

STANDARD OPERATING PROCEDURE	CODE: CF - 010		PAGE: 1 of 2
	EFFECTIVE:		UPDATE NO.: 0
	INITIATED BY: PRIMA CONSULTANT CO., LTD.		DEPT./SECTION:
	REVIEWED BY:		
	APPROVED BY:		
	SUBJECT:	PAR STOCK MANAGEMENT	

OBJECTIVE:

To keep stock at the minimum level possible without compromising the hotel operations and to allow efficient control over bar outlet operations

POLICY:

1. In all bar outlets, a fixed par stock level should be defined for all items
2. All par levels will need to be recorded and adhered to, and periodically renewed.

PROCEDURE:

1. A fixed par stock system must be implemented in all service bars and bar outlets, including mini-bar and room service.
2. After the Food & Beverage Manager has determined the selection and quantities to be included in the par stocks, a par stock listing should be prepared for each outlet, itemizing:
 - The type and brand of each item ordered by main family
 - The quantity unit
 - The fixed par stock
3. The quantities of inventory items must be maintained at an optimum level consistent with actual usage and need (usually based on a maximum sales volume of two consecutive days), in order to minimize bar inventory.
4. The fixed par stock listing, once formally approved by Food & Beverage Manager should be distributed as follow:
 - Original: Retained by Food & Beverage Manager
 - Copy: To Cost Controller
 - Copy: To outlet manager
5. Substitutions of fixed par stock items are not authorized. When necessary, a new par stock listing must be prepared and approved before issuing

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alternate brands, unit sizes or quantities.

- Par stocks should be replenished on an item-for-item basis and preferably on daily basis to minimize the par stock level to be maintained. The quantity to be replenished should always follow the formula:

$$\text{Stock on-hand at end of the day} + \text{quantity requested} = \text{Fixed par stock level}$$

- Periodically, the Cost Controller should spot check quantities on hand against approved par stock listing in each outlet. All variances must formally be reported to and explained by the Food & Beverage Manager before distribution to the Financial Controller and the General Manager.

Chief Accountant

Date

Financial Controller

Date

Director of Finance

Date