	<b>RESOURCE LIBRARY</b> <b>HOTEL OPERATIONS - HOUSEKEEPING</b> <b>Budgetting</b>	<i>CODE:</i> 03.05.027
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### **Policy & Procedure:**

The Housekeeping Budget is a forecast of future needs of the department; it is a balance between income and expenditure. In setting a budget it is a long range forecast of the departments needs with regard to Personnel, supplies and equipment and then translating it into monetary terms.

Planning and experience are required to make the budget and all estimates made must be supported with facts and figures.

The budget establishes definite objectives with regard to operating performance and adequate controls must be established in order to meet the budget.


### ***Preparation of a Budget***

The budget is based on forecasted future trends and uses the experience and information of the last year's performance.

- An occupancy forecast is required as the basis of the Housekeeping Budget – this should be broken down on a monthly basis with an average occupancy for the year.
- All factors must be taken into consideration such as changes in company policy, legislation and variations in forecasted occupancy levels.
- The following areas must be considered when preparing the budget and should be dealt with as stated by the Financial Budgeting Policy.
  - Equipment – replacement or additional requirements.
  - Carpets – replacements
  - Furnishing Fabrics & Curtains
  - Special Projects
  - Furniture – replacement or additional items.
  - Artwork – replacement or additional items

In all these areas items should be specified with justifications for its replacement or addition.

- The other areas to be considered are related to total costs for maintaining the hotel related to the housekeeping department:
  - Salaries and wages – includes holiday pay, overtime provisions etc.
  - Rooms linen – new stock required to be issued into circulation, new additions, and new orders.
  - Food & Beverage linen – new stock purchases, additional items.
  - Uniforms – for all areas, replacements, and new styles. Should be supported with planned schedule for each department.
  - Cleaning Supplies – surplus should be put in case of emergency items.

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- Guest Supplies
  - Printing and Stationary
  - China & Glassware – additional stock, new items.
  - Decorations – for theme events, Easter, Christmas, Ramadan etc.
  - Flowers & Garden – should be split into areas- rooms, F&B, Banquets etc.
  - Pest Control and other contract services
  - Carpets – cleaning and repairs
- Budgets should be prepared after completing full operating equipment inventories for all relevant areas.
  - To be taken into consideration is unused items lying in stores, how much will be utilized by the end of the current financial year and the balance of items still to be received for the current year.
  - Yearly requirement of furnishing materials and carpets is based on the condition of furnishings and carpets. A minimum quantity should be budgeted for yearly, for emergency purposes and the older the proper a schedule for changing over a period of time or area-by-area should be considered.

***Control is the Key to achieving the Budget***

- Adequate controls must be set to prevent:
  - Waste
  - Loss
  - Pilferage
- All items utilized within the Housekeeping Department should be utilized correctly and should be effective.
- All supplies received must be inspected for quality and meet the specifications.
- Personnel should be trained to respect property and to be responsible equipment and supplies and their consumption.
- Storage rooms should be checked frequently for dampness, leaks and pests.
- Exchange of linen and uniforms must be monitored strictly – issue clean for dirty.
- Par stocks should be maintained and restocked after inventories.
- Accurate and relevant records must be maintained.
- Inventories must be conducted monthly and full operating equipment inventories done 3 times a year.