

Topic 1: Cashier

Introduction

A hotel cashier collects money from guests for their lodging accommodations and any other charges they may incur during their stay, including food and beverage, room service and telephone or computer use fees. He is commonly required to maintain related records and files regarding financial transactions that take place at the front desk. Good mathematical skills are required for this job. Although most modern cash registers or point-of-sale (POS) terminals automatically calculate fees and taxes based on the programming of their software, a hotel cashier is expected to be able to accurately calculate bulk room rates or corporate discounts and add up room and auxiliary charges utilizing a calculator or adding machine. Customer service skills are needed for this job, as well as the ability to work well with other hotel staff personnel. Besides processing cash, debit card and credit card transactions for guests, a hotel cashier is often responsible for foreign currency exchange for the guests. If customers have questions or concerns about charges on their bills, the hotel cashier should be competent in addressing them to their satisfaction. If a hotel has safes or safe-deposit boxes to protect valuable possessions of their guests, the hotel cashier is frequently in charge of handling them.

Duties and responsibilities of a cashier
Operates Front office posting software
Obtains the house bank and keeps it balanced
Opens the guest folio
Make all charge postings in the guest folio
Maintains adequate supplies of outlet stationery for cashiers
Assists with distribution of month end reports as directed by accounts or front office managers
Attends daily briefings

Maintains a track of all high balance guests.
Check and follow up on all bills on hold
Handles Paid outs.
Transfer guest balances to other accounts as required
Completes guest check-out procedure
Settles guest account.
Handles Cash, Traveler's cheque , Credit card and Debit card settlement procedures properly
Makes discount adjustments
Balances cash at the close of the shift
Manages safe deposit boxes
Exchanges foreign currency

Equipments and tools used by front office cashier

- Computer with PMS
- Laser Printer
- Folio Bucket
- Credit card imprinter/ EDC Machine
- Safe vault/ Cash drawer
- Safe deposit lockers for guests
- Cabinets to keep files

Topic-2: DEPARTURE PROCEDURE

Step By Step Process of Guest Check-out

Introduction.

The guest check-out procedures are highly crucial, since all guests are in a hurry to leave the hotel to catch Train, bus or flight to reach their Next Destination.

So in this case the front desk staff should take more caution in planning his work as a professional. Guest check-out is the final stage of guest cycle and it is one of the most important. You should always consider the last impression also equally important to guest first impression about hotel services and facilities.

Great care must be taken to review of guest bill and its settlement. The staff must handle check-outs efficiently and courteously by less time consuming so that one can achieve guest satisfaction.

ORGANISING GUEST CHECK-OUTS

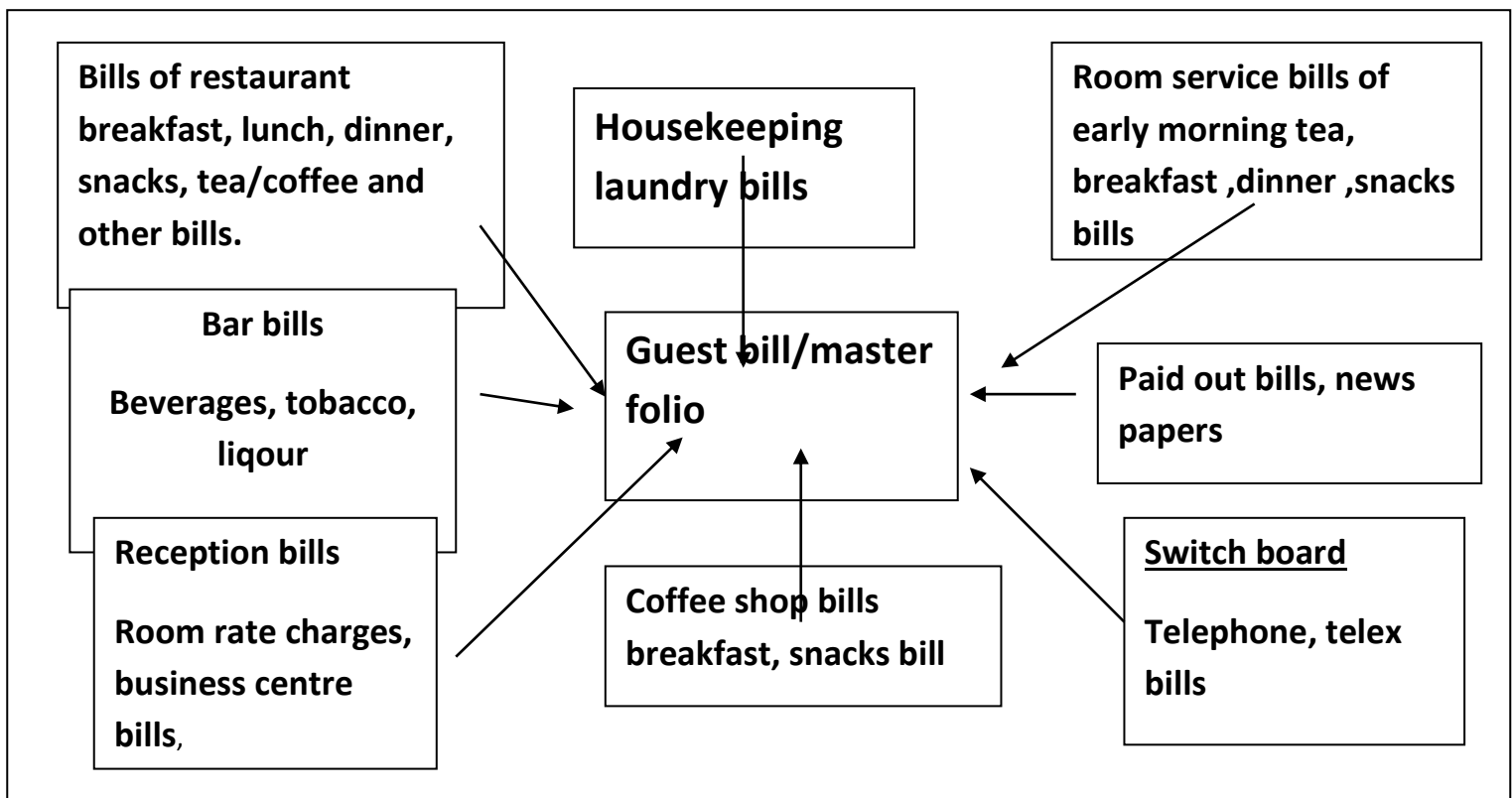
Very often we can see that Guests are in a hurry to leave the hotel premises once the formalities are completed in guest check-out. Some guests get impatient when they have to wait in queue or a long time is taken to produce their bills or to answer their queries. Careful preparation will reduce these kinds of problems. It will also reduce the risk of making mistakes which is loss to the hotel in terms of money.

The following Procedures are followed at the time of guest check-out.

1. During the night shift the front desk staff prepares the next day advance departure list which is circulated to all major departments(Food and beverage ,Housekeeping, Security)
2. The departure list will alert all the departments to post all last minute bills (for example room service food bill or laundry) of the guest in guest folio.
3. Mode of payment of the guest should be checked in advance.
4. Ensure that all guest bills are posted in guest account.

5. Sales of different department bills should be identifiable by guest.
6. Check for any error in posting of guest bill
7. Ask the guest to check his final bill and sign. Get approval from guest to take the printout of bill.
8. With the help of computer system bills may be printed in advance during busy hours.
9. This helps in smooth settlement of guest bills.

Information processed at the time of preparing guest bill



Importance of guest checkout at hotels:

Check-out is a great opportunity for every hotel to offer further guest services to develop guest relations by the hotel staff. The guest should be assisted in handling their luggage, by enquiring about the guest onward journey travel arrangements, arranging taxi for airport/railway station etc.

The front desk staff may offer assistance for any room reservation at same chain of hotel at the guest's next destination at the time of check-out.

Departing guest is the best judge to evaluate the hotel services offered by all department staff during guest stay in the hotel. Guests are requested to fill up guest feedback form with the good points and bad points through which the hotels can improve their service standards by the comments/suggestions given by the guest. This is valuable information for hotels to identify their weak areas of hotel facilities and services to improve in the near future.

Check-out is a major point of guest stay in hotel, where guest is more worried about their final bills or some wrong posting of charges in guest bill. Hence the check-out process should be made as relaxed, positive, trouble-free as possible for the convenience of guest. The speed and accuracy in preparing and presenting guest final bill will lead to develop guest satisfaction.

The hotels follow standard set of procedures for the smooth departure of guest from the hotel

Check-out request made by guest:

Guest can contact reception through telephone/in person about their check-out and wish to depart from hotel. This information is communicated to all other concerned sections that provide guest services during their stay in hotel. While processing the departure activities the front desk agent should confirm the details like Name of the guest, room number, etc and check the departure date mentioned in guest registration card. Communicate to bell desk to send a bell boy to guest room to bring down the luggage from guest room.

CHECK-OUT TIMING TO BE FOLLOWED:

Most hotels inform their guest about check-out timings as per hotel policies at the time of guest making a reservation to avoid problems at the time of guest departure. Hotels generally follow either 24-hours checkout or 12-noon checkout.

Accounting all transaction of guest bill:

The front office cashier will co-ordinate with other departments like housekeeping for any laundry bills to be posted in guest accounts, food and beverage department for any room service bills/ restaurant bills etc.

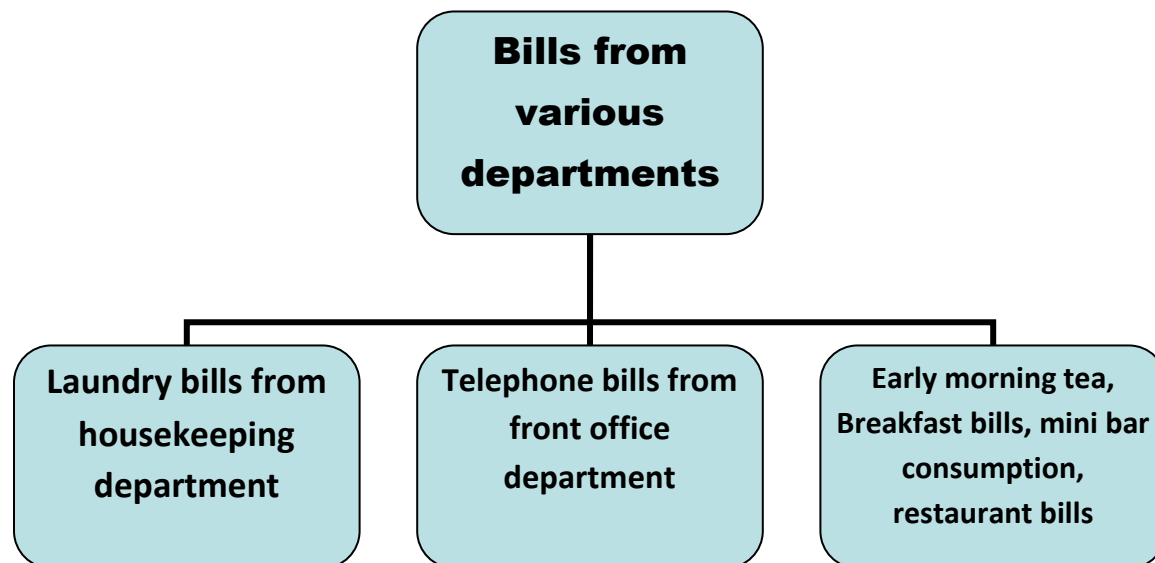
Since it is very difficult to collect the payment for unsettled bills after guest has checked out. Some time even guest may refuse to pay for the un posted bills. So the cashier must ensure that all bills are posted in guest folio before bill settlement.

TO UPDATE GUEST FOLIO BY CASHIER

The cashier must update guest folio by adding the last minute bills from other point of sale. To check for any late checkout charges if applicable. For example if the hotel checkout timing is 12-noon and the guest depart at 5.00 in the evening, the guest will be charged for late checkout. Cashier should make sure that all bills are posted before preparing final bill.

TO PREPARE FINAL BILL:

Guest final bill is prepared on the basis of guest folios. Front office cashier must promptly enter the late checkout charges or last minute bill from other revenue generating departments. Some common bills which are generally remain un posted in guest bill at the time of checkout which is loss to the hotel revenue.



To avoid any such above mentioned un posted bills in guest folio, the front office cashier can call through telephone to other departments to send the bills to front office which can be posted without much delay or enquire with guest about their last minute bills.

The other department also should cooperate to send the guest bills by deputing some staff to directly handover guest bills to front office cashier for smooth guest checkout to avoid any loss in revenue to hotel. It is very difficult to collect money from guest after checkout formalities are completed and the guest left the hotel.

To confirm the mode of payment from guest:

The method of bill settlement is generally confirmed with the guest at the time of making room reservation or at the time of guest check in at the hotel. The guest will make appropriate entries in **GUEST REGISTRATION CARD**. So that it is easy for the cashier to perform checkout in professional manner. The mode of payment will differ from guest to guest in terms of guest profile and status. The guest can settle their bill by cash, credit card. Debit card, travel agent vouchers, personal cheque, and bill to company, foreign currency, etc.

The above mentioned mode of bill settlement is generally followed in all luxury hotels, so that the cashier can prepare guest folio in advance. But it is very important to confirm the mode of bill settlement at the time of guest check out also. Because even at the last minute the guest can change their mode of bill settlement, and the cashier should be able to handle such kind situations.

RECEIVING PAYMENT FROM GUEST:

After the final preparation of guest bill, it is given to guest for reviews. Once the guest is satisfied about their bills receive the payment as per the pre-decided mode of payment. Any posting error should be shown to the cashier for necessary action by guest. Incase of cash settlement check the currency notes and hand over the balance to guest. PAID STAMP seal is put on top of the guest copy of bill. Put the bills in hotel envelope and hand over to guest.

MARKETING ACITIVITY PROCEDURE DURING CHECK-OUT:

Since guest check-out is the final stage where guest come in contacts with front desk staff, the hotel staff should use this opportunity for marketing efforts for promoting hotel business.

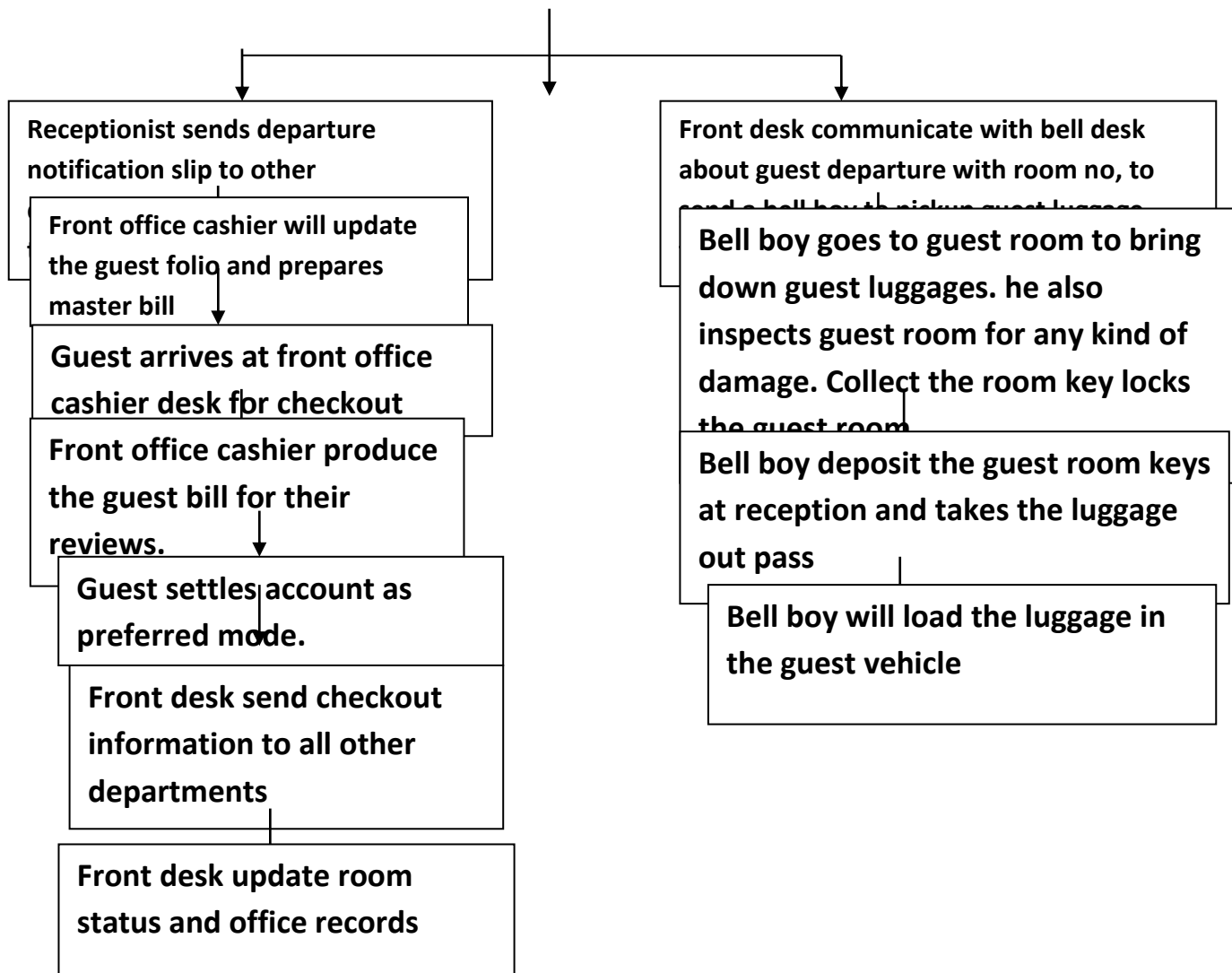
The following marketing strategies may be followed

- ✓ Receptionist can politely enquire about guest experience at the hotel during their stay.
- ✓ Guest may be given feedback/guest comments card to fillup.
- ✓ Incase any guest complaints, assure the guest for taking action.
- ✓ Providing service in terms of future reservation for the guest trip or helping the guest in making room reservation at the next destination of the guest.
- ✓ Thank the guest for staying in the hotel.

UPDATING ROOM STATUS RECORDS AFTER GUEST DEPARTURE

Once the guest has cleared his/her bills and checked out, the front office staff must update the room status records for reselling of rooms. The front office removes the Name tag slip from the information desk, room rack so that the checkout rooms may be cleaned for next guest. If it is not followed the room will be vacant and dirty and it cannot be given to any guest, which is loss to the hotel.

Flow chart of guest checkout procedures



Do's and Don'ts during check-out.

DO

- Prepare in advance it is compulsory for all the front office staff at the time of guest departure.
- Ensure all charges are posted
- Check for accuracy
- Allow guest to check his/her bills
- Be careful while handling cash
- Know the hotels credit policy
- Follow the rules and regulations of the hotel
- Ensure that the billing formalities are done properly
- Ask for help if you need it

DON'T

- Rush and cause mistakes to happen
- Be careless in handling guest money
- Be afraid to ask help from senior staff members.
- Panic to handle guest complaints related to guest bill.

Some common points in handling checkout at cashier desk.

- Greet the guest by name, if known, and ask for the room number.
- Collect all the bills and vouchers which are attached with the guest folio.
- Confirm with the guest for any recent bills like breakfast bill in restaurant.
- Inform and collect pending bills from other departments.
- Take a printout of guest bill and handover to the guest in polite manner.
- Inform the guest if you have any query in billing, we are ready to assist you.

- If the guest is fully satisfied with the billing then take the payment.
- Handover the remaining balance amount if any along with guest copy of the bill by marking PAID STAMP.
- Put the bill in a hotel envelope and handover it to respective guest.
- Thank and say good bye to the guest for example,

“Thank you very much for staying with us Mr. Raj I hope you have enjoyed your stay in our hotel. Please give us an opportunity to serve you again”.

Notify all other departments that

- Guest has vacated the room
 - Guest settled bill, but guest requires using the room till 1300 hrs. (1-hour extra time given to guest on his/her request).
- If any luggage the guest wants to leave under hotel custody at bell desk for a week.
- Update the room status in the computer system as vacant and unclean.
 - Inform the housekeeping department to clean the room, so that the room can be resold as rooms are perishable item.

General pattern of guest departures based on guest profile.

- **Business guest**-will checkout quite early
 - **Tour groups**-may also leave early mostly after breakfast, since they have to travel to their next destinations
- **Holiday makers**-they will depart at their own convenience as they are not in a hurry.
- **Conference guest**-they also in hurry to checkout.

Creating Guest History at the time of Guest checkout

Guest history is a file which contains all relevant personnel information about guest details about guest Name, age, sex, Designation, Company, Marital status, Salary, Likes, dislikes, Interest in sports, Music, choice of Food, Any Special habits etc.

Front office Department plays a very important role in maintaining and updating guest history time to time.

Generally in all hotels this type of data maintained to know about their guest preference in terms of providing great customer service by all hotel staff.

Guest history helps in providing information about

- Name of the guest
- Address and e-mail id
- Phone/mobile no
- guest choice of rooms
- mode of payment
- designation/company
- date of birth
- sex
- wedding anniversary

All these details are collected at the front desk and entered in the guest computer data. This file provide information about guest financial status, spending pattern, mode of bill settlement, previous visit date, any complaints and suggestions given by guest.

Having such information helps the hotel to provide better guest service.

Benefits of Guest History Record

- It helps to know about their guest
- It helps to promote business
- It helps to serve guest better according to their needs and choice
- Better understanding with guest

Helps to bring back the guest to same hotel, as a repeat guest only if the guest has enjoyed hotel services during previous visit to the hotel

- To wish the guest on birthdays, Anniversaries, Festivals,
- To provide professional and anticipated service to guests
- Act as a bridge between the management and guest.
- For any future reference of guest

SAMPLE FORMAT OF GUEST HISTORY

NAME OF GUEST:				NATIONALITY:	
ADDRESS:				DATE OF BIRTH:	ANY OTHER IMPORTANT DATE:
MOBILE NO/PHONE NO:				WEDDING ANNIVARSARY:	
Arrival date	Departure date	Room no	No of nights	PREFERANCE IF ANY: FOOD,MUSIC ,EXTRA BEDDING.	NORMALLY BOOKED THROUGH
					AGENT/CO.
					CONTACT:
					NORMAL BILLING INSTRUCTIONS:
				COMMENT:	

- for review.
- The payment is received from the guest as per the predetermined mode of payment
- The front office makes the luggage out pass.
- The front desk communicates the departure of the guest to housekeeping and all the other concerned departments.
- The front office records are updated automatically. These include:
- The auto removal of the name of the departed guest from the in-house guest name list.
- The automatic updating of the current room status—from occupied to vacant/dirty.
- The automatic updating of the guest history card.

Group checkout procedures

INTRODUCTION

Groups can bring huge revenue for a hotel but there is a lot of work involved in it. This statement is very much true as groups reserve number of rooms in a hotel for example 10 to 15 rooms, which generates huge amount of income to the hotel.

If a group of guest, belong to a particular Tour group checkout at the same time, lot of care and preplanning activities and special checkout procedures to be followed by front office staff for the smooth functioning of the department.

- a) During group checkout a separate counter may be allotted at the lobby to minimise the crowd at the front desk.
- b) A separate group waiting area may be provided, so that all guests belongs to same group may assemble at one specific area at lobby.
- c) Easy for bell boys to handle guest luggage from guest room to lobby area.

Group departure At bell desk counter

- Bell boys are instructed to handle guest luggage of the group.
- Briefing and floor allocation of bell boys are informed by bell captain
- Wake up calls are given by bell boy and telephone operator.
- Bag pull –it is a process to bring down guest luggage from group members room
- baggage down time from guest room should

Be entered in the bell captain control sheet.

The front desk

Reception section should have a departure list for the group, so that it can follow the procedures for making sure that

- All keys have been returned by guests
- The group leader has countersigned all bills related to room rent and all meal charges to be paid by tour operators.

- Individual guest bills of extra charges like laundry, mini bar charges,(if any) may be paid by guest.
- All guest luggages are cleared from guest room as per the group rooming list.
- Separate waiting area may be provided at the lobby for the group members to rest.

At the cashier desk

- Front office cashier should follow standard checkout time.
- Preparing room wise sales summary report.
- Printing of master folio done by the cashier.
- Master folio given to the tour leader and the individual guest bills are collected with the assistance of group leader.
- Once the bills are settled by the group leader, the bell boy must ensure that the guest luggages are loaded in the tour bus.

General checkout problems

As we have disused, guest checkouts a very critical point of the guest cycle. The departure Procedure should be easy and comfortable for the guest.

- Late checkout of group members
- Long queues at the cahier counter.
- Improper bill posting and mistakes.

Hotels should always provide speedy and accurate billing for all guests, so that guest leave the hotel with good impression for his/her next visit to same hotel. A satisfied guest will also promote the hotel business, by referring other guest like his/her friends and relatives to the same property.

Hotel xyz

Departure notification slip

Department: -----

Reception: -----

This is to inform you that the following guest is departing from the hotel. so please rush the credit charges ,pending bills to cashier desk of front office.

Name of the guest: -----

Room no: -----

Date of departure: -----

time: -----

Note- This form is generally used in all the hotels. It is prepared by front desk staff to communicate with other departments in hotel about the guest departure. So that all necessary formalities of guest room bills are posted in guest folio for guest bill settlement.

Hotel xyz

Guest luggage out pass

No-00247634

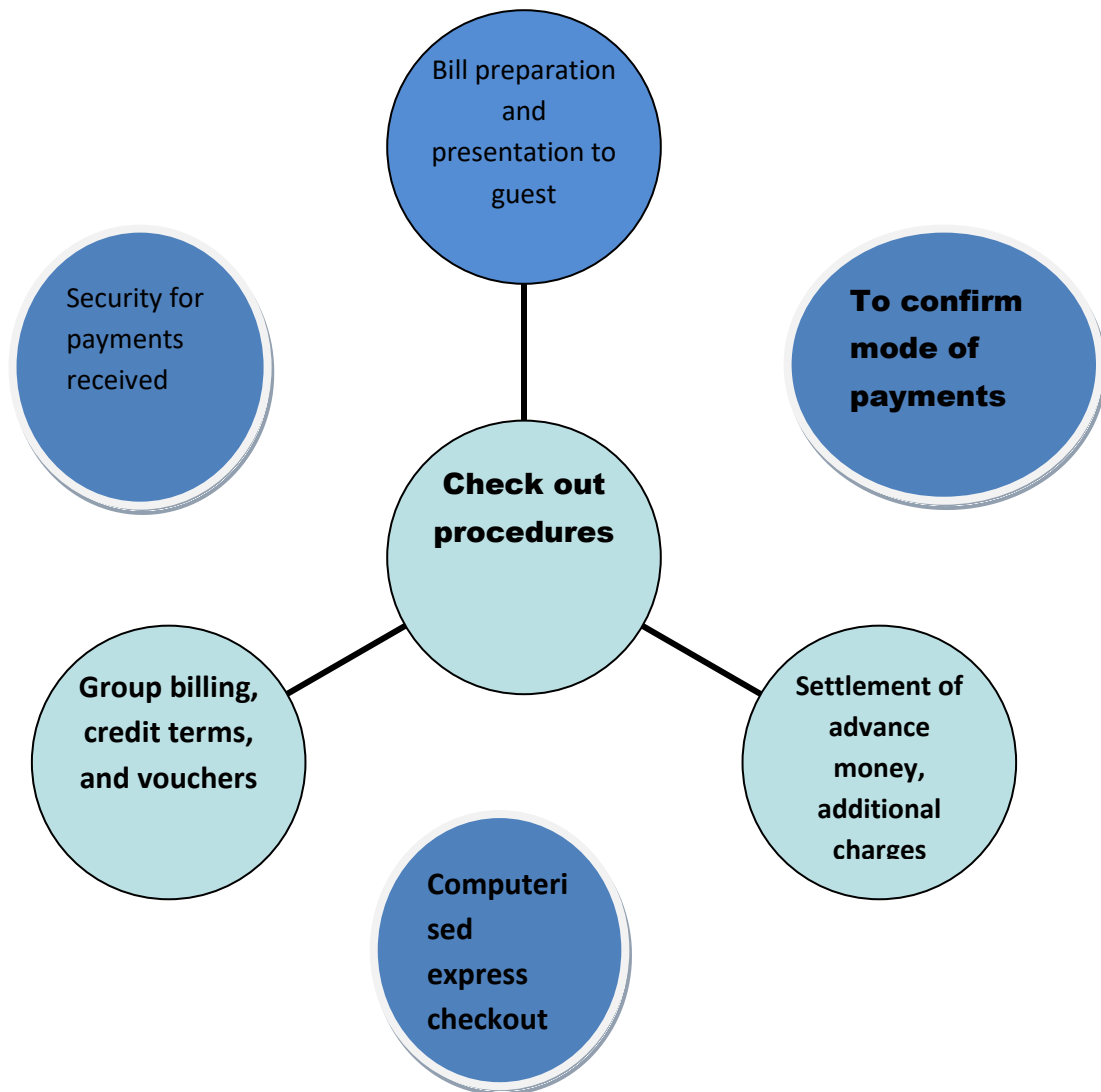
Name of the guest: -----

Room no: -----

of departure -----

ime: -----

Bill no: -----



ASSESSMENT

Answer the following questions

1. What is checkout?

2. What are the procedures followed in guest check-out?

3. What is errand card?

4. What are the dos and don'ts in guest check-out?

5. What is guest history?

6. Duties performed by cashier at the time of check-out?

Check list for assessment activity

Use the following checklist to see if you have met all the requirements activity.

PART-A

- 1) Explain the different procedures followed in Normal check-out and Group check-out?

PART-B

Discussed in the class following

- a) What is Departure notification slip?
- b) Draw the format of guest history and its importance?
- c) What Marketing activity done at the time of check-out?

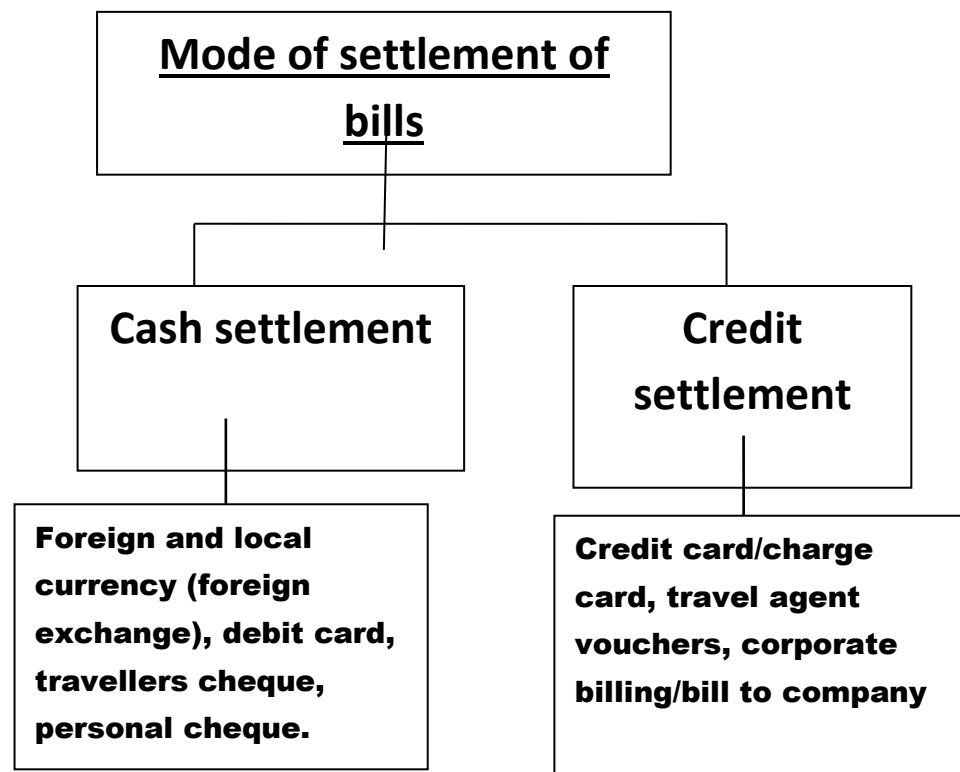
PART-C

Performance standards	yes	no
To understand check-out procedures		
To know the various activities followed at various desk during check-out		

Modes of guest bill settlement

Introduction

It is quite common that the guest determine the mode of bill settlement at the time of reservation or at the time of registration. These procedures are strictly followed by all hotels to make sure that guest departure process is convenient and less time consuming, and cashier also aware of the guest preferred method of bill settlement.



There are various acceptable modes of bill settlement like

- Cash settlement
- Travellers cheque
- Personal cheque
- Demand draft
- Debit card
- Credit card settlement
- Travel agent voucher
- Bill to company
- Foreign currency settlements

Procedures involved in handling cash settlement

Cash payment is the easy and simple mode of bills settlement which is very convenient for hotel and guests. Cash is still the most commonly used payment method to attract and retain guests.

- Cash is accepted in all point of sale like room service, restaurant, laundry, spa, business centre etc.
- Guest can directly pay for the hotel services
- Cashier may give the receipt of guest copy with the PAID STAMP.
- Zero down the Account balance of the guest bill after receiving cash from guest
- Cash transactions should be maintained in cashiers report.
- Return the appropriate change to guest if any
- Counting of currency should be done carefully by the cashier.

ADVANTAGES OF ACCEPTING CASH

- ✓ High liquidity: money can be reused without delay for any other transactions
- ✓ Cash can be deposited in bank to earn interest
- ✓ Fairly high worth to do cash transactions
- ✓ No processing fees as extra added to guest accounts
- ✓ Convenient for small transactions
- ✓ No special equipment required in dealing with cash

DISADVANTAGE OF ACCEPTING CASH

- ✓ Low security, high risk of theft
- ✓ Manpower cost, transportation cost involved in depositing money in bank.
- ✓ Time consuming to deposit cash in bank
- ✓ Common errors possible in counting of cash
- ✓ Time consumed in giving change or balance to guests
- ✓ Inconvenient for large transactions
- ✓ Not very safe to carry cash in hand.

Traveller's cheque:

Traveller's cheque in short it is called as TC. It is accepted all over the world. It is a cheque for a sum in a specific currency which can be exchanged anywhere for local currency or goods. Traveller's cheque is very famous across the world in terms of settling bills in hotels. It is issued by recognised banks/financial institution, it function as cash. Traveller's cheque is useful while

travelling in foreign countries. The value of travellers' cheque is mentioned in it. Some bank charge for commission when we encash the cheque and some bank don't charge for it.

Advantages of Travellers cheque:

- The cheques are issued in fixed denominations by major banks, Travel agents.
- No need of bank account for purchasing traveller's cheque
 - Two signatures are required one in the presence issuing authority at bank and second signature of guest at encashing authority (hotels)
- These cheques are valid for indefinite period of time unless dated
- This type of cheque never bounces, since it is already paid by guest at bank.
- Quite safe in carrying traveller's cheque.
 - Incase of loss of traveller's cheque it should immediately reported to issuing bank and local police station.

Procedures followed in accepting Traveller's cheque in hotels:

- ❖ Make sure that the second signature of guest is signed in front of the cashier
- ❖ Guest passport details may be checked by the cashier for guest identity.
- ❖ At the back side of the traveller's cheque cashier should enter the passport no.
 - ❖ If the traveller's cheque is in foreign currency, then calculate the correct exchange value as per daily rate.
- ❖ The cashier must return the balance in local currency.

Advantages of accepting traveller's cheque

- Easy to carry in foreign country
- Reduced risk of theft due to no transferability of money
- Customer service in terms convenience and safe for travellers
- Better exchange rate and no expiry date.

Disadvantages of accepting traveller's cheque

- It takes time to clear before funds are available.
- Banks charge as a small commission for exchanging them.
- Normal bank clearing system to receive money from bank.

Personal cheque:

Generally payments through personal cheques are not entertained by hotels. Inform the guest politely that our hotel don't allow guest to settle their bills by personal cheque as per

hotel policies. On a special case if the guest insists that he/she will settle by personal cheque in that case ask them to contact lobby manager for an authorisation.

The guest needs to fill up application for payment of bill through personal cheque, after obtaining permission for the same from lobby manager.

Application for payment by personal cheque

date: -----

Dear sir,

I hand over you at Chennai the cheque no----- dated-----of Rs-----

Drawn on (name of bank and station)for the bills submitted to me for my room rent, food, and other services provided in your hotel.

I further confirm that i have sufficient money in my bank account and the cheque no ----- will be duly honoured by my bank when presented for payment.

Yours faithfully;

SIGNATURE

NAME OF THE GUEST,

DEMAD DRAFT:

Demand draft is a written order form which is issued by the bank for the payment of money for the person on whose name the draft is issued. The bank authorises to make the payment once it is presented to the bank. Any person can obtain a demand draft by filling the necessary documents prescribed by bank and paying the draft amount and the bank will charge some commission amount for preparing demand draft.

Main features of demand draft:

- No need of bank account to obtain demand draft
- Draft is endorsed by bank
- It is widely accepted
- Issued by concerned bank
- This draft is signed by the issuing authority of the bank
- Draft is valid for six months from the date of issue, so sufficient time is provided to encash the amount
- Generally draft is crossed and amount is released for account holder only.
- Payment will be made to hotel since the amount is already prepaid by guest to bank.
- No risk is involved money will be paid.
- In case demand draft is stolen or misplaced in that case you can inform the bank for necessary action.
- Since the commission charges also prepaid by customer at the time of issue bank will not charge any additional charge at the time of withdrawal of amount.
- Demand draft also safe mode of money transaction in any establishments

DEBIT CARD

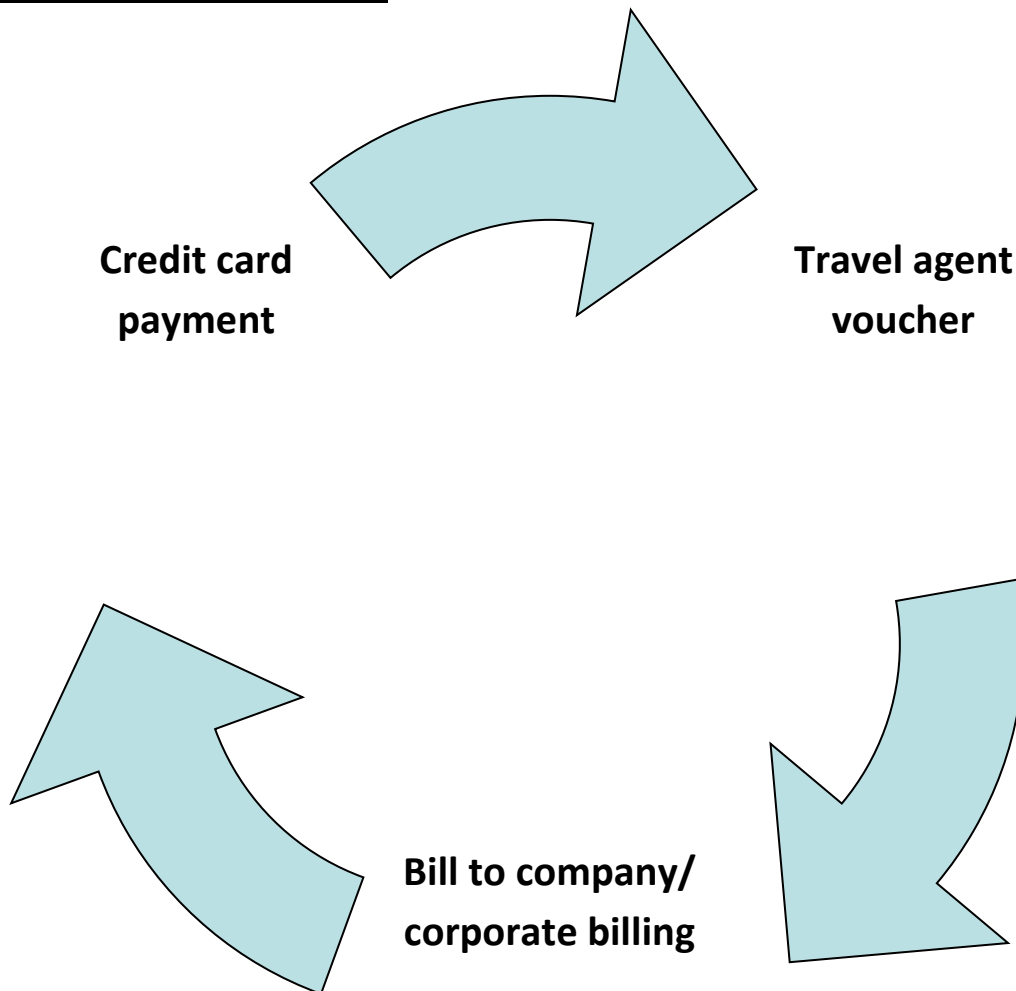
Debit card also a mode of bill settlement generally accepted in all hotels. A debit card is a card made of plastic that allows the guest/customer to access their funds immediately, electronically. it allows the guest to withdraw money from ATM MACHINES, and it also used to pay the guest bills in hotels ,restaurants, malls, shopping centres etc. While settling bills these cards are given to the cashier to swipe in the machine for deducting money directly from their saving account and the customer has to authorise the payment by pressing their PIN NO in the machine and the amount will be deducted from the customer account.

Advantages of debit card

- Very safe and convenient mode of bill settlement
- Guest need not carry cash all the time
- Customer friendly easy in carrying in wallets
- Amount is immediately debited from guest account and credited to hotel account for payment

- Incase of insufficient funds in guest account bank will not authorize the payment
- Immediate SMS FACILITY on guest mobile about the details of transaction and the amount debited from guest bank account
- Guest need to sign the copy of charge slip for payment

Credit Mode of Bill Settlement:



Credit card settlement:

INTRODUCTION

It is a popular method of guest bill settlement for payment room rent and services provided by hotel to guest. Most of the hotels accept at least one or two major credit cards for example Master card, American express, visa card, diners club, Sbi card, Icici, Hdfc etc.

Credit cards are convenient for travellers: they don't need to carry cash or cheque book during their journey. Most hotels nowadays use electronic machines linked directly to the bank, card details are collected through magnetic swiping machine for appropriate payments

Credit cards are generally made of plastic that allows the guest to obtain services from any establishment on credit term without paying cash. Other name of credit card is **(PLASTIC MONEY)**.

HOW TO PROCESS CREDIT CARD FOR PAYMENT:

Most of the hotels entertain credit card payment because of the electronic machines linked by telecommunication links directly to concerned bank and all relevant information of card is collected when it is swiped in **EDC MACHINE (ELECTRONIC DEVICE CIRCUIT)**.

- After receiving the credit card from the guest for payment the cashier inserts or swipes the card, and enters the bill amount and the hotels identification code.
- Details are obtained to the bank's computer system for approval.
 - Bank will give its approval on the basis of card validity, expiry date, and credit limit of the card.
 - The guest is generally requested to enter their **PIN NUMBER (Personal identification no)** which is generally of 4-digit, to confirm the guest identity to accept the transaction.
- The machine produces two charge slip
 - Guest is requested to sign the charge slip in which all relevant information of transaction date, place, time, amount, etc.
 - The cashier will verify guest signature on the charge slip with signature on the card at the back side , to prevent misuse of card.
- The top copy of charge slip is given to the guest for their future reference.
 - The second copy along with the guest signature is kept with the hotel for processing of payments from the bank.

Importance of credit card:

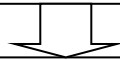
1. For obtaining credit card bank account is not compulsory.
2. Credit cards are issued by concerned bank on the basis of guest income/salary

3. Specific credit limit provided to guest based on the type of credit card.
4. The guest may enjoy minimum of 45 days credit duration to repay the amount.
5. Billing dates are fixed by the bank
6. You can withdraw cash also from ATM as per the card limit fixed by banks.
7. Guest need not carry money, instead they can carry a credit card in any part of the world for any bill settlements

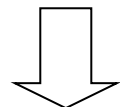
Standard procedures to handle credit card by cashier

While handling credit card for bill settlement the following points should be carefully followed by cashier to avoid any kind of loss in business to the hotel.

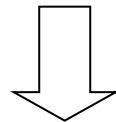
Check the guest name/card holders name on the credit card



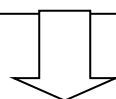
Check the photograph of the guest which is printed on card. Some banks insist in guest photo on the card to identify the card holder



Check the expiry date of the card/check if the card is stolen.



Check the credit limit of the card, because the billing amount should not exceed the credit limit approved by banks/ if the bill amount exceeds the cashier should get approval from bank to authorize the transaction/request the guest to pay in cash



Swipe the card through EDC machine for verification of card and authorization of bill amount by bank.



Request the guest to sign on the charge slip, once the transaction approved by bank. Top copy given to guest and



Verify the guest signature on the charge slip and signature at the back side of credit card. Return the credit card to guest. Attach the charge slip to guest folio and send it to accounts department for getting the payment from bank.

Normally it will take one week time to get the payment from bank, once the charge slip sent to the bank.

Advantages of credit card

- High security involved during transaction
- Safe and secure and easy to carry
 - Less risk of theft, if the card is lost you can immediately call up the bank to deactivate the card, so that nobody can use it.
- Very good customer service provided by bank SMS alerts for any billing takes place.
 - Customer care executive available from Monday to Saturday from morning 07 am to 08 pm to provide information on customer credit card balance enquiry
- Guest can convert their billing amount for example 60,000 into easy EMI (every month instalment) as per terms and conditions of the bank as 1-year to 4-yaer maximum.
- Guest can use their credit card for ONLINE SHOPPING for example purchase on flight tickets, railway tickets, etc.

- Credit card encourage guest in higher spending
- Provision of bonus points on every shopping which the guests can encash as a small gifts as per the rules of the bank.
- Sms alerts to guest mobile on every transaction made with information of bill amount, time of billing, place of transaction.

Disadvantages of credit card

- It takes time to receive payment from bank at least one week.
- Banks charge 2 to 3 percent as commission for transactions.
- Danger of credit card fraud
- Credit card should be kept in safe custody and all passwords should be kept confidential.
- Possibility of network error at the time of billing and payment.

Travel agent voucher

INTRODUCTION

These type of travel agent voucher is issued by travel agents, who sells package tour to a tourist in advance which includes room accommodation, food charges, sightseeing, transportation, ticket fare etc. travel agency voucher indicates that the guest has already paid in advance to travel agency for arranging all necessary arrangements for a tour. travel agents send a copy of voucher to the hotel at the time of room booking, and second copy of the voucher is given to guest. At the time of check-in at hotel, guest submit the travel agent voucher at reception desk.

Most of the voucher includes the services to be offered by hotel to guest. guest must be aware about the services include in the voucher. Any extra charges will be recovered from guest directly.

Points should be kept in mind while handling Travel agent voucher for bill settlement:

- A. Read the voucher carefully issued by travel agent
- B. Refer to the list of approved travel agents to whom the hotel offers credit for safe side of business.

C. Check the billing instruction carefully what all the services are included and what are the extra services to be paid directly by guest.

D. Incase of a foreign travel agency voucher get authorization from the lobby manager.

E. Check the expenses which are covered under the voucher

Enclose all the bills signed by guest, with the master bill and request the guest to verify and sign the bill.

F. Do not hand over the original bills to guest or group leader as original bills has to be presented to travel agent which is going to make payment to hotel.

G. The original bills will be sent to account section for the collection of payment from travel agent.

H. Generally the travel agent makes the payment of the bill within one month.

Sample travel agent voucher

Raj travel corporation India pvt ltd

date:-----

Mount road.Chennai-600068

voucher no-----

To,

The manager,

Hotel Royal inn,

Chennai.-600063

Dear sir,

In exchange of this voucher, please provide the following servies to our valued guest.

A. _____

B. _____

C. _____

Guest details are given below

please note-your bills for the above services should

Name of the guest

kindly be A) given to guest for direct settlement

Arrival date &time
settlement

B) forwarded to our office for bill

Departure date&time

Signature of issuing authority & seal

Corporate billing or bill to company

Tour companies and business paying for their employees' travel, will generally find themselves making regular high frequency of hotel room bookings. The companies may find it difficult and costly, to pay for each stay of their company staff.

The hotel will have carry out a market survey to check the company's reliability in the market .The following points will be considered to establish credit facility to the company with the hotel.

- A. Company turnover per year
- B. Company branches in other states in India/abroad.
- C. Average room booking expected in a month/year.
- D. Types of rooms required for company staff
- E. Room rates, meal plans and facilities for company staff.

After considering the above points the company and the hotel have a mutual agreement in terms of business. The terms and conditions of payments also predetermined. The room reservations are made by the company on behalf of their company executives. The hotel will send the confirmation letter once the room reservation request is made by the company for their staff. Reservation section will coordinate with company in sending the confirmation letter which will mention the type of room reserved and rates which are agreed in contract between hotel and company.

The company executive will carry the room confirmation letter at the time of check-in at hotel. Since the rooms are reserved the company guest will be assigned rooms. During check-in the company guest need to show the company visiting card for their identity.

The room rates which are mutually agreed between the hotel and company is called COMPANY VOLUME GUARANTEED RATES (CVGR).

And all the relevant bills will be sent to the company for payment. Guest need to pay for only extra charges like laundry bills, beverage bills etc.Because these EXTRA CHARGES are not included in the agreement.

Steps followed in BILL TO COMPANY (BTC)

- ❖ All the company guest need to confirm their identity by producing company identity card/ visiting card at the time of check-in procedure at reception desk.
- ❖ **BTC LETTER**-has to be produced which is prepared on the company letter head with the details of guest name, room type reserved single/double/suite and date of arrival and departure.
- ❖ The cashier should verify that the company is listed in the company volume guaranteed list (CVGR) of the hotel.
- ❖ The cashier must check whether appropriate discount is given on room rent as per contract agreement.
- ❖ Any EXTRA SERVICE which is availed by guest which is not covered under company policy should be charged separately from guest.
- ❖ Guest is politely requested to pay for extra charges at the time of checkout.
- ❖ Verify all supporting bills are added and attached with guest folio
- ❖ The cashier prepares the final bill, and requests the guest to verify and sign the bill.
- ❖ Do not handover the bills to company guest. All original bills must be sent to company for receiving payments.
- ❖ Cashier will send all company bills of the day to Accounts department for getting payments from company.
- ❖ Company bills are not settled directly by guest, it has to entered in CITY LEDGER (Non-guest account/unsettled bills) which is specially maintained by Accounts department for collection of money from company, regular clients, VIP's, etc.

Bills settled by foreign currency

Today tourism is one of largest and fastest, dynamic sectors for the development of our country. Hospitality industry earns foreign currency by providing comfortable luxury Room accommodations and food services, safe environment to foreign tourist. All foreign tourists staying in hotels can settle their bills in the currency of their respective countries- Dollar, Euro, Pound, etc. ---except guests who are employed with UN and its agencies, Embassies, and High

Commissions. Even if the guests have already converted their currency into Indian currency, they still have to pay the room rent and bills in foreign currency only.

Some larger hotels also offer facilities to exchange the currency. The hotel can make a profit by accepting foreign currency at advantageous exchange rates. In addition the hotels will also charge a commission, to allow for any charges the bank may apply when the currency is deposited at bank.

Hotels which are dealing with foreign currency exchange, they have to take **a VALID LICENCE FROM RESERVE BANK OF INDIA (RBI)**. It is compulsory for the hotel as per Law. RBI issues **TWO TYPES OF LICENCES.**

- One for the purchase of foreign currency
- Second licence for the sale of foreign currency.

A hotel with the purchase license can only able to purchase the foreign currency- (which means that the hotel may accept foreign currency from the guest for any bill settlement in hotel), but the refund amount of exceeding the billing amount will only be made in Indian currency)

Generally hotel get the permission and license for buying and selling foreign currency, it can buy and sell currency i:e accept foreign currency and give the balance amount also in foreign currency.

The Receptionist and cashier must be knowledgeable about the foreign currency exchange procedures which are accepted by hotel and Exchange Value.

Foreign currency exchange procedures in guest Bill settlement:

The front office cashier is the hotels authorized representative for currency exchange dealing with guests. When guest willing to exchange the currency of their respective country, the following procedures has to be followed by cashier.

- The guest contacts the front desk staff reception/cashier for foreign exchange.

- The cashier must request the guest to produce their passport to verify the identity of the guest.
- To enquire about the amount of foreign currency to be exchanged from the guest.
- The cashier should determine whether the amount is exchangeable as per the RBI guidelines.
- The cashier should be familiar with the EXCHANGE RATES. The details may be collected from RBI or leading nationalised bank of the city.
- Calculate the total amount of local currency to be paid by multiplying the foreign currency by the exchange rate.
- A board is displayed in hotels near cashier counter about current exchange rates to provide information to guests.
- Fill all details in foreign currency Encashment certificate and compare the signature of the guest with their passport.
- The guest gives the foreign currency to the cashier in cash or travellers cheques.
- Cashier should handover the amount along with the original currency encashment certificate. He attaches the second copy along with the foreign currency. Third copy with the hotel for future references
- The cashier must fill the details of the transaction in control sheet.
- Cashier must ensure that they return back the remaining balance if any to guest in local currency after bill settlement

Advantages of accepting foreign currency in hotels:

- To generate foreign currency inflow in our country.
- Can charge a commission and earn a profit by buying/selling rates.
- Customer service provided to foreign tourist to exchange their currencies in hotel and for bill settlement.

- No special equipment required to do such type of transactions
- Only necessary documents are documents are filled

HOTEL ABC

Foreign Currency Encashment Certificate

We hereby certify that we have purchased today foreign currency from Mr/Ms: holder of passport No..... Nationality..... after adjusting the amount towards the settlement of bills for goods supplied/services rendered as per the details given below.

A. Details of foreign currency notes/coins/traveller's cheque purchased

<u>CURRENCY PURCHASED</u> <u>(Notes and TC Separately)</u>	<u>AMOUNT</u>	<u>EXCHANGE RATE</u>	<u>RUPEES EQUIVALENT</u>

B. Details of adjustment made towards settlement of bills for goods supplied /services rendered

<u>BILL NO.</u>	<u>DATE</u>	<u>AMOUNT</u>

C. Net Amount Paid in Rupees.....Amount in Wards..... (Total under A-Total under B).....

.....

(Authorised Signature)

Name:.....

Designation:.....

NOTE: This certificate should be preserved by the holder to facilitate the re-conversion of the rupees balance from the amount dispersed in column C, at the time of departure from India, or to make payment in Indian currency for the services received.

EXPRESS CHECKOUT

As the name it suggests that it is speedy checkout system followed by front office staff. It is a facility given to the guest who avoid physically going to cashier's desk at the time of their checkout for saving time and the guest who do not want to wait in long queue at the reception/cashier desk.

Express checkout facility given to those guest who wish to settle their bills through credit card

The receptionist should inform the guest about Express checkout facility to guest at the time guest arrival in hotel. Usually the front office desk will be busy in morning hours handling guest check in and checkout. Normally the procedure is time consuming and many guest waiting at cashier's desk for settlement of bill.

To overcome these type of situation hotels have come out with a solution for speedy checkout which is called as EXPRESS CHECK OUT. This facility cannot be used for guests who wish to settle their bill by CASH OR BILL TO COMPANY.

The guest will be asked to fill up the Express check out (ECO) Form and a pre-departure folio. This ECO FORM is an authorization by the guest to the hotel authorities to charge their outstanding bills balance to his/her CREDIT CARD ACCOUNT. By signing the ECO FORM, guest agrees to pay the amount finalised by cashier after guest departure.

Express checkout procedures

↓

The guest will be given Express checkout form on the morning of his/her date of departure

↓

The guest will sign the ECO FORM and authorize the hotel to charge the outstanding balance to his credit

↓

Guest can leave the hotel without having to wait or go through the standard checkout procedure.

↓

The front office cashier prepares the final bill of the guest and mails a copy to the guest on their E-MAIL ID

↓

The hotel sends the signed copy of ECO form and the CHARGE SLIP to credit card Company for the payment of guest bill.

Advantages of Express checkout

- I. The guest need not come to reception counter .guest can checkout directly from room itself.
- II. Cashier can work efficiently to reduce guest crowd during morning time checkout
- III. Guest need not wait in long queue for bill settlement.

- IV. Very professional method of handling guest checkout
- V. It saves time of the guest and hotel staff.

EXPRESS CHECK-OUT

AGREEMENT

Cashier please check me out of.....

On.....at.....

Room#..... Departure Date.....Departure Time....

I authorise a charge to my credit card Account No. Imprinted on my Sales Draft for the amount of all costs incurred during my stay.(I promise to pay the total amount to the issuer of the card identified on this item upon presentation.)

.....Guest Signature

Please send a copy of my hotel receipt and my credit card sales Draft(if applicable) to the address listed below, I also require a copy of this agreement.)

Name.....

Check in datecheck in time.....

Company.....

Street.....

City.....Country.....

4 copies

PLEASE REMEMBER

Drop your express check-out card and room key into the express check-out box, near the reception counter . Or, hand them over to the bell-boy while leaving your room.

EXPRESS CHECK-OUT

Late checkouts

If a guest vacates his room after the checkout time mentioned in the Guest registration card is called late checkout. Most hotels have fixed checkout time-as generally 12-noon, before which the departing guest should vacate their rooms and settle their bills.

Late checkout may create problem to hotel during high occupancy time of room reservation. A confirmed reservation guest on the same day has to wait for the room due to guest late checkout. So such situation may create problem to hotel and also inconvenience to other guests.

The following procedures may be followed to overcome the problems:

- I. All the guest must be informed about the hotel standard checkout time and late checkout charges as per hotel policies at the time of guest room reservation or check in time.
- II. The information regarding checkout time and late checkout charges should be printed in guest key card, registration card.
- III. Add the late checkout charges to guest bill.
- IV. Always request the guest to vacate the room as per the checkout time.

- V. Receptionist can confirm guest checkout one day well in advance to void any disputes.
- VI. If the rooms are fully occupied then inform the guest in a polite manner to vacate the room
- VII. During off season hotel extend full cooperation to guest in vacating the room (in some hotels they don't charge for extra 2 to 4 hours of duration of stay).

Problems faced by hotels due to late checkout

- Rooms are not vacated by guest as per checkout time mentioned by guest in Guest registration card.
- Loss of revenue because some guest unwilling to pay for extra hours room rent.
- Rooms not are ready on time for next guest who holds confirmed reservation.
- Difficult in maintaining room status.
- It becomes inconvenience to check in guest who is going to arrive.
- Housekeeping staff find difficulty in cleaning the late checkout rooms.

EXERCISE

CASE STUDY

Imagine you are working as a Front Office Cashier. Mr. Rahul long staying guest of hotel wish to settle his bill by paying some amount in cash, a part of some amount by credit card, and the remaining amount settlement by paying through personal cheque.

- a) How will you handle this issue?
- b) As a cashier will you accept credit card and personal cheque for bill settlement?
- c) What are the point s you will keep in mind while handling credit cards?
- d) As a cashier do you need to take special authorization to accept personal cheques and any credit cards r guest bill settlement?

ASSESMENT

- 1) Name the various modes of guest bill settlement?

2) What is guest folio?

3) What do you mean by late check-out?

4) What is another name of credit card?

5) What are the advantages of cash settlement?

6) Explain Travel Agent Voucher?

7) What is a Debit Card?

Check list for Assessment Activity

Use the following check list to see you have met all the requirements for assessment activity

Part-A

- 1) Differentiate between Travellers cheque and personal cheque?
- 2) What is the difference between Credit card and Debit card?

Part-B

- 1) What are bill settlement procedures for corporate guest?
- 2) Explain Express Check-out with format?

Part-C

Performance standards	yes	no
Various modes of bill settlement and procedures followed by various sections		
Late Check-out and how to overcome the issue		

TOPIC-3: FRONT OFFICE ACCOUNTING

GUEST ACCOUNTING

Guest accounting it means that keeping an accurate accounting of all guests staying in the hotel and those guests who have availed hotel services. Keeping an detailed information about the transactions of money which are received from guest or the amount which has to be paid by guest .the front office staff should be well trained in recording all bills in to respective guest accounts to increase the hotel profit and to safeguard the currency.

Front office department is the major centre for guest financial activities of guest's with hotel. It is very important that the front desk should maintain efficient and error free billing for the convenience of guest's which will be a platform to achieve higher guest satisfaction.

The guest who are staying in the hotel they don't pay at the time of receiving services from hotel for example club facilities, swimming pool beverage and snack bills, food and beverages outlets like restaurant, coffee shop, room service bills. spa, saloon etc. The guest only signs the bill along with their room no. The bills are posted to guest folio on daily basis. The final bills are prepared only at the time of guest departure from hotel. So it is the prime duty of front office staff to maintain guest accounts in a systematic manner.

BASICS OF ACCOUNTING FUNDAMENTALS

An account is a record of business transaction and in this document all financial data of guest are recorded and summarised. The increases and decreases in an account are calculated and the resulting monetary amount is the account balance. Any financial transactions may affect several accounts.

In its simplest written form, an account looks like the letter **T**:

Name of the account	
Charges	payments

This form recording is called a T-account.

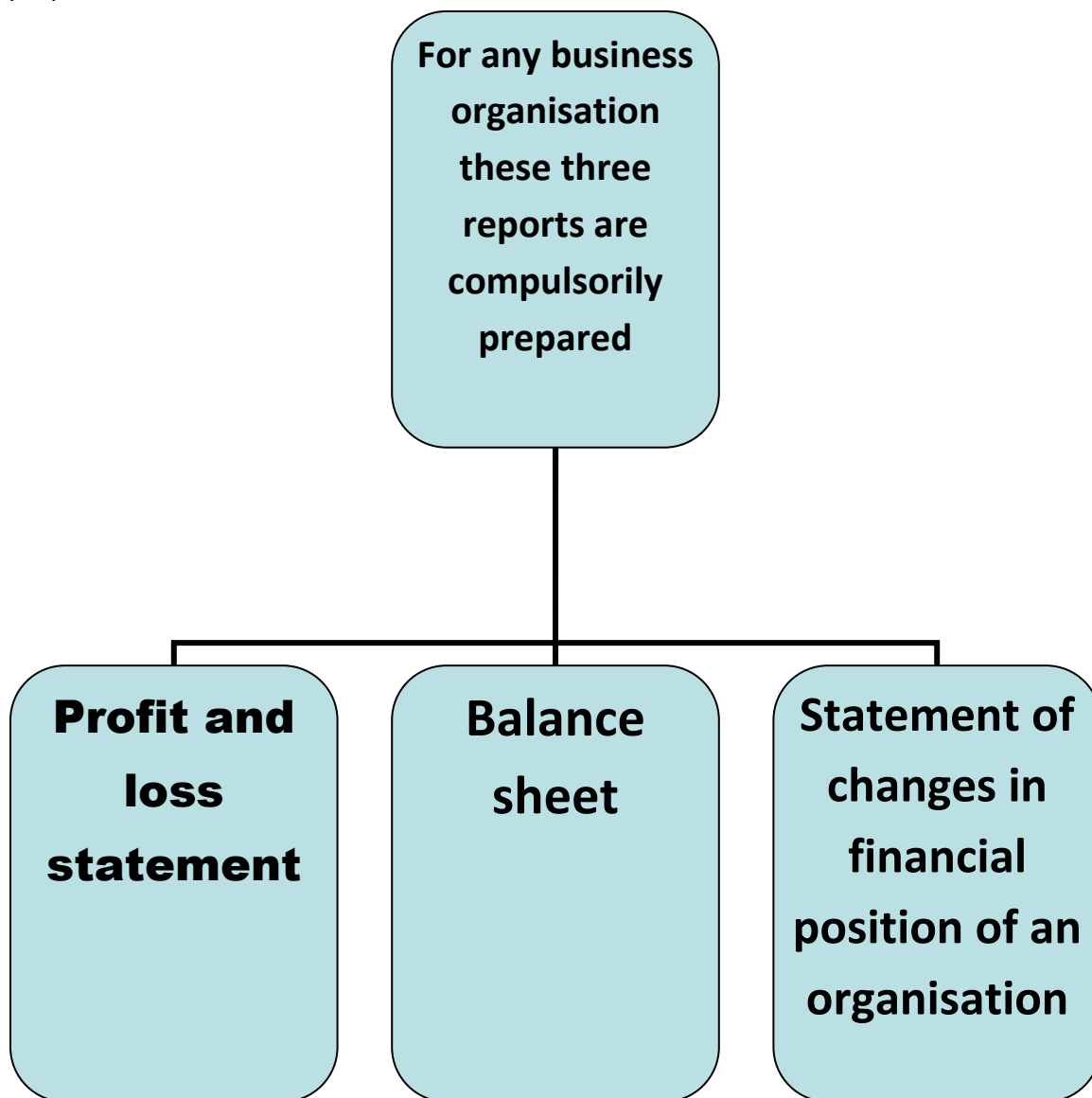
The growth computer technology has reduced the popularity of T-accounts. In front office account, charges are increases in the account balance are entered on the left side of T-account. Payments are decreases in the account balance are entered in the right side of T-account. The account balance is calculated by subtracting the T-account right total from the left side total.

In accounting terminology, the left side is called DEBIT SIDE (DR)

And right side is called credit (CR).

For proper recording of all expenses made and revenue generated is maintained by every business establishments for various reasons. For this three accounting reports are

prepared.



A. Profit and loss statement:

This statement gives the result of how much money has been earned or lost during a particular period of time, which will be monitored on the basis of volume of business. This statement is also called as **INCOME STATEMENT**.

B. Balance sheet:

At a specific time, the position of assets, liabilities and equity of business are shown in this statement. Generally this statement is prepared at the end of the financial year of the business. This is also called the statement of financial position of the organization.

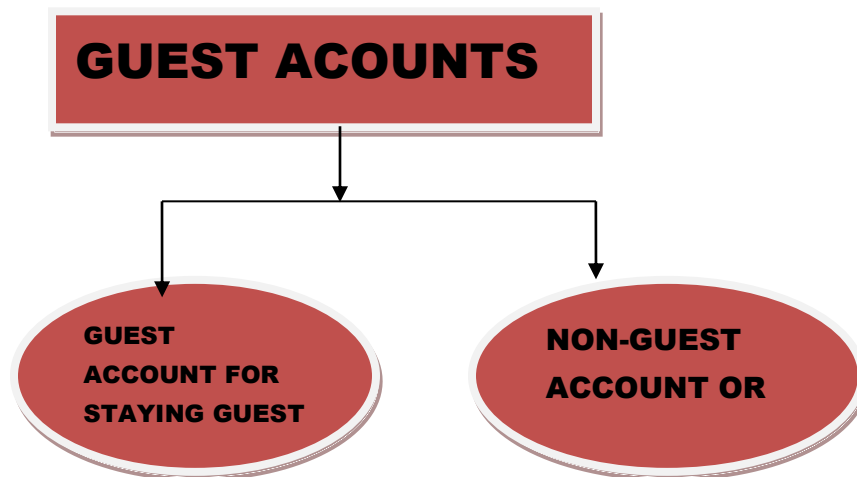
C. Statement of financial position changes:

This statement is a summary of financing and investing activities of the organization. It is a report up to what extent the hotel organization has generated funds from operations. This statement also prepared during end of the financial year. Any changes in working capital during this period are also recorded in it.

Types of guest accounts

The front office department maintains **TWO TYPES** of guest account

- Guest account (for staying guest in hotel)
- Non guest accounts (guest not staying in hotel but enjoyed hotel services and facilities).



GUEST ACCOUNT

It is the record of all financial transactions between hotel and staying guest. Guest accounts are created at the time of registrations of the guest at the time of guest arrival in the hotel. It can be created even at the time of reservation when a guest makes a confirmed reservation by paying some amount of advance deposits (MONEY) to hotel. The front office cashier will create a guest folio on the basis of information given by guests in the Registration form.

NON-GUEST ACCOUNT (CITY LEDGER)

This type guest account is the record of all financial transactions that takes place between non-resident guest and hotel. This type of account in other words called as CITY LEDGER. The hotel front office cashier maintains all transactions of the Local resident guest who have enjoyed hotel services and pay for them later.

So in this case the bills are generated on guest name and the billing is prepared and the guest authorizes the bill by putting signatures. The bill we sent to guest office address for necessary payments.

Apart from local guests the hotel also maintains other types of non-guest accounts, which include the following points.

A) SKIPPERS ACCOUNT-

Skipper is a guest who leaves the hotel without settling their bills/ who do not pay their bills. It is a loss in revenue to hotel. Such type of skipper account also transferred to city ledger accounts.

B) Bill to company-

The company clients whose bills are generally settled by their companies also transferred in city ledger account.

C) NO SHOW GUEST-

When advance is made by guest on guaranteed reservation and due to some reason the guest could not able to arrive in the hotel (NO-SHOW).such type of accounts normally recorded in city sales ledger.

Basic principles of accounting process

Guest accounting is maintained by front desk to check individual outstanding balance during the guest stay in hotel. Any money paid by guest to the hotels is posted in DEBIT COLUMN.

Any money received from guest towards settlement of bill is posted in CREDIT COLUMN. The balance column reflects a progressive difference between debits and credits will be calculated on the basis of the formula.

PREVIOUS BALANCE+DEBITS - CREDITS =NET OUTSTANDING BALANCE.

These procedures are applicable to the guest folio in which all cash and credit transactions of the guest are recorded for each residential guest.

A debit entry will increase the guest's outstanding balance

A credit entry will decrease the outstanding balance in guest account.

When an account is created, it is assigned a guest folio with guest name, room no.

At the time of guest departure guest account has to be brought down to zero by receiving cash payment/bill to company.

Accounts which are included in city ledger account

- Credit card payments of bill done by guest
- Bill to company for corporate guest
- Airlines vouchers
- Travellers cheque, Travel agent vouchers
- Skippers account (bad debts)
- Bounced personnel cheques of guest.
- Disputed bill accounts of guest
- Retention charges account from **DID NOT ARRIVE** (DNA) GUESTS.

The purpose of guest accounting and billing system

- To keep up-to-date record of posting prepayments, credit transactions and charges to guest account at regular period of time to maintain and inform guest at the time of checkout/during guest stay in hotel.

- To provide accurate bill to guests, reflecting what the guest have paid in advance at the time of check-in , and the outstanding balance need to be paid by guest's
- To provide all financial data of hotel accounts and statistics and to prepare reports.
- To maintain individual guest accounts, receipts, vouchers, payments etc.
- To maintain city ledger accounts and processing for payments.
- To monitor guest outstanding balance at regular intervals.
- Request the guest to pay some amount in case the outstanding balance in more than the credit limit which are fixed by hotel
- In case of any query, the guest can contact front desk to know about their bills.
- To maintain good business relation and earn profit by providing hotel services.

Front office accounting process at the time of guest pre-arrival and check-in

- A. Determining and confirming room rates to be applied
- B. To enquire guest's mode of bill settlement at the time of checkout'
- C. Checking guest profile to allow credit transaction during their stay in hotel.
- D. Incase a guest with less luggage/ walk-in guest then ALL PAYMENT CASH (APC)
- E. To check corporate and agency settlement agreements with hotel.
- F. Opening guest folios on arrival
- G. To credit the advance amount collected from guest during check-in process.

Maintaining guest account during guest stay

- Posting of credits and charges to guest account once the bill is generated.
- Verifying and posting of guest account in guest folio.
- To monitor guest credit balance on a daily basis and inform guest to make some payment against their bills.

Closing of guest account during guest departure:

- To prepare guest final bill.
- Make sure to post last minute bills from other departments.
- To present guest final bill so that guest can view all the charges posted in their room account and any problems may be solved.
- To confirm the mode of payment as mentioned in guest folio.
- Forwarding master bills in case bill to company.

VOUCHERS

Vouchers are documentary proof of financial transaction of guest. The front office cashier is required to maintain supporting documents of all the financial transactions recorded in guest folio of all the staying guest of the hotel.

A voucher which assures the guest who is bringing it to the hotel for the service of certain goods or discounts upon producing it at the time of guest checks in. For each transaction the outlets of the hotel presents the bill to the guest. Receives payment from guest and gives cash receipt of the transaction. In case if the guest signs the bill along with the room no, the bills are sent to the front office cashier to post the bill in guest folio.

All the bills and vouchers are attached with guest folio, And based on this, master folios are prepared at the time of guest checkout.

TYPES OF VOUCHERS

CASH RECEIPT

MISCELLANEOUS CHARGE VOUCHER

TELEPHONE CALL VOUCHER

VISITORS PAID OUT

GUEST ALLOWANCES VOUCHER

TRAVEL AGENT VOUCHER

Restaurant& bar bills/vouchers

Commission voucher

All vouchers are explained below

CASH RECEIPT VOUCHER:

It is a type of voucher when a guest deposit some amount of advance money to book a room or to avail any other hotel services like banquet room booking for conducting a conference. It is a legal proof of remittance of the deposited cash by guest. A receipt of acknowledgement that the payment is made. This voucher is prepared by front office cashier.

Hotel xyz	
Cash receipt voucher	
	Serial no -----
	Date.....
Received from.....	
Address.....	
Amount in figure.....	
Amount in words.....	
On account of.....	
Signature of cashier	

Telephone call voucher:

Many hotels use computerised telephone billing system. This will calculate call details and charges are posted accordingly in guest folio. But in small hotels outgoing calls are forwarded

TELEPHONE CALL VOUCHER

MISCELLANEOUS CHARGE VOUCHER

51

Rupees in words.....	Total.....	It is a vouch er prepa red for the paym ent other servic es like Laun

Prepared by by	Approved by	

dry, business centre, health club, fitness centre, salon, etc. The guest will check and verify the bill by putting their signature along with room no, which is sent to front desk cashier for posting in guest folio. These are credit transaction facility given by hotel to resident guest who stay in the hotel.

RESTAURANT BAR BILLS/VOUCHERS:

All in house guests may enjoy their meal in any of the food and beverage outlets in hotel. Bills are prepared when ever guest consumes food and beverages' during their stay. Guest will avail credit facilities which are offered by hotel based on guest profile. So guest will authorize the bill by signing it. These bills are sent to front office cashier for appropriate posting in guest folio on a daily basis.

Hotel XYZ Pvt Ltd																													
<u>Restaurant bill</u>																													
Guest name in Block Letters.....																													
Room No.....			Account no.....																										
<table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th style="width: 15%;">date</th><th style="width: 15%;">Waiter</th><th style="width: 15%;">Table no</th><th style="width: 15%;">No of persons</th><th style="width: 40%;">remarks</th></tr></thead><tbody><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></tbody></table>					date	Waiter	Table no	No of persons	remarks																				
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VISITORS PAID OUT VOUCHER (VPO):

Generally hotel pays some money for small transactions, on behalf of the staying guest, during their stay. A voucher is created by front office cashier for documentation and approval of guest. The necessary details are entered in visitors paid out voucher and guest need to sign along with room no. Then it is posted in guest folio for payments at the time of guest checkout. The following charges may be posted in VPO.

- I. Payment for taxi if the guest is not having change for example Rs 200/- (Two hundred only).
- II. Florist charges for the purchase of bouquet by guest.
- III. Postage and courier charges.

<u>Hotel xyz</u> <u>Visitors paid out voucher</u>		
Name of the guest.....		Room account no.....
Date.....		Room no.....
Explanation Paid for taxi	Rupees 200/-	Remarks Paid at the time of guest check in
Rupees in words.....Two hundred only		Total.....200/-
Signature of recipient	Approved by	Signature of cashier

guest allowance is the cash paid to the guest by the hotel on the following situations.

- Incase of wrong posting of bills in guest folio, an allowance voucher is prepared by front office cashier to compensate the charges in guest account, which are due to human error.

- If a guest has paid a large sum of money at the time of check in for example guest has paid Rs 50,000 (fifty thousand only). And at the time of guest check out the total bill of the guest is Rs 35,000 (thirty five thousand only). In this case the hotel will pay back the remaining amount i: e 15,000 (Fifteen thousand only) by raising allowance voucher.

In case an airline or tour operator sends a group of guests and guarantees for repayment of bills on behalf f guest.

Guest allowances are strictly monitored and controlled by lobby manager. The front desk cashier need get an approval from competent authority to pass the allowance and to make payment to guests.

Hotel xyz	
<u>Allowance / discount voucher</u>	
Date.....	
Name of the guest.....	Room no.....
Explanation	Charges
Rupees in words	Total
Prepared by Approved by Checked by.....	

Commission voucher

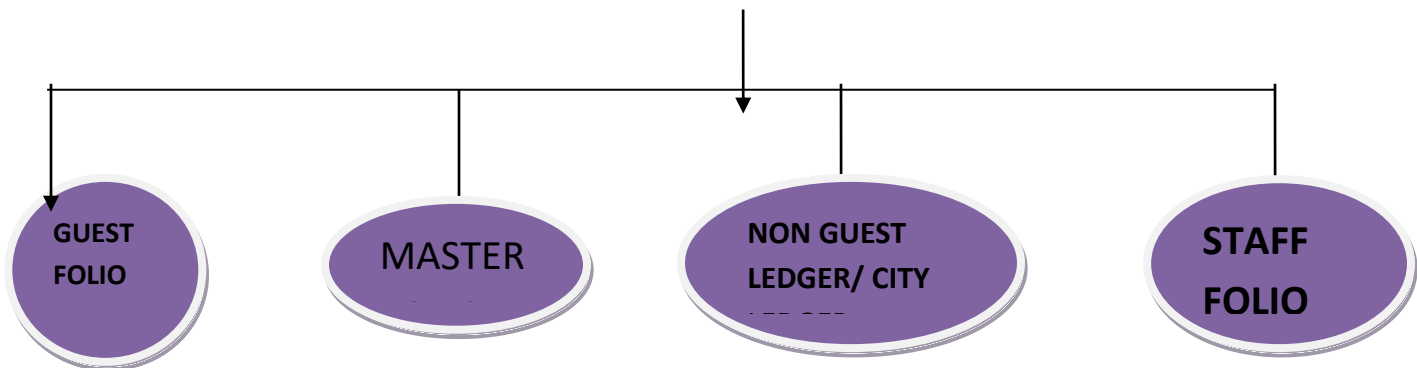
Whenever any commission is paid by front office cashier for any guest or third party commission voucher is prepared and authorized by competent authority like front office manager /lobby manager. Hotel pays commission to people who provide regular business to hotel. Mostly these types of vouchers are prepared for the following reasons.

- Generally a Travel agent or Tour operator who provide business to hotel by providing room reservation for Group guests on a commission basis of 10 percent on Room rates excluding taxes
- A Taxi driver who brings walk-in guest (who do not have confirmed reservation) to the hotel. If the guest stays in the hotel by reserving a room then the hotel pays Commission to driver, for bringing business.
- Any agency which are working on a commission basis.

HOTEL XYZ		
Commission voucher		
Name of recipient -----		Date-----
Explanation for paying commission		
Reason	Amount to be paid	remarks
Rupees in words-----		
Total-----		
Prepared by-----	Approved by-----	Signature of cashier-----

takes place between hotel and guest. it shows all debit and credit transactions of guest.

Types of folios



GUEST FOLIO

A guest folio is created at the time of guest arrival at front desk. After completing the formalities of guest arrival, guest registration form is filled by guest and guest folio is created by front office cashier to open guest account. If any guest pays any advance amount in that case the posting of amount will be posted in the credit side of guest folio at the time of guest room reservation.

MASTER FOLIO

Master folio created for group guest or more than one guest. It contains all the necessary information about group guest, room no's, mode of bill settlement. It is one folio for group guest.

Non-guest folio

In this folio credit financial transaction made by guest who are not staying in the hotel. But they are allowed to enjoy hotel services on credit basis. The bill will be sent to their respective office address for necessary payments. The guest need not pay on the spot. This folio also called as **CITY LEDGER** .this credit facility generally offered to local business clients to attract business for the hotel.

Employee folio

This folio is created between hotel staff and the hotel. The staffs are allowed for credit transactions for a certain amount of money fixed by hotel as per the policies. The amount is later on collected from employee salaries. For example the staff can order for birth day cake for

which the bill is generated and the staff needs to sign with the Name, department in which he/she is working and employee code no. These bills will be sent to accounts department for the recovery of transaction made by the staff and some percentage of discounts is given to staff.

SETTLEMENT OF ACCOUNTS

The collections of payment from guest are called settlement of accounts. Bill settlement involves bringing guest account to zero balance after receiving payments from guest, by transferring bills to company by getting approval letter from the company and hotel, or by sending credit card bills to various banks for guest bill settlement.

Hotel works very hard in preventing late charges which are not posted in guest account at the time of checkout. This is a loss to hotel. In only exceptional case only such kinds of problems do occur.

Exercise

DISCUSS ABOUT

- I. The accounting system and its importance
- II. Various types of vouchers prepared by front office and draw the formats
- III. Guest folio and group folio
- IV. Skipper account, visitors paid out voucher, commission voucher

ASSESSMENT

Answer the following questions

- 1) What is T- account?

- 2) What is city ledger?

3) Discuss Visitors paid out voucher?

Check list for assessment activity

Use the following check list to see if you have met all the requirements for assessment activity

Part-A

- A) Discuss the purpose of guest accounting
- B) Discuss balance sheet

Part-B

Discussed in class the following

- a) What accounting process followed at the time of pre-arrival and check-in?
- b) Various types of folio

Part-C

<u>Performance standards</u>	<u>yes</u>	<u>no</u>
To understand various types of vouchers used in accounting process		

TOPIC-4

FORMATS USED IN MANUAL ACCOUNTING SYSTEM

1) VISITORS TABULAR LEDGER

An accounting system usually used in small hotels. It's a loose large sheet in which the daily transactions of the guest with the hotel are recorded. All vouchers of guest credit transactions made by various departments of the hotel are collected and appropriate entries are made in VTL.

The posting of guest account must be updated time to time whenever any transaction takes place by guest for guest cross verification of their respective accounts. Commonly VTL consist of set of columns with details of the guest room no and name of the guest, room rate, no of guests etc. The second column will have the detail of room rent charges and food bill charges.

VTL shows the daily charges posted under each column on different heads like early morning tea, breakfast, lunch, evening snacks, dinner, beverage bills, telephone charges, etc with sales tax. This gives accurate information about guest charges on a daily basis and the previous balance brought over. These charges are posted in credit columns.

ADVANTAGES OF VTL

- Each name of guests and their room no and transaction made by guests are shown in the one column very clearly to avoid confusion.
- Guest can review their bills at any time. Less mistakes since guest account is updated time to time by cashier.
- Easy to check by balancing.

DISADVANTAGES OF VTL

- The size is too big to maintain.

- Since too many columns are there. Chance of mistakes in posting bills are possible
- To find out mistakes from too much of column becomes difficult.
- Time consuming for making entries
- Requires additional time for checking, balancing, bill preparation

FORMAT	OF	VISITORS	TABULAR
<u>LEDGER</u>			

Room No	101	102	201	202	30
Name	Mr. A	Mr. B	Mr. C	Mr. X	Mr. Y
No. of Persons					
GR No.					
Plan					
Room Rate					
Tea					
Breakfast					
Lunch					
Dinner					
Beverages					
Room Service					
Telephone					
Laundry					
Tobacco					
VPO					
Others					
Beer					
Wine					
Misceellaneous					
Daily Total					
Cash Deposit					
Allowances					
Balance C/fwd					
Dr					
Total					
Cr					

S. No.....		
Name.....	Room No.....	
Rate.....		
Date of Arrival.....	Time.....	Departure Date.....
Time.....		
Plan.....		

Sample Format of Guest Weekly Bill

Date							Total
	R s	R s	R s	R s	R s	R s	Rs
Brought Forward							
Room							
Board							
Food							
Drinks							
Mineral Water							
Tobacco							
Miscellaneous							
Wines							

Garage							
Sundry							
Telephone							
Telegrams							
Cash Advance							
Sales Tax@							
Service							
Charge@							
Total							

Checked and found correct. Please forward bill to

M/s.....

G Total

.....

Less Payments Receipt No

Allowances

.....

Signature of Guest

Net Payable

BILL CLERK

Bills are payable on presentation. Cheques are not accepted. Guests are requested to ensure that they obtain authorised receipt from Cashier. No Tipping please.

Students Assesment

Write short note on the following

- a) Explain visitor's tabular ledger with its advantages and disadvantages?
- b) Draw the format of guest weekly bill and VTL?

TOPIC-5 - Property Management System

PROPERTY MANAGEMENT SYSTEM

Computer applications are the main activities of front office department in today's modern hotels. Computers are standard pieces of equipment. Computers are integrated into everyday operations to assist in providing hospitality services to guests.

Computers are used for various purpose in hotels like guest billing, Room reservation on line, guest room requirements etc. There are several companies that provide PMS software to hotels Micros, Amadeus, IDS Fortune, and SHAWMAN are some major companies that provide the PMS software to hotels depending on the hotels requirements.

PMS is a computer- based management system used to manage guest on line Room Reservation, Point of sale, Guest accounting, check-in and check-out, bill settlement etc.

PMS Applications in various sections of Front office

A. Reservation module

The Reservation module is used to create and maintain guest reservations both for Individual, Commercial, and Group guests. This module has the following features for smooth functioning of the department.

- It provides all relevant information of guest arrival, date of departure, arrival time, room no assigned, type of guest room, no of guest staying in the room etc.
- It maintains colour code system to maintain room report according to type of room like single, double, deluxe, suite rooms for easy identification of room status whether occupied or vacant rooms.
- To check the reservation details of guest easily by searching guest name, company details, reservation confirmation no, to get information quickly.
- Room Availability position Status is displayed in system by simply selecting the arrival date of guest. The computer system will give you exact position of room status, whether to accept reservation or not.
- Guest messages can be added in guest room details about the call and the same message can be delivered to guest.

- Helps in preparing rooming list.
- Blocking of room for confirmed reservation guest.
- To create special group rates,
- It can automatically calculate room rates, taxes, no of night stayed, no of Pax, total amount to be paid by guest.
- To provide information about Extra beds in guest room.
- To post and maintain guest bills on daily basis.

B. Reception module :

The Front desk module will manage the registration process of guest. All the information about guest arrival is maintained in the system according to date and time. The reception computer system will have the following functions.

- The front desk staff can get information about guest arrival for the day and the departures
- The system can give Graphical room information about layout at the time of guest check-in.
- To maintain guest Registration Card during guest stay in hotel and for future references.
- Printing of guest registration card upon guest arrival
- To maintain guest folio according to room no.
- To maintain details of Individual guest, Regular guest, Company guest, long staying guest,
- To maintain guest history.
- To prepare Special Amenities report for guest room supplies.
- To create guest folio and maintain guest accounts.
- It can create Split Folio, bill to company, at the time of check-out.
- To update guest room changes in the system.

C. Guest room module:

The room module is designed to provide information about guest room floor plans, room facilities, size and decor at the time of guest arrival to the hotel.

- The system will display the layout of the hotel showing floor plans/ wings by using specific buttons.
- It provides latest room status of guest rooms.
- To gives details about maintenance work to be done in guest room.
- To provide room cleaning service in occupied rooms.
- To track room discrepancies if any

D. Cashier module:

This module is used specifically to maintain Guest folios and to follow departure activities by the front office cashier. The following are the main functions of cashier module.

- ❖ It can add guest bills to guest folio.
- ❖ To monitor guest accounts on a daily basis.
- ❖ To identify debit, credit, allowance, and transfer of guest accounts.
- ❖ To view guest outstanding balance.
- ❖ To print guest folio at the time of departure

Functions of PMS in Stand Alone Systems

AS the Pms integrated with other guest services it becomes very useful in providing guest services.

1) POINT OF SALE

In a hotel the point of sale is the section or outlet which provides guest service by selling some products and generates revenue to hotel. The POS could be Restaurant,

Bar, Room Service, Health care, gym, etc. The system is linked with PMS for generating bills and posting of bill into guest account.

2) TELEPHONE CALL ACCOUNTING SYSTEM

All the hotels provide telephone facility to guests who are staying in the hotel. All the guest room has the facility to make outgoing calls and to receive incoming calls to their guest room itself. The call accounting system is automatic system which can provide details of phone no, duration of call, amount to be paid. Bills

3) Electronic Door locking system

When the electronic locking system is networked with the PMS, the front office staffs is able to CODE all guest room keys for the safety and security of all staying guest. This electronic coding system is followed in all the hotels to control the access of guest rooms. A secret password is coded in guest room E-key and guest swipe the E-key to open their respective guest room. The password is valid only till the time of guest checkout date.

4) Energy Management System

This system is designed to manage the operations and instruments that consume energy. This system saves electricity and reduces in cost control. For example when a guest locks his room with the electronic key, the weather control system and lights and fan turned off automatically. The guest need not bother to put off all electrical appliances individually. Once the guest locks the room then all electrical equipments will be switched off by PMS Interlinking.

5) Night audit module

This module is designed to balance the day's activity and to complete the accounting transactions for the day. The following features of the night audit module are listed below.

- ✓ To perform daily posting of room charges in guest account.
- ✓ To make a note of no-show guest.

- ✓ To know the room availability position.
- ✓ To automatically post charges of Extra bed in guest rooms
- ✓ To post service charges, tax as applicable in guest bill
- ✓ It can print various reports
- ✓ To know the rooms blocked for maintenance issues.
- ✓ To help the auditor for smooth functioning.

Various Reports prepared by PMS

Reservation reports

- Room reservation report on daily basis
- No show and cancellation
- Blocking of rooms for confirmed reservation
- Room inventory list
- Guest details and company name
- Discounted rates for regular guests

Reception reports

- Guest arrival report and departure report
- No-show report **(Guest who did not arrive in spite of having confirmed reservation)**
- Guest room change report
- Room sharing report
- Occupancy reports
- Rooming list of in-house guests.
- Guest services like message, credit limit , room change

- Printing of Registration card and issue of meal coupons.
- Departure notification slip

Cahier reports

- Posting of guest charges, advances, and miscellaneous charges.
- Report on city ledger collections
- Foreign currency encashment report
- Bill summary and cashier reports
- Bills settled by credit card and cash
- Split bill reports
- All inclusive room rates and taxes
- On line bill view facility
- Complimentary room report
- Guest high balance room report
- Long staying guest report
- Department audit report

Advantages of PMS

- It promotes smooth functioning of departments
- Reduces paper work and helps in saving money on stationery
- Quality service provided to guests at all time.
- Helps in keeping goodwill with the guest

- It leads to good interdepartmental co-operation.
- It reduces work load saves time and increases productivity.
- Good working environment with computer system.

Disadvantages of PMS

It is very expensive

User id should be kept secretly

Staff training cost involved

New budget to purchase software

Space is required for installation and computer system

Exercise

Assignment

Students should visit a hotel to know the various software used in the industry.

Assesment

Write short notes on the following

Property management system in hotels

Point of sale

Call accounting system

Electronic door locking system

Energy management system

Various modules used in front office

Advantages and disadvantages of PMS

Topic – 6 Front Office reports

Data and information are the foremost tools in decision making for any manager. In front office operations as well as in revenue management, the statistics and data play a pivotal role in providing guest services and taking decisions.

The advancement in technology has made it considerably convenient for the user to retrieve data and process it for useful action taking. The Property Management Systems used by hotels are a case in this regard. They are a useful management information system tool as they provide statistics and information at the touch of a finger.

The data is provided in the form of reports which are studied and analysed by managers for effective decision making.

Some of the more commonly used reports in front office department are listed as below:

1. Expected Arrival List

It is a report which is commonly used by Reception department. It provides information about the expected arrivals of the day as well as arrivals for the dates in future. The report contain information such as name of guest , expected time of arrival, duration of stay, company, billing instructions , etc

2. Guest In- house list

The report provides information about all guests staying in the hotel with their respective room numbers and other relevant details.

3. Expected VIP In-house list

This list has the details of all VIPs expected to arrive during the day along with their VIP status so that the special amenities may be placed in the room in advance. Hotels generally have different guest status such as Normal Guest, Regular Guest, VIP 1, VIP 2, VIP 3, etc.

4. VIP in-house list

A list of all VIP guests currently staying in the hotel.

5. Room discrepancy report

It is an important report which provides information about any discrepancy or difference between the room occupancy status given by Housekeeping department and room occupancy status given by front office department. As an example if Housekeeping says that the room 203 is occupied while the front office status is showing the room as vacant then it is considered a discrepancy which needs to be sorted out.

6. Airport Pick-up list

This report is, primarily, used by concierge. It helps them to co-ordinate the pick-up of guests from airport to the hotel.

7. Group arrival list

Resorts and hotels located at places of heritage interest do a lot of group business. This report lists all the group arrivals for the day along with their time of arrival and other details.

8. Expected Departure List

This list is most useful for the cashier. It contains a list of all the in-house guests expected to check-out that day. It includes name of the guest, room number, billing instructions, mode of payment, time of departure etc.

9. High balance report

This report is, again, most useful for the cashier. Hotels usually have an internal credit limit for the guests which are known as the house limit. High balance report lists those guests who are exceeding house limit or are nearing it. This report helps the cashier to follow-up with such guests so as to get a part settlement of their folios and to keep the guest accounts under house limit.

10. Manager's report

This report is generated during the night-audit process. It gives a summary of the entire operations in last 24 hrs as well as a projection for the next day. It provides information such as end of the day position, revenue generated, forecast for next day, no-show, performance against budgeted targets etc.

11. No-show report

This report lists all the guests who gave reservation but did not turn up, i.e, no-show guest

12. Cancellation report

Details of those guests with reservation who later cancel their room bookings are listed in this report

13. Arrival report

This report provides information about all guests checked-in into the hotel on that day. It has details like name, company, time of arrival, room number, billing instructions, etc. of the guest

14. Departure report:

Similar to the the arrival report it lists all the actual departures for the day.

15. Follow-up action / Trace report

Sometimes we leave a follow-up action for a future date or time. All such follow-ups or traces will feature in this report. As an example a guest who checked- in today wants a bouquet to be send to his room after two days. In this case receptionist will leave a trace for the concerned day when the trace report will show the follow-action to be taken from his end.

It may be noted that the reports mentioned above are just indicative in nature and there are many other reports which are frequently used in rooms' division management.

Other than the reports, various ratios are helpful in planning and evaluation of front office operations. Some of these statistical ratios are given as below:

FRONT OFFICE STATISTICS

1. OCCUPANCY % = $\frac{\text{No. of rooms occupied}}{\text{Total rooms in the hotel}} \times 100$

2. ARR = $\frac{\text{Room revenue}}{\text{No. of rooms sold}}$
(average room rate/revenue)

3. Double Occ. % = $\frac{\text{House count} - \text{room count}}{\text{Room count}} \times 100$

4. Average Rate per guest
ARG = $\frac{\text{Room revenue}}{\text{House count}}$

5. Average guest per room
AGR = $\frac{\text{House count}}{\text{Room count}}$

6. Yield % = $\frac{\text{Actual room revenue}}{\text{Potential room revenue}} \times 100$

7. Revenue per available room
RevPAR = $\frac{\text{Total room revenue}}{\text{Total sellable rooms}}$

Total sellable rooms

8. % of No- Shows = $\frac{\text{No.of room No-shows}}{\text{No. of room reservations}} \times 100$

9. % of walk-ins = $\frac{\text{No.of room walk-ins}}{\text{Total no. of room arrivals}} \times 100$

10. Average length of stay per guest
= $\frac{\text{Total room nights spent}}{\text{Total Number of check outs}}$

11. House Position : Expected departures + vacant rooms – expected arrivals

EXERCISE

CASE STUDY

Imagine you are working as a Front Office Cashier. Mr. Rahul long staying guest of hotel wish to settle his bill by paying some amount in cash, a part of some amount by credit card, and the remaining amount settlement by paying through personal cheque.

- e) How will you handle this issue?
- f) As a cashier will you accept credit card and personal cheque for bill settlement?
- g) What are the point s you will keep in mind while handling credit cards?

- h) As a cashier do you need to take special authorization to accept personal cheques and any credit cards r guest bill settlement?

ASSESSMENT

- 8) Name the various modes of guest bill settlement?

- 9) What is guest folio?

- 10) What do you mean by late check-out?

- 11) What is another name of credit card?

- 12) What are the advantages of cash settlement?

- 13) Explain Travel Agent Voucher?

14) What is a Debit Card?

Check list for Assessment Activity

Use the following check list to see you have met all the requirements for assessment activity

Part-A

- 3) Differentiate between Travellers cheque and personal cheque?
- 4) What is the difference between Credit card and Debit card?

Part-B

- 3) What are bill settlement procedures for corporate guest?
- 4) Explain Express Check-out with format?

Part-C

Performance standards	yes	no
Various modes of bill settlement and procedures followed by various sections		
Late Check-out and how to overcome the issue		

TOPIC-7 : NIGHT AUDITING

Night auditing is a process and procedures to be followed in all hotels to verify and prove the accuracy and completeness of guest and non-guest account by preparing various departmental reports.

It is a general audit process taking inventory of the day's work, in order to check and confirm that all transactions have been done during the day are complete and correct. The mistakes in transactions, non-posting of guest bills are corrected and accounts are balanced by auditors. The night auditor also verifies the entries posted in guest and non-guest accounts, monitors the guest credit limits, balance all guest accounts, and sort out any mistakes in transactions.

Who is the night Auditor

He is the person who audits the hotel account at night time. Night auditor is generally a member of Accounts department and partially report to front office manager.

- He works in the night from 11.00 P.M to 07.00 A.M.
- He should be a skilled book keeper as he required keeping a track on all financial activities of the hotel.
- He performs duties of receptionist at night and to handle check-in, check-out.
- He monitors the current status of all guest accounts, credit limits of guest.
- To verify discounts and allowance bills.
- He prepares various reports related to finance and business.
- To verify guest bills which are settled by cash, bill to company and bills paid by credit card.

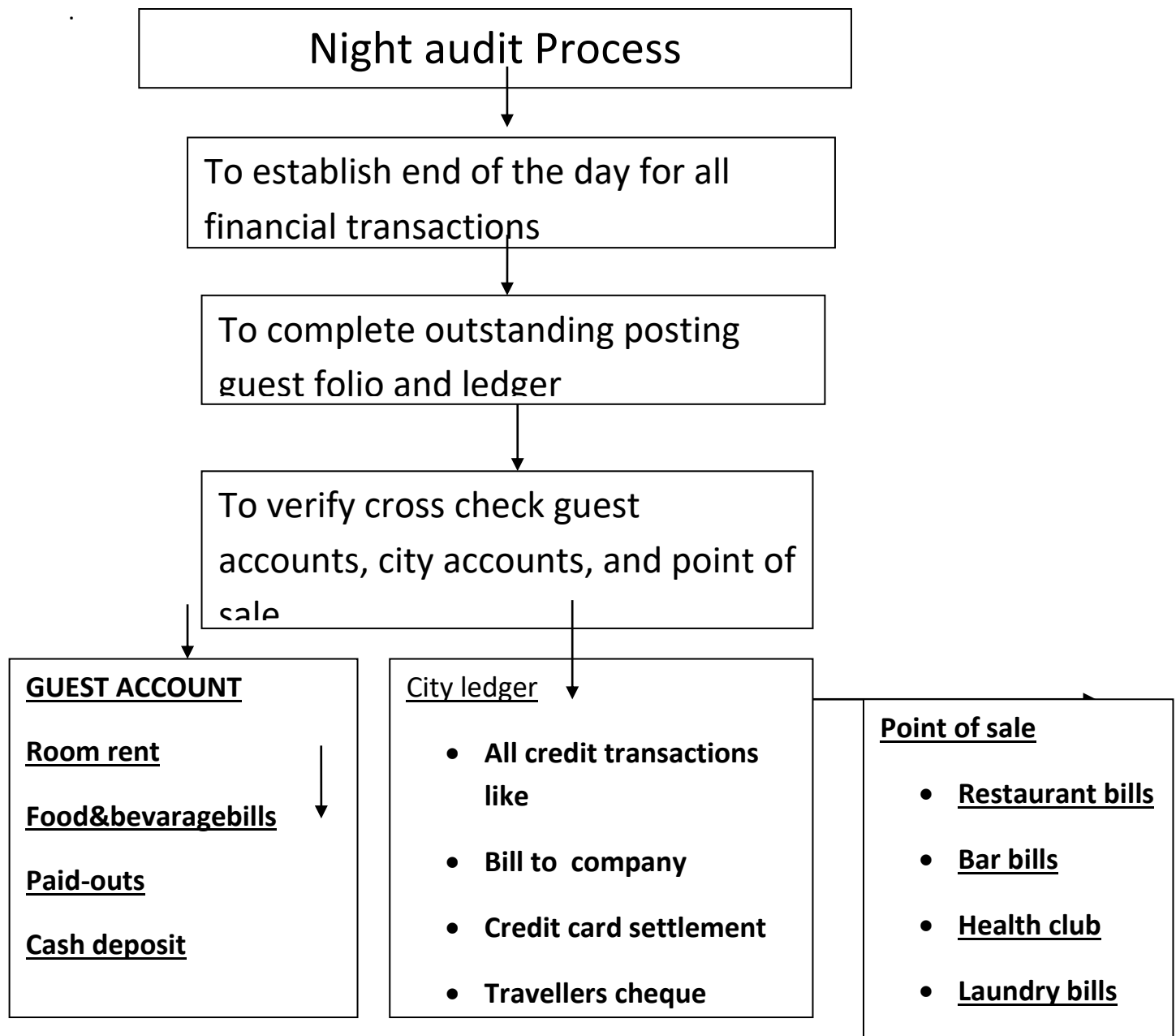
DUTIES AND RESPONSIBILITIES OF NIGHT AUDITOR

In hotels a night auditor performs the following duties and responsibilities.

- To ensure the accuracy of front office accountings records and balance them.
- To verify financial transaction of guest and hotel
- To calculate total revenue generated for the day.
- To cross check cashiers report regarding all financial and credit postings.
- To verify room charges posting in guest folio.
- To prepare high balance of guest staying in hotel.
- To transfer unpaid bills to city ledger
- To know the room occupancy percentage.
- To check arrival and departures of guest and cancellations of room reservation.
- To monitor all transactions and bills of other departments.
- Preparing reports like Daily Business Report, city ledger report, high balance guest report
- To maintain summary of cash, cheque, credit card.
- Receiving and recording of guest payments.
- Making list of Walk-in guest for the day.
- To prepare Aging Account, the bills which are unsettled for more than sixty days.
- Completing outstanding postings and verifying transactions.
- To check the Point of sale transaction with bills.
- Calculate revenue generated by other departments.
- To approve foreign currency bill settlements.
- To resolve room status discrepancies.

Process of Night Auditing

Night auditing is conducted by every hotel to maintain accurate and systematic control on Accounting system that keeps proper records of all transactions whenever any goods purchased or any service availed by guests in hotel. Night auditing prevents fewer mistakes in accounts which lead to achieve higher level of guest satisfaction. Loss of revenue to hotel is completely stopped by this process





Updating the system

ROLE OF NIGHT AUDITOR

To complete outstanding postings and verifying transactions

The first step of the night auditor is to complete all pending bills to be posted in guest folio. All guest transactions should be posted immediately on the same to prevent confusion. Night auditor will physically view all guest bills with supporting vouchers. He should also catch mistakes in accounts and rectify them immediately.

Cross checking of accounts

The documentation of guest bills is verified by night auditor.

Account integrity

Correct verification of posting all bills in guest accounts. Verifying room rates and taxes are posted in all guest folio by cahier. To check whether all guest room bills are properly posted in respective guest account.

Credit monitoring of guest account

Based on the guest profile hotel fix credit limit for the in house guests, corporate guests, long staying guests and regular guests. Night auditor will closely monitor guest account those who are above to near credit balance as per hotel policies. Auditor will prepare report of such type of guest, so that the front desk staff may be alerted to demand partial payment of money against guest outstanding bill amount.

High balance guest report

Night auditor prepares high balance report on the basis of viewing guest bills that exceeds the credit limit fixed by hotel. For Example Mr.pitchai , Room no 102 whose outstanding balance is Rs-90,000 and credit limit is 50,000 .In this case Night auditor notifies as “**High Risk Account**”.

This report is sent to the front office manager. Instruction given to front office staff to collect or request the guest to pay some amount of money against their outstanding balance.

This activity of night auditor protects the hotel from loss of revenue in case if the guest leaves the hotel without settling their bills.

OUTSTANDING BALANCE = Previous balance+ debit entries (Purchases) –Credit

Deposit cash

Major responsibility of night auditor is to compare posting of all cash payments and paid out vouchers with the actual cash in hand to cross check that cash is appropriate. If any shortage or overage of cash then prepares cash deposit voucher and deposit the cash.

Clear or backup system

After the night auditing is complete the totals must be cleared from the system. Each account is brought down to Zero. In computerised system it is done automatically by the systems.

Distributions of various reports

At the end of the day night auditor prepares various reports, for the circulation of all Department executives. For departmental meetings and discussion and for future reference.

Daily business report, City ledger report, No-show report, Room status report, High balance report.

<u>HIGH BALANCE REPORT</u>			
<u>Date and Name of auditor</u>			
<u>Room no</u>	<u>Namef guest</u>	<u>Outstanding balance</u>	<u>Action taken</u>
<u>101</u>	<u>Mr.Roberts</u>	<u>1,78,000</u>	<u>Guest will pay in the evening by cash</u>

Exercise-

Student can visit a hotel to know the night auditing procedures and to view various reports maintained at front office.

Assessment

Answer the following questions

1. Who is night auditor?
2. What are the duties and responsibilities of night auditor?

Check list for assessment activity

Part-A

- What is high balance report?
- Explain the role of night auditor in maintaining hotel funds?

Part-B

Discussed in class the following

- I. What is the timing for night audit work starts?
- II. Explain various reports prepared by night auditor.
- III. Why auditing is important in hotel industry.

Part-C

The performance standards may include, but not limited to

Performance standards	yes	no
To know about the importance of night auditing		
To understand the role of Night auditor and various reports prepared		

Reference books

- **Hotel Front Office Operations and Management by Jatashankar R Tiwari**
- **Front Office Management by Sushil Kumar Bhatnagar**
- **Check –in Check Out Managing Hotel Operations: Gary K. Vallen, Jerome J. Vallen**
- **Principles of Hotel Front Office Operations: Sue Baker, Jeremy Huyton, Pam Bradley**