discounts, meal coupons and other promotional activities that are carried out by front office employees.
- Tracks important operating statistics of the hotel for the day- room occupancy %, ARR, Rev PAR, Yield, etc.
- Prepares reports for management analysis and action and future planning.

NIGHT AUDIT PROCESS: It includes following steps:
- Establishes the end of the day
- Complete outstanding postings and verifying transactions

- Reconciling Transactions
- Reconciling Room Status Discrepancies
- Verify no-show reservations
- Post room rate and tax
- Preparing reports

Establishes the end of the day: An end of day is an arbitrary stopping point for the business day i.e. it is supposed to be the end of the financial transaction for a particular day. As hotel remain operational 24x7x365 is very necessary that there should be a time fixed at which all the financial transaction for that day comes to an end. In hotels this time is usually the hours at which the least number of transactions would occur and which is in the night shift that is why the auditing in hotel is done during night.

Complete outstanding postings and verifying transactions: Night auditor ensures proper posting of all transactions affecting non-guest and guest accounts. Transactions are supposed to be posted to accounts as they are received and he has to ensure that all vouchers are posted. Further he has to verify (even in computerized system) the postings. This he does by matching reports from interfaces with reports from Front Office system in a computerized environment.

Reconciling Transactions: The next step is there reconciliation of the entire financial transaction taken place throughout the day with the original source documents/vouchers. There reconciliation is done in the following sections:

- Guest accounts
- City accounts
- Point of sales

Reconciling Room Status Discrepancies: Room status discrepancies must be resolved in a timely manner. Such errors can lead to lost revenue and omissions in postings. The front office must keep room status current and accurate to monitor the number of rooms available for sale. The night auditor is responsible for ensuring that discrepancies between the daily housekeeping report and the front office room status are reconciled before the end of the day. If the front office believes a guestroom is occupied, but it is reported as vacant on the housekeeping report, the auditor should look for an active folio (folio with a balance outstanding) If the folio has a balance, possibilities are:

- The guest may have departed but has forgotten to check out
- The guest may be a skipper
- The front desk agent may not have closed the folio

Verify no-show reservations: The night auditor also verifies no show. A no show is a situation when a guest with a confirmed reservation does not arrive at the hotel on the date of arrival without any prior information about the cancellation The night auditor is responsible for verifying all the no shows, clearing the reservation rack and posting no show charges or retention charges to no-show accounts after confirming that the reservation was guaranteed and the guest never arrived. A hotel should take great care to record cancellations properly and should be very sure before posting retention charges as There

might be a regular guest / Corporate etc. and sometimes A cancellation might not have been recorded. Therefore night auditor should be very careful before posting to avoid charging a guest for no-show charges when not applicable.

Post room rate and tax: The posting of room rates and tax to all guest folios is typically done at the end of day. Direct posting of these to the electronic room folios in a computerized system is one of the greatest advantages of a PMS. After such posting, a Room Rate and Tax Report may be made sfor the management.

Preparing reports: The next step is that auditor is responsible for preparation of various reports for managerial use which helps them manage entire view the profitability of the hotel operations and to plan for future. In manual system this is one of the typical task but in fully automated hotel these reports are automatically prepared by the system. The reports prepared are
- High Balance Report
- Occupancy reports

High Balance Report: The High Balance Report identifies guests who are approaching an account credit limit. This is a detailed report about the guests either resident guest or city account who are approaching or exceeded the credit limit set by the hotel management. the night auditor checks all the accounts against the credit limit or the house limits set by the hotel and a high balance report is prepared in case any guest account reaches or crosses the house limit.

Occupancy reports: The night auditor also generates the following occupancy reports:
- Occupancy percentage
- House count
- Bed Occupancy Percentage
- Domestic Occupancy Percentage
- Foreigner's Occupancy Percentage

Occupancy Percentage: This is the ratio of the number of rooms sold to the total saleable rooms. It helps in determining the level of revenue that will be generated by the hotel and is indicator of the performance of the hotel.

$$Occupancy\ Percentage = \frac{Number\ of\ Rooms\ sold\ x\ 100}{Total\ number\ of\ salable\ rooms}$$

House Count : The house count is the total number of resident guests present in the hotel ie the total number of rooms sold. It is used to determine the average room rate per person.
House count =house count of previous day brought forward – today's departure's + today's arrivals

Bed occupancy percentage: It is the ratio of the number of beds occupied to the total number of available beds in the property

$$Bed\ Occupancy\ Percentage = \frac{Number\ of\ bed\ Occupied\ x\ 100}{Total\ number\ of\ beds\ available\ for\ guest}$$

Domestic occupancy percentage: it is the ratio of the total number of domestic guests to the house count

$$Domestic\ Occupancy\ Percentage = \frac{Number\ of\ domestic\ guests\ x\ 100}{House\ Count}$$

Foreigner's occupancy percentage : It is the ration of the total number of foreign nationals to the house count.

$$Foreigner's\ Occupancy\ Percentage = \frac{Number\ of\ foreigner\ guest\ x\ 100}{House\ Count}$$

CHECK YOUR PROGRESS-I

Q. 1   Write a note on types of folios.

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Q. 2   Write note on Method of bill settlement.

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Q. 3   Write note on Night Audit Process.

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4.12   Summary

All through the day the hotel undergoes many transactions with its resident guests. The transactions related to various services that the guest can avail, be it room service or laundry service. On most of the occasion the guest does not make any payments after availing the service at the hotel and the amount is posted on his/her room so timely and accurate posting of a guest's transaction in his account is very important for successful running of the business, it help the hotel to make an accurate bill and receive payment from the guest besides that an efficient and error free billing also leads to higher guest satisfaction

In most of the business An audit is generally carried out at the end of the every financial years and as hotel operates for 365 days following 24X7 pattern it become compulsory to safeguard the loss of revenue that may occur due to any error in the posting of charges in folios a daily auditing was required in the hotel and as in olden days, manual system was followed it was found night time was the most appropriate period for auditing due to very little business and movement during the night i.e. traffic of guest was less in the night and besides that all the posting will be done till the night so night was the most suitable time to review and check all the posting done throughout the day, therefore auditing was done in night and thereby it is called as night auditing.

4.13   Key Terms

Account correction: Account correction is used to resolve a posting error in a folio detected at the day the error is made (i.e. before the closing of the business day). In

this transaction, front office clerks shall use correction vouchers as a transaction-supporting document.

Allowance vouchers: an allowance is an amount deducted from an invoice to compensate the guest for an expanse or mistake. Allowance vouchers can be of 2 types. One type of allowance is a compensation given to a guest for poor services or discounts etc. The other type of allowance is a correction to a posting error on an existing account after the close of business.

Cash payment: In this transaction, Cash payments made by guests at the front desk are posted as credits to a guest or non guest account, and decrease the balance of the account, and cash vouchers are used as a transaction-supporting document.

Cash Receipt Voucher – A voucher used to support a cash payment received from the guest as an advance or deposit made by the guest at the front desk. It act as an acknowledge receipt of the cash received by the hotel from the guest .

Charge purchase: Charge purchases represent deferred payment transactions. In a deferred payment transaction, the buyer receives goods and services but does not pay for them at the time they are provided that increase the outstanding balance of a folio account. In this transaction type, front office clerks shall use charge vouchers as a transaction-supporting document.

City Ledger: The City ledger is also known as the Non-guest ledger. It is the collection or set of records of all accounts that do not belong to resident guests or non-guest accounts. At the time of checkout if a guest account is not settled in full or its outstanding balance is not brought to zero, the guest's folio balance is transferred from the guest ledger to the city ledger in the accounting division for collection.

Commission Voucher: hotels offer commission to the person who provide regular business to the hotel when ever a commission is given by the front office cashier he prepares a commission voucher, which should be signed by the authorized person, generally all such commission voucher are made for taxi driver who bring walk in guest to the hotel, travel agents and tour operators and other agency working on the commission basis or providing business to the hotel.

Correction Vouchers: An account correction transaction corrects a posting error in a folio. An account correction is made on the same day the error is made, before the close of business.

Credit: They reduce the guest's outstanding balance. These entries include complete or partial payment, or adjustments against tokens.

Debit: They increase the outstanding balance in the guest account. Debit entries include charges under restaurant, room-service, health center/spa, laundry, telephone, and transportation.

Employee Folio: Assigned for hotel employee, his folio contains the credit transactions between hotel and its employees. The folio is created and maintain for

employees to whom the hotel has permitted credit facilities, and the amount is later collected from the employees or deducted from their salaries as per the hotels policy.

Guest Account – It is the record of financial transactions that occur between a resident guest and the hotel. This account is created either at the time of registration, or during reservations when the guest has guaranteed his reservation by giving advance payment.

Guest Folio : Assigned to charge for individual guests. It is created for each guest as soon as the first financial transaction take place between the hotel and the guest. generally a folio is created at the time of registration or sometimes at the time of reservation it is open to post in the credit side the advance payment given by the guest as a token to guarantee his reservation.

Guest Ledger: Guest Ledger is a type of ledger that has the accounts of all the in house guest or all guests residing in a hotel. After the registration process of the guest is done, a guest folio is opened on his/her name to record all the purchases which he/she is making from the hotel. This ledger is also known as Transient or Room Ledger.

Horizontal Tabular Ledger: With the horizontal tab the departmental charges are lighted across the tab so each guest account is arranged horizontally across the page of the tab. Debit charges to the guest accounts are enter on the left hand side and credit entries on the right. Normally two lines are allowed for each room number this enables the number of entries to be made under the departmental heading for example, a guest may have a number of telephone calls course of a day.

Master Folio: Assigned charge for more than one person, usually for Group Accounts./organization i.e. it contains account for more than one guest more common for the entire group master folio is prepared. In small hotels a master folio contains the financial details of all the guest staying in the hotel and by seeing through it one can easily find the net credit or debit balance for the day.

Miscellaneous Charge Voucher: A voucher used to support a charge purchase transaction that takes place somewhere other than the front office they are deferred payment transactions. In a deferred payment transaction, the guest receives goods or services from the hotel but does not pay for them immediately.

Non-guest Account - It is the record of financial transactions that occur between a non resident guest or non guest and the hotel it is also called as House accounts/ City accounts. The FO cashier maintains the records of financial transactions between hotel and the local resident to whom the hotel has extended the credit facility for the use of hotel products and services.

Non-guest Folio: Assigned for non-resident guest. It is also called as city folio, it contain the financial transactions between a hotel and its nonresident guest. A hotel may offer credit facility to local businessman; corporate and even city folio is created for that nonresident s guest who avails the club facilities, health centre, sport centre etc facilities offered by the hotel

Paid Out vouchers (Visitor's Paid Out): Also called as a Cash Advance or VPO. It is cash paid out by the hotel on behalf of the guest. If petty payments like taxi fare, cinema tickets, postage etc. are made by the front desk, a Visitor's Paid Out Voucher is issued on guest's name and his signature is collected and the amount is debited in guest's folio.

Postings in Folios: The process of recording the entries on the folio is called 'Posting' of transactions. There are two basic types of postings:

Restaurant/Bar Bill or Check : Residents guest can enjoy their meals in any of the food and beverage outlets of the hotel on account of which a bill is raised and in case a resident guest wish to utilize the credit facility offered by the hotel, he can sign the bill which serve as a proof of financial transaction between guest and the hotel and are treated as vouchers for posting in the guest folio.

Telephone Call Voucher: With the use of computerized system by the hotel, whenever a guest makes a call, the call accounting module automatically transfer the call charges to the guest folio ie in small hotels where outgoing calls are routed through telephone operators the responsibility of billing the callers with the telephone operator who than notes the call details and prepares telephone voucher which is later posted to the guest folio.

Transfer Vouchers: A transfer voucher is used when the account balance or account entry is transferred or shifted from one folio to another folio. E.g. When one guest staying in room 203, agrees to pay a dinner charge for his friend who is also a guest staying in room 209 in the hotel, the charges must be transferred from room no. 209 folio to room 203 folio and this transfer must be documented by a transfer voucher.

Travel Agency Voucher : In travel agent guaranteed reservation, the travel agent forwards a voucher to the hotel as proof of payment and guarantees that the prepaid amount will be sent to the hotel when the voucher is returned to the travel agency for payment.

Vertical /Visitors Tabular Ledger (VTL): The rooms numbers of guest are entered across the tab the charger are recorded vertically below each room numbers. This system is often used in hotel the carbon paper is used to ever charger on to the tab and the bill at the same time debit entries forms the main body of the tab, while credits and entered at the bottom after the daily total has been summarized. Each days tab would consist of a number of similar sheets. The exact number of sheets used depends upon the number of rooms occupied.

4.14   References

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- Hotel Housekeeping Operations & Management – Raghubalan, Oxford University Press
- In House Management by A.K Bhatiya
- Key of House Keeping by Dr. lal
- Commercial Housekeeping & Maintenance – Stanley Thornes

4.15   Suggestive Readings

- Hotel House Keeping – Sudhir Andrews Publisher: Tata Mc Graw Hill.
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- Key of House Keeping by Dr. lal
- Commercial Housekeeping & Maintenance – Stanley Thornes

4.16   Terminal Questions

Fill up the blanks:
1) Cash paid to the guest by the hotel is called_____
2) Cash payment made by hotel on behalf of the guest is known as___
3) The upper limit of the credit extended by a hotel to the guest is_____
4) A _____ audits the hotel accounts daily at a time when the business is slow
5) The _____is the total number of resident guest staying in the hotel
6) The ratio of the number of rooms old total number of saleable room is called ____

Short Answer Questions
1. Explain the different types of vouchers prepared by the hotel
2. Give the duties and responsibilities of night auditor. And explain why it is called night audit

Long Answer Questions
1. Explain the front office accounting system
2. Describe the night audit process in detail