

2015

Hotel Accounting Standard Manual



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Sun Paradise Hotels Management
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Laborsa Grand Hotel & Convention
where luxury and leisure blends in harmony.



By: Sun Paradise Hotel Management

To Manual Holders,

The implementation and maintenance of internal controls in your hotel is the joint responsibilities of Operations and Finance at Hotel all Department Heads. This Accounting Standard Manual has been developed to define standards of internal control which should operate at the hotel to assist those departments in discharging their duties.

The Manual is intended to be a working document enabling you to carry out your day – to – day duties more effectively. Because segregation of duties is so fundamental to the maintenance of internal control standards, suggested organization charts have been included, together with schedules of responsibilities of key hotel staff, including non-financial staff.

We have deliberately refrained from using the term “Procedures Manual” as it is appreciated that procedures to become appropriate. The principles behind the internal controls in the Manual do, however, apply to your hotel. To ensure consistency, any significant variance from standards will require approval by your Chief Finance Officer (CFO).

This Hotel Accounting Standard Manual was prepared in construct your hotel Finance Department, that to be effective, it needs to be kept up – to – date for systems developments and advances in technology. To enable this, your regular feedback is essential.

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LABERSA GRAND HOTEL & CONVENTION CENTER

Hotel Accounting Standard Manual

Full Hotel Operating Manual for Accounting



Labersa Grand Hotel & Convention Center
where luxury and leisure blends in harmony



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4/27/2015

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ACCOUNTING AND INTERNAL CONTROLS

As a hotel consultant Sun Paradise Hotels & Resorts International to prepare Hotel Accounting Standard Manual for The Rich Prada Bali to follows accounting principles to the extent that they do not conflict with local laws, regulations and accounting principles.

A Hotel unable to comply with the principles set forth in this manual must propose in writing request for a waiver to Sun Paradise Hotels & Resorts International via Hotel Owner. The request must detail the reasons for noncompliance and outline a resolution to the problem.

I. The Purpose of Accounting and Internal Controls

Accounting and internal controls serve to:

- a. Safe guard the Company's assets;
- b. Secure the integrity of the Company's records and management information;
- c. Ensure that all levels of management comply with the relevant procedures to achieve a high degree of consistency;
- d. Ensure that the Company obtains value for money from its use of resources;
- e. Achieve the Company's objectives economically, efficiently and effectively.

Hotel operation requires the delegation of duties: Supervisors must exercise control over the duties delegated to staff members, and staff members must account for their performance. Owing to the fallibility of people and information systems, internal control procedures are necessary. Internal controls are in place to ensure that all information is correct, reliable and processed on time. This enables management to make decisions that will achieve Company objectives.

Every employee is involved in the internal control system every day. The value of internal control is the same whether the employee performs control over his/her own activities, or whether his/her Department Head / Supervisor ensures the correct performance of delegated activities.

II. Division of Internal Control

The internal control system is roughly divided into preventive and detective measures.

- a. Preventive measures are an essential part of the internal control system. They are designed to prevent any occurrences that will abuse the organization's interests. Preventive measures include:

1. **Segregation of duties** – Established by the Hotel's organization chart, segregation of duties ensures that more than one employee or department is always involved in a transaction, reducing the chance for undetected errors or falsification of records.

Segregation of duties are based on conflict of interests, which should always exist between Hotel functions: custody (Cashier); administrative (Food & Beverage Manager, for example) recording (Accounting Department, for example); and the audit function (Income Auditor, for example). Any combination of these functions is undesirable, as it may expose assets to the risk of loss.

2. **Job descriptions** – These highlight staff responsibilities and reporting procedures and must comply with the Hotel's organization chart.

Job descriptions are the responsibility of General Manager and Financial Controller, and must be signed by both the employee and Department Head. Delegation of duties to a lower level in the organization must be in writing, indicating relevant instructions and authorization levels. Nevertheless, delegation of duties does not excuse Supervisor / Managers from their original responsibilities and from ensuring that all instructions are properly performed. There requires checks described above must be documented at all times to ensure the performance of internal control.

3. **Audit trails** – Audit trails provide evidence for financial transactions, using supporting documentation to facilitate the detection and correction of errors or omissions in recording revenues and cost.

4. **Budgets** – Properly prepared budgets can ensure the detection of unreported revenues and costs by establishing differences between budgeted and actual figures.

- b. Detective measures are internal controls performed after the fact. They verify the accuracy of information such as stocks and float and ensure that instructions have been followed properly.

III. Role in the System

A. The Financial Controller's Role

The Financial Controller plays a key role in the hotel's internal control system. He supervises the Accounting Department and ensures the prevention, detection, investigation and correction of all inconsistencies. In addition, he ensures that the Accounting Department does not record any revenue or cost transaction that is not complete, correct and duly authorized. He ensures compliance with the Hotel Accounting Standard Manual and refers staff members to relevant sections.

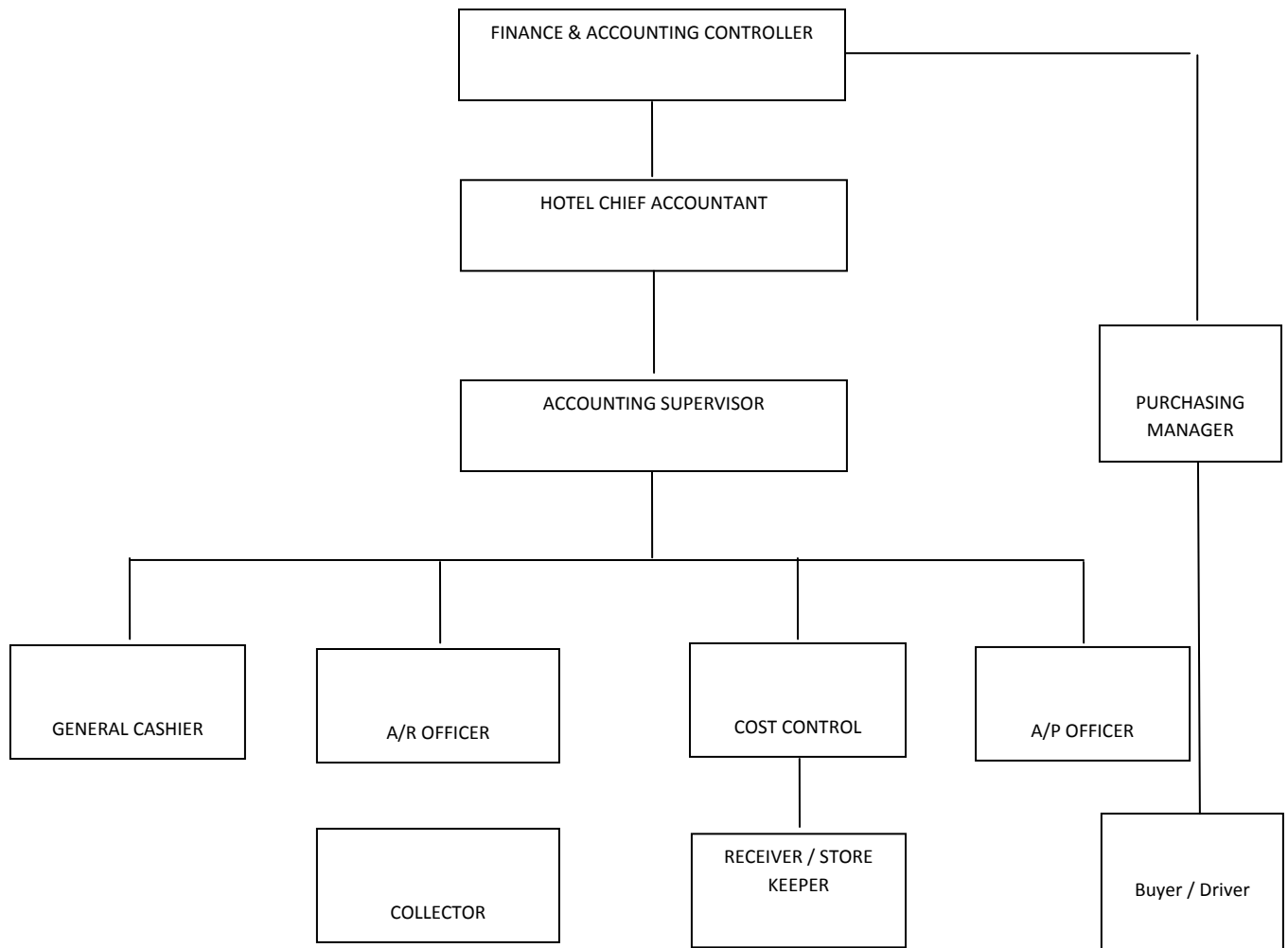
B. Organization Charts

Standard organization charts for each region are based on segregation of duties, availability of the staff and the use of a centralized or a decentralized accounting system. Because these factors may vary somewhat, it is not possible to prescribe a mandatory organization chart for Specific Chain Hotel. No exceptions are allowed on the management level, including "an accounting function" the Food and Beverage Controller and Income Auditor. Combination of jobs at this level would undermine the principles of segregation of duties and increase the risk of undetected errors in revenue and cost recording.

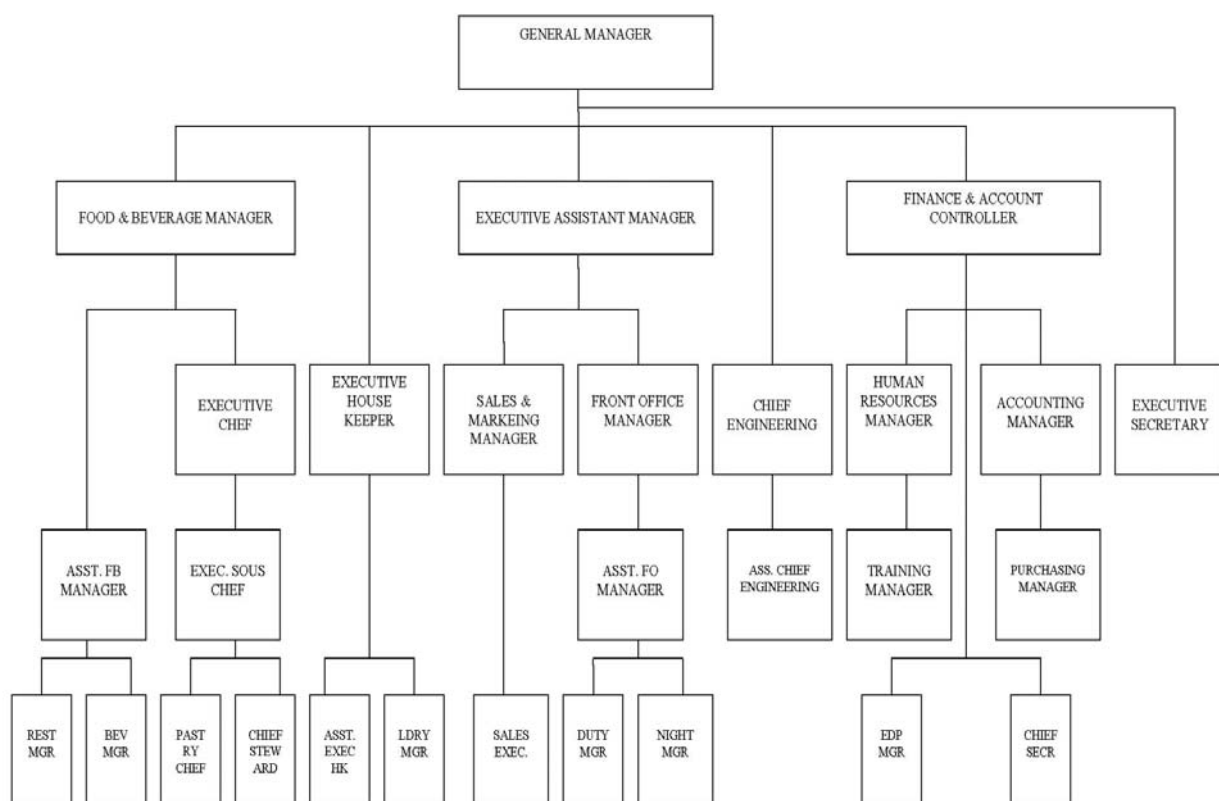
In addition to the reporting relationships described in the attached organization charts, the following reporting relationships should be maintained:

1. The Payroll Clerk, who prepares / calculates the actual payroll, reports to Financial Controller.
2. Time keepers report only to Financial Controller or General Manager
3. The Purchasing Manager reports to General Manager
4. The Receiving Clerk reports only to Financial Controller
5. The Storeroom Clerk reports only to Financial Controller
6. The Account Receivable Clerk reports only to Financial Controller, with a functional responsibility to the Credit Manager
7. Accounts Payable reports to Financial Controller

The Head Office must approve any exceptions to the reporting relationships in writing.



**MANAGEMENT LEVEL
ORGANIZATION CHART**



HOTELOVERVIEW

In the Hotel consist of Department as follow:

- (1) Front Office Department
- (2) Housekeeping Department
- (3) Food & Beverage Department
- (4) Finance Department
- (5) Personnel Department
- (6) Purchasing Department
- (7) Sales & Marketing Department
- (8) Engineering Department

I. Front Office Department

The Front Office Department is primarily responsible for the control of reservations, guest registration, telephone services and guest accounting. It is the first point of reference for guest queries.

The Front Office staff prepares financial accounting reports for revenues and costs; the business mix reports for allocation of market segmentation; and the month end package. The staff provides forecast information for occupancy and revenue targets.

The Front Office staff is responsible for ensuring that guest registration is carried out accordance with Vietnam government laws and regulations, and that registration adheres to the accounting controls and procedures regarding registration and the issuance of credit to guests.

II. Housekeeping Department

The Housekeeping Department is responsible for the maintenance of product quality standards in guest rooms and public areas. This responsibility includes control of costs, within budget, of the departmental payroll and expendable supplies.

On daily basis, the Housekeeping staff prepares the Housekeeping reports in accordance with established accounting procedures.

III. Food and Beverage Department

The primary responsibility of the Food & Beverage Department is to manage the Hotel's Food & Beverage operations. This includes maintaining product quality, ensuring the satisfaction of customer needs and maximizing the department's contribution to the Hotel's profit,

To fulfill these responsibilities, the Food and Beverage Department staff maintains total costs within the budgeted cost percentages; authorizes purchases of Food & Beverage items; and establishes the minimum and maximum levels of Food & Beverage stocks to control inventory costs.

The Food & Beverage Manager, in conjunction with the General Manager and the Cost Controller, is responsible for establishing the menu prices charged to customers in the Hotel's Food & Beverage outlets.

IV. Finance Department

The Finance Department is responsible for complying with all Standard Policies and Procedures and reporting requirements. The department monitors and controls all revenues and expenses within the framework of the agreed budget.

The Finance Department provides the General Manager with sound business advice relating to proposed business activities, cash flow and other financial analyses. The department's staff provides guest accounting services in all points of sales and provides the General Manager with such management accounting services as budget preparation, forecasting and daily and monthly management statistics.

V. Personnel Department

The Personnel Department is responsible for the support and maintenance of the staff relations in order to maximize career development potential and staff performance standard, and to minimize staff turnover.

The Personnel Department assists in the recruitment of staff and the maintenance of personnel files.

The Personnel Department staff must follow the accounting procedures established for the appointment, transfer and dismissal of staff. In addition, the department must ensure that payroll preparation is carried out in a timely and accurate manner.

VI. Purchasing Department

The Purchasing Department maintains the purchasing system and follows established procedures to obtain the lowest possible prices for the goods and services required by the Hotel, and to ensure acceptable standards of quality and service.

This Department performs market surveys to identify competitive prices and to obtain quotations from suppliers for the purchase of goods and services after they have been approved. The Purchasing Department staff handles all paper work related to the purchase and receipt of these goods and services.

VII. Sales Department

The Sales Department staff is responsible for the development and maintenance of Hotel accounts, and for the implementation of the company's sales and marketing strategies.

The Sales Department staff monitors the business mix statistics and key accounts to maximize the Hotel's revenue, and provides information regarding the strategy and pricing policy of competing Hotels. These actions ensure that Hotel's quotations are in line with the Vietnam market or worldwide market.

The Sales Department staff is required to follow company policy and procedures relating to the acceptance of contracts to provide services, including the allowance of credit to customers.

VIII. Engineering Department

The Engineering Department is responsible for the management and maintenance of the operations and functions of the Hotel's interior and exterior facilities, such as heating, air conditioning and grounds care.

The Engineering Department staff plans programmes to ensure cost controls, protection of assets and employee and guest safety.

JOB DESCRIPTIONS

ORGANIZATION – STRUCTURE

Job Title : Financial Controller

Report To : General Manager

Department : Finance

Direct Subordinates : Hotel Chief Accountant
 Purchasing Manager

Indirect Subordinate : All Accounting Staff

SCOPE

Manage the Financial Function of the hotel to ensure the accuracy, integrity, legality and timeliness of financial reports in accordance to Vietnam regulations and Your Hotel's Name Standards so can to support operation and achieve financial goals.

PREMARY – RESPONSIBILITIES

- Establish and maintains a system of internal control of hotel assets, revenues and expenses.
- Direct the timely recording of financial data and preparation of financial and management report required by government of Vietnam and making sound decisions and plans and to meet legal and regulatory requirements.
- Control expenses in relation to revenues as per approved budget for achieving maximum profits.
- Develop and administer systems and procedures to ensure the timely collection of receivable and the discharge of financial obligations and funding to the Owner.
- Develop and maintain annual budgets for use by Your Hotel's Name and Owner in measuring, planning and controlling business operations.

- Provide financial consultancy service to Hotel Management for developing promotions to increase revenues or to adopt cost cutting measures to decrease expenses.
- Ensure the safeguarding of hotel's assets in the interests of Owner and General Manager for providing continuous and efficient service to the guest.
- Ensure that the F & B Control section provides timely and accurate reports to Management review and support the plans of the F & B Manager to control costs and improve revenues.
- Prepare annual salary increases for graded employees for approval by appropriate decision makers to compensate these employees on a timely basis.
- Ensure that the Purchasing section is thoroughly familiar with the market and obtain best possible bids on purchases to control or lower operating expenses.
- Ensure that all required coverage of all insurances policies of the hotel are in effect as well as all necessary licenses is renewed according to the government regulations.
- Responsible for reviewing and approving of legal contracts and attending to all legal matters in the hotel operations
- Ensure maintaining of in-house back office computer system in optimum operating condition.

RELATIONSHIPS

- Internal : Owners, General Manager, and All Department Heads on Financial operation matters daily.
- External : Insurers, Tax Consultants, Auditors, Bankers, Legal Advisor, and Government Authorities, Suppliers and Contractors in relation to matters periodically

JOB DESCRIPTIONS

ORGANIZATION – STRUCTURE

| | |
|----------------------|--------------------------|
| Job Title | : Hotel Chief Accountant |
| Report To | : Financial Controller |
| Department | : Finance |
| Direct Subordinates | : Accounting Supervisor |
| Indirect Subordinate | : All Accounting Clerk |

SCOPE

Under the guidance of the Financial Controller and within the limits of Your Hotel's Name Policy & Procedures as outline in the accounting standards manual, is responsible for all Hotel accounting and Financial Controls.

Responsible for handling any tax record and maintain the General Ledger, prepare any tax report monthly and yearly. In absent of the Financial Controller, has to handle any government side inspection, but not to decide on behalf of company or for the name of Financial Controller.

Comply and responsible for tax regulation and law regarding our business

PREMARY – RESPONSIBILITIES

- To verify daily banking from duplicate of bank receipt to the General Cashier reports.
- Check the Daily General Cashier Report.
- Follow up, on delays in realizing deposit, and return checks, to carry out monthly reconciliation of all hotel bank accounts.

- To maintain general ledger, starting from posting, adjusting, and printing and also to maintain the adequacy of accounting records based on General Accounting Acceptance Principle (GAAP)
- To reconcile by monthly all Current Assets of Balance Sheet
- Carry out the function of collecting city ledger accounts with the assistance of Account Receivable.
- Carry out the function of Financial Controller when he is out the hotel area.
- Represent of Financial Controller for government when he/she is no time to visit.
- To lead an accounting meeting when the Financial Controller not able to come for attending accounting department meeting
- To maintain a General Ledger as per instruction of the management, based on the guidance had given to.
- Posting into the HOTEL COMPUTERIZE System by daily basis, all Front Office function and Income Auditing
- To print Daily Report as per instruction, and filed into the proper place in sequence date and month and to store into the safe place for tax audit purpose.
- To prepare monthly tax report i.e., Value Added Tax Monthly Tax Return, Personal Income Tax Return, and Letter Tax Payment for Added Tax, and Personal Income Tax. Also Corporate Income Tax
- Responsible for timely reporting and payment of other taxes such as withholding tax, VAT, entertainment tax, etc.
- To prepare monthly report of Value Added Tax, as well as the payment advice.
- To pay all taxes above based on the schedule of payment according to the regulation.
- To prepare annual tax return for: all taxes, as well as to prepare of the Letter of Tax Payment.
- Prepares Annual Payroll Tax Return not latest than government time frame each year
- Complies with Your Hotel's Name Accounting Standard Manual
- Performs any other duties as assigned by the hotel's management

RELATIONSHIPS

Internal : Financial Controller, and All Department Heads on Financial operation matters daily.

External : Insurers, Tax Consultants, Auditors, Bankers, Legal Advisor, and Government
Authorities, Suppliers and Contractors in relation with his/her assistance to the
Financial Controller

JOB DESCRIPTIONS

ORGANIZATION – STRUCTURE

| | |
|--------------|--|
| Job Title | : Purchasing Manager |
| Report To | : General Manager for administratively & Financial Controller for functionally |
| Department | : Finance |
| Sub-ordinate | : Purchasing Clerk / Driver |

SCOPE

Monitors and controls the purchases of goods and services at the correct prices, in economics quantities and with acceptable quality.

PREMARY – RESPONSIBILITIES

- Control custody, usage, routing and authorization of purchase orders, including numerical control.
- Prepares price comparison and select surveyors, including ongoing programs of comparative shopping in terms of location, price, quality, consistency of supplies, including delivery time.
- Searches for alternative suppliers and performs market surveys in order to be aware of market conditions.
- Delegates assignment to and supervises subordinates, e.g., Purchasing Clerk and Drivers.
- Follow up with suppliers on delivery time, and complaints / comments from the department as user.
- Periodically to check receiving boy and the hotel store rooms.

- Handles correspondence, reports, forms, etc., and ensures their kept in safe storage.
- Attends operation briefing; Maintenance Meeting and other special meeting assigned by management
- Comply with Your Hotel's Name policies and procedures.
- Performs any other duties as assigned by the hotel's management

RELATIONSHIPS

Internal : All Department Heads, to maintain good relationship.

External : Suppliers, Contractors, Architects, and Surveyors

JOB DESCRIPTIONS

ORGANIZATION – STRUCTURE

Job Title : Accounting Supervisor
Report To : Hotel Chief Accountant
Department : Finance

SCOPE

The Accountant is responsible for preparing the monthly Financial Package. He / She is also responsible for assisting the Controller in guaranteeing that the Accounting Department operates smoothly and efficiently. In order to do this the Accountant must maintain the General Ledger as well as have a good working relationship with other department in the hotel

Responsible for daily auditing to all records pertaining to revenue of the hotel, Prepares and complete daily reports and prepares relevant documents for incorporation in the monthly accounts.

PREMARY – RESPONSIBILITIES

- Prepares or supervises the preparation of all journal entries necessary for closing the books on a monthly basis. Ensures that depreciation, amortization, accrual are properly recorded, check that all revenue cost expenses and all transactions are posted to the proper charge of account.
- Maintains a daily log of specific package charges for purpose of reconciling clearing accounts at the end of the month
- Prepares all monthly bank account reconciliation
- Reconciles all balance sheet accounts and selected profit and loss accounts monthly before closing
- To ensure that the amounts of the balance sheet accounts are tally will its respective subsidiary ledger and the items on the subsidiary ledger are fully substantiated.
- Close all books by the 5th working day of the subsequent month.
- Prepares monthly variance analysis reports between budgeted and actual figures
- Check payment vouchers prepared by Accounts Payable.
- Supervise the work of Accounts Receivable, Accounts Payable and Cost Controller.

- Develops a working knowledge of all procedures and operations as detailed in the Accounting Manual
- Cooperates with the internal and external auditors to minimize the cost of auditing and the implementation of recommendations
- Assist the Controller and Assistant Controller in the preparation of whatever special projects and reports are required.
- Performs whatever additional task is required by the Financial Controller or the Assistant Financial Controller to guarantee that Accounting records are maintained professionally.
- Audits the daily revenue figures and supporting folios, vouchers and summaries submitted by the night auditors
- Audits the daily general cashier's report
- Prepares daily reports for distribution in the hotel.
- Prepares and to process some necessary adjustment to fix wrong charge and price applied.
- Prepares the necessary journal vouchers at the end of the period
- Verifies the daily house phone call reports
- Keeps stock of guest checks and ensures that these are issued and used in numerical sequence by maintaining logbook to document this.
- Verifies all voids and previous day corrections, as well as corrections made at the point of sales
- Checks housekeeping report for complimentary rooms and housekeeping occupancy with the Front Office records
- Calculates employee's service charge and preparing "An announcement regarding Service Charge" weekly and Month Ending
- Prepares Daily and Month Ending Food & Beverage Statistic i.e., Food Cover, Beverage Cover, Food Revenues and Beverage Revenues
- Complies with Your Hotel's Name Policy and Procedures
- Perform any other duties as assigned by the hotel's management.

JOB DESCRIPTIONS

ORGANIZATION – STRUCTURE

Job Title : Cost Controller

Report To : Hotel Chief Accountant

Department : Finance

Direct Subordinates : Cost Controller Clerk

Storekeeper

Receiver

SCOPE

Responsible for recording and controlling the all invoices for foods, beverages and all supplies on the daily basis through receiving department and recording and controlling all outgoing merchandises from store room used store room requisitions.

Assist the Financial Controller in preparing cost reconciliation's.

PREMAY – RESPONSIBILITIES

- Recording and pricing all storeroom requisitions.
- Posting all inventories item from daily receiving report into the System
- Preparing Daily Flash Food Cost
- Develop Food & Beverage Cost Potential.
- Calculates beverage potential sales on a monthly basis
- To do spot check between kitchens copies of captain orders with guest restaurant's checks.
- Recording and pricing inter kitchens or bar transfer.

- To supervise a physical inventory taking at storeroom and all hotel's outlets
- Preparing month-end Food & Beverage cost reconciliation.
- Complies with Your Hotel's Name policy and procedures
- To conduct a monthly analysis of food and beverage inventories, to determine "slow-moving" and absolute inventory items, and calculate turnover ratios.
- To play an active role in calculation of per plate costs of menu items.
- To conduct random spot checks of inventories in the bar and kitchen for accuracy and observe service procedure to ensure that the internal control system is effective.
- To conducts regular, surprise spot-checks in restaurants and bars to ensure that all guests are issued posted guest checks at the time of consumption.
- To work closely with the Food & Beverage Manager, the Chef and Purchasing in order to minimize Food and Beverage costs, and to maintain high quality production and service.
- To work closely with the Assistant Financial Controller in order to improve the Food and Beverage control operation.
- Complies with Your Hotel's Name Accounting Standard Manual
- Performs any other duties as assigned by the hotel's management

RELATIONSHIPS

Internal : Financial Controller, F & B Manager, and Chef for operation matters daily.

External : Suppliers, Contractors in relation with his/her assistance to the Financial Controller.

JOB DESCRIPTIONS

ORGANIZATION – STRUCTURE

Job Title : Account Receivable Officer
Report To : Hotel Chief Accountant
Department : Finance

SCOPE

Responsible for investigating credit applications for new accounts, reviewing accounts for potential problems on an on-going basis and maintaining contract with other parties to enable timely detection of payment problems.

PREMARY – RESPONSIBILITIES

- Conducts credit investigations, so that an intelligent appraisal of customer's worth, character and ability to pay may be ascertained to justify extension of credit.
- Review supporting documents and verifies the accuracy of balances in accounts receivable.
- Follow up collections of accounts receivable regularly in a firm but diplomatic manner, calculated to produce results and at the same time maintain good relations with the customers.
- Recommends write – off of un-collectable accounts with supporting document of legal correspondence or notification from right sources.
- Reports immediately any unfavorable information received affecting a customer's credit standing, so that appropriate actions maybe taken.
- Ensure that Your Hotel's Name policies and procedures granting of credit are observed.
- Attend Monthly Credit Meeting and maintains updates the list of travel agents which are blacklisted and/or prepayment basis.

- Complies with Your Hotel's Name Accounting Standard Manual
- Performs any other duties as assigned by the hotel's management

RELATIONSHIPS

Internal : Financial Controller, S & M Manager, Front Office Manager and Reservations for operation matters daily.

External : Travel Agents, Tenants and Corporate accounts in relation with his/her duties in assistance to the Financial Controller.

JOB DESCRIPTIONS

ORGANIZATION – STRUCTURE

Job Title : Account Payable Officer
Report To : Assistant Financial Controller
Department : Finance

SCOPE

Responsible for verification, processing and timely payment of all hotels' purchases, Maintains proper files for all accounts payables records

PREMARY – RESPONSIBILITIES

- Receives all invoices and matches those with receiving records and purchase orders. Verifies pricing, extensions and additions
- Prepare cheques/bank transfer for all payment vouchers, cancel all documents with a “DATED PAID STAMP” and forwards those all cheques/ bank transfer together with all supporting documentation to Financial Controller and to General Manager for signatures.
- Prepares all necessary payment vouchers, ensures timely payment based on term credit and maintains these files for both paid and unpaid payment vouchers.
- Post all payment vouchers into the hotel's ledger timely basis.
- Complies with all Your Hotel's Name policies & procedures
- Perform any other duties assigned by the hotel's management.

JOB DESCRIPTIONS

ORGANIZATION – STRUCTURE

Job Title : General Cashier
Report To : Accounting Supervisor
Department : Finance

SCOPE

Responsible for adequate money supply in the hotel, collecting of all daily receipts and to do daily banking,
Responsible also for Petty Cash's Payment and Reimbursement

PREMARY – RESPONSIBILITIES

- Collects the cashier's envelopes from the "Drop Safe Deposit Box" each morning and counts the contents in the presence of a witness.
- Receives and banking all cheques received, including those received in the mail.
- Banked the previous day's collection at the hotel's bank accounts on the daily basis
- Prepares "Daily General Cashier Report" and forwards it to Income Auditor for verification.
- Provide some small money for outlet cashiers that required for money change.
- Verifies all cash receipts, foreign currency receipts, are used in numerical sequence to ensure all collections are account to.
- Ensure adherence to all cash and banking policy based on the Your Hotel's Name Accounting Standards Manual.
- Disburses all authorized Petty Cash Vouchers and submits for reimbursement at least each Thursday.

- Monitor the fluctuations of Exchange Rates and amends the Front Desk Exchange Rates notice accordingly on the daily basis.
- Maintains a permanent record of all cash overages and shortages by individual cashier on a daily basis and submits this report to the Financial Controller for monthly review and signature.
- Keeps the safe closed at all times and fully locked when unattended regardless of the length of time involved.
- Prepares Petty Cash Journal Voucher weekly
- Prepares Cash Receipt Journal each the end of the month
- Carries out any other duties as required by the hotel's management

JOB DESCRIPTIONS

ORGANIZATION–STRUCTURE

Job Title : Receiver / Storekeeper

Report To : Cost Controller

Department : Finance

SCOPE

Responsible for all goods entering and leaving the hotel and to ensure that all necessary documents are completed and that merchandise is in acceptable condition

Responsible for goods entering and leaving storerooms, also responsible to maintaining accurate store room records, and store room in good conditions

PREMAY–RESPONSIBILITIES

A. As Receiver:

- Responsible for the proper documentation and distribution of all merchandise entering the hotel, include purchase orders, market lists, removal of property authorization.
- Prepares receiving records and daily receiving reports
- Ensures that receiving records are used in strict numerical sequence
- Ensures that all merchandise entering the hotel is distributed to the respective department or storeroom as soon as possible
- Ensures that all outgoing goods, such as empty beverage containers and equipments sent out for repair are properly documented and accounted for
- Follow up with Purchasing Manager at the end of each month to ensure that all orders have arrived and cooperate in investigating any late deliveries.
- Complies with Your Hotel's Name Accounting Standard Manual
- Performs any other duties as assigned by the hotel's management

B. As Storekeeper:

- Responsible for maintaining the perpetual inventory records and daily summary of all purchases and issues from each of the hotel's storerooms
- Assist the cost controller in the taking periodical physical inventories.
- Accounts for any differences in physical inventories with book figures and advises to management of any material differences.
- Ensures that all incoming and outgoing goods are supported by properly authorized documents such as Receiving Records and Requisitions
- Implements proper controls in maintaining security of Store Areas at all times.
- Ensures that adequate stocks of all articles are kept and responsible for the timely raising of Purchase Requisitions
- Monitors expiry dates of stocks and ensures that all goods are used prior to their expiry date. Ensure that all goods without expiry date are strictly issued on a First – In – First – Out basis.
- Maintain proper procedures and methods such as record, keeping, stock maintain and issuing.
- Complies with all Your Hotel's Name Policy & Procedures
- Complies with Your Hotel's Name Accounting Standard Manual
- Performs any other duties as assigned by the hotel's management

RELATIONSHIPS

Internal : All Department Heads, Accounting Staff, And All Supervisors

Employees in the operation matters daily

External : Suppliers, Contractors in relation with his assistance to receive the goods.

KEY CONTROLS

The Hotel must have a key control plan to ensure that access via back doors and to certain areas is restricted to Hotel staff only. Under this plan, a logbook will be maintained for staff members to sign when checking keys in and out. Duplicate keys will be stored in a secure area with limited access to staff only.

Mechanical Keys Procedures

I. Key System

All locksets must be controlled by the master key system, which is described bellow:

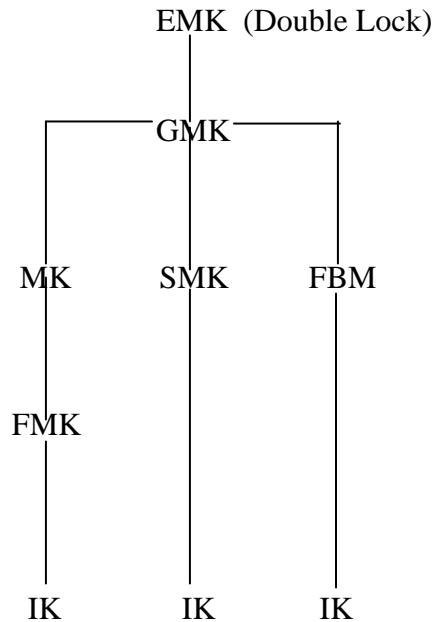
- A. The Emergency Master Key (EMK) will be able to open all locksets within the premises under all circumstances. The EMK also can be used to double lock any lockset from the outside. It will be kept:
 - 1. By the Executive Housekeeper
 - 2. In a safe deposit box kept by the Financial Controller
 - 3. In a safe deposit box jointly by Assistant Manager and Security
- B. The Grand Master Key (GMK) will be able to open all locksets controlled by the sub-master key system and service master key system, except for guest rooms that are occupied and double locked from inside. (In those cases, the lockset can be opened only by the EMK). The GMK will be kept:
 - 1. By the General Manager
 - 2. In a safe deposit box kept by the Financial Controller
- C. The Sub-Master Key (MK) will able to open all locksets controlled by the floor master key system, except for guest rooms that are occupied and double locked from inside (In those cases, the lockset can be opened only by the EMK). The MK will be kept:
 - 1. In a safe deposit box kept by the Financial Controller
 - 2. By the Executive Housekeeper
 - 3. By the Assistant Executive Housekeeper
- D. The Service Master Key (SMK) will control all locksets to service areas, motor rooms, switch rooms, fan rooms, boiler rooms, air conditioning rooms, PABX, telephone room, generator room, laundry, Engineer's office, workshop, repair shop and other service rooms. The SMK will be kept in a safe deposit box kept by the Financial Controller.
- E. The Food and Beverage Master Key (FBM) will be able to open all kitchens and food and beverage storerooms. It will be kept in a safe deposit box kept by Financial Controller

F. The Floor Master Key (FMK) will control all locksets for guest rooms on each floor (but not the fan rooms). The FMK will not open guest rooms that are occupied and double locked from the inside. (In those cases, the lockset can be opened only by the EMK). The FMK will be kept:

1. By Housekeeping
2. In the original key cabinet kept by the Financial Controller

G. The Individual Key(IK) will be kept:

1. In the original key cabinet kept by Financial Controller
2. By the Front Office



II. Key Cutting Procedures

The Engineering Department keeps the key cutting machine which facilitates the cutting of all individual keys (IKs). All keys from floor master and up can be cut only by the Yale manufacturers.

The key cutting machine may cut IKs by inserting the original key and a blank key of the same category (identified by coding)

III. Original Keys and Coding

The Financial Controller keeps all the original keys, and the Housekeeping Department keeps all blanks.

Coding for all Food and Beverage keys and service area keys are in a key coding book. When replacement keys are required, the Front Office Manager or Executive Assistant Manager will complete a key requisition form in triplicate, and then send the form to the Housekeeping Department. The Housekeeping Department will request from the Financial Controller the original key and the key code, and then pick up the correct key blank for cutting by the Engineering Department.

The Housekeeping Department will keep the original key requisition form showing authorization to issue a key blank, and the Engineering Department will keep copy #2 showing authorization to cut the keys. These two records must be reconciled monthly. The Financial Controller will keep copy #3 of the key requisition form.

In addition, the Housekeeping Department must keep a record of all key blanks and their movement. Each month, the Financial Controller will deduct a physical inventory of key blanks.

IV. Reserve Cylinders

Reserve cylinders will be kept in a safe deposit box in the Financial Controller's custody. The reserve cylinders are for replacement of damaged key sets.

V. Issue of Keys

All locks come with three (3) keys cut by Yale. These are distributed as follows:

- a. One to Housekeeping to be retained as a cutting key (these are code-tagged so they do not indicate room number)
- b. Two to the Front Office, for Guest Service Agent rack

One or two backup keys (depending on the individual Hotel's procedures) will be cut from the spare blanks. These backup keys will go to the Front Office Manager's key-board replacement set.

All spare blank and tags should be kept in the Housekeeping Department

VI. Missing Keys and Replacement

If a key is missing:

- a. The Front Office Manager or Assistant Manager will release a key from his replacement set.
- b. The Front Office Manager or Assistant Manager will send a key requisition to Housekeeping for a new key. Then he will send a photocopy of the guest registration card to verify the status of the lost key (for example, how likely it is that the key will be returned).
- c. Housekeeping will send a correct blank (these vary by floor) and original cutting key to Engineering for cutting of a new key.
- d. After cutting, Engineering will return both keys to Housekeeping.
- e. Housekeeping will tag the newly-cut key and return it to the Front Office Manager for his replacement set.

VII. Keys That are confirmed Lost (Versus Missing)

Copies of the guest registration card will be checked periodically to determine if keys are being taken by the same guest. The locks are switched if it is likely that any guest may return and try to use a key from a previous visit, or if the key may have been picked up locally. Normally, this is done after (4) weeks.

Housekeeping will liaise with Engineering for the switching of locks. The Executive Housekeeper will switch keys at all points; that is, Front Office, replacement set and master set. In addition, the Executive Housekeeper will bring the coding chart up to date accordingly.

The coding chart must be kept secured at all times. The Financial Controller will keep a copy of the coding chart. If any keys are returned, they must be given to Housekeeping to ensure that they still meet the original installation specifications.

Keys Cards Procedures

Many Brand or Types of Key Cards with various difference procedures provided by the Key Card factory

ACCESS CONTROLS: COMPUTERIZED SYSTEMS CONTROL

In addition to the controls and procedures for computer systems, the following must be followed:

a. Physical Facilities

1. Hotel's Server must be installed according to right specification and recommended by the vendor or factory.
2. The Server room must be cool enough the temperature, so the air conditioning must be turned on.
3. The Server room must always be locked and no persons are not authorized can enter in to this room.
4. The Server room must be protected with fireproof (if use sprinkle must halon and do not use water, use fire extinguisher foam is recommended).
5. Protected by Uninterruptible Power Supply System.

b. Maintenance Contract

The Maintenance Contract must be made for Software System and periodically maintenance to check the capacity of stored disk and maintenance prevention of "Virus, File Corrupted, Upgrade, and Develop. Responsible of IT Manager is to prepare a Log Book to record result maintenance of vendor consist of Date of Inspection, Progress Up grade, Progress Develop and daily log reports.

For Hardware can be also have a maintenance contract like Software, but to minimize cost and regular maintenance hotel to employee IT and EDP staffs.

c. Modem Access

Modem access for software maintenance must be controlled through a mechanical switch, to ensure controlled and authorized access. Be possible every computer are have password for opening.

- a. Access by using Win Gate.

If Win Gate be used the modem access for email or Internet, so need to create the account for each computer and be installed the user password.

Can be accessed to internal email access only, internal and external email access or full access.

b. Using Direct Modem.

Using direct modem can get “full access”, so must be made a policy as below:

Disallowed to open the internet or Down loading some pictures Disallowed to send email which is not relating to the job

d. **Data Backup**

All data back-up must be completed without fail and stored in an approved data storage safe must be fire proof.

e. **Password**

To secure the Computerize System, so be suggested to change the user’s password every 6 (six) months, and for user been resigned from Hotel straight away EDP must delete this user into the computerize system.

f. **User Access**


All users can access to the Hotel Computerized System by limitation to keep segregation of authority as follow:

- 1) General Cashier can access to Front Office Menu Accounting;
- 2) Purchasing can access to Back Office Purchasing Menu full operation, Stock Menu – viewing only; Receiving Menu –viewing only;
- 3) Income can access to Front Office Menu Accounting
- 4) Credit/Account Receivable can access Front Office Menu – Account Receivable – full access.
- 5) Full Access for Financial Controller and Accounting Manager/Chief Accountant.
- 6) Accounting Supervisor can access to Back Office General Ledger Menu –full access.

Hotel Name: _____
 Address: _____

I – B RECORD OF PASSWORD CHANGE

| Date | NAME OF HOLDER | REASON FOR CHANGE | SIGNATURE |
|------|----------------|-------------------|-----------|
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HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE


In compliance with standard accounting principles, each Hotel will review its balance sheet at the end of each accounting period, showing an analysis/reconciliation for each account.

II. PROCEDURES

A. Balance Sheet Classifications

Hotels will adopt the following balance sheet classifications, with exceptions to be approved by the Vice President of Finance or Director of Finance


1. Cash and Bank – Cash on Hand; Cash in Bank (Refer to the Cash and Banking Section of this manual)
2. Account Receivable – Guest-Related, Other; Bad Debt Provisions (Refer to the Account Receivable Section of this manual)
3. Inventories – Food; Beverage; Containers; Supplies, Other; Engineering
4. Other Current Assets – Deposits, Other; Prepaid: Utilities, Other
5. Fixed Assets – Capital, Pre-opening Expenses (amortization of)
6. Total Assets
7. Current Liabilities – Account Payable: Trade, Other
8. Accrued Liabilities – Salaries/Vacation Pay/Bonuses; Utilities; Sundry; Taxes; Other
9. Equity – Investments, Other; Retained Earnings
10. Total Liabilities

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The Balance Sheet Accounts Analysis Form will be completed at the end of each accounting period, then filed with and signed by the Financial Controller. **Refer to Form BS - A**

B. Reconciliation of Commercial and Legal Accounts

When the Hotel book are balanced, the Financial Controller will prepare a reconciliation of the differences (if applicable) between the Commercial and Legal Accounts Books, using the standard form and attaching it to the Financial Year – End Trial Balance. **Refer to Form BS – B**

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Hotel Name _____

**FORM BS – A: BALANCE SHEET
ACCOUNTS ANALYSIS**

Type of Account _____
Account Number _____ Balance as at _____

| Descriptions | Balance Movements | P/L | Comments |
|--------------------|----------------------|-----|----------|
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| Balance per Ledger | | | |

Prepared by _____ Date _____ Approved by _____ Date _____

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Hotel Name _____

**FORM BS – B: RECONCILIATION OF
COMMERCIAL BOOKS VS
LEGAL BOOKS**

As at: _____

Retained Earnings per Commercial Books

Retained Earning per Legal Books


Variance

Comprised of

- Audit Adjustments
- Late Entries

Total

Prepared by _____ Approved by _____
Date Date

| | | | |
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BALANCE SHEET: MONTHLY ACCRUALS/PRE-PAYMENTS

I. PURPOSE

To reflect all expenditures in the proper accounting period, it is necessary to accrue purchases of goods and services that have been received but not paid. This applies to all purchases and expenditures which will be charged to balance sheets and profit and loss statements.

II. CRITERIA

An accrual of unpaid purchases/expenditures must be made at the end of each accounting period. This includes:

- A. All unpaid Purchase Orders and invoices with a prior period receiving date which were not paid at the end of that period.
- B. All Purchase Orders for goods received in prior periods but for which no invoice has been received (*Refer to the Daily Receiving Report*)
- C. All unpaid monthly services for which no invoices was received, including that portion of the accounting period not covered by the most recent invoice. The accrual of services depends upon the date of payment and the period covered.
- D. That portion of the payroll period not expensed prior to the close of the period; also applicable to related payroll expenses such as bonuses, vacation and over-time.


III. PROCEDURES

- A. The accrual of an unpaid Purchase Order will be established on the receiving date. The last receiving number used during the period must be established to ensure against accruing current period receipts.

The accrual of services depends on the date of payment and the period covered.

Payroll and payroll – related expenses must be accrued on the actual days or figures available; estimates are not allowed.

- B. As a standard basis for accruing unpaid expenses and purchases, all accrual entries will be reversed the following accounting period. This nullifies the accrual and allows disbursements

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to be coded directly to the chargeable account, regardless of whether an item was accrued during the previous accounting period.

- C. Deposits are normally required for utility services, such as heat, light and power. Permanent deposits must be recorded on the balance sheet, with full details.
- D. Pre-payments are usually associated with certain taxes, business and privilege licenses, and services such as maintenance contracts. Pre-payment for services must be recorded on the balance sheet only if payments exceed US \$ 1,000 within the current financial year. Lower amounts must be expenses immediately. The Hotel Financial Controller will maintain a monthly reconciliation of all prepaid, using the Prepaid Expenses Amortization Chart. ***Refer to Form BS - E***



Labersa Grand Hotel & Convention
where luxury and leisure blends in harmony



HOTEL ACCOUNTING
STANDARD MANUAL

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AREA
Balance Sheet Review

PROCEDURES
General

By: Drs. A. Agus Purwanto, MM

Hotel Name _____


FORM BS – E PREPAID EXPENSES AMORTIZATION CHART

Page Number: _____

Financial Year: _____

Balance Sheet Account Number: _____


| Description | For Period | Debit P/L | Opening Balance B/F | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Balance |
|--------------------|---------------|--------------|---------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---------|
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| Balance per G/L | | | | | | | | | | | | | | | | |

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HOTEL ACCOUNTING STANDARD MANUAL

I. House Float

- A. **“House Float”** is to keep enough money for hotel operation and be used to pay accidental payment in order to not disturbing Hotel Cash Management System to ensure the **“Revolving Fund System”** can be implemented by consistence.
- B. House Float Management be used **“Impress Fund System”**, in this system the amount of House Float must **“Fixed Amount”** and not change within one period of Accounting or Fiscal Period. To change House Float must get approval from Executive Committee (General Manager and Financial Controller) the procedure as follow:
- C. The Old House Float must be withdrawn according to Accounting Standard Manual of Lagoi Bay Resort.
- D. Then issued a new amount would be bigger or smaller than old House Float, any change must be used the Standard Form according with Accounting Standard Manual of Lagoi Bay Resort.
- E. House Float divided by:
 - a. Outlet Float (F.O Cashier, F & B Outlet Cashier; and Purchasing)
 - b. House Bank (General Cashier Cash on Hand)
- F. The Outlet Float divided into:
 - a. Rotating Float
 - b. Fixed Float
 - c. Floating Float
 - 1) **Rotating Float** in this system the money will be handed over from shift to next shift by using a **“Float Handover Form”**.
 - 2) **Fixed Float** in this system every cashier has their own Cash Float and 100% is their responsible

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- 3) **Floating Float** in this system all Floats have a characteristic is temporary and the amount set based on operation needed. And these Floats must be return back to General Cashier include all cash collection within one shift.

II. Using House Float

House Float use only for covering small change money for Front Office and all F & B Outlet for guest money change and “Paid Out” for guest only; This House Float can not be used for hotel expenses. If occurred some urgent payment for example guide commissions, purchasing urgent items to avoid guest complaint were allowed as “Cash Advance” and General Cashier will pay back within 2 x 24 hours.


“Paid Out” only for guests and not for payment of expenses, the guest takes Paid Out usually for:

1. To pay Taxi, then the paid out will post to Guest Folio (amount paid out plus 5% administration and bank fees).
2. Refund “deposit” for guests.
3. “Cash Advance”, this cash advance guest must guarantee with “Credit Card” and process through EDC complete, when intended credit card been approved and have approval code from Bank Issuer then “Paid Out” given to the guest with ask “SURCHAGES” 5% this 5% must be posted to HOTEL System by using “Miscellaneous Charge”.

a. Using House Bank


General Cashier’s Cash on Hand (House Bank) use for reimbursement of operational expenses with urgent characteristic and the amount is not exceed Rp. 500,000,- (Five Hundred Thousand Rupiah), any expense reimbursement must use to form **“Petty Cash”**.

Petty Cash reimbursement must complete with docket such as invoice, this Petty Cash must be approved by General Manager, and then can paid from General Cashier Cash on Hand. When “Petty Cash” is not approved by General Manager, this “Petty Cash” can not be reimbursed.

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When General Cashier Cash on Hand almost finish, so General Cashier has responsible to reimburse all Petty Cash Vouchers to Account Payable by preparing **“Petty Cash Report”** include the account code for expenses allocations.

Then Account Payable to prepare **“Payment Voucher”** in order to get Bank Cheque to replace the Petty Cash with same amount reimbursed.

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b. Form Cash Float Handover

HOSUE RECEIPT'S CASH FLOAT

**NOTE: THIS FORM TO BE FILED INTO THE ACCOUNTING PERMANENT
FILE AS AUDIT PURPOSE.**

_____, _____ 20__

_____ is hereby authorized and issued a cash float of _____

for the purpose of _____

Approved: _____
General Manager Date


I hereby acknowledge receipt and custody of the above mentioned cash float. I further acknowledge that this float is to be used only for the purpose(s) specified, and that I am personally responsible and accountable for the float and its use.

Received: _____
Signature Date

(To be used upon Return of Float to Issuer)

I acknowledge the return of the cash float mentioned above from the custodian, _____
The float has been received intact, and _____ is hereby relieved of all
responsibility related thereto.

Received: _____
Signature Date

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c. Form Cash Float Handover

To avoid any cheating between cashiers and for further investigation when some cases or any “Shortage” happen so in Hotel Cash Management must use **“Cash Float Handover”** as follow:

SHIFT CASH FLOAT HANDOVER

OUTGOING SHIFT _____ INCOMING SHIFT _____
AMOUNT _____ DATE _____

| NOTES | NUMBER | AMOUNT | CASH COUNTED/HANDED OVER |
|-------------------------|--------|--------|---|
| 100,000 | | | BY: _____ SHIFT SIGNATURE: |
| 50,000 | | | |
| 20,000 | | | |
| 10,000 | | | |
| 5,000 | | | |
| 2,000 | | | |
| 1,000 | | | |
| COINS LOOSE | | | CASH COUNTED / RECEIVED BY: _____ SHIFT SIGNATURE: |
| 1,000 | | | |
| 500 | | | |
| 100 | | | |
| 50 | | | |
| FOREIGN CURRENCY | | | |
| US\$ | | | |
| EURO | | | |
| POUND | | | |
| YEN | | | |
| OTHERS | | | |
| TOTAL | | | |

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d. Form Cash Count Sheet

In order to make easy in monitoring hotel cash in every times, must be implemented Cash Inventory on Surprise Basis by using the form as bellow:

CASH COUNT SHEET

Date _____ Time _____


Float Holder _____ Witnessed by _____

| Description | Type | Quantity | Amount | Total |
|----------------|------------------------|----------|--------|-------|
| VND BANK NOTES | 100,000 | | | |
| | 50,000 | | | |
| | 20,000 | | | |
| | 10,000 | | | |
| | 5,000 | | | |
| | 2,000 | | | |
| | 1,000 | | | |
| VND COINS | 1,000 | | | |
| | 500 | | | |
| | 100 | | | |
| | 50 | | | |
| US \$ | | | | |
| EURO | | | | |
| POUND | | | | |
| YEN | | | | |
| OTHER | | | | |
| Date | Other (Please Specify) | | | |
| | | | | |
| | | | | |
| | | | | |

Counted and returned intact to:

Counted / witnessed by:

| | |
|------------------------|--|
| Total Cash on Hand | |
| Less: Takings | |
| Actual Float on Hand | |
| Less: Float a.p Ledger | |
| Variance +/- | |

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ACCOUNTING DEPARMENT

I. CRITERIA


- A. Petty cash floats provide sufficient funds for disbursements which must be made in cash.
- B. Petty cash disbursements will not exceed the level authorized in writing by General Manager.
- C. Recurring personnel expenses (such as travel/entertainment expenses) must not be paid through petty cash.

II. APPROVALS FOR PETTY CASH DISBUSEMENT

- A. All petty cash disbursements must be approved by the responsible Department Head and Financial Controller prior to payment.
- B. The General Manager must approve the Petty Cash Summary.

III. DOCUMENTATION OF PETTY CASH DISBURSEMENT

- A. All petty cash disbursements must be supported by a Petty Cash Slip (voucher) and accompanied by a supplier's invoice/delivery notice or cash slip. ***Refer to form Petty Cash Slip attached***
- B. Petty Cash Slips should contain at least the following information:
 - 1. Disbursement Date
 - 2. Purpose/description of the expenditure
 - 3. Amount
 - 4. Name of cash recipient (printed)
 - 5. Approver's signature
 - 6. Cash recipient's signature
 - 7. Receipt (if cash is paid to third party)
 - 8. Financial Controller signature.

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- C. The Cashier will pay out only correctly authorized Petty Cash Slips, and should number them sequentially as they are paid.
- D. Petty Cash Slips and supporting documents must be completed in ink. Upon disbursement of petty cash, the slip must be either stamped as paid (including date) or cancelled in some other way to prevent reuse.


IV. PETTY CASH SUMMARY

- A. A Petty Cash Summary must be prepared at least weekly and at the end of each accounting period. The summary should list each petty cash disbursement individually and show the following information:
1. Petty Cash Slips (Vouchers) in sequence
 2. Disbursement Dates
 3. Amounts
 4. Purpose/description of each expenditure
 5. General Manager's and Financial Controller's signatures of approval
- B. Original Petty Cash Slips and supporting documents should be attached to the summary before the summary is signed by General Manager.

Refer to Form Petty Cash Vouchers/Summary attached

V. REIMBURSEMENT OF PETTY CASH FLOAT

After approval, the petty cash float should be reimbursed by issue of a bank cheque.

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PETTY CASH VOUCHER

No.: 000000

Phan Thiet, _____ 2008

General Cashier,

Please pay to: _____

Vietnam Dong: _____

_____ VND. _____

For: _____

Account #: _____

Approved:


Payment Received:

Department Head

Signature / Full Name

Accounting Manager


General Manager

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|  <i>Labersa Grand Hotel & Convention</i> <i>where luxury and leisure blends in harmony</i> ★ ★ ★ ★ ★ | HOTEL ACCOUNTING STANDARD MANUAL | I - 2 | PAGE 56 |
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PETTY CASH VOUCHERS/SUMMARY

Date: _____

| VOUCHER | | DESCRIPTIONS | AMOUNT | ACCOUNT # |
|-----------------------------|--|----------------------------------|-----------------------------|-----------|
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| TOTAL | | | | |
| Prepared by General Cashier | | Verified by Financial Controller | Approved by General Manager | |

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| | AREA House Float | PROCEDURES Unannounced Cash Count | By: Drs. A. Agus Purwanto, MM |


ACCOUNTING DEPARMENT

I. PROCEDURES

- A. In addition to the year-end closing exercise:
1. The General Manager will count all house floats at least once a year on surprise basis.
 2. The Financial Controller will count petty cash floats every month. If the Financial Controller is custodian, the petty cash floats must be counted by the General Manager.
- B. All cash must be listed on a Cash Count Sheet, divided between local and foreign currency. Foreign currencies should be converted into local currency by using the Front Office exchange rate on that date. ***Refer to From Cash Count Sheet attached***
- C. All non-cash items must be listed with a date.
- D. Cash and non-cash items should be reconciled with the balance on the outlet machines.
- E. Supporting documentation should be attached to the Cash Count Sheet.


II. REPORTING OF CASH COUNT, OVERAGE AND SHORTAGES

- A. The Financial Controller must sign all Cash Count Sheets to signify his review of the float counts.
- B. All shortages and overages of the float counts must be summarized at the end of the accounting period. The summary must be signed by the Financial Controller.
- C. Overages should be recorded as Other Income. Shortages should be collected from the relevant cashiers. Shortages which cannot be collected should be recorded as expenses (A & G).

| | | | |
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| | AREA House Float | PROCEDURES Unannounced Cash Count | By: Drs. A. Agus Purwanto, MM |

III. Retention of Cash Count Records

The original Cash Count Sheet must be retained by the Financial Controller for at least one year, for review by Internal Audit or Public Auditor.


| | | | |
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| | AREA House Float | PROCEDURES Unannounced Cash Count | By: Drs. A. Agus Purwanto, MM |

CASH COUNT SHEET

Date _____ Time _____

Float Holder _____ Witnessed by _____

| Description | Type | Quantity | Amount | Total |
|--|------------------------|----------|------------------------|-------|
| VND BANK NOTES | 500,000 | | | |
| | 200,000 | | | |
| | 100,000 | | | |
| | 50,000 | | | |
| | 20,000 | | | |
| | 10,000 | | | |
| | 5,000 | | | |
| | 2,000 | | | |
| | 1,000 | | | |
| | 500 | | | |
| | 100 | | | |
| VND COINS | 2,000 | | | |
| | 1,000 | | | |
| | 500 | | | |
| | 100 | | | |
| US \$ EURO POUND YEN OTHER | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Date | Other (Please Specify) | | | |
| | | | | |
| | | | | |
| | | | | |
| Counted and returned intact to: | | | Total Cash on Hand | |
| | | | Less: Takings | |
| | | | Actual Float on Hand | |
| Counted / witnessed by: | | | Less: Float a.p Ledger | |
| | | | Variance +/- | |

| | | | |
|---|---|-------------------------|-------------------------------|
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| | AREA House Floats | PROCEDURES Funding | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PROCEDURE

Initial funding will be by cheque initiated by the Accounting Department, supported by the Financial Controller's copy of the written house float authorization, and made payable to ***"Cash"***

II. FUND INCREASE


A. Permanent fund increase must be authorized by the General Manager and the Financial Controller. They may be by:

1. Paid-out, supported by a written authorization for float increase and decreasing the daily bank deposit by corresponding amount; or
2. Cheque.

B. Temporary floats require written approval from Financial Controller and should follow the procedures listed above for permanent fund increases.

III. FUND DECREASE

Fund decreases will be initiated by a voucher. They must be supported by the Financial Controller's copy of the written house floats decrease. The daily banking deposit will be increased by a corresponding amount.

| | | | |
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| | AREA Bank Accounts | PROCEDURES General | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA


Bank accounts should be established as necessary and practical to hotel operations.

- A. Owned Hotels – The opening of all bank accounts must be approved, in advance, by the Chief Executive Officer of Cty A & B.
- B. When Hotel become Managed Hotels – As required by the terms of the management contract.
- C. In principle, Hotel operations need only two bank accounts:
 1. A deposit account
 2. A disbursement account
- D. All bank accounts must be opened in the name of “Hotel”, or the legal entity name of “Legal Name of Company”
- E. Nominee accounts are not authorized under any circumstances. Nominee accounts are accounts which are opened or maintained in the name of an individual, even if on behalf of the Company.

II. BANK ACCOUNTS PROCEDURES

A. Cheque Approvals

1. The authority to approve (sign) bank cheques is established by bank letter and MAY NOT BE DELEGATED. This authorization must be in writing and signed by the Chief Executive Officer (CEO of the Company)
2. TWO approved signatures are required on all Company cheques, regardless of the amount. Normally, these approval signatures will be:
 - a. “A” signatures – the General Manager, his designee, or the Chief Executive Officer.

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- b. “B” signatures – the Financial Controller, his designee, or the other senior Executives.
3. All cheques must bear the signature of one “A” approver AND one “B” approver, without exception. Two “A” signatures or two “B” signatures are not acceptable approvals. The bank letter/resolution must be worded to reflect this requirement.
4. Signature authorizations will be established or changed in accordance with Vietnam banking requirements, but must be approved by Chief Executive Officer of Company.

B. Documentation of Disbursements by Cheque

1. All disbursement must be accompanied by documentation supporting the transaction. The documentation may include invoices, receipts, purchase orders, receiving records or other documents to validate the transaction. ***(Refer also to the “Account Payable – Invoice Payment” procedure)***
2. All documentation supporting the transaction must indicate cancellation at the time of the cheque is prepared and signed. This will prevent reuse or misuse of the documents, and provide a cross-reference to the cheque payment.
3. All relevant and approved documents must accompany the bank transfer listing of cheques, or the disbursement cheque for signed review.
4. The actual cash journal entry should be made from the supporting documents authorizing the cheque payment. With this procedure, the bank cheque amounts versus the document amounts.

C. Cheque Security

1. Unused cheques must be stored in a lockable drawer, cabinet or similar device and access must be limited to the Financial Controller and the assigned custodian.
2. Periodically, unused cheque stock should be physically verified by the Financial Controller to ensure that all remaining cheques are accounted

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for. Missing cheques must be reported to the bank immediately and a ***“stop payment”*** issued.


- Cheques may not, under any circumstances, be signed ***“in blank”*** by either cheque signer.

D. Cheque Preparation

- Bank cheques must be pre-numbered and used in strict numerical sequence.
- “Void”*** cheques must not be destroyed.
- To prevent alteration, cheques must be prepared in indelible ink or by typewriter, and shall indicate the amount in number and words (for example, \$ 43.20 and forty three dollars and twenty cents)

E. Account Balance

It is the Financial Controller responsibility to monitor the general operating account balance in order to preclude or minimize overdrafts caused by unnecessary bank charges and remit balances in excess of the Hotel's operating requirements. Also ***Refer to the “Hotel Cash Management”*** procedure

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HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA


All non-restricted currencies are normally accepted by the Hotel, the Hotel should work with its depository bank to determine the acceptability of various foreign currencies.

II. RATE(S) OF EXCHANGE

Foreign currencies will be accepted at the Front Office rate of exchange. This rate will be equal to the current official bank buying rate, less a rate adjustment depending on local practice in major competing hotels. The rate adjustment will cover administrative costs and protect the Hotel against possible exchange losses due to day-to-day fluctuations in the official bank rates. Exchange rates should be set by the Financial Controller and approved by the General Manager.

III. PROCEDURES

- A. Official bank exchange rates must be updated daily. The calculated Front Office rate of exchange for most frequently converted currencies must be readily available to Guest Service Agent personnel. When permitted by Indonesia Law, the Front Office rate of exchange should be posted at the Front Office so it is visible to guests.
- B. A three-part numerical receipt book must be maintained to record all foreign currency transactions. Each receipt must minimally show:
 1. The type and amount of foreign currency
 2. The Front Office rate of exchange
 3. The type of paper and serial number
 4. The resulting local currency paid
- C. Receipts must be dated and signed by the cashier and guest. The three copies of the receipt shall be distributed as follows:


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1. Original – to guest (unless prohibited by Indonesian Law) or attached to original mail/cheque register
2. Copy – with cashier shift deposit, to balance the daily bank deposit-foreign currencies
3. Copy – to retain in the booklet for control over numerical sequence

D. All receipts must be used and accounted for in numerical sequence

Refer to Form Currency Voucher

- E. Upon receipt of the daily bank deposit, the Hotel bank account will be credited for foreign currencies at the official bank exchange rate. Where there is a difference between the Front Office rate of exchange and the bank rate, the amount appearing on the Hotel's disbursement account will be coded to gain/loss on exchange.

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CURRENCY VOUCHER

No : 00001


| | |
|--------------|------------|
| Guest Name : | Room Nbr : |
| | Date : |

| Nominal | Rate | Serial Number of Bank Notes/Traveler Cheques | Amount |
|---------|------|--|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL | | | |

Guest Service Agent

Guest Signature :

Copy : Guest/Fin/FO

| | | | |
|---|---|--|-------------------------------|
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| | AREA Cash Transactions | PROCEDURES Daily Mail Checque Received | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

The controls and procedures below apply to all cheques received by mail, including advance deposits, payments on city ledger accounts, commission cheques, etc.


II. PROCEDURES

- A. All incoming mail must be delivered unopened to the Director of Finance's secretary. Mail delivery must be independent of any cash handling or accounts receivable functions.
- B. The person opening the mail shall maintain a Daily Mail Cheque Receipts register. The original will be sent to the Accounting Department and a duplicate will be maintained by the Director of Finance's Secretary. The Daily Mail Cheque Receipts register will include the following information for each cheque:
 1. Date cheque received
 2. Name of maker (drawer)
 3. Disposition:
 - a. City Ledger (C/L)
 - b. Credit Card Ledger (C/C)
 - c. Advance Payment (Adv.)
 - d. Guaranteed "No Show" (No-Sho)
 - e. Commission Cheque (Comm)
 - f. Salvage Sale (Salvage)
 - g. Petty Cash Reimbursement (P.C.)
 - h. Other (Specify)
 4. Currency and amount
 5. Signature of the General Manager's Secretary
 6. Date posted
 7. Amount posted (in local currency)
 8. Signature of the person receiving the cheque
 9. Folio number/Transaction number
 10. Initial of posting clerk
 11. Review signature

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Refer to Forms Daily Mail Cheque Receipts

- C. Upon opening the mail, the Director of Finance's Secretary shall:
1. Stamp all cheque "For Deposit Only"
 2. Enter information onto the original and duplicates of the Daily Mail Cheque Receipt Register.
 3. Deliver the cheques directly to the General Cashier, who must sign the original Daily Mail Cheque Receipts Register, acknowledging receipt of the cheques listed. The person preparing the register should retain the receipted duplicate.
 4. Forward the original Daily Mail Cheque Receipts register only to the accounts receivable function.
 5. Forward copies of the Daily Mail Cheque Receipts register to the Accounting Office.
- D. Upon preparing the daily bank deposit, the General Cashier will forward cheques to the bank.
- E. The Financial Controller must periodically "audit" the Daily Mail Cheque Receipts register by comparing the postings on the register with the indicated folios. The Financial Controller should perform this test at least monthly and on a random surprise basis, initialing the register after each "audit"

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DAILY MAIL CHEQUE RECEIPTS

| NAME / COMPANY | CHEQUE NO. | BANK INSTITUTION | AMOUNT | AMOUNT IN CURRENCY | CODING | BANK DEPOSIT AMOUNT | REMARKS |
|-------------------|---------------|---------------------|--------|-----------------------|--------|------------------------|---------|
| | | | | | | | |
| | | | | | | | |
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| | | | | | | | |
| | | | | | | | |
| | | | | | Total | | |

DOF's SECRETARY

ACCOUNT RECEIVABLE

GENERAL CASHIER

| | | | |
|--|---|---|-------------------------|
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| | AREA Cash Transactions | Effective: PROCEDURES Shift Deposit | Agustinus Agus Purwanto |


HOTEL ACCOUNTING STANDARD MANUAL

I. PROCEDURES

- A. All cash receipts must be deposited in the Hotel “drop” deposit safe at the end of each operating shift. The deposit must include all cash, cheques, foreign exchange receipts, cash “paid-out” vouchers and any other items held as cash. The deposit must be placed in a sealed deposit envelope. ***Refer to Remittance of Fund Envelope attached.***
- B. ALL DEPOSITS AND WITHDRAWALS OF CASH FROM COMPANY SAFES MUST BE WITNESSED IN WRITING.
 1. The witness is attesting only to the number of sealed envelopes deposited or removed, not to the contents of the envelope(s). The witness is also attesting that all envelopes are intact and unopened.
 2. The deposit witness log should be maintained in a loose-leaf journal. ALL entries must be made in ink. The pages should be numbered.


II. SECURITY MEASURE

If the cash receipts become excessive during any shift, the responsible cashier should make an interim deposit in the interest of security.

| | | | |
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| | AREA Cash Transactions | PROCEDURES Shift Deposit | Agustinus Agus Purwanto |

REMITTANCE OF FUND ENVELOPE

| | | |
|-------------------------------|---------------|--|
| Date _____ | | |
| Cashier's Name _____ | | |
| Outlet _____ | | |
| Shift _____ To _____ | | |
| | AMOUNT | |
| Receipts | | |
| Paid – outs | | |
| Net Receipts | | |
| Due - Backs | | |
| BANK NOTES / COIN: | | |
| Rp. 100,000 X _____ | Rp. | |
| Rp. 50,000 X _____ | Rp. | |
| Rp. 20,000 X _____ | Rp. | |
| Rp. 10,000 X _____ | Rp. | |
| Rp. 5,000 X _____ | Rp. | |
| Rp. 2,000 X _____ | Rp. | |
| Rp. 1,000 X _____ | Rp. | |
| Rp. 500 X _____ | Rp. | |
| Rp. 100 X _____ | Rp. | |
| Rp.. 50 X _____ | Rp. | |
| FOREIGN CURRENCY | | |
| X _____ | Rp. | |
| X _____ | Rp. | |
| X _____ | Rp. | |
| X _____ | Rp. | |
| TRALLER CHEQUES | | |
| X _____ | Rp. | |
| X _____ | Rp. | |
| TOTAL AMOUNT ENCLOSED | | |
| NET RECEIPTS | | |
| DIFFERENCE | | |

| | | | |
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| | AREA Cash Transactions | PROCEDURES Cashier Due - Back | Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE


Cashiers “due-backs” are used when local currency cash is insufficient to re-establish the impress house float at the end of a shift.

II. PROCEDURES

A. The due-back is created for exact house float deficit.


B. The due-back will be entered and distributed as follows:

1. The cashier will enter the date, amount and change requirements on both the Cashier's copy and the file copy of the Due-Back Receipt. ***Refer to Form Due-Back attached***
2. The cashier will then sign only the cashier's copy, which will be included with her/his bank to bring the total to the approved impress amount.
3. The file copy will be included with the shift deposit. The Cashier Deposit Envelope (***Refer to Envelope attached***) must list the due-back and amount under “Vouchers and Cheques.”
4. The following day, after verification of due-backs and filling in the change requests, the General Cashier will reimburse the cashier's bank.
5. The cashier will sign the file copy of the due-back, acknowledging receipt of the cash reimbursement. Following this signature, the cashier's copy of the due-back receipt should be destroyed.
6. The General Cashier will sign on the General Cashier's signature line of the receipted file copy, and attach the copy to the related Shift Deposit Envelope for filling.

| | | | |
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| DUE-BACK RECEIPT | | | | | |
|---------------------|------|--------|--------------|------|--------|
| Cashier's Copy | | | | | |
| Date: _____ | | | Amount _____ | | |
| CHANGE REQUIREMENT | | | | | |
| Coins: | Type | Amount | CURRENCY | Type | Amount |
| | | | | | |
| Subtotal | | | Subtotal | | |
| | | | | | _____ |
| Cashier's Signature | | | | | |

| DUE-BACK RECEIPT | | | | | |
|-------------------------------|------|--------|--------------|------|--------|
| File Copy | | | | | |
| Date: _____ | | | Amount _____ | | |
| CHANGE REQUIREMENT | | | | | |
| Coins: | Type | Amount | CURRENCY | Type | Amount |
| | | | | | |
| Subtotal | | | Subtotal | | |
| | | | | | _____ |
| General Cashier's Signature | | | | | |
| | | | | | _____ |
| Guest Service Agent Signature | | | | | |

| | | | |
|--|---|----------------------------------|-------------------------|
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REMITTANCE OF FUND ENVELOPE

| | |
|---|---------------|
| Date _____ | |
| Cashier's Name _____ | |
| Outlet _____ | |
| Shift _____ | To _____ |
| | AMOUNT |
| Receipts | |
| Paid – outs | |
| Net Receipts | |
| Cashier's Due – Back | |
| BANK NOTES: Rp. 100,000 X _____ Rp. Rp. 50,000 X _____ Rp. Rp. 20,000 X _____ Rp. Rp. 10,000 X _____ Rp. Rp. 5,000 X _____ Rp. Rp. 1,000 X _____ Rp. Rp. 500 X _____ Rp. X _____ Rp. X _____ Rp. X _____ Rp. X _____ Rp. X _____ Rp. COIN Rp. 1,000 X _____ Rp. Rp. 500 X _____ Rp. Rp. 100 X _____ Rp. CHEQUES _____ Rp. _____ Rp. | |
| TOTAL AMOUNT ENCLOSED | |
| NET RECEIPTS | |
| DIFFERENCE | |

| | | | |
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| | AREA Bank Accounts | PROCEDURES Daily Bank Deposit Preparation | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

A bank deposit must be prepared daily on bank slip and must consist of all cash receipts, including cheques received by mail, for the day's business, as reported on the L'anmien daily revenue report/daily mail cheque list.

The bank deposit should be prepared by, or under the direct supervision of, the General Cashier. In addition, the bank deposit must be delivered to the depository bank in time to be credited to the Hotel's account no later than one day following the deposit. On weekends and bank holidays, the deposit should be placed in the bank's night deposit safe, if available. If the deposit must remain at the Hotel, it should be placed in the most secure safe available (generally, in the General Cashier's Office)

II. PROCEDURES


A. Shift Deposit Removal

The drop safe must be properly secured with two key locks or combinations. One key must remain with the General Cashier and the second key with the Financial Controller. Each day, the person opening the drop safe must:

1. Verify the number of envelopes against those documented in the Shift Deposit Register, and verify that all envelopes are intact, and
2. Complete and sign the Shift Deposit Register.

Refer to Form Shift Deposit Register attached

At least one person, other than the General Cashier, must witness the opening and verification of Shift Deposit Envelopes. The Financial Controller must be notified immediately of any variance.

| | | | |
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B. Deposit Preparation

When balancing the daily revenues, the General Cashier will prepare the individual Cashier's Over/Short Report **(Refer to Form Cashier's Over/Short Report attached)**. The final cash reading will be the amount of the day's bank deposit.

The following controls must be performed and documented for preparation of daily deposits.


1. Foreign exchange receipts must be numerically controlled, and the total foreign exchange must be reconciled to the enclosed amounts.
2. Cheques must be reviewed for completeness and for the "For Deposit Only" stamp.
3. Any reimbursement due must be paid out of local currency collection for the day.

C. Bank Deposit Receipt/Verification

1. Deposit slips with bank validation must be delivered directly to an employee who does not also handle cash transactions. This employee will verify and reconcile the day's deposit with cash reading on the SMILE System **(Refer to Form Daily General Cashier Report)**
2. In all instances, evidence must be obtained from the bank to acknowledge receipt of the deposit.


D. Over-Disbursements/Cashier Due-Backs

Over-disbursements will be paid out of the local currency collection for the day, with required receipts completed. If local currency collection is insufficient to fund the due-back, payment must be made from petty cash or a cheque issued by the General Cashier.

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SHIFT DEPOSIT REGISTER

| Name of Outlet | Time of Deposit | Number of Envelopes | Signature of Cashier/Deposit | Signature of Witness | Signature of Person Removing from Safe | Signature of Witness to Removal |
|----------------|-----------------|---------------------|------------------------------|----------------------|--|---------------------------------|
| Date: | | | | | | |
| Shift A | | | | | | |
| - GSA | | | | | | |
| - Brassiere | | | | | | |
| - Terrace Wira | | | | | | |
| - Room Service | | | | | | |
| - Pool Bar | | | | | | |
| - Spa | | | | | | |
| - Gift Shop | | | | | | |
| - Activity | | | | | | |
| | | | | | | |
| | | | | | | |
| Total Envelop | | | | | | |
| Shift B | | | | | | |
| - GSA | | | | | | |
| - Brassiere | | | | | | |
| - Terrace Wira | | | | | | |
| - Room Service | | | | | | |
| - Pool Bar | | | | | | |
| - Spa | | | | | | |
| - Gift Shop | | | | | | |
| - Activity | | | | | | |
| | | | | | | |
| | | | | | | |
| Total Envelop | | | | | | |
| Shift C | | | | | | |
| - GSA | | | | | | |
| - Brassiere | | | | | | |
| - Terrace Wira | | | | | | |
| - Room Service | | | | | | |
| - Pool Bar | | | | | | |
| - Spa | | | | | | |
| - Gift Shop | | | | | | |
| - Activity | | | | | | |
| | | | | | | |
| | | | | | | |
| Total Envelop | | | | | | |


| | | | |
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CASHIER'S OVER/SHORT REPORT

| DATE | OVER / (SHORT) | | | | | | TOTAL OVER/SHORT |
|------|----------------|-----------|-----------|-----------|-----------|-----------|---------------------|
| | Cashier 1 | Cashier 2 | Cashier 3 | Cashier 4 | Cashier 5 | Cashier 6 | |
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
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Prepared By _____
General Cashier

Approved By _____
Financial Controller

| | | | |
|---|---|-------------------------------|-------------------------|
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| | AREA Cash | PROCEDURES Cash Management | Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

PHM Hospitality Group use a system for “Cash Management” by ***“Revolving Fund System”*** means all cash collection either intrinsic or cheques will be banked full amount into the hotels bank accounts by next day. And then all expenses must be issued by cheques.

The ***Petty Cash*** use a ***“Impress Fund System”*** that the amounts are fixed, the custodian will maintain a Petty Cash Vouchers. The custodians are reimburse the Petty Cash to replace the amount used only, so the amount will back to the same amount at all the times.

II. PROCEDURES

To manage CASH in PHM Hospitality Group should be used: ***“Revolving Fund System”***, mean a system been implemented by many Finance Expert for manage company cash in order to easy in the monitoring cash internal control.


The Revolving Fund System to be implemented as follow:

“All receipt either in cash of cheque from revenue, collection of Account Receivable, Selling Assets, loans from bank or from share holder (owner), **MUST BE DEPOSITED TO BANK** at next day. And all payment must be used **Bank Cheque of Bank Transfer**. For safety reason all Cheque must crossed.

All accidental expenses paid by “Petty Cash” must reimbursed through “Cash Disbursement” then prepared a Bank Cheque with same value of spend as cash replacement.

Commonly in Hotel Cash Management will divided into three groups of Cash, as bellow:


- Cash Collection;
- House Float or Cash in Hand;
- Cash at Bank.

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A. Cash Collection:

Cash Collection is all “incoming cash” either from revenue of cash sales, collection of Account Receivable in cash or other cash receipt from other activities.

- a. According to “Revolving Fund System” mentioned all incoming cash must be processed through **General Cashier** as an authorized person as administrator of cash.
- b. Each Shift of Outlet Cashier is responsible to balancing their physical cash to “Cash Report”, then to remit those cash into the: **“Remittance of Fund Envelope”**. All outlet cashier to report their cash following the procedure as follow:
 - Front Office Cashier to submit their cash to General Cashier by put all cash receipt into the Remittance of Fund, with to include the Guest Folio.
 - Then General Cashier to prepare a **“Daily General Cashier Report”** and the Income Auditor must to verify this report as the confirmation balancing process to cash receipt from Front Office.
 - All Outlet Cashier must to report every end of their Shift based on their **Summary of Sales** with procedures as bellow:
 - To put all cash into the Remittance of Fund, then compulsory to fill “Deposit Log Box” with detail value of cash in side. Every cashier who dropped into “Drop Deposit Box (Night Safe Box)” has responsible to call a witness.
 - All copy of guest check (Restaurant & Bar Check) and print out Summary of Sales be placed into Box for Night Auditor, next day morning the Income Auditor to check with the Daily General Cashier Report prepared by General Cashier.
 - Responsible to deposit all cash into the: **“Drop Deposit Box (Night Box)”** is a must that can not be neglect. Usually Drop Deposit Box is located in safe place and just only cashiers are allowed to enter.

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- Each Cashier who wants deposit her/his “Cash” must use a “Remittance of Fund” and compulsory to write the amount into the **“Deposit Log Book”** to gather with a Witness must to sign this Deposit Log Book.
- Every day General Cashier must to collect the Remittance of Fund Envelope also with another witness, then to make **“Daily General Cashier Report”**. This report must be get verification from an Income Auditor as “double Check”. After deposit to the bank, Daily General Cashier Report together with a **“Bank Deposit Slip”** sends to Financial Controller to get approval for complete process.
- When any Incoming Cash was receipt from outside the company activities i.e., Bank Loans, Paid Up Capital, Selling Fixed Assets, Prize etc.) so these Incoming Cash can direct received by General Cashier by given a **Cash Receipt**, and to posting into the Computer System into the correct account code.
- All **“Daily General Cashier Report”** that been complete in process must be sent to General Manager for his acknowledged all Incoming Cash been deposited into bank in daily basis.


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B. Incoming Cash Non Operating:

Incoming Cash Non Operating is any cash come into company bank account NOT THROUGH General Cashier, so a Secretary of Financial Controller must to prepare a “Reconciliation Journal Voucher”, the Incoming Cash as follows:

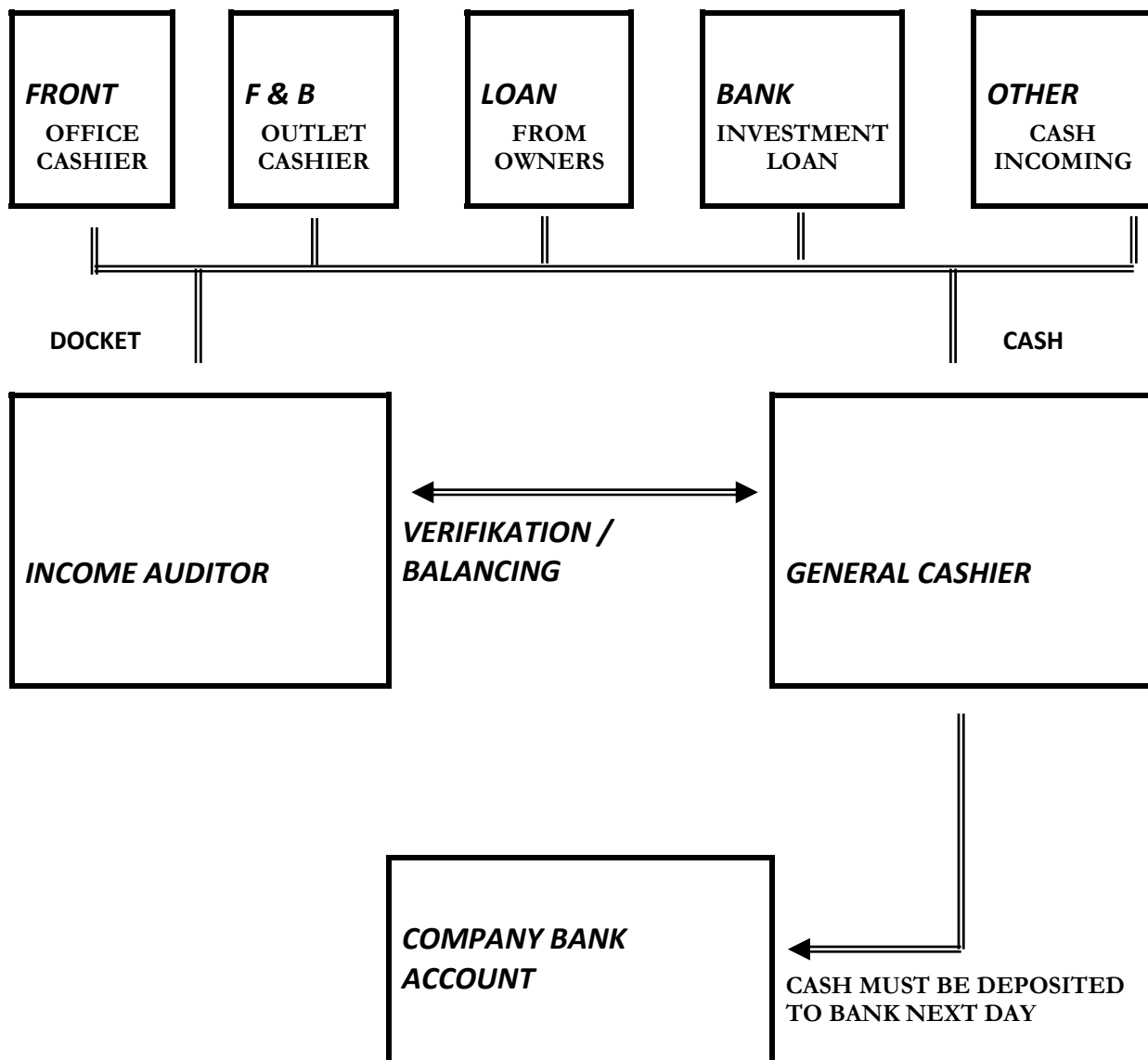
- a. Incoming Transfer from Credit Card collection.
- b. Inter Company Bank Account Transfer
- c. Credit Note Bank as Travel Agent payment of Account Receivable or deposit
- d. Bank Loans
- e. Interest Earn on Bank Account
- f. Interest Earn on Time Deposits
- g. Foreign Exchange Gains


The above Incoming Cash is not through General Cashier, according to “Segregation of Duties” the General Cashier can not to prepare the “Bank Reconciliation”, so all these Incoming Cash only who to prepare a Bank Reconciliation will know then to prepare a Bank Reconciliation Journal Voucher.

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C. Flow Chart Incoming Cash

INCOMING CASH RECORDING CHART



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| | | Effective: as per your date | |
| | AREA Cash Transactions | PROCEDURES Shift Closing | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT


I. PROCEDURES FOR OUTLETS

Each cashier must close/balance her/his shift according to the instructions for the hotel system point of sales, and;

- A. Identify cash and credit sales on the Sales/Waiter Summary, where this is not done by the point of sales of hotel system. Refer to the “Food and Beverage Revenue Guest Check Control” procedure.

II. PROCEDURES FOR THE FRONT OFFICE

- A. Each Guest Service Agent (GSA) must close/balance its shift according to the instructions in Hotel Front Office System.
- B. The person performing the shift closing/balance must identify cash received from guests and cash received from other outlets

| | | | |
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| | AREA Cash Transactions | PROCEDURES Shift Deposit | Effective: By: Drs. A. Agus Purwanto, MM |


ACCOUNTING DEPARMENT

I. PROCEDURES

- A. All cash receipts must be deposited in the Hotel “drop” deposit safe at the end of each operating shift. The deposit must include all cash, cheques, foreign exchange receipts, cash “paid-out” vouchers and any other items held as cash. The deposit must be placed in a sealed deposit envelope. ***Refer to Remittance of Fund Envelope attached.***
- B. ALL DEPOSITS AND WITHDRAWALS OF CASH FROM COMPANY SAFES MUST BE WITNESSED IN WRITING.
 1. The witness is attesting only to the number of sealed envelopes deposited or removed, not to the contents of the envelope(s). The witness is also attesting that all envelopes are intact and unopened.
 2. The deposit witness log should be maintained in a loose-leaf journal. ALL entries must be made in ink. The pages should be numbered.


II. SECURITY MEASURE

If the cash receipts become excessive during any shift, the responsible cashier should make an interim deposit in the interest of security.

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| | AREA Cash Transactions | PROCEDURES Shift Deposit | By: Drs. A. Agus Purwanto, MM |

REMITTANCE OF FUND ENVELOPE

| | | |
|-------------------------------|---------------|--|
| Date _____ | | |
| Cashier's Name _____ | | |
| Outlet _____ | | |
| Shift _____ To _____ | | |
| | AMOUNT | |
| Receipts | | |
| Paid – outs | | |
| Net Receipts | | |
| Due - Backs | | |
| BANK NOTES: | | |
| RP. 500,000 X _____ | RP. | |
| RP. 200,000 X _____ | RP. | |
| RP. 100,000 X _____ | RP. | |
| RP. 50,000 X _____ | RP. | |
| RP. 20,000 X _____ | RP. | |
| RP. 10,000 X _____ | RP. | |
| RP. 5,000 X _____ | RP. | |
| RP. 1,000 X _____ | RP. | |
| RP. 500 X _____ | RP. | |
| RP. 100 X _____ | RP. | |
| FOREIGN CURRENCY | | |
| X _____ | RP. | |
| X _____ | RP. | |
| X _____ | RP. | |
| X _____ | RP. | |
| TRALLER CHEQUES | | |
| X _____ | RP. | |
| X _____ | RP. | |
| TOTAL AMOUNT ENCLOSED | | |
| NET RECEIPTS | | |
| DIFFERENCE | | |

| | | | |
|---|---|--------------------------------|-------------------------------|
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| | AREA Receivable | PROCEDURES Advance Deposits | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

When possible, advance deposits will be requested for room reservations and banquet functions. Labersa Grand Hotel & Convention Center's policy on refunding advance deposits must be explained to guests when a reservation is accepted.

II. PROCEDURES

A. Receipt of Deposits

Immediately upon receipt, advance deposits will be posted to the ledger and deposited at the bank. Mail deposits will be processed according to the "Daily Mail Cheque Receipts" procedure.

B. Postings


The Advance Deposit Register, which must contain:

- a) Date
- b) Receipt Number
- c) Name of Party
- d) Deposit For
- e) Date of Arrival
- f) Cashier Receiving Deposit
- g) Folio Number
- h) Signature of Verification

Cash deposit must be posted on a guest folio. Deposit payments will book according to the HOTEL System.

For computerize system "Branded" i.e., Opera, LanMark, Maxiel and HIS, a Advance Deposits Register is not required, because the list of deposits will be printed directly from the system. But for HOTEL the Advance Deposits Register is used for cross check with the HOTEL System

Refer to Form Advance Deposits Register attached

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C. Document Distribution

Copies of the Advance Deposits Register will be distributed as follows:

- #1 Copy – Sent to guest to acknowledge reservation/deposit
- #2 Copy – Filed in Reservation Department in arrival date sequence
- #3 Copy – Available as needed (See D, below)

D. Unapplied Deposits

The Front Office Manager/Reservations Manager will:


1. Check deposits each morning note them on the guest arrival list and investigate all unapplied deposits.
2. File the unapplied deposits in the advance deposit file, under a new arrival date. If the guest's arrival date cannot be established, the deposit will be transferred to City Ledger and refunded to the guest. However, when a guaranteed reservation results in a no-show, deposits will be posted as department revenue (room revenue other income)

E. Unknown and Overpayments

These will be recorded separately and reconciled each accounting period. They will not be included in the aged analysis; however, they must be aged separately for matching with HOTEL System, is the system cannot to separate then used a spread sheet report.


F. Reporting

1. Advance Deposit will be reported on separate line of the monthly Account Receivable Ageing Report. The amount of the deposit received should not influence the total outstanding receivable.
2. The expected arrival date will be entered in the Account Receivable Ageing Report. The Financial Controller will review the monthly ageing of advance deposits, ensuring they are not retained beyond sixty (60) days past the expected arrival date.

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| | AREA Receivable | PROCEDURES Advance Deposits | By: Drs. A. Agus Purwanto, MM |

G. Accounting

Advance deposits/unapplied deposits will be shown separately in the general ledger.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 2 | PAGE 93 |
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| | AREA Accounts Receivable | PROCEDURES Guest Registration | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

Because guest registration (check-in) is the final and sometimes only opportunity to establish a guest's credit worthiness, it may be the single most important phase of successful credit management.

II. PROCEDURES


Front Office staff will check in guests according to prescribed Front Office procedures.

A. For payments by credit card, the Guest Service Agents will:

Block some amount guarantee into the EDC for guest credit card.

B. For account to be billed, the Guest Service Agents will contact the Account Receivable or City Ledger Department to verify that credit arrangements have been made and approved.

C. Personal cheques will be accepted only when they are supported by a bank guarantee card. Cheque should not be accepted when the value of the cheque is greater than the amount guaranteed by the bank card.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 3 | PAGE 94 |
| | | Effective: as per your date | |
| | AREA Account Receivable | PROCEDURES In-house Credit Limit | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA

A High Balance Report will be printed from the HOTEL System daily. When approved credit limits have been exceeded, or are likely to be exceeded, a notation will be made to this report at HOTEL System print-out.

II. PROCEDURES

The General Manager and Financial Controller, in conjunction with Chief Executive Officer, will establish a “house credit limit”. This should be written and circulated to all relevant staff.

At day-end closing or immediately after, the Night Guest Service Agent will print-out the High Balance Report from HOTEL System. This report is a list of all guest ledger accounts which have exceeded or are likely to exceed the house credit limit.


Upon receipt of the High Balance Report, the Front Office Manager will take the following actions:

- A. For Guest Paying by Credit Card – obtain approval for a higher credit limit from the credit card company, noting that limit and the approval number on the EDC into the Credit Card Log Book.
- B. For Guest Not Paying by Credit Card – advise the guest she/he has exceeded the house credit limit, and arrange for immediate cash payment or an alternative credit arrangement.

The print-out of the High Balance Report must indicate action taken on each account. The Financial Controller will sign the completed report and retain it for one (1) year for review by Company Auditors.

In problem situations, staff will immediately bring guest comments to attention of the General Manager and Financial Controller.

When HOTEL System has no High Balance Report, the Night Guest Service Agent must prepare with format as follow:

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| | AREA Accounts Receivable | PROCEDURES Incidental Charges | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

In the hotel industry, it is common practice to allow registered guests to charge food, beverages and incidental service to their rooms during their stay.

II. PROCEDURES

A. Guest Identification

Hotel employees must identify a guest before she/he sign any bill chargeable to his room (other than for in-room services), by viewing the key card/room charge card issued by the Front Desk.

B. Credit Eligibility


Each outlet (Room Service, etc.) should receive a daily list of room numbers that have no charge privileges, and check the list before providing service. If necessary, the Duty Manager will arrange an alternate method of payment with the guest.

C. Guest Acknowledgement

Upon completion of a service, the guest will print his name and room number on the guest check, and then sign it as acknowledgement of the amount charged. The staff member will enter and total all charges on the check, including taxes and gratuities.


D. Check Processing for Non-Interfaced Computerized

Guest checks and charges vouchers must be forwarded to the Front Office promptly, with special care taken to post those charges incurred before check-out time.

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| | AREA Accounts Receivable | Effective: PROCEDURES Incidental Charges | By: Drs. A. Agus Purwanto, MM |

E. Posting Charges for Interfaced Computerized

All incidental charges will be posted to the guest's folio immediately upon receipt from an outlet. (Exception: Charges for metered telephone calls may be posted daily by Night Guest Service Agent and at check-out by the Guest Service Agent at Front Desk)

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 5 | PAGE 98 |
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| | AREA Accounts Receivable | PROCEDURES Cashing Guest Cheques | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA


Bank cheques and traveler's cheques will be accepted in exchange for cash as a convenience for registered guest only.

II. PROCEDURES

If a surcharge (to cover bank charges) is to be made, this must be approved in writing by the General Manager.

Dishonored or "returned to drawer" cheques will be posted on a miscellaneous charge voucher, immediately reported to the Financial Controller and transferred to the City Ledger for collection. The Financial Controller retains the original cheque, and a photocopy of the returned cheque will accompany the account detail (registration card folios, etc.) to City Ledger.

See Returned Cheques procedure.

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| | AREA Accounts Receivable | PROCEDURES Guest Check - out | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL


I. CRITERIA

To ensure collection, all charges must be posted promptly. Disputed charges should be resolved during the check-out procedure.


II. PROCEDURES

A. The staff will follow these procedures for payment:

1. If the guest is paying the balance due in cash, post the payment and give the guest his copy of the account documents. For payment in foreign currency, ***refer to the Foreign Currency*** procedure.
2. If the guest is paying by cheque, follow the appropriate cheque acceptance procedure, post the payment and give the guest her/his copy of the account documents.
3. If the guest is paying by credit card, make sure she/he signed the voucher and that credit card no problem and got approval from EDC Machine or authorization made by telephone then noted into the Credit Card Voucher. Give the guest copy of the account documents and the customer copy of her/his credit card voucher, then transfer the folio to City Ledger.
4. In case of direct billing, the guest must sign the Hotel's copy of the folio(s), and the voucher for any miscellaneous charge(s) not already signed. The folio then transferred to City Ledger.
5. If the guest has a tour/travel voucher, there may be two (2) folios, one for the room and one for incidental charges (for tour groups, post all vouchers on a tour master folio). Collect the incidental charges according to arrangements made at check-in. Ensure that any taxes, gratuities, etc., not covered by the voucher have been posted, then process the folio as cash payment or transfer to City Ledger, etc., as appropriate. Retain the #1 (original) copy of the tour voucher, as this is the only copy valid for billing purpose.

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| | AREA Accounts Receivable | PROCEDURES Guest Check - out | By: Drs. A. Agus Purwanto, MM | |

- B. The Front Office manager and Accounting Department must be notified of any queries regarding payment methods.
- C. After guest check-out, the Front Office Manager must investigate and resolve all disputed amounts remaining in the guest ledger, posted to an admin folio. If these amounts are not resolved, the account must be corrected as authorized by the General Manager.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 7 | PAGE 101 |
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| | AREA Accounts Receivable | PROCEDURES Transfer to City Ledger | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

The Front Office Manager must ensure that all accounts are correctly transferred to City Ledger on the guest check-out date.

II. PROCEDURES

- A. Fully documented folios must be transferred to the Accounting Department not more than one working day after check-out, with these documents:
 1. Explanations of adjustments, credits, etc., entered on memo side.
 2. Miscellaneous charges (guest cheques, telephone, laundry, etc.)
 3. Credit Card vouchers, if used. Credit card amounts transferred into City Ledger should be booked same amounts with the guest folios.
 4. Coupons and travel vouchers, if used.
- B. The Account Receivable Clerk will report directly to the Financial Controller any delay in transferring accounts or any inadequate Front Office procedures affecting the timely billing or collectability of accounts.
- C. Front Office staff must apply for City Ledger account codes before guest check-out. The Front Office staff is not allowed to create account code without the Account Receivable Clerk's approval.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 8 | PAGE 102 |
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| | AREA Accounts Receivable | PROCEDURES City Ledger Account Documentation | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE


Account Receivable staff will review every transferred account to ensure that all documentation is present, legible and properly completed by Front Office staff.

II. PROCEDURES

- A. All transferred accounts will be reviewed for accuracy, and missing, incomplete or illegible documents reported to the Front Office Manager / Financial Controller.
- B. Invoices / statements will be mailed to the guest within 48 hours after the departure.

Copies of invoice will be filed:

1. In date order
 2. Alphabetically by City Ledger account
- C. Credit card billing documents will be batched by day and credit card Company, with the master invoice and supporting credit card summary at front.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 9 | PAGE 103 |
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| | AREA Accounts Receivable | PROCEDURES Security of Account Receivable | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Account Receivable records and related documents are a sizeable investment / asset to the Company. As they are nearly impossible to replace, security measures must be taken in their handling and storage.

II. PROCEDURES

- A. Accounts Receivable records must be locked in a file cabinet in a lockable room. The records are to be accessible only to Account Receivable, the General Manager and the Financial Controller.
- B. The Hotel's fire or disaster plan should include the removal of account receivable records.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 10 | PAGE 104 |
| | AREA Accounts Receivable | Effective: PROCEDURES Billing Procedures | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

The ultimate purpose of the Account Receivable Clerk is to bill and collect accounts quickly. The monthly Accounts Ageing Report measures this performance.

II. CRITERIA


The Account Receivable Clerk will notify the Financial Controller immediately if the following billing schedule cannot be met. If the Financial Controller cannot remedy the situation, he will notify the General Manager.

III. PROCEDURES

A. Invoices and collection letters will be mailed as follows (all days are from guest check-out date):

| | |
|--|---------------------------|
| Last folio transaction | Guest check-out date |
| Account transferred to Accounting Department | + 1 day (at the latest) |
| Invoice / Statement sent | + 2 days (at the latest) |
| Statement sent | + 15 days (at the latest) |
| First reminder | + 22 days (at the latest) |
| Second reminder | + 29 days (at the latest) |
| Third reminder, with payment due date | + 36 days (at the latest) |

NOTE: If a credit collection agency is involved, *refer to the Credit Collection Agencies* procedure.


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B. Exceptions to the above schedule are limited to the following:

1. Airlines, major tour operators and major commercial clients may be exempted from the normal billing schedule with written approval and a revised billing schedule from General Manager / Financial Controller, and when the following conditions are met:
 - a. Client business volume justifies an exception
 - b. Client collection history is satisfactory, and
 - c. Client routinely pays according to own account payable system
2. For “skips” the billing cycle will be discontinued and the account submitted for Write-off.
3. Late charges of less than US \$ 10 will be submitted for immediate write-off.
4. Late charges of US\$ 10 to US\$ 50 will be reminded three (3) times, and then submitted for write-off 30 days after the third invoices.
5. Late charges over US\$ 50 should be billed as in point “A” above.

C. An Account Receivable Collection Record jacket should be opened, followed through and completed as actions are taken.

Refer to Account Receivable Collection Jacket attached

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ACCOUNTS RECEIVABLE COLLECTION RECORD JACKED

TO BE USED WHEN AN ACCOUNT REACHES 30 DAYS

Amount Due _____

Invoice No. _____

Name/Company _____ Client No. _____

Address _____

Contact Name _____

Date of Departure _____ Telephone/Fax _____

COLLECTION STEPS: (After two reminder letters)

Date: Letter #1 _____ Letter # 2 _____

| Date | Action | Result (Promise Date, etc.) |
|-------|--------|-----------------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Continue on reserve
Side if necessary

REQUEST FOR WRITE-OFF:

| | |
|---|--|
| Reason: Incorrect Address Returned Cheque No Such Person Walk in / No Deposit Same day Reservation No Deposit | Insufficient info/Guest Registration No Credit Pre-check No Credit Card Guarantee Other _____ |
|---|--|

PERSON RESPONSIBLE FOR REASON: NAME _____ DEPT. _____

CORRECTION ACTION TAKEN:

BREAKDOWN OF CHARGES:

TOTAL _____


ROOM _____ F & B _____ OTHERS _____

PREPARED BY _____

REQUESTED BY DEPARTMENT HEAD _____

RECOMMENDED BY FINANCIAL CONTROLLER _____

APPROVED BY GENERAL MANAGER _____

| | | | |
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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 11 | PAGE 107 |
| | AREA Accounts Receivable | Effective: PROCEDURES Credit Collection Agencies | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

The use of a major credit collection agency's services can sometimes lead to the payment of accounts which a hotel has been unable to collect itself.

II. PROCEDURES


Usually, a credit collection agency will send collection letters to customers, without obligation to give them the rights to collect the money. This service usually is provided at a low cost.

However, before collection agencies are employed, the terms, conditions and charges should be established to ensure accounts are worth the cost of collection.

The Hotel should obtain the Chief Executive Officer's approval "*in principle*" to use a credit collection agency.

Accounts should not be passed to a collection agency until they are over 60 days outstanding.

Discretion should be used before passing any account to a collection agency (for example, in the case of "sensitive" customers, government departments, etc.).

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 12 | PAGE 108 |
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| | AREA Accounts Receivable | PROCEDURES Credit Card Charge - Backs | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL


I. PURPOSE

Credit card charge-backs may result from billing the wrong party or Credit Card Company or accepting an invalid or excessive limit on a card.

II. PROCEDURES

For all credit card charge-backs, responsible staff will:

- A. Transfer the charge from or to the debtor (correct credit card company or payer).
 1. For a credit card company – Send the correct charge slip with next billing.
 2. For party other than a credit card company – Follow normal collection procedures immediately.
- B. Age the account from the original charge date (not the charge-back date).

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 13 | PAGE 109 |
| | | Effective: | |
| | AREA Accounts Receivable | PROCEDURES Returned Cheques | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

Efforts to collect dishonored bank cheques must begin immediately upon their receipt from the bank.

II. PROCEDURES

- A. The Financial Controller will be notified and an Account Receivable Collection Record Jacket completed.
- B. Credit entries will be reversed through all relevant accounts (room, food and beverage, etc.), a miscellaneous charge will be raised, and the bank will be credited.
- C. If payment was against advance deposit, the concerned department will be notified to follow up.
- D. The Financial Controller will hold the original cheque until full settlement is received.
- E. The age analysis date will be the returned cheque date.
- F. If all collection efforts fail, the completed Account Receivable Collection Record Jacket will be used to support the write-off approval request.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 14 | PAGE 110 |
| | | Effective: | |
| | AREA City Ledger | PROCEDURES Unidentified Payments | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL


I. PURPOSE

Unidentified bank payments must be deposited immediately and a thorough investigation made to determine their proper disposition. These payments must not be held pending identification.

II. PROCEDURES

Upon receipt of unidentified bank payments, the responsible staff will:

- A. DEPOSIT THE CHEQUE IMMEDIATELY TO THE HOTEL'S DEPOSITORY BANK ACCOUNT
- B. Transfer the payment to City Ledger.
- C. For overpayments and payments which cannot immediately be applied to an account, set up a City Ledger account labeled "***Suspense Account – Unidentified Payment***" and post the payment.
- D. Immediately contact the drawer of the cheque or bank transfer, requesting information needed to properly apply the payment. Then apply / transfer the payment.
- E. Transfer unidentified income to Other Income after six (6) months, unless prohibited by Indonesian Law and/or Bank Law.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 15 | PAGE 111 |
| | | Effective: | |
| | AREA City Ledger | PROCEDURES Back Office Adjustments | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Errors in account balances will occur occasionally. Also, foreign currency payment and credit card remittances will occasionally require adjustments, even when the balance invoiced is correct.

II. PROCEDURES

- A. The Financial Controller and General Manager must personally approve all adjustments to City Ledger account balances, before the completion of the adjustment.
- B. The adjustment voucher must contain:
 1. Guest name and folio number or credit card master date
 2. Amount and date
 3. Reason for adjustment, with supporting documents
 4. Signature of preparer
 5. Signature of Financial Controller and General Manager
- C. Adjustment or allowance vouchers must not be used to correct an out-of-balance condition. These require the approval of the Financial Controller and General Manager.
- D. A copy of the voucher must be filed with the account, accompanied by any documents supporting the adjustment.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 16 | PAGE 112 |
| | | Effective: as per your date | |
| | AREA City Ledger | PROCEDURES Balancing Requirements | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

The City Ledger must balance at all times to the control total per the Hotel Front Office system and the daily report. Unresolved differences must be reported to the Financial Controller. Out-of- balance conditions may not be adjusted at the Front Office, regardless of the amount.

II. PROCEDURES

- A. Night Guest Service Agent must print the Hotel print-out of City Ledger balances and reconcile it with the Front Office transfer balance.
- B. The daily City Ledger balance must be compared to the daily report and trial balance.
- C. Regardless of their control system, all hotels must balance the detail support documents to the folio. The Financial Controller must review at least 10 different accounts each month, to verify that the control total on the folio is supported by the relevant backup documents. This review must be documented.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 17 | PAGE 113 |
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| | AREA City Ledger | PROCEDURES Payment Processing | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

City Ledger payments will be processed daily, immediately upon receipt of the bank statement.

II. PROCEDURES

- A. Payments will be processed in accordance with the ***“Daily Mail Cheque receipts”*** procedure.
- B. Payment differences will be re-billed or submitted for write-off, unless the balance requires a legitimate adjustment. Also ***to “Unidentified Payments”*** procedure.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 18 | PAGE 114 |
| | | Effective: | |
| | AREA Reporting Requirement | PROCEDURES Monthly Accounts Ageing Report | Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

The monthly Account Ageing Report measures the Hotel's performance in timely collection of accounts, and helps to identify problem accounts.

II. PROCEDURES

A. Format


The Accounts Ageing Report will provide columns for:

1. Name – full name and branch of the company.
2. Ageing Category:
 - a. Current – amounts open 1 – 30 days past the invoice date
 - b. 30 – 60 days – amounts open 30 – 59 days past the invoice date
 - c. 60 – 90 days – amounts open 60 – 89 days past the invoice date
 - d. 90 – 120 days – amounts open 90 – 119 days past the invoice date
 - e. 120 – 150 days – amounts open 120 – 149 days past the invoice date
 - f. Over 150 days – amounts uncollected 150 or more days past the invoice date

B. Classifications

City Ledger accounts should be reported within these general classifications:

1. Advance Deposit and Overpayments/Unknown Payment – listed without showing any influence on the total amount outstanding.
2. General Ledger and City Ledger Accounts – listed separately.
3. Travel Agents
4. Airlines

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| | AREA Reporting Requirement | PROCEDURES Monthly Accounts Ageing Report | Agustinus Agus Purwanto |

5. Credit Cards – listed as credit card amount by credit card company and invoice date.
6. Charge Backs and Returned Cheques – aged from the original invoice date
7. City Ledger/Others - private companies and intercompany accounts
8. Re-entries – aged from the original invoice date.

C. Use of the Accounts Ageing Report

The Credit Committee, consisting of the General Manager, Financial Controller, Sales Manager, Front Office Manager, Banquet Manager, Credit Manager and Account Receivable Clerk, will meet at least monthly to discuss the accounts, using the Account Ageing Report as a tool. Minute of the meeting will list actions to be taken. The minutes will be filed in the Financial Controller's office.

D. Credits

Credits must be reconciled, fully explained and documented.


E. Balancing

The monthly Account Ageing Report must balance with the total outstanding guest receivables per daily report and trial balance.

F. Calculating Average Days Outstanding

Refer to “Account Receivable Recap” procedure.

G. The General Manager must sign the Accounts Ageing Report.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 19 | PAGE 116 |
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| | AREA Reporting Requirements | PROCEDURES Account Receivable Recap | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

The monthly Account Receivable Recap summarizes the monthly Accounts Ageing Report, provides a format for comparison, assists in assessing in-house credit management and ensures agreement between the monthly Accounts Ageing Report and guest receivables control total.

II. PROCEDURES


A. An Accounts Receivable Recap (***Refer to Form attached***) will be prepared monthly, and will include:

1. City Ledger – total of Credit Card, Travel Agent and City Ledger/Other classification from the Account Ageing Report.
2. Guest Ledger / Advance Deposits – from the Account Ageing Report.
3. Grand Total – Total City Ledger plus Tray Ledger minus Advance Deposits. This amount must agree with the night Guest Service Agent report / control total.
4. Average Days Outstanding – requires an ongoing record of daily credit sales (same as daily transfers to City Ledger). Total credit sales will be divided by the number days in the period to determine the average day's credit sales for that accounting period.

To report average days outstanding:


- a. Total the average day's credit sales for the current period and the 11 preceding periods,
- b. Divide this by 12 (for average day's credit sales during preceding full year), then
- c. Divide the average day's credit sales (from 1, above) into the current period ending City Ledger balance, excluding advance deposits, overpayments, unknown payments and the guest ledger.

If no accumulated credit sales data are available (for example, in new hotels), calculate the average days outstanding based on available credit sales figures and divide by the number of the periods the figures have accumulated over.

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| | AREA Reporting Requirements | PROCEDURES Account Receivable Recap | By: Drs. A. Agus Purwanto, MM |

Write a footnote on the Account Receivable Recap explaining the number of the periods used for calculation.

- B. A separate Write-Off Summary must be completed for each accounting period. This summary will include current month and year – to – date write-offs and bad debt recoveries by category/classification, and will be signed by the Financial Controller and General Manager ***Refer to Form Write-Off Summary attached.***

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|---|---|--|--------------------------------------|
|  <p>Labersa Grand Hotel & Convention where luxury and leisure blends in harmony ★★★★★</p> | HOTEL ACCOUNTING STANDARD MANUAL | II - 19 | PAGE 118 |
| | Effective: | | |
| | AREA Reporting Requirements | PROCEDURES Account Receivable Recap | By: Drs. A. Agus Purwanto, MM |

MONTHLY ACCOUNTS RECEIVABLE RECAP

MONTH: _____

ACCOUNTING PERIOD: _____

CITY LEDGER

| Ageing Category | Credit Card | | Travel Agents & Airlines | | City Ledger Others | | Total City Ledger | |
|---------------------------------|-------------|---|--------------------------|---|--------------------|---|-------------------|---|
| | | % | | % | | % | | % |
| Current | | | | | | | | |
| 30 – 60 Days | | | | | | | | |
| 60 – 90 Days | | | | | | | | |
| 90 – 120 Days | | | | | | | | |
| 120 – 150 Days | | | | | | | | |
| Over 150 Days | | | | | | | | |
| TOTAL | | | | | | | | |
| Guest Ledger: | | | | | | | | |
| General Ledger/Advance Deposits | | | | | | | | |
| Grand Total* | | | | | | | | |

Average Days Outstanding** _____

Total Guest Ledger _____

Total Accounts _____

Memo: Returned Cheques: _____


 Skips over US\$ 50 _____

 Late Charges _____

General Manager's Signature _____

* Must agree with Night Guest Service Agent's Report

** Refer to Account Receivable Recap procedure.


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| | AREA Reporting Requirements | PROCEDURES Account Receivable Recap | By: Drs. A. Agus Purwanto, MM |

WRITE-OFF SUMMARY

| FOR THE MONTH OF _____ | PAGE ____ OF ____ | | | |
|---------------------------|-------------------|-----------------|----------------------|----------|
| CATEGORY | THIS MONTH | YEAR TO DATE | LAST YEAR TO DATE | COMMENTS |
| SKIPS | | | | |
| GROUPS, COVENTIONS | | | | |
| TOURS | | | | |
| ALL OTHER GUEST WRITE-OFF | | | | |
| FUNCTIONS | | | | |
| WALKOUTS | | | | |
| ALL OTHER REST WRITE-OFF | | | | |
| RETURN CHEQUE CASH | | | | |
| RETURN CREDIT CARD | | | | |
| AFTER DEPARTURE CHARGES | | | | |
| NO SHOW | | | | |
| ALL OTHER C/L WRITE-OFF | | | | |
| ACCOUNT REC. (NOT C/L) | | | | |
| TOTAL WRITE-OFF | | | | |
| RECOVERIES | | | | |
| TOTAL GROSS REVENUE | | | | |
| % TO TOTAL GROSS REV. | | | | |

Prepared by _____ Recommended by _____ Approved by _____
Account Receivable Financial Controller General Manager

Acknowledged by _____
Managing Director

| | | | |
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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 20 | PAGE 120 |
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| | AREA Bad Debts | PROCEDURES Allowance for Doubtful Accounts | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Allowance accounts are established to reduce the accounts receivable asset value by the value of accounts that are of doubtful collection. This allows the Hotel to fairly report the full value of assets on financial statements.


II. CRITERIA

The balance in the allowance (reserve) account must at all times be sufficient to cover those accounts which are genuinely doubtful of collection.

Although the Financial Controller is responsible for maintaining the allowance account at a sufficient level, the General Manager must be informed when the reserve amount is changed. Adjustment to the reserve account will be reviewed quarterly.

III. PROCEDURES

- A. When allowed by Indonesia laws and regulation, the Bad Debt Allowances Calculation form will be applied. ***Refer to Form Bad Debt Allowance Calculation attached.***
- B. In addition, the following must be prepared:
 1. Bad Debt Allowance Reconciliation – The beginning (year) and ending (period) amount must agree with the general ledger balances.
 2. Bad Debt Performance Year-to-Date – Should agree with total write-off from the Write-Off Summary (that is, before recoveries). Allocations year-to-date should agree with the corresponding figure entered in the Bad Debt Allowance Calculation. The percent loss to total revenue should be expressed to the nearest 1/10%

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BAD DEBT ALLOWANCE CALCULATION

AS OF _____

| <u>AGED OF ACCOUNT</u> | <u>LEDGER AMOUNT</u> | <u>%</u> | <u>ALLOWANCE</u> |
|---------------------------------|----------------------|----------|------------------|
| Current 0 – 30 Days | | 0 | |
| 30 – 60 Days | | 5 | |
| 60 – 90 Days | | 10 | |
| 90 – 120 Days | | 15 | |
| 120 – 150 Days | | 25 | |
| Over – 150 Days | _____ | 100 | _____ |
| TOTAL | | | _____ |
| LESS V.AT (if applicable) | | | _____ |
| Allowance provided in Acct: P/L | | | _____ |

Prepared by _____ Approved by _____

Date: _____ Date: _____

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 21 | PAGE 122 |
| | AREA Bad Debts | PROCEDURES Account Write-Off | Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL


I. PURPOSE

Accounts are submitted for write-off if:

- A. All collection efforts, including legal, have failed and the account is determined to be uncollectable, or
- B. It is not considered practical to pursue collection. ***Refer to Billing Procedures***

II. PROCEDURES

- A. The Financial Controller, General Manager, Credit Manager, Account Receivable Clerk and other appropriate personnel will use the monthly Accounts Ageing Report to review outstanding accounts, identify problem accounts and determine collection efforts.
- B. The Financial Controller will recommend accounts to be written-off, based on decisions made during credit meetings. If doubtful accounts have been appropriately reserved, the write-offs should not incur any additional expenses for the Hotel.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 22 | PAGE 123 |
| | | Effective: | |
| | AREA Bad Debts | PROCEDURES Bad Debt Recovery | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Occasionally, a payment considered uncollectable is received after the account has been written – off.

II. PROCEDURES

- A. When a payment is received after an account has been written – off in the same year, the payment will be credited to Bad-Debt Expenses (P/L).
- B. Payment received one or more years after an account has been written – off will be treated as Other Income.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 23 | PAGE 124 |
| | | Effective: as per your date | |
| | AREA A/R Miscellaneous | PROCEDURES Legal Action | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA


Legal action can be considered after the Hotel has tried to collect a debt itself, and has also used the services of a debt collection agency and still failed to obtain payment on the account.

Legal action cannot be undertaken without the written approval of the Chief Executive Officer.

THE CHIEF EXECUTIVE OFFICER SHOULD LIASE WITH THE LEGAL OF CTY TNHH A & B BEFORE COMMENCING ANY LEGAL PROCEEDINGS

II. PROCEDURES

- A. After the Hotel is committed to legal action, all direct contact and communication with the defendant shall be discontinued, and directed through the legal representative.
- B. Original account documents may be submitted to the legal representative. First, however, photocopies must be made and retained in the City Ledger file.
- C. If an out – of – court settlement is proposed for less than the full amount due:
 1. Do not make any commitment without the necessary, approval(s).
 2. Notify the Chief Executive Officer immediately.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | II - 24 | PAGE 125 |
| | | Effective: | |
| | AREA A/R Miscellaneous | PROCEDURES Travel Agent Commission | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE


Due to the enormous impact of travel agent bookings on Company-wide occupancy, certain procedures must be followed when dealing with travel agents.

II. PROCEDURES

Travel agent documentation will be established to verify and process commission invoices received.

- A. Reservations from travel agents (and the advance deposit folio, if applicable), must be noted "Commission Due," with the amount and the full name and address of the agent noted or attached. At check-in, the guest's folio or Hotel master copy will be similarly noted.
- B. By using computer print-outs and filing, the staff must check and validated by the Accounting Department. It should be posted into the system that commission has been claimed.
- C. After the guest check-out, the Guest Service Agent Supervisor will calculate the commission due on the room rate only, and enter it on the Hotel folio copy and the registration card.
- D. Travel agent commission should be accumulated for the month and paid at the end of the month. Payment should be accompanied by a letter identifying the guest's full name, address, room rate and number of nights, and expressing appreciation for the agent's selection of L'anmien Resort.
- E. The actual commission settlement will be processed according to the guets's method of payment.
 1. Deduction from the Settlement Cheque – For prepayments, the travel agent will usually deduct the commission fee from the settlement cheque.

The discount/commission MUST be posted to the Hotel copy only of the guest folio before transfer to City Ledger. The Sales or

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| | AREA A/R Miscellaneous | PROCEDURES Travel Agent Commission | By: Drs. A. Agus Purwanto, MM |

Reservations Manager will assist in resolving differences between the travel agent's those settlement cheques and the net amount due per the guest folio, reporting those differences to the Financial Controller.


2. Direct Payment to the Travel Agent – After a non-prepaid guest checks-out, the Guest Service Agent will prepare a refund voucher for the amount of the travel agent commission, noting "T/A Commission" in the reason/explanation section. The Reservations Clerk will not have the voucher approved or posted to the guest folio, but must process the folio with attached refund voucher and travel agent information to the Night Guest Service Agent in the usual manner.

The Night Guest Service Agent will batch the direct commission payment folios separately, but for audit/balancing purpose will disregards the refund vouchers.

Each morning, the Account Supervisor will notify the Reservations or Sales Manager of any direct commission payments from the previous day's work. The Reservations or Sales Manager will be verifying the accuracy of the calculations and initial the upper right-hand corner of the voucher.

The Financial Controller (or authorized assistant) will approve the voucher for payment and process it to the Account Payable Clerk.

- F. The Reservations or Sales Manager must maintain a travel agent commission file, with such information as the name of the agent, the guest, etc., to serve as both marketing/sales information and as an audit trail on commission payments.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | III - 1 | PAGE 127 |
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| | AREA Revenue | PROCEDURES General | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT


I. CRITERIA

Revenues may be defined as all gross income derived from the following:

- A. Charges for guest accommodations and services, such as food and beverages, telephone, laundry, Spa, etc.
- B. Commissions, rent receipts or other payments from suppliers
- C. Sale of operating supplies no longer in use by the Hotel.
- D. Promissory note or time deposit interest, unclaimed wages or deposits, cash discounts, etc.

II. PROCEDURES

All revenues should be posted through the Front Office machine for compilation of the daily report (early bird) by the Night Guest Service Agents.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | III - 2 | PAGE 128 |
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| | AREA Room Revenue | PROCEDURES Room Rates and Occupancy | Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

Room revenue control consist of reporting revenue for rooms sold, correctly charging and posting room rates and compiling room statistics.

II. DEPARTMENTS INVOLVED

- A. Guest Service Agent
- B. Night Guest Service Agent
- C. Housekeeping
- D. Accounting Department – Income Auditor/Financial Controller
- E. General Manager


III. PROCEDURES

- A. The General Manager will provide a written room rate structure to the Sales Department and the Front Office, with a copy to the Financial Controller.
- B. The Sales Department will check authorized room rates and group package rates with contracts against the room posting print – out from HOTEL System, reporting discrepancies in writing to the General Manager and Financial Controller and this report will be used to investigate discrepancies.
- C. Complimentary Rooms – The Night Guest Service Agent will prepare a daily list of complimentary rooms, with explanations. The list will be approved by the General Manager and filed with the day package.

Each month, a report detailing the number of complimentary rooms given, with full explanation of why, should be sent to Managing Director for his approval. This report must be filed with the month – end package.


D. Room Revenue Verification

- 1. The Guest Service Agent will be printing out the room sales report at day – end.

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| | AREA Room Revenue | PROCEDURES Room Rates and Occupancy | Agustinus Agus Purwanto |

A room sales/housekeeping report will be printed out immediately after closing, and no revenues will be posted between closing and printout.

2. The Housekeeping Department will complete the housekeeping report each morning to ensure all rooms are inspected daily, and note each room's actual status versus Front Office status.
 - A. Vacant and out – of – order / service rooms will be inspected before 9 AM
 - B. Occupied / do not disturb rooms will be inspected during the early shift.
3. After the housekeeping report is completed, the Housekeeper will prepare and sign a Room Discrepancy Report, noting any discrepancies between Front Office room status and actual room status. ***Refer to Room Discrepancies Report attached***
 - A. The Housekeeping will forward these reports to the Accounting Department/Account Supervisor, where the housekeeping report will be compared with the room rates report for completeness of the Room Discrepancy Report. Then the Room Discrepancy Report will be sent to the Front Office.
 - B. The Front Office Manager will investigate discrepancies and record the explanations on the Room Discrepancies Report, then sign the report and return it to the Accounting Department/Account Supervisor for review of the explanations given and action taken. The Room Discrepancy Report will be forwarded to the General Manager for final approval.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | III - 3 | PAGE 131 |
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| | AREA Room Revenue | PROCEDURES Room Statistucs | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Room statistics are used for calculating average room rates and occupancy percentages, as well as for developing and controlling sales and marketing strategies. Special forms ensure the proper accounting of all rooms, corrections and revenue adjustments.

II. DEFINITIONS


The following definitions will be used to establish and maintain a consistent calculation for room statistics:

A. The number of rooms available should NOT include:

1. **House Use** – permanently assigned for staff use.
2. **Complimentary Room** – complimentary to guest or occupied by staff on a temporary basis (see also B – 1 below)


B. The number of rooms available should include:

1. **Complimentary Rooms for Bus Driver or Tour Guide** – included in the relevant market segment and subject to calculation or average room rate.
2. **One Room Free in Package Deal** - included in the relevant market segment and subject to calculation on average room rate.
3. **Day Use** - considered occupied and included in the room occupancy and average room rate.
4. **No-show Rooms** - considered occupied and included in the room occupancy and average room rate, **if guaranteed “no-show”**.
5. **Suites** - rooms sold individually must have a bath and a separate entrance.

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| | AREA Room Revenue | PROCEDURES Room Statistics | By: Drs. A. Agus Purwanto, MM |

III. PROCEDURES

- A. The Night Guest Service Agent will print-out Daily Room Statistics and Early Bird Daily Revenue Report
- B. The Accounting Department / Account Supervisor will review the Early Bird Daily Report for completeness and accuracy to become “***Daily Revenue Report***”
- C. HOTEL System print – out may be used in addition to the Daily Room Revenue Recap Report, when the HOTEL System not provide. ***Refer to Daily Room Revenue Recap Form attached.***

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| | AREA Room Revenue | PROCEDURES Room Statistucs | By: Drs. A. Agus Purwanto, MM |

DAILY ROOM REVENUE RECAP

ADDITIONS (Day Rate, Early Checkouts, Resold Rooms, etc.)

| Room Category | Room Count | Person | Value | |
|---------------|------------|--------|-------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Subtotal 1 | | | | |

CORRECTIONS

| Room Category | Room Count | Persons | Value | |
|---------------|------------|---------|-------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Subtotal 1 | | | | |


| | Room Count | Persons | Value |
|--------------------------------|------------|---------|-------|
| Subtotal (Room Revenue Report) | | | |
| + Subtotal 1 | | | |
| - Subtotal 2 | | | |
| GRAND TOTAL | | | |

Total Net Days Revenue: _____
Total Days Room Occupied: _____
Occupancy % _____
Average Room Rate _____

Prepared by: _____
Night Guest Service Agent

Verified by: _____
Account Supervisor

Approved by: _____
Financial Controller

| | | | |
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| | AREA Room Revenue | PROCEDURES Guest Folio Control | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

Guest folios must be automatic pre-numbered and generated by HOTEL System used and accounted for according to Indonesian Tax Law and Regulation.

II. DEPARTMENT INVOLVED

- A. Front Office
- B. Accounting

III. PROCEDURES

- A. The Account Supervisor has to do control the number through spread sheet all guest folios, then identify to the number when check – out.
- B. In – house guest folios, must be recorded into the spread sheet control to ensure no guest folio missing.
- C. Paid used folios – The standard three copies will be used as follows:
 - 1. Copy for Income Auditor – Filed numerically at guest check – out, cash or credit in hard copy and soft copy for back – up when hard copy damaged.
 - 2. Guests' Copy – To guest at payment settlement
 - 3. Copy for City Ledger – Only all folios are credit, should have a hard copy and soft copy for back – up when the hard copy damaged.
- D. Folios will be credited to City Ledger with supporting documentation (restaurant bills, etc) attached.
- E. The Financial Controller will file guest folios according to legal requirements.



AREA
Room Revenue

Effective:

PROCEDURES

Guest Folio Control

By: Drs. A. Agus Purwanto, MM


Date

No.

Room

Date

Amount Due

| | | | |
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| | AREA Food & Beverage Revenue | PROCEDURES Guest Check Control | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

Guest checks must be strictly controlled to prevent loss or misuse. Differentiation must be made between interfaced and non-interfaced, as well as those in which point of sales is interfaced with the Front Office.

The Restaurant Manager and Cost Controller are responsible for guest check control.

II. CONTROLS

A. Storage

Although pre-numbered guest checks are not required in a computerized system, check must be stored in locked in a storeroom with access limited to authorized staff only. Outlet Cashiers, Captain and F & B Supervisor must not be allowed access.


B. Audit Trail

An audit trail a print-out from HOTEL System is used rather than a sales/waiter summary. The HOTEL System generated audit trail will list all transactions made during the day. At the day – end closing, the Outlet Cashier must match money received with the balance on the point of sales computer printout.

C. Voids and Corrections


If the HOTEL System does not list all voids or corrections at the outlet, a summary of these activities must be maintained, with explanations listed and documentation attached. All voids and corrections must be authorized by the responsible supervisor.

If correction summaries are prepared by the Outlet Cashiers, the Account Supervisor should compare the archive printout with the summary to ensure that all corrections are listed and properly explained.

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III. FILING


The Financial Controller is responsible for filing the accounting copies of the guest checks by day's operation. These checks should be filed together with the sales/waiter summaries. In principle, all guest checks must be retained for a minimum of five (5) years, longer if required by Indonesian Tax Laws. Computer archive reports may be sufficient for filing purposes.

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GUEST CHECK CONTROL

[Number Generated by HOTEL System]

| Date | Checks' used | | Outlet's Name | Cashier's Name | Remark |
|------|--------------|-------|---------------|----------------|--------|
| | From | Until | | | |
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GUEST CHECK LOGBOOK

[If Blank Checks use Number]

Type of check _____ Minimum quantity _____
Maximum quantity _____

| Date | Checks on Hand | Checks Received | Checks Issued | Checks Remaining | Serial # Issued | To Outlet | Issued By | Signature |
|------|-------------------|--------------------|------------------|---------------------|--------------------|-----------|-----------|-----------|
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HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

All food and beverages served to guest must be charged correctly.

II. CONTROLS

A. Restaurant


The Outlet Cashier may have pre-programmed prices, or waiter may post the order for meal preparation at the point of sales outlet which is interface to the printer's kitchen terminal. Where these options are missing, follow as bellow:

1. The Outlet Cashier must immediately post or record each guest order as revenue. Each captain's order must have a kitchen copy authorizing the Kitchen Chef to prepare the food.
2. Cook's copies must be returned to the Cost Controller at the end of the day. The Outlet Cashier will record folio numbers on the cook's copies for easy reference by the Cost Controller and to inform the Chef that the order has been posted. On a random basis, the Cost Controller will check to verify that charges on the guest check and cook's copy comply with menu prices. This check must be documented.
3. The Cost Controller must perform regular checks to ensure that the prices are correct.

B. Bar


Bar revenues require strict supervisory control

1. In principle, bar revenue and bar outlet ordering procedures are the same as restaurant procedures. Refer also to ***"Actual and Potential Beverage***

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Sales procedure for measuring bar revenues by calculating consumption and potential sales.

2. Bartenders must record/post the order before serving a guest's drink.
3. Drink slip must be placed in front of the guest as proof the revenue has been recorded. The Manager on Duty must perform spot checks for this procedure and record these checks in his logbook.

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HOTEL ACCOUNTING STANDARD MANUAL

I. PROCEDURES

All restaurant and bar service controls apply to room service.


- A. Room service should be on a "**credit basis only**". A notice to this effect should be clearly displayed on the room service menu.
- B. The guest must sign the guest check to show acceptance of the credit sale.

II. CONTROLS

- A. A limited beverage par stock must be established.
- B. Beverage storerooms must be locked and access limited.
- C. Requisition procedures must be established for issues from the storeroom.
- D. The Cost Controller must conduct inventories every accounting period and calculate potential sales value.

Also refer to the following procedures in the Food and Beverage Cost Control section as follow:

- “Food and Beverage Inventories – Par Stocks”
- “Beverage Cost Control – Bottle Codes and Inventory Cards”
- “Beverage Cost Control – Actual and Potential Beverage Sales”

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| | AREA Food & Beverage Revenue | PROCEDURES Restaurant & Bar Promotions | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Food and beverage promotions, such as reduced prices and happy hours, may be necessary for competition and public relations. However, special controls must be devised to fit the circumstances of these promotions and to evaluate incremental revenue versus cost increase.

II. PROCEDURES

Promotion results must be reported to Chief Executive Officer, and negative promotions discounted if losses cannot be reversed immediately. Officer/entertainment checks must be used to record free items, which should be charged to Food and Beverage Promotional Expenses.

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| | AREA Food & Beverage Revenue | PROCEDURES Mini Bar Revenue | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

This procedure is to ensure the capture of all revenue from the sale of mini-bar food and beverages. Mini-bar revenue must be recorded as Food and Beverage revenue. Mini-bars must be lockable.


II. PERSONNEL/DEPARTMENT INVOLVED

- A. Cost Controller
- B. Housekeeping
- C. Mini-bar Attendant
- D. Front Office

III. PROCEDURES

- A. Stock – Mini-bar stock should be stored as follow:
- B. Charge/Requisition Vouchers – The Mini-bar Attendant or Housekeeping Attendant must take inventory of each mini-bar daily and record consumption on three-part charge/requisition voucher which will be distributed as follows:
 1. Copy #1 to Front Office for posting guest charges
 2. Copy #2 to requisition stock replenishment
 3. Copy #3 to guest as document of charges

All requisition copies must be listed on a summary sheet sent to the Cost Controller, who will forward the summary and the vouchers to the Storekeeper as requests for replenishment. Each day, the Cost Controller will match actual stock usage against charges on the guest folios, explaining and reporting any differences in writing to the Financial Controller. These daily summaries will be recorded on a monthly summary and used to check the accuracy of the mini-bar stock. The Cost Controller must also calculate the potential sales. Refer to the ***“Beverage Cost Control – Actual and Potential Beverage”*** procedure.

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HOTEL ACCOUNTING STANDARD MANUAL


I. PURPOSE

The following procedures apply to employees' duty meals, as well as meals and beverages which may be authorized for advertising or promotional purposes.

II. PROCEDURES

A. Duty Meals

1. Duty meal checks (officers' checks) are numerically controlled and issued to each outlet. Each check is a two-copy set with a four-part perforation on the second copy which acts as a Captain's order.
2. Beverages are ordered first, and then food and sales values are recorded on the officers' checks. The Captain's order is given to the kitchen or service bar for food preparation, and then put into a drop box to be collected by the Cost Controller each morning.
3. Staff will sign their checks after each meal and give them to the Cashier who will date stamp and posted them to the locally-designed sales/waiter summary.
4. The Cashiering Officer will count duty meal checks at the end of the day and summarize missing checks weekly on a standard form. The Night Guest Service Agent will vouch duty meal checks and post them. The Accounting Department will balance the total with detailed analysis (food and beverage report) at the end of the accounting period.
5. The Cost Controller will determine year-to-date cost percentage to credit food and beverage costs and debit individual departments for meals consumed. This costing will be done through the monthly food and beverage report. The Cost Controller will compare the Captain's orders with the duty meal checks.

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B. Entertainment Checks

The General Manager must approve senior staff's entertainment privileges. Senior staff will submit an entertainment form to the General Manager before the event.


(For ad-hoc entertainment, the form must be submitted no later than the following day)

At the end of every accounting period, the Cost Controller will list General Manager's entertainment checks, stating the purpose of the entertainment. The list must be submitted to the Managing Director for approval. A signed copy will be filed in the General Manager's office.

1. Entertainment checks will be issued following the same procedures as duty meal checks. The Cashiering Officer will be responsible for entertainment checks control and reporting.
2. On the check, the staff member must sign his full name, the name of the party being entertained and his company affiliation.
3. The Night Guest Service Agent will process the entertainment checks, post the amount of food and beverages, and balance the amount with detailed analysis by the Accounting Department at the of the accounting period.
4. The Accounting Department will analyze consumption and prepare a consumption report for the General Manager and Department Heads every accounting period. The Cost Controller will use the report to determine cost calculations for each accounting period.
5. The Cost Controller will determine year-to-date cost percentages to credit food and beverage costs and debit individual department entertainment accounts.

C. Staff Canteen

The staff canteen bases its cost record on storeroom requisitions, kitchen transfers or daily direct purchases; the totals of these are summarized daily on the Staff Canteen Cost Record.

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Meal ticket sales for cash to Hotel employees/non-employees are controlled by the Accounting Department, which gives the total to the Cost Controller at the end of the accounting period. This figure is used as a credit to the total cost of employee meals.

When leftover buffet or party food is transferred to the Staff Canteen, the Cost Controller must ensure that no cost is transferred to the Staff Canteen along with the food.

Also refer to the ***“Food and Beverage Inventories – Accounting Period Food and Beverage Inventory”*** procedures.

D. Private Parties / Functions

Parties organized at cost for employees are to be charged to the individual concerned. All private functions must be authorized, in writing by General Manager.

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HOTEL ACCOUNTING STANDARD MANUAL

I. PERSONNEL/DEPARTMENT INVOLVED

Control of guest group functions, such as meetings and banquets, is the responsibility of:

- A. Food and Beverage Manager or Banquet Manager (if any).
- B. Cost Controller.
- C. Account Receivable Clerk.

II. PROCEDURES


A. FUNCTION DIARY

A function diary must kept by the Food and Beverage Manager. This diary serves as a permanent record of banquets and other functions and must include the following information, recorded in pencil:

1. Name and address of the sponsoring group or company.
2. Name and telephone number of the guest making the reservation.
3. Method of payment, rate quoted and banquet contract number.

B. FUNCTION SHEET / CONTRACT

A pre-numbered function sheet or contract (**Function Reservation Form attached**) must be completed as a confirmation of each function and a record of all relevant information. If the function cost exceeds US\$ 500 the Financial Controller must approve the credit before contract is issued.

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All issued function sheets or contract must be recorded in a logbook in numerical sequence, and must contain the guest's name, type of function and event date.


1. The original and second copy will be given to the guest with a letter asking to him to sign and return second copy.
2. Third copy will be filed numerically in pending file in the Food and Beverage Department.

When the function sheet/contract is signed and returned by the guest, information concerning the function will be entered into the **Function Diary** in ink.

Refer to ***Function Reservation Form*** attached.

C. WEEKLY FORWARD PLAN

The Food and Beverage Manager will use the function sheets/contracts to produce a weekly forward plan. Copies of this plan will be distributed to all relevant departments any changes will be circulated by **memo** with a cross-reference to the function sheet/contract number.

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FUNCTION RESERVATION FORM

Function Booking No. _____

No.: xxxxxxxxxxxx

| | |
|-----------------------|--------------------|
| Company Name _____ | Contact Name _____ |
| Company Address _____ | Telephone _____ |
| _____ | Fax No. _____ |

☐ Half-Day Package ☐ Full Day Package ☐ Cost Indicated Below Start Date: _____ End Date: _____

| Date | Time | Function Name | Room Name | Room Layout | No. Person | Costs |
|------|------|---------------|-----------|-------------|------------|-------|
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Package Include:

HALF DAY:

Morning Coffee Break
Lunch
Afternoon Coffee Break
Meeting Room

FULL DAY:

Morning Coffee Break
Lunch
Afternoon Coffee Break
Meeting Room
Accommodation
Dinner
Breakfast

Conference/Audio Visual Requirements
Provided Free of Charge: Flipchart and pens;
Overhead Projector; Whiteboard Pens; Pointer

IF NOT F.O.C:

Overhead Projector ☐ \$. _____/day
LCD Projector ☐ \$. _____/day
Television ☐ \$. _____/day
Video Player/Recorder ☐ \$. _____/day
Others; \$. _____/day

Accommodation Requirements

Arrival Date: _____ Departure date: _____

Singles _____ @ \$. _____ Doubles _____ @ \$. _____

Twins _____ @ \$. _____ Suites _____ @ \$. _____

Others _____

Special/VIP Requirements

Accounting Instructions

☐ Total account to company ☐ Rates Confidential
☐ Total Account to individuals ☐ Payment on Departure
☐ Room only to company ☐ Room to Individuals
☐ Others: _____

To guarantee your reservation:


Return the copy to the hotel by _____ Send a deposit of _____ to the hotel by _____

Send a rooming list to the hotel by _____ Signature _____ Date _____

All rates include a service charge and tax. Rates listed are per room per night unless otherwise stated.

Please check the above and, if there are any discrepancies, please contact Tel: +62 361 751369; Fax: +62 361 752673 immediately.

Please refer to the reverse of this form for all contractual conditions, including our cancellation policy

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| | AREA Function Revenue | PROCEDURES Function Requisition and Return Sheet | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPPPOSE

The **Function Requisition** and **Return Sheet** are deigned to:

- A. Record banquet sales, which may be set at specifically, reduced prices.
- B. Control any beverage transferred from the Bar into the public room area.
- C. Ensure that the actual consumption corresponds to the sales for each function.
- D. Eliminate pilfering by ensuring return of unconsumed beverages to stock.


Refer to the ***Function Requisition and Return Sheet attached***

II. CRITERIA


A separate Function Requisition and Return Sheet must be used for each banquet and private party. The total actual sales on the sheet should correspond with the money collected or the charges made.

III. PROCEDURES


- A. The heading of Function Requisition and Return Sheet must be included :
 1. Date
 2. Function Room
 3. Name of Function
 4. Outlet or store supplying the beverages
 5. Function contract number
 6. Function check number

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- B. The Function Requisition and Return Sheet will also include columns for:
1. Item Number - entered from price list by Restaurant Manager
 2. Name of Beverage - entered from price list by Restaurant Manager
 3. Unit (drinks or bottle size) - items required for function
 4. Amount Issued - items required for function
 5. Amount Returned - entered by Restaurant Manager or Storekeeper at the end of function, when unconsumed beverages are returned.
 6. Amount Sold - calculated by Restaurant Manager (amount issued minus amount returned)
 7. Unit Actual Sales - entered from banquet function contract
 8. Total Actual Sales - calculated by Restaurant Manager (Amount Sold multiplied by Unit Actual Sales)
 9. Unit Potential Sales - entered from beverage price list by Cost Controller.
 10. Total Potential Sales - calculated by Cost Controller (Amount Sold multiplied by Unit Potential Sales)
- C. The Restaurant Manager will compile the headings and first four columns.
- D. All three copies of the sheet will be signed as appropriate and taken to the outlet or store supplying the beverages.
- E. After the function, any unconsumed liquor should be returned to the outlet or store. The Restaurant Manager or Storekeeper will check off the unconsumed liquor in the **“Amount Returned”** column and sign the sheet.
- F. The Restaurant Manager will:
1. Subtract the amount returned from the amount issued to calculate the amount consumed/sold, and
 2. Multiply the amount sold by the actual unit sales price to calculate the actual banquet sales.

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- G. The Restaurant Manager or Head Waiter will record the actual banquet sales on a banquet check.
- H. The original Function Requisition and Return Sheet will then be sent to the Cost Controller, who will :
1. Take the bottle sales from the sheet and record them on the perpetual record as being issued when the items are taken from the storeroom, and
 2. Complete the **“Potential Sales/Unit”** and **“Potential Sales/Total”** columns and ensure that all required signatures are on the bottom of the sheet.


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FUNCTION REQUISITION AND RETURN SHEET

FUNCTION: _____ **DATE:** _____
FUNCTION ROOM: _____ **FUNCTION CONTRACT NO.:** _____
OUTLET: _____ **CHECK NO.:** _____

| Item No. | Description | Unit | Amount | | | Actual Sales | | Potential Sales | |
|----------|-------------|------|--------|--------|------|--------------|-------|-----------------|-------|
| | | | Issued | Return | Sold | Unit | Total | Unit | Total |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
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|---|--|
| ISSUES: Requisitioned by: _____ Issued by: _____ Received by: _____ | RETURNS: Stock Returned by: _____ Received in Service Bar/Store by: _____ Approved by: _____ |
|---|--|

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| | AREA Function Revenue | PROCEDURES Function F & B Revenue Control | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PROCEDURES

A. BANQUET DEPARTMENT SALES SUMMARY


The banquet department sales summary is used to analyze complete banquet sales for each function served on particular day.

1. Each day, the Banquet Department in Sun Paradise Hotel be handled by **“Restaurant Manager”** will prepare the sales summary for all banquet functions served.
2. The original will be sent to the Front Desk with the banquet service checks for validation by the Front Desk accounting computer.
3. After validation, the Front Desk will send the original to the Cost Controller; attaching each individual Function Requisition and Return Sheet and each guest check for verification.
4. After the Function Requisition and Return Sheet has been verified and reconciled to the guest check, the Cost Controller will verify that all banquet bills and contracts have been received. This is done by checking the contract numbers against the Banquet Department's by banquet contract logbook or function diary.

B. CASH/CREDIT CARD/ROOM CHARGE PROCEDURES

1. CASH SALE WITH DRINK TICKET


- a. Drink tickets will be sold in different colors, with each color representing a different monetary value or beverage items.
- b. Drink tickets will be recorded in numerical sequence by the Accounting Department and issued to the Restaurant Manager, who will sign for the number of tickets received.

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- c. The Restaurant Manager will then issue the required tickets to Cashier.
- d. The guest will buy drink tickets from the Cashier.
- e. The Bartender will collect the drink ticket from the guest when the drink is served. The drink ticket will be deposited in a locked box.
- f. After the function, the Bartender will submit the tickets to the Cashier, which will total the cash receipts and reconcile the tickets with the cash received.
- g. The Cashier will then prepare the cash turn-in and deposit it, with the first and last ticket. The cash receipts must **NEVER** be turned over to the Restaurant Manager.
- h. The General Cashier will submit the tickets and a cashier's report to the Cost Controller, who will calculate the potential sales on the Function Requisition and Return Sheet and compare total money received to expected sales.
- i. Any discrepancies between actual cash sales and expected cash sales must be reported to the Financial Controller.

2. CASH SALE WITHOUT DRINK TICKET

- a. On a cash bar without ticket sales, the guest will pay the Bartender for the Drink. The Bartender is accountable for all moneys received.
- b. At the end of the shift or function, the Bartender will make separate cash turn-in to the Front Desk.
- c. The Restaurant Manager will use the Function Requisition and Return Sheet to calculate the expected sales value of merchandise consumed. The Cost Controller will verify this calculation.
- d. Discrepancies between actual cash sales and expected cash sales should be reported to Financial Controller.

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3. FOOD SALES

- a. The Restaurant Manager will record the number of persons and the value of food sales on each Function Requisition and Return Sheet.
- b. The Kitchen Chef will approve the accuracy of these figures and sign the appropriate part of the Function Requisition and Return Sheet.

C. INVOICE VERIFICATION

The Accounts Receivable Clerk will verify the accuracy of the invoice before it is sent to the guest, using relevant documentation such as function sheet or contract etc.

To ensure that an invoice has been raised for every function, the amount will be written next to the function in the Function Diary.

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| | AREA Telephone/Fax/Email Revenue | PROCEDURES Control and Procedures | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

Management will review the monthly cost of sales figures to identify revenue losses or cost increase for local and long – distance telephone/fax services provided to guests. Hotels with computerized telephone system will ensure that staff fully acquainted with the system. The Financial Controller is responsible for training appropriate staff in charging for these services.

II. CONTROL


A. REVENUE CONTROLS

The General Manager will ensure consistency of rates is allowed by government and commonly used by other hotel in Indonesia.

The Sun Paradise Hotel will decide cost of sales is 65% after put Value Added Tax from telephone company price, and no other charges (no tax and service charge).

The Financial Controller will instruct the Income Auditor and Front Office staff (Operator) on using relevant printouts *for posting and control purpose*.

1. The Night Auditor will reconcile the telephone printout, and then total the charges with the Front Office (Operator) balance, ensuring all charges have been posted.
2. The Income Auditor will spot check the pre-programmed prices and signs the relevant printout.
3. End-of-month telephone computer printout balances will be recorded in a logbook.

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A. ACCOUNTING CONTROLS

1. Telephone Invoices

The Accounting Department will have a telephone plan indicating all extensions.

- The Accounting Clerk must check the telephone company invoice against the extension numbers, reconciling the charges with the traffic sheet or computer printout.
- Invoices and charges for faxes will be reconciled with log-prints.
- In complicated cases, hotel record must be reconciled against telephone company invoices for five (5) days during the billing period. These must be noted on the relevant invoices or records.

2. Monthly Analysis


The Financial Controller will calculate a monthly cost of sales percentage to document as follows:

| <u>Month</u> | <u>Revenue</u> | <u>Cost</u> | <u>C.O.S. %</u> | <u>Prior Year %</u> |
|--------------|----------------|-------------|-----------------|---------------------|
|--------------|----------------|-------------|-----------------|---------------------|

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| January |
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Variances above one (1) percent must be investigated and documented.

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C. MANAGEMENT USE OF TELEPHONE / FAX


1. Use of these services will be listed separately for review and approval by the General Manager and Financial Controller.
2. The Accounting Department must investigate high-cost phone calls and document reasons.

D. TELEPHONE CARD

1. Cost of Sales

The cost of sales of telephone card should be 65% from buying the telephone card from the suppliers.

2. The sales should be under “Shop or Drugstore” sales **NOT** under telephone sales.


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| | AREA Telephone/Fax/Email Revenue | PROCEDURES Telephone Coin Boxes | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PROCEDURES

When the Hotel receives all telephone box revenues, the telephone coin boxes will be emptied by two (2) employees who must count and sign for the cash.

When the Hotel receives commission only from the telephone boxes, an Accounting Clerk witness emptying of the coin boxes, and records the cash amount in a logbook. Where a meter is involved, the meter information will also be posted in the logbook, and the commission invoice will be reconciled against it.

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| | AREA Leisure Club Revenue | PROCEDURES Controls and Procedures | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

Hotels providing leisure club facilities must establish procedures as described below to capture all revenues.


II. PROCEDURES

A. Membership List

We will maintain a membership list with names, address, billing address, membership renewal dates and any pertinent information.

B. Admission to Facilities

1. The pre-numbered membership cards or pre-numbered tickets must be printed by and external company. The company invoice must be state the number of cards and the number range.
2. The pre-numbered cards must be stored in a secure place accessible only to the Financial Controller.
3. Each member must sign a membership card, which will then be laminated.
4. At the club entrance members must show their cards and sign their names and numbers in a **“Daily Log Showing Entry”** and exit times.
5. If guest in the house, use the facilities club without charge, they must sign their names and room numbers in the entry log. The Accounting Department should spot check names against room numbers, and document spot checks in the entry log.

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6. Daily usage charges must be displayed in clear view of guest. The amount charged for daily usage must be entered beside the guest's name on the entry log. Upon payment, the guest must be provided with a pre-printed ticket.

C. SPA & CLUB INVENTORY

1. If the towels or clothing is sold through the spa & club, a perpetual inventory must be maintained, along with a daily sales log. A monthly inventory must be completed and verified against the perpetual inventory, with all discrepancies accounted for.
2. For Inventory security, must be maintained all times to prevent loss.
3. For all revenue will be used the Miscellaneous Charge or Special Charge Form will be used.

D. ACCOUNTING

1. Because almost all leisure facilities in L'anmien Resort are rented by second party, so only **"Spa & Beauty Treatment"** will be not established in the separate profit and loss statement, because non-profit department. All revenue and cost will be recorded into the appropriate accounts.
2. For Baby Sister will make daily charge report and submit to Front Desk.
3. For other leisure clubs, the Accounting Department is responsible for billing, account receivable and collection of all membership dues, advising the Financial Controller of unpaid amounts.
4. The Income Auditor must be review the entry log to ensure only authorized members are allowed entry and that unpaid membership are canceled or those members refused entry.


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5. An inventory must be taken of the pre-numbered cards and tickets, and the Account Supervisor will makes a reconciliation between the pre-numbered cards/tickets sold and revenue booked.
6. The Income Auditor will verify daily charges entered on the entry log against the attendants' report.

E. INSPECTION BY MANAGEMENT

At unscheduled intervals (and at least weekly), a member of senior management should check the entry log to verify the number of members using the spa & club, then sign the log as documentation of the check. Check of member signatures is also recommended.

In case of daily charges, management should perform spot checks by asking the attendants some bill or logbook. These are for leisure with condition percentage form the revenue (if will any on future).

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| | AREA Other Income | PROCEDURES General | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE


Other Income is comprised of all non-operating revenues and is subject to the same degree of accountability and controls as other forms of revenue. The Other Income areas discussed in these Standard Operating Procedures are not exhaustive. The Financial Controller must establish internal control procedures which will ensure complete control over revenue and costs.

II. PROCEDURES

All cash revenues from Other Income must be recorded through the Front Office HOTEL System and posted against separate folios [called ***"Cash – Sales"***]. Other Income must be posted as revenue, and expenditures posted as cost.

Cost of sales percentages may indicate loss of revenue. Therefore, calculation and review of cost of sales percentages are recommended for all Other Income.

The Financial Controller should list the cost of sales percentages on a 12-month cycle for identification of any trends.

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|  <i>Labersa Grand Hotel & Convention</i> <i>where luxury and leisure blends in harmony</i> ★★★★★ | HOTEL ACCOUNTING STANDARD MANUAL | III - 18 | PAGE 166 |
| | AREA Other Income | Effective: PROCEDURES Store Rental | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL


I. CRITERIA

Rentals of available Hotel space may be assessed at a fixed rate or at a percentage of the vendor's sales, and supported by current agreements.

II. PROCEDURES

- A. Lease agreements must be approved by Managing Director and filed in the Accounting Department.

- B. Billing of rental spaces must be through routine accounts receivable procedures. If rental is percentage of vendor's sales income, yearly financial statements must be obtained from the vendor (and, if possible, authorized by external auditors) to verify the vendor's income and rental percentage, based on the vendor's sales income.

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| | AREA Other Income | PROCEDURES Foreign Exchange | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

As a service to Hotel guest only, foreign currency may be converted into local currency. The rates of exchange will be display in the Front Office, where allowed by Local Law.

II. PROCEDURES

- A. The Guest Service Agent will maintain a booklet with pre-number vouchers with indicate the guest's name, room number and calculation of the conversion rates. The vouchers will be signed by the guests and the Guest Service Agent. Also ***Refer to Foreign Currency Form attached.***
- B. All rates of exchange will be calculated daily against the buying rate of the bank and a percentage to cover additional bank charges. The buying rates of the bank will be obtained from the local bank.
- C. Vouchers will be reviewed by the Account Supervisor daily to ensure correctness.

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CURRENCY VOUCHER

No : 00001


| | |
|--------------------|------------------|
| Guest Name : _____ | Room Nbr : _____ |
| | Date : _____ |

| Nominal | Rate | Serial Number of Bank Notes/Traveler Cheques | Amount |
|---------|------|--|--------|
| | | | |
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| TOTAL | | | |

Guest Service Agent

Guest Signature :

Copy : Guest/Fin/FO

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| | AREA Other Income | PROCEDURES Laundry Revenue | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Laundry and valet service are normally provided to guests, and may be performed by an outside company or the Hotel's laundry personnel. Laundry services may also be provided for Hotel's employees' uniforms, depending on hotel practices.


II. PROCEDURES

A. **RATES OR PRICES**

Guest rates for laundry/valet services should include a surcharge above hotel cost.

B. **GUEST CHARGES**

1. A traffic sheet must be prepared before routing guest laundry and use separate sheet for in-house laundry, if we are sending both laundries together to outside laundry. This sheet will followed up:
 - a. Record guest laundry by name and room number
 - b. Serve as a checklist for laundry invoice payment.
 - c. Provide an additional crosscheck for the Night Auditor concerning laundry charges to the Guest's room folio.
2. Upon return of the guest's laundry, all charges must be posted on the Front Desk HOTEL Computer System and checked off on the Front Desk copy traffic sheet.


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| | AREA Other Income | PROCEDURES Laundry Revenue | By: Drs. A. Agus Purwanto, MM |

C. REVENUE CONTROLS

The General Manager will ensure consistency of rate is competitive with other hotel around Area, so the budget revenue will be covered.

The L'anmien Resort & Spa has decided cost of sales is 50 % before Tax and Service Charge.

1. The Financial Controller will instruct the Income Auditor and Housekeeper to use properly charge into the "Laundry Charge Form".
2. The Laundry Manager has to prepare **"Summary of Laundry Sales"**, each day and submits to the Front Desk together with charge forms.
3. The Night Auditor will to reconcile the Summary of Laundry Sales with the HOTEL computer printout, to ensure all charges have been posted.
4. Every morning the Income Auditor will spot check the pre-programmed prices and signs the relevant printout from SMILE Computer System.


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| | AREA Other Income | PROCEDURES Laundry Revenue | By: Drs. A. Agus Purwanto, MM |

D. ACCOUNTING CONTROLS

1. Laundry Charge Forms

The Accounting Department has to control between guest laundry and house laundry. The Housekeeper has to inform to Financial Controller **“Basic Cost”** each items, in order to make easy for department charging for linen and uniform.


- 1.1 Guest Laundry invoices will be charged to the Cost of Guest Laundry account.
- 1.2 Employee Laundry invoices will be distributed to the Laundry Expense account of the appropriate department.
 - a. The cost controller must check and record all requisition issued by Laundry Department, will be charged as House Laundry, and then distributed to other department.
 - b. The House Laundry has to record the items to laundry and end-of-month will to send to Accounting Department cq Cost Controller.
 - c. Guest Laundry Sales have to use “Laundry Charge Form”, and be summarized each day.

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| | AREA Other Income | PROCEDURES Laundry Revenue | By: Drs. A. Agus Purwanto, MM |

2. Monthly Analysis

The Financial Controller will to calculate a monthly cost of sales percentage to document as follows:

| <u>Month</u> | <u>Revenue</u> | <u>Cost</u> | <u>C.O.S %</u> | <u>Prior Year %</u> |
|--------------|----------------|-------------|----------------|---------------------|
| January | | | | |
| February | | | | |
| March | | | | |
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| | AREA Other Income | PROCEDURES Foreign Exchange | By: Drs. A. Agus Purwanto, MM |


ACCOUNTING DEPARMENT

I. CRITERIA

As a service to Hotel guest only, foreign currency may be converted into local currency. The rates of exchange will be display in the Front Office, where allowed by Local Law.

II. PROCEDURES

- A. The Guest Service Agent will maintain a booklet with pre-number vouchers with indicate the guest's name, room number and calculation of the conversion rates. The vouchers will be signed by the guests and the Guest Service Agent. Also ***Refer to Foreign Currency Form attached.***
- B. All rates of exchange will be calculated daily against the buying rate of the bank and a percentage to cover additional bank charges. The buying rates of the bank will be obtained from the local bank.
- C. Vouchers will be reviewed by the Account Supervisor daily to ensure correctness.

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CURRENCY VOUCHER

No : 00001


| | |
|--------------------|------------------|
| Guest Name : _____ | Room Nbr : _____ |
| | Date : _____ |

| Nominal | Rate | Serial Number of Bank Notes/Traveler Cheques | Amount |
|---------|------|--|--------|
| | | | |
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| | | | |
| | | | |
| TOTAL | | | |

Guest Service Agent

Guest Signature :

Copy : Guest/Fin/FO

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| | AREA Other Income | PROCEDURES Laundry Revenue | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PURPOSE

Laundry and valet service are normally provided to guests, and may be performed by an outside company or the Hotel's laundry personnel. Laundry services may also be provided for Hotel's employees' uniforms, depending on hotel practices.


II. PROCEDURES

A. RATES OR PRICES

Guest rates for laundry/valet services should include a surcharge above hotel cost.

B. GUEST CHARGES

1. A traffic sheet must be prepared before routing guest laundry and use separate sheet for in-house laundry, if we are sending both laundries together to outside laundry. This sheet will followed up:
 - a. Record guest laundry by name and room number
 - b. Serve as a checklist for laundry invoice payment.
 - c. Provide an additional crosscheck for the Night Auditor concerning laundry charges to the Guest's room folio.
2. Upon return of the guest's laundry, all charges must be posted on the Front Desk HOTEL Computer System and checked off on the Front Desk copy traffic sheet.


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| | AREA Other Income | PROCEDURES Laundry Revenue | By: Drs. A. Agus Purwanto, MM |

C. REVENUE CONTROLS

The General Manager will ensure consistency of rate is competitive with other hotel around Area, so the budget revenue will be covered.

The L'anmien Resort & Spa has decided cost of sales is 50 % before Tax and Service Charge.

1. The Financial Controller will instruct the Income Auditor and Housekeeper to use properly charge into the "Laundry Charge Form".
2. The Laundry Manager has to prepare **"Summary of Laundry Sales"**, each day and submits to the Front Desk together with charge forms.
3. The Night Auditor will to reconcile the Summary of Laundry Sales with the HOTEL computer system printout, to ensure all charges have been posted.
4. Every morning the Income Auditor will spot check the pre-programmed prices and signs the relevant printout from SMILE Computer System.


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D. ACCOUNTING CONTROLS

1. Laundry Charge Forms

The Accounting Department has to control between guest laundry and house laundry. The Housekeeper has to inform to Financial Controller **“Basic Cost”** each items, in order to make easy for department charging for linen and uniform.


- 1.1 Guest Laundry invoices will be charged to the Cost of Guest Laundry account.
- 1.2 Employee Laundry invoices will be distributed to the Laundry Expense account of the appropriate department.
 - a. The cost controller must check and record all requisition issued by Laundry Department, will be charged as House Laundry, and then distributed to other department.
 - b. The House Laundry has to record the items to laundry and end-of-month will to send to Accounting Department cq Cost Controller.
 - c. Guest Laundry Sales have to use “Laundry Charge Form”, and be summarized each day.

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| | AREA Other Income | PROCEDURES Laundry Revenue | By: Drs. A. Agus Purwanto, MM |

2. Monthly Analysis

The Financial Controller will to calculate a monthly cost of sales percentage to document as follows:

| <u>Month</u> | <u>Revenue</u> | <u>Cost</u> | <u>C.O.S %</u> | <u>Prior Year %</u> |
|--------------|----------------|-------------|----------------|---------------------|
| January | | | | |
| February | | | | |
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| | AREA Other Income | PROCEDURES Salvage Sales | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PURPOSE

When Hotel-owned supplies are no longer usable, they may be sold as salvage. All salvage sales must be approved in advance and documented.

II. PROCEDURES

A. Pricing


1. Normally, the General Manager and Financial Controller will price salvage items, assisted by the Housekeeper, Maintenance Engineer, etc.
2. When the General Manager or Financial Controller, or their relatives, purchase salvage items, the Chief Executive Officer must also approve pricing.
3. Competitive bids must be taken for sales of items with an original cost over US \$ 1,000, or for bulk sales (furniture, etc.).
4. Before any charitable donations of salvage items, the Chief Executive Officer must give written approval.

B. Required Records


A three-part receipt must be prepared for all salvage sales:

1. The original will be given to the purchaser as evidence of ownership.
2. Copy #1 will be attached to a miscellaneous charge voucher posted at Front Office HOTEL System (then sent to the Financial Controller if necessary for recording asset deletion).
3. Copy #2 will be retained by the General Manager or Financial Controller in a permanent chronological file as a record of the sales.

C. Salvage Sale Inventory

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The General Manager and Financial Controller will prepare an inventory list of all items for sale, showing the original/estimated price and closing inventory. The General Manager and Financial Controller will sign and file the list as a record of the sales.

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| | AREA Purchasing and Payment | PROCEDURES The Purchasing Cycle | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT


1. **CRITERIA:**

The purchasing cycle consist of all elements involved in the purchase of goods and services, from determining need to final used or sale. All elements together will forms the complete cycle for internal controls.

2. **PROCEDURES:**

A. **Responsibilities of Personnel Involved in the Purchasing Cycle**

1. Ensure that goods comply with orders and invoices and are of acceptable quality.
2. Record all transactions on appropriate forms such as Purchase Orders, requisition notes and delivery notes that may type into HOTEL Back Office System.
3. Pay only the agreed-upon price for what was actually received, and record the expenditure in the correct accounting period by payment or accrual to the HOTEL Back Office System.
4. Store goods immediately and secure against unauthorized use.
5. Verify financial records both randomly and routinely. The Financial Controller should also perform independent verifications to ensure that the internal control system is still in place.
6. Use the Daily Receiving Log to identify the sequence of the receiving function and to record petty cash purchases of substantial value (Refer to "Receiving Procedures).
7. Sign the relevant documents as evidence that the above checks have been performed.


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|  <i>Labersa Grand Hotel & Convention</i> <i>where luxury and leisure blends in harmony</i> ★★★★★ | HOTEL ACCOUNTING STANDARD MANUAL | IV - 1 | PAGE 182 |
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| | AREA Purchasing and Payment | PROCEDURES The Purchasing Cycle | By: Drs. A. Agus Purwanto, MM |

B. Vendor Selection:

The purchasing cycle starts with the selection of a potential supplier. If orders are recurring, the Department Head or purchaser (if assigned) will conduct and document a quarterly market survey to substantiate vendor choice.

In the case of a one-off order, at least three (3) quotations must be obtained, with selection depending upon the level of pricing, quality, consistency and service.

Vendor choices must be substantiated on appropriate documents.

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ACCOUNTING DEPARMENT

1. **CRITERIA**

Hotels may use contract purchasing when it requires a specific item or quality level not normally carried by the vendor and some purchase guarantee is required to protect the vendor's special inventory investment.

Contract purchasing agents a particular vendor exclusive right to provide a category or categories of goods or services to Lagoi Bay Resort, normally in return for some preferential treatment in terms of pricing or service.


Purchasing contracts are not recommended unless:

- A. They will bring cost and service benefits which could not otherwise be obtained, or
- B. A contractual commitment is necessary to obtain the desired goods or services from the vendor, and no alternative is available.

2. **PROCEDURES**

Purchasing agreements are legally binding CONTRACTS and subject to the same policy and procedural requirements as any other contract.

- A. These contracts must be initialed by the Chief Executive Officer prior to authorization to hotel General Manager.
- B. The term of purchasing contracts shall not extend beyond one year.
- C. All current contracts must be filed in the Accounting Department. A record must be maintained to enable verification of received invoices.

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| | AREA Purchasing and Payment | PROCEDURES The Purchasing Cycle | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

1. **PURPOSE:**

To a significant degree, purchasing is controlled by budgetary constraints. However, numerous other factors must be considered in managing an effective and efficient purchasing programme.

2. **CONTROLS:**

A. Purchase Timing

Seasonal needs must be anticipated and the lead time between ordering and receiving must be considered. Accurate records must be maintained of existing inventory levels as well as historical and projected usage/needs. For every item, a minimum/maximum inventory value will be calculated and recorded on the computerized bin cards. In the case of food and beverage items, a separate listing must be produced by the Food and Beverage Controller and authorized by the Food and Beverage Manager.


B. Economic Order Quantities

The vendor's pricing structure and transportation cost must be considered in ordering. The most economical quantity may be determined by referring to the per-unit cost of various order quantities.

C. Inventory Balance

Imbalance within a given inventory (for example 1,000 cups and no saucers) results in needless direct expense and inventory carrying costs.

There is a real financial cost involved in carrying inventory. This cost can be equated at least to the cost of borrowing money from the bank.

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| | | Effective: as per your date | |
| | AREA Purchasing/Receiving Procedures | PROCEDURES Authorization and Approvals | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA

Initial purchasing controls are dependent upon a system of authorizations and approvals. Approval of the annual operating budget and capital expenditure budget establishes expenditure parameters for a Hotel. This approval does not, however, constitute a direct authority to commit or expend funds. Delegation of purchasing authority must be in writing and approved by the General Manager.

II. APPROVAL REQUIREMENTS


A. Food and Beverage Purchases

1. Routine, day – to – day purchases will be approved by the Food and Beverage Manager.
2. Daily fresh food ordered by the Kitchen Chef should be listed on a Market List, which is signed by the Kitchen Chef and approved by the Food and Beverage Manager ***Refer to Daily Market List Form***
3. Purchase Orders are not required for food and beverage purchases. Food and Beverage Order forms pre-numbered and approved by the Food and Beverage Manager, will be used for these purchases. ***Refer to Food & Beverage Order Form***

Food and Beverage Orders should be used mainly to provide internal records.

B. Operating Purchases


1. The purchase of supplies, maintenance/repair items, operating services and similar expenditures of a recurring, routine nature must be approved by the responsible Department Head, Financial Controller and the General Manager, and must be within the limitation of the Hotel's annual budget.

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2. For unusual or exceptional expenditures, the authorizing manager must obtain the General Manager's approval.

C. Lease and Contract Purchases

The signatures of Chief Executive Officer and General Manager are required for the approval and execution of a lease or other contractual commitment.

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FOOD & BEVERAGE ORDER

No. _____

Date: _____

To: _____


Company Address:

CONFIRMED: [] Phone
[] Salesman
[] Letter

| Quantity | | Stock Number | Description | Unit Price | Total |
|----------|----------|-----------------|-------------|------------|-------|
| Ordered | Received | | | | |
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Ordered by _____

Approved by _____
Food and Beverage Manager

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HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Purchase Orders should be pre-numbered and are required for all purchase other than food and beverage orders, as well as daily fresh items. The Purchase Order serves as the:

- A. Order approval document
- B. Vendor order or confirmation
- C. Department Head or Purchasing Manager's record
- D. Receiving document
- E. Match – up for invoice verification and payment, and accruals

Refer to Purchase Order Forms

II. PROCEDURES

With minor variations, the following system can be applied to all purchasing situations.


A. Custody and Usage Control

The General Manager will be responsible for custody and use of Purchase Orders. His Secretary will keep unused Purchase Orders in a secure storage area and record their use in a Purchase Order Logbook (***Refer to Form Purchase Order Logbook***). The Food and Beverage Manager will maintain a separate series of orders for food and beverage purchases, controlled in the same manner.

For capital expenditures a separate Purchase Order pack must be used. Refer to the Capital Expenditures section of the Standard Operating Procedure.

B. Purchase Request

1. Except for food and beverage orders, Department Managers will order via the Purchase Request Form, noting all costs and estimates

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on the form. The Department Manager and Financial Controller will sign the form before forwarding it to the General Manager for approval. (Refer to ***Purchase Request Form***)

2. Where the Food and Beverage Manager has purchasing authority, the Food and Beverage Order and Daily Market List will be initiated and signed by the Chef and the Food and Beverage Manager. (Refer to ***Food and Beverage Order Form also Daily Market List Form***)
 - a. Separate orders must be written for each supplier.
 - b. All items must be included on the form before ordering.

C. Purchase Approval

Refer to the ***“Purchasing/Receiving Procedures – Authorization and Approvals”*** procedure for approvals.

Where the Department Heads have purchasing authority, written approval will be issued by the General Manager, based on hotel authority limits as outlined by Managing Director.

D. Purchase Order Approval/Distribution


Purchase Orders must be approved by the General Manager and the Financial Controller. The General Manager’s Secretary will enter Purchase Order numbers and dates on the Purchase Request Form and distribute copies of this form as needed. After the Purchase Order has been checked for accuracy and signed, copies will be distributed to:

1. The Vendor
2. The receiving department (official receiving copy)
3. The Accounting Department for accrual
4. The General Manager’s Secretary
5. The originator
6. The Purchasing Department (if assigned)

For capital expenditure purchases, the #4 copy should be retained for the Hotel’s capital expenditure file.

E. Order Receiving

Refer to “Purchasing/Receiving Procedures – Receiving Procedures”

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ORIGINAL PURCHASE ORDER

| |
|------------|
| NUMBER |
| No.: _____ |

GOODS WILL NOT BE ACCEPTED UNLESS THIS
PURCHASE ORDER NUMBER APPEAR ON ALL
INVOICES, PACKAGES, PACKING SLIPS AND BILLS OF
LADING

TO: _____

DELIVER TO


| | | | | | | |
|----------|-------------|--|-------------|-------------|--|-------|
| Date | Request No. | Delivery Required | Vendor No. | Account No. | CONFIRMED { <input type="checkbox"/> PHONE <input type="checkbox"/> SALESMAN <input type="checkbox"/> LETTER DATE: _____ | |
| F. O. B | | <input type="checkbox"/> PREPAID <input type="checkbox"/> COLLECT | VIA | | | |
| QUANTITY | | STOCK | DESCRIPTION | | UNIT | TOTAL |
| ORDERED | RECEIVED | NUMBER | | | PRICE | |
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SPECIAL INSTRUCTIONS, PACKAGING ETC

1. Please acknowledge this order immediately giving price, if not specified above, and full delivery information.
2. Show our order number on all invoices, packages, shipping papers and correspondence
3. Packing slip showing contents and purchase order number must accompany all shipments
4. Mail invoice in duplicate with bill of lading or express receipt promptly other shipment
5. Monthly statement of account is required promptly after end of each month
6. Discounts will be taken from date of invoice or receipt of goods whichever is later

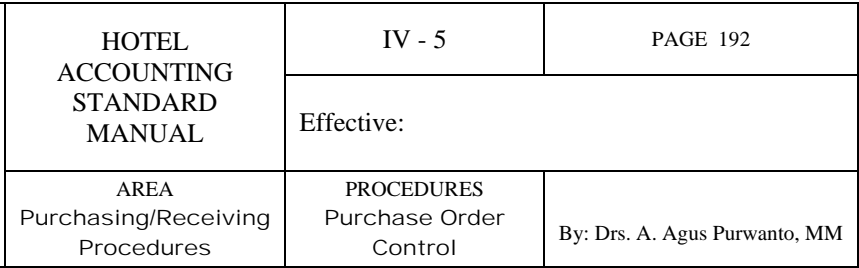
Financial Controller


General Manager

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PURCHASE ORDER LOGBOOK

| Date | P.O Number | Department/ Receiver's Name | Vendor | Amount | Initials/G.M |
|------|---------------|--------------------------------|--------|--------|--------------|
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HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

The Receiving Clerk must verify the quantity and quality or condition of the items ordered versus received, by comparing them to the approved Purchase Order or Food and Beverage Order. The ordering department must be notified of discrepancies. Receiving Clerk will be instructed in writing to return goods to supplier where is no authorized Purchase Order or Food and Beverage Order.

Especially for Food and Technical items, the quality control of the items the department requestor must involved on the receiving the items.

II. PROCEDURES

With minor variations, the following system can be applied to all receiving situations.


A. The Open – Order File

When an order is placed, the #2 copy of the Purchase Order/Food and Beverage Order or Daily Market List will be forwarded to the receiving department(s). These will be filed in the open – order file, in alphabetical order by vendor name.

B. The Daily Receiving Report

A Daily Receiving Report will be prepared daily in two copies. The report numbers will be consecutive, beginning with 0001 on the first day of each fiscal year. The receiving department will send the original copy to The Accounting Department with Purchase Order/Food and Beverage Orders, delivery notes/invoices, and freight/duty invoices attached. The duplicate copy will be filed in the date order.

Refer to Daily Receiving Report Form attached

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C. Receipt of Orders

Upon delivery of an order:


1. The vendor name and Purchase Order/Food and Beverage Order number will be determined from the driver's delivery receipt or invoice, and the Purchase Order/Food and Beverage Order or Daily Market List copies will be removed from the open – order file.
2. The number of boxes or pieces will be counted before signing the delivery receipt. All pieces must match the invoices/delivery notes. The Executive Chef and receiver must inspect and sign for all perishable items.

Prices must be extended and totaled on all delivery notes. This will facilitate matching invoices with delivery notes and listing accruals at period end.

3. With the next consecutive receiving number, the Purchase Order/Food and Beverage Order number, vendor name, invoice/delivery note number, and amount (if available) will be entered on the Daily Receiving Report and classified per food item.
4. The following information will be entered on copy #2 of the Purchase Order/Food and Beverage Order: the receiving number, vendor number, account, food and beverage order and freight or duty (if applicable)
5. The shipment will be counted/weighed (the Chef will assist with perishables), and the data entered on copy #2 of the Purchase Order/Food and Beverage Order. If quantities ordered and received agree, the quantity received will be entered in the ***"Qty. Rec'd"*** column, or the quantity will be circled. If quantities ordered and received do not agree, the actual quantity will be entered in the ***"Qty. Rec'd"*** column and circled in red, noting "over" or "short".

Refer to Receiving Exceptions S.O.P


6. The shipment will immediately be forwarded to the appropriate storeroom or work area.

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7. At the end of the day's receiving hours, the Daily Receiving Report, with attached Purchase Orders/Food and Beverage Orders and invoices, will be delivered to the Accounting Department.

D. Storeroom Receiving

Upon receiving the shipment, the Storeroom Clerk will verify the receipt of all items ordered by entering actual quantities in the "Qty. Rec'd" column of Purchase Order/Food and Beverage Order copy #2. She/he will report all overages/shortages to the receiving department, which will note them on the same copy #2 and resolve any differences immediately.

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DAILY RECEIVING REPORT

FOOD AND BEVERAGE

Number _____

Date _____


| Receiving Number | Order Number | Supplier's Name | Invoice/Delivery Note Number | Amount | Signature of Receiver |
|------------------|--------------|-----------------|------------------------------|--------|-----------------------|
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OTHER THAN FOOD AND BEVERAGE

Number _____

Date _____

| Receiving Number | Order Number | Supplier's Name | Invoice/Delivery Note Number | Amount | Signature of Receiver |
|------------------|--------------|-----------------|------------------------------|--------|-----------------------|
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ACCOUNTING DEPARMENT

I. CRITERIA

The controls below are in addition to those in procedures titled “The Purchasing Cycle”, “Contract Purchasing”, “Purchasing Order Controls/General” and “Receiving Procedures/General”

II. PROCEDURES

A. Authorization and Approval

Before committing to a capital purchase, refer to the ***“Authorization and Approvals”*** procedure in the other Standard Operating Procedure, and to the Capital Expenditures section.

B. Vendor Selection

A minimum of three (3) bids must be obtained for capital purchases when the materials alone exceed the equivalent of US \$ 5,000 or the materials and labor in combination exceed the equivalent of US \$ 5,000


In the latter case, bids must be obtained for the materials and labor portions of the job if the labor will exceed 20% of the total expenditures. Competitive bids for lesser amounts then cited above are optional.

If three bids cannot be obtained due to local market conditions, the General Manager must sign a statement to this effect, stating the reason(s).

All bids and related correspondence/documents will be retained in the Hotel’s capital expenditures file.

C. Contract Purchasing

Bids are required as in B, above


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D. Purchase Order Controls

The Hotel will retain Purchase Order copy #4 in the capital expenditure file, transcribing all receiving and payment information onto this copy.

E. Receiving

Damage, loss, substitutions, etc., must be reported immediately to the General Manager and to the Engineer or Project Engineer, if assigned.

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| | AREA Purchasing/Receiving Procedures | PROCEDURES Services and Taxes/Licenses | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT


I. PURPOSE

The system for authorizations, approvals and Purchase Orders for non-material purchases (services, taxes, licenses and maintenance contracts) is the same as for material purchases.

II. PROCEDURES

- A. A Purchase Order for services, taxes, licenses and one-off contracts will be prepared, noting a brief description of the service, tax/license or one-off contract and the time period in the body of the Purchase Order. The Purchase Order will be entered in the Purchase Order Log, as with any other purchase.
- B. A record will be maintained in the Hotel/General Manager's office and receiving numbers will be alphabetically prefixed or assigned from a series not used by the receiving department(s).

The receiving record, along with Purchase Order copy #2 and the invoice, if available, will be forwarded to the Account Payable Department. Copies #5 and #6 may be sent to the Purchasing Department and appropriate Department Head.

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| | AREA Purchasing/Receiving Procedures | PROCEDURES Open-Order File Maintenance | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA

The open – order file consist of Purchase Order copies #2 and #3 which have not yet received. The file shall be periodically reviewed.

Refer to the ***“Receiving Procedure/General”*** procedure.

II. PROCEDURES


A. Before the close of each accounting period, a representative of the Accounting Department will review the open – order file for Purchase Orders meeting the following criteria:

1. Food and beverage orders (provisions) over ten (10) days
2. Local purchases (not food and beverage) over one (1) month
3. All other purchases over two (2) months.

B. The Accounting representative will contact the appropriate Department Head for follow-up or cancellation, then note results on the Purchase Order, which he will initial and date.

C. All cancellations will be faxed or otherwise confirmed in writing to the vendor. A copy of the cancellation will be attached to the Purchase Order, which will be retained in the open – order file for thirty (30) days. An order received after the cancellation must be reported immediately to the appropriate Department Head.

D. For further reference, all cancellation Purchase Orders should be identified as such in the numerical file.

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ACCOUNTING DEPARMENT

I. CRITERIA

A “receiving exception” is a receiving situation in which items ordered do not exactly correspond to items received, regardless of the reason. Receiving exceptions include:


- A. Transportation Over/Shorts – when the number of pieces/weight does not agree with manifest or bill of lading.
- B. Vendor Over/Shorts – when the number of pieces/weight is correct, but quality/type of items received does not agree with items ordered or invoiced

When the Receiving Clerk encounters a receiving exception, he must immediately establish its type and cause, then document the overage/shortage for further processing.

II. PROCEDURES

Procedures for receiving exceptions depend upon the type and cause of the overage or shortage. Refer to the “Transportation Over/Shorts” and “Vendor Over/Shorts” procedures.

Failure of the receiving department to follow these procedures exactly may seriously jeopardize the Hotel’s chances of filing claims against the freight carrier or vendor.

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ACCOUNTING DEPARMENT

I. PURPOSE

Transportation over/shorts occur when the number and/or weight of the shipment do not agree with the corresponding freight manifest or bill of lading, or when the shipment is damaged.


II. PROCEDURES

The following procedures will be used to establish the validity of a claim against a freight carrier:

A. Receiving Clerk's Responsibilities

No receiving employee will sign a delivery receipt before verifying the count or weight against the freight manifest or bill of lading, and visually examining the shipment for any obvious damage or signs of pilferage. If shortage or damage is noted, the receiving employee will:

1. Note the shortage or the nature of damage on both the freight company's and the Hotel's copies of the delivery receipt, and have both copies signed by the receiver and the driver. The Hotel's copy is the prime document for any claim against the freight company.
2. Notify the freight company's local representative of the shortage or damage, and ask if the company wishes to inspect damaged goods.
3. Complete the receiving procedure as usual, showing only actual goods received on Purchase Order copy #2. Rubber stamp "Transportation Claim Pending" across the face of Purchase Order copy #2.
4. Create two copies of a Transportation Claim Request. Refer to ***"Transportation Claim Request"***
 - a. FOR SHORTAGES, place the original in the on – order file to be used as the receiving document should the missing

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items arrive in a later delivery. Attach the duplicate to Purchase Order copy #2 and forward to the Accounting Department as usual, attaching the invoice and the signed, notated delivery receipt.


- b. FOR DAMAGES, hold the original with the damaged merchandise, pending inspection by the freight company's adjustor. Forward the duplicate to the Accounting Department as above.

5. Hold the Original Transportation Claim Request.

- a. FOR SHORTAGES, hold the request until missing items are received, but not longer than ten (10) days. When the items are received, process the Transportation Claim Request the same as Purchase Order copy #2. If the items are not received within ten (10) days of original order, mark the Claim Request "Not Received" and send to the Accounting Department.
- b. FOR DAMAGES, hold the Transportation Claim Request until damaged items have been inspected by a freight company representative, then send the Claim Request and freight company inspection report to the Accounting Department.


B. Accounting Department's Responsibilities

1. The Accounting Department will process vendor invoice involving Transportation Claim Requests as if all items invoiced were resolved. The duplicate Claim Request will be held in a "pending transportation claim" file until the original request is forwarded from the receiving department upon receipt of the missing items; after ten (10) days; or, in the case of damage, after inspection by the freight carrier. If missing items are later received, the original and duplicate Claim Request will be matched and filed with Purchase Order copy #2 in the closed accounts payable file for vendor payments.
 - a. FOR MISSING/SHORT ITEMS, the Accounting Department will invoice the freight carrier, supporting the invoice with the original Transportation Claim Request, the signed and notated delivery

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receipt and all documents and forms requested or provided by the carrier.

- b. FOR DAMAGED ITEMS, the Accounting Department will invoice the freight carrier for the amount agreed upon with the carrier's adjustor and indicated on the carrier's inspection report. The invoice will be supported with the same documents as for missing/short items, plus the completed inspection report.
2. The Hotel's copy of the invoice will be supported with duplicates or photocopies of the documentation listed above. Transportation claim will be carried as other receivables, offset as a credit against the appropriate expense, inventory or capital account.

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TRANSPORTATION CLAIM REQUEST

| Date Prepared _____ | | | | |
|--------------------------|-----------|----------|--|------------|
| Purchase Order No. _____ | | | Type of Claim: Over/Short [] Damage [] | |
| Vendor No. _____ | | | | |
| Vendor Invoice No. _____ | | | | |
| Item Description | Stock No. | Quantity | Unit Cost | Total Cost |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Claim | | | | |

| | |
|-------------------------|---------------------------------|
| Carrier Name: _____ | Weight/# Pieces per B/L _____ |
| B/L or Manifest # _____ | Weight/# Pieces Delivered _____ |
| Date _____ | Over/(Short) _____ |

Prepared by _____ Approved by _____

Note: Attach signed delivery receipt and carrier inspection report (for damage only)

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| | AREA Receiving Exceptions | PROCEDURES Vendor Overs/Shorts | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA

Vendor exceptions occur when the number of pieces and/or the weight received agree with the freight manifest or bill of lading, but the quantity of individual items received does not agree with the vendor invoice and/or the Purchase Order.

II. PROCEDURES


A. Receiving Clerk's Responsibilities

The receiving department will immediately report any shortages or substitutions to the ordering department, and note only those items actually received on Purchase Order copy #2. The receiving Clerk will circle in red quantities which do not agree, and note "Over" or "Short", with amounts. He will note all items received but not listed on the Purchase Order as "Over", with the amount. Then he will process the Purchase Order, vendor invoice and Daily Receiving Report in the usual manner. (See ***"Receiving Procedure/General"***).

B. Accounting Department's Responsibilities

Upon receipt of a Purchase Order showing over/shorts, the Accounting Department will prepare two copies of a Vendor Shortage Advice. The original will be attached to the Purchase Order, becoming a permanent part of the vendor payment actual payment to the vendor will be the invoice amount plus or minus the total of the Vendor Shortage Advice

Refer to ***Vendor Shortage Advice Form attached***

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VENDOR SHORTAGE ADVICE

| Date Prepared _____ | | | | | | |
|--------------------------|-----------------|----------------------|----------------------|---------------------------|-----------|------------|
| Vendor Name _____ | | | | Transport Agent _____ | | |
| Purchase Order No. _____ | | | | B/L or Manifest No. _____ | | |
| Invoice No. _____ | | | | Receiving No. _____ | | |
| Item Description | Stock Number | Quantity Invoiced | Quantity Received | Quantity Over/Short | Unit Cost | Total Cost |
| | | | | | | |
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|-------------------------|-------|
| Total Invoice Amount | _____ |
| Shortage/Overage Amount | _____ |
| Net Vendor Payment | _____ |
| Paid by Check # | _____ |
| Date | _____ |

| | |
|-------------------|---------------------|
| Prepared by _____ | Approved by * _____ |
|-------------------|---------------------|

* General Manager, Financial Controller or Chief Accountant ONLY

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| | AREA Accounts Payable | PROCEDURES Invoice Payment | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PURPOSE


The following procedures describe the processing of vendor invoices and related documentation. For controls and payment processes, refer to the Cash and Banking section of the other Standard Operating Procedure.

II. PROCEDURES

The following procedures apply to all hotel level purchases to be processes through the account payable system:

A. Each morning, the Account Payable Clerk will:


1. Review the prior day's Daily Receiving Report(s) to ensure that numerical continuity of receiving numbers is maintained from the previous day. Also ensure that completed Purchase Orders/Food and Beverage Orders are attached to each receipt.
2. Ensure that any required Transportation Claim Requests and vendor invoices/delivery notes are attached, properly completed and supported.
3. Process Purchase Orders/Food and Beverage Order and invoices for payment as follow:
 - a. Check quantity, item description, stock number, and cost per item on the Purchase Order/Food and Beverage Order. Compare these entries against the delivery note. Investigate differences in item description or quantity, with the assistance of the receiving department. Report any material cost differences to Financial Controller.
 - b. Check the Transportation Claim Request for accuracy, completeness and supporting documentation, making sure the claim is referenced on the Purchase Order. Process the

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original/duplicate claim in accordance with the “Receiving Exceptions – Transportation Over/Shorts” procedure.

- c. When appropriate, prepare Vendor Shortage Advice forms to reflect invoice amount(s) not being paid due to vendor shortages. Refer to the **“Receiving Exceptions – Vendor Over/Shorts”** procedure.
- d. Re-extend the vendor invoice to ensure an accurate total.
- e. Apply the “OK to Pay” stamp to the original and remittance copies of the vendor invoice, and attach an **Invoice Coding Form attached** indicating the date and account code. Code the packing against a separate account code which will be maintained on the balance sheet within inventories. Also indicate: the total payment amount (equal to the invoice total, plus or minus mathematical corrections); Vendor Shortage Advices; and trade discounts or rebates.
- f. Have the responsible Department Head approve and sign the invoice.
- g. Deliver the invoice, Purchase Order/Food and Beverage Order and other documents to the Accounting employee who prepare payment by bank transfer or cheque. This employee will enter cheque number, voucher number or transfer reference on the invoice when the payment is prepared.
- h. Have the invoice approved by the General Manager at the same time he signs the bank transfer or cheques. Cancel (date and stamp “PAID”) the remittance advice, invoice, Purchase Order/Food and Beverage Order, and supporting documents before returning them to the Accounts Payable Clerk.
- i. File cancelled documents alphabetically by vendor in the vendor payment file, in payment – date sequence.

- B. Invoice received by mail will be opened by the General Manager’s Secretary. Invoices will go directly to the Accounting Department, where the Accounts Payable Clerk will attach an Invoice Coding Form, immediately log in the


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invoices into the Invoice Received Book, and match them with the relevant Purchase Order/Food and Beverage Order and delivery note. Refer to ***Invoice Coding Form*** and ***Invoice Received Book***

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INVOICE CODING FORM

| | | |
|----------------------|---------------|-------------|
| Location | Supplier No. | Doc. Number |
| Invoice No. | Invoice Date: | |
| Invoice Gross Amount | Discount | |
| VA | % | |
| Account | Net Amount | Description |
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INVOICES RECEIVED BOOK

| Date | Hotel Invoice Number | Supplier's Invoice Number | Description | Amount | Invoices Distributed To Date | Returned to Accounting |
|------|----------------------------|---------------------------------|-------------|--------|------------------------------------|---------------------------|
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HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA


Some suppliers offer trade discounts to promote volume purchasing or to expedite payment. A volume – related discount reduction normally will be reflected in the invoice prices or on a separate credit invoice.

The Accounting Department must review all invoices for discount options. Credit invoices and cherub payments (rebates) must be credited to the relevant expense account(s).

II. PROCEDURES

Discounts, credit invoices and cash rebates must be treated as follows:

- A. Volume and time payment discounts both must be treated as a reduction in the price of the merchandise or service.
- B. Rebates and credit invoice are received after delivery and invoice payment, and, therefore, after inventory item prices have been determined. The following steps will prevent re-pricing of inventories and requisitions:
 1. Rebates and credit invoices applying to inventory items – must be credited to Other Income.
 2. Rebates and Loss accounts – must be credited directly to the relevant account.

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| | AREA Accounts Payable | Effective: PROCEDURES Vendor Statements & Duplicate Invoices | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARTMENT

I. PURPOSE

Except when specific arrangements have been made with a vendor to pay by statement, it is the policy of L'anmien Resosrt & Spa to pay by individual invoice, not by statement.

The vendor's statement can, however, provide useful information regarding the status of the Hotel's account. It may also identify problems in the receiving/accounts payable system. For this reason, all vendor statements should be referred to the Accounts Payable Supervisor and Financial Controller for possible action.


II. PROCEDURES

A. Vendor Statements

Upon receipt of a vendor statement, the individual invoices must be matched, paid and unpaid, against the statement.

B. Duplicate Invoices and Payment Requests

Under no circumstances may a duplicate invoice or photocopied invoice be processed for payment without a thorough, well – documented investigation. Payment requests must not be processed for payment.

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| | AREA Accounts Payable | Effective: PROCEDURES Vendor Payment File | By: Drs. A. Agus Purwanto, MM |


HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

The vendor payment file is the basic source of historical vendor payment information.

II. PROCEDURES

- A. The vendor payment file will document payment of vendor invoices, including the Purchase Order receiving copy, delivery notes and all documents relating to non-payments due to shortages, transportation claims, etc.
- B. The vendor payment file must cross – reference the purchase documents to the related cheque, bank transfer or cash voucher. The file may be arranged alphabetically by vendor name and payment date order/sequence within each vendor file.
- C. Access to the vendor payment file will be limited to authorized Accounting Department personnel. No original document will be removed from the file without the personal approval of the Financial Controller.
- D. The vendor payment file should be retained a minimum of one (1) year or as required by Vietnamese tax and law regulations. Files no longer required for day – to – day internal purpose may stored in a secure area, outside the Accounting Department if necessary. Records stored in such a manner must be clearly labeled ***“Do Not Destroy Before (date)”***

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| | AREA Food and Beverage Inventories | PROCEDURES Inventory Control | By: Drs. A. Agus Purwanto, MM |


ACCOUNTING DEPARMENT

I. CRITERIA

- A. Internal control procedures are necessary to prevent theft, misuse, spoilage and obsolescence of inventories.
- B. The management and control of inventories require these systems:
 1. Proper storage and physically secured storage areas to prevent unauthorized and unrecorded usage, waste and pilferage. All food and beverage inventory is subject to employees' use and must be secured against any misuses.
 2. Control of inventory items from the receiving area to the storeroom.
 3. Maintenance of accurate records to support the quantities and values of items on hand.
 4. Control of inventory issue and usage.
 5. Proper recording of inventory issue and usage.

II. PROCEDURES

- A. Storeroom Receiving
 1. A board, posted in the receiving area, must inform suppliers that deliveries may be made only between restricted hours. This will ensure that a responsible Receiving Clerk is present during deliveries.
 2. All goods must be received at the receiving area by the Receiving Clerk.
 3. After receipt and inspection, the inventory items must immediately be delivered to the storeroom or the requesting Department Head. Goods must be never being stored in hallways or outside storage areas. Refer to the purchasing and receiving procedures in the Purchasing / Account Payable section.


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B. Storeroom Facilities

1. The Hotel should have sufficient storage facilities, preferably WITHOUT access from the outside.
2. All storerooms, including par stocks and kitchen storage areas, must be lockable. Hotels using the electronic key card system should use separate locks on storage doors.

C. Key Control: Storerooms

1. All storerooms must be locked when unattended.
2. Only the Storekeeper and General Manager may have custody of storeroom keys.
3. After working hours, the Storekeeper must deliver his keys to the Front Desk. The keys must be kept in a sealed enveloped which is signed across the flap by the Storekeeper. The keys may be used ONLY for emergencies. Key use must be recorded in logbook.
4. Departments may receive goods from the storeroom ONLY during restricted hours. The General Manager and Financial Controller should inform all departments of those hours.

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ACCOUNTING DEPARMENT


I. PURPOSE

The proper storage, pricing and identification of food and beverage inventory items is essential to ensure that accounting records reflect the cost of usage and the asset value of inventories on hand.

II. PROCEDURES

A. Pricing

1. Food and beverage inventory items must be priced immediately upon receipt.
 - a. Local Purchases – The prices/costs will be taken from the supplier's invoice, including freight and transportation
 - b. Imported Items – The prices/costs will be taken from the invoice, including import duty, freight charges, local transportation, etc.
2. If goods arrive without an invoice, the Receiving Clerk must be complete the packing order, delivery note and/or pro-forma, then estimate the charges based on previous experiences and the supplier's price list.
3. The original packing order, delivery note and/or pro-forma will be sent to Accounts Payable, and the Storekeeper will retain a copy. When an official invoice is received, it will be sent to Account Payable and prices will be adjusted.
4. All freight and duty invoices for food and beverage purchases will be charged to the relevant inventory account. Any difference between estimated and actual freight and duty figures must be corrected by the Financial Controller at the end of each accounting period. The differences must NOT be adjusted on the individual item price.
5. Goods received for free from suppliers must be recorded with nil or USD \$0.01 charge, which will eventually decrease food and beverage cost percentages.

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6. Good received for free which relate to one order will reduce the average cost price. For example: If 10 bottles of wine are ordered and 12 bottles are received, the total purchase price will be divided by 12 to calculate the unit price.

B. Marking/Identifying

1. “Dry Stores” will be recorded on stock cards (perpetual records which will maintain the actual cost price).
2. “Fresh Produce” will be priced on a price list, updated for each receipt. Due to short storage life, the actual cost of fresh produce is presumed to be the most recent invoice price.
3. “Frozen” meat, fish and other items will be individually price marked and dated, if appropriate (that is, marked as pre-cut, pre-packaged, etc.).


The use of meat tags has several benefits. The meat is weighed only upon receipt; a perpetual inventory record is provided for re-ordering purposes; and the meat is “aged” by receiving date to facilitate issue on a first-in-first-out basis, thus avoiding unnecessary spoilage.

Refer to Form “MEAT TAG” attached

A Meat Tag Board or Meat Tag Sheet may also be used. When the Cost Controller receives the first section of the meat tag, she/he enters the information on the Reconciliation of Meat Tags form and then on the Meat Tag Board. When the second section of the Meat Tag is received in the Cost Controller Office, it is matched with the first section from the board and entered in the Reconciliation of Meat Tag form. The two sections of the Meat Tag may then be discarded


Refer to Form “MEAT TAG BOARD” attached

4. “Beer, Wine, Spirit and Soft Drinks” will be priced through the maintenance of Beverage Perpetual Inventory Cards by brand. The unit cost of each shipment will be recorded on the perpetual card. Issue will be presumed to be on a first-in-first-out basis. A sticker, identifying all bottles as the property of Sun Paradise Hotels, must be applied in such a manner to prevent removal without damaging the label.

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C. Storage

All food inventory items are subject to spoilage, despite proper storage conditions. Therefore, ALL inventories should be storage and arranged to facilitate their use on a first-in-first-out (“FIFO”) basis. The Financial Controller will instruct all storeroom personnel accordingly.

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MEAT TAG

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|--|
| O |
| MEAT TAG |
| TYPE CUT _____ WEIGHT _____ UNIT COST _____ TOTAL VALUE _____ DEALER _____ DATE RECEIVED _____ |
| No. 00001 |
| O |
| MEAT TAG |
| TYPE CUT _____ WEIGHT _____ UNIT COST _____ TOTAL VALUE _____ DEALER _____ DATE RECEIVED _____ |
| No. 00001 |

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MEAT TAG BOARD

| BEEF | LAMB | VEAL | PORK | POULTRY |
|------|------|------|------|---------|
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| | AREA Food and Beverage Inventories | PROCEDURE Accounting Period F & B Inventory | Prepared by: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

A food and beverage inventory is performed at the end of the accounting period to determine the actual cost of goods consumed during the period.

Proper costing of merchandise inventory is crucial. Misstatement of inventory values will cause inaccuracies in gross food and beverage cost, gross departmental profit, and balance sheet inventory values. Since the ending inventory for the next accounting period, errors also affect the next period's gross cost and gross profit.

II. PROCEDURES


A. Calculation of Beverage Inventories

Calculating the average unit cost of beverage is necessary to properly cost requisitions, transfers and inventories. It is nearly impossible to maintain the cost of individual bottles of one brand as the vendor's price may change from order to order.

1. The cost of one bottle of liquor or wine includes all additional charges, such as transportation, sales tax, duties, etc., minus any trade discount and/or V.A.T., if applicable.
2. Deposit on returnable bottles of beer and soft drinks are not included in the unit price.
3. The last invoice price is the cost price, unless restricted by Indonesian Laws.

B. Food Storeroom

Food inventories must be taken systematically, item by item as they are placed on the shelves. Items must be stored in the order assigned in the inventory book. All merchandise in the food storeroom and refrigerators will be inventoried on the last day of the accounting period.

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C. Production Areas

Food production areas should be thoroughly inventoried with special emphasis on the Chef's storeroom, butcher shop, refrigerators and freezers. The proper inventory value must be assigned to the processed or unprocessed value of the merchandise in these locations.

D. Beverage Inventory Procedures


1. All beverage merchandise will be inventoried at each individual outlet.
2. The last invoice price is the inventory price, unless prohibited by Indonesian Laws.
3. Open bottles will be recorded in tenths: One full bottle equal 10/10; a half bottle equals 5/10 (or expressed on the inventory sheet as 5/ or .5). To avoid costly errors, all tenths of a unit must be properly recorded, avoiding the extension of tenths of a bottle as a full bottle.

E. Food and Beverage Inventory Summaries

1. When the food and beverage inventory has been taken and extended, the Cost Controller will prepare a summary.
2. For the food summary, each area should be recorded as an individual unit in order to pinpoint inventory fluctuations.
3. For the beverage summary, the inventory should be recorded by outlet and by the type of beverage.

F. Special Issues and Complimentary Food from the Kitchen

1. Any food issued from any kitchen must be reported on a regular guest check and priced at sales price. This includes complimentary items (fruit basket, for example) and manager's apartment items.
2. The checks will be controlled by the Cashier and sent to the Accounting Department with other guest checks. The checks must NOT be considered food revenue.

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3. Each morning, the Cost Controller should receive the checks, or their sales value as copied from the Night Auditor's report.
4. The Cost Controller will use the year – to – date food cost percentage to convert the sales value of the checks to cost.
5. The costs are deducted from the food costs and booked into the relevant expense account.

G. Checks for Entertainment

Only the General Manager, and executives authorized by him, may sign checks for entertainment. These checks are treated in the same manner as complimentary checks (see "F" above)

H. Officers' Meal Checks

Officers' Meal checks are for certain management staff and Department Heads authorized to eat in the Hotel's restaurants. These meals are accounted for on a regular guest check and controlled in the same manner as complimentary checks (see "F" above).


I. Staff Canteen Meals

The Canteen is controlled as any other outlet, and meals are recorded on the Staff Canteen Cost Record. Kitchen transfers are added to Storeroom Requisitions.

Refer to Sample attached

The Staff Canteen Cost Record must be indicating all of the following:

1. **Storeroom Issues** – the total of requisitions from storeroom to Canteen priced, extended and added.
2. **Kitchen Transfer** – the total of the priced and extended transfers from Main Kitchen to the Staff Canteen.


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3. **Total Available** – storeroom issues plus Kitchen transfers.
4. **Unit Cost** – obtain from the Cost Controller
5. **Total Cost**

Where meal tickets are sold for each meal, the sales are recorded in the Accounting Department. Once a month, the total sales figure is forwarded to the Cost Controller, and credited to the cost of employees' meals. The remaining costs are booked as payroll costs and credited to food cost.

J. Kitchen Cooks' Meals


As the cost of food available to cooks and other Kitchen employees who eat in the Kitchen will vary, a cost figure per meal must be assigned to them. The Chef will periodically calculate the number of employee meals to determine the cost credit for the Kitchen. In addition, a periodic control should be maintained over the number of employee meals and the cost value per meal.

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STAFF CANTEEN COST RECORD

MONTH _____ 20XX

| STAFF CANTEEN | | | | | |
|---------------|----------------------|----------------------|--------------------|--------------|---------------|
| Date | Food Store Issues | Kitchen Transfers | Total Available | Unit Cost | Total Cost |
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| | SUBJECT Perpetual Records | PROCEDURE Perpetual Records | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Perpetual inventory records serve two purposes:


- A. They provide timely information on usage and on-hand quantities for re-ordering purposes, thereby minimizing out-of-stocks and identifying or avoiding excessive inventory levels.
- B. They serve as an ongoing “book” inventory for verification of quantities at any time (without waiting for accounting period reports, etc.). This is particularly useful for high-value items or when pilferage or misuse is suspected.

II. CRITERIA

Perpetual records are required for ALL inventory categories.

III. PROCEDURES

- A. Perpetual records will be established to control all inventory items. A separate record will be set up for each item. All receipts, issues per individual outlet, breakages, etc., will be recorded daily and the on-hand balance adjusted accordingly. These records will be kept by the Cost Controller.
- B. Each accounting period, the physical inventory will be reconciled with the records. The physical count of each item will be transcribed to the appropriate records to become the opening inventory for the following accounting period.
- C. The perpetual records must be adjusted to agree with the accounting period physical inventory counts. Variances between perpetual records and the


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actual on-hand should be investigated by checking the requisitions and invoices against the files and making a physical recount of questioned items. If variances remain irreconcilable, the will be sent to the Financial Controller.

1. The Financial Controller will initial and date adjustments on the bin cards.
2. Any adjustments will be allocated to an outlet for further potential sales calculations.

Refer to the form attached

- D. At all times, the perpetual records must represent actual quantities available for issue.

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HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA:


- A. Par stocks are used to control in-use assets. The benefits of par stocks are:
1. The quantities of in-use inventory items can be maintained at an optimum level consistent with actual usage and need, minimizing Bar inventory.
 2. Stocks can be replenished on an item-for-item basis, ensuring against undetected pilferage or misuse.
 3. On-hand quantities can be physically verified (counted) on a frequent, surprise basis, since stock levels should never vary from day to day.
- B. The maintenance of par stocks is MANDATORY for beverage outlets, including mini-bars and room service.

II. PROCEDURES:

A. Optimum Levels and Initial Establishment:

A successful par stock system depends on the establishment of reasonable stock levels.

1. After the Food and Beverage Manager has determined the selection and quantities to be included in the par stock(s), a par stock listing should be typed for each outlet, itemizing.
 - a. The type and brand of each item included, and
 - b. The authorized quantity of each item.

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2. Par stock listing should be approved by the Food and Beverage Manager and distributed as follow;

- a. Original – Retained by Food and Beverage Manager
- b. Copy #2 – To Financial Controller
- c. Copy #3 – To outlet manager (optional)

B. Replenishment:

Par stocks will be replenished on an item-for-item basis. For wine and spirits, the empty bottle must be returned in to the storeroom.


Substitutions of par stock items are not authorized. When necessary, a new par stock listing must be prepared and approved before issuing alternate brands, unit sizes or quantities.

C. Verifications:

At least twice a month, on a surprise basis, the Cost Controller must physically verify quantities on hand against the approved par stock listing. This verification will be performed for each outlet and work area.

Unresolved variances must be reported in writing to the Food and Beverage Manager, with a copy to the Financial Controller.

All par stock verifications, and all memoranda reporting variances, must be documented and retained for review by the Company's auditors.

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HOTEL ACCOUNTING STANDARD MANUAL

I. **PURPOSE:**

Food and Beverage departments' cost of sales are directly affected by inventories. Therefore, accurate counting, pricing and extending / totaling are essential.

II. **PROCEDURES:**

A physical inventory of all food and beverage stores will be conducted as of the close of business on the last day of each accounting period. Interim (mid-month) inventories may also be conducted for management purposes.

A. **Preparation:**

A 'cut-off' must be established for current period receipts and disbursements (requisitions) to ensure against period-to-period distortions in accounting records. Inventory items received during the conduct of the physical inventory should be:


1. Assigned a following – period receiving number and date, and
2. Held in the receiving area until the inventory count is complete.

Kitchen and Bar needs should be planned to avoid presentation of requisitions during the inventory count.

B. **Verifications:**

The Cost Controller, the Storeroom Clerk and an Accounting Supervisor should perform the verification of the actual inventories.

Ideally, counters should work in teams, with a "caller" to describe the items and count, and a "lister" to record the item descriptions and count.

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C. Inventory Documentation:


Physical Inventory Stock Count Sheets must be signed by all employees involved in counting, pricing, extending / totaling or verifying the physical inventory.

Refer to Sample Form attached

1. The sheets must minimally include columns for:
 - a. Item number
 - b. Item description
 - c. Unit size or quantity (for example, # 10 can, one kilo, etc.)
 - d. The unit price according to the last invoice (unless restricted by Indonesian Law)
 - e. The quantity counted
 - f. The total price (unit price x quantity), and a line for the page total.
2. Physical Inventory Stock Count Sheets must be approved by Financial Controller.
3. If monthly inventories are calculated by computer print-outs must be filed with the Physical Inventory Stock Count Sheet. The accuracy of the printout must be verified by Accounting Supervisor or Chief Accountant which one are not involved in stock – taking.

D. Audit Verification:

At least once a month, on a surprise, an Accounting Department representative, if not present during stock count, must spot check at least 10 percent of the physical counts and prices to verify the accuracy of Food and Beverage Department's listing. The Accounting Department must also verify the mathematical extension and totaling of inventories. All verifications will be documented and filed in the Financial Controller's office.

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| | SUBJECT Food & Beverage Inventory | PROCEDURE Physical Inventory Procedures | PREPARED BY: Agustinus Agus Purwanto |

PHYSICAL INVENTORY STOCK COUNT SHEET


INVENTORY DATE: ____/____/____
 dd mm yyyy

STORE: _____

| Item No. | Description | Unit | Quantity | Unit Price | Total | |
|----------|-------------|------|----------|------------|-------|--|
| 1 | 2 | 3 | 4 | 5 | 6 | |
| | | | | | | |
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Counted By _____ Witnessed By _____

Certified Correct By _____
 Financial Controller

| | | | |
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| | SUBJECT Food & Beverage Inventory | PROCEDURE Requisition Control | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. POLICY:

This is a Standard Operating Procedure of Sun Paradise Hotels, to control store items issues must use Store Requisition Form. And this Requisition must be controlled from time to times.


In order to maintain consistent treatment in this Standard Operating Procedure any negligent person should refer to this procedure and will be regulated further into the Sun Paradise Hotels's House Rule.

II. PURPOSE:

The food and beverage requisitioning system is designed to:

- A. Ensure that inventory items are issued only for authorized purposes.
- B. Provide documented input to the accounting records to reduce inventory and charge departmental costs.
- C. Furnish information necessary to maintain perpetual inventory records.

STRICT NUMERICAL CONTROL MUST BE MAINTAINED OVER THE ISSUE AND USE OF REQUISITIONS.

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| | SUBJECT Food & Beverage Inventory | PROCEDURE Requisition Control | PREPARED BY: Agustinus Agus Purwanto |

III. PROCEDURES:

A. Receipt and Storage:

1. Upon receipt, all requisition must immediately be secured in a locked storage area accessible only to authorized personnel. Cooks, bartenders and other food and beverage service / preparation personnel must never have access to the unused requisition storage area.
2. All unused and unissued requisition must be stored to facilitate issue in numerical sequence.

B. Issue of Requisitions:

Financial Controller is responsible for controlling the issue of requisitions. He will issue requisitions to individual custodians (employees authorized to maintain a working supply of requisitions), and maintain a record of all issues in the Requisition Log Book Refer to SAMPLE ATTACHED.

The number of custodians should be strictly limited to the minimum necessary to meet the Hotel's operating needs. This decision should be made by the Food and Beverage Manager.


C. Authorization / Approvals:

The Food and Beverage Manager will designate **in writing** those persons authorized to requisition from the food and beverage storerooms and to approve food and beverage requisitions. A copy of this authorization list, with sample signatures, will be posted in each storeroom.

D. Storeroom Requisition Form:

All storeroom issues will be recorded on a three-part Storeroom Requisition

Form Refer to SAMPLE ATTACHED

| | | | |
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| | SUBJECT Food & Beverage Inventory | PROCEDURE Requisition Control | PREPARED BY: Agustinus Agus Purwanto |

1. After listing the requisitioned items on the Storeroom Requisition form the preparer should draw a line after the last entry to prevent unauthorized additions, then sign in the “Requisitioned By” space.
2. The requisitioning department will deliver all copies to the issuing Storekeeper.
3. The Storekeeper will sign the form in the “Issued By” space. The person receiving the issue will sign in the “Received By” space.
4. After issuing the goods, the Storekeeper will retain the original Storeroom Requisition form in his file and:
 - a. Send the #2 copy to the Cost Controller for stock card adjustments. This copy will serve as an independent comparison against the # 1 storeroom copy
 - b. Return the #3 copy with the goods to the requisitioning department.


E. Storeroom Control:

The Storekeeper will issue the requested items **ONLY** upon receipt of a properly completed and signed Storeroom Requisition form.

1. The General Cashier will report any irregularities on paid-outs to the Financial Controller.
2. Refunds to guest can only be paid after the guest’s signature is obtained.

F. Storeroom Issues:

1. Requisitions should be delivered to the storeroom before the day of usage. The storeroom must post restricted hours for collecting goods.
2. Storeroom Requisitions must fully recorded all food and beverage items to be issued from the storeroom to:
 - a. The Kitchen
 - b. The Restaurant
 - c. The Beverage Department (for mixing drinks, i.e., olives, oranges, etc.)
 - d. The Beverage Department (complimentary, i.e., nuts, pretzels, etc.)
 - e. The Employees Canteen kitchen
 - f. The Manager’s apartment
 - g. Complimentary and promotional uses

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| | SUBJECT Food & Beverage Inventory | PROCEDURE Requisition Control | PREPARED BY: Agustinus Agus Purwanto |


- h. Steward's sales
- i. Spoilage, theft or other lost (these requisitions must be fully explained and authorized by the Food and Beverage Manager)

The appropriate area must be clearly marked on all Storeroom Requisitions.

4. **Wine and Spirit Issues – Special Requirements:**

In addition to the controls and procedures outlines above, wine and spirit issues must be follow these special requirements:

- A. Wine and spirit replenishment will be on a bottle-for-bottle basis ONLY. Empty bottles must be returned to the storeroom when the replacement is issued.
- B. If Indonesian law permits, empty bottles will be destroyed or the bottle labels will be defaced after the bottles are returned in to the storeroom.
- C. All replacement bottles will have a sticker applied to identify the receiving outlet.

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| | SUBJECT Food & Beverage Inventory | PROCEDURE Requisition Control | PREPARED BY: Agustinus Agus Purwanto |

STOREROOM REQUISITION

DATE _____

No.: 000001

DEPARTMENT _____


| Quantity | Unit | Description | | Units Issued | Units Received |
|----------|------|-------------|--|-----------------|-------------------|
| | | | | | |
| | | | | | |
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Requisitioned By _____ Issued By _____
 Authorized Signature

Received By _____

3 Copies

Original to Storeroom
 Copy #2 to Cost Controller
 Copy #3 held by Requisitioning Department

| | | | |
|---|-------------------------------------|---|---|
|  | STANDARD OPERATING PROCEDURES | V - 8 | PAGE 243 |
| | | Effective: | |
| | SUBJECT Other Inventory | PROCEDURE Book Inventory Adjustment | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

The “book” inventory must be adjusted to the actual physical inventory at the end of each fiscal quarter (or each accounting period if monthly inventories are taken).

IF THE HOTEL DOES NOT PLAN TO RECORD THESE ENTRIES, IT MUST SUBMIT A REQUEST TO GENERAL MANAGER AND EXPLAIN IN DETAIL THE REASON(S) FOR NOT MAKING THE ENTRIES. THE REQUEST MUST BE APPROVED IN WRITING BY GENERAL MANAGER.


II. PROCEDURES

The Accounting Department will make accounting adjustments necessary to reconcile the book inventory to the physical count. Adjustment should be thoroughly investigated and explained.

All inventory adjustment resulting from the physical verification will be charged or credited directly to the appropriate P & L account.

The Financial Controller will report all inventory adjustment amounts to General Manager in writing.

Also refer to the ***“Other Inventories – Obsolete/Unusable Items”*** procedure.

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|---|--|--|--|
|  | STANDARD OPERATING PROCEDURES | V - 9 | PAGE 244 |
| | | Effective: | |
| | SUBJECT Other Inventory | PROCEDURE Obsolete – Unusable Items | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE


Inventory items are subject to breakage, deterioration and obsolescence. Obsolete or unusable items must be identified and removed to avoid distortion of the Company's assets on the balance sheet, to eliminate wasted storage space, and to reduce the labor costs of handling, counting, etc.

II. PROCEDURES

- A. Damaged and unusable items must be identified and listed on separate, clearly marked inventory sheets at the end of each physical inventory. These inventory sheet will be sent to General Manager and Financial Controller, who will determine the disposition of the items and consider the possibility of salvage value or alternate uses for the items.

If large monetary amounts are involved, the General Manager should be consulted before final disposition.

- B. All expenses associated with the disposition of obsolete/unusable items will be charged directly against the appropriate "user" expense account (for example, supplies, restaurant, M & R, air conditioning, etc.) Any monies recovered from sale or salvage will be booked as other income.

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|  | STANDARD OPERATING PROCEDURES | V - 10 | PAGE 245 |
| | | Effective: | |
| | SUBJECT Beverage Cost Control | PROCEDURE Bottle Code & Inventory Card | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Beverage control is performed to determine the actual beverage cost of goods consumed during each accounting period.

II. PROCEDURES

A. Standard Bottle Code List and Inventory


A bottle code list or system will minimize confusing regarding bottle sizes, spelling and different brands. Local bottle code should be used when available. Or standard bottle code, using a bin number, can be established for every kind of beverage (and every size) carried by Lagoi Bay Resort. Each item is assigned bin number to be used on all beverage records pertaining to that brand.

Bin numbers:

1. Simply and standardize beverage control procedures and forms, and
2. Facilitate purchasing, storing, requisitioning and inventory taking.

B. Beverage Perpetual Inventory Cards


1. Beverage Perpetual Inventory Cards must include column for:
 - a. Purchase Date – obtained from invoice
 - b. Name of Supplier (Dealer) – obtain from invoice
 - c. Quantity of Bottles – obtain from invoice
 - d. Distribution of Issues – obtain from daily requisitions
 - e. Running Inventory Balance
2. For Strict control, two records of Beverage Perpetual Inventory Cards should be kept: one in a visible card filing system maintained by Cost Control in the Cost Control office.

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| | SUBJECT Beverage Cost Control | PROCEDURE Bottle Code & Inventory Card | PREPARED BY: Agustinus Agus Purwanto |

3. Beverage Perpetual Inventory Cards are not predated. This saves space and labor as slow-moving items may last for several months.
4. The cards are thoroughly investigated every two weeks.
5. At the end of each accounting period, the cards are reconciled with the physical inventory, which will be the new opening inventory on the next period's Beverage Perpetual Inventory Cards.

Refer to form at sample

This form will be as follow:

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|---|--|--|--|
|  | STANDARD OPERATING PROCEDURES | V - 11 | PAGE 248 |
| | | Effective: | |
| | SUBJECT Beverage Cost Control | PROCEDURE Actual & Potential Beverage Sales | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Beverage consumption is determined at the potential sales value; that is, the amount of money the Hotel should receive for that drink or bottle under ideal conditions. This is compared monthly to the actual sales received for the beverage consumed.

II. BEVERAGE SELLING PRICES AND POTENTIAL SALES VALUE

Beverage selling prices and potential sales values are determined monthly, based on analyzed drink sizes and recipes.

A. Determination of Drink Yield Per Bottle

Drink yield per bottle is a figure used to establish the number of straight drinks (all liquor) obtained from each type and size of bottle. This figure is required to determine the potential sales value of each bottle.


1. When measured pourers are used, physical tests are necessary to calculate drink yield per bottle. When shot glasses are used, the drink yield per bottle can be mathematically calculated.

ALL DRINKS SHOULD BE MEASURED USING SHOT GLASSES OR MEASURED POURERS. "FREE POURING" IS NOT PERMITTED.

2. After mathematically establishing the standard drink size (that is 1 oz. or 1 cc), the total contents of the bottle are divided by the drink size to determine the number of drinks per bottle.

B. Analysis and Determination of Selling Prices

1. Newly-opening hotel should determine the selling price of each brand based on the beverage cost required and competition in the area. All selling prices must be approved by the Food and Beverage Manager

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2. In established hotel that have already determined selling prices per drink, the prices should be reviewed with the yield test (described above), current cost information and competition in the area.

C. Determination of Potential Sales Value

A potential sales value must be established for each branch by multiplying the drink yield per bottle by the selling price per drink.

Soft drink constituents of mixed drinks have NO sales value in the potential sales value calculation.

D. Documentation of Beverage Prices

1. The Cost Controller will record the following information on the Beverage Price List:
 - a. Drink costs
 - b. Selling prices
 - c. Cost percentages per brand


Refer to Sample Form attached

2. All records pertaining to the costs and selling prices of all beverages will be incorporated into the same binder. Copies of this information will be distributed to the Food and Beverage Manager.
3. When different bars of the same Hotel have different selling prices, these differences must be recorded on the bottom of each page of the Beverage Price List.

III. Cocktail Recipes, Costs and Selling Prices

For costing and customer satisfaction purposes, it is essential to analyze, standardize and cost recipes for all mixed drinks.

In some case, a cocktail recipe will require more than the standard drink size of certain brand, and will be used with other beverages to create a mixed drink. The Cost Controller may need to adjust the potential sales value of straight drinks if the

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mixed drink and cocktail sales are very high. These adjustments must be made at the end of the accounting period.

A. Breakdown of Recipes and Costs


To ensure consistency of product, a recipe must be developed for each cocktail.

1. All recipes should be developed, tested and approved by the Food and Beverage Manager, and the final recipes sent to the Cost Controller for costing purposes.
2. The Cost Controller will transcribe the recipes onto a standard Recipe Card, recording the cost of each recipe. Method of mixing, size of glass to be used, the selling price of the cocktail if it were sold at the selling price of the individual components. An adjustment figure may then be calculated and recorded by noting the difference between these selling prices.

Refer to form at sample

B. Use of Recipes

1. Copies of cocktail Recipe Cards should be made and distributed to the Food and Beverage Manager and Bar Supervisor, who will post copies in each bar and file them alphabetically in a binder. Bartenders will strictly adhere to the recipes when mixing drinks.
2. When the cost or selling price of a drink changes, the recipe card must be re-costed.

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| | SUBJECT Other Reporting Requirement | PROCEDURE Reporting Deposit on F & B Container | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

When suppliers charge a deposit on certain food or beverage containers, these extra charges must be taken from the food or beverage invoices and recorded separately.

II. PROCEDURES

A. At the end of every accounting period, a separate physical inventory will be taken of all:


1. Deposit containers for food
2. Deposit bottles and crates, BOTH FULL AND EMPTY, in all outlets and storerooms

B. A Report of Charged Containers will be used to record the total inventory of all food containers and all used and unused beverage containers still at the Hotel.

This report will include:

1. Beginning Inventory – from the final inventory of the previous accounting period
2. Net Purchases – from the Daily Receiving Report
3. Total on Hand – line 1 plus line 2
4. Less Final Inventory – from the current period accounting inventory
5. Total Containers Not Returned – line 3 less line 4

Refer to Form attached and to the “Accounting Period F&B Inventory” procedure.

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REPORT OF CONTAINERS


Accounting Period _____

FOOD CONTAINERS

1. Beginning Inventory _____
2. Add Net Purchases _____
3. Total on Hand _____
4. Less Final Inventory _____
5. Total Containers Not Returned _____
- Over or (Short) _____
- This Month _____
- Last Month _____
- This Month Last Year _____

BEVERAGE CONTAINERS

1. Beginning Inventory _____
2. Add Net Purchases _____
3. Total on Hand _____
4. Less Final Inventory _____
5. Total Containers Not Returned _____
- Over or (Short) _____
- This Month _____
- Last Month _____
- This Month Last Year _____

| | | | |
|---|--|---|--|
|  | STANDARD OPERATING PROCEDURES | V - 13 | PAGE 254 |
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| | SUBJECT Other Reporting Requirement | PROCEDURE Monthly Food Cost Reconciliation | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA

To calculate the final physical food costs each month, the Cost Controller will prepare certain figures, and use those figures to complete and submit a monthly Food Cost Reconciliation form.

II. PROCEDURES


A. The Cost Controller will report, via the Financial Controller, the following figures monthly:

1. Accounting Period Inventory – determined after the actual inventories have been reconciled.
2. Food to Bar – total issues to Bar, from Bar Transfer
3. Guest Entertainment – from the complimentary records
4. Steward's Sales – from the daily report
5. Manager's Apartment – from requisition
6. Employee Relations – from requisition
7. Miscellaneous – the total of any special issues from an outlet or food storeroom which should be recorded separately but are not indicted in any of the above categories


B. Each month, the Cost Controller will also complete and submit a Food Reconciliation form

Refer to form at sample

This form will be prepared as follow:

| | | | |
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| | SUBJECT Other Reporting Requirement | PROCEDURE Monthly Food Cost Reconciliation | PREPARED BY: Agustinus Agus Purwanto |

| Line Number | Information | Origin of Information |
|--|---|--|
| 1 | Opening Stock – Store | From previous month's storeroom inventory |
| 2 | Opening Stock – Productions | From previous month's kitchen inventory |
| 3 | Opening Stock – Total | Line 1 plus Line 2 |
| 4 | Purchases – Cash on Delivery | Petty cash purchases |
| 5 | Purchases | Total purchase figure per purchase ledger |
| 6 | Outstanding Creditors (Accruals) | Total accrued purchases listed per individual packing order /delivery form |
| 7 | Outstanding Creditors Last Month (Accruals) | From previous month's accrual listing |
| 8 | Purchases – Total | Addition of Lines 3, 4, 5 and 6, minus Line 7 |
| Plus Debit to Cost of Food Available | | |
| 9 | Beverage to Food | All beverages used for cooking, from Requisition Forms. |
| 10 | Other Charges | |
| 11 | Debit Charges – Total | Line 9 plus Line 10 |
| Minus Credit to Cost of Food Available | | |
| 12 | Employee Meals | Actual employee meal cost, from the Staff Canteen Cost Record |
| 13 | Full Official | Total food complimentary sales figure and the calculated cost figure |
| 14 | Food to General Manager | All food items issued to General Manager, from Requisition Forms |
| 15 | Food to Beverage | All food items transferred to beverage outlets, from Kitchen Transfer |
| 16 | Other Credit | |
| 17 | Credit Charges – Total | Addition of Lines 12, 13, 14, 15 and 16 |

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| | | Effective: | |
| | SUBJECT Other Reporting Requirement | PROCEDURE Monthly Beverage Cost Reconciliation | PREPARED BY: Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL


I. CRITERIA

To calculate the final physical beverage costs each month, the Cost Controller will prepare certain figures, and use those figures to complete and submit a monthly Beverage Cost Reconciliation form.

II. PROCEDURES


- A. The Cost Controller will report, via the Financial Controller, the following figures monthly:
 1. Accounting Period Inventory – determined after the actual inventories has been reconciled.
 2. Beverages to Bar – total issues to the kitchen, from Kitchen Transfer
 3. Cook's Beers – from requisition
 4. Guest Entertainment – from the complimentary records
 5. Steward's Sales – from the daily report
 6. Manager's Apartment – from requisition
 7. Employee Relations – from requisition
 8. Miscellaneous – the total of any special issues from an outlet or beverage storeroom which should be recorded separately but are not indicted in any of the above categories
- B. Each month, the Cost Controller will also complete and submit a Food Reconciliation form

Refer to form at sample


| | | | |
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| | SUBJECT Other Reporting Requirement | PROCEDURE Monthly Beverage Cost Reconciliation | PREPARED BY: Agustinus Agus Purwanto |

This form will be prepared as follow:

| Line Number | Information | Origin of Information |
|-------------|------------------------|--|
| 1 | Deliveries | Total purchases per purchase ledger |
| 2 | Deliveries – Food | Food deliveries (e.g. mini-bar) if revenue is included in beverage revenue |
| 3 | Totals | Calculated by adding each column in a line |
| 4 | Opening Inventory | From the previous month's inventory |
| 5 | Transfer from Kitchen | From requisition forms of all food items used in beverage outlets |
| 6 | Subtotal | Addition of Fields 1, 4 and 5 |
| 7 | Closing Inventory | From the current month's inventory |
| 8 | Transfer to Kitchen | From requisition for all beverage items used in cooking |
| 9 | Gross Consumption | Field 6 less Field 7 and Field 8 |
| 10 | Staff Consumption | From requisition forms for staff drink issues |
| 11 | Complimentary | Full official against year-to-date cost percentage |
| 12 | Other Credit | |
| 13 | Net Consumption | Field 9 less Fields 10, 11 and 12 |
| 14 | Total: Net Consumption | Addition of all columns in Line 13 |
| 15 | Net Sales | Total beverage revenue, from the daily report |
| 16 | Gross Profit | Field 15 less Field 14 |
| 17 | Cost Percentage | Field 14 divided by Field 15 and multiplied by 100 |
| 18 | Potential Sales | From the Summary of Potential Beverage Sales |
| 19 | Total Potential | Addition of each potential sales figure in Field 18 above |
| 20 | Actual Net Sales | Total beverage revenue, from |

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| | | |
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| | | the daily report (same as 15 above) |
| 21 | Over/(Short) | Field 19 less Field 20 |
| 22 | % to Actual Revenue | Field 21 divided by Field 20 and multiplied by 100 |
| 23 | % to Potential Sales | Field 13 divided by Field 18 and multiplied by 100 for each category |
| 24 | Days to Consumption | Opening inventory divided by gross consumption, with results multiplied by days in the accounting period |

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RECALCULATION OF BEVERAGE COST

| | | | | | | | |
|------------------------|--------|--------|--------------------------|-------|------------|-----------|--------|
| Month _____ | | | | | | | |
| | | Wines | Spirits | Beers | Soft Drink | Food | Totals |
| Deliveries | 1 | | | | | 2 | 3 |
| Opening Inventory | 4 | | | | | | |
| Transfer from Kitchen | 5 | | | | | | |
| Subtotal | 6 | | | | | | |
| Closing Inventory | 7 | | | | | | |
| Transfer to Kitchen | 8 | | | | | | |
| Gross Consumption | 9 | | | | | | |
| Staff Consumption | 10 | | | | | | |
| Complimentary | 11 | | | | | | |
| Other Credit | 12 | | | | | | |
| Net Consumption | 13 | | | | | | 14 |
| % to Potential Sales | | 23 | 23 | 23 | 23 | | |
| | | | Potential Sales | | | Net Sales | 15 |
| | | | Wines 18 | | | Gross Pr. | 16 |
| | | | Spirits 18 | | | Cost % | 17 |
| | | | Beers 18 | | | | |
| Stock This Month Box | Actual | Budget | Soft Dr 18 | | | | |
| | | | Food 18 | | | | |
| Days to Consumption 24 | | | Total Pot. 19 | | | | |
| | | | Actual Net 20 | | | | |
| | | | Over/Short 21 % _____ 22 | | | | |

Date: _____

Prepared By: _____


Acknowledged By: _____

Approved By: _____

Cost Controller

F & B Manager

Financial Controller

| | | | |
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|  | HOTEL ACCOUNTING STANDARD MANUAL | VI - 1 | PAGE 260 |
| | | Effective: | |
| | AREA Human Resources/ Payroll | PROCEDURES General | By: Drs. A. Agus Purwanto, MM |

HOTEL ACCOUNTING STANDARD MANUAL

I. PURPOSE

Employee payroll is the single largest controllable expense in the hotel industry and therefore requires strict adherence to procedures.


II. DEPARTMENTS INVOLVED:

- A. Human Resources Department
- B. Accounts Department
- C. General Manager's Secretary


III. PROCEDURES

In addition to regulations concerning the key principles of segregation of duties, the following instructions must be followed:

- A. No one involved in personnel record processing or payroll preparation or calculation shall sign personnel authorizations.
- B. Where at all practical, no one involved in preparing or calculating payroll shall have access to or responsibility for company cash, bank accounts or records pertaining thereto.
- C. No one preparing or calculating payroll shall sign personnel authorizations or have custody of or access to personnel files.
- D. The General Manager or Financial Controller must pre-approve all wage disbursements. A detailed payroll summary (manual or computer printout) must be presented to the General Manager or Financial Controller for his review at the time of approval. This payroll summary must identify each individual employee and the net salary payable.

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- E. Cash salary payments must be signed for by the recipient and witnessed by an employee not involved in payroll accounting. Both employees must sign the relevant payroll summary.
- F. Employees receiving cash wages must be paid by a management representative at least twice a year, and both must sign the payroll summary.
- G. Hotels paying employees by bank transfer or cheque must perform verification audits on a rotating basis (each month, the staff members of a different department are required to sign, individually, for the receipt of their salary slip). The Financial Controller and a different Department Head must sign the verification audits.

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|  | HOTEL ACCOUNTING STANDARD MANUAL | VI - 2 | PAGE 262 |
| | | Effective: | |
| | AREA Records Maintenance/Filing | PROCEDURES Human Resources Department | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PURPOSE

The employee personnel file is the company's official record of each employee, including his work history, progress and related personal data. Only those in personnel administration and/or those who exercise management supervision over the employee may have access to an employee's personnel file.

II. PROCEDURES

A. Responsibility

Employee personnel files must be maintained by the Human Resources Manager or the General Manager's Secretary, WITHOUT EXCEPTION.

B. Physical Storage


All employee personnel records will be maintained in individual folders, using the same sequence or format as employee payroll records (payroll journal, for example). Folders shall be marked with the employee's name and tax identification number (if used), and all documents inside secured to prevent loss.

When not in use, all personnel records must be locked in an office or file cabinet. Key access will be limited to those with written authorization from the General Manager.

C. Contain of Personnel Files

Every personnel file will include, as a minimum:


1. A documentation checklist
2. Employee's name, current address, tax and social security numbers (if applicable)
3. Application form

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| | AREA Records Maintenance/Filing | PROCEDURES Human Resources Department | By: Drs. A. Agus Purwanto, MM |

4. Employment contract
5. Job description
6. Social security/tax card (if required)
7. Staying/working permit (if required)
8. Benefit plans
9. All Personnel Change Notice forms for starters, terminations, salary changes or changes in position
10. Letter of resignation (if applicable)
11. All employee performance evaluation forms or employee performance letters
12. Employee loans (if applicable)
13. Holiday/vacation record

D. File Review

1. The Human Resources Department will review all files at least annually to ensure that all information and documentation are present and current.
2. The Human Resources Department will provide a summary of this review to the General Manager, who will sign the summary and file it in his office.

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| | AREA Records Maintenance/Filing | Effective: PROCEDURES Responsibilities | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PROCEDURES

A. Responsibility

The Financial Controller is responsible for the maintenance of the payroll records file.

B. Content


The Human Resources Department must maintain all documents (or copies) supporting current pay rates and deductions for employees.

II. CONTROLS

At least annually, Payroll or Human Resources Department representatives will conduct a joint verification of the payroll journal and supporting records. These will be verified against the Personnel Files to ensure correct current pay rates and other wage and tax handling information (e.g., tax number, number of dependents, etc.)

This verification will include checking to ensure that:

- A. Employees' grading is correct and recorded as such in both the personnel and payroll records.
- B. The salary paid is within the appropriate bands applicable to that grade.


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| | AREA Personnel Change Notice | PROCEDURES General/Description | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA

The Personnel Change Notice (PCN) is used to process additions, deletions, and changes to the payroll system. It is the **ONLY** acceptable document to support personnel and payroll records for:

1. Starters
2. Salary and wage changes (except for general increases, such as price indexation)
3. Position or department changes
4. Name changes
5. Transfers between locations
6. Status changes (transfer to or from, leave of absence, etc.)
7. Terminations and resignations

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PERSONNEL CHANGE NOTICE (GRADED)

HUMAN RESOURCES DEPARTMENT STARTERS

1. DEPARTMENT..... DATE

NAME IN FULL: MR/MRS/MISS.....
EMPLOYEE NUMBER COST LOCATION

2. EMPLOYMENT

DATE OF COMMENCEMENT..... CONTINUOUS EMPLOYMENT DATE.....
SALARY: PER MONTH/ANNUUM..... PER HOUR..... HOUR PER WEEK.....
RANGE MIN..... MID..... MAX..... PLACE IN RANGE
NATIONAL INSURANCE/SOCIAL SEC NO
INCOME TAX FORM *ENCLOSED/TO FOLLOW
DATE OF BIRTH..... MARITAL STATUS
JOB TITLE JOB GRADE
ADDRESS.....
BANK DETAILS: NAME ADDRESS.....
ACCOUNT NUMBER SWIFT CODE

3. BENEFITS


PENSION [☐] PRIVATE MEDICAL [☐] AUTOMOBILE [☐]
LIVE OUT [☐] LIVE IN [☐] SCHOOLING [☐] FINANCIAL COUNSELING [☐]

APPROVALS

1ST APPROVAL..... 2ND APPROVAL

CONCURRENCE HRD..... PROCESSED PAYROL DATE.....

* CROSSES UN-NECESSARY

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PERSONNEL CHANGE NOTICE (GRADED)

HUMAN RESOURCES DEPARTMENT CHANGES/TERMINATION

1. DEPARTMENT..... DATE

NAME IN FULL: MR/MRS/MISS.....
EMPLOYEE NUMBER COST LOCATION

2. CHANGE OF STATUS

RANGE MIN MID MAX..... PLACE IN RANGE%
SALARY FROM TO
LOCATION [] JOB TITLE [] JOB GRADE [] DEPARTMENT []
ADDRESS [] MARITAL STATUS [] SALARY []
DETAILS:
REASON:
EFFECTIVE DATE:

3. TERMINATION


DATE (LAST DAY WORK)..... HOLIDAY PAY (HRS)..... PAY IN LIEU (HRS)
REASON FOR TERMINATION: OWN ACCORD [] COMPANY TERMINATION []
ELIGIBLE FOR REHIRE: *YES/NO
DETAILS:
.....

APPROVALS

1ST APPROVAL..... 2ND APPROVAL

CONCURRENCE HRD..... PROCESSED PAYROL DATE.....

* CROSSES UN-NECESSARY

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PERSONNEL CHANGE NOTICE (NON-GRADED)

HUMAN RESOURCES DEPARTMENT CHANGES/TERMINATION


- DEPARTMENT..... DATE
NAME IN FULL: MR/MRS/MISS.....
EMPLOYEE NUMBER COST LOCATION
- EMPLOYMENT
DATE OF COMMENCEMENT
SALARY: PER MONTH/ANNUM PER HOUR HOURS PER WEEK
NATIONAL INSURANCE/SOCIAL SEC NO.
DATE OF BIRTH MARITAL STATUS
JOB TITLE JOB GRADE
ADDRESS:
BANK DETAIL: NAME ADDRESS
ACCOUNT NUMBERSWIFT CODE
- CHANGE OF STATUS
RANGE MIN MID MAX..... PLACE IN RANGE%
SALARY FROM TO
LOCATION [] JOB TITLE [] JOB GRADE [] DEPARTMENT []
ADDRESS [] MARITAL STATUS [] SALARY []
DETAILS:
EFFECTIVE DATE:
- BENEFITS
PENSION [] PRIVATE MEDICAL [] AUTOMOBILE []
LIVE OUT [] LIVE IN [] SCHOOLING [] FINANCIAL COUNSELING []
DETAILS: EFFECTIVE DATE
- TERMINATION
DATE (LAST DAY WORK)..... HOLIDAY PAY (HRS)..... PAY IN LIEU (HRS)
REASON FOR TERMINATION: OWN ACCORD [] COMPANY TERMINATION []
ELIGIBLE FOR REHIRE: *YES/NO
DETAILS:

APPROVALS

1ST APPROVAL..... 2ND APPROVAL

CONCURRENCE HRD..... PROCESSED PAYROL DATE.....

* CROSSES UN-NECESSARY

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| | AREA Personnel Change Notice | PROCEDURES Distribution and Control | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PURPOSE

Personnel Change Notice (PCN) forms must be approved and correctly applied to the payroll and/or database system in an accurate and timely fashion.

II. PROCEDURES

A. Graded Employees

The following procedures apply to all PCNs except those involving the transfer of employees to or from other company under A & B Company.

Except as noted above, all PCNs shall be prepared in three (3) copies and processed as follows:


1. All three copies of the PCN will be signed and approved by the General Manager.
2. The PCN will distributed as follows:
 - a. Original (Top Copy) retained by the Human Resources Department
 - b. Second Copy – to the Accounting Department
 - c. Third Copy – file in the employee's personnel file

B. Non – Graded Employees

The following procedures will be applied to all PCNs.

PCNs shall be prepared in two (2) copies, Both copies must be signed and approved, then separate and distributed as follows:

1. Original – filed in the employee's personnel file
2. Second Copy – to the Accounting Department

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C. All PCNs (Graded and Non – Graded)

The Payroll/Accounting Department or payroll centre will apply all PCNs no later than the following pay period, unless the PCNs are not yet due for implementation. The payroll employee who applies or inputs the PCN will sign and date the original copy attesting that the PCN was applied on the effective date indicated on the form.

III. SPECIAL HANDLING OF TRANSFERRED EMPLOYEES

The following procedures apply when employees are transferred to/from other company within A & B Company:


A. Transfers Between Units Served by the Same Payroll Centre

When an employee is transferred between units served by a common payroll centre, both the transferring and receiving units will prepare a PCN. The receiving units “Starter” PCN will normally have an effective date on day later than the transferring units “Changes/Termination” PCN. Both units will follow the PCN distribution and control procedures outlined in II, above. In addition, the payroll centre will set up a transfer control to ensure that:

1. The “Starter” and “Changes/Termination” PCNs are applied within the same pay period, and
2. The effective dates of the two PCNs do not result in loss or duplication of pay and benefits.

B. Transfers Between Units Served by Different Payroll Centre


1. When employees transfer between units served by different payroll center, both units will prepare and distribute PCNs, as described above.
2. A pension transfer form should be completed for all employees participating in a company pension plan (if any)
3. The receiving location will prepare the “Starter” PCN, verifying dates, etc., against the transferring unit’s PCN. The receiving location is

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responsible for ensuring that the effective dates of transfer do not result in loss or duplication of pay and benefits.

C. Transfer of Personnel Files

After the transferring location's PCN control requirements are met, the employee's complete personnel file shall be sent to the receiving units. The envelope or package must be marked ***"CONFIDENTIAL"*** and addressed to the personal attention of the receiving unit's General Manager or Human Resources Manager.

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ACCOUNTING DEPARMENT

I. PURPOSE


- A. Attendance records, when used with Personnel Change Notice (PCN) forms, are the basis for payroll preparation. Whether kept hourly or daily, hand – posted or recorded on a time clock, attendance records serve two primary purpose:
1. By showing the hours and days worked, they are a basis for calculating the employee's pay, and they may have a direct bearing on the employee's eligibility for certain benefits, rights or privileges'.
 2. They are a management tool to monitor employee attendance and to enforce work schedules.
- B. The following procedures and controls represent only Company requirements for maintenance and approval of attendance records. Any legal or labor union requirements relating to time/attendance records shall be considered in addition to these procedures.

II. PROCEDURES

A. Recording Attendance

The following procedures apply to all employees (except the General Manager):

1. All employees will record their attendance daily, at their work station or at a central location.
2. Employees must record the own time; no employee, including a supervisor or manager, may record attendance for another employee.

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3. All handwritten attendance record entries will be made in indelible ink; pencil entries are not permitted.
4. Time recorded must be actual hours worked, not scheduled hours.
5. All absences must be recorded.

Employees must sign all handwritten time/attendance records, as well as time – clock records with handwritten insertions or corrections. Employees do not need to sign machine – recorded time cards which no handwritten entries, unless required by Indonesia regulations.

B. Approvals

All time/attendance records must be reviewed for completeness and compliance with company policy and Indonesia requirements before submission on the Payroll/Accounting Department. This review is the responsibility of the employee's Department Head, who must initial the time/attendance records.


Also, the Department Head must approve the specific time/attendance record if:

1. Any recorded time result in compensable overtime,
2. The employee has any unscheduled absence from work (for illness, etc.), or
3. There is any change in the original hours recorded by the employee, regardless of who made the change or why.

Additions, deletions, and alterations to original time card/sheet entries also are initialed by the employee.

C. Payroll Responsibilities

When time/attendance records directly affect the employee's pay (for example, if an employee is compensated on an hours or daily basis), the Payroll Department will made the correct addition and entry of compensable hours, regardless of which department made the initial addition or calculation. THIS RESPONSIBILITY CANNOT BE DELEGATED.

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| | AREA Payroll Preparation | PROCEDURES Overtime | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PURPOSE


Overtime compensation will vary among the hotels. Regardless of the method of compensation, overtime nearly always results in increased expenses to the Hotel. For this reason, all overtime which is compensable in any manner must be approved in advance by the Department Head or General Manager.

Refer to ***Form Overtime Requisition attached***

II. PROCEDURES

When required by law or labor agreement, the Payroll/Accounting Department must pay compensable overtime when it is recorded, whether or not such overtime was approved by Hotel Management. The Company's internal control mechanisms (approvals, etc.), cannot take precedence over any statutory or contractual agreements regarding overtime payment.

The Payroll/Accounting Department will report in writing any UNAPPROVED overtime to the General Manager, with a copy to the responsible Department Head.

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OVERTIME REQUISITION

Sheet No. _____ Pay Period _____

| Employee No: _____ | | | | | | | |
|---|---------------------|---|------|--------------------------------------|-------------|---------------------------------|---------|
| Name: _____ Department: _____ Date: _____ | | | | | | | |
| FOR ONE EMPLOYEE ONLY | | | | | | | |
| Requested By: | Reason for Overtime | Date | From | To | Meal Breaks | No. Hrs Worked | Remarks |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Approved by: Department Head | | Verified by: Human Resources Manager | | Approved by: Financial Controller | | Approved by: General Manager | |

NB:


1. To be approved by General Manager one day/shift before the actual turnover in staff
2. To be submitted to Payroll/Accounting Department at the end of each working period

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ACCOUNTING DEPARMENT

PROCEDURES

- A. The Department Head is responsible for determining pay eligibility for all absences. When in doubt about the paid or unpaid status of an employee absence, the Department Head must consult with the Human Resources Department.
- B. The Payroll/Accounting Department is not responsible for determining an employee's eligibility for paid absence, except to ensure that the appropriate Department Head has approved the absence.
- C. The Human Resources Department will record (from the attendance records) all employee absences in the individual employee's personnel file, to show remaining eligibility for paid absences.
- D. If payment is made to an ineligible employee, the responsible Department Head and the General Manager must be notified immediately, and arrangements made to recoup the payment.
- E. Whenever possible, attendance records involving paid absences should be sent to the Human Resources Department before actual payroll preparation, to prevent erroneous payments.

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| | AREA Payroll Preparation | PROCEDURES Processing Procedures | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA

The following data must be processed to prepare the periodic payroll:


1. Employee attendance records (regular and overtime hours, sick pay, vacations, holiday, etc.)
2. Personnel Change Notice forms (salary and status changes, new hires, terminations, etc.)
3. Payroll deduction forms (contributory and benefit programs, union dues, savings and investment programs, etc.)
4. Tax registrations (changes in tax exemptions, withholding rates for Pay As You Earn, etc.)

II. CONTROLS

A. On – Premise Control

If the Hotel performs the entire process of payroll preparation and calculation, the Financial Controller is responsible for establishing and maintaining controls over data entry/output. Whether the payroll preparation is manual or mechanized, the principles of control are unchanged. Controls must be established to ensure that:

1. Only properly approved data is processed, and
2. All data entered has been accepted and correctly processed by the payroll system.

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B. Off – Premise Control

If a payroll centre or service performs the actual data entry and pay calculation, the control principles are the same as in “A” above.

1. Payroll Centre – The Head Office is responsible for establishing, maintaining and coordinating necessary control mechanisms and procedures at the hotel and payroll centre.
2. Outside payroll service companies – The Financial Controller contracting for the service is responsible for control in this instance.

C. Control Register/Reconciliation of Current Month Payroll with Previous Month Payroll

1. The Human Resources Department must maintain a control register containing all payroll changes resulting in a gross payroll balance payable. The Human Resources Department and the Accounting Department will reconcile this payroll balance payable monthly, with the bank transfer prepared by accounts. The Human Resources Manager and the Financial Controller will sign for the correctness of the reconciliation in the control register.
2. Or, each month the payroll of the current month must be reconciled against the payroll of the previous month, explaining the differences per employee. The Financial Controller and General Manager must verify the reconciliation with Personnel Change Notices, and sign the reconciliation.

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| | AREA Payroll Disbursement | PROCEDURES General | By: Drs. A. Agus Purwanto, MM |


ACCOUNTING DEPARMENT

I. CRITERIA

After preparation, review and approval, payroll may be disbursed by any of the following methods, listed IN ORDER OF COMPANY PREFERENCE:

- A. Electronic Payment – will apply based on availability technology with Vietcom Bank in the future.
- B. Bank Transfer – The approved payroll journal (bank transfer request) is sent to the Vietcom Bank.
- C. Bank Cheque – Individual bank cheques are prepared for each employee at the moment not used.
- D. Cash – The Hotel's General Cashier prepare cash pay envelopes for each employee is not applicable in L'anmien Resort & Spa

From the above list, the Bank Transfer Payment is the System used by Sun Paradise until further system was approved by Chief Executive Officer.

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| | AREA Payroll Disbursement | PROCEDURES Cash Payment Procedures | Agustinus Agus Purwanto |

HOTEL ACCOUNTING STANDARD MANUAL

I. CRITERIA


The payment of employees' salaries and wages in cash is strongly discouraged and is not authorized except when no alternate method of payment is permitted or practical.

II. BANKING ARRANGEMENTS

The EXACT amount needed to pay employees (that is, the total net pay per the payroll/journal printout) will be obtained from the bank by issuing a bank check payable to "cash". This check will be drawn on the Hotel's disbursement account. DAILY BANK DEPOSITS WILL NOT BE WITHHELD TO ACCUMULATE CASH FOR PAYROLL PURPOSES.

III. PREPARATION FOR PAYMENT

- A. Payroll cash must be secured in the General Cashier's safe immediately upon receipt from the bank. The cash should be counted and balanced to the bank receipt as soon as possible.
- B. The Hotel's General Cashier will pre-count and prepare the individual employee pay envelopes containing cash and the employee's pay slip. Ideally, this preparation should occur only in the General Cashier's office, with only cashiering employees participating. However, if the office is too small, the counting and preparation should be conducted in a secure room, locked from inside if possible.
- C. The General Cashier must be present at all times during the preparation process. An unresolved out – of – balance condition must be immediately reported to the General Manager and Financial Controller (and Security Manager, if assigned). No employee shall leave the room until preparation is complete and the cash used has been balanced to the total net pay.


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IV. PAYROLL DISTRIBUTION

- A. The completed payroll must be kept in the General Cashier's safe (or under equivalent security) until the actual distribution is made to the employees.
- B. At least two persons will be directly involved in distributing pay envelopes to employees, using a copy of the payroll journal/printout or other document as a checklist and receipting document.
- C. Upon receipt of pay envelopes, each employee must:
 1. Identify himself by presenting an employee identification card or equivalent, and
 2. Sign the payroll journal/printout or similar document acknowledging receipt of pay
- D. After distribution is complete, the unclaimed pay envelopes will be verified against the signature/receipt document, and any discrepancies between the two will be noted and resolved immediately. Unclaimed wages will be returned to the General Cashier's safe, and the signature/receipt document delivered directly to the Payroll Department.

V. ERROR CORRECTION

Errors in payroll calculation must be reported to the Payroll Department and corrected the following pay period. If monies must be advanced to an employee, the disbursement will be made from the General Cashier's float and charged to the payroll advance account. The advance will be settled against the employee's next salary payment.

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| | AREA Payroll Disbursement | PROCEDURES Salary Advances | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. PURPOSE

- A. The term “payroll advance” means the payment of wages already earned by the employee and being paid before the regularly scheduled payday.


Payroll advance DOES NOT mean a payment in advance against future earnings; such payments are loans.

- B. Reason for advances include:

1. Payments for payroll calculation errors which cannot be corrected until the following pay period
2. Disbursement of earned pay before the employee leaves on a trip, etc.
3. Disbursement of earned pay for a family emergency
4. Payment of all amount due a terminated employee when the employee will not appear on the scheduled payday
5. Similar payments authorized and approved by the General Manager and Financial Controller.

II. PROCEDURES

All employee salary and wage advances as defined above must be effected as follows:


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A. Hotels Paying by Bank Cheque

Hotels with on – premise accounting will pay by bank cheque from the Hotel's disbursement account. Hotels on centralized accounting will pay by imprest cheque, as directed by the Head Office. The disbursement will be charged to the payroll advances account and deducted from the employee's next paycheque.

B. Hotels Paying by Cash

The employee will be paid by petty cash disbursement charged to the payroll advances account and deducted from the net amount due the employee on the following payday.

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| | AREA Payroll Disbursement | PROCEDURES Unclaimed Wages | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA

Unclaimed wages represent a liability to the Hotel, and shall not be indiscriminately credited to income or the payroll account.

In the absence of conflicting local regulations, unclaimed wages will be held for a period of six (6) months. Then, if still unclaimed, they will be credited to “other income – miscellaneous account”.

II. PROCEDURES

A. Hotels Paying by Bank Transfer


Unclaimed wages occur when the employee’s bank account has been closed. In this case, a journal entry supported by the bank’s credit advice/notice will be prepared to reinstate the disbursement amount and to establish the liability for unclaimed wages. Subsequent claim for payment by the employee shall be paid as follows:

1. Hotels with on-premise accounting will pay by bank cheque drawn on the disbursement account.
2. Hotels with centralized accounting will pay by petty cash disbursement or by imprest cheque, as authorized by Head Office.

Disbursements will be charged to the unclaimed wages account, without exception. The Financial Controller will make an adjusting journal entry if the unclaimed amount has been previously transferred to other income.

B. Hotels Paying by Bank Cheque

Unclaimed wages and salary will appear as reconciling items on the Hotel’s bank account. After two (2) months, uncashed payroll cheques (per bank statement/bank account reconciliation) will be moved from the bank

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account to the unclaimed wages account. After six (6) months, the cheque(s) will be moved from unclaimed wages to the “other income – miscellaneous account”.

Subsequent employee claims will be process and paid in the same manner as explained in “Hotels Paying by Bank Transfer”, paragraph II A above.


C. Hotels Paying by Cash (refer to ***“Payroll Disbursement – Cash Payment Procedures,” paragraph IV***).

Unclaimed cash wages and salaries will be processed and controlled as follows:

1. After payroll distribution, unclaimed cash envelopes will be verified against the employee signature/receipt document. Discrepancies will be noted and resolved immediately, then the envelopes will be delivered to the General cashier.
2. The signature/receipt document will be delivered directly to the Payroll Department, which will note beside each missing signature: “Transferred to unclaimed wage list (date)”.
3. Two copies of the unclaimed wage list will be prepared, with columns for employee names, ID numbers (if paid by bank cheques). The Payroll Department will retain a duplicate and forward the original to the General Cashier.
4. The General Cashier will verify the returned pay envelopes against the original list, keeping them for four (4) working days, during which time employees may sign the list and claim their pay.
5. The General Cashier will deposit the unclaimed amounts (separate deposit) and credit the unclaimed wages account. He will forward the list, the individual employee pay slips and the duplicate bank deposit slip to the Payroll Department. The Payroll Department will verify unclaimed wages against the bank deposit slip, initial the slip and forward it to the Income Auditor.
6. Bank cheques will be disbursed from the disbursement account for subsequent claims, charging the unclaimed wages account. The cheque number and date will be entered in the signature/cheque number column of the original unclaimed wage list.

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7. The Payroll Department will maintain the original list in date order, and reconcile the unclaimed wages account balance monthly, using the list. Wages unclaimed after six (6) months must be transferred to the “other income – miscellaneous account”. The unclaimed wage list(s) supporting this transfer must be removed from the Payroll Department file and attached as supporting documentation to the journal entry.

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| | AREA Payroll Disbursement | PROCEDURES Casual Worker | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT


I. CRITERIA

Casual Labors are hired on a temporary basis to meet needs which do not justify the employment of additional staff on a regular or permanent basis.

In most countries, social laws regulate the use of casual labor. This type of labor is abused in some cases. Tax authorities have imposed rules and reporting requirements to reduce tax avoidance associated with casual labor.

II. PROCEDURES

- A. The use of casual labor must strictly adhere to Vietnamese laws and regulations. Time records must be maintained, duly signed by the casual laborer and relevant Department Head.
- B. The General Manager must approve all casual labor in advance. Refer to ***Casual Labor Form attached***
- C. Casual labor should be paid by cheque or petty cash, with the laborer signing for receipt.
- D. Payment will be processed through the normal payroll to meet social security and tax regulations.
- E. All payments of wages must be in the legal tender of the country, or as prescribed by the legal contract.

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CASUAL LABOR FORM


| | | | | |
|---|-----------------|------------------------------|-------------------------------|---------------|
| REQUISITION _____ DEPARTMENT _____ OUTLET _____ | | | | |
| Date Required | Reason | No. of Casual Staff Required | No. of Hours Per Casual Staff | Rate Per Hour |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Requested By | Authorized By | Approved By | Approved for Payment | |
| Outlet Manager | Department Head | General Manager | Financial Controller | |

| PAID – OUT | | | | | | |
|------------|-----------------|------|--------|--------|-------|----------------------|
| Date | Employee Number | Name | Amount | | | Sign Amount Received |
| | | | Rate | No/Hrs | Total | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | | | | |

PAID – OUT VERIFIED CORRECT BY: _____

NOTE:

This form must be completed in duplicate. The original copy must be submitted to the Accounting Department within 3 days after the paid – out.

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| | AREA Payroll/ Miscellaneous | PROCEDURES Employee Terminations | By: Drs. A. Agus Purwanto, MM |


ACCOUNTING DEPARMENT

I. PURPOSE

Hotels should establish a formal processing system of terminated employees, to ensure that all issues affecting the Company and the employee are discussed and resolved.

II. PROCEDURES


- A. The General Manager or Human Resources Manager will assume responsibility for processing terminated employees, and they will distribute all final payments to terminated employees.
- B. The Human Resources Manager must develop a checklist which addresses issues to be covered before the employee leaves the property. The Human Resources Manager will check the list to ensure that:
 1. All custodial items (cash floats, etc.), have been properly accounted for and all keys have been returned.
 2. The employee has returned all manuals, training materials, records, reports, operations documents, equipment, tools, uniforms, etc., provided by the Company.
 3. The cash over/short report has been updated and checked for any excessive shortages (cash-handling employees only)
 4. The employee knows the expiration date of Company – provided insurance (life, health, etc.), as well as his rights, if any, to convert to a private policy. The employee's vested interest, if any, in employee benefits has been explained.
 5. Employee loans or salary advances have been settled or arrangements made for repayment. Employee final salary payment has been tendered and accepted.
 6. The employee's forwarding address has been noted.

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7. If the employee participated in a Company pension plan, the appropriate withdrawal form has been completed on termination.

The Human Resources Manager, Financial Controller and General Manager will sign the checklist

- C. Where required by Indonesian law, the statutory forms relating to employment termination should be completed. Otherwise, the following statement should be completed and signed by the Human Resources Manager and the employee: "The above items were discussed and resolved to the satisfaction of "Labersa Grand Hotel & Convention Center" and (Employee Name) on (Date)." This statement will be filled in the employee's personnel file, and a copy given to the employee if requested.
- D. All employee benefits (pension, medical and dental insurance, Company discounts, etc.), will cease upon the last day of employment.

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| | AREA Payroll/ Miscellaneous | PROCEDURES Tip Paid - Outs | By: Drs. A. Agus Purwanto, MM |

ACCOUNTING DEPARMENT

I. CRITERIA

Tip paid – outs are allowed only when gratuities are not subject to taxation, and where allowable under local governmental legislation and labor laws.

II. PROCEDURES

- A. The shift Cashier will note on a specifically – designed form all gratuities added to Hotel guest checks or charged to credit cards. The Hotel will use individual forms, or a schedule with a column, for each waiter (tip class employee) on duty. Employees receiving gratuities at the end of the shift must sign the forms(s).
- B. Gratuities paid out will be entered on the Cashier's balancing report and the signed forms submitted with the report. The total gratuities per each guest check must agree to the amount paid. Discrepancies shall be reported to the Financial Controller in writing.
- C. Tip paid – outs are a compensation item and their accuracy is subject to wage and labor laws, as well as union/labor agreements. Additionally, tip paid – outs are disbursements of cash subject to the same policy and procedural requirement as any other cash payment.