

<b>STANDARD OPERATING PROCEDURE</b>	<b>CODE: CF - 009</b>		<b>PAGE: 1 of 4</b>
	<b>EFFECTIVE:</b>		<b>UPDATE NO.: 0</b>
	<b>INITIATED BY: PRIMA CONSULTANT CO., LTD.</b>		<b>DEPT./SECTION:</b>
	<b>REVIEWED BY:</b>		
	<b>APPROVED BY:</b>		
	<b>SUBJECT:</b>	<b>MINI BAR COST CONTROL</b>	

## **OBJECTIVE**

To establish appropriate control methods to manage the mini-bar departmental profit

## **POLICY:**

1. The revenue and profit earned from mini-bar must be recognized independently as revenue and profits of the Mini-bar Department of the Food & Beverage operation.
2. A fixed quantity of beverage must always be maintained in the mini-bar.
3. Mini-bar must be checked every day and consumed beverages should be replenished. The records of replenished beverages must be verified with the actual sales.

## **PROCEDURE**

### **I- Inventory management**

1. A constant quantity of beverage must always be maintained in the mini-bar in each guest room. The consumed items are checked and replenished on daily basis.
2. In order to supply each guest room, an operating stock should be maintained in the department. A fixed par stock system must be defined and strictly adhered to.
3. The Cost Controller must periodically perform checks on a test basis on vacant rooms. If correct inventory is not stocked, he must report this to the mini-bar manager. The cause must be investigated and corrective action

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taken as appropriate.

4. It is preferable to use sealed goods (especially bottles) for beverages stored in the mini-bar to avoid tampering and improper use. Canned goods must always be stored with the opening faced up.
5. The expiration date of all stock must be checked when replenishing the mini-bar. The Cost Controller together with the mini-bar manager must perform inspection of the stock on a test basis. Beverages with the guarantee period expiring soon (or which have expired) must be taken out and replaced with new beverages. A list of removed beverage due to approaching expiry date should be prepared and action taken to avoid potential loss (use in other outlets, return to supplier for replacement, etc.).

## II- Control of sales

1. Preprinted 3-copies sales vouchers should be used to record mini-bar sales. The sales vouchers should be placed in each guest room near the mini-bar to allow guests to record their own consumption in order to prevent claims at check out.
2. The sales vouchers with consumption recorded are processed in the following manner:
  - Original: to the front office (or mini-bar office) to record sales
  - 1<sup>st</sup> copy: to Night Auditor
  - 2<sup>nd</sup> copy: in the guest room for guest information

If the guest does not fill in the consumed mini-bar items himself, the mini bar employee must do so
3. The mini-bar employee must perform checks and replenish the mini-bar everyday. When refilling the guest rooms' mini-bars, a record in 3-copies should be prepared, stating the following information:
  - Quantity supplied by item categories and by room

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- Total quantity supplied by item category
  - Cost and selling price by item category
  - Total cost and total amount sold by item category
4. The replenishment record will serve as a store requisition sheet for issuing goods from the beverage store.
  5. Distribution of the replenishment record is as follow:
    - Original: Night Auditor to be verified with sales recorded in guest folio
    - 1<sup>st</sup> copy: to be circulated to Storekeeper first for store issuance, then Cost Controller
    - 2<sup>nd</sup> copy: mini-bar department for filing

### III- Profit and cost management

1. The selling price for the mini-bar should be determined in relation to the selling price in the other bars of the hotel.
2. When establishing the department's target cost and profit margin based on the sales trend, an average level of loss should be considered as some guests deny consumption at the time of check out.
3. Month-end inventory must be performed and cost of sales calculated and verified against the replenishment record total.
4. Actual sales and potential sales computed from the mini-bar replenishment records must be compared and the variances investigated. When investigating, the following issues should be checked:
  - Theft from the mini-bar in the vacant guest rooms
  - Theft from the mini bar storeroom or from the carts used for supplying replacements.
  - Guests denying recorded consumption
  - Errors made by the mini-bar employees when checking the replacements to be supplied, and sales not recorded by the cashier.

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**Chief Accountant**

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**Date**

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**Financial Controller**

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**Date**

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**Director of Finance**

\_\_\_\_\_  
**Date**