

CHECK OUT PROCEDURE AND
ACCOUNT SETTLEMENT

*Edna
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CHECK OUT PROCEDURE

- Check out and settlement are a part of the final stage of the guest cycle.
- The check out of the guest is directly handled by F.O. staff .
- Many guests will forget all the previous courtesy and hard work of front office staff if check out and settlement will not go smoothly.
- Front office performs at least three important functions during the check out process.

CHECK OUT PROCEDURE

1. It resolves outstanding guest account balances.
- F.O . Accounting system maintains accurate guest folios ,verifies and authorizes a method of settlement and resolves discrepancies in account balances.

CHECK OUT PROCEDURE

- Generally front office finds it more effective to settle guests account while the guest is still in the hotel.
- Guest can settle an account by paying cash or by credit card or direct billing or using any other mode.

2. It updates room status information.

Front office operations depends on accurate room status information.

CHECK OUT PROCEDURE

- When a guest checks out and settles his account front desk agent performs several important tasks .which includes
 - a) Changing the room status from occupied to vacant not ready on the system.
 - b) In manual depts. after making the room status change the front office informs the housekeeping that guest has departed and room needs to be cleaned.

CHECK OUT PROCEDURE

3. It creates guest history records.

- Check out and settlement involves the creation of the guest history record because a hotel can gain a variable competitive edge in the hospitality market place through proper analysis of guest history data.
- Guest history files can provide a powerful data base for marketing.

CHECK OUT PROCEDURE/DEPARTURE PROCEDURE

- Checkout can be an efficient process when the front office is well prepared and organized.
- Departure stage of guest cycle involves several procedures designed to simplify checkout procedure , , these include,
 - A. Handing over all the un delivered messages mail etc to the guest.
 - B. Checking from all the POS about any pending guest vouchers .

CHECK OUT PROCEDURE/DEPARTURE PROCEDURE

- A. Updating guest master bill and also post his room charges.
- B. Collecting guest debit vouchers and placing them nicely in an envelope .
- C. Presenting the guest folio.
- D. Verifying the method of payment.
- E. Checking the bill correctness and ensure it should be neither overcharged nor undercharged.

CHECK OUT PROCEDURE/DEPARTURE PROCEDURE

- A. If discount is to be extended it must be given without guests reminder .
 - B. Processing the account payment.
 - C. Receiving cash with thanks and issuing a proper receipt along with all vouchers.
 - D. Zeroing out the account.
- (After the settlement of bill in cash the balance carried forward should be nil. If the bill is to be transferred to city ledger then the grand total of the bill is transferred to the city ledger column, and the balance c/f is made nil.)

CHECK OUT PROCEDURE/DEPARTURE PROCEDURE

- A. Collecting the room key
- B. Wishing guest a happy journey and a good day.
- C. Issue a luggage pass to bell boy.
- D. Showing the guest departure.
- E. Updating the room status .

CHECK OUT PROCEDURE/DEPARTURE PROCEDURE

- Check out process gives the front office yet another chance to make a positive impression on the guest.
- The front desk agent should also verify that the guest has cleared his or her safe deposit boxes or in room safe.
- There are various check out options
 1. Express check out

CHECK OUT PROCEDURE/DEPARTURE PROCEDURE

2. Self check out

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Methods of settlement

The guest account can be brought to zero balance in several ways , and these are,,

1. CASH PAYMENT.
2. CREDIT CARD PAYEMENT
3. COMBINED SETTLEMENT
4. TRANSFER TO OTHER RESIDENT GUEST ACCOUNT
5. BILL TO COMPANY/ NON GUEST ACCOUNT
6. DISCOUNT OR ALLOWANCE

Methods of settlement

CASH PAYMENT

- Cash payment in full at check out will bring the guest account balance to zero.
- The front desk agent should mark the folio paid and a proper receipt is issued to the guest.
- The total bill amount is shown in the deposit / cash column of the guest weekly bill and balance carried forward is shown as zero.
- When the bill is settled in cash then guest is neither asked to sign the guest weekly bill/folio nor is any charge slip imprinted and signed by the guest.

CASH PAYMENT

1. The cash mode includes payment of bill in Indian rupees and acceptable foreign currency such as Dollars and pounds. This also includes traveler cheques payment which can be of Indian rupees or foreign currency.
2. If the guest has paid in foreign currency and there is any balance amount to be given back to the guest then the same is given in Indian rupees .
3. An encashment certificate is also issued to the guest.

CASH PAYMENT

4. No one is allowed to take out / export Indian currency out of India.
5. In case a foreign tourist is left with some unspent Indian currency at the time of leaving this country then he may get it exchanged in foreign currency on producing the foreign currency exchange receipt.
6. Foreign tourists are advised to exchange the currency into Indian currency from the authorized money exchange counters and obtain a proper receipt from them.

CASH PAYMENT

7. If they exchange from open market ,it is illegal and will be imprisoned and they might be cheated also as touts may either pay them less value or pay them through fake notes.
8. In case they don't possess the proper receipt then the unspent Indian currency will not be converted back.
9. All foreign currency received by the hotel front office have to be deposited with an authorized bank within 24 hours.

CASH PAYMENT

10. Proper books pertaining to foreign exchange received and banked have to be maintained and by the 10th of next month complete information regarding the currency banked is to be sent to the RBI.
11. The RBI can inspect the hotel record to check irregularities in handling the foreign currency.
12. Hotels are required to display foreign exchange board with the value of each foreign currency both in INR and travelers cheque accepted by them.

CASH PAYMENT

13. Hotels have to obtain the license for accepting the specific foreign currency from the guests.
14. Hotel residents as well as non residents can exchange the currency , the non resident guests have to produce a valid passport and passport number ,date ,place of issue along with nationality and name of the guest is entered on the receipts .

SETTELMENT OF BILL THROUGH TRAVELLERS CHEQUE..

- These are issued by various banks in various denominations for example Rs 50, Rs 100, Rs 500, Rs 5000, Rs 10000 also.
- Usually travelers buy them as these are very safe and the risk of carrying cash is avoided.
- These cheques can be purchased by any one by going to those banks which are issuing traveler cheques.
- if some one wants to buy TC worth Rs 10,000/ in the denomination of Rs 500/ he has to fill the form and deposit Rs 10,000/ in the bank and the bank will issue 20 non-transferable TC of Rs 500/ .

SETTELMENT OF BILL THROUGH TRAVELLERS CHEQUE

- There are two spaces for the buyers signature ,at the time of purchase he has to sign at one of the places in presence of the issuing authority. On the other space he has to sign at the time of encashment , in presence of the concerned authority. So that they can tally the signatures.
- The TC is valid for six months from the date of issue.

Difference between an ordinary cheque and TC

O.C

- For issuing a cheque one should have a bank account.
- Any amount can be filled .
- Only one signature is needed of the holder.
- Valid for 3-6 months .
- Can be crossed and account payee.
- Cheques may bounce as the balance in the account may be less than the cheque amount.
- Not safe, as some one might force the owner to sign .

T.C

- No need
- Have fixed amount printed on its face and available in different denominations .
- Two sig. required .
- Valid for indefinite period of time unless dated.
- No such provisions.
- No such possibility.
- Quite safe, bcoz the second signature have to be put in front of an cashing authority

TRAVELLER'S CHEQUE

STATE BANK OF INDIA
NEW DELHI

DATE;.....

NO.....

Please pay to M/SRs 5,000/
(Rs five thousand only) for the value received.

Customer's signature

(in presence of manager)

Customer's signature

(at the time of encashment)

Sign. Of manager and seal

CREDIT MODE OF SETTLEMENT

- This includes

1.AIRLINE VOUCHERS

- Some airlines give large number of guest nights to the hotel in the form of crew members . Lay over passengers etc.
- These guests are provided with specified meals and accommodation by the hotel (as mentioned in their particular vouchers), for which the payment is made by the particular airline.

CREDIT MODE OF SETTELEMENT

- The bill is send to accounts department along with all vouchers for the collection of payment from airlines.
- Bill is transferred to ledger account and the balance carried forward is shown as zero.

CREDIT MODE OF SETTLEMENT

2. COMPANY ACCOUNT

- Directors and other top executives of various corporate companies keep travelling from one place to another very frequently .
- The companies issue authorization letter to their executives on the basis of which they get services such as accommodation etc from the hotels with whom they have a tie up for credit.
- At the time of departure the guests signs his bill and checks out.

CREDIT MODE OF SETTELEMENT

- Bill is transferred to ledger account and the balance carried forward is shown as zero.
- The bill along with authorization letter is to be sent to the accounts department for collection.
- The credit can be extended up to the limit mentioned in the letter or up to the maximum amount of credit extended to that company by the hotel.

CREDIT MODE OF SETTLEMENT

3. TRAVEL AGENT VOUCHER

- Generally a travel agent who sells a package to the tourists collects the money from the tourist in advance , which includes accommodation and other service charges .
- Travel agency voucher indicates that the guest has prepaid to the travel agency for accommodation etc and the recovery of such amount are made from the travel agent and not from the guest.

CREDIT MODE OF SETTELEMENT

- Travel agent sends a copy of the voucher to the hotel at the time of reservation and gives the record copy to the traveler who submits his copy to the hotel at the time of arrival. The receptionists should tally both the copies.
- The voucher gives the details of the services to be offered.
- Bill is transferred to ledger account and the balance carried forward is shown as zero.
- Bill is to be sent to the accounts department for collection from the T.A.

CREDIT MODE OF SETTELEMENT

4. Personal cheques.

- Normally payment by personal cheques are not accepted .
- Inform the guest politely that payments by personal cheques are not entertained.
- In case he insists ask them to contact manager for authorization.
- Guest has to give the application for payment by personal cheque after getting it approved from the manager.
- check the details of the cheque and make sure it has been marked account payee only.

CREDIT MODE OF SETTELEMENT

- Compare the signatures on the check with that on the application form .
- Enter details in the front office cashiers report.
- Bill is transferred to ledger account and the balance carried forward is shown as zero.
- Bill is to be sent to the accounts department with cheque for collection .

CREDIT MODE OF SETTELEMENT

5.CREDIT CARD

- It is one of the most commonly used methods of bill settlement by the guest, and has become so popular in developed world that people don't find convenient to carry cash with them.
- Credit card is usually made of plastic and is of a visiting card size. And can be easily stored.
- C.C's are usually issued by Banks, financial institutions , and various financial corps.etc.

5.CREDIT CARD

- All credit cards have a fixed limit up to which credit can be extended at one time to the card holders .
- In case the bill amount crosses the limit , then a special permission has to be obtained from the bank issuing the credit card.

PROCEDURE OF ACCEPTING A CREDIT CARD.

- 1.Ensure that the C.C guest is holding is acceptable by your hotel.
- To accept a credit card hotel has to become a member of specific C.C.
- Hotel has to pay a membership fee to become the member .
- Hotel becomes the member of those C.C's which are most commonly used .

PROCEDURE OF ACCEPTING A CREDIT CARD.

2. The expiry date of the C.C is to be checked.

- Each C.C is issued for a specific period. The date on which the C.C will expire is embossed on the card.
- The bank does not take responsibility to pay on behalf of the expired C.C's .

PROCEDURE OF ACCEPTING A CREDIT CARD.

3. Check the floor limit.

- Each credit card has a fixed limit up to which the credit is to be given to the card holder .
- Credit beyond the limit cant be extended, as the banks issuing the C.C don't honor to pay.
- If the amount exceeds the credit limit , of the card the cashier must take permission from the credit card company for the over-limit amount. This is called over limit authorization number.

PROCEDURE OF ACCEPTING A CREDIT CARD.

4. Ensure that the credit card has neither been blacklisted , cancelled , nor stolen . which can be checked from blacklist bulletin/cancellation bulletins supplied by the card issuing authorities to the hotels on regular basis.
- These days some banks publish /furnish the list on their website and are conveyed through emails to the hotels.

PROCEDURE OF ACCEPTING A CREDIT CARD.

5. Ensure that the validity of the card is checked.
 - It can be checked by passing the card through special magnetically charged validation machine.
 - The process is also called card approval process.
 - The C.C has a magnetic strip , and while coming in contact with magnetically charged validation machine the data of the card holder gets displayed on the machine.

PROCEDURE OF ACCEPTING A CREDIT CARD.

- After verifying the C.C the cashier takes the appropriate charge slip for the specific card .
- These slips are provided by the bank free of cost.
- The imprinter is used to print the embossed information like name, card number etc.
- The amount to be charged is entered.
- Two copies are imprinted

PROCEDURE OF ACCEPTING A CREDIT CARD.

- After signing the charge slip the cashier compares signature on the credit card with signature on the bill and the charge slip.
- If satisfied then credit is extended and guest is returned the C.C. , guests copy of charge slip, and a carbon copy of bill.
- The bill and charge slips are send to card issuing authority for collection.
- A date is fixed for dispatching the bills for payment.

PROCEDURE OF ACCEPTING A CREDIT CARD.

- The issue bank makes the payment to hotel , and collects the amount from the Card holder.
- Even if card holder refuses to pay hotel gets its dues without any delay.

VARIOUS C.C'S ARE

- VISA, MASTER CARD, AMERICAN EXPRESS, DINNERS CLUB, BARCLAYS , SBI CREDIT CARD.

3.DISCOUNT OR ALLOWANCES

- In case 100% discount or complementary accommodation is extended then usually the bill is not raised at all.
- But sometimes the bill is raised and subsequently management decides to extend 100% discount, in this case either the bill is cancelled or 100% discount is extended. (it is usually avoided as hotel has to pay taxes if bill is raised).
- In case guest is not satisfied and hotel decides to give 100% allowance then also the bill need neither to be paid in cash nor transferred to other resident or city ledger or non guest account, and will have zero balance c.forward.

4. TRANSFER TO OTHER RESIDENTS ACCOUNT.

- Some times a guest staying in a hotel agrees to settle an other resident guests total bill. The bill of a guest checking out is totaled and signed by both checking out and other guest who is still residing and agreeing to pay the bill.
- The bill of a guest checking out is credited to the transfer column of credit side and the balance c/f is made zero.
- The guest who agrees to pay is debited with the total amount to the transfer column of debit side.

5.COMBINED SETTELMENT

- A guest may choose to use more than one settlement methods to bring the folio balance to zero . Eg the guest may make partial cash payment and charge the remaining of the account balance to an acceptable C.C.
- Front desk agent must accurately record the combined settlement methods and take care that all required paper work is properly completed. Which will help him for an effective front office audit.

CHECK OUT OPTIONS

Majority of checkouts are handled in person . In fact personal touch at the time of check out is very important and can ensure a guest is seen off with a smile and his last impression is made memorable. But due to busy time and lot many checkouts to take place simultaneously , the guest may not like to wait for his turn for his checkout and instead may like to use the other options offered by the hotel like EXPRESS CHECKOUT AND SELF CHECKOUT.

EXPRESS CHECKOUT (ECO)

- As the name suggests it is the facility given to the guest who avoid going physically to the desk at the time of his check out for considerable time saving.
- The guests holding the credit card will avail the facility.
- The receptionist should inform the guest about express checkout facility in the hotel .and if he wishes to use the facility obtain his credit card.
- The expected date of departure of all guests is already known to the hotel, on the expected date of departure hotel prepares the weekly bill along with express check out form .

EXPRESS CHECKOUT (ECO)

- The receptionist will take impression of the card on a charge slip .
- Present the charge slip to the guest to enable him to sign on it.
- Give the copy of the express check out to the guest.
- Explain the guest that he needs to wrap his key in his copy and drop it in the ECO box at the time of departure.

EXPRESS CHECKOUT (ECO)

- The yellow copy of ECO slip is given to the duty manager or lobby manager.
- Attach the charge slip and copy of ECO slip to the hard copy of the registration card.
- ECO facility can not be used for guests who wish to settle their bill by cash/credit to company.
- The duty manager files his copy of ECO card as per check out date .

EXPRESS CHECKOUT (ECO)

- One day prior to check out the duty / lobby manager takes out a copy of guest bill till that date and sends it to the rooms.
- L.M should ensure that ECO rooming list (2 copies) is printed once daily in the morning and filed. This report is extremely important in monitoring the entire system .the second copy must be handed over to the bell desk.
- D.M should also ensure that he receives the credit check report daily and monitor credit balance off all ECO rooms. He has to also check floor limit of their credit cards. He should ensure that all vouchers are attached ,and while checking out the room ,he must write ECO and then sign the bill.

EXPRESS CHECKOUT (ECO)

- Bell desk will receive a copy of all ECO rooms every morning from manager , when he receives a call from departure guest room ,he must very quickly verify if the occupant is availing of ECO system .
- If yes the bell boy must ask for the ECO guest copy and room key . And deposit it at reception and obtain signature.
- The ECO slip guest copy should then be immediately deposited in the ECO box.
- The credit department processes the ECO bills in the same manner as normal credit card transactions.

EXPRESS CHECKOUT (ECO)

- As soon as the ECO slip and the imprinted charge slips along with the hard copy of the registration card is received the card and its authenticity is verified. Then guest folios are opened.
- The charge slips are stored with the ECO cards in the room folio bin.
- The cashier checks out the guest on the terminal as soon as the guest copy of the ECO slip is received and then the duty manager authorizes him to do so by signing the bill.

EXPRESS CHECKOUT (ECO)

- The ECO cards with the cashier are married with the guest copy . The guest copy of the ECO card is then stapled to the bill.
- Bills are processed in a manner similar to C.C transactions , only in this case the cashier fills the amount on the sales draft and instead of guests signature , the cashier stamps the sales draft “original guest signature on file”.

SELF CHECK OUT

- In some hotels ,guests can check them selves out of the hotel by accessing self check out terminals in the lobby area or by using an in –room system .
- Self – check out terminals are interfaced with the front office computer and are intended to reduce check out time and front desk traffic.
- To use a self check out terminal , the guest access the proper folio and reviews its contents .
- Guest may be require to enter a credit card number by using a key board or by passing the C.C through a magnetic strip reader attached to the terminal .

SELF CHECK OUT

- Settlement can be automatically assigned to an acceptable credit card as long as the guest presented a valid card at the registration.
- Check out is complete when the guests balance is transferred to a credit card account and an itemized statement is printed and dispensed to the guest.
- A self check out system then automatically communicate updated room status information to the front office computer.

SELF CHECK OUT

- The front office system, in turn, relays room status information to the house keeping department and initiates action to create guest history record .

LATE CHECK OUT

- Means that guest does not leave by the check out time on the day of departure and wishes to stay for a few more hours (with out paying)
- To discourage this practice some hotels the late departure guests “ late charges”.
- This may cause a dispute with the guest , but it is important that to avoid such a situation the hotel inform the guest before hand and also should post check out time notices at conspicuous places such as back of guest room doors etc.

GROUP DEPARTURE

BELL DESK ORGANISATION

- Sufficient number of bell boys should be arranged to handle luggage of the group.
- Baggage down time and wake calls times are important and must be checked and followed strictly.
- Floors and rooms to be allocated to bell boys to bring the luggage down to the lobby.

GROUP DEPARTURE

- The bell boys to go to rooms of the group members and pull each group members luggage out of the room ,this procedure is called bag pull.
- Baggage is brought down to lobby and counted.
- Room keys handed to the reception.
- Finally luggage loaded by bell boys.

GROUP DEPARTURE

AT THE RECEPTION

- Departure notification issued half an hour before the actual departure by the receptionist to telephones, housekeeping, room service and food and beverage, etc, to avoid any “late charges”.
- Check the receipt of keys .if keys are missing inform the bell captain.

GROUP DEPARTURE

AT THE CASH COUNTER

- Cashier takes out master folio and individual folios.
- Makes room wise summary for each collection.
- Master folio given to tour leader for approval and individual bills collected with the assistance of tour leader.
- Tour leader signs master folio. Coupons/hotel vouchers duly signed are collected from him and attached to master folio.

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