

BAR INVENTORY, BAR FRAUDS, BOOKS MAINTAINED

Objectives :-

1. To be get familiar with all the bar inventory procedures.
2. To understand the names & categories inventory systems.
3. To understand and remember bar frauds and their remedies.
4. To understand the use and maintenance of bar books.

BAR INVENTORY:

Tracking inventory, purchases and sales figures provides vital information that can make or break your bar. Use the data you gather to control costs, guide your purchasing and maintain profitability. These factors come into play when you calculate beverage cost and its percentage of your retail price.

1. Create a spreadsheet to enter your current inventory. Set up separate categories for liquor, wine and beer. List each product by name and container size. For liquor, wine and draft beer, record the cost per ounce. For bottled beer, record the cost per bottle. Include all items in storage areas as well as stock in the bar. Determine a time period for inventory tracking, whether it is every two weeks, every four weeks, or monthly.
2. Enlist bartenders and staff to account for inventory. Record items moved from storage areas into the bar and keep track of spills and losses due to broken bottles. Record inventory transfers in a log book or on a separate spreadsheet. Managers can review the daily log for ordering purposes

and inventory level control. Some bars save empty bottles and broken bottle tops to help track inventory.

3. Collect sales and inventory data at the end of each tracking period. Track total sales of alcoholic beverages over each inventory tracking time period. One way to automate tracking is to set your cash registers to tally liquor sales for a given period. Total all alcoholic beverage purchases made during the tracking period. Take an ending physical inventory and calculate its value. Compare the value of the ending inventory with the beginning inventory. The difference is your inventory adjustment amount.

4. Calculate your cost of beverage sales. Take the figure for new stock purchased, then add or subtract the inventory adjustment value to get the cost of beverage sales. Figure out your beverage cost by dividing your total cost of beverage sales by your total bar sales for the tracking period. The resulting beverage cost figure is the percentage of the retail price that each drink costs you.

5. Reconcile your beginning inventory and ending inventory figures with known spillage and breakage data, and compare against purchases to control loss and theft.

Train bartenders to make consistent measured pours to keep beverage costs consistent.

There are two methods to control the inventory of stores:

1. Physical inventory system
2. Perpetual inventory system

Physical inventory system:

A physical inventory system is a periodic actual counting of all the products in the storage areas. Usually store items are counted once in a month and usually, the physical counting is done either before the normal opening timings of stores or after the normal closing hours as otherwise, it may disturb the normal issuing schedules to various departments. In large organizations, a complete inventory may not be taken at one time. Instead, inventories can be taken in parts on weekly basis. The inventory process should involve at least two people out of which one is from control

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department and is not directly involved with the storeroom operations. And the other should be from the accounts department. One person counts the food which is arranged systematically in the storeroom. The store's items are either stored in the form of groups; like all pulses are stored at one place and all bottled and canned items are stored at one place, or they are stored alphabetically. Usually, the items which are issued more frequently are stored near the delivery window and others can be stored at different place. The other person records the data on a physical inventory from which is designed according to the physical arrangement of foods on shelves. This helps in taking the physical inventory of all the items in the shortest possible time. The expensive items should be physically counted / weighed more frequently.

Perpetual Inventory:

The process of maintaining a continuous record of all purchases and items being issued is called perpetual inventory system. This process provides a continuous record of goods available at hand at any given time as well as the value of supplies at hand. Generally, a perpetual record is used to restrict the products in dry stores and frozen stores. Perpetual inventory requires a considerable

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amount of labour to maintain and is maintained only for selected items, usually, very expensive ones. A perpetual inventory record is not sufficient for accurate accounting and control of food and supplies. Therefore, it becomes necessary that a perpetual inventory is tallied with the physical inventory.

BAR FRAUDS:

Beverage control is not so difficult or involved as food control but at times is a problem because of the dishonest employees. The typical problems of bar staff are:

- Bring in their own bottles of spirits, etc., sell the contents to customers and then pocket the money. This results in a busy bar with disappointing cash takings!
- Drink at work. Bar staffs who help themselves to the odd drink soon get into the habit of it unless it is quickly detected. These results in lower than should be cash takings or customers having short measure drinks which 'compensate' for the bar staff free drinks.

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- Provide free drinks for friends, again, resulting in lower bar takings.
- Diluting drinks when a group of customers order their third or more 'round of drinks', they are less likely to identify weak drinks, the difference being pocketed by the bar staff.
- Under-charge the customer. The customer, being an accomplice of the bar staff, orders a drink, pays for it and is then given change in excess of what it should be. This results in bar takings being lower than they should be.
- Short-change customers. This is the all too common problem of bar staff giving customers less change than they should do and pocketing the difference for themselves.

The above types of problems are usually only discovered when good beverage control procedures are in operation, the identification of the dishonest employee being made as a result of such steps as changing bar staff duties and shifts, taking daily bar inventories, changing till drawers during a busy shift and checking the cash with the till reading, and by observation of the

bar by an unknown member of the management or security staff. The above only highlights the necessity for the personnel department to carefully interview and take up several references before employing any new bar staff.

BOOKS MAINTAINED:

1. Cellar Inward Book

This book contains records relating to all inward beverages and used for posting data for the cellar man's bin cards.

2. Bin cards/stock cards

For each individual beverage item, a separate bin card is prepared. It records the item held in stock, deliveries and issues made. These cards are fixed on the shelves or rack against each beverage. Each bin card number refers to the same bin number as the wine list and originates from the standard bottle code list.

3. Cellar Control Books and Daily Issues Record

It contains all daily deliveries to the cellar and daily issues of each beverage from the cellar to the various bars. It should cross-check with the entries in the bin cards and the perpetual inventory ledger held in the control or accounts office.

4. Beverage Perpetual Inventory Ledger

It is a master ledger maintained in account and control office. It is prepared for each individual types of beverage held in the stock. Each type of beverages purchased, quantities issues from the cellar to each individual bar or other area and perpetual inventory balance for each item are recorded in this ledger. The sources of information for this ledger are: invoices or suppliers notes, credit notes, daily beverage requisition from different bars. The perpetual inventory figure of this ledger must tally with the physical stocktaking of the cellar.

5. Breakage and ullages form/book

Breakages of bottled beverages occur by mishandling by cellar and bar staff. The ullages cover all

substandard beverages such as bottles of weeping wines, a bottle of wine with faulty corks, unfit barrels of beers etc. which would be returned to the supplier for replacement. A record of the above items with an explanation and countersigned by food and beverage manager is prepared in this standard format.

6. Container Record Book/Empties Return Book

There are many containers such as:-

- Crates
- Kegs
- Beer bottles
- Soda syphons etc

There are generally charged by the suppliers against a delivery. A control is maintained on these charges items to ensure that they are returned to the supplier and the correct credit is obtained.

This book contains all information about containers received from various suppliers, container

returned and balance which must match with the physical stock taken of the empties.

7. Hospitality book

Issues are made from cellar to the kitchen and other entitled staff as laid down by establishment's policy. A complete record of these issues is maintained in this book.

8. Cellar Inventory Control Ledger

The control office maintains the master to record, full details of the movement in and out of the cellars and the balance of stock in hand and the value of the balance cost. It is prepared from the beverage control records.

References :-

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