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SPHM
HOSPITALITY

SPHM – F&B STANDARD OPERATING PROCEDURES



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F&B Standard Operating Procedures

Food & Beverage Standard Operating Procedures

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PROCEDURE:

- All properties are required to adhere to minimum franchise requirements of hours of operation and menu items. Any deviation from this must have the written approval of the Executive Vice President of Operations.
- Following is a checklist to assist in daily operations:
- Continental Breakfast Bar should be set up with appropriate breakfast items and ready to serve the guests daily upon opening of the lobby or at a minimum of 6AM.
- Continental Breakfast Bar should be free from coffee spills, crumbs and debris at all times during continental breakfast hours.
- Continental Breakfast person needs to follow proper personal hygiene according to set policies, including wearing of plastic gloves when handling food, proper hand washing technique and wearing of proper uniform, if applicable.
- Continental Breakfast Bar should be stocked with food and condiments at all times during the breakfast hours. (Keep coffee and juice containers filled continuously during breakfast hours).
- Lobby should be kept clean at all times including wiping down coffee and juice stations, cleaning ashtrays, cleaning trash off lobby tables and emptying lobby trash can.
- Breakfast Bar should be cleaned inside and out to remove all coffee spills and stains; also clean the microwave, toaster and sneeze guard, if applicable, on a daily basis.
- Every Wednesday, all coffee pots must be cleaned thoroughly along with juice machine, which also must be taken apart and cleaned, if applicable.
- Also on Wednesday, Continental Breakfast refrigerators need to be cleaned after all products are removed, if applicable.

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- Notify management immediately of any shortage of supply or food for Continental Breakfast.
- On Tuesday and Friday, date and label all food and put away. Pull all old food to the front to be served the next day (using the FIFO inventory method).

TRICKS OF THE TRADE

Having a great-looking breakfast does require a big investment. Food arrangement, color selection and decorative items can all contribute to a warm morning welcome for your guests. You may not be Martha Stewart, but you can use some tricks that will enhance your setup. These might include:

- Using a themed approach that includes decorative items.
- Varying the height of breakfast items to create eye appeal.
- Organizing your setup to keep guest traffic flowing smoothly.

This section shows you six themes that can make guests say, "Wow!" The section for each theme includes the layout, item description, item cost and total cost. And for cost effectiveness, you can use the same basic package * and other serving pieces in all six themes. You don't have to reinvent the wheel; just follow the layouts for a satisfying guest experience. Or, if you're the creative type, try your hand at some inventive layouts. The themes aren't mandatory; we've simply developed some that clearly demonstrate appealing presentation. It's up to you to decide.

Simplicity is the key; don't let your attempt to decorate get in the way of guest convenience. If you aren't quite sure this is time well-spent, just think what a waste of money it is to buy a variety of high quality food and then ignore how it is presented. You are investing in quality, so make sure you get your money's worth.

** The alternative optional displays do not utilize the interchangeable theme concept and must be purchased as complete kits.*

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MINIMUM PRESENTATION LEVEL STANDARDS

- The continental breakfast presentation must be clean, neat, appetizing and professional at all times.
- Adequate food and beverage product which meets minimum requirements must be available during required hours.
- The use of cardboard, aluminum foil or disposable plastic bulk serving containers is prohibited.
- It is our responsibility to ensure compliance with local sanitation codes.
- Any additional refreshment service (including, but not limited to, receptions, managers' cocktail parties, coffee breaks, etc.) must be presented in a clean, neat, appetizing and professional manner.
- The tables used in the presentation/service of the continental breakfast may not be banquet, draped banquet or temporary-type tables (Bakers' racks are permitted).

The tables must be finished furniture pieces which coordinate with the lobby/serving area decor and furnishings.

- Food Station/Beverage Serving area: the use of at least seven "decor-enhancing" items is required. The following items are NOT considered "decor-enhancing":

1. Wall Decor	7. Flowers
2. Cloth Napkins	8. Vases
3. Items that are "decor-enhancing"	9. Sculptures
4. Prop Pieces	10. Baskets or decorative food containers
5. Table Runners	
6. Plants	

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FURNISHINGS

Your breakfast area is like a "picture frame" that complements your wonderful food and outstanding service. To create a welcoming setting, you must start with some basics.

- Include several plant containers with high-quality silk plants or well-maintained live plants.
- Dining tables must have solid wood or high-pressure laminate tops with a wood edge (minimum 2-top size is 1 1/4" thick and 24" x 30") and commercial-grade base for sturdy support.
- At the time of lobby renovation or refurbishment, and/or all new construction, a built-in serving bar is required. Temporary tables are not allowed. Tops must be Corian (or equal), minimum size 12'L x 24" D x 34" H. An additional service area for coffee service must be provided, minimum size of 8' L x 23" D x 34" H. Fifty foot-candles of illumination are required at counter height.
- Pantry/serving area with an island is required. Cabinet finish must be stained wood with Corian (or equal) countertops. Upper cabinets are not required, but are recommended. Artwork is required on walls with no upper cabinets.
- A minimum of 30 seats is required.

HEALTH CODE STANDARDS

All of your food handling and storage techniques must meet your local health department's requirements. You may find that our standards are more stringent than your code, or that your code is more stringent than our standards. In very case, you must meet whichever standard is higher.

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BEVERAGES

Coffee, Tea, Hot Water

Regular Coffee

- Must be brewed. Minimum weight of grounds: Standard Yield Beans: 2.0 oz. per 60 fl. oz. pot.
- Coffee must be presented in one of the following options:
 - Air ports with Drip Trays, clearly labeled with professional signage (handwritten signage not permitted).
 - Coffeemaker may be in breakfast area; however, this is not recommended because the machine detracts from the overall appearance of the breakfast presentation.
 - Coffee Station Shuttles or Decorative Urns with Drip Trays, clearly labeled with professional signage (handwritten signage is not permitted).
- Coffee should only be held for 30 minutes, because after that it will not taste or smell as fresh as it should. Brew coffee often and replenish a less-than-full pot. Set time periods for the breakfast host/hostess to follow.
- Hot plates are not permitted.
- Glass pots may only be used by Breakfast Host/Hostess for refilling individual guest's cups.
- Product Recommendations: Superior Coffee, Maxwell House and Millstone Coffee.

Tea Bags (regular and decaffeinated)

- Must be individually foil wrapped to ensure freshness.
- Tea bags must be presented in decorative container (e.g., tea box).
- Product Recommendation: Bigelow English Teatime and English Teatime Decaffeinated.

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Hot Water

- Hot Water must be presented in Air ports, Decorative Urn or Coffee Station Shuttles to ensure proper temperature. Each option requires a drip tray and professional signage (handwritten signage not permitted).

Juice

- Minimum of two (2) juice varieties shall be offered, one (1) shall be orange juice. To ensure food safety and sanitation standards are met, juices shall be purchased as frozen concentrates in sealed dispenser packs (industry standard "Express Packs").
- Minimum fruit juice percentage and sugar content (brix) of the five most popular flavors are as follows:
 1. Orange: 100% juice, brix = 11.8
 2. Grapefruit: 100% juice, brix = 10.5
 3. Cranberry: 15% juice, brix = 13.0
 4. Apple: 100% juice, brix = 11.5
 5. Lemonade: 15% juice, brix = 10.6
 6. Fruit drink is permitted in addition to the minimum juice requirements.
- Juice must be presented in one of the following options:
 - Ice Tube Pitcher (Kufra – 61 oz., Oasi – 71 oz., or Samoa – 91 oz.) with custom chain tags (not handwritten).
 - Vacuum Server. The pitchers must be labeled (not handwritten).
 - Stainless Steel Juice Dispenser with Ice Tube Insert. The ice tube dispenser will keep your juice at a proper temperature.

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- Juice Dispenser Machine may be in breakfast area; however, this is not recommended as the machine detracts from the aesthetics of the breakfast presentation.
- Product recommendation: Vitality

Milk

- Health and sanitation regulations vary by location. In some locations, for instance, it is not acceptable to serve milk in any container other than the original. It is your responsibility to comply with local health and sanitation regulations.
- A minimum of two of the following milk types are required: whole, 2%, 1%, skim.
- Milk must be presented in one of the following options:
 - **Vacuum Server.** The pitchers have glass liners and are designed to keep milk at proper temperature and maintain freshness. The pitchers must be labeled (not handwritten).
 - **Ice Tube Pitcher** to ensure freshness and temperature (Kufra – 61 oz. Oasi – 71 oz. or Samoa – 91 oz.) with custom labels (not handwritten).
 - **Milk Dispenser** may be in breakfast area; however, this is not recommended as the machine detracts from the appearance of the breakfast presentation.
 - **Original Container**, only if required by local health requirements.

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FOOD ITEMS

Each of the following items must be offered daily in the hotel's continental breakfast:

Breakfast rolls, Danish, muffins or donuts (three selections minimum)

- Assortment must include at least three different types of items. Offering three types of one item (e.g., three different types of donuts) is not acceptable.
- Breakfast rolls/pastries must be presented in a decorative basket/platter with acrylic cover (with end-opening lid) to ensure freshness.
- Per health code regulations, food must not touch cloth napkins. Use aluminum or acrylic tray under food items with decorative cloth lining under tray.
- Basket must be lined with a decorative cloth napkin under food tray. If a decorative platter is used, the cloth napkin is not required.
- To enhance the perception of variety, the arrangement of these items should be random (not arranged or lined-up according to type...don't put all your donuts in on row!)
- Breakfast rolls/pastries dry out quickly. Keep them covered to ensure freshness. Covering the basket with cloth linen is not acceptable.
- Suggested varieties: apple, cherry, cinnamon, raisin, cream cheese, raspberry, strawberry
- Product recommendation: Sara Lee, Otis Spunkmeyer, Awrey's or your local bakery

Donuts (minimum 2.5 oz.)

- Suggested varieties: apple fritter, cake, candy-sprinkled, frosted, chocolate, chocolate iced, golden glazed, long johns, powdered sugar, raspberry-filled

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- Product recommendation: Krispy Kreme, Sara Lee, Otis Spunkmeyer, Awrey's or your local bakery.

Muffins (minimum 1 ' 50 oz.)

- Suggested varieties: apple cinnamon, banana nut, blueberry, bran, cheese streusel, double chocolate chunk, poppyseed.
- Product recommendation: Sara Lee, Otis Spunkmeyer, Awrey's or your local bakery.

Cinnamon Rolls: A Tasty Option

Hampton Inns conducted a test and here is what they found:

Thumbs Up!

They introduced the Sara Lee thaw and microwave cinnamon rolls in three properties last fall. Overall, almost all of the guests in the three properties who tried the Sara Lee cinnamon roll enjoyed it and would like to have it added to the regular breakfast.

- More than eight in 10 said the cinnamon roll was very easy to prepare.
- Nine in ten would recommend the cinnamon roll to others and would like to see it added to the regular breakfast.

Pretty impressive figures. Better yet, *adding the cinnamon roll would generally not require any significant operational adjustments for the property.*

Our Recommendation

At this point, we are not requiring a cinnamon roll product as a SPHM standard. We do recommend, however, that this breakfast item could enhance guest satisfaction, and that adding it could be a real plus in our hotels. Here are some ways you can introduce the cinnamon roll:

- We recommend the Sara Lee product because it is a high-quality item in keeping with our high product standards.
- Try adding it on alternate days, or seasonally.
- Include it every day and enhance your guests' breakfast experience.

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Sweeten Breakfast

Remember, on Guest Satisfaction Responses breakfast is the number one item that guests would like us to improve. The cinnamon roll is one way to accomplish that. What better way to WOW them than to give them something new to munch on in the morning. A cinnamon roll could be a very sweet addition!

Cold Cereal

- Minimum of one sweet and two non-sweet cereals. Assortment must include at least three different types of cereal.
- Individual cereal boxes must be presented in cloth-lined basket or a similar decorative item.
- Bulk cereal must be placed in glass canisters (minimum 2 gallon). An aluminum cereal scoop must be used with glass canisters.
- A plastic cereal dispenser is not acceptable.
- Generic-branded cereal is not acceptable.
- Suggested Varieties: Raisin Bran, Cheerios, Rice Krispies, Fruit Loops, Frosted Flakes, Bran, Com Flakes, Wheaties, Granola.
- Product Recommendation: General Mills, Kellogg, Post.

Breakfast Bread

- A minimum of three types of low-sugar bread items.
- Bread dries out quickly. Keep bread covered to ensure freshness. Covering bread with a cloth linen is not acceptable.
- Breakfast bread must be presented in a basket with acrylic cover to ensure freshness.
- Per health code regulations, food must not touch cloth napkins. Use aluminum or acrylic tray under food items with decorative cloth lining under tray.
- Basket must be lined with a decorative cloth napkin under food tray.

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- To enhance the perception of variety, the arrangement of these items should be random.
- Minimum of one (1) two-slice toaster for hotels with 100 or fewer rooms. Recommended one (1) four-slice toaster.
- Minimum of two (2) two-slice toasters or one (1) four-slice toaster for hotels with 100+ rooms.
- Commercial, "conveyor-belt" type toasters are prohibited.

Minimum of three of the following bread items are required:

Toast

- Suggested Varieties: White, Wheat, Cinnamon Swirl or Cinnamon Raisin.
- Product recommendation: Local bakery or food supplier.

Bagels (4 oz)

- Suggested varieties: Blueberry, Cinnamon Raisin, Egg, Plain, Onion.
- Product recommendation: Lenders, Sara Lee, Otis Spunkmeyer or Awrey's

English Muffins (2 oz.)

- Product recommendation: Awrey's, local bakery or food supplier (Thomas's brand).

Croissants (2 oz.)

- Suggested Varieties: All Butter
- Product recommendation: Sara Lee, Awrey's or local bakery.

Fresh Fruit

- A variety of at least three types of fresh fruit (whole, sliced or sectioned).
- Canned fruit compote is not acceptable; however, sliced and sectioned fresh fruit is acceptable as compote.
- Frozen fruit compote is acceptable.
- Whole fruit must be presented in a basket or decorative bowl. To enhance the perception of variety, the arrangement of these items should be

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random (not arranged/lined-up according to type ... don't put all your apples in one basket!)

- Sliced or sectioned fresh fruit must be presented in a decorative bowl.
- Suggested varieties:
 1. Apples: Red or Golden Delicious, 125 counts
 2. Bananas: #1, green tipped.
 3. Cantaloupe
 4. Oranges: 100 count, Sunkist
 5. Pineapple
 6. Watermelon
- Product recommendation: Local market or food supplier.

Buying, Storing and Serving Fresh Fruit

Fresh fruit is an important part of the diet and a great addition to any breakfast. To make sure your fresh fruit looks and tastes delicious enough to "wow" your guests use the following techniques:

- Select fruit that is firm and has a nice color. Steer clear of fruit that is bruised or discolored, or seems to be shriveled, molded or slimy. Don't buy anything that smells bad.
- Wash all fruit just before using in slightly warm water (between 80 and 110F). This removes any dust, soil, or even chemicals or bacteria on fruit skin. Even if you intend to peel the fruit, there is a chance that when you cut it, foreign materials on the skin may contaminate the fruit flesh.
- Place berries or other soft fruit in a colander or wire basket and rinse in a bowl of clear water several times.
- Remove all stickers/tags from fruit.
- When you're shopping, consider the normal storage times for each type of fruit, and only buy as much as you need for a few days. Bananas have

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a fairly short life, but apples, lemons, grapefruit, oranges, tangerines and other citrus fruits keep longer.

- Keep fresh fruit in the crisper.
- Cover any cut fruit and refrigerate.

Recommended Fruit Handling Techniques

- Apples
- Store in refrigerator.
- Separate apples from other food. One bad apple does "spoil the bunch".
- Remove bruised/soft apples from display.
- Consider using a variety of apples.

Bananas

- Buy slightly green bananas to make sure they're fresh.
- Store at room temperature.
- Allow a day or two for bananas to ripen.

Seedless Green Grapes

- Store in refrigerator.
- Rinse in cold water before serving.
- Remove any spoiled or soft grapes from display.
- Place grapes on top of display as they bruise and perish easily.

Oranges

- Store in refrigerator.
- Offer tree-ripened navel oranges.

Peaches

- Store in refrigerator.
- Offer when in season.
- Buy firm and allow time to ripen.

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Cantaloupe/Honeydew/Watermelon

- Make sure the melon has no bruises or discoloration
- Cantaloupes should have prominent, evenly distributed corky "netting".
- A ripe melon has a sweet, musky aroma.
- A green honeydew melon will never ripen.
- Melons can be held a day or two at room temperature. When you can, slightly depress your thumb in the blossom end, move it to the refrigerator.
- If you can tell where the cantaloupe has been resting on the ground, look for a yellow-white spot that indicates it is ripe. If the spot is white or pale green, the melon is immature.
- If a watermelon is not mature, it can be ripened for a few days at room temperature.
- Wrap all melons in wax paper or plastic bag before storing in refrigerator.
- You can store watermelons uncut for 2-3 weeks. Cut melons can be kept covered in the refrigerator for several days.

Additional Food Standards

- Breakfast food items not normally associated with continental breakfast (e.g., cooking eggs, bacon, potatoes, etc.) cannot be served.
- The use of electric waffle irons is prohibited due to safety, cleanliness and brand consistency issues.

Food Items to Consider but not Required

The items below are popular with guests, but may be somewhat more expensive than basic selections.

- Hot chocolate
- Coffee cake
- Strudel
- Granola bars

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- Pop Tarts or Pastry Tarts
- Oatmeal
- Pre-cooked hard boiled eggs (purchased directly from distributor).
- Yogurt:
 - A variety of at least two types of fruit yogurt.
 - Suggested varieties: Blueberry/Cherry/Plain/Raspberry/Strawberry
 - Yogurt must be presented in copper container with frozen insert (or similar) to ensure freshness and temperature.
 - 4 oz. portion controlled.
 - Product recommendation: Dannon
- Biscuits (2 oz.)
 - Suggested varieties: Buttermilk
 - Product recommendation: Awrey's, Sara Lee or local bakery.
 - Gravy (optional) must be presented in a decorative crock-pot.

Be sure to handle these items in ways that ensure freshness and a pleasing presentation, just as you do the required items.

The following items may be served, but are not recommended:

- Pillsbury Toaster Strudel
- Pillsbury Toaster Scrambles
- Toaster Waffles: 8 oz. (Product recommendation: Aunt Jemima)
- Pancakes: 1.14 oz. (Product recommendation: Aunt Jemima)
- If serving toaster waffles or pancakes, syrup must be offered. Syrup must be presented in Portion Control Packaging (1 1/2 fl. oz.). Syrup pitchers are not permitted.
- A minimum of three types of syrups must be available, including maple.

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Condiments

- All condiments must be in Portion Control (PC) packaging in a decorative container. Items shall be logged or nationally recognized labels.

Sweeteners

The following three sweeteners must be provided:

- Sugar – Portion Control Packaging 3/10 oz.
- Saccharin product (pink) – Portion Control Packaging 1/10 oz.
- Recommendation: Sweet 'N' Low.
- Nutrasweet product (blue) – Portion Control Packaging 1/10 oz.
- Recommendation: Equal.

Creamers

- Creamers must be presented in Portion Control Packaging (3/8 fl. oz.) Liquid creamers must be provided. Powdered creamers are not permitted. *
- Creamers requiring temperature control must be presented in copper container with frozen insert (or similar) to ensure freshness and temperature.

() Creamers not requiring refrigeration are recommended*

Jelly/Preserves

- Jelly/Preserves must be presented in Portion Control Packaging (3/8 fl. oz.) in a decorative container. Bulk containers or jars are not permitted due to food safety/sanitation reasons.
- Suggested varieties: Apple/Grape/Mixed Fruit/Strawberry
- Product recommendation: J.M. Smuckers

Butter/Margarine

- Butter/Margarine must be presented in Portion Control Packaging (3/8 fl. oz.)

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- Bulk containers or jars are not permitted due to food safety/sanitation reasons.
- Minimum selection must include butter and one type of butter alternative.
- Butter; 47 count continental wrapped
- Butter Alternative; 5 grams
- Product recommendation: Country Crock
- Margarine Spread; 5 grams.
- Product recommendation: Promise

Butter/Butter Alternative products must be presented in copper container with frozen insert (or similar) to ensure freshness and temperature.

Cream Cheese and Light Cream Cheese

- Must provide cream cheese/light cream cheese in Portion Control Packaging (3/4 fl. Oz.)
- Product recommendation: Land O' Lakes
- Cream Cheese must be presented in copper container with frozen insert (or similar) to ensure freshness and temperature.

Utensils

Listed below are minimum requirements for utensils.

- Tongs
- Stir sticks
- Disposable insulated PerfecTouch cups, 8 oz. minimum
- Cup covers (with "sip lip")
- Disposable 5" foam/plastic/paper plates
- Disposable foam or plastic bowls (as required)
- 2-ply cocktail napkins.

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- Plastic eating utensils as required by food offerings:
 1. Knife, heavy medium weight, Polystrene. 7"
 2. Fork, heavy medium weight, Polystrene, 6 5/16"
 3. Teaspoon, heavy medium weight, Polystrene, 5 7/8"
 4. Color: White
- Plastic or cardboard room service trays must be available for guests who want to take items to their rooms.

PRESENTATION TIPS

Creating an Appealing Breakfast

Has your mouth ever watered for something delicious, even though you weren't hungry? Food that looks tasty and smells delicious can tempt us just as much as a grumbling stomach. That's because we eat with our eyes, as well as our mouths. When you take the time and effort to create an attractive breakfast presentation, you:

Tell the guest you care

- Reinforce the quality of the food you serve.
- Create an impression of variety.

Just as an appealing display will contribute to guest satisfaction, an untidy, disorganized or unattractive setup will detract from even the best tasting food. (A Thanksgiving feast just doesn't look the same when the dishes are dirty and the turkey is half stripped to the bone!).



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SCOPE:

To provide a method to control labor costs

To aid department managers in the development of weekly schedules

AUTHORIZATION:

Any deviation from the approved staffing guides must be approved in advance by the Director of Food and Beverage.

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SCOPE:

- To provide an accurate method of forecasting departmental revenues.
- To provide appropriate staffing and expense control procedures.
- To minimize expenses and maximize profitability.

AUTHORIZATION:

Any deviation from the approved forecasting procedure requires the prior approval of the Regional Vice President or Executive Vice President.

RESPONSIBILITY:

General Manager

Director of Food and Beverage

PROCEDURE:

There are three components to the weekly Food and Beverage Forecast.

DEPARTMENTAL FORECAST WORKSHEET (Exhibit 1)

1. Every Food and Beverage Revenue Department must complete this worksheet to aid in compiling the weekly forecast. This worksheet will be used to determine revenue based on occupancy, capture rate, average check, and in-house Catering events.
2. Each department manager is responsible for researching historical financial information (i.e. capture rate, average check and occupancy) for their respective department(s).
3. The steps for completing the worksheet are:
 - a. Compile past historical information by Monday of each week.
 - b. Obtain forecasted occupancy and group activity from the Front office & Catering departments.

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- c. Complete departmental worksheet.
- d. Submit worksheet to Director of Food & Beverage for approval.

4. After revenues have been forecasted on a daily basis, each department manager must analyze and determine the staffing levels required to accommodate the forecasted business volume. These staffing levels must then be converted to labor dollar expenditures.
5. These labor dollars are then entered on the worksheet; the weekly total calculated and then carried over to the departmental work schedule.
6. Before departments such as kitchen and stewarding can complete their labor forecasts, they must be given copies of the Restaurant, Room Service and Banquet Forecasts. The "Non-Revenue" departments should only complete the Labor Forecast section of the weekly forecast.

FOOD AND BEVERAGE DEPARTMENT FORECAST SUMMARY (Exhibit 2)

7. As each Departmental Forecast Worksheet is submitted, it is to be transferred to the Forecast Summary for presentation, distribution, and review in the weekly hotel forecast meeting.
8. The purpose of this format is to give all managers solid information on expected business volumes in all departments for the upcoming week. Also, it will provide a tool to determine the accuracy of the departments' forecast method.
9. When a department shows frequent unacceptable forecast results, the Director of Food and Beverage should review the department's Weekly Forecast Worksheet to determine where the miscalculations occurred and take corrective measures.

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WEEKLY DEPARTMENTAL SCHEDULES

10. Week Prior to Scheduled Week

- a. All departments must complete a standard SPHM Weekly Work Schedule. These schedules should be based on approved staffing guides and forecasted covers.
- b. Staffing guides must be updated as required by changing conditions (i.e., introduction of a buffet, or introduction of new service standard). Changes in staffing guides require the approval of the Executive Vice President.
- c. Employee Work Schedules are costed out and the total cost compared with budgeted dollars. Rate per hour, scheduled hours, amount columns and totals must be filled in on the Work Schedule form. The total sales, payroll cost and payroll cost percentage (%) scheduled are entered in the designated spaces in the upper right hand corner of the form and total hours scheduled for each day are entered at the bottom of the sheet in the respective day's column. The employee work schedule is not posted until it has been costed and determined to be in line with budgeted dollars. If it is not in line, scheduled hours must be changed to keep payroll cost in line with budget.
- d. The Director of Food and Beverage must review all work schedules for the Food and Beverage department and verify that (a) coverage is adequate and in line with expected business levels and (b) the costed amount is in line with budgeted expense levels.
- e. Work schedules are to be posted by end of the day shift every Wednesday.

11. During the Scheduled Week

- a. Front Office/Reservations issues an updated 3-day rooms forecast every day. The format of this forecast highlights all significant changes

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from the original weekly 10-day forecast by prominently identifying any change from the 10-day forecast. This is distributed daily to all Restaurant and Lounge Managers, the Chef, Director of Catering, and Director of Food & Beverage.

- b. When significant changes have occurred in the forecast, work schedules are to be changed immediately. Affected employees must be promptly notified of any change. The Director of Food & Beverage must be continually alert for changes in the rooms forecast (particularly decreases in expected business) and must personally follow through with supervisors and managers to ensure that schedules are actually adjusted. This element is paramount in controlling labor costs.
- c. Restaurant Managers must constantly manage their labor hours on a meal period by meal period basis. When expected volumes of customers do not materialize during a meal period, Restaurant Managers must take immediate action in sending employees home early and cutting costs. Overtime should be nonexistent. Part-time personnel who want to work only a few hours a day can be used to help cover peak periods and minimize the number of full time/full shift employees.
- d. For restaurants, lounges, kitchen, and banquet departments, the department manager is to compute daily labor costs as follows:
 - i. Each morning the total man hours actually worked for the previous day is to be calculated directly from the time cards. This total is entered on the bottom of the standard SPHM Work Schedule form. This total should be compared against the hours scheduled and discrepancies investigated and corrected immediately. The calculation of actual hours worked must be one of the first things done each morning to allow for immediate corrective action when cost problems occur. This is a key step in the entire process and is critical in effective labor cost control. These actual figures are to be entered on the Department Forecast Worksheet daily.

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- ii. The actual labor costs dollars are then computed by multiplying the actual daily hours times the average hourly wage. (Note: This average hourly wage will be supplied by the Controller and should be the actual average wage for the most recent full payroll period.)
- iii. The daily labor cost percentage (%) is then computed using the daily sales for the outlet or department. These daily sales figures are obtained from the Daily Report. (Copies of this report should be distributed early each morning to all department managers.)
- iv. When deviations occur in hours worked versus scheduled or as labor cost percentage (%) deviates significantly from budgeted percentages (%) all managers must quickly take corrective action on a daily basis.

12. After the Scheduled Week

- a. Immediately following the close of the week, the "actual" figures for hours and dollars should be filled, in on the standard Work Schedule form. The total should be transferred to the "actual" column in the upper right hand corner. The "actual" is compared to "scheduled" and the overage (or shortage) determined. The total "actual" plus the period to date figures from the previous week are subtracted from the period budget to determine the "balance remaining".
- b. Whenever the payroll cost for a given week exceeds budget and/or forecast, the department manager must reduce payroll in subsequent weeks of the period to attempt to recoup the unfavorable variance to budget/ forecast. The goal is to keep the period labor cost within the period budgeted/forecasted amount.
- c. The completed Work Schedules are to be sent to the General Manager each Friday for his/her review of the previous week's success (or lack thereof) in controlling labor.

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- d. The General Manager is to take prompt action in aiding any department head who is having difficulty keeping his/her labor costs within budgeted/forecasted amounts.
- e. The completed Work Schedules should be filed in the General Manager's office and retained for 6 accounting periods to allow for accuracy and control audits.
- f. At the end of each payroll pay period the Controller should prepare a summary report that compares the actual payroll dollars paid to the dollars reported by the department head on the Work Schedules. This report should show comparison by department. The General Manager must review this report and resolve any discrepancies indicated. A copy of this report is to be sent to the Regional Vice President each period.
- g. The General Manager should regularly review the accuracy of forecasts developed by the Director of Food and Beverage to ensure that an acceptable level of forecasting accuracy is occurring.



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DEPARTMENT FORECAST WORKSHEET

Outlet: _____ Date: _____ Period: _____ Week: _____

Day/Date	Saturday			Sunday			Monday			Tuesday			Wednesday			Thursday			Friday			
Occ Rooms																						
	Last Year	Bdg	Fcst																			
FOOD & CATERING		Act																				
B R K F A S T	Capture		/			/			/			/			/			/			/	
	Covers		/			/			/			/			/			/			/	
	Avg Chk		/			/			/			/			/			/			/	
	Revenue		/			/			/			/			/			/			/	
L U N C H	Capture		/			/			/			/			/			/			/	
	Covers		/			/			/			/			/			/			/	
	Avg Chk		/			/			/			/			/			/			/	

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	Revenue	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
B R U N C H	Capture	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Covers	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Avg Chk	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Revenue	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
D I N N E R	Capture	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Covers	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Avg Chk	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Revenue	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
R E C E P	Covers	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Avg Chk	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Revenue	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/

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C B R K	Covers			/			/			/			/			/			/	
	Avg Chk			/			/			/			/			/			/	
	Revenue			/			/			/			/			/			/	
	Cat Bev Rev			/			/			/			/			/			/	
	Othr Income			/			/			/			/			/			/	
T O T	Covers			/			/			/			/			/			/	
	Revenue			/			/			/			/			/			/	

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DEPARTMENT FORECAST WORKSHEET

Outlet: _____

Date: _____

Period: _____

Week: _____

Day/Date		Saturday		Sunday		Monday		Tuesday		Wednesday		Thursday		Friday	
Occ Rooms															
BEVERAGE SALES	Last Year	Bdgt	Fcst Act	Last Year	Bdgt	Fcst Act	Last Year	Bdgt	Fcst Act	Last Year	Bdgt	Fcst Act	Last Year	Bdgt	Fcst Act
RST #1	Rev/Cov		/			/			/			/			/
	Revenue		/			/			/			/			/
RST #2	Rev/Cov		/			/			/			/			/
	Revenue		/			/			/			/			/
RM SVC	Rev/Cov		/			/			/			/			/
	Revenue		/			/			/			/			/
L O U N G E #1	Lunch		/			/			/			/			/
	Cktl Hr		/			/			/			/			/
	Entr Hr		/			/			/			/			/
	Cov Chg		/			/			/			/			/

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L N G E #2	Lunch	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Cktl Hr	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	Entr Hr	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/

LABOR FORECAST

Day/Date	Saturday		Sunday		Monday		Tuesday		Wednesday		Thursday		Friday	
	Forecst	Actual	Forecst	Actual	Forecst	Actual	Forecst	Actual	Forecst	Actual	Forecst	Actual	Forecst	Actual
Revenues														
Labor \$\$														
Labor %														

WEEKLY LABOR FORECAST

	Budget	Forecast	Actual	Accuracy
Ttl Revenues				
Ttl Labor \$				
Ttl Labor %				

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FOOD AND BEVERAGE FORECAST SUMMARY

Date: _____ Period: _____ Week: _____

Day/Date	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday											
ROOM STATISTICS																		
Rooms Occ																		
# of Guests																		
# of Arrivals																		
# of Depart																		
Offset Rooms																		
Offset Guests																		
FOOD REVENUE																		
	Fcst	Actl	Acy	Fcst	Actl	Acy	Fcst	Actl	Acy	Fcst	Actl	Acy	Fcst	Actl	Acy	Fcst	Actl	Acy
Breakfast																		
Ttl Bgt Cov																		
Avail Cov																		
RST #1	Covers																	
	Revenue																	
RST #2	Covers																	
	Revenue																	
RM SVC	Covers																	
	Revenue																	

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Lunch																			
Ttl Bgt Cove																			
Avail Cov																			
RST #1	Covers																		
	Revenue																		
RST #2	Covers																		
	Revenue																		
RM SVC	Covers																		
	Revenue																		

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FOOD AND BEVERAGE FORECAST SUMMARY

Date: _____ Period: _____ Week: _____

Day/Date	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday											
FOOD REVENUE (Cont)																		
	Fcst	Actl	Acy	Fcst	Actl	Acy	Fcst	Actl	Acy	Fcst	Actl	Acy	Fcst	Actl	Acy	Fcst	Actl	Acy
Dinner																		
Ttl Bgt Cov																		
Avail Cov																		
RST #1	Covers																	
	Revenue																	
RST #2	Covers																	
	Revenue																	
RM SVC	Covers																	
	Revenue																	
Totl Covers																		
Totl Revenue																		
Receptn AM																		
Receptn PM																		
C Break AM																		
C Break PM																		

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	AREA FOOD & BEVERAGE	PROCEDURES THREE MONTH WORKSHEET	By: Agustinus Agus Purwanto, SE MM

POLICY:

Each property will utilize the standard SPHM Food & Beverage Three-Month Forecast Worksheet to calculate and compile figures for the Food and Beverage portion of Three Period Forecast.

RESPONSIBILITY:

Director of Food and Beverage

PROCEDURE:

This forecast is to be completed on a monthly basis with data for the next three accounting months. This forecast will be compiled, reviewed, and authorized by the Director of Food and Beverage and submitted to the General Manager and Controller for final approval.

In compiling and calculating the Three-Month Food and Beverage Forecast, the attached Food and Beverage Three-Month Forecast Worksheet is to be used.

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FOOD AND BEVERAGE THREE-MONTH FORECAST WORKSHEET

Period _____ Year _____ Date _____

		Last Year Actual	Budget	Forecast
Individual Rooms				
Group Rooms				
Pkg Room, T.F.B.				
Pkg Rooms, Other				
Total Rooms				
Occupancy %%				
FOOD DEPARTMENT				
R	B R K F A S T	Capture		
E				
S				
T				
A				
R				
U				
R				
A				
N				
T				
#				
1				
		Avg Chk		
		Covers		
		Revenue		
	L U N C H	Capture		
		Avg Chk		
		Covers		

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		<i>Revenue</i>			
D I N N E R R E S T A U R A N T # 2	Capture				
		Avg Chk			
		Covers			
	Revenue				
		Capture			
		Avg Chk			
		Covers			
		Revenue			
	L U N C H	Capture			

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		<i>Avg Chk</i>			
		Covers			
		Revenue			
	D I N N E R	Capture			
		Avg Chk			
		Covers			
		Revenue			

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FOOD AND BEVERAGE THREE-MONTH FORECAST WORKSHEET

Period _____

Year _____

Date _____

		Last Year Actual	Budget	Forecast
FOOD DEPARTMENT (continued)				
R	B	Capture		
O	R			
O	K			
M	F			
S	A			
S	S			
E	R			
R	V			
E	I			
	C			
	Avg Chk			
	Covers			
	Revenue			
L	L	Capture		
U	U			
N	N			
C	H			
	Avg Chk			
	Covers			
	Revenue			

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D I N N E R	Capture				
	Avg Chk				
	Covers				
	Revenue				
Total Food Rev					
Food Cost					
		%		%	
	Mgmt Wages		%		%
	Prep Wages		%		%
	Utility Wages		%		%
	Service Wages		%		%
Total Labor Cost					
		%		%	
Benefits					
		%		%	
Direct Expenses					
		%		%	
Total Expenses					
		%		%	
Depart Profit					
		%		%	

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FOOD AND BEVERAGE THREE-MONTH FORECAST WORKSHEET

Period _____ Year _____ Date _____

		Last Year Actual	Budget	Forecast
Individual Rooms				
Group Rooms				
Pkg Room, T.F.B.				
Pkg Rooms, Other				
Total Rooms				
Occupancy %%				
BEVERAGE DEPARTMENT				
Rest #1	Rev/Cover			
	Revenue			
Rest #2	Rev/Cover			
	Revenue			
Room Service	Rev/Cover			
	Revenue			
L N G # 1	Lunch Revenue			
	Cktl Hour Rev			
	Entr Hour Rev			

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L N G # 2	Lunch Revenue				
	Cktl Hour Rev				
	Entr Hour Rev				
	Cover Charges				
	Total Revenues				
	Beverage Cost		%	%	%
	Mgmt Wages		%	%	%
	Service Wages		%	%	%
	Total Labor Cost		%	%	%
	Benefits		%	%	%
	Direct Expenses		%	%	%
	Entrtnmnt Expense		%	%	%
	Total Expense		%	%	%
	Department Profit		%	%	%

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FOOD AND BEVERAGE THREE-MONTH FORECAST WORKSHEET

Period _____

Year _____

Date _____

			Last Year Actual	Budget	Forecast
Individual Rooms					
Group Rooms					
Pkg Room, T.F.B.					
Pkg Rooms, Other					
Total Rooms					
Occupancy %%					
CATERING DEPARTMENT					
CATERING FOOD	B K F S T	Covers			
		Avg Chk			
		Revenue			

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L U N C H	Covers			
	Avg Chk			
D I N N R	Revenue			
	Covers			
	Avg Chk			
	Revenue			
R E C E P	Covers			
	Avg Chk			
	Revenue			
	Covers			
C B R K	Avg Chk			
	Revenue			
	Total Food			

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C A T E R B E V E R A G E	B R K	Rev/Cover			
		Revenue			
	L U N	Rev/Cover			
		Revenue			
	D I N	Rev/Cover			
		Revenue			
	R E C	Rev/Cover			
		Revenue			
	Ttl Beverage				

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FOOD AND BEVERAGE THREE-MONTH FORECAST WORKSHEET

Period _____ Year _____ Date _____

	Last Year Actual	Budget	Forecast
CATERING DEPARTMENT (Continued)			
Room Rental			
Sundry Income			
Ttl Catering Rev			
Food Cost		%	%
Mgmt Wages		%	%
Prep Wages		%	%
Utility Wages		%	%
Service Wages		%	%
Sales Wages		%	%
<Svc Chg Credit>	< >	%	%
Total Labor Cost		%	%
Benefits		%	%
Direct Expenses		%	%
Total Expenses		%	%
Department Profit		%	%



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AREA FOOD & BEVERAGE	PROCEDURES USE OF SHOPPING SERVICE	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To establish the frequency of review

To provide prior notification of a pending "shop" to appropriate individuals.

AUTHORIZATION:

Executive Vice President

Regional Vice President

PROCEDURE:

A formal observation and evaluation of all Food and Beverage guest contact areas should be conducted at least twice per year. These areas should include, at a minimum:

Restaurant(s)	-	All meal periods
Lounges(s)	-	All service periods
Room Service	-	All meal periods
Catering	-	Telephone and in person shop of Catering sales and administrative personnel

The Shopping service should be provided with a copy of all Food Beverage Audit and checklist prior to commencement of the evaluation.

The Executive Vice President should be notified at least two weeks prior to the scheduled date of any evaluation. It is very likely that these individuals will have valuable input concerning critical areas requiring close observation and evaluation.

When there are specific items identified that require the use of a Shopping Services, the services must be made aware of these items in writing, prior to the actual "Shop."



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It is recognized that there may be occasions where property management personnel will be aware of critical situations requiring the use of a Shopping Service, and will request that a "shop" be performed as soon as possible on their property. All such requests should be coordinated through the Executive Vice President. All Shopping Services used, whether local or otherwise, must have the advance approval of the Executive Vice President.

Information provided by the Shopping Service is to be regarded as "strictly confidential", and should be communicated to the Executive Vice President.

Information provided by the Shopping Service is to be regarded as "strictly confidential", and should be communicated to the Executive Vice President.

Properties must follow up on all Shopping Service evaluations as follows:

- The Director of Food and Beverage must draft Plans and Actions for all necessary corrective actions. These must be sent to the Executive Vice President.
- Secure approval from the Executive Vice President prior to the implementation of any employee disciplinary action resulting from the evaluation and observation of the Shopping Service.

The Shopping Service will record all expenses and submit a detailed expense report to the Executive Vice President for reimbursement by the property. To ensure a complete evaluation of property cash handling procedures, all forms of payment will be used by the Shopping Service. Also, to guarantee the anonymity of the individual shoppers, all costs will be charged back to the property at full retail through the office of the Director of Finance. If the evaluation of the Food and Beverage areas is a part of a total hotel "shop", all costs are solely for the Food and Beverage Department, the cost is to be charged to the Miscellaneous direct expense line in the affected department (Food, Beverage, Catering, all, etc.). Properties should budget for one Food and Beverage specific evaluation per year.

As indicated above, employees and agents of the Shopping Service should remain completely anonymous to all hotel employees, management and hourly.



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All Shopping Services must have a written agreement on file with SPHM Corporate Office prior to utilization in any hotel. The Shopping Service should be willing to support their observations in a court of law, if necessary. Commitment to legal support of all reported observations should be contained in the written agreement.

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	AREA FOOD & BEVERAGE	PROCEDURES AGGRESSIVE HOSPITALITY	By: Agustinus Agus Purwanto, SE MM

POLICY:

All Food and Beverage employees will participate in the SPHM Minimum Training Program as provided through the Human Resources Department.

Food and Beverage Management performance will be evaluated with strong consideration given to Aggressive Hospitality demonstrated by the Manager and his/her staff.

All associates will carry the SPHM "CUSTOMER" pocket card (copy enclosed) as a constant reminder of our commitment to total guest satisfaction.

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		Effective:	
	AREA FOOD & BEVERAGE	PROCEDURES COVER COUNT	By: Agustinus Agus Purwanto, SE MM

POLICY:

Cover counts will be taken and maintained for all Food and Beverage Departments by meal period.

RESPONSIBILITY:

Outlet or Department Manager

PROCEDURE:

RESTAURANT

1. Cover counts must be maintained manually by the host/hostess for proper seating rotation and also to verify guest counts against the Point-of-Sale system.
2. All guests that purchase food and/or beverage will be considered a cover regardless of the dollar amount of the purchase. There is no minimum purchase requirement to qualify as a cover.
3. Cover counts must be separated by meal period (i.e. breakfast, lunch, brunch, dinner, etc.).
4. Cover counts should be recorded on a property developed count sheet developed specifically for this purpose.
5. All count sheets must be turned in to Night Audit so counts can be accurately entered on the daily report. The sheets then become a part of the Night Audit/Accounting daily work files.

ROOM SERVICE

1. Room Service cover counts should be recorded in the same manner as the restaurant. The order taker must accurately determine the number of guests to be served at the time the order is taken. This can be verified by the server at the time the order is actually delivered.

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2. Any pre-set or banquet coffee breaks should be excluded from the Room Service meal period cover counts. Revenue and covers for coffee breaks should be recorded either in the banquet department or in a separate category in the Room Service department, so as not to affect the average check in any meal period.
3. All count sheets must be turned in to Night Audit so counts can be accurately entered on the daily report. The count sheets then become a part of the Night Audit /Accounting daily work files.

LOUNGE

1. The recording of cover counts in the lounge is not necessary unless food is regularly served. When food is served, the servers must keep track of their own individual guest counts and submit these to the Lounge Manager at the end of the shift.
2. The Lounge Manager will consolidate all counts and forward to Night Audit for inclusion on the daily report.
3. If we collect a cover charge, a record should be kept of the total number of cover charges collected each night. This should be a manual count and should be verified by dividing the total cover revenue by the number of covers.
4. This count should be submitted to the Director of Food and Beverage and maintained in the Lounge log for historical data purposes.

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BANQUETS

1. Banquet covers should be accurately recorded on all banquet checks as well as on the daily banquet revenue summary by the Banquet Manager.
2. Banquet cover counts should also be recorded by meal period, as follows:

Breakfast, Lunch and Dinner - Counts must be based on actual covers "charged". The count should reflect the guarantee or the actual number served, whichever is higher.

Coffee Breaks - Covers should be counted from each individual "set up" - "refreshes" are not counted as covers. For example: A group of fifty guests with a morning coffee break with a refresh and an afternoon coffee break with no refresh would be counted as one-hundred covers, not one-hundred, fifty covers.

Hors D'oeuvres/Receptions - Counts should be based on the guarantee or the number served if the function is "packaged" by the person. If the hors d'oeuvres are sold by the piece the count must be based on attendance.

3. Night Audit will use the cover counts from the daily banquet revenue summary for inclusion on the daily report.

GENERAL

Accounting must perform periodic audits of manually recorded cover counts to ensure continued accuracy.

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POLICY:

Obtaining and maintaining all licenses required by state and local authorities is the responsibility of each property.

RESPONSIBILITY:

General Manager

Controller

Director of Food and Beverage

PROCEDURE:

1. A list of required Food and Beverage related licenses and their expiration/renewal dates is to be maintained on file by the Controller.
2. Renewal dates should be traced for action three months in advance to ensure timely renewal.
3. When renewal licenses and certificates are received, photo copies should be made and retained in the Controller's office.
4. Originals should be forwarded to the Director of Food and Beverage for posting as required.
5. The Controller and Director of Food and Beverage must ensure that copies of current licensing regulations are available and adhered to at all times.

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SCOPE:

Define approval level for uniform purchasing and concept changes.
 Outline procedure for obtaining uniform samples.
 Designate approved Food and Beverage uniform vendors.
 Define uniform alteration limitations.
 To set standards for wearing and appearance of uniforms

AUTHORITY:

Executive Vice President

PROCEDURE:

WEARING AND APPEARANCE

6. Uniforms are provided for employees for three reasons:
 7. They enhance the guests' impression of the hotel.
 8. To assist in identifying employees to the guests and other employees.
 9. To prevent undue wear and tear on employees' personal clothing.
10. All uniforms are property of the company and must be returned should the employee leave the company or upon request for replacement.
11. Uniforms are not to be worn outside the work environment, with the exception of travel directly to and from the hotel.
12. Our uniforms project the image of the hotel. They must be cleaned, pressed, and maintained in "top notch" condition at all times. Serviceability of the

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uniform (i.e. Is it "worn out"?) is to be determined by the department manager, and replacements secured or ordered, as necessary.

13. The property will provide the initial uniform fitting/ alteration at no expense to the employee. No further alterations will be made to the uniform without the prior approval of the Director of Food and Beverage.
14. Uniforms should always be worn in their entirety, i.e. with all provided and/or required accessories. This may include a specific style and color of footwear. NAME BADGES ARE ALWAYS CONSIDERED PART OF THE UNIFORM.
15. All kitchen employees, to include Utility Staff, Sous Chefs and Executive Chefs, will wear white trousers, white shirts or chef coats, white shoes and chef hats - cloth or paper. There will be NO EXCEPTIONS to the kitchen uniform specification.

PURCHASING AND CONCEPT

16. All changes in uniform concept/program require the advance written approval of the Executive Vice President.
17. All requests for sample uniforms from the approved vendor require advanced written approval of the Executive Vice President.
18. The purchase of replacement uniforms (with no change in style, color or concept) should follow the normal property purchasing approval procedure. No Corporate approval is necessary.
19. SPHM approved Food and Beverage uniform vendors are as follows:

All except kitchen: Uniforms To You

Kitchen Whites, Aprons, Neckerchiefs: Shane/Fashion Seal

All Food and Beverage uniforms will be purchased from the above listed vendors.

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20. All uniform purchases should be by written Purchase Order only. Allow 4 to 6 weeks for delivery of in stock items and 2 to 3 months for delivery of special order/new concept items.
21. Pars for non-kitchen uniforms should be established at a level sufficient to maintain the following:
 22. Two full uniforms per full time employee
 23. One full uniform per part time employee
 24. Four full uniforms in reserve for each size that is "heavily used"
 25. Two full uniforms in reserve for each size that is less "heavily used"
26. Pars for kitchen uniforms should be established at a level sufficient to maintain the following:
 27. Three full uniforms per full time employee
 28. Two full uniforms per part time employee
 29. Six full uniforms in reserve for each size that is "heavily used"
 30. Three full uniforms in reserve for each size that is less "heavily used"
31. While non-kitchen uniforms may last from 1 to 2 years in normal use, provision should be made to allow for replacement of kitchen uniforms as often as twice per year.

Most of today's uniform fabrics are washable. However, this does not mean they need less care than those (such as wool blends) that must be dry cleaned. If you wash your uniforms according to the following instructions, you will be able to maintain a consistently high standard of appearance. This will reflect well on you as an individual, as well as on the hotel image in general. Although many uniforms are alike, proper care of your garments can make a significant difference in your appearance.

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INSTRUCTIONS

32. **USE COLD WATER!** The temperature of water has absolutely no effect on how clean your clothes get. The detergent is the only thing that gets your clothes clean. Hot water only weakens the cloth fibers and causes the garments to lose their shape.
33. Always use a liquid detergent. Many powdered detergents have ground sand and glass, called "fillers" in them. While these particles of sand and glass are used to help remove soil from your clothing, they are so abrasive that they actually cut the fibers in the cloth. Much of the fabric is simply washed down the drain.
34. Remove your clothes from the washer and shake them out before putting them in the dryer. Use a **WARM** setting on the dryer, and do NOT leave your clothes in the dryer for more than five minutes. Also, do not overload the dryer as this will cause your clothes to wrinkle. Take your uniforms out and immediately place them on a hanger.
35. Your uniforms should be pressed with a pressing cloth. You may use a damp pillow case for this purpose. Place the pillow case over the fabric and iron on top of the pillow case. Do not place the iron directly on the fabric as it can scorch the cloth and/or leave it looking shiny.

HELPFUL HINTS

36. Wash clothing by weight as well as color. Garments that are extremely heavy when wet will stretch lighter garments out of shape.
37. Do not overload the washer. Restricted movement of clothing causes detergent deposits to remain in the garment. These deposits will attract soil when the garment is worn.

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38. Never use liquid chlorine bleach. Chlorine bleach eats the cotton fibers and weakens polyester fibers. As an alternative, use one half cup of white vinegar in the washer. This will help to whiten the garments without harming them.
39. Do not dry garments completely in the dryer. Remove them when they are slightly damp. Place them on a hanger and allow them to air dry. This will help to prevent major wrinkles.
40. To remove stains, use only cold water. Hot water will only "lock" the stain into the garment. High heat in the dryer will do the same thing. Treat the stain before it is subjected to any heat source.
41. The following remedies are suggested for some stains:
 - a. INK - Use hair spray. Spray the ink stain and wash as usual in cold water.
 - b. MAKE-UP - Use shampoo. Place the shampoo on the stain and wash as usual.
 - c. "RING AROUND THE COLLAR" and "CUFF GRIME" - Use toothpaste (must be fluoride). Apply to stain, rub in, and wash as usual.
 - d. BLOOD - Use hydrogen peroxide. Pour on the blood stain, let stand for three minutes, and then wash as usual.
 - e. GENERAL YELLOWING/SALAD DRESSING/BUTTER - Add one half cup of white vinegar to the wash. It will not leave an odor.
42. Pre-soaking stubborn stains is the best way to remove them. Try to do this on a regular basis on your days off.
43. If you have a stain that you cannot remove, a rip or tear you can't repair, or if you are missing a button or clasp, let your manager know so you get a replacement. We do expect some wear and tear on uniforms, and it is most important that you let us know when you have a problem. This will give us

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the time to correct it before you start your shift with a stained or torn uniform.

44. The two final components of any uniform must be provided by you. Your posture and your attitude tell a great deal about you. Even the best uniform cannot meet our goals and standards without your help.

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	AREA FOOD & BEVERAGE	PROCEDURES EMPLOYEE'S CAFETARIA	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To define minimum food, beverage, equipment and service requirements for all SPHM employee cafeterias

RESPONSIBILITY:

Executive Committee, Executive Chef

FOOD SERVICE EQUIPMENT

The following equipment is required, at a minimum:

1. Steam table with covers to hold hot foods at the proper temperature.
- Iced cold well to hold salads, cold cuts and other cold food items at the proper temperature.
- A single or double reach-in refrigerator to hold desserts and back up cold food products.
- A bulk milk dispenser (if feasible, a double dispenser to allow service of regular and chocolate milk.)
- A refrigerated "jet spray" type beverage dispenser for juices, lemonade, etc.
- Iced tea machine or dispenser.
- Hot chocolate machine.
- Post Mix Soda Dispenser.
- Coffee brewer.
- A "roller-type" hot dog machine.
- Soup tureen.
- Toaster.
- A hot food holding unit for back up hot food.
- A tray and flatware dispenser.

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A complete tray breakdown station.

Canned soda vending machine.

Snack vending machine.

Menu display board.

DECOR/LAYOUT

1. Each property must provide an attractive, clean, well-lighted and well-ventilated area in which employees can eat their meals.
2. All cafeterias should strongly enforce a "Clean as You Go" policy to help maintain high standards of cleanliness and sanitation.
3. Where feasible, the Employees' Cafeteria should be divided into separate "Smoking" and "Non-Smoking" areas. If space permits, ceiling fans could be added to facilitate both ventilation and "ambience".
4. Other suggestions to improve cafeteria decor are:
5. Good quality, washable wall vinyl.
6. Live green and flowering plants.
7. A painted, "accent" wall with a logo or other significant design done by the hotel employees.
8. All cafeterias should be equipped with a moderately priced sound system to allow for background music to be played at a medium volume level. This system should be something other than "Muzak".

ACCOUNTING AND CONTROL

1. Individual property management (Executive Committee) will establish a local policy to provide details on employee meal eligibility. The SPHM Employee Handbook states that the employee is entitled to one meal per scheduled shift. This local policy should also establish control procedures regarding breaks, times and frequency of use of the cafeteria.

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2. The meal credit allowance for the Food Department will vary by property based on the figure approved annually during the budget process.
3. Persons working in the hotel who are not eligible for employee meals may buy food in the cafeteria at a price of \$2.00 per meal unless a different figure is approved during the annual budget process. This will include Entertainment Lounge Band members and outside contractors such as most Disk Jockeys.

OPERATION

HOURS

1. Each property should establish a local policy on cafeteria operating hours. These hours will be designed to accommodate the needs of the majority of the employees. Also, established hours must allow for regular and thorough cleaning of the entire cafeteria.
2. Suggested hours are:

Day Shift:	7:00 A.M. to 2:30 P.M. - overall Cafeteria
	10:30 A.M. to 2:00 P.M. - Food Service
Evening Shift:	3:00 P.M. to 10:00 P.M. - Overall Cafeteria
	4:00 P.M. to 7:30 P.M. - Food Service

CAFETERIA ATTENDANT

1. The Cafeteria Attendant should be hired using criteria similar to those used for any other public contact position, i.e. personality, communications skills, etc.
2. The Cafeteria Attendant should receive hospitality training similar to that provided to other hotel employees.
3. While the Cafeteria Attendant is required to wear standard kitchen whites, it is suggested that attractive, brightly colored aprons be provided for their use. This will help to brighten both the cafeteria and the attitude of the attendant.

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4. The Cafeteria Attendant should be managed jointly by the Director of Food and Beverage and the Director of Human Resources. This should ensure that the attendant accomplishes goals intended for the Cafeteria and reduces the risk of the Cafeteria Attendant becoming "Just another kitchen station attendant".

MENU VARIETY/FOOD QUALITY

1. Food items should be rotated and varied to offer a reasonable selection without becoming repetitive.
2. Following are minimum requirements for cafeteria menu selections:
 3. One soup
 4. Salad Bar, to include:
 - a. Tossed Green Salad
 - b. Two Varieties of Prepared Salads
 - c. Three Dressings
 - d. Three Salad Toppings/Condiments
 5. Assorted Cold Cuts and Sliced Cheeses.
 6. Assorted Sandwich Condiments.
 7. Hot Dogs.
 8. One Hot Starch Item.
 9. Two Hot Entrees (Day Shift).
 10. One Hot Vegetable.
 11. Fresh Fruit.
 12. Assorted Desserts.
 13. Assorted Sliced Breads, Rolls, Butter.

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14. Additional menu suggestions, where and when feasible:
15. Pasta Dishes (Hot and Cold).
16. Leftover (only) Danish, doughnuts, pastries.
17. Salad mixes for sandwiches (tuna, chicken, etc.)
18. Ice Cream.
19. Each employee should have the choice of one hot entree, cold cuts (sandwich) or hot dogs.

Generally, there are five special areas for consideration – i.e., potential problem areas – for hotels which choose to lease their restaurants. Certainly, there are larger philosophical issues such as:

1. Does the brand of the restaurant fit the brand of my hotel?
2. Am I willing to lose “control” over the operation of a segment of my hotel?
3. Regardless of the agreement, the relationship between the general manager of the hotel and the restaurant will almost always take precedence in importance over any of the details of the agreement itself.

Assuming that these and other “large” issues have been addressed, there are five specific areas which may cause some “grief” in a leased restaurant relationship. These areas are:

ROOM SERVICE

Issues arise with room service, simply because restaurants are not accustomed to this hotel-specific process. Additionally, many hotels consider room service to be unprofitable, so the burden of room service becomes a cost issue, as well as a performance issue. And there may be legal issues with room service – i.e., the concept of a restaurant employee entering a hotel guest’s guest room.

One solution for leased restaurant room service operation is to reach an agreement with the restaurant tenant, whereby the restaurant prepares all food

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items from the room service menu, but an employee of the hotel actually makes the delivery. This, of course, creates an expense for the hotel. In some cases, the hotel may be compensated for this additional expense by placing a price on the menu which is higher than the restaurant charges for the same item. In other words, if a restaurant charges \$10.00 for a steak on its dinner menu, it may be willing to "sell" that steak to the hotel for \$8.00, who in turn "resells" that same steak to the guest for \$10.00, plus the addition of a delivery charge. The hotel employee who delivers the room service would keep the gratuity and the hotel would retain the delivery charge, plus the \$2.00 difference in the steak price. The guest would be happy because they would be paying the same price for the steak, either in the restaurant or in the guest room.

Other considerations in a room service arrangement include, who pays for printing of the room service menu and in a split labor situation described above, who takes the room service order, who records the room service order, who rings it up and who collects the cash.

BREAKFAST IN A LEASED RESTAURANT SITUATION

If a restaurant is a family dining category, then breakfast will be no problem. In fact the restaurant breakfast will probably prove to be an asset to the hotel if it is a nationally recognized name such as, IHOP or Perkins.

However, if the restaurant is a casual theme restaurant (a TGI Friday's, Damon's, Bennigan's), then the breakfast customer may be in for a nasty surprise. Casual theme restaurants are not expert at breakfast – more importantly, they do not believe breakfast is a profitable meal period and therefore they are not likely to commit a great deal of energy and effort to a successful breakfast.

More specific challenges for casual-themed restaurants which attempt to do breakfast are:

1. Poor lighting – breakfast requires higher lighting levels which a typical casual-theme restaurant does not build into their facility.

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Odor – casual-themed restaurants may have beer and/or smoke odors from the night before.

Atmosphere – the decor is not appropriate for breakfast.

Credibility – the guest may have the impression from their previous night's experience that the restaurant theme is not consistent with a great breakfast; e.g. a seafood restaurant doesn't necessarily carry the reputation for great seafood into a morning meal period.

Management – a casual-themed restaurant must either hire an additional manager just for breakfast or over-work their existing line-up of managers.

Management – a casual-themed restaurant is not likely to hire a manager with strong breakfast skills.

Menu – a casual-themed concept is not likely to devote any resources to creating or merchandising breakfast specialties. The result? Usually a buffet.

With a casual-theme restaurant, leased at a hotel premise, the ideal situation is always for the hotel itself to operate breakfast by utilizing a separate kitchen and separate dining area. Recognizing that this is not always possible, a second strategy would be, to convince the leased restaurant operator to utilize the hotel menu. If the lease has not been finalized or negotiated yet, then it is our recommendation that the hotel mandate uses of this menu (which is really the same thing as mandating compliance with our standards) and have this compliance written into the lease itself.

EMPLOYEE MEALS

If your hotel does not provide a complimentary or subsidized meal to the employees, then this may not be a problem area. Alternately, regardless of financial arrangements for employee meals, some conflict is likely to arise if the area generally used for employee meals is one that is chaired by the leased premises and the hotel. Employee morale may suffer as a result of different employee feeding policies for hotel employees versus restaurant employees.

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One recommendation is to work out an arrangement when negotiating the lease, so that both the restaurant and hotel employees enjoy essentially the same benefit in this regard.

It is important to note that regardless of the employee feeding issues (or non-issues), there will almost certainly be significant differences in the benefits package of hotel employees when compared to the benefits package of the restaurant employees; restaurant employees will almost always receive fewer benefits than hotel employees. Both the restaurateur and the hotel operator should be aware of this, prior to entering into any agreement.

BANQUETS

As is the case in room service, freestanding restaurants often are unaccustomed to meeting and banquet business. Some restaurateurs may prefer to do the banquet and meeting business themselves because it is so very profitable. Ironically, chain restaurants will typically wish to not be involved in this end of the business, simply because it is not their area of expertise and it diverts their focus from their own specialties; i.e. their lunch and dinner menu offerings.

In an ideal scenario, the hotel will service meetings and banquets from a separate kitchen, while the restaurant operator services the restaurant guests. However, most hotels do not have two kitchens so this is not possible. One solution is to use the room service approach, thereby, hotel employees serve banquet meals prepared by the restaurant's kitchen. Regardless of the scenario, it is common for the hotel to service and sell meetings and to collect all meeting room revenues. It is also common for the hotel to sell banquets even if the restaurant is preparing the food for the banquets – by the same token, it is not unusual for the restaurant to pay a portion of the catering sales manager's salaries, or at least to share a portion of gratuities with them.

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HOTEL DISCOUNTING & COUPONING

Hotels often use restaurant facilities to encourage guest room sales. They do this by offering discounts to groups, free breakfasts to select guests, special promotions (e.g. Kids Eat Free), free lobby coffee, and discounts to managers.

(A related issue is the hotel competing with the restaurant – i.e., executive floor with free breakfast and/or complimentary “Happy Hour”. Such factors should be fully disclosed and discussed prior to entering into a lease - e.g., does the hotel foresee an executive floor within the next 5 years?).

While different hotel companies utilize different systems of credits and debits to account for such discounts and giveaways, the true costs of these items are often “buried” somewhere in the food and beverage of the P&L statement. With the signing of a lease agreement, all of the “buried” expenses come to light.

The main challenge is to ensure that these do not come into light after the lease is signed.

Therefore, it is absolutely imperative that the hotel and the prospective tenant review each and every possible form of discount that the hotel may wish to offer and agree on prices and accounting procedures in advance. A corollary issue to this is accounting procedures. The myriad of accounting procedures and requirements present in a hotel environment will quite simply, drive restaurant operator nuts. It is absolutely critical that the hotel and the tenant neither overlook or take for granted, the time, effort and planning involved to make the accounting processes under a lease agreement work smoothly. A lease agreement which does not anticipate these complications is likely to cause hotel and restaurant employees so much trouble that both groups will lose sight of the important things in a lease arrangement – that is, the guest.

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SUMMARY OF KEY DEAL POINTS

1. Premises defined
2. Terms & renewals
3. Rent, base
4. Rent, percentage
5. Scope of operations
6. Hotel brand standards
7. Tenant build-out allowance
8. Discounts
9. Utilities
10. Waste removal
11. Telephone
12. Common area charges (CAM)
13. Payments for guest charges
14. Hotel discount for credit cards
15. Insurance
16. Construction terms and approvals/bonding
17. Confidentiality & PR
18. Capital reserve fund
19. Liquor License
20. Maintenance & Repair
21. Signs, internal & external
22. Personal guaranty

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23. Real State taxes
24. Rent taxes
25. Meeting space release agreement
26. Exclusivity
27. Promotions (KEF)

REQUIREMENTS FOR SUBMISSION OF FOOD AND BEVERAGE LEASE AGREEMENTS

Examples

1. Lessee agrees to accept, abide by and be subject to all rules, regulations, inspections and requirements of ****Holiday Hospitality Corporations/****Holiday Hospitality Franchising, Inc.;
2. If the ****Holiday Inn/****Staybridge by Holiday Inn/*** Crowne Plaza License Agreement by ***Holiday Hospitality Corporation***Holiday Hospitality Franchising, Inc. pertaining to the Hotel shall terminate, the Lessee shall cease like "shall cease identifying or in any other way associating itself" as Holiday Inn/****Staybridge by Holiday Inn/***Crowne Plaza Hotel;
3. If there is any conflict between the terms of said Lease Agreement and the terms of the License Agreement between ****Holiday Hospitality Corporation/****Holiday Hospitality Franchising, Inc. and Lessor pertaining to the Hotel, the terms of the License Agreement shall govern and control.
4. Notwithstanding the consent of ****Holiday Hospitality Corporation/****Holiday Hospitality Franchising, Inc. to this Lease Agreement, Lessor and all guarantors shall remain liable to ***Holiday Hospitality Corporation/****Holiday Hospitality Franchising, Inc. under the terms of the License Agreement pertaining to the Hotel.

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While it may not be part of the lease, *per se*, i.e., "Six Continents Hotels" requires insurance coverage as follows:

\$10 million per occurrence insurance policy to include beverage alcohol liability. The insurance may be held by the tenant, by the hotel franchisee, or by a combination of the two so long as the hotel's liabilities are covered by the full \$10 million, and so long as "Six Continents Hotels, Inc." is listed as an additional insured.

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SCOPE:

To maintain accurate, current costs for all menu items.

To facilitate the completion of accurate, current menu cost potentials.

To aid in controlling food costs.

RESPONSIBILITY:

Director of Food and Beverage, Controller, Executive Chef and Food and Beverage Controller

PROCEDURE SYNOPSIS:

In order to complete potential menu cost calculations, it is necessary to have accurate, current cost breakdowns for all components of each menu item. Maintaining current costs requires that each recipe (where used) and each use record item (if no recipe) be costed in detail on a regular basis.

PROCEDURE:

RECIPES

1. Determine the cost as purchased for each recipe ingredient. This cost may require further breakdown, i.e. tomatoes are sold by the case – you must determine the number of tomatoes in a case and the cost per tomato. If you are to determine accurate costs, it is imperative that all yields (per case, per can, per jar, per pound, etceteras) be actual and tested frequently.
2. If the entire item is usable, you can use the price per unit to determine the cost of that ingredient. For example, if 5 x 6 tomatoes cost \$18.00 per case and they are packed 60 per case, the cost per tomato is \$18.00/60 or \$.30 each. If the recipe calls for 1/2 tomato, the recipe cost for that item is \$.15.
3. If the ingredient requires cleaning, trimming or other similar “pre-preparation”, you must establish a yield factor to determine the actual cost

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of the recipe ingredient. The price per unit for the finished product as used in the recipe will not be the same as the cost per unit as purchased.

4. Example 1: A recipe calls for 2 pounds of diced ham. The whole boneless ham costs \$2.50 per pound. Before dicing the ham is opened (loss of liquid), ends are trimmed and any other fat or skin is trimmed off. The weight of the whole boneless ham as purchased was 10 pounds. The value of the whole boneless ham at \$2.50 per pound is \$25.00. After opening and trimming, the remaining ham to be diced, etc., weighs 9 pounds. Since the value of the remaining product is still \$25.00, the price per pound for the remaining product is $\$25.00/9 \text{ pounds} = \2.78 per pound , not \$2.50 per pound. This new value per pound is then used to determine the cost for the diced ham used in the recipe.
5. Example 2: An alternate, but less accurate method for determining yield is to determine the number of portions or recipe units that a particular product typically yields. If a head of lettuce normally will yield enough lettuce to make five tossed salads, you can simply divide the cost of the head of lettuce by five (the number of portions) to determine the cost of lettuce used in one salad. If the lettuce costs \$2.00 per head, the cost of lettuce to make one salad would be $\$2.00/5 = \$.40 \text{ per salad}$.
6. After costs for all recipe ingredients as used in the recipe have been determined, add them together to obtain the cost of the entire recipe.
7. To determine the cost of the recipe per unit or portion used in a menu item, divide the total cost by the number of units or portions produced. The units can be measured in ounces (fluid or weight), pounds, quarts, portions, etc.
8. Example 1: The recipe for French Dressing yields five gallons and the total cost is \$20.00. The cost per gallon is $\$20.00/5$ or \$4.00 per gallon. To further break this cost down for use record use, you must determine the cost per ounce. This is done by dividing \$4.00 per gallon by 128 (ounces per gallon) to equal \$.03 per ounce. While this is an accurate cost for the product, keep in mind that it does not take into consideration any waste

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or loss of product. This should be factored in for the needs of your particular property.

9. Example 2: The recipe for lasagna yields 48 portions and the total recipe cost is \$60.00. To determine the cost per portion, divide the total cost by the number of portions: $\$60.00/48 = \1.25 cost per portion.

USE RECORDS

10. The procedure is very similar to that used for recipes. The cost for each individual item must be determined, and all costs must be added together to obtain the total cost for the menu item.
11. While yield is a factor in determining the costs for each component item or recipe for the use record, the use record will yield an actual price per menu item or portion.

FREQUENCY

Recipes and use records should be re-evaluated for current cost at the following times (at a minimum):

12. Any time the cost of a major ingredient changes by +/- 10% or more.
13. Whenever new menu potentials are required.
14. When the composition of a menu item and/or use record is changed.
15. When a recipe is changed.
16. At least quarterly if none of above conditions require greater frequency.

SUMMARY:

When determining and evaluating recipe/use record costs, it is essential that all costs are calculated as accurately as possible. To do this, it is imperative that all yield, loss, waste and portioning factors be taken into consideration in the calculation of all recipe and menu costs.



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SCOPE:

To ensure that all menu items are "costed" and priced correctly to maintain the desired food cost.

To analyze the "mix" of sales and its effect on food costs

RESPONSIBILITY:

Director of Food and Beverage, Controller, Executive Chef and Food and Beverage Controller

PROCEDURE:

GENERAL COMMENTS/DIRECTION

1. If at all possible, it is recommended that the property utilize the P.C. Menu Costing Program available through local vendors. This program will save a great deal of time, as it eliminates the repetitive calculations involved in completing the potential. The program requires only that the menu abstracts, costs and selling prices be entered. All other tasks are automated.
2. A total menu cost potential must be completed prior to the implementation of any new menu.
3. The potential should be completed once per period, utilizing the Point-of-Sale abstract totals to recalculate the sales mix.
4. All costs should be updated quarterly or with the implementation of any new or revised menu.

DETERMINING POTENTIAL COSTS AND COMPARING TO ACTUAL

5. Determine the current food cost for each item on the menu by costing current use records. (See F&B-SOP-12, "Recipe/Use Record Costing".)
6. Obtain the menu count/abstract for the most recent complete accounting period.



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7. Multiply the number of each item sold times the cost to determine the total cost of product for the quantity of each menu item sold.
8. Multiply the number of each item sold times the selling price to determine the total sales value for the quantity of each menu item sold.
9. Add all of the cost totals calculated in step 3 above to obtain the potential total cost of sales for all menu items sold during the period.
10. Add all of the sales value totals calculated in step 4 above to obtain the potential total sales for all menu items sold during the period.
11. Divide the potential cost from step 6 by the potential sales from step 7 to obtain the potential food cost percentage for the menu.
12. To obtain an overall potential food cost percentage for the Food department, total potential costs for each menu (outlet) should be added together, total potential sales values for each menu should be added together, and the resulting cost should be divided by the total sales value from all menus.
13. This Food Department potential cost should be combined with the Catering potential cost to determine the consolidated potential food cost for the hotel. (See F&B-SOP-16, "Catering Potential Food Cost Calculation".)
14. If there is more than a plus or minus 2% variance between the potential food cost and the actual food cost, there are a number of areas that should be examined:
 - a. Improper purchasing/receiving procedures/techniques.
 - b. Inadequate food storage/issue controls.
 - c. Inadequate food production controls.
 - d. Inventory errors (physical and/or extension).
 - e. Theft/spoilage/waste of food product.



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- f. Incorrect credits for employee meals/at-cost functions/ inter-departmental transfers.
- g. Recipe cards not used/not followed.
- h. Use records not used/not followed.
- i. Inadequate point-of-sale controls.

By no means should your areas of concern be limited to those listed above if there are other causes/problems that need to be examined.

15. All current and past potentials must be maintained on file by the Director of Food and Beverage and Controller. Past potentials should include at least one full menu revision cycle.

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SCOPE:

- To maintain accurate, current costs for all banquets menu items.
- To facilitate the completion of accurate banquet menu cost potentials.
- To aid in controlling banquet food costs.

RESPONSIBILITY:

Director of Food and Beverage, Director of Catering, Executive Chef, Food and Beverage Controller

PROCEDURE:

STANDARD PRINTED BANQUET MENUS

1. Use records and recipes for standard printed banquet menus must be accurately costed, using the procedure outlined in F&B-SOP-12, "Recipe/Use Record Costing".
2. Yield and waste factors must be taken into consideration in all cases.
3. These costs must be re-evaluated whenever the following conditions exist (at a minimum):
 - a. When the cost of a major recipe or use record ingredient changes by +/- 10% or more.
 - b. When new potentials are required.
 - c. When the composition of a menu item and/or use record changes.
 - d. When a recipe changes.
 - e. At least quarterly, if none of the above conditions require greater frequency.
4. These costs will be utilized in calculating banquet potential food costs as outlined in F&B-SOP-16, "Catering Potential Food Cost Calculation".

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NON-STANDARD OR "CUSTOM" BANQUET MENUS

5. All non-standard or custom banquet menus will be completely and accurately costed prior to committing a price to the guest. These costs should also be recorded for use in calculating the Catering potential food cost.
6. The costing procedure to be followed will be the same as that for costing standard menus, except that use records are generally not available.

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	AREA FOOD & BEVERAGE	PROCEDURES BUFFET COSTING	By: Agustinus Agus Purwanto, SE MM

POLICY:

All buffets will be thoroughly costed on a regular basis.

SCOPE:

To control food cost and aid in determining proper buffet pricing.

RESPONSIBILITY:

Executive Chef

PROCEDURE:

1. All items utilized on the buffet must be costed and valued as outlined in F&B-SOP-12, "Recipe/Use Record Costing".
2. All food items issued to the buffet must be recorded on the Buffet Cost Form (Exhibit 1). This will include the initial set up as well as all items used for re-stocking the buffet. The Buffet Cost Form must be kept in an easily accessible location to ensure that all items are recorded as issued.
3. At the end of the buffet meal period, all leftover food items will be returned to the kitchen and a member of the Food Production Management team will evaluate all items to determine if they are re-usable.
 - a. If they are re-usable in their present form, they should be recorded in the quantity returned column on the Buffet Costing Form.
 - b. If they are re-workable and re-usable in another form, a value should be determined and the item recorded in the credit/re-work area of the Buffet Costing Form.
 - c. If the item is not re-usable in any form, it should not be recorded on the form as a return.

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4. Item quantities returned should be subtracted from items quantities issued and the difference should be recorded in the quantity used/consumed column.
5. This total quantity used should be multiplied by the price per unit to obtain a total value for the total quantity of that item used.
6. Add total values for all items used and enter in the total line.
7. In the credit section, multiply the quantity returned by the value per unit (for items that are to be re-worked), and enter the total value in the total column.
8. Add total values for all items credited and enter in the total line.
9. Subtract credits (from step 8) from the total value of all items used (from step 6) to obtain the total buffet cost.
10. Divide the total buffet cost by the number of covers recorded to obtain a cost per cover.
11. Add the cost of any per covering inclusions not served through the buffet (beverages, rolls, butter, etc.) to obtain the total cost per cover.
12. Divide the total cost per cover by the selling price to obtain the food cost percentage (%) for the buffet.



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BUFFET COST FORM

Day _____ Date _____ Buffet _____

Food Item	Unit	Quantity Issued	Quantity Returned	Quantity Used	Value/Unit	Total Value
Total Value Used						

Jl. Danau Batur Gg Mangga No. 2A - Banjar Kulibul Kawan – Tibubeneng – North Kuta
Bali - Indonesia
Website: www.sunparadisehotelsmanagement.com



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BUFFET COST FORM

Day _____

Date _____

Buffet _____

Items to be Re-Worked for Credit	Unit	Quantity Issued	Quantity Returned	Quantity Used	Value/Unit	Total Value
Total Credits						
Total Buffet Cost						

Number of Covers Served _____

Total Cost Per Cover \$ _____

Cost Per Cover \$ _____

Selling Price \$ _____

Inclusions per Cover \$ _____

Food Cost _____ %

Jl. Danau Batur Gg Mangga No. 2A - Banjar Kulibul Kawan – Tibubeneng – North Kuta

Bali - Indonesia

Website: www.sunparadisehotelsmanagement.com

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SCOPE:

To ensure that banquet menus are costed and priced correctly to maintain the desired food cost.

To analyze the "mix" of banquet sales and its effect on food costs.

RESPONSIBILITY:

Director of Food and Beverage, Controller, Director of Catering, Executive Chef, Food and Beverage Controller

PROCEDURE:

GENERAL

1. A total banquet menu cost potential must be completed prior to the implementation of any new menu.
2. The banquet menu potential should be completed every period utilizing menu counts of all items sold to re-calculate the sales mix. This will include counts and costs for all standard printed menus as well as for all non-standard custom menus.
3. All costs must be updated quarterly or with the implementation of any new or revised menu.

DETERMINING POTENTIAL COSTS

4. Determine the food cost for each item on the menu by costing current use records. See F&B-SOP-14, "B.E.O./Banquet Menu Costing".
5. Obtain the menu count/abstract for the most recent accounting period. These abstracts should be maintained daily by the Catering Secretary with information from the B.E.O.'s and banquet checks.
6. Multiply the number of each item sold times the cost to determine the total cost of product for the quantity of each item sold.

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7. Multiply the number of each item sold times the selling price to determine the total sales value for the quantity of each menu item sold.
8. Gather all "costed" non-standard or custom banquet menus (B.E.O.'s) for the accounting period.
9. Multiply the previously determined cost for each of the menu items times the number of people actually served.
10. Multiply the selling price of the menu times the guarantee or number of people served, whichever is greater.
11. Add all of the cost totals calculated in steps 3 and 6 above to obtain the potential total cost of sales for all menu items sold during the period.
12. Add all of the sales value totals calculated in steps 4 and 7 above to obtain the potential total sales for all menu items sold during the period.
13. Divide the potential cost from step 8 by the potential sales from step 9 to obtain the potential food cost percentage for the banquet menu.
14. This Catering potential cost should be combined with the Food Department potential cost to determine the consolidated potential food cost for the total hotel. See F&B-SOP-13, "Potential Menu Cost Calculation".

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SCOPE:

To provide an easy-to-use vehicle for tracking, controlling and analyzing direct expenses.

To aid in improving departmental profits

To provide an adjusted Direct Expense Budget, based on current sales projections

RESPONSIBILITY:

Director of Food and Beverage

PROCEDURE OVERVIEW:

1. All direct expense areas are to be tracked through the use of the "Direct Expense Control Tracking Form". (See Exhibit 1).
2. This form provides a "running balance", "checkbook-style" method to monitor remaining expendable dollars in each Direct Expense category.
3. Each purchase order or expense item should be entered on the form as issued or incurred, and a remaining balance determined.
4. Any purchase orders or items that will exceed the "Projected Expense" must be approved and initialed on the form by the General Manager.
5. Note that not all orders or items will be charged to all three departments. Areas should be completed only as applicable.
6. Also, orders that are charged to all three departments may not be split equally between the departments. The Director of Food and Beverage must determine what portion of each order should be charged to which department.
7. There are three forms attached to this SOP:
 - a. Exhibit 1 is numbered to correspond to IHC procedure.
 - b. Exhibit 2 is a partially completed example.

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- c. Exhibit 3 is a "clean" form to be used for reproduction and use.
- d. The "Direct Expense Control Tracking Form" must be kept on file in the office of the Director of Food and Beverage for two fiscal years plus the current year.

PROCEDURE DETAIL:

PRIOR TO THE BEGINNING OF THE ACCOUNTING PERIOD

8. Fill in "Account Description", i.e., China, Glass; Fuel and Ice; etc.
9. Fill in the "Accounting Period" number and "Year".
10. Using the SPHM Chart of Accounts, fill in the "Direct Expense Account Number" for each of the three departments.
 (From this point on, the procedure is identical for all three departments, but will not make reference to any individual department.)
11. From the Corporate approved Property Budget, enter the "Budgeted Sales" figure for the appropriate department.
12. From the most recent Three-Month Forecast, enter the "Projected Sales" figure.
13. Divide "Projected Sales" by "Budgeted Sales" to get the percentage of "Projected Sales" to "budgeted Sales". Enter the result in the "%" column to the right of "Projected Sales".
14. From the Corporate approved SPHM Property Budget, enter the "Budgeted Expense" figure for the appropriate Direct Expense category.
15. Divide "Budgeted Expense" by "Budgeted Sales" to get the Direct Budget as a percentage of "Budgeted Sales". Enter the result in the "%" column to the right of "Budgeted Expense".

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16. If the percentage obtained in Step 6 was 100% or greater, enter the "Budgeted Expense" on the "Projected Expense" line. If the percentage obtained in Step 6 was less than 100%, multiply the percentage by the "Budgeted Expense" and enter the result in "Projected Expense". "Projected Expense" is the new budget figure to be used for this Direct Expense category for the period. It has now been adjusted based on your revised sales figures.
17. Divide "Projected Expense" by "Projected Sales" and enter the resulting percentage in the "%" column to the right of "Projected Expense". This percentage should be the same as the percentage obtained in Step 8, unless the percentage in Step 6 was 100% or greater. If it is not, go back and check your calculations, you have made an error!
18. From the Controller's "pre-paid" expense records or logs, total all pre-paid expenses that will be deducted from this Direct Expense account for this period. Enter the total on the "Prepays" line.
19. Subtract "Prepays" from "Projected Expense" and enter the result on the "Balance Remaining" line. This figure represents the dollars actually available for expenditure during the accounting period.

DAILY DURING THE ACCOUNTING MONTH

20. "Carry over" items (if any) should be entered on the form in the same manner as regular expenditures for the month. Carry overs are those items recorded on the tracking form for the previous month (or months) which have not yet been received, and for which no accrual was made in the previous month(s).
21. After assembling a vendor order, record the following information on the form:
 - a. The "items" contained in the order.
 - b. The name of the "Vendor"

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- c. The "Purchase Order Number".
- d. The total amount of the Purchase Order, including tax, shipping, etc.

22. Subtract the "Purchase Order Amount" from the "Balance Remaining" to get a new balance and enter on the "Balance Remaining" line.

23. After the order has been received, record the following information on the form:

- a. The total of the actual "Invoice Amount", including tax, shipping, etc.
- b. The "Received Date" for the order.

If the "Invoice Amount" does not equal the "Purchase Order Amount", the current "Balance Remaining" must be adjusted accordingly.

24. Repeat Steps Fourteen through Sixteen for all carry overs and orders during the period.



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DIRECT EXPENSE CONTROL TRACKING FORM

Account Description _____ Accounting Period _____ Year _____

ITEMS			FOOD Acct #020- "3"			BEVERAGE Acct #030- "3"			CATERING Acct #039- "3"					
	BUDGETED SALES		\$ "4"			\$ "4"			\$ "4"					
	PROJECTED SALES		\$ "5"	"	%	\$ "5"	"	%	\$ "5"	"	%			
	BUDGETED EXPENSE		\$ "7"	"	%	\$ "7"	"	%	\$ "7"	"	%			
	PROJECTED EXPENSE		\$ "9"	0"	%	\$ "9"	0"	%	\$ "9"	0"	%			
	PREPAIDS		\$ "11"			\$ "11"			\$ "11"					
	BALANCE REMAINING		\$ "12"			\$ "12"			\$ "12"					
ITEMS	VENDOR	P.O. #	P.O. AMOUNT	INVOICE AMOUNT	BALANCE REMAING	REC'D DATE	P.O. AMOUNT	INVOICE AMOUNT	BALANCE REMAING	REC'D DATE	P.O. AMOUNT	INVOICE AMOUNT	BALANCE REMAING	REC'D DATE
"14A"	"14B"	"14C"	"14D"	"16A"	"15"	"16B"	"14D"	"16A"	"15"	"16B"	"14D"	"16A"	"15"	"16B"

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DIRECT EXPENSE CONTROL TRACKING FORM

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DIRECT EXPENSE CONTROL TRACKING FORM

Account Description			Accounting Period				Year				
ITEMS			FOOD Acct #020-			BEVERAGE Acct #030-			CATERING Acct #039-		
	BUDGETED SALES		\$			\$			\$		
	PROJECTED SALES		\$		%	\$		%	\$		
	BUDGETED EXPENSE		\$		%	\$		%	\$		
	PROJECTED EXPENSE		\$		%	\$		%	\$		
	PREPAIDS		\$			\$			\$		
	BALANCE REMAINING		\$			\$			\$		
ITEMS	VENDOR	P.O. #	P.O. AMOUNT	INVOICE AMOUNT	BALANCE REMAIN'G	REC'D DATE	P.O. AMOUNT	INVOICE AMOUNT	BALANCE REMAIN'G	REC'D DATE	P.O. AMOUNT

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DIRECT EXPENSE CONTROL TRACKING FORM

Account Description _____ Accounting Period _____ Year _____

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DIRECT EXPENSE CONTROL TRACKING FORM

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		Effective:	
	AREA FOOD & BEVERAGE	PROCEDURES ACCOUNTING FOR FIXED ASSETS SUPPLIES [CHINA, GLASS, SILVER, LINEN]	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To detail the method of accounting for consumption and loss

RESPONSIBILITY:

Controller

Director Food and Beverage

PROCEDURE:

INVENTORIES

1. The Director of Food and Beverage will ensure that all Fixed Asset Supply inventories are taken on a quarterly basis.
2. These inventories must be taken at the end of Periods 3, 6, 9 and 12.
3. These inventories will be compiled and compared to authorized par levels and submitted to the Controller for pricing, extension and recording.

EXPENSE CALCULATION

4. During "non-inventory" accounting periods, provision for expense and purchase must be made on the Profit and/or Loss Statement. This provision should be based on historical consumption and expense levels and should be close to the budgeted percentage of sales for that particular item.
5. At the end of each quarterly inventory period (after the inventory has been taken and extended) the following formula should be used to determine the actual "quarter-end" expense adjustment:

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APPROVED PAR

+ (PLUS)

CUMULATIVE EXPENSES FROM THE INCEPTION OF THE PROCEDURE

- (MINUS)

CUMULATIVE EXPENSES FROM THE INCEPTION OF THE PROCEDURE

= EQUALS

AMOUNT TO BE EXPENDED FOR

THE CURRENT QUARTER

For detailed procedures regarding the actual accounting methods and forms, see Accounting SOP "Inventories".

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		Effective:	
	AREA FOOD & BEVERAGE	PROCEDURES ACCOUNTING FOR F&B FUNCTION AT COST	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To ensure an accurate accounting of expenses for those hotel functions that benefits the business requirements of a particular hotel department.

To ensure consistency in accounting for Food and Beverage functions at cost.

To provide control procedures for at cost Food and Beverage functions.

AUTHORIZATION:

At-cost Food and Beverage functions can be requested by the following individuals:

1. Hotel Executive Committee Member (Requires General Managers Approval)
2. Corporate Officers
3. All requests for at-cost Food and Beverage functions must be made through the General Manager. The General Manager will determine if the hotel can accept the at-cost function based on business levels, demand, impact on revenues and profitability, etc.

PROCEDURE:

4. Charges for at-cost functions will be based on the following:
 - a. Actual cost of raw product.
 - b. Actual non-fixed labor costs, i.e. hourly. Costs for payroll taxes and benefits will not be included. They are to be absorbed by the applicable department.
 - c. Actual costs for incidental services (A.V. rental, flowers, etc.). Normally, these costs are at full retail as these services are provided by outside vendors. (Unless a discount arrangement can be worked out.)
 - d. Service charges should be based on the retail value of the function times the percentage currently distributed to the banquet service

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employees. Do not include any portion of management-distributed or house-retained service charge.

- e. Sales and use tax should be based on the retail value of the function times the applicable percentage for your state and/or locality.
5. An estimated budget for the at-cost function must be approved in advance, in writing, by the individual requesting the function and the General Manager.
6. After the function, itemized costs must be submitted to the Accounting Department with a copy to the Director of Food and Beverage and the individual requesting the function.
7. Final cost totals for all at-cost functions must be approved, in writing, by the individual requesting the function, the Director of Food and Beverage and the General Manager.
8. At-cost functions should never be included in departmental revenues, as they will significantly distort cost percentages. All product and related labor costs should be treated as credits to the cost area and department in which they originated.
9. Examples of at cost functions are:
10. Functions sponsored by the hotel for public relations purposes.
11. In-house functions such as departmental meetings, going away parties, holiday parties, employee recognition functions, etc.
12. V.I.P. gifts to important or prospective clients in-house.

Under normal circumstances, functions in restaurants should not be included in the "at-cost" functions definition; as such activity would displace other "for-profit" business. These functions should be charged full "retail", and posted as revenue and charged to the appropriate department.

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13. Those functions covered in IHC Accounting SOP #FIN-15E are not considered at-cost functions for the purpose of this SOP. They are dealt with separately in that SOP.
14. In-house entertainment is handled in accordance with procedures outlined in SPHM Accounting SOPS.

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		Effective:	
	AREA FOOD & BEVERAGE	PROCEDURES INTER DEPARTEMENTAL TRANSFER OF FOOD & BEVERAGE ITEMS	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To account for and control the transfer of Food and Beverage items to other departments.

To aid in controlling Food and Beverage costs.

PROCEDURE:

1. All Food and Beverage products transferred to other hotel departments must be authorized by a written, signed requisition or transfer request.
2. This requisition or transfer request must be signed by a manager in the department making the request.
3. The individual filling the request must also sign the requisition or transfer request.
 - a. All Food items should be requested through the Food Purchaser or Executive Chef depending on the item.
 - b. All Beverage items should be requested through the Beverage/Lounge Manager.
 - c. All other controllable items must be requested through the Director of Food and Beverage.
4. All transfers should be logged by department and dollar amount on a daily basis. Three separate logs should be maintained for Food, Beverage, and other controllables.
5. All requisitions/transfer requests should be forwarded to Accounting on a weekly basis to facilitate timely journal entries. A copy of the transfer log should accompany the requisitions/transfer requests.
6. Copies of the requisitions/transfer requests should be maintained on file by the individual filling the request for one accounting period plus the current period. .

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7. At the end of each Accounting Month, a copy of the transfer log should be sent to each department that made a request during the period to allow for complete reconciliation.

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		Effective:	
	AREA FOOD & BEVERAGE	PROCEDURES HIGH COST ITEMS CONTROL	By: Agustinus Agus Purwanto, SE MM

SCOPE:

- To control the inventory, use and accounting of all high cost food items
- To aid in controlling overall food costs.
- To outline what food items are included in the control procedure.
- To provide a procedure for the completion of the form

RESPONSIBILITY:

- Executive Chef
- Executive Sous Chef
- Night Supervisor

PROCEDURE:

1. The following items must be inventoried and tracked daily on the High Cost Item Control Chart (Exhibit 1):
 - a. All cut Steaks, Chops and Cutlets (Beef, Pork, Veal and Lamb).
 - b. Lobster Tails
 - c. Whole Live Lobster
 - d. High Cost Portion Cut Fish and Seafood Items
 - e. Boneless Chicken
 - f. All other specialty items

The property may elect to add other specific high cost items to the control procedure. The decision to do this and what to add should be made jointly by the Director of Food and Beverage and the Executive Chef.

2. It is the responsibility of the Night Supervisor or Sous Chef to collect and retain all Point of Sale chits and/or "duples" for the purpose of balancing actual sales against consumption as shown on the chart.

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3. The chart will be completed by the Shift Supervisor or Sous Chef at the end of each shift.
4. High Cost Item Control Charts should be audited weekly by the Food and Beverage Controller.
5. High Cost Item Control Charts must be maintained on file in the Chef's Office for the current period plus the previous six periods.

FORM PROCEDURE:

1. DAY and DATE - Enter the day and date for which you are tracking information.
2. ITEMS - Write in the items being tracked vertically to the right of the word "ITEMS". These may be typed on a master form and duplicated, for items that are on the menu daily. All other items (i.e. specials, substitutions, etc.) must be hand written daily.
3. PREVIOUS ENDING INVENTORY (Line 1) - Record the Actual Ending Inventory number from Line 9 on the previous day's chart.
4. TODAY'S BEGINNING INVENTORY (Line 2) - Perform an actual physical count of all items and enter on line 2. These two numbers should be the same. If they are not, you must determine why they are different and record the reason at the bottom of the chart in the "Comments" section.
5. TODAY'S PURCHASES (Line 3) - From today's Food Invoices, determine the number of each item purchased and enter on Line 3. You should verify this count by checking all boxes and packages for actual physical count.
6. ITEM'S PORTIONED IN HOUSE (Line 4) - From your Butcher Yield Charts, determine counts for all items portioned in house, and enter this number on Line 4.
7. OPENING PRODUCTION INVENTORY (Line 5) - Add Lines 2, 3 & 4 to

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8. NUMBER OF ITEMS SOLD TODAY (Line 6) - Using the Point-of-Sale "chits" and/or "duples", determine the total number of each item sold for the day (shift). Enter this number on Line 6.
9. RETURNED AND/OR MIS-PREPARED ITEMS (Line 7) - Total any items that were returned from the outlet that could not be re-sold, and any items that never left the kitchen because they were not properly prepared. Enter this number on Line 7. If there is an entry on Line 7, there must be a corresponding explanation for each item in the "Comments" section.
10. CLOSING PRODUCTION INVENTORY (Line 8) - Subtract Lines 6 & 7 from Line 5 to determine your Closing Production Inventory. Enter this number on Line 8.
11. ACTUAL ENDING INVENTORY COUNT (Line 9) - Perform an actual physical count of all items at the close of business (shift), and record the number on Line 9.
12. DIFFERENCE (Line 10) - Subtract Line 8 from Line 9. The difference should be zero (0). If it is not, the difference must be explained in the Comments section of the chart.

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HIGH COST ITEM CONTROL CHART

Day _____ Date _____

ITEMS									
1. Previous Ending Inventory (From Yesterday's Chart)									
2. Today's Beginning Inventory (Actual Count)									
3. Today's Purchases (From Invoices - Verify Counts)									
4. Items Portioned "N House" (From Butcher Yield Charts)									
5. Opening "Production" Inventory (Add Lines 2, 3, & 4)									
6. Number Of Items Sold Today (From Duples/Chits)									
7. Returned And/Or Mis-Prepared Items (Track During Shift)									
8. Closing "Production" Inventory (Line 5 - Line 6 - Line 7)									
9. Actual Ending Inventory Count (Actual Count)									
10. Difference (Line 9 - Line 8)									
Comments (Overages/Shortages, Etc.)									

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	AREA FOOD & BEVERAGE	PROCEDURES ACCOUNTING CONTROL OF FOOD AND BEVERAGE INVENTORIES	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To ensure that there is a constant control factor in Food and Beverage inventories.

To ensure regular audits of Food and Beverage inventories.

RESPONSIBILITY:

Controller

PROCEDURE:

INVENTORIES

- A representative from the Accounting Department must participate in all Food and Beverage inventories.
- The Controller or Assistant Controller will audit Food and Beverage inventories every period and must assist in taking all Food and Beverage inventories at least once per quarter.
- The Controller must audit the Food and Beverage inventory turnover statistics for compliance with SPHM "Food Inventory Turnover" and "Beverage Inventory Turnover" S.O.P.'s, under the "Purchasing and Receiving" Section.

PC-MIS

- The Controller's office must audit the vendor bid sheets (Purchase Log) against the month Purveyor Report every period. Direct comparisons should be made between bid price and actual price paid.
- Accounts Payable must audit both the "Food and Beverage Receiving Logs" as received. Approvals and mathematical accuracy should be checked.

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- The Controller's office must ensure that all available and applicable reports are being utilized. These will include:
 - Purchase Log
 - Inventory Worksheet
 - Inventory Extensions
 - Item Purchases
 - Inventory Summary
 - Period Purveyor Report
 - Purveyor Totals
 - Inventory Master Listing
 - Vendor Master Listing

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	AREA FOOD & BEVERAGE	PROCEDURES POINT OF SALES REPORT	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To ensure proper utilization of the point of sale system

To ensure that all available controls are in place and utilized.

RESPONSIBILITY:

Director of Food and Beverage, Controller

PROCEDURE:

As there are several different point of sale systems and different release dates for point of sale systems software throughout SPHM hotels, it must be the responsibility of each property to evaluate the report generating capability of each system. You should then determine which reports are to be produced on a regular basis.

The following list of reports should be the minimum required for evaluation and analysis.

<u>Report</u>	<u>Frequency</u>
Cover Count/Average Check (can be done as a summary and by individual server)	Daily
Menu Abstract (can be done by category and by individual item)	Period End
Beverage Abstract (can be done by category)	Period End
Beverage Sales Tracking (can be done as a summary and by individual server)	Daily

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Check Status Report	Daily
(shows opening and closing times for checks and the duration of time they were open)	
Recreated Check Report	Daily
(shows when duplicate checks are printed)	
Voided Check Report	Daily
(allows for monitoring of the number of voids and their values)	
No Sale Report	Daily
(allows for monitoring the number of times the cash drawer was opened without a corresponding transaction)	

Other reports that are valuable tools are:

Report **Frequency**

Period End Employee Sales Period End

Incentive Tracking Daily/Weekly/Period

It is the responsibility of the Director of Food and Beverage to ensure that these reports are generated and that they reviewed by the appropriate individual(s) for any necessary corrective action.

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	AREA FOOD & BEVERAGE	PROCEDURES TRANSFER OF GUEST CHECK	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To maximize convenience to our guests

To keep our guests in our Food and Beverage outlets as long as possible; i.e., encouraging lounge guests to stay for dinner. It is safe to assume that "an active tab indicates an active guest". Once a tab is closed, the likelihood of the guest going elsewhere increases.

Each property will determine the outlets between which checks are transferable, based on proximity and/or likelihood of guests requesting check transfer.

PROCEDURE:

The specific procedure will be dependent upon the Point of Sale equipment in use at the property. Transfer can be done electronically or manually with the procedures to be agreed upon mutually by the Controller and Director of Food and Beverage. Some specific points, however, should always be followed:

1. When it is obvious that guests are in the lounge prior to dinner, the server should recommend check transfer, rather than waiting for the guest to request it.
2. The manager or a designated supervisory person must be involved in every check transfer.
3. Some system of compensation should be established at the property level to ensure that all service personnel involved receive an equitable share of the customer's gratuity.
4. Guest convenience should be paramount in determining any procedure.

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POINT OF SALE SYSTEMS

Properties utilizing Squirell or Micros should determine the best method for transferring guest checks by consulting with the respective system representative.

MANUAL SYSTEMS

When transferring checks manually (for hard copy check systems) the following steps should be utilized:

5. The lounge server recommends to the guest that the lounge check be added to the dinner check.
6. The lounge server informs his/her supervisor (or person designated to make the transfer) and gives the check to the supervisor.
7. The supervisor will verify the number of the server to whom the check should be transferred.
8. The supervisor posts the transfer to the server's tally card.
9. The new server will be given the lounge check, but will use a new restaurant check to finish the transaction. The lounge check will be stapled to the back of the food check as backup before presenting it to the guest. The restaurant server simply hand carries the service total from the lounge check, adding it to the restaurant total, and extends one grand total.
10. The amount transferred out and in will be recorded on each server's tally card as a minus adjustment for the lounge server and a plus adjustment for the restaurant server.

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	AREA FOOD & BEVERAGE	PROCEDURES CASH DROP	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To protect property cash assets at all times.
To outline drop procedures

PROCEDURE:

SERVERS

1. At the end of the shift, a point of sale server report should be printed. (The name and format of this report may vary based on the type of point of sale system in use on the property).
2. The server should deposit an amount equal to the "net cash" or "cash owed".
3. If "net cash" or "cash owed" is a negative amount (because of charge tips), the server should complete a "due back" request to request reimbursement for monies due from the hotel.
4. The cash (or "due back" request) and all charge vouchers should be placed in a Cashier's envelope.
5. The server should fill out the front of the envelope completely, seal, and sign their initials across the sealed flap.
6. Deposit the envelope in the drop safe in accordance with SPHM Accounting SOP "Drop Safe Procedures". Always fill out the Log, and ALWAYS HAVE A WITNESS!

BARTENDERS AND CASHIERS

7. All bartenders and cashiers will make "blind" cash drops, i.e. No point of sale report or reading is to be taken.
8. At the end of the shift, count all cash and charge vouchers.
9. Separate your "house bank" from total receipts.

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10. If there is not enough cash to separate the "house bank" (because of charge tips), the bartender or cashier should complete the "due back" request to request reimbursement for monies due from the hotel.
11. The cash (or "due back" request) and all charge vouchers should be placed in a "Cashier's Envelope".
12. The server should fill out the front of the envelope completely, seal, and sign their initials across the sealed flap.
13. Deposit the envelope in the drop safe in accordance with SPHM Accounting SOP "Drop Safe Procedures". Always fill out the Log, and ALWAYS HAVE A WITNESS!

OTHER CASH HANDLING POSITIONS

14. Other cash handling employees (Lounge Door Person, Raw Bar Attendant, etc.) should follow the same procedures as for Bartenders and Cashiers.
15. For these positions, there will generally be no charge vouchers, house banks or "due back" requests. Employees in these positions will usually handle cash only.

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POLICY STATEMENT:

All individuals charged with the responsibility for purchasing Food and Beverage products and/or supplies are expected to conduct themselves with the highest level of integrity and honesty. They must perform their day-to-day ordering duties in a professional manner, keeping the benefit of the hotel always as their first priority.

The National Association of Purchasing Agents has established set standards, several of which may help to clarify the responsibility of those individuals purchasing Food and Beverage products for SPHM. They are:

1. First consider the interest of your company in all transactions.
2. Buy without prejudice, seeking to obtain the best value for the best price.
3. Strive for knowledge of product and to understand similarities and differences in like products.
4. Subscribe to and work for honesty and truth in purchasing.
5. Extend a prompt and courteous reception to all purveyors who call for a legitimate business purpose.
6. Respect all purveyors' obligations that are consistent with good business ethics.

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	AREA FOOD & BEVERAGE	PROCEDURES STOREROOM / INVENTORY CONTROL	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To outline storeroom and inventory control procedures.

To protect and control the company's capital investment in inventories

RESPONSIBILITY:

Director of Food and Beverage

PROCEDURE:

FOOD STOREROOM

1. Access to the Food Storeroom should be restricted to the Food Purchaser, Storeroom Attendants and Kitchen Managers.
2. Delivery people and other hotel personnel will not be permitted in the storeroom.
3. Food Storeroom keys should be controlled in accordance with standard key control procedures as outlined in Accounting SOP "Key Control".
 - a. Keys must be signed out and in through the control system located at PBX or in security, depending on the property.
 - b. The Food Storeroom key(s) should never be part of the hotel master key system.
 - c. Key(s) should not be left accessible in any part of the kitchen or storeroom at any time. When signed out, they must always be in the possession of the Food Purchaser or a Kitchen Manager.
4. All food items should be issued by requisition only. Each property should establish a requisition system to expedite issues. Requisitions are for access control only! They should not normally be priced and costed for a daily food cost. It is SPHM policy to avoid "Daily Food Costing", as it is normally not worth the time and effort involved.

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5. Properties may choose to make exception to this policy only under special circumstances and with the approval of the Regional Vice President and Vice President, Food and Beverage. All requisition must be approved and signed by the Manager/Supervisor of the department originating the requisition.
6. Storeroom hours must be established, both for issue of requisition and receiving of new product. Each property must establish an LSOP regarding storeroom hours so as to keep traffic and interruptions to a minimum. This will allow the Storeroom Attendant to be more effective and also ensure that time is available for storeroom cleaning and organization.
7. Food Storeroom inventory should be laid out in the same order as the "MIS" sheets to simplify control, inventory taking and ordering.
8. The temperature of all walk-ins should be monitored on a regular basis. All walk-ins should be equipped with an external reading thermometer for ease in monitoring. Walk-in temperature should be checked periodically with handheld thermometers to verify the accuracy of the external thermometer.
9. Food Storeroom temperature and humidity should be monitored and controlled within a reasonable range to prevent spoilage and stale products.
10. All food inventory items must be dated as received and rotated using the "FIFO" (FIRST IN, FIRST OUT) System.
11. A meat tag system must be used for all whole fresh meat and whole seafood items.

BEVERAGE STOREROOM

12. Access to the Beverage Storeroom will be restricted to the Beverage Manager and Beverage Clerk only. Other hotel personnel will not be permitted in the beverage storeroom.
13. Delivery people will be permitted in the Beverage Storeroom only as necessary to deliver their product.

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14. Beverage Storeroom keys will be controlled in accordance with standard key control procedures as outlined in Accounting SOP "Key Control".
 - a. Keys must be signed out and in through the control system located at PBX or in security, depending on the property.
 - b. The Beverage Storeroom key(s) should never be part of the hotel master key system.
 - c. Key(s) should not be left accessible in any part of the lounges or storeroom area at any time. When signed out, they must always be in the possession of the Beverage Manager or Beverage Storeroom Clerk.
4. All beverages will be issued by requisition only. See SPMH F&B-SOP-39, "Beverage Requisitions".
5. The Beverage Storeroom will not maintain a regular schedule of hours. The Beverage Clerk will fill and deliver all requisitions. A sign should be posted at the back dock and at the Beverage Storeroom entrance with a phone number or pager instructions for beverage delivery persons if the Beverage Clerk is not present in the Beverage Storeroom.
6. Beverage Storeroom inventory should be laid out the same as the Beverage Perpetual Inventory Book. See SPMH F&B-SOP-40, "Perpetual Beverage Inventory".
7. The temperature of all Beverage Storeroom walk-ins should be monitored on a regular basis. All walk-ins should be equipped with an external reading thermometer for ease in monitoring. Walk-in temperatures should be checked periodically with handheld thermometers to verify the accuracy of the external thermometer.
8. Beverage Storeroom temperature and humidity should be monitored and controlled within a reasonable range to prevent spoilage of wines and liqueurs.
9. All beverage inventory items should be rotated using the "FIFO" (FIRST IN, FIRST OUT) method.

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10. All wines must be controlled with a "Bin Tag System". See SPHM F&B-SOP-42, "Wine Bin Tag System".

PAPER, CLEANING, CHEMICALS & MISCELLANEOUS SUPPLIES

15. These items must be kept in a secure, locked storage area at all times. Access should be restricted to Food and Beverage Management only. If these items are kept in the Food Storeroom, they should be stored away from all food items, preferably in a separate "cage" or area.
16. Keys for these storage areas should always be controlled in accordance with standard key control procedures as outlined in SPHM Accounting SOP, "Key Control".
 - a. Keys must be signed out and in through the control system located at PBX or in security, depending on the property.
 - b. The storeroom keys should never be part of the hotel master key system.
 - c. Key(s) should not be left accessible in any of the storeroom areas.
17. All supply items will be issued by requisition only. All requisitions must be approved and signed by the Manager/Supervisor of the department originating the requisition.
18. There will be no regular hours for this storeroom. Department Managers /Supervisors will be responsible for requisition/issue of items on an as-needed basis.
19. This storeroom should be laid out in the same order as the inventory sheets for the items stored.
20. Temperature and humidity should be monitored and controlled to prevent spoilage of or damage to products.
21. All supply items must be rotated using the "FIFO" system.

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CHINA, GLASS, SILVER, LINEN & MISCELLANEOUS SERVING EQUIPMENT

22. These items must be kept in secure, locked storage area at all times. Access should be restricted to Director of Food and Beverage Control only.
23. Keys to this storeroom should be controlled in accordance with standard key control procedures as outlined in SPHM Accounting SOP, "Key Control".
24. Keys must be signed out and in through the control system located at PBX or in security, depending on the property.
25. The china, glass, silver, linen and miscellaneous serving equipment storeroom keys should never be part of the hotel master key system.
26. Key(s) should not be left accessible in any part of the hotel or storeroom.
27. All items will be issued by requisition only. All requisitions must be approved and signed by the Director of Food and Beverage.
28. There will be no regular hours for this storeroom. The Director of Food and Beverage will be responsible for requisition and issue of items on an as-needed basis.

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SCOPE:

To ensure timely, accurate inventories

To provide a high degree of control over the inventory process

RESPONSIBILITY:

Director of Food and Beverage, Controller

PROCEDURE:

FOOD INVENTORY

11. Inventory should be taken at the same time each period. Ideally, each area should be inventoried when traffic and activity is at a low level, i.e. after storeroom issues, after the outlets close, etc.
12.
 - a. Marriott Properties: Food inventories must be recorded on the MIS Inventory Sheets provided for this purpose.
 - b. Non-Marriott Properties: Since the PC-MIS is not available, each property should use the attached Inventory Worksheet (Exhibit 1) as a guide to produce their own individualized Food Inventory Worksheets.
13. A member of the Hotel Accounting Staff must be present at all times during the inventory.
14. The inventory must be taken "Shelf-to-Sheet". The person counting the items should call the name of the item to the person recording, not vice versa.
15. Upon completion of the inventory, a photocopy should be made and sent to Accounting to prevent any unauthorized manipulation of the inventory.
16. For Marriott Properties only.

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All inventory quantities should then be entered into the PC-MIS program for pricing and extension. This PC-MIS program will then print out the extended, totaled inventory, which should be forwarded to Accounting.

17. All food items will be included in the food inventory. This will include all "food in process", service aisle items and outlet food items. Estimated foods in process amounts are not acceptable.

BEVERAGE INVENTORY

18. Inventory should be taken at the same time each period. Ideally, each area should be inventoried when traffic and activity is at low level, i.e. after storeroom issues, after the outlets close, etc.
19. Each property must develop its own forms for recording the beverage inventory. These sheets should follow the perpetual inventory for the beverage storeroom and should approximate the bottle set up order in the bar areas.
20. A member of the Hotel Accounting Staff must be present at all times during the inventory.
21. The inventory must be taken "Shelf-to-Sheet". The person counting the inventory should call the name of the item to the person recording, not vice versa.
22. Upon completion of the inventory, a photocopy should be made and sent to Accounting to prevent any unauthorized manipulation of the inventory.
23. The Accounting Department will then price, extend, and total the inventory.
24. The beverage inventory will include all beverage items in all beverage areas. This will include banquet inventory, wines, and any items kept on a cordial cart.



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INVENTORY WORKSHEET

Property _____ Period Ending _____

Item Description			Bulk Cost	Bulk Quantities				Unit Cost	Unit Quantities			
Bulk	Quan	Unit		A	B	C	Tot		A	B	C	Tot
Page Totals >>>>>												

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SCOPE:

To ensure consistent management and control of the food inventory and ordering procedure

TRAINING:

Each property must have at least two individuals thoroughly trained in the working procedures of the PC-Based System.

REPORTING:

1. The Director of Food and Beverage must forward copies of the following reports to the SPHM Executive Vice President and Marriott Regional Director of Food and Beverage at each period end.
 - a. Inventory Summary
 - b. Inventory Summary-Regional Procurement Version
2. Also the Director of Food and Beverage should review the reports titled:
 - a. Inventory extensions
 - b. Vendor listing with all information

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SCOPE:

To minimize the company's investment and maximize return on Food, Beverage and related inventories through the use of a systematic inventory management system.

The constant management of inventories is critical in maximizing profits and management time.

RESPONSIBILITY:

Director of Food and Beverage

PROCEDURE:

SPHM's Inventory Management System consists of the following components, most of which are detailed in separate procedural SOP'S:

1. Inventory
2. Estimating
3. Par Levels
4. Purchasing
5. Receiving
6. Storage
7. Issue
8. Accounting

1. Estimating is the process of determining the quantity of Food, Beverage and items needed based on historical sales data and forecasted business volumes. See SPHM F&B-SOP-03, "Forecasting and Labor Cost Control".

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2. Inventory is the process of accurately counting all existing Food, Beverage and related items in stock. Inventories should be conducted at the same time each day/week (depending on need) following the same order/routine each time. Each property must develop its own procedures for taking and recording inventories. Food inventories are to be recorded on the MIS Sheets. All other should be recorded in a standard format as determined by the property. It is essential that all inventories be as accurate as possible to facilitate the ordering of proper quantities of Food and Beverage items. Inventories are covered in SPHM F&B-SOP-28, "Period End Inventories".
3. Par levels are the quantities of Food, Beverage and related items that should be on hand at the beginning of the business day for use during the day or until such time as the next delivery is received. Par levels are covered in SPHM F&B-SOP-34, "Food Pars" and F&B-SOP-37, "Beverage Purchasing", "Beverage Purchasing" and GEN-5, "Establishing Pars For Controllables".
4. Purchasing is the process of ordering Food, Beverage and related items to arrive at the property with sufficient lead time to allow for proper storage, handling and preparation. See SPHM F&B-SOP-35, "Food Ordering Procedures" and F&B-SOP-37, "Beverage Purchasing".
5. Receiving involves accepting, counting (weighing) checking quality and storage of Food, Beverage and related items. Management should oversee all receiving as this is a critical part of cost accountability and quality control. See SPHM F&B-SOP-32, "Operational Food Receiving Procedures" and F&B-SOP-38, "Beverage Receiving Procedures".
6. Storage requires constant attention to rotation, security, sanitation, etc. See SPHM F&B-SOP-27, "Storeroom/Inventory Control".
7. Issue must be controlled and managed as outlined in SPHM F&B-SOP-271 "Storeroom/Inventory Control" and F&B-SOP-39, "Beverage Requisitions".
8. Accounting for all items sold and/or consumed must be specific so that management is confident that all items have in fact been sold or consumed.

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SCOPE:

To ensure utilization or disposal of all obsolete Food and Beverage products
 To ensure management awareness of obsolete products.

OBJECTIVE:

The objective is to reduce dead stock, thereby reducing overall inventory levels. This will allow for adequate par levels on other "active" products.

PROCEDURE:

3. The list should be compiled using the period end inventories as a guide. At least three inventory listings should be compared, with emphasis on products with unchanging or very slowly decreasing inventory levels. Purchasing logs should also be checked for activity to ensure that identified products are not products that just happen to be at a consistent par level each period.
4. After the list is compiled, it should be sent to the Executive Chef, Director of Food and Beverage, and Beverage Manager.
5. The Executive Chef must try to utilize all excess products through such means as special entrees in restaurants and buffets.
6. The Beverage Manager must try to utilize excess beverage with special wine by the glass promotions, or special drink promotions.

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SCOPE:

To ensure proper controls in product quality, pricing, and rotation
To aid in controlling food costs.

AUTHORIZATION:

All food products delivered to the property must be received by an approved member of management or a designated, trained, responsible individual. The individuals approved to receive food product are as follows:

- Food Purchaser
- Food Storeroom Clerk
- Executive Chef
- Executive Sous Chef Sous Chef
- Assistant Director of Food and Beverage
- Director of Food and Beverage

PROCEDURE:

RECEIVING METHODS

1. The individual receiving food product will check all items for proper specification, trim, quality, quantity and ensure that all items were actually ordered. Product that is shipped in bulk must be weighed, i.e., bulk meats. Case goods such as fruits and vegetables should be spot checked for proper size and count.
2. When food product does not meet established specifications, it must be returned for immediate credit.
3. The Receiving Clerk must use the purchase log or other ordering document(s) to check quantities received against quantities ordered; prices charged

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against prices quoted; and package description compared to the printed description on the purchase log.

4. Where weight, is specified, the item must be weighed.
5. Any discrepancies on invoices checked against purchase log entries must be immediately brought to the attention of the Food Purchaser. The Food Purchaser should immediately contact the vendor and request any necessary adjustment.
6. After all checking and verification is completed to the satisfaction of the Receiving Clerk, he/she should sign and date all copies of the invoice to acknowledge receipt of the product.
7. The Food Purchaser should double check the invoice against the purchase log for verification of quantity, price, etc., before endorsing and entering the invoice on the Daily Food Receiving Log. See SPHM F&B-SOP-33, "Clerical Receiving Procedures".
8. The Accounting Department may choose to use a copy of the Food Purchase Log for the summary and entry process, until the accompanying invoices are "vouchered". A second copy of the Food Purchase Log should be retained by the Food Purchaser for price records.

INSPECTION OF RECEIVING PROCEDURES

The Director of Food and Beverage, Controller and the General Manager must routinely observe and critique all food receiving and storage procedures.

OUTSIDE VENDORS

Delivery persons are not permitted in storeroom, refrigerators, freezers, or other areas where product is stored at anytime. When delivery persons are picking up empty returnable bottles or other return items, these should be spot checked to ensure that they are in fact empty.

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STORAGE OF PRODUCT

To ensure proper rotation of food product the following procedures must be used:

1. Tagging

All meat/fresh seafood items by case or bulk must be tagged by the individual piece to indicate the date of receipt. As the product is pulled from the storeroom, the tags should be filed for period end reconciliation of those products.

2. Dating

All other food products should be dated either on the case or on the individual container. Dating will help determine the frequency of the turnover on that product.

3. For general reference there should be a permanent record of all product date codes used by vendors to help determine proper rotation.

4. All product rotation is to be based on a FIRST IN/FIRST OUT (FIFO) System.

GENERAL STORAGE PROCEDURES

5. Freezer Storage

All products must be properly rotated and stored off of the floor. Never re-freeze any product once it has been thawed.

6. Egg Storage

Eggs are highly perishable and should be handled in the following manner to ensure freshness.

- Store cases criss-crossed with spaces to ensure proper air circulation.
- Eggs delivered in wet or damp containers should be returned to the supplier

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- c. Eggs are best stored at 32°F-36°F.
- d. Eggs should always be dated and rotated.
- e. All fresh, whole eggs must bear the USDA Stamp on the storage container.

7. Butter & Cheese Storage

- f. Exposure to air will cause rancidity in butter. Both products should be covered and/or sealed.
- g. When necessary, butter can be frozen. Cheese cannot withstand the freezing process.
- h. All product should be properly rotated.

8. Meat and Seafood Storage

The following procedures must be followed, as these products are highly perishable:

- i. Fresh lamb, pork and veal should be kept no longer than three to four days.
- j. A dry 33°F-35°F atmosphere is best suited for beef storage.
- k. Fresh fish should never be stored at temperatures above 34°F or for longer than three to four days.
- l. Fresh fish should be stored in either a fish file or perforated metro containers. All fresh seafood should be well iced.
- m. Frozen fish should be kept in the freezer until ready to use.

9. Fresh Fruit and Produce

- n. To ensure proper sanitation and organization the "Max Rack" System should be used for the storage of all fresh products.

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- o. Strawberries and cherry tomatoes should be laid out on trays with parchment paper to ensure longer shelf life.
- p. When storing fruit and produce, all rotten or moldy products must be removed prior to Fruits and vegetables that are refrigerated should be stored between 33°F-36°F.

10. Dry Goods Storage

The following procedures should be utilized when storing canned, bottled, or boxed product.

- q. Product should be stored according to MIS category when possible. This will expedite the inventory and order process.
- r. All products should be stored on shelves or dunnage racks. No items should be stored directly on the floor.
- s. The storage area should be well ventilated.
- t. All containers should be dated prior to storage.
- u. Dented or expanded cans should be returned to the supplier. Do not use.
- v. Stock turnover should be analyzed each period and a dead stock list produced for use by the Executive Chef. See SPHM F&B-SOP-31, "Dead Stock List".

RECEIVING SCHEDULES

Schedules should be formulated and distributed to vendors to allow the Receiving Clerk adequate time to follow proper receiving procedures. These schedules must be fair to all vendors.

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DELIVERY BY COMMON OR CONTRACT CARRIER

When receiving product from common or contract carrier, it is important to fully understand and carry out the following procedures:

11. Normal Delivery

- a. Verify count and ensure that your count is the same as the invoice and carrier's freight bill count.
- b. If count varies, follow procedure as outlined under Shortages and Overages.
- c. If count is correct but items are damaged or spoiled, follow procedures as outlined under Damaged Goods.
- d. If count is correct and there is no damage, sign the freight bill and keep one copy as a receipt.

12. Shortages and Overages

- a. Note the number of packages either shorted or in excess of invoice and/or carrier's freight bill count on the driver's copy.
- b. Note also the number of packages actually received.
- c. In the case of a shortage, have the driver sign the invoice acknowledging the shortage.
- d. Send signed copy of vendor invoice for claim institution.

13. Damaged Goods

- a. All damaged or spoiled goods should be refused by the Receiving Clerk.
- b. Receive only those goods which are in satisfactory condition. If necessary, inspect products before receiving them, i.e., before the driver leaves.
- c. Note on the invoice freight bill the number of packages refused and why.

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- d. Have the driver sign the freight bill acknowledging the refused packages.
- e. Sign the freight bill for those packages received and keep one copy. Notify the vendor and/or the carrier and request follow up.

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SCOPE:

To define Clerical Food Receiving Procedures
To aid in controlling food costs.

PROCEDURE:

RECEIVING

1. As food product is received, the "Food Receiver" must check it against the MIS sheet to verify that the quantity received corresponds to the quantity ordered.
2. The Food Receiver should then check the invoice for correct quantities and pricing.
3. Any shortages, damage, or discrepancies between actual product received, MIS sheet, and invoice should be brought to the immediate attention of the Food Purchaser, who should request an immediate credit memo or invoice from the vendor. Poor or sub-standard quality product would also require a credit memo.
4. After quality, quantity and price are checked and verified; the Food Receiver must sign and date the invoice.

RECONCILIATION, RECORDING AND APPROVAL

5. At the close of each business day, the PC-MIS information should be updated using invoices and credit memos from that day.
6. All invoices and credit memos must be recorded on the "Food Purchasing/Receiving Log" (See Exhibit 1). You should note that credit memos will normally be for two or three days past, and should be included on the Food Purchasing/Receiving Log as received. This report will provide a breakdown by food product category and show total purchases for the day.

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7. The Food Purchasing/Receiving Log should be submitted to the Executive Chef with all invoices and credit memos from that day attached. (Credit memos are as received, not necessarily for that day). The Executive Chef will approve and sign all invoices, credit memos and the Log.
8. The Log and invoices should then be forwarded to the Director of Food and Beverage, who will also approve and sign all invoices, credit memos and the Log.
9. The approved invoices, credit memos and Log should then be forwarded to Accounting (Accounts Payable) for processing. The Accounts Payable clerk will verify the mathematical accuracy of all Invoices, credit memos and the Log and follow normal payables procedures to process information.
10. The Food Purchaser should keep a copy of all Food Purchasing/ Receiving Logs on file for reference and price record.



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FOOD PURCHASING/RECEIVING LOG

ACCOUNTING PERIOD _____ DAY _____ DATE _____

Today's Purchases _____
Today's Food Sales _____

Period to Date Purchases _____
Period to Date Food Sales _____

Period to Date
Raw Food Cost _____

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		Effective:	
	AREA FOOD & BEVERAGE	PROCEDURES FOOD PAR	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To ensure an adequate supply of product without oversupplying

To ensure that food inventories are realistic in terms of capital invested.

To reduce the probability of spoilage

RESPONSIBILITY:

Executive Chef

AUTHORIZATION:

Director of Food and Beverage

PROCEDURES:

1. Par levels for food items should be established to allow full operation of restaurants and Catering with no shortage of supply at any time.
2. Normally, these pars should be slightly higher than the average item consumption between deliveries.
3. To properly determine par levels, the Food Purchaser should monitor the quantity of each item ordered over a period of several weeks.
4. After determining average consumption, delivery frequency and shelf life should be evaluated to determine the quantity of each item to be kept in storage.
5. This will ensure adequate supply levels between deliveries without "tying up" excess amounts of capital in inventory.
6. Par levels should be reviewed for accuracy and adjusted as needed at least once per quarter. This frequency may be increased in properties with significant seasonal fluctuations in food volume.

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SCOPE:

To ensure that we secure the right combination of best price and specified quality while maintaining adequate and proper inventory levels.

To establish effective ordering procedures with timely scheduling of goods for arrival with sufficient lead time to allow advance preparation, retain freshness and prevent needless re-handling.

PROCEDURE:

BID SYSTEM

1. Routine and comprehensive bids are essential to establish a fair and competitive business environment. This will also allow the hotel the opportunity to purchase the best suited product at the best price.
2. Purveyors: The Director of Food and Beverage, Executive Chef, and Food Purchaser are to review all possible purveyors to determine which will be asked to participate in the bid process. This decision should be based on the following criteria:

Quality of product

Consistency of product

Product meets specifications

Price

Delivery schedule

Availability of product

3. Bid Process: All approved product (available from more than one supplier) should be bid on a regular basis in accordance with the following minimum requirements:

<u>Item</u>	<u>Frequency</u>	<u># of Bids Required</u>
Meat	Weekly	3
Seafood	Weekly	3

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Poultry	Weekly	3
Produce	Weekly	3
Dry Goods	Monthly	3
Dairy	Monthly	2
Paper Supplies	Monthly	3

In times of extreme market volatility and/or excessive demand for certain product, it may be necessary to require more frequent bidding.

7. All approved purveyors must submit written bids by Monday morning for weekly bids and by the first of each month for monthly bids.
8. The Food Purchaser is responsible for providing each vendor with a list of products for which we wish to entertain and accept bids.
9. To expedite the bid process, each purveyor should also provide a list of all applicable product available, including prices.
10. It is recommended that the Purchaser routinely seek out new suppliers for competitive pricing to evaluate the pricing of current approved purveyors.
11. Upon receipt of these written bids, they must be recorded in the MIS system (or on the approved SPHM Bid Sheet for Non-Marriott Properties). See Exhibit 1 "Food and Beverage Bid Sheet". These bids must be evaluated and a determination made as to which purveyor will supply each product based on price and quality. This decision should be made by the Food Purchaser and the Executive Chef.
12. Non-Competitive Items: This is a classification of product that can be purchased from only one source. Therefore, the bid process will not apply to these products. Every effort must be made to determine that the product is in fact available from only one vendor.
13. Inspection of bids: The Director of Food and Beverage must review all bids at least once per period.

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ORDERING

Accurate detailed inventories and orders are critical to management planning. They must be recorded in an approved format so the valuable time isn't lost in retracing steps and in the duplication of effort. Again, consistency and accountability are the key controls.

MIS PROGRAM

All food purchases are to be recorded on the Management Information System Purchase Log. Detailed instructions for the use of the MIS Purchase Logs are included in the MIS Procedure Manual, but these specific requirements are to be met and regularly audited by management:

1. MIS Purchase Logs should be completed for all food purchases made in each operation.
2. Food items are to be stored in the same sequence as the items appear on the Purchase Log with shelf labels that bear the same description as the Purchase Log.
3. Purchases should be entered by the same unit as purchased. Also enter the current price paid, the purveyor purchased from and par stock changes on this log form.
4. Enter daily inventory in categories where applicable, i.e., produce, meats, seafood, etc.
5. Hand enters items where unit descriptions don't agree with printed descriptions, supplying price, purveyor and complete description.
6. Invoice numbers are to be logged at the top of the page for corresponding purchases.
7. Delete items from your purchase log that aren't currently being purchased.
8. Revise par stocks as necessary. See SPHM F&B-SOP-34, "Food Pars".

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PLANNING ORDERS

Usually one day per week is set aside to plan the following week's food needs (estimates) and orders/delivery schedules. Sundays are often the best time to take a thorough refrigerated and dry goods inventory, accumulate and organize BEO's, establish basic menu estimates, etc. Food is generally inventoried one day and ordered for the next day or following day, allowing one extra day for banquet needs.

When planning and calling orders, every effort should be made to avoid emergency situations, not only for the benefit of the Hotel, but for the benefit of our purveyors as well. It is costly for them to do business and we are obligated to honor their business procedures by not making unreasonable demands for frequent deliveries and/or other additional services.



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FOOD AND BEVERAGE BID SHEET

Date _____

Period _____

Purchaser

Property

____Week ____

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PURCHASE LOG
 Period Ending _____ Week # _____

Item Description	Vendor	Unit Size	Bulk Price	Total Order	Sat		Sun		Mon		Tue		Wed		Thu		Fri	
					Inv Ord		Inv Ord		Inv Ord		Inv Ord		Inv Ord		Inv Ord		Inv Ord	

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AREA FOOD & BEVERAGE	PROCEDURES FOOD INVENTORY TURNOVER	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To provide guidelines for controlling capital invested in food inventories.

To detail the methods for calculating and determining turnover

RESPONSIBILITY:

It is the responsibility of the Director of Food and Beverage and the Executive Chef to cause adherence to established turnover and inventory level goals.

PROCEDURE:

GENERAL

The SPM standard goal for food inventory turnover is:

2.8 times per accounting period,

or an equivalent of ten days inventory on hand. This is a total average turnover figure for the entire food inventory.

For those properties that have the benefit of a PC-based Food Purchasing MIS system, the turnover goals can be further broken down into the major MIS food categories to facilitate turnover management. Your turnover goals should be based on your inventory pars for restaurant sales, banquet sales volume and delivery frequency of food product.

CALCULATION

Food Inventory Turnover Ratio = Consumption / Average Inventory

Consumption = Beginning Inventory + Purchases - Ending Inventory

Average Inventory = [Beginning Inventory + Ending Inventory] / 2



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This method is based on gross or "raw" consumption, which includes all credits to cost (i.e. Food to Cafeteria, Food to Bar, VIP Amenities, At Cost Functions, etc.)

When turnover ratios are shown on any financial report, the consumption and inventory figures must also be shown.

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	AREA FOOD & BEVERAGE	PROCEDURES BEVERAGE PURCHASING	By: Agustinus Agus Purwanto, SE MM

SCOPE:

- To minimize capital investment in beverage inventories
- To maintain adequate supplies of beverage product
- To aid in controlling beverage costs.

RESPONSIBILITY:

- Director of Food and Beverage
- Beverage Manager/Lounge Manager

PROCEDURE:

ORDER PLANNING

1. One day per week (the same day each week) should be designated to plan and estimate beverage needs for the upcoming week.
2. To keep inventory levels to a minimum, beverage products should be ordered and received as frequently as is reasonable. If state regulations and vendors allow, suggested delivery frequency is as follows:

Liquor and Wine	2 times per week
Beer	3 times per week

All Beverage orders should be based on established pars, plus banquet needs for the upcoming week. Banquet needs should be estimated based on actual B.E.O. requirements.

BEVERAGE PARS

3. Beverage "par" levels should be established to allow operation at "normal" business levels without product shortage, while at the same time minimizing capital invested in inventories.

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4. Par levels should be based on historical consumption data, preferably over a time span of at least three accounting periods. Total consumption should be averaged to obtain "normal" weekly consumption.
5. After calculating the average weekly consumption, you must analyze the available frequency of product delivery or pick up, and available labor to determine the most cost effective par level.
6. In general, your par levels should be set so as to allow normal operation for one delivery period or one week, whichever is less. However, some slower-moving items such as cork finished wines, special liquors and liqueurs will require more than the minimum par due to availability and minimum unit of purchase.
7. Beverage pars should include only minimum allowances for small, routine banquet functions. All other banquet beverage items should be purchased as needed based on B.E.O. requirements.
8. Par levels must be analyzed at least quarterly. Any significant changes in consumption patterns will require a corresponding adjustment in par levels.

VENDOR PRICING

9. In states where beverage products are available from more than one vendor, competitive bids should be secured monthly for all applicable items. In many cases, actual bids will be unnecessary because all vendor pricing will be listed in a regional or state "Beverage Journal". In these areas, the Beverage/Lounge Manager should assemble a vendor price comparison utilizing information published in the "Beverage Journal". Comparisons should include all approved "house pour" products as well as call brands showing significant consumption.
10. In most competitive environments, significant discounts can be obtained for quantity purchases, and also when you agree to carry a number of brands available from one particular company or vendor. You should take prudent

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advantage of available discounts, keeping beverage inventory turnover requirements in mind. (See SPHM F&B-SOP-41, "Beverage Inventory Turnover".

11. You should also be constantly alert to monthly vendor "post offs" and discounts to properly position your inventory to take advantage of these as much as possible.
12. A "Beverage Bid Sheet" form (see Exhibit 1) is attached to this SOP to facilitate the comparison and analysis process.

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BEVERAGE BID SHEET

ITEM	Consump-tion	Purveyor #1			Purveyor #2			Purveyor #3		
		Brand	Unit Price	Ext'd Price	Brand	Unit Price	Ext'd Price	Brand	Unit Price	Ext'd Price
HOUSE LIQUOR										
Vodka, 1.75										
Litre										
Gin, 1.75										
Litre										
Bourbon, 1.75										
Litre										
Scotch, 1.75										
Litre										
Rum, 1.75										
Litre										
Whiskey, 1.75										
Litre										
CALL LIQUOR										
Vodka, 1.75										
Litre										
Gin, 1.75										
Litre										
Bourbon, 1.75										
Litre										
Scotch, 1.75										
Litre										
Rum, 1.75										
Litre										
Whiskey, 1.75										
Litre										
TOTAL \$\$ > > > > > >										

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BEVERAGE BID SHEET

ITEM	Consump-tion	Purveyor #1			Purveyor #2			Purveyor #3		
		Brand	Ounce Price	Ext'd Price	Brand	Ounce Price	Ext'd Price	Brand	Ounce Price	Ext'd Price
HOUSE WINE										
# 1										
# 2										
# 3										
2nd TIER WINE										
# 1										
# 2										
# 3										
TOTAL \$\$ > > > > > > >										

ITEM	Consump-tion	Purveyor #1			Purveyor #2			Purveyor #3		
		Brand	Kg/Cs Price	Ext'd Price	Brand	Kg/Cs Price	Ext'd Price	Brand	Kg/Cs Price	Ext'd Price
DRAFT BEER										
Keg (1/2 Bbl)										
Keg (1/2 Bbl)										
Keg (1/2 Bbl)										
Keg (1/2 Bbl)										
BOTTLE BEER										
Case										
Case										
Case										
Case										
Case										
Case										
Case										
Case										
TOTAL \$\$ > > > > > > >										

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SCOPE:

To ensure full and proper control of all Beverage product during the receiving process

To outline all required paperwork and approvals associated with beverage receiving.

To aid in controlling beverage cost.

RESPONSIBILITY:

Director of Food and Beverage

Controller

PROCEDURE - OPERATIONAL:

RECEIVING METHODS

1. Beverage products will be received only by approved, trained individuals. These individuals are to be designated by the Director of Food and Beverage and will normally include the Beverage/Lounge Manager, Assistant Lounge Manager and Beverage Storeroom Attendant.
2. As with any ordering/receiving process, care must be taken to ensure that the ordering responsibility is separated from the receiving responsibility. These duties must be assigned to two different individuals.
3. The designated Beverage Receiver must be present from the time the product is unloaded until all items are secured and properly stored in the Beverage Storeroom
4. The Beverage Receiver will check all items for correct quantity, brand and size. The receiver should also check for any broken or leaking bottles.



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5. Any product that is incorrect or broken must be returned for credit immediately. If the delivery person cannot issue a credit memo, he or she should sign the hotel copy of the invoice indicating an damage, shortages, etc. The Sales Person or Customer Service should then be contacted for immediate issuance of a credit memo.
6. All Beverage products must be properly stored immediately after receipt. The following general procedures should be used in the proper storage of Beverage product:

- a. Liquor/Spirits

All liquor/spirits is to be removed from cases and stored upright on shelving. Bottles and brands should be arranged in the same order as the Perpetual Beverage Inventory to facilitate inventory control, issuance and ordering. Exceptions to this procedure would be liquor/spirits purchased in large quantities for use in the liquor dispensing system or in banquets. Bulk product may be stored in cases (off the floor) until needed for use.

- b. Wine

All wines should be stored on shelves on their side to keep corks moist. Where practical, white and sparkling wines should be stored under refrigeration. Wines should be stored by bin number to facilitate inventory control, issuance and ordering. Exceptions to this procedure are "Jug" wines purchased in bulk for use in the wine dispensing system and in banquets. Bulk product may be stored in cases (off the floor) until needed for use.

- c. Beer

Beer should be stored under refrigeration and on Health Department approved "dunnage" racks. Wooden pallets are not permitted. Bottled beer should be arranged by brand in the same order as the perpetual inventory to facilitate inventory control, issuance and ordering.

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7. Order Pick-Up

In some states, alcoholic beverages must be picked up at a distributor or "State Store" by a hotel employee. This employee must be a manager, and must be designated by the Director of Food and Beverage.

All other Operational Beverage Receiving Procedures should be followed when picking up orders, providing they allow full compliance with all state and local regulations.

8. Order Delivery by Third Party

In some cases where customer pick-up of alcoholic beverages is required, third party delivery services can be contracted for pick-up and delivery. It is essential that any service used be licensed and bonded, and photocopies of same should be retained on file by the controller. All other applicable Operational Receiving Procedures should be followed when using a delivery service.

9. The Director of Food and Beverage and General Manager must observe and thoroughly audit the operational Beverage Receiving Procedures at least once per quarter.

PROCEDURE - CLERICAL:

RECORDING RECEIPT OF BEVERAGE

10. All shipments must be thoroughly verified against invoices.
11. After verification, the invoice must be signed by the authorized Beverage Receiver as indicated in Paragraph #1 under "Operational Procedures".
12. At the conclusion of each business day, all invoices must be recorded and logged on the "Beverage Receiving Report" (See Exhibit 1).
13. All invoices should then be logged in the Perpetual Beverage Inventory Book, and forwarded to Accounting for processing.



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AUTHORIZATION FOR PAYMENT OF INVOICES

14. All Beverage invoices must be approved and signed by the Director of Food and Beverage and the Beverage/Lounge Manager. This is to ensure awareness of pricing, consumption patterns, buying patterns, and any discrepancies.

15. The signature of the Director of Food and Beverage is a mandatory requirement to authorize payment of Beverage invoices.

INTER-DEPARTMENTAL TRANSFERS

16. All Beverage products transferred to other hotel departments must be authorized by a written, signed requisition or transfer request. This requisition or transfer request must be signed by a manager in the department making the request. The authorized individual fulfilling the request must also sign the Requisition/Transfer Request.

17. All transfers should be logged by department and dollar amount on a daily basis.

18. Transfers must be submitted to Accounting on a weekly basis to facilitate transfer journal entries. At period end, Accounting should receive a copy of the Daily Transfer Log to allow a thorough reconciliation.



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BEVERAGE RECEIVING REPORT

Day _____ Date _____ Period _____ Prepared by _____

VENDOR	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	LIQUOR	BOTTLED BEER	DRAFT BEER	BOTTLED WINE	MISC WINE	SODA
TOTAL									

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	AREA FOOD & BEVERAGE	PROCEDURES BEVERAGE REQUESITION	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To control movement of alcoholic beverages from the beverage storeroom to bars and other issue areas

To aid in maintaining par levels at the bars

RESPONSIBILITY:

Beverage Manager

Lounge Manager

PROCEDURE:

1. Beverage requisitions should be completed at the close of each business day (night) by the bartender on the closing shift.
2. All spirits and wine (excluding "bin tagged" wine) must be requisitioned on an empty for full bottle basis. The requisition process for "bin tagged" wine is detailed separately in SPHM F&B-SOP-42, "Wine Bin Tag System". Each item on the requisition must be supported by an empty bottle returned to the beverage storeroom with the requisition.
3. Beer and other miscellaneous items should be requisitioned to bring stock levels back to established pars.
4. All requisitions should be done and par stocks brought up to par daily to allow proper chilling of those items that may require it.
5. Requisitions for all areas must be accompanied by the empty bottles of like brands. Additionally, the empty bottles must be identified as coming from the same area that submitted the requisition by checking the color coded bottle sticker. All bottle exchanges must take place in the beverage storeroom.

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6. Immediately following the final reconciliation of the issue with the requisition and the empty bottles, all empty bottles is to be broken. This process should be witnessed by a member of management.
7. If the empty bottles cannot be destroyed immediately, the individual filling the requisition must cross through each bottle label (making an "X") with a black broad tip felt marker. This should prevent any empty bottles from finding their way back into the property for re-use. These unbroken empties must then be secured in the beverage storeroom. Unbroken empty bottles should never be left unsecured.
8. Bartenders are responsible for verifying that their issues and requisitions are reconciled, and that the new inventory is equal to the established, posted par stock.
9. All bar personnel must be instructed to fill out their requisitions in the same sequence in which the perpetual inventory book is organized. This can be easily accomplished by pre-typing or pre-printing the requisitions with the items already listed on them.
10. All requisitions must be signed by the bartender and the person filling (issuing) the requisition.
11. After the requisition is filled and issued, the requisition information should be recorded in the perpetual inventory book. Requisitions should then be filed numerically by area.
12. Beverage requisitions will consist of a three-part form: white (original), yellow and pink. When the bartender completes the requisition, he/she should retain the pink copy and send the white and yellow copy with the empty bottles to the beverage storeroom. After the requisition is filled, the yellow copy is returned to the bar with the issued. The white copy is used to complete the perpetual inventory book and then filed.
13. All beverage requisitions will be maintained on file in the beverage storeroom for one full period after period end.

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14. A log should be kept of all items that could not be filled/ issued. This log should be checked whenever beverages are received so all unfilled, back ordered items can be issued. Items requisitioned but not issued should be so noted on the requisition so the bar staff is aware that their pars will be "off".
15. Discrepancies in bar par audits should first be reconciled with the "out" log before further action is taken.

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	AREA FOOD & BEVERAGE	PROCEDURES PERPETUAL BEVERAGE INVENTORY	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To provide full, continuous control over all inventory items in the Beverage Storeroom.

To outline the procedure for maintaining a Perpetual Beverage Inventory

RESPONSIBILITY:

Daily Entries: Beverage Manager/Assistant Director of Food and Beverage

Weekly and Period End Audits: Food and Beverage Controller

PROCEDURE:

GENERAL

1. Of paramount importance is the need to keep the Perpetual Inventory accurate, up to date and available for examination and audit at any time.
2. The Perpetual Beverage Inventory should be maintained in the standard perpetual inventory book. This book, and appropriate insert cards are available through a local stationary supplier. The recommended insert card is: Wilson Jones "Stock Record" Form #753-58.

STARTING AND MAINTAINING A PERPETUAL BEVERAGE INVENTORY

3. The perpetual inventory book should be set up with dividers for the following categories:
 - a. Vodka
 - b. Gin
 - c. Scotch Whisky
 - d. Irish Whiskey
 - e. Canadian Whiskey

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- f. Blended Whiskey
- g. Bourbon Whiskey
- h. Brandy, Cognac, Armagnac
- i. Miscellaneous (Tequila, etc.)
- j. Cordials, Liqueurs
- k. Champagnes, Sparkling Wines
- l. White Wines
- m. Red Wines
- n. Rose Wines
- o. Port Wines, Sherries
- p. Appetizer Wines, Vermouths
- q. Bottled Beer
- r. Draft Beer
- s. Pre-Mixed Cocktails
- t. Soft Drinks
- u. Miscellaneous

Wines can be divided into country or geographic region of origin or varietal category if the list is extensive.

Bottled beers can be divided into domestic and imported if list is extensive.

4. One page/card should be used to list each brand and size. Each item should be listed by the smallest unit of issue (not purchase). For example, 1 bottle, not 1 case.
5. The perpetual inventory book should be set up in the same order as the Beverage Storeroom inventory. (Ideally, the book should be organized first and the beverage storeroom should be set up in the same sequence as the

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book. This will provide a logical order for the beverage storeroom shelf arrangement.) All pre-written beverage requisitions should be set up in the same manner. This will simplify the requisition, inventory, perpetual and audit process.

6. Each page/card should list the following information:
 - a. Date of Receipt
 - b. Quantity Received
 - c. Quantity Issued
 - d. Balance on Hand (Inventory)
 - e. Vendor
 - f. Price Paid (per unit of issue)
7. Also, the "par" level for each item should be noted on each page/card. "Par" levels should be established by the Beverage Manager and approved by the Director of Food and Beverage. Pars should be reviewed and compared with inventory levels and consumption every six months and adjusted if necessary.
8. To start a perpetual inventory for the first time, you must "initialize" all cards by recording the actual physical inventory in the balance column. This is best done at the beginning of an accounting period, as you already have period end inventory quantities to use.
9. All beverages received are to be posted on the perpetual inventory daily. Posting must be done in units of issue. Units of purchase should be converted to units of issue before the entry is made.
10. All beverage requisitions must be posted to the perpetual inventory daily.
11. Always double check all perpetual entries. Entry errors are easier to correct when detected early.
12. New perpetual cards should be used every quarter.

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		<p>Effective:</p>		
	<p>AREA FOOD & BEVERAGE</p>	<p>PROCEDURES</p>		
		<p>PERPETUALBEVERAGE</p>		
		<p>INVENTORY</p>	<p>By: Agustinus Agus Purwanto, SE MM</p>	

RECONCILIATION OF THE PERPETUAL INVENTORY AT PERIOD END

13. All purchase/ receipt entries should be totaled and reconciled to invoices.
14. The perpetual inventory should be audited against actual physical inventory. Any discrepancies should be immediately reported to the Director of Food and Beverage and Controller, and the actual physical inventory logged as the revised/adjusted perpetual inventory balance.
15. All period end perpetual inventory adjustments must be made in red ink and must be initialed by the Director of Food and Beverage and Controller.

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		Effective:	
	AREA FOOD & BEVERAGE	PROCEDURES BEVERAGE INVENTORY TURNOVER	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To provide guidelines for controlling capital invested in beverage inventories.
 To detail the methods for calculating and determining turnover

RESPONSIBILITY:

It is the responsibility of the Director of Food and Beverage and the Beverage Manager to cause adherence to established turnover and inventory level goals.

PROCEDURE:

GENERAL

The SPHM standard goal for beverage inventory turnover is:

<i>Liquor & Soda:</i>	<i>1.0 times per accounting period</i>
<i>Beer (Bottle & Draft):</i>	<i>3.5 times per accounting period</i>
<i>Wine (Bottle & Bulk):</i>	<i>0.6 times per accounting period</i>

There is no standard for overall beverage inventory, as it will vary based on the mix of business. The turnover goals are to be measured against the above breakdowns.

CALCULATION

Beverage Inventory Turnover Ratio = Consumption / Average Inventory

Consumption = Beginning Inventory + Purchases - Ending Inventory

Average Inventory = [Beginning Inventory + Ending Inventory] / 2

This calculation is to be performed for each of the three breakdown categories within the beverage inventory.

This method is based on gross or "raw" consumption, which includes all credits to cost (i.e. Beverage to Food, VIP Amenities, At Cost Functions, etc.)

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When turnover ratios are shown on any financial report, the consumption and inventory figures must also be shown.

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		Effective:	
	AREA FOOD & BEVERAGE	PROCEDURES WINE BIN TAG SYSTEM	By: Agustinus Agus Purwanto, SE MM

SCOPE:

To simplify and control the issue and replacement of all bottle wines.

PROCEDURE:

1. All bottle wines are to be identified with a "bin tag" appropriately marked with the bin number for that wine.
2. All wines should be stored in numerical bin number sequence in the beverage storeroom and in the Service Bar.
3. Service Bar wine pars should be controlled by the number of bin tags issued, and should be determined and approved by the Director of Food and Beverage.
4. When wine is ordered, the server must "ring" it through the point of sale system and present the "chit" or "dupe" to the Service Bartender.
5. The Service Bartender should remove the bin tag from the bottle, give the bottle to the server, and place the bin tag in a secure, pre-designated area.
6. At the end of the shift, the bartender should complete a beverage requisition for all products to be replenished/ replaced. In addition to requisitions for items for pars and empty bottles, the Service Bartender must requisition a bottle of wine for each bin tag removed from a wine bottle. All "tagged" wines can then easily be ordered by bin number. This will avoid confusion in requisitioning hard to spell wines. The bin tags must accompany the requisition to the beverage storeroom.
7. When bottled wine is issued from the beverage storeroom, the issuer should attach the bin tags to the appropriate bottles of wine.
8. Wine requisition/issue information is then recorded in the perpetual inventory book in the same manner as other issues.

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PURCHASING AND RECEIVING

(Food, Beverage, Controllable)

1. Purchases are made from established contract vendors, participation percentage is 100%.

Purchasing agents receive or check all deliveries.

Updated purchasing manuals are available.

All products are weighed against invoice.

Quantities and prices are checked against purchase log, purchase order, vendor price list, etc., whichever applies.

Invoices are checked for accuracy by the receiver and double-checked by department manager.

All food is purchased in accordance with the SPHM food safety standards.

Invoices are reconciled to accounting records each period.

At period end, a list of services/purchases received but unbilled, is submitted to accounting for accrual.

(*): International markets where contract vendors are not established, the hotel should maximize purchasing volume through quarterly price negotiation.

STORAGE

(Food, Beverage, Controllable)

Access is restricted to all storage areas at all times.

All storage areas are locked when unattended and are checked by night security.

A list of personnel with keys to storage areas is posted in the general vicinity of designated storage areas.

Food is dated and rotated.

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Refrigerators and freezers are maintained at correct temperature readings (See also Engineering SOP's).

Steaks/high-cost food items (shark fin, saffron, and lobster tail items) are stored in locked cabinets. Usage is logged and checked against sales reports.

Reasonable pars for all inventories are established, with amounts on hand corresponding to pars.

Physical inventories are taken period end/quarter end or in accordance with accounting SOPs along with Accounting's participation.

Perpetual beverage inventory is maintained.

ISSUES

(Food and Beverage)

Food issues from main storeroom are controlled with adequate requisition system.

Issues are made only during established storeroom hours.

Un-opened items are returned to storeroom.

Beverage storeroom operation complies with all federal, state and local laws.

PRODUCTION

ChefTec recipes, Use Records and production charts are used at workstations.

Managers are required to instruct production personnel directly about production quantities.

Production quantities are based on sales forecasts.

Actual sales are compared to forecasted sales each week.

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Leftovers are held to a minimum

The following control charts are used:

Daily production chart

Roast meat chart

Steak/key entree control chart.

Accounting reconciles steak and roasts meat charts each period and notifies management of discrepancies.

SERVICE AND GUEST CHECK CONTROL

(Restaurants)

POS print outs are needed to obtain food from kitchen - no check, no food!

POS printouts are defaced by kitchen to prevent re-use.

POS machines are programmed with correct prices by authorized associates.

Managers alone authorize voids.

Servers/Cashiers verify the room number through the POS system for all room charges.

A shopping service is used regularly and findings are followed up by management.

ROOM SERVICE

Sales are rung up before orders are given to servers.

Room service bar checks include guest room number.

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SHIERING AND DEPOSIT CONTROL

(All Outlets)

Cash in Advance (CIA) lists are issued and posted daily.

Credit card cancellation lists are current and used by servers.

Guest charge checks are sent to Front Desk promptly for posting (in manual posting situations).

Drop safes are used where intake of cash is significant.

Register keys are controlled by management.

POS machine readings are taken by management and retained until deposits are prepared.

Self-cashiering servers are required to prepare tally sheets; have management verify their deposits and banks.

A manager or security officer escorts cashiers to drop safe, witnesses deposit drop and signs drop log.

Managers receive cashier over/short and procedure discrepancy reports daily from controller's office and take corrective action where necessary.

BEVERAGE CONTROL

(Lounges/Bars/Catering)

Bartenders and servers use a lock box to deposit hard copy cash checks.

Servers/cashiers pre-ring drink orders.

Posted bar pars match pars on file in accounting.

Beverage sale potentials are established.

Non-removable bottle stickers are used.

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Bars and storage area are controlled by management.

Requisitions are made in writing and immediately posted to perpetual inventory records.

All issues are made on a full for empty basis.

All empties are promptly broken; breaking is witnessed by management at the end of shift.

Ten items in beverage storeroom are test counted per period and counts compared to balance in perpetual inventory records.

Five items at each bar are test counted per period to ensure that counts agree with established bar pars.