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	EFFECTIVE:		UPDATE NO.: 0
	INITIATED BY: PRIMA CONSULTANT CO., LTD.		DEPT./SECTION:
	REVIEWED BY:		
	APPROVED BY:		
	SUBJECT:		BREAKFAST INCLUDED AND PACKAGE PROGRAM

OBJECTIVE:

To arrange guideline of inclusive package, Inclusive Promotion and Breakfast Inclusive

POLICY:

The programs which will include “bundled” services. These services may consist of a room, food & beverage, telephone calls, transportation, etc. These programs will be marketed at an all-inclusive rate. Programs of this nature will be recorded in accordance with the following procedures:

Definitions:

1. “Inclusive Package” – An inclusive package shall be defined as those programs which consist of bundled services and are marketed for an indefinite period of time. These programs may include meals or some other service, etc. Inclusive packages will be recorded on a retail basis. However, if they are discounted, they will be discounted on a consistent basis across each profit centre.
2. “Inclusive Promotion” – An inclusive promotion is a program which is developed to enhance or “spur” business for a specific period of time. These types of programs will be recorded at retail in the primary profit centre with the promotional piece (service or item) recorded at cost. These additional services or pieces which enhance awareness or business volume will be charged back to Sales & Marketing as an ordinary operating expense.
3. “Breakfast Inclusive Package Rate” – A room rate where the only additional component included is breakfast.

PROCEDURE:

1. “Inclusive Packages”
 - a. Calculating the discount:
The hotel is going to offer a room package inclusive of Sunday brunch. The room rate is 8,000 and the value of one Sunday brunch is 2,000. These

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have a combined retail value of 10,000.00. The hotel has decided to market the package at 7,500.00. By offering the package at 7,500.00, the hotel has effectively discounted the 100% total value by 25%. Discounting the 8,000 room rate by 25% yields a new room rate of 6,000. Discounting the brunch rate of 2,000 by the 25% yields a new brunch rate of 1,500. The total package may now be sold and recorded at 7,500.00 with Rooms Revenue allocation of 6,500.00 and Sunday Brunch allocation of 1,500.00.

b. Recording the package:

The new room rate should be recorded in the property management system at 6,000. The brunch portion should be recorded at 1,500. Because both of these amounts are recorded at retail, it will not be necessary for any cost based adjustments to be made.

If the hotel decides to offer attraction tickets or other out sourced products or services in conjunction with an “Inclusive package”, the cost of those services should be recorded in Rooms operating expenses under Guest Entertainment.

c. Service charge and Taxes:

Appropriate taxes must be calculated on all package programs according to local laws. Consideration should be given to the individual components such that the rooms portion is taxable at the occupancy tax rate and the food or other service is taxed at the applicable sales tax rate.

Examples:

F&B Inclusive Package

Baht 7,500 Advertised Rate

8,000 Retail Room Rate
2,000 Retail brunch
10,000

6,000 Discounted Room Rate
1,500 Discounted brunch
7,500 Advertised Rate

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Limousine Transfer Inclusive Package

1,400 Advertised Rate

1,000 Rooms Revenue and 400 Limousine Service

The full cost of the outside service should be credited against Rooms Revenue form the advertised rate should be recorded in the property management system as the net amount.

2. “Promotional Packages”

a. calculating the package:

The hotel needs to enhance slow business period and has decided to offer a complimentary cocktail in their Lobby Bar to each room night generated by a certain wholesaler. This is a short term decision to enhance business, therefore, the contract room rate of 10,000 will prevail.

b. Recording the package:

The package should be recorded at the retail rate of 10,000. The complimentary cocktail should be rung up at retail in the outlet and allowed to “Marketing”. The product cost (beverage only) of the cocktail should be calculated and recorded as a cost credit to food and beverage and expensed to Sales & Promotion along with the applicable use taxes and any inclusive gratuity. Under no circumstances should any labour or other related expenses be allocated to another profit or cost centre.

If the hotel decides to offer any other outsourced products or services in conjunction with a “promotional Package”, then the cost of those services should be recorded as an expense to Sales & Marketing along with all applicable taxes and procurement fees.

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c. Taxes:

Appropriate taxes must be calculated on all package programs according to local laws.

3. “Breakfast inclusive Packages Rates”

Breakfast inclusive packages can either be controlled with coupons or through the PMS system.

1. PMS system

- a. The Front office needs to set up a rate code, breakfast inclusive.
- b. When the guest makes a relevant reservation the code will be applied.
- c. An in-house list will be printed at the end of the day showing the applicable package for the guest for breakfast.
- d. The guest should be asked for their room number while being seated and checked to the in-house guest list.
- e. A guest check should be prepared and signed by the guest and the guest advised that this will not event in an additional charge.

2. Coupon

- a. Printed Breakfast coupons must contain the Hotel name, pre-printed control numbers and a blank line for date.
- b. Coupons will be issued to each Guest Service Representative by the General Cashier and recorded on a control log, indicating the Guest Service Representative’s name, date and numerical tickets issued.
- c. Coupons will be provided to each adult occupant paying the “qualified”.
- d. Each coupon is redeemable for one full breakfast, or any portion thereof (i.e. coffee and Danish, cereal, etc.). The server/cashier will ring up each sale using existing procedures.

A breakfast buffet should be recorded as such, coffee and Danish would be rung up and settled as such, etc. It is the server’s responsibility to confirm each coupon contains a valid date.

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- e. Each valid coupon will be accepted as payment and tendered through the POS. All coupons must be voided by drawing a line across, or stamping, each one at time of use. The coupons should be stapled to the appropriate guest check.
 - f. Each night, the auditors will schedule and allowance the F&B revenues and taxes associated with this program.
 - g. Periodically, Accounting should audit the program to ensure coupons are only provided to qualifying customers, only non-expired coupons are being accepted in the restaurant.
3. Allocation Rate
- a. Breakfast internal allocation for room including breakfast (ABF package) needs to be set in the amount per person (an internal Breakdown).
 - b. The rate for each hotel must be reviewed/agreed upon on a yearly basis and implemented accordingly.
 - c. All breakfast inclusions, whether contractual or as special offers (tactical promotions, advance purchase, early bird programs, etc...), will be deducted from the room rate even though as promoted as free, allocation for breakfast is to be as mentioned/set.
4. Recording the Breakfast inclusive
- a. Base on the PMS feature which some PMS has automatically charged together with Auto Room post when the Night Auditor run his close day function if:

The package Ledger of breakfast revenue recognized on the same day as room charge, the accounting should recognize those charges as other income. On the next day morning when guest consume breakfast the POS will be posted individually directly to package ledger, to maintain accuracy of food revenue for breakfast the accounting will recognize as food revenue by reversing other income to Food revenue and the different will be kept in other income which can be profit or loss in package ledger.
 - b. If the Management agree to acknowledge food revenue at the same day with auto room post .The package ledger will recognize as food revenue.

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Chief Accountant

Date

Financial Controller

Date

Director of Finance

Date