

Chapter 1 Outline

Revenue Centers
 Categories of Revenue Centers
 Revenue Centers and Financial Reports
 Minor Revenue Centers
Fundamental Revenue Concepts
 Revenue Accounts
 Net Revenue
 Gross Profit
Trade Discounts
Cash Discounts
 ROG
 EOM
 Transportation Charges
Recording Invoices and Discounts
 Gross Method
 Net Method
Internal Control for Food and Beverage Sales
 Guest Checks—Manual System
 Guest Checks—Automated System
 Debit and Credit Cards
 Guest Charges
 Accounting for Charged Tips
Accounting Personnel and Front Office Functions
 The Accounts Receivable Clerk
 The Cashier
 The Night Auditor
 A Summary of Front Office Accounting
Cash and Data Collection

Competencies

1. Define revenue centers, identify examples of revenue centers in a hospitality business, and explain their roles in financial reporting. (pp. 4–6)
2. Define revenue accounts, identify examples of revenue accounts for a hospitality business, and explain net revenue and gross profit. (pp. 6–9)
3. Identify what is meant by trade discounts and cash discounts, and explain their relevance to a hospitality business. (pp. 9–12)
4. Describe two methods for recording invoices involving discounts and two procedures for recording cash discounts. (pp. 12–15)
5. Explain the common internal control forms and procedures involved in food and beverage sales. (pp. 15–21)
6. Describe the difference between the guest ledger and the city ledger. (pp. 21–22)
7. Identify three front office personnel who report to the accounting department, and describe the roles they play in providing hospitality accounting information. (pp. 22–26)
8. Describe the system used for cash and data collection in a hospitality business. (pp. 26–32)