Chapter 5: Guest Accounting Module

In this chapter we have discussed Guest Accounting module processes and monitors financial transactions that occur between guests and the hotel. When remote electronic cash registers (ECR) or POS, situated at various revenue centers throughout the hotel are interfaced with a guest accounting module, guest charges are communicated to the front desk and automatically posted to the appropriate electronic guest folio.Guest accounting is the term used to track debits and credits within the front office. The guest ledger tracks accounting activity within the hotel before and during a guest or group stay.The most critical component of the hotel front office computer system is the guest accounting module. The module posts charges, updates tiles and displays or prints the folio on demand. It may also provide electronic controls over such areas as folio handling, account balances, cashier reconciliation, food and beverage guest-cheque control, account auditing and accounts receivable. There are different types of folios used to record the transactions in relation with the guest management.

Guest accounts are created when guests guarantee their reservations or when they register at the front desk. During occupancy, the front office is responsible for and records all transactions affecting the balance of a guest account. The front office usually seeks payment for any outstanding guest account balance during the settlement stage of the guest cycle.Certain circumstances may require the guest to make a partial or full payment at other times during the guest cycle. If the front office is to enforce the hotel's house limit, guests who exceed that limit may be asked to settle part or all of the outstanding balance. When there is a house limit, account settlement action is initiated when the account balance exceeds a predetermined limit, not at the time of check-out.

The guest folio/bill in which all cash and credit transactions are recorded for each resident guest which increase or decrease the balance of a single account is recorded with the help of respective account. It is also called as "guest account card". In some hotels it is also called as Guest weekly bill. The debit transactions are recorded to the left of the folio while the credit transactions are recorded to the right.

The outstanding balance is calculated by subtracting the right from the left in an automated system the folio remains in the computer and a hard copy is printed out only at the time of guest check out. Each entry into the folio is called a posting. Each posting is recorded sequentially in the folio in the order of transactions on a given date.There are various types of folios used to record the accounting transactions both of financial and non-financial in nature. There are four common types of folios used:

Individual folios: accounts assigned to individual persons or guestrooms

Master folios: accounts assigned to more than one person or guest room; usually reserved for guest groups

Non-guest folios: accounts assigned to non-guest businesses or agencies with hotel charge purchase privileges

Employee folios: accounts assigned to employees with charge purchase privileges

The correct way of maintaining folios starts with proper posting, which is the process of recording transactions on a folio (i.e. proper folio, proper location and proper amount). Once the accounts are fixed the necessary values are posted in the respective folios.Account entries may be made through:

- Front desk terminals
- Remote POS terminals

To post an entry, the room number or account number must be entered. Usually an identification code must then be used to post a charge. The module may also require a reference code. The reference code is usually the serial number of a departmental source document that has been numbered for internal control purposes. The final data entry requirement is the amount of the charge. The guest accounting module usually initiates a credit monitoring routine to make sure the charge does not surpass any predetermined credit limit or house limit.Some modules require that a key-card be inserted in order to authorize the posting of charges from remote POS terminals.The Front office Audit is usually referred as Night Audit because hotels generally perform it during the late evening hours. Before the implementation of automated front office systems,the most convenient time to perform the audit was during the late evening and early morning hours.This helps the front office personals to work with minimal interruption and also most of the hotel outlets and revenue centers are closed during this time. The audit is a daily review of guest account transactions recorded against revenue center transactions. The routine helps guarantee the accuracy, reliability and thoroughness of front office accounting.

Audit and keep things ready for the End of Day:Keep the duplicate copy of restaurant checks sorted according to the floor number. Room number and place them on to the respective room's folders / slots.Print the Payment made today by all Method of Payments (Cash, Credit card, Bill to Company etc.) and tally the same with corresponding payment for the day.Take out all Invoice generated for the day and Tick mark net to the amount on the 'Payment report' for the day to indicate that payment type and the amount appearing on the folio is matching with the amount and type on the report.

Reconcile all Bills to company settlement for the day and make sure that the corresponding billing letter and copy of the restaurant checks are attached to the same.

Complete the Credit Card Reconciliation Form: Both PMS and credit card MUST balance to each other.Complete settlement on all the credit card terminals —after midnight.

Balance Cash:

- Retrieve the Payments as at now sorted by MOP printed earlier
- Verify all cash drops
- Balance any paid outs from same or previous days
- Prepare deposit slip and express banking bag for net cash and cheques

Cash Register closure:

- Cash Register / Cash register closure. You must ensure all cash registers are closed (the only way to do this is to ensure you have all the cash register closure reports).
- You must ensure that there are no outstanding departures/arrivals (including group masters).
- Print Shift Reports before closure.
- Ensure that all postings are accounted for.

Print Reports for all interfaces from PMS:

- Posting report for Telephone postings.
- Posting report for internet postings.
- Posting report for In Room Movie rentals.
- Refer the server report for all the above interfaces and tally the revenue with those posted on the PMS.

The Settlement Options include the Interim Bill: Select Interim Bill to prepare a guest folio and process a payment without checking out the guest from the room. The interim bill will cover all outstanding posted transactions up to the present. An interim bill might be requested, for example, by a guest who is staying over an extended period and wishes to pay for all charges up to the current date, even though they will be staying for several more days.

The Night Auditor shall prepare reports that indicate the status of front office activities and operations.

Some of the reports prepared by Night Auditor are:The Department Detail and Summary Reports —'it helps prove that all transactions were properly posted and accounted for.

The Daily Operations Report — It summarizes the day's business and provides insights into revenues, receivables, operating statistics, and cash transactions related to front office.

The High Balance Report — Identifies guests whose charges are approaching an account credit limit designated by the hotel (the house limit).

Zero Occupancy report — Its used to brief the number of rooms lying vacant without being occupied by guest.

Specialty Reports —Its used to show status of various Key accounts and corporate or group occupancy status (Ex. Group Sales Report dispatched by each group, showing number of rooms occupied by each group, and revenue generated by each group