

AUTHOR	CATERING AND TOURISM TRAINING INSTITUTE	Version 1 February 2019
--------	---	----------------------------

<b>INFORMATION SHEET-1</b>	<b>OPERATE POINT-OF-SALE EQUIPMENT</b>
--------------------------------	--

### **1.1. Operate point-of-sale equipment**

Point of Sale (POS) software, also known as electronic Point of Sale (EPOS), is an essential application for retail or hospitality businesses because it manages checkout operations and is what the customer sees when they make a transaction.

Point of sale systems process and track sales in an easy way, but they also track inventory. This means you run out of stock less often and don't order too much of one product. Choose from brands such as HP, Motorola, and ELO.

POS systems range in price and functionality, so you will find one to suit your needs. Several of the systems are designed to work with iPad, so you simply connect your iPad to process sales and then take it with you when you leave. These types of systems are perfect for smaller businesses. For an alternative mobile option, choose a hand-held terminal to improve inventory monitoring. To make them an all-in-one option, POS computers are touch screen, so handling sales and tracking inventory is just a touch away.

POS printers connect to your POS system and print out receipts and orders for your customers or staff. Printer types include direct thermal, dot matrix, impact, and label printers. Print methods include dot matrix, inkjet matrix, and thermal among others. Choose print speeds from 3 lines per second to 8.9 lines per second to suit your business's needs.

To complete your POS system, POS accessories are a must. Signature pads and card readers allow your customers to pay via credit or debit card. Paper, roll mounts, and ribbon allow you to accurately print receipts for customers, and cash drawers allow you to keep money safe before you take it to the bank. These POS accessories are everything you need to keep your system working properly

Point-of-sale equipment May include:-

- cash register
- cash drawer
- scanner
- EFTPOS terminal
- electronic scales
- security tagging
- numerical display board

### 1.1.1. Cash register

Point of sale registers come in a range of shapes and sizes. Improved technology provides many stores with sophisticated equipment for processing transactions.

A scanning cash register is one that combines a traditional cash register with a bar code scanner. This not only removes the need for a checkout operator to manually type in a price (for example, from a price label), but can make it easier to track stock levels. A scanning cash register may also be described as a complete point of sale system.

Scanning cash registers allow the operator to automatically retrieve the price and details of an item, adding it to the running total of a customer's shopping and in many cases feeding into a stock control system. The register can have either a handheld scanner (which the operator runs over the bar code) or a fixed scanner (over which the operator swipes the item). The scanner works by beaming light onto the item and measuring the reflection from different points of the bar code. Most bar codes use black and white to increase the contrast between the different points and reduce the possibility of a misreading

#### Entering information accurately into a register

Whatever the type of point of sale equipment used, information from a sales transaction needs to be entered into a point of sale register accurately.



The general process for entering this information into most cash registers, requires you to:

1. enter the cost of the item into the register,

2. press the department button for the item, then
3. enter the amount tendered into the box provided, and
4. press TOTAL to find out if you've entered the information correctly.

### 1.1.2 Setting Up Your Cash Register

1. **Set up your cash register and plug it in.** Find a hard, flat surface to set your register on. Ideally, this will be on a countertop with room for customers to place their merchandise. Plug the register directly into an outlet (do not use an extension cord)



2. **Install batteries.** Batteries provide backup memory for the cash register in case of power failure and should be installed before you program any functions in the cash register.<sup>[1]</sup> Take off the receipt paper cover and locate the battery compartment. You may need to use a small screwdriver to unscrew the lid to this area. Install the batteries according to the directions on the machine. Put the lid back on the battery compartment.

- Some battery compartments are located underneath the receipt paper area.
- Change batteries once per year to ensure that they will work properly.



- 3. Install the receipt paper.** Take off the cover to the receipt paper compartment. Make sure the end of your paper roll has a straight edge so it will be fed easily into the paper feeder. Feed the paper roll through so that it will run up through the front of the register where you will be able to tear off receipts for customers. Press the FEED button so that the register will catch the receipt and feed it through.



- 4. Unlock the till drawer.** The till drawer usually has a key that locks it up for safety. Do not lose this key. You can just leave the key in the drawer when it is unlocked so that it is easily found when you need to lock it up.

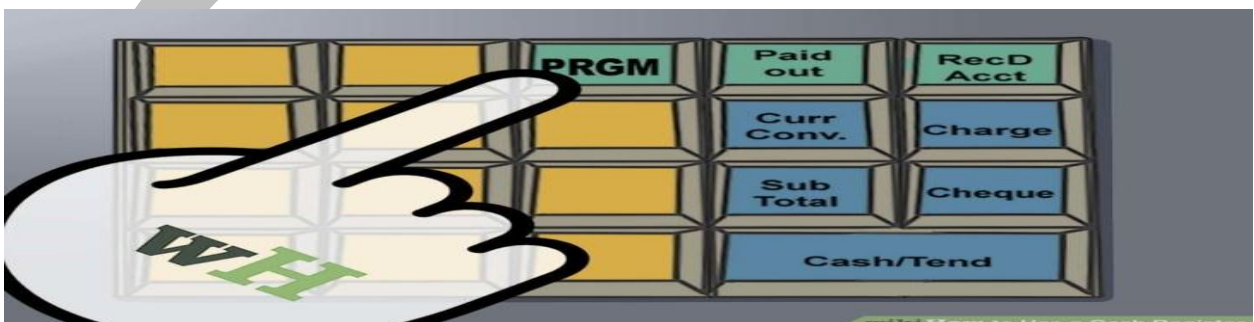


5. **Turn the cash register on.** Some cash registers have an ON/OFF switch on the back or side of the machine. Others may have a key on the front top of the machine. Turn on the machine, or turn the key to the REG (register) position.

Newer registers may have a MODE button instead of a physical key. Press the MODE button to scroll into a REG or operational mode



6. **Program your register.** Most registers have buttons that can be programmed to categorize similar items. These categories, or departments, can also be associated with taxable or non-taxable items. You can also set the date and time.
- The program function is usually accessed by either turning the key to PRG or P, or pressing the mode button to PROGRAM. Other registers may have a manual lever underneath the receipt tape cover that needs to be switched to a Program option.
  - Many cash registers have at least 4 tax buttons. These can be programmed at different tax rates, depending on if you have a flat sales tax as some states in the U.S. do, or if you have other types of taxes, such as GST, PST, or VAT rates (depending on your location).
  - Follow the specific instructions in your register's manual to program these functions



### 1.1.3 Cash drawers

Cash drawers are one of the core components to every Point of Sale System. They may be the simplest part of your POS but making sure you have the right cash drawer is key. Most cash drawers are printer driven and will need the right cabling to connect to your receipt printer. Manual, USB, and Serial cash drawer models are also available to ensure compatibility with any POS system. We offer cash drawers that are designed for the most rugged environments, as well as cash drawers that are compatible with an iPad

### 1.1.4 EFTPOS terminal

A point-of-sale (POS) terminal is a computerized replacement for a cash register. Much more complex than the cash registers of even just a few years ago, the POS system can include the ability to record and track customer orders, process credit and debit cards, connect to other systems in a network, and manage inventory. Generally, a POS terminal has as its core a personal computer, which is provided with application-specific programs and I/O devices for the particular environment in which it will serve. A POS system for a restaurant, for example, is likely to have all menu items stored in a database that can be queried for information in a number of ways. POS terminals are used in most industries that have a point of sale such as a service desk, including restaurants, lodging, entertainment, and museums.

Integrated EFTPOS is suitable for businesses of any size looking to reduce the complexity of their EFTPOS payments. It allows merchants to directly connect an EFTPOS terminal to their Point of Sale (POS) system or Electronic Cash Register (ECR) – removing the need to re-enter the purchase amount into the EFTPOS terminal

#### 1.1.5.1 Store policy and procedures

Store policy and procedures In regard to:

- operation of point-of-sale equipment
- security
- sales transactions
- handling techniques of stock
- financial transactions
- cash handling

Clear point-of-sale terminal and transfer tender.

Handle cash.

## 1.2 Handling cash

**Cash handling** materials are ideal for ensuring your cash is always safe. Some feature electronic counting and sorting to make handling large amounts of money easy. Use these counters along with currency straps and coin wrappers to sort and transport cash at the end of the day

Maintain supplies of change in point-of-sale terminal according to store policy.

Attend active point-of-sale terminals according to store policy.

Complete records for transaction errors according to store policy.

### 1.2.1 Point-of-sale documents

Point-of-sale documents May include:

- order forms
- lay-by slips
- credit slips
- product return slips
- message pads
- promotional materials

### 1.2.2 Customers

Customers May include:

- new or repeat contacts
- internal and external contacts
- customers with routine or special requests
- people from a range of social, cultural and ethnic backgrounds and with varying physical and mental abilities

### 1.2.3 Consulting and service for your customers

You can offer customers special service and individual consultations at your manned point of sale. Furthermore with the multifunctional workstation you' will be able to keep a firm grip on the complete parking management solution, including generating financial reports.

Benefits

Stable and easy to operate

- The right choice: optimized for the parking industry
- Easy to operate: well organized user interface
- Stable and reliable hardware

***Compact and scalable***

- Compact design: Fits into every work environment
- A real team player: supports different keyboards, printers, monitors, client displays, scanners and coding devices
- Convenient operation: Touch screen option
- Cash drawer interface
- For long-term parking and outdoor parking lots

***1.2.4 Flexible and Cost-Effective***

- All the necessary functions at an affordable price
- Individually scalable scanning and coding devices
- Centralized collecting of payment and collecting of payment at exit

***Multifunctional and secure***

- Secure barcode and credit card payment
- Conveniently handles RFID data carriers (e.g. charging of Keycard)
- Rapid ticket production
- Easy shift management
- Controlled access to software modules and operating system
- Comprehensive functions for handling items

**OPERATION SHEET-1**

**OPERATION TITLE:- Setting Up Cash Register machine**

**PURPOSE:-** trainees will attain the required skill to install cash register

**CONDITIONS OR SITUATIONS FOR THE OPERATIONS:-** the counter will be comfortable to seat, electric installation and enough ventilation

**EQUIPMENT TOOLS AND MATERIALS :-** cash register machine, devider, stabilizer, screw driver, batteries

**PROCEDURE:-**

- Plug the register directly into an outlet (do not use an extension cord)
- use a small screwdriver to unscrew the battery compartment
- Install the batteries according to the directions on the machine
- Put the lid back on the battery compartment.
- Take off the cover to the receipt paper compartment
- Feed the paper roll through
- Press the FEED button so that the register will catch the receipt and feed it through
- Unlock the till drawer
- Turn the cash register on
- Program your register



**PRECAUTIONS:-**

- Take care of electric shortages and contacts
- Some battery compartments are located underneath the receipt paper area.
- Change batteries once per year to ensure that they will work properly
- Make sure the end of your paper roll has a straight edge
- Do not lose this key

**QUALITY CRITERIA:-**

- **The cash register can start when put on the light**
- **The cash register can work and have back up while put off light**

CATERING

<b>Self-Check -1</b>	<b>Written Test</b>
----------------------	---------------------

**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page:

1. What is POS?
2. Mention the common Point-of-sale equipments
3. Store policy and procedures might include
4. Mention Point-of-sale documents

CATERING

<b>INFORMATION SHEET-2</b>	<b>USE NUMBERS IN THE WORKPLACE</b>
----------------------------	-------------------------------------

## 2.1 Listing retail workplace numerical problems

In a hotel customers buy/purchase goods and services this means the hotel in turn sales this goods and services. And also the hotel purchase raw materials and other services. This transaction takes place at point of sale (POS).

To perform these transactions mainly focusing money exchanges personnel's in charge of this should have to use numerical. Some of the numerical performed are: -

- Calculations of cash amounts received and paid
- Addition, multiplication, division and subtraction amounts
- Changing of different types of money with the current currency value
- Calculations of percentages
- Measurements
- Estimation of quantities

If they do not have the required skills and also lose attention while using numerical, it might cause problems resulting lose and dissatisfactions. In many retails numerical problems are common to happen.

### 2.1.1 Numerical problems

Numerical problems may include:

- calculations of cash amounts and change
- addition and subtraction
- multiplication and division
- percentages
- measurement
- estimation of quantities

Numerical information

- The most common types of numerical informations in a hotel are the price (amount) of goods and services consumed by the customers and the cost of goods and services purchased by the organization for making services available to render.
- The most common sources of numerical information's are the bar, the restaurant, the banquet, the kitchen, the house keeping, recreation centers, pantry room, sovereign, etc

Common Currencies

- The most common currencies available in the world and mainly appear in the hotel for transaction are dollar, pound, riyal, yan, euro, and berr.

- Exchange values of these currencies vary based on the current market. Currently 1 dollar is approximately 20 birr, 1 euro is approximately 26 birr, 1 pound is approximately 33 birr, 1 riyal is approximately 5.5 birr,
- During the use of numerical these currencies can have their own symbolization. For example **pound** can be represented by £, **dollar** can be represented by \$, etc

CATERING

**Self-Check -2****Written Test**

**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page:

1. Accurately list a range of possible retail workplace **numerical problems**.
2. List some of the currencies you know in the world

CATERING

**INFORMATION  
SHEET-3****PERFORM POINT-OF-SALE  
TRANSACTIONS****3.1 Completing *point-of-sale transactions*****Point-of-sale transactions**

Point-of-sale transactions May include:

- EFTPOS
- cheques
- travelers cheques
- credit cards and store cards
- smart cards
- lay-by
- returns
- exchanges
- gift vouchers

**3.1.1 Cheques**

Payment by cheque use to be one of the most common methods of payment. It reflected the decline of payment method in cash in recent years. Cheque guarantee cards guarantee the payment of the cheque to an agreed amount (usually £50 or £100). But there are a few simple rules that need to be followed.

The guarantee of cheques provided customers are:

- Only one cheque is used per transaction
- It is signed in the presence of the cashier
- The bank code on the cheque and the guarantee card agree
- The card number is written on the reverse side of the cheque
- The card has not expired.

A bank does not guarantee to honor a transaction where an account of is paid by issuing two cheques of £50. The transaction is changed to a cash one by putting the card number on the back of the cheque. The customer will then not be able to stop the cheque later. It is crucial that the cashier watches the customer sign the cheque and then compares to the signatures carefully as to establish their similarity. Listed below are factors that need to be look into when handling cheques guarantee cards.

1. **Code Number** the bank sorting code number must agree with the code of the issuing cheque.
2. **Card Number** The card number is written on the reverse of the cheque by the accepting cashier. It does not correspond to any other number on the cheque.

**Expiry Date** The card will not be valid if it is out of date.

**Signature:** The signature must be checked against the signature written on the back of the cheque. The card should be examined to make sure that the signature panel has not been tampered with.

Crossed cheques are now mostly issued and therefore have to be paid into a bank account. With the signature of the payee at the back, it can be reassigned to a third party. In the case where a third party cheque is returned, the hotel has to contact the original drawer of the cheque to obtain settlement. It is for this reason that hotels do not accept third party cheques.

**Date** When accepting a cheque, the cashier should check a number of points, one of the most important being the date. A cheque that has a date in the future on it (a post-dated cheque) will not become valid until that date. A cheque more than six months old (stale) is no longer valid.

**Crossing Cheques** The two most important rules about crossing cheques are as follows:

- A/c payee: this means that the cheque can only be paid into the account of the person nominated. It cannot be assigned to a third party. This is useful for cheques sent by post.
- Not to exceed xxx: this is crossing establishes a maximum Value to the cheque and guards against fraud by making it more difficult to change the amount payable.

**3.1.2 Traveler's checks:** are prepaid checks issued by a bank or financial organization; they have been an acceptable form of legal tender for many years. These checks are a welcome method of payment in the lodging industry. Traveler's checks are processed like cash. Proof of credit is already established, and the hotel pays no percentage of the sale to a credit card agency, as the guest paid a percentage of the face amount of the traveler's check to the issuing agency. However, checking proof of identification (a valid driver's license or major credit card) should be a standard traveler's check-cashing policy. The guest should sign the traveler's check in the cashier's presence, and that signature should be compared with the signature already on the check. The list of traveler's check numbers that are not acceptable, supplied regularly by the check-issuing agency, must be consulted to ensure that the checks are valid.

### 3.3.3 Credit Cards

Today's business and leisure travelers usually pay with a credit card. "Plastic money" has advantages for the cardholder as well as for the hotel. The cardholder is assured instant credit to satisfy debts incurred. The extensive travel required of some businesspeople would make the almost constant requests for cash advances by corporate employees difficult to manage. The advantage for the lodging establishment is that payment is assured (less a discount paid to the corporation issuing the credit card). It is important to note that with the increased use and advances of computers in the business world, the reimbursement period can be reduced to none—the hotel is immediately credited with payment. As these advances occur, the ready acceptance of various credit cards will change.

The front office, in cooperation with the controller, usually establishes a priority system for accepting credit cards based on cash flow requirements and the effect of the discount rate offered. The average guest is probably not aware of the discount rate and may be willing to use whatever credit card the front desk clerk requests.

Processing a credit card in an automated hotel follows a standard procedure. The objectives of the procedure include accurate recording of the amounts of charges and tax, name (address and phone number of cardholder are optional), verification of the credit card dollar limit, and capture of fraudulent credit cards. The procedure includes the following steps:

1. Note the credit card expiration date.
2. Enter the approval of the amount of the charge on the PMS checkout screen.
3. Verify the credit limit available by using the credit card validator.
4. Allow the guest to review folio and sign.
5. Check the guest signature on the folio against the signature on the card.
6. Give the card and the guest copy of the folio to the guest.

Once the procedure is developed, it must be followed to the letter, without exception.

The fraudulent use of credit cards takes a great toll on the profits of the hotel. An incentive system for cashiers and front desk clerks can be built into the procedure for processing credit cards to encourage the capture of fraudulent cards. The small monetary reward is nominal compared to the cost of a hotel bill that may never be recovered. In addition, hotels should develop a procedure for retrieval of fraudulent credit cards. The safety of front desk staff is extremely important in this procedure.

### International Currency Exchange

When an international guest presents a credit card for payment at checkout, the credit card issuing agency processes the payment according to the current exchange rate between countries. If a guest wants to pay in his or her national currency, the cashier must compute the exchange. The daily international exchange rate can be found by calling a bank or other financial institution or reviewing the international exchange rates

**smart card:** an electronic device with a computer chip that allows a guest or an employee access to a designated area, tracking, and debit-card capabilities for the hotel guest.



## Making a Sale



### 3.2 Entering information into point-of-sale equipment

**Enter a security code or password to use the register.** Many registers will require that you enter a clerk number or other security code to use the register. Clerk numbers are useful so that each sale is attributed to a particular person. This is helpful in tracking sales and clearing up errors.

- If you work in a restaurant, you may need to enter your employee code along with the table number and number of customers.<sup>[2]</sup>
- Newer cash registers (such as the Square cash register) may require that you log in with an email address and password.<sup>[3]</sup>



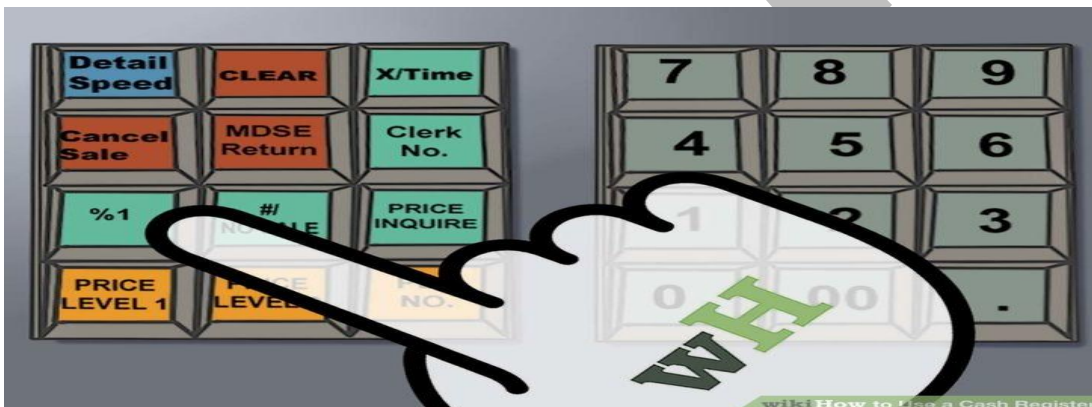
**2 .Key in the amount for the first item.** Use the number keys to type in the exact dollar amount of the item. Typically you do not need to add a decimal, as cash registers do this for you.

- Some registers will use a scanner, rather than asking you to manually enter in item prices. The scanner will read a barcode and enter the product's information automatically. If this is the case, you won't need to press the department button in the next step.

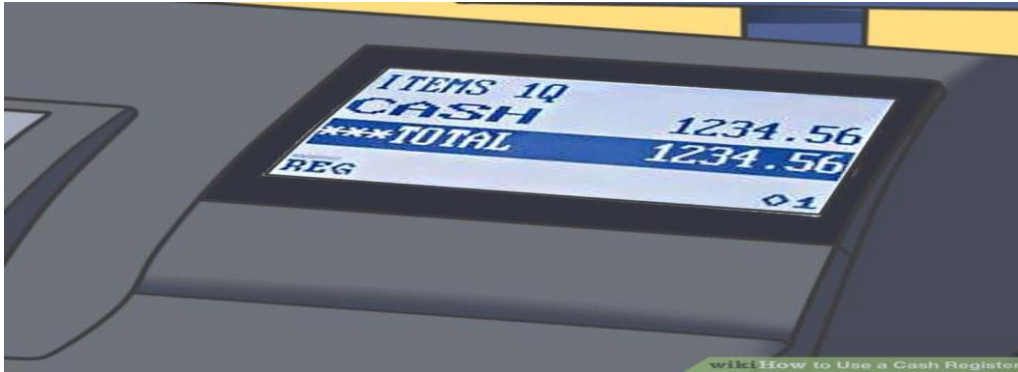


3 Hit the **corresponding department button**. Most registers require that you hit a button after the dollar amount that assigns that item to a category of sale (for instance, clothing, food, etc.).

- Department keys can be programmed to be taxable or nontaxable. Consult your machine's manual for instructions on programming tax rates to correspond with keys.
- Looking at the receipt: press arrow or FEED key to have the register feed the receipt upwards so you can read what totals are being recorded on the receipt.
- Every item you add on will be added to a running total, which is usually displayed on the cash register reader or screen.

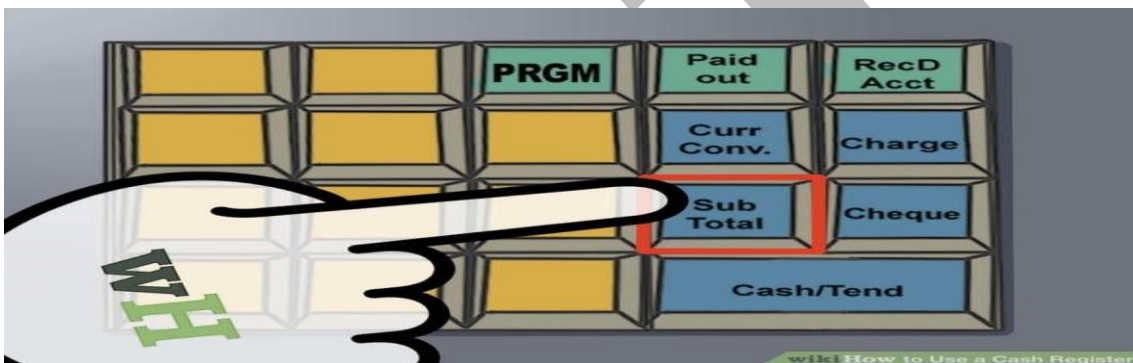


4 Add **any necessary discounts to the price**. If an item is on sale, you may need to enter in the percentage discount. Key in the price of the item, hit the department button, key in the discount percentage number (15 for 15% off, for example), and then press the % key. This key is usually in the bank of buttons to the left of the number pad.

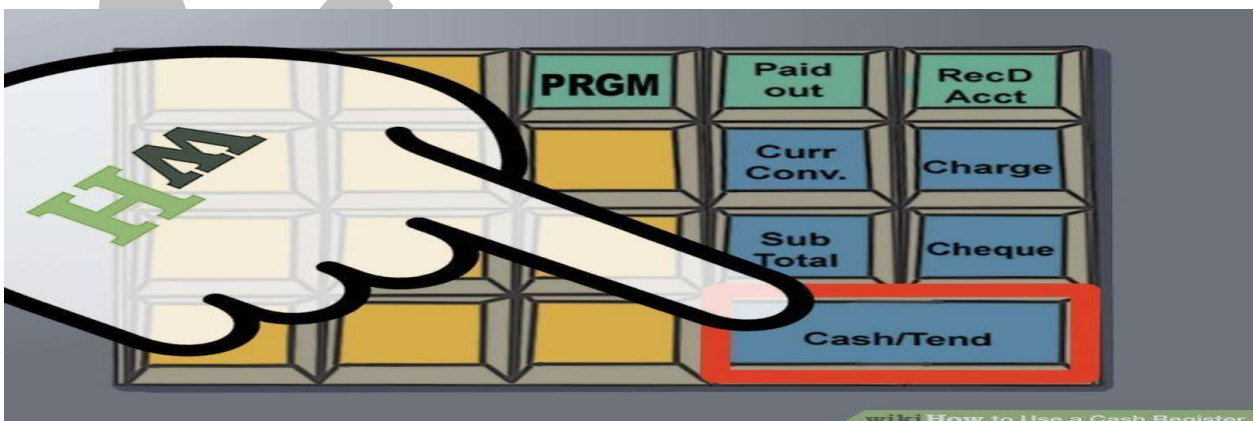


**5 Key in amounts for the remaining items.** Use the number keys to enter in the exact dollar amount for each remaining item. Be sure to press the corresponding department key after each item is entered.

- If you have multiple copies of the same item, press the number of items, then the QTY button, then the price of a single item, and then the department key. For example, if you have 2 books priced at \$6.99, press 2, then QTY, then 699, then the department key.



**6 Hit the subtotal button.** This button will give the total of the merchandise rung up. It will add any necessary tax that has been pre-programmed into the department buttons.



**7 Determine how the customer is going to pay.** Customers may pay in cash, with a credit card, or with a check. You may also accept gift cards or certificates, which are most often treated as cash.

- **Cash:** Type in amount of cash they give you and press CASH/AMT TND button (this is usually the largest wide button on the bottom right hand portion of the register's set of keys). Many registers will tell you how much change to give the customer. Some do not, however, and you will have to do the math in your head. Once the till drawer pops open, you can place the cash or check in the drawer and count out any necessary change.
- **Credit card:** Press CREDIT button (sometimes CR) and use credit card machine to run the credit card.
- **Check:** Key in the exact amount of the check, press the CK or CHECK button, and put the check in the drawer.
- To open the till drawer if you have not made a sale, you can press the NO SALE or NS button. This function may be protected for manager use only and may require that a manager uses a key to put the register in a different mode to access the NO SALE function.



**8 Close the till drawer.** Always close the cash drawer immediately after you use it so that it is not left hanging open. This could put you at risk for theft.

- Always empty out or remove the till drawer at the end of the business day and store it in a secure place.

**store procedures in respect to**

- Cash and non-cash transactions.
- Exchanges and returns.

Move goods

- Moving goods through point-of-sale area efficiently and with attention to fragility and packaging. Enter information into point-of-sale equipment.

State price or total and amount of cash received verbally to customer.

Tender correct change

### OPERATION SHEET-3

**OPERATION TITLE:- Perform sales in the cash register machine**

**PURPOSE:-** the trainee will easily conduct sales by using cash register machine in the work place

**CONDITIONS OR SITUATIONS FOR THE OPERATIONS:-**

- there has to be installed cash register machine and a customer who conducts purchase of the products and services

**EQUIPMENT TOOLS AND MATERIALS :** installed cash register machine, variety currencies

**PROCEDURE:-**

- Open the cash register by entering a security code or password to use the register
- Key the amount of the item and hit the corresponding department button
- press arrow or FEED key to have the register feed the receipt upwards
- Add any necessary discounts to the price
- key in the discount percentage number and then press the % key
- Enter in the exact dollar amount for each remaining items and hit the subtotal button
- Determine how the customer is going to pay
- Close the till drawer

**PRECAUTIONS:-**

- you do not need to key any decimal, as cash registers do this for you.
- Be sure to press the corresponding department key after each item is entered.

**QUALITY CRITERIA:**

- The total sale at last will sum up individual sales information collected from various sources

<b>Self-Check -3</b>	<b>Written Test</b>
----------------------	---------------------

**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page:

1. What are the payment types that a customer uses for goods and services
2. Transactions may include
3. What are the guarantees of checks provided by a customer?
4. \_\_\_\_\_ is also called a “Plastic money”.
5. \_\_\_\_\_ reflected the decline of payment method in cash in recent years.

CATERING

AUTHOR	CATERING AND TOURISM TRAINING INSTITUTE	Version 1 February 2019
--------	---	----------------------------

<b>INFORMATION SHEET-4</b>	<b>COMPLETE SALES</b>
----------------------------	-----------------------

Complete customer order forms, invoices and receipts

Customer delivery requirements

#### **4.1 Process sales transactions**

A transaction processing system can be defined as a set of policies, procedures, equipment and technology designed to facilitate transactions at the point of sale. Transaction processing systems have evolved alongside advances in technology to add convenience, reliability and security to business transactions. Just like the point of sale itself, transaction processing systems can take a variety of forms. A cash box and a pad of paper at a lemonade stand is considered a transaction processing system, for example, as is a complex software package that connects digital cash registers, credit card processors, inventory databases and accounting software

<b>Self-Check -4</b>	<b>Written Test</b>
----------------------	---------------------

**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page:

1. Define sale transaction?
2. Explain Transaction processing system?
3. Explain stapes of transaction?

CATERING



**Information Sheet-5****Lo5: Wrap and pack goods****5.1 Wrap and pack goods materials**

One of the services rendered for guests in the hotel is delivery of goods/luggage during arrival and departure times. And also deposit services for valuable guest items. This service is commonly given by personnel known as Porter/Bel boy.

Guests are sensitive for their goods not to be damaged or stallen. So these personnel need to know how different guest items are going to be wrapping and packed for safe delivery of goods. They also should identify and make available these wrapping and packaging materials.

**5.2 Arranging and transferring delivery methods**

Arranging and transferring May include:

- boxes
- bags
- paper
- bubble wrap
- gift wrapping
- adhesive tape
- ribbon
- string

When we wrap and pack guest items

- Select appropriate wrapping or packaging material.
- Wrap merchandise neatly and effectively.
- Pack items safely to avoid damage in transit, and attach labels

**Delivery methods**

Delivery methods May include:

- parcel pick-up
- post or express post
- courier
- freight
- domestic or international delivery

AUTHOR	CATERING AND TOURISM TRAINING INSTITUTE	Version 1 February 2019
--------	---	----------------------------

<b>Self-Check -5</b>	<b>Written Test</b>
----------------------	---------------------

**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page:

1. \_\_\_\_\_ are hotel personnel in charge of guest luggage delivery
2. Explain some wrapping and packaging materials and their specific advantage / purpose
3. Mention the most common delivery methods of guest items from place to place

CATERING

**INFORMATION  
SHEET-6****LO: PROCESS RECEIPTS AND PAYMENTS****6.1 Receiving and checking cash flow**

When you process receipts and payments

- Receive and check cash float accurately using correct documentation.
- Check payments received from the customer and give correct change
- Prepare and issue accurate receipts including all relevant tax details.
- Process and record *transactions* according to organization and financial institution procedures.
- When cash payments are required, check documents and issue cash according to organization procedures.
- Conduct transactions using appropriate software applications. Conduct transactions to meet organization speed and customer service standard

Transactions may include:

- cash
- credit cards
- cheques
- EFTPOS
- deposits
- advance payments
- vouchers
- company charges
- refunds
- travelers cheques
- foreign currency

**6.2 process receipts and payments**

The process of receiving cash is highly regimented. This is because the task of processing checks is loaded with controls. They are needed to ensure that checks are recorded correctly, deposited promptly, and not stolen or altered anywhere in the process.

The procedure for check receipts processing is outlined below:

1. *Record checks and cash.* When the daily mail delivery arrives, record all received checks and cash on the mailroom check receipts list. For each check received, state on the form the name of the paying party, the check number, and the amount paid. If the receipt was in cash, then state the name of the paying party, check the “cash?” box, and the amount paid. Once all line items have been completed, enter the grand total in

the “total receipts” field at the bottom of the form. Sign the form, and state the date on which the checks and cash were received. Also, stamp “for deposit only” and the company’s bank account number on every check received; this makes it more difficult for someone to extract a check and deposit it into some other bank account.

2. *Forward payments.* Insert all checks, cash, and a copy of the mailroom check receipt list into a secure interoffice mail pouch. Have it hand-delivered to the cashier in the accounting department. The cashier matches all items in the pouch to the mailroom check receipt list, initials a copy of the list, and returns the copy by interoffice mail to the mailroom. The mailroom staff then files the initialed copy by date.
3. *Apply cash to invoices.* Access the accounting software, call up the unpaid invoices for the relevant customer, and apply the cash to the invoices indicated on the remittance advice that accompanies each payment from the customer. If there is no indication of which invoice is to be credited, record the payment either in a separate suspense account, or as unapplied but within the account of the customer from whom it came. In the latter situation, make a photocopy of the check and retain it for application purposes at a later date, so that the check can still be deposited on the current date.
4. *Record other cash (optional).* Some cash or checks will occasionally arrive that are not related to unpaid accounts receivable. For example, there may be a prepayment by a customer, or the return of a deposit. In these cases, record the receipt in the accounting system, along with proper documentation of the reason for the payment.
5. *Deposit cash.* Record all checks and cash on a deposit slip. Compare the total on the deposit slip to the amount stated on the mailroom check receipts list, and reconcile any differences. Then store the checks and cash in a locked pouch and transport it to the bank.
6. *Match to bank receipt.* Upon receipt of the checks and cash, the bank issues a receipt for it. Someone other than the cashier should compare this receipt to the amount on the deposit slip, and reconcile any differences. It may be useful to staple the receipt to a copy of the deposit slip and file the documents, as proof that the matching step was completed.

### 6.3 Accounts Payable

Accounts Payable is responsible for accurate and timely payment of all invoices for the organization. This includes all payments on purchase orders, blanket purchase orders, check requests, travel advances and travel expense vouchers, petty cash, freight bills, and fellowship payments.

#### 6.3.1 Payment Policies and Procedures

The following policies and procedures are guidelines for processing all expenditure documents through Accounts Payable. These guidelines apply to both purchase-order and non-purchase-order items and pertains to all University employees and departments,

regardless of the index to be charged; the responsibility to observe them is that of both the employee and the department dean/director/chair who approves such expenditures.

If you cannot find information that relates to your situation or if you need interpretative assistance, contact the General/Auxiliary Accounting area or the Director's office, as appropriate.

### **1. Cash**

When guests indicate during registration that they will pay their bills with cash or a personal check, the front desk clerk should immediately be on the alert. Such a guest may well charge everything during his or her stay (perhaps only one day in length) at the hotel and then exit without paying. Consequently, most hotels require cash in advance from guests who choose this method of payment, as the guest has not established a credit rating with the hotel. In addition, close monitoring by the night auditor and front desk clerks of the guest's charge activity is in order. Such guests are not allowed charge privileges at other departments in the hotel. In properties with a PMS, the guest name and room number are entered to block charges at point-of-sale areas. In a hotel without food and beverage, gift shop, and health club POS terminals, the front office must alert those departments that this guest has not been extended charge privileges.

To process a cash payment, the following procedure can be used:

1. Check the daily currency conversion rate when converting foreign into national currency. Take time to ensure the math is accurate.
2. Retain the amount tendered outside the cash drawer until the transaction is completed.
3. Maintain an orderly cash drawer, with bills separated by denomination.
4. Develop an orderly procedure to make change from the amount tendered.
5. Count the change out loud when giving it to the guest.
6. Perform only one procedure at a time. Refuse to make change for another bill of a different denomination if a previous transaction has not been completed.
7. Issue a receipt for the transaction.

Most lodging properties simply do not accept personal checks; the opportunity for fraud is too great. This policy often comes as a surprise to guests, who may protest that this is the only means of payment they have. However, the hotel can use commercial check authorization companies and credit card companies that guarantee a guest's personal check.

The procedure for processing personal checks is as follows:

1. Request a personal check-cashing card.
2. Refer to the list of persons who are *not* allowed to present checks as legal tender.
3. Compare the written amount of the check with the figures to be sure they match.
4. Note low-numbered checks. Low numbers may indicate a newly opened, not established account, and the check will require a supervisor's approval.

5. Request identification (a valid driver's license and a major credit card) and record the numbers on the back of the check. Compare the name and address imprinted on the check with a valid driver's license.
6. Compare the signature on the check with the requested identification.
7. Validate the amount of the check and the credit rating of the guest with a commercial check authorization company or credit card company.

## 2. Deposit

**Credit Card:** A charge is made to the credit card (typically one night's stay). If the booking is canceled, the deposit is forfeited to the supplier.

**Check:** Travel port Universal API has standardized the handling of deposits with a check form of payment for hotel reservations in World span™ (1P), Galileo™ (1G) and Apollo™ (1V). In both the request and response, when a check is used as a deposit, data is sent and returned in the Guarantee element in Common v24.0 and greater:

## 3. Advance Payment

What is an 'Advance Payment?'

An advance payment is a type of payment that is made ahead of its normal schedule, such as paying for a good or service before you actually receive the good or service. Advance payments are sometimes required by sellers as protection against non-payment, or to cover the seller's out-of-pocket costs for supplying the service or product.

An **advance payment**, or simply an **advance**, is the part of a contractually due sum that is paid or received in advance for goods or services, while the balance included in the invoice will only follow the delivery. It is called a prepaid expense in accrual accounting for the entity issuing the advance. Advanced payments are recorded as assets on the balance sheet. As these assets are used they are expended and recorded on the income statement for the period in which they are incurred. Insurance is a common prepaid asset, which will only be a prepaid asset because it is a proactive measure to protect business from unforeseen events

### **BREAKING DOWN 'Advance Payment'**

Advance payments can refer to one of two situations. First, advance payments can apply to any sum of money provided prior to the contractually agreed upon due date. Second, advance payments can refer to any required payment that is due prior to the receipt of the requested goods or services.

Some everyday examples of advance payments are prepaid cellphones, as they require payment for the services that will be used by the customer in the future. Advance payment of this nature is required, as the service will not otherwise be provided.

Another example applies to those eligible U.S. taxpayers who received advance payments through the Premium Tax Credit, offered as part of the Affordable Care Act. In this situation,

the financial assistance due to the taxpayer is provided to the selected insurer in advance of the actual due date for the credit.

Voluntary advance payment, or prepaying, can apply to any debt or obligation that is paid prior to it being required, such as making payments on upcoming rent or utilities before they are contractually due.

## 6.4 Checking payments

### Advance Payments to Suppliers

In the corporate world, companies often have to make advance payments to suppliers when their orders are large enough to be potentially burdensome to the producer, should the buyer decide to back out of the deal before delivery. This can assist producers who do not have enough capital to buy the materials needed to produce a large order, as they can use part of the advance payment to pay for the product they will be creating. It can also be used as an assurance that a certain amount of revenue will be brought in by producing the large order.

If a corporation is required to make an advance payment, it is recorded as a prepaid expense on the balance sheet under the accrual accounting method.

### *Advance Payment Guarantees*

An advance payment guarantee serves as a form of insurance, assuring the buyer that, should the seller fail to meet the agreed upon obligation of good or services, the advance payment amount will be refunded to the buyer. This protection allows the buyer to consider a contract void if the seller fails to perform, reaffirming the buyer's rights to the initial funds paid.

### **Vouchers**

Accepted in all our hotels around the world, our monetary value hotel vouchers offer recipients ultimate freedom. Hotel vouchers are the perfect present to give and received.

### **Vouchers:**

Are documents that have the details of the purchases made by the guest from an outlet of a hotel? This is send to the front desk and they carry out the posting process in the guest's folio. Vouchers acts as a supporting document of the transaction happened between the hotel and the guest. If the guest pays the amount in the outlet, then the voucher is filed there itself. And in case, if the guest signs the voucher, it is send to the front desk for the posting purpose. Vouchers are also known as Checks. A voucher is a proof that a transaction has taken place in the hotel. Charge vouchers, Correction vouchers, Allowance vouchers, Transfer vouchers and Paid Out vouchers are examples of vouchers.

a) Charge vouchers: Charge purchases are deferred payment transactions. In a deferred payment transaction, the guest receives goods or services from the hotel but does not pay for them immediately. If the transaction occurs somewhere other than at the front desk, it must be communicated to the front desk for proper folio posting. This is done through a charge

voucher, also called as account receivable voucher.

b) Correction vouchers: An account correction transaction corrects a posting error in a folio. An account correction is made on the same day the error is made, before the close of business. An account correction can either increase or decrease an account balance. E.g. If a charge is wrongly posted as lower than the actual rate, it can be corrected on the same day after entering the details of correction in a correction voucher.

c) Allowance vouchers: Allowance vouchers can be of 2 types. One type of allowance is a compensation given to a guest for poor services or discounts etc. The other type of allowance is a correction to a posting error on an existing account after the close of business. Any account allowances must be documented with the use of an allowance voucher. All allowance vouchers require management approval.

ALLOWANCE VOUCHER		
	No: _____	
	Date: _____	
Name: _____	Room A/C No : _____	
Detailed explanation	Amount	
	Rs.	Rs.
Rupees in words		
Total Rs.		

d) Transfer vouchers: A transfer voucher is used when the account balance or account entry is transferred or shifted from one folio to another folio. E.g. When one guest staying in room 203, agrees to pay a dinner charge for his friend who is also a guest staying in room 209 in the hotel, the charges must be transferred from room no. 209 folio to room 203 folio and this transfer must be documented by a transfer voucher. An account transfer may also occur when a guest checks out by paying through credit mode. The guest's outstanding account balance is transferred from a guest account to a non guest account through the use of a transfer voucher.

e) Paid Out vouchers (Visitor's Paid Out): Also called as a Cash Advance or VPO. It is cash paid out by the hotel on behalf of the guest. If petty payments like taxi fare, cinema tickets, postage etc. are made by the front desk, a Visitor's Paid Out Voucher is issued on guest's name and his signature is collected and the amount is debited in guest's folio.



HOTEL ABC		PAID OUT VOUCHER	
Date .....	Time .....		
Guest's name .....			
Room no .....	Account folio no .....		
Detailed explanation .....			
.....			
.....			
Rs..... (In words.....)			
.....			
Prepared by .....			
Authorised by .....			
Audited by .....			
Signature of the guest .....			

## Running Sales Reports and Balancing the Register

1 Read **running totals for the day**. Some managers may want to check the sales totals periodically throughout the day. To read the running totals, turn the register key to X or press the mode button and scroll to the X option. Press the CASH/AMT TND button. Your daily sales totals thus far will print out on a receipt. It is important to remember that X will read running totals, while Z will reset the daily totals.

2 **Run an end-of-day sales report**. At minimum, this report will tell you the sales totals for the day. Many cash registers will also report hourly sales, sales by clerk number, sales by department, and other reports. To run these reports, press MODE key and scroll to the Z mode function or turn the key to Z to run report.

- Remember that running the Z report will reset the cash register's totals for the day

3. **Balance the cash register**. After running the sales report for the day, count out the money in the cash drawer. If you have checks or credit card receipts, add these into the total. Most credit card processing machines will also run daily total sales reports, so that you can easily reconcile your daily sales totals. Subtract your overall total from the amount of money that you started with before your first transaction of the day

- Put all your cash, credit card receipts and checks into a deposit bag and take them to the bank.
- Keep a written ledger of the currency, credit card transactions and checks. This will help with your overall accounting.*
- Replace a base amount of money to the drawer for the start of the next business day. Be sure to store the money in a safe, secure location when your business is not operation

**Self-Check -6****Written Test**

*Directions:* Match all the questions listed in column A to column B

**A**

1. Charge vouchers
2. Correction vouchers
3. Allowance vouchers
4. Transfer vouchers
5. Paid Out vouchers
6. Advance Payment

**B**

- a) a Cash Advance or VPO
- b) paid or received in advance for goods or services
- c) deferred payment transactions
- d) a compensation given
- e) corrects a posting error in a folio
- f) shifted from one folio to another folio

<b>INFORMATION SHEET-7</b>	<b>LO7: RECONCILE TAKINGS</b>
----------------------------	-------------------------------

### 7.1 Performing balancing procedures

Reconciling is the process of checking/ensuring departmental totals match with the point-of-sale system. The following activities are the procedures during reconciling :-

- Perform *balancing procedures* at the designated times according to organization policy and in consultation with colleagues.
- Where appropriate, separate any cash floats from takings prior to balancing procedure and secure according to organization procedures.
- Determine register or terminal reading or printout where appropriate.
- Remove payments received and transport according to organization *security procedures*.
- Count and calculate payments accurately.
- Determine balance between register or terminal reading and sum of payments accurately.
- Investigate or report discrepancies in the reconciliation within scope of individual responsibility.
- Record takings according to organization procedures

#### Reconciling Departmental Financial Activities

The departmental totals option of the night audit module in the PMS report the totals of sales by department. These totals are compared to posting information received from the point-of-sale system.

Another departmental total that must be verified is the cash tendered by guests at the front office. Hotels vary in their cash-processing policies. Some front offices process restaurant guest checks from cash customers or other departments in the hotel because management wants to centralize the cash transactions. In other hotels, this policy would

### 7.2 calculating payments

**The city ledger** is an account receivable held at the front office, the city ledger is a collection of guest accounts of persons who are not registered with the hotel. They have either received approval for direct billing privileges or paid a deposit on a future banquet, meeting, or reception. The night auditor treats these accounts just like the accounts on the guest ledger for registered guests. He or she must assemble the charges and verify their accuracy. The cash received from these accounts is reflected in the cashier's report.

### **Balancing procedures**

Balancing procedures may be:

- manual
- electronic

A **trial balance** is a first run on a set of debits to determine their accuracy compared to a corresponding set of credits. The trial balance helps the night auditor focus on accounts in which charges may have been posted or reported incorrectly. For that reason, it is important that the night auditor compare the departmental totals against transfers and paid-out slips for each department processed by desk clerks and cashiers.

### **7.3 reporting discrepancies in the reconciliation**

**1. Void a sale.** If you have mistakenly entered in the wrong price for an item, or a customer decides they do not want to purchase an item after you entered it in, you may need to void the item or sale. This will remove it from the subtotal.

- Type in an amount, press department key, press VOID (sometimes VD) button to remove it from the total. You must void an item before entering in a new item. Otherwise, you will need to subtotal the items, then press VOID, then press the exact amount you'd entered by mistake, and press the department key. This will subtract the incorrect amount from the subtotal.
- If you need to void the entire sale with multiple items, go through each item and void each one.

**2. Refund a sale.** If a customer wants to return an item, you need to account for that in the day's cash totals before handing back money to the customer. To refund a sale, press the REF key, type in the exact amount of the item, and press the corresponding department key. Hit the subtotal button and then hit the CASH/AMT TND button. The till drawer will open and you can issue a refund to the customer.

- Certain buttons and functions such as refunding money can be protected for manager use only. These might require that a manager uses a key to put the register in a different mode to use void or refund.
- Check with your supervisor regarding the correct policy for handling returns and refunds.

**3 Stop the error sound.** Some registers will beep or emit an error sound if keys are pressed in the wrong order or wrong combination. To stop the error sound, press the CLEAR or C key.

4 Clear numbers that were entered incorrectly. If you have pressed the wrong numbers and have not hit the department button yet, press the CLEAR or C key to clear the numbers you've entered. If you already hit the department button, you will need to void the transaction

CATERING

<b>Self-Check -7</b>	<b>Written Test</b>
----------------------	---------------------

**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page:

1. List the activities / the procedures during reconciling?
2. \_\_\_\_\_ is a first run on a set of debits to determine their accuracy compared to a corresponding set of credits.
3. \_\_\_\_\_ is an account receivable held at the front office or a collection of guest accounts of persons who are not registered with the hotel.
4. \_\_\_\_\_ is the process of checking/ensuring departmental totals match with the point-of-sale system.
5. What is the main use of trial balance for the night auditor?

## I. Answer key to self check questions

### Self check 1

1. Point of Sale (POS) software, also known as electronic Point of Sale (EPOS), is an essential application for retail or hospitality businesses because it manages checkout operations and is what the customer sees when they make a transaction.
2. Point-of-sale equipment May include:-
  - cash register
  - cash drawer
  - scanner
  - EFTPOS terminal
  - electronic scales
  - security tagging
  - numerical display board
3. Store policy and procedures In regard to:
  - operation of point-of-sale equipment
  - security
  - sales transactions
  - handling techniques of stock
  - financial transactions
4. Point-of-sale documents May include:
  - order forms
  - lay-by slips
  - credit slips
  - product return slips
  - message pads
  - promotional materials

### Self check 2

1. Numerical problems may include:

- calculations of cash amounts and change
  - addition and subtraction
  - multiplication and division
  - percentages
  - measurement
  - estimation of quantities
1. The most common currencies available in the world and mainly appear in the hotel for transaction are dollar, pound, riyal, yan, euro, and birr.

### Self check 3

1. Cash, Cheques, and Credit card
2. Point-of-sale transactions May include:
  - EFTPOS
  - cheques
  - travelers cheques
  - credit cards and store cards
  - smart cards
  - lay-by
  - returns
  - exchanges
  - gift vouchers
2. The guarantee of cheques provided customers are:
  - Only one cheque is used per transaction
  - It is signed in the presence of the cashier
  - The bank code on the cheque and the guarantee card agree
  - The card number is written on the reverse side of the cheque
  - The card has not expired.
3. Credit card
4. Cheque

### Self check 4

- 1.
- 2.
- 3.

### Self check 5



1. Porter/Bell boy
2. Wrapping and packaging materials May include:
  - Boxes :- for safe deposit and avoid breakage
  - Bags :- to hold clothes safe
  - Paper :- to cover surfaces
  - Bubble wrap
  - Gift wrapping :- for decoding and make attractive
  - Adhesive tape :- to fix tags,
  - Ribbon :- to hold tight the covers, to hold pieces together
  - String :- to hold tight the covers, to hold pieces together
3. Delivery methods may include:
  - parcel pick-up
  - post or express post
  - courier
  - freight
  - domestic or international delivery

### Self check 6

1. c
2. e
3. d
4. f
5. a
6. b

### Self check 7

1. The activities during reconciling include:
  - Perform ***balancing procedures*** at the designated times according to organization policy and in consultation with colleagues.
  - Where appropriate, separate any cash floats from takings prior to balancing procedure and secure according to organization procedures.
  - Determine register or terminal reading or printout where appropriate.
  - Remove payments received and transport according to organization ***security procedures***.
  - Count and calculate payments accurately.
  - Determine balance between register or terminal reading and sum of payments accurately.

- Investigate or report discrepancies in the reconciliation within scope of individual responsibility.
  - Record takings according to organization procedures
2. Trial Balance
  3. City Ledger
  4. Reconciling
  5. The trial balance helps the night auditor focus on accounts in which charges may have been posted or reported incorrectly.

CATERING

**LAP Test**

LAP Test	Practical Demonstration
----------	-------------------------

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions:** Given necessary templates, workshop, tools and materials you are required to perform the following tasks within 3 hours.

Task 1: Mention the purpose of the battery installed in the cash register?

Task 2: Go to one of the standard hotels in your area. Observe the cash register machine. What do you see from the machine used to program the register.

**Instructions:2** Given necessary templates, workshop, tools and materials you are required to perform the following tasks within 3 hours.

Task 1: mention the guarantee provided by cheques.explain?

Task 2: mention the procedures performed while processing a credit card? What is the objective of this?

**Instructions: 3** given necessary templates, workshop, tools and materials you are required to perform the following tasks within 3 hours.

Task 1: Collect daily based numerical information from various sources in the hotel of 3 days and calculate accurately daily sales with or without the use of a calculator

Task 2: go to any NBE in your area and ask the current exchange value of dollar, Euro, Pound, reyal currencies. Based on this information

- Which one has the highest exchange value?
- What is the value of 6 dollar, 6 Euro, 6 Pound, 6 reyal in ETB?
- How we symbolize each currency?