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PURPOSE

To define a common treatment for the control of profit on mini bars that shall be used within the group.

POLICY

The hotels will provide as a guest service, a personal bar or mini bar in each guestroom. The revenue and therefore the profit or loss should be reported as part of the operating results of the F&B Department.


PROCEDURE

a) INVENTORY CONTROL

1. Each mini bar in the hotel should be maintained at a par level. The mini bars should be checked daily for consumption and replenished to the par level.
2. There should also be par pantry inventories from which the mini bars are replenished. These may take the form of trolleys used by the mini bar attendants which are replenished to their par value from the cellar.
3. Inventories used in these bars should be unique in terms of the beverage supplies of the hotel. Spirits should be miniatures or flasks and beers and minerals should be canned, or of a different size to the bottles used elsewhere in the operation.
4. Mini bars in vacant rooms should be kept at par levels. The F&B Controller should make spot checks on the mini bars of vacant rooms. Any variances from the par inventory should be reported and investigated.

b) REVENUE CONTROL

1. On a daily basis the mini bar attendant should check the consumption and replenish the mini bar. At this time, the attendant should contact front desk and advise which items and charges are to be added to the guest's folio. This will alleviate delays, which result in after departure charges and often loss of revenue.
2. Each mini bar attendant should possess a three part summary listing all items contained in each mini bar and which covers a section of rooms, e.g. one floor. Prior to telephoning front desk, the attendant will mark the consumption per item per room. This pre-printed summary will state the:
 - Full contents of each mini bar
 - Unit selling price of each item
 - Room number
 - Date
 - Total replenishment of each item made by the mini bar attendant
 - Total selling value of the replenishment made
3. This form will be the summary of revenue for each mini bar attendant and also the requisition for the replenishment of the attendants' pantry stocks. The person supervising the mini bar attendant should

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therefore ensure that the revenues are recorded on guest checks and compared to the total value of the requisition/sales summary.

4. Once the sales value has been agreed, the summary should be signed by the supervisor and the summary distributed:
 - One copy can be used as the requisition for the cellar
 - One copy of the summary should be sent to front office for use by the cashiers and night audit in verifying and balancing the day's postings

c) PERFORMANCE MEASUREMENT

1. As a prerequisite to control, the margins to be made on the contents of the mini bars should be established. And determined by the F&B Manager having regard to the pricing policy being adopted in the bar outlets.
2. Because of the likely hood of after departure charges, the management may decide to build into the mark-up an additional margin to recognise this shrinkage.
3. This overall margin should be used to measure the performance of the mini bar department and as such, the following procedures should be followed to prevent any distortion of the actual cost of sales.
4. At the end of each period the inventory of the cellar and the pantry areas should be counted. The mini bars will be assumed to be at the par level but nevertheless should be test counted. The cost of sales calculation will therefore be:

Opening inventory (as counted in cellar and pantries)	000
Add: room inventories (total of mini bard in the hotel)	000
Add: purchases (as recorded through the system)	000
Less: closing inventory (as counted in cellar & pantries)	<000>
Less: rooms inventory (total of mini bars in the hotel)	<000>
Equals: Cost of Sales	<u>000.</u>

5. Cost of sales should reconcile to the total requisitions prepared during the period and any difference between this and the total of the requisition should be reported as and inventory variance in the detailed mini bar report prepared by the F&B Controller.
6. By their nature, mini bar charges will often become after departure charges. Usually, they are generally not significantly enough to warrant billing the guest. The Controller should, in the light of local experience, set down a cash value under which after departure charges for mini bars should automatically be written off.

In this situation, the revenue should be written off but the cost of sales should not be adjusted. The write off should therefore be made to an allowance account and shown separately rather than as reduction to the revenue account.