

## THE NIGHT AUDIT

### Chapter Outline

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Since Hotels operate 24 hours a day, seven days a week, the front office must regularly review and verify the accuracy and completeness of guest and non-guest accounting records. A front office audit process is intended to fulfill this need.

The audit is a daily review of guest account transactions recorded at the front desk against revenue center transactions. This routine helps guarantee the reliability and thoroughness of front office accounting. The front office audit also includes active non-guest accounts. A successful audit will result in balanced guest and non-guest accounts, accurate account statements, appropriate account credit monitoring, and timely reports to management. An effective audit also increases the likelihood of correct account settlement.

The front office audit is usually called the night audit because hotels generally perform it during the late evening hours. Before the implementation of automated front office systems, the most convenient time to perform the audit was during the late evening and early morning hours when front office auditors could work with minimal interruption. Also, most hotels have an **accounting day or hotel day** that defines the daily charging period of the hotel. The night audit closes the books on one hotel day and opens the books on another.

In a computer-based, fully automated front office, the audit is usually called a **system update** since computer files are electronically updated as part of the audit routine.

### **Functions of the Night Audit**

The main purpose of the night audit is to verify the accuracy and completeness of guest and non-guest accounts against revenue center transaction reports. Specifically, the night audit is concerned with the following functions:

- . *Verifying posted entries to guest and non-guest accounts.*
- . *Balancing all front office accounts.*
- . *Resolving room status discrepancies.*
- . *Monitoring guest credit limitations.*
- . *Producing operational and managerial reports.*

### **The Role of the Night Auditor**

Performing the night audit requires attention to accounting detail, procedural controls, and guest credit restrictions. The night auditor should also be familiar with the nature of cash transactions affecting the front office accounting system. The night auditor typically tracks room revenues, occupancy percentages, and other standard operating statistics. In addition, the auditor prepares a daily summary of the cash, check, and credit card activities that occurred at the front desk. These data reflect the front office's financial performance for the day. The night auditor summarizes and reports the results of operations to front office management. The hotel's accounting division (which is primarily responsible for back office auditing) may also use night audit data in preparing additional statistical analyses.

### **Establishing an End of Day**

The night auditor generally works the night shift, from 11 P.M. to 7 A.M., compiling, balancing, and reviewing the transactions from the previous day. Each front office must decide what time will be considered the end of its accounting (or hotel) day. *An end of day is simply an arbitrary stopping point for the business day.* The front office must establish an end of day so that the audit can be considered complete through a specific, consistent point in time. Usually, the closing time of hotel revenue outlets determines the end of day. For hotels with 24-hour room service, restaurants, the official end of day is the time when a majority of outlets close.

Typically, the business day ends when the night audit begins, which is usually well after the night shift begins. For example, if a night audit begins at 1:30 A.M., the hotel's business day would end at 1:30 A.M. The period from 1:30 A.M. until the audit is completed is referred to as *audit work time*. Normally, transactions requiring front office accounting attention that are received during audit work time are not posted until the audit is completed. These transactions are considered part of the next business day.

### **Cross-Referencing**

Hotel departments generate volumes of paperwork in order to document transactions. For each revenue center transaction, the originating revenue center classifies and records the transaction type (cash, charge, or paid-out) and its monetary value.

Front office personnel post an entry to the appropriate guest or non-guest folio based on the documentation received. Typically, a voucher is used to communicate transactional information.

A front office accounting system depends on transactional documentation to establish accurate records and maintain effective operational controls. Transactional documentation identifies the nature and amount of a transaction,

and is the basis for data input into a front office accounting system. This documentation normally consists of charge vouchers and other support documents.

For internal control purposes, an accounting system should provide independent supporting documentation to verify each transaction. In a non-automated or semi-automated operation, supporting documents produced in different point of sale outlets and a front office guest folio provide cross-reference information.

Although the night auditor receives information on room revenues from the room rack or folio bucket, the night auditor should also check room rate postings on guest folios against the housekeeping department's report of occupied rooms and the front desk room rack. This is often called a *bucket check*. The bucket check helps ensure that rates have been posted for all occupied rooms and helps reduce the occupancy errors caused when front desk agents do not properly complete check-in and check-out procedures.

Similarly, food and beverage postings to guest and non-guest accounts are usually based on vouchers or guest checks sent from the revenue outlet to the front desk. The restaurant's register tape or sales journal can be used as a cross-reference to prove front desk postings.

The night auditor relies on transactional documentation to prove that proper front office accounting procedures have been followed. The auditor's review of daily postings reconciles front office accounts with revenue center and departmental records.

### **Account Integrity**

Sound internal control techniques help ensure the accuracy, completeness, and integrity of front office accounting procedures. An effective front office technique

involves separating job functions so that no single individual is wholly responsible for accounting for all phases of a transaction. Proper internal control technique calls for different front office staff to post, verify, and collect for sales transactions at the front desk. If a front desk agent were allowed to sell a guestroom, post the charge, verify the posting, and collect cash for the room, no one else would be able to detect mistakes or possible embezzlement. In many front offices, the night auditor is the only person empowered to post room rates and room tax charges to a guest folio.

The night auditor helps ensure that the front office receives payment for goods and services rendered. The night auditor establishes guest and non-guest account integrity by cross-referencing account postings with departmental source documentation. The audit process is complete when the totals for guest, non-guest, and departmental accounts are *in balance* (that is, proven correct). As long as the audit process presents an *out-of-balance* position, the audit is considered incomplete. In essence, an out-of-balance position exists when the charges and credits posted to guest and non-guest accounts throughout the day do not match the charges and credits posted to the departmental revenue sources. An out-of-balance condition may require a thorough review of all account statements, vouchers, support documents, and departmental source documentation.

### **Guest Credit Monitoring**

Supervising the credit limits of guest and non-guest accounts helps maintain the integrity of a front office accounting system. Establishing lines of credit or credit limits depends on many factors, such as credit card company floor limits, the hotel's house limit, and the guest's status or reputation as a potential credit risk. The night auditor should be familiar with these limits and how they relate to each guest and non-guest account. High account balances should be noted as part of the posting process. At the close of each business day, the night auditor should identify those guest and non-guest accounts that have reached or

exceeded assigned credit limits. These accounts are typically called high balance accounts. A report listing high balance accounts, or a *high balance report*, should be prepared for appropriate front office management action.

### **Audit Posting Formula**

Regardless of how the night audit is conducted, the basic account posting formula applies:

$$\begin{array}{rcccccc} \text{Previous Balance} & + & \text{Debits} & - & \text{Credits} & = & \text{Net Outstanding Balance} \\ \text{PB} & & + \text{DR} & - & \text{CR} & = & \text{NOB} \end{array}$$

### **Operating Modes**

Night audit procedures may be performed manually, mechanically, or electronically. The following sections briefly explain how each of these three operating modes is used in the night audit routine.

#### **Non-Automated**

In a non-automated (manual) system, four forms are typically used to complete the audit process. The system also uses transactional vouchers produced by the hotel's revenue centers and sent to the front desk for processing. The four common night audit forms are:

- . *Daily and supplemental transcripts*
- . *Guest and non-guest folios*
- . *Front office cash sheets*
- . *Audit recapitulation sheets.*

## **Daily and Supplemental Transcripts**

*A daily transcript, is used in manual and semi-automated hotels as a detailed report of all guest accounts. The daily transcript indicates those guest accounts that had transactional activity on that particular day. A supplemental transcript is often used to record the day's transactional activity for non-guest accounts. Together, the daily transcript and a supplemental transcript detail all transactions occurring on a single day.*

A daily transcript is typically detailed by revenue center, transaction type, and transaction total. The daily transcript and the supplemental transcript form the basis for a consolidated report of front office accounting data against which revenue center totals can be checked. The total of charged purchases reported by the hotel's coffee shop, for example, should equal the total amount of coffee shop charge purchases posted to guest and non-guest accounts. Daily and supplemental transcripts can facilitate the night audit routine by identifying out-of-balance figures in advance of a detailed review.

Information from these two transcripts, along with data from the front office cash sheet, may be transferred to a *recapitulation sheet*. The daily account recapitulation sheet provides a one-day, comprehensive summary of front office accounting transactions.

### **Semi-Automated**

One of the most important developments in the history of front office accounting has been the account posting machine. Posting machines record guest charges on folios and simultaneously perform a number of other activities that simplify the work of front desk agents and night auditors. Posting machines may be electromechanical or electronic. Mechanical posting machines are capable of producing only a limited number of departmental totals, do not retain individual

folio balances, and cannot be connected to other equipment (such as food and beverage point-of-sale systems).

Electronic posting machines are really computers in many respects. They can be programmed to have more departmental totals than a mechanical machine. In addition, many electronic posting machines can store folio balances in memory and automatically advance the folio to the next blank space for printing. Some have limited abilities to connect to other equipment for posting purposes. Due to the ever decreasing cost of personal computers, mechanical posting machines are no longer manufactured.

Typically front desk agents post charges to guest and non-guest account folios based on charge vouchers received from the hotel's revenue outlets. Machine posting to folios involves locating the folio, removing it from the folio bucket, entering the account's previous balance into the posting machine, posting the charge, balancing the folio, and refiling it in the folio bucket. If the front desk agent enters an incorrect previous balance or an incorrect transaction value, the new account balance will be in error and the night audit will be out of balance. This is referred to as a pickup error. This problem does not occur with electronic posting machines, which can store previous account balances and thereby eliminate pickup errors.

When an account folio is posted in a semi-automated system, several other actions take place simultaneously:

- The voucher used to initiate the posting is imprinted with the same information posted to the account folio. This procedure provides machine-printed verification that the voucher has been posted to a valid front office account.
- Identical transaction information is printed onto an internal machine paper tape to serve as a permanent journal record and as part of the hotel's



internal audit trail. (An audit trail is an organized flow of source documents detailing each event in the processing of a transaction.).

- The amount of each posted charge is added to (or subtracted from) the running departmental total for the revenue center originating the posting. Revenue center totals can assist the night auditor in determining whether the audit is in balance and complete.

Forms produced in a semi-automated audit system include a front office cash report and a night audit summary report, sometimes called a *D card*. The D card provides information that enables the night auditor to determine if the front office accounting system is in balance.

Essentially the D card shows the opening balance for the day (which is the previous day's closing balance); provides a running record of all the debits (additions) and credits (subtractions) posted through the machine; and produces a net outstanding balance. If the net outstanding balance proves the total postings entered on guest and non-guest folios equal to the totals of the vouchers posted, the front office accounting system is presumed to be in balance. If the D card ending balance does not match the total folio balance for the day, the system is assumed to be out of balance.

### **Fully Automated**

Of the three operating modes, the fully automated audit process is by far the fastest and most efficient and reliable.

- Fully automated systems can be interfaced with point-of-sale equipment, call accounting systems, and other revenue center devices for quick, accurate, and automatic postings to electronic guest and non-guest account folios.

- Extensive audit functions can be performed in a fraction of the time needed in non-automated or semi-automated operating modes. Computer-based systems enable the night auditor to spend more time auditing transactions and analyzing front office activities and less time performing postings and bookkeeping entries.
- Monitoring account balances and verifying account postings require a simplified procedure that compares guest ledger and non-guest ledger audit data with the front office daily report for balancing. When these documents are out-of-balance, there is usually an internal computer problem or an unusual data handling error.
- A computerized front office accounting system retains previous balance information for guest and non-guest accounts, along with appropriate transactional details in its electronic database. Front office staff are guided through a series of steps and may need to input various data elements in response to system-generated directives or commands relative to the night audit routine.
- The computer performs numerous mathematical verifications to ensure postings are correct. For example, a range check will recognize postings of unusual size, such as a \$15 charge being posted as \$1,500.
- Since most front office accounting systems are capable of tracking each posting by time, shift, employee, folio number, and revenue center, they maintain a detailed audit trail of transactional activity.
- Computer systems can also organize, compile, and print records faster than can be done manually.
- In a night audit, a front office computer can process a large quantity of data, perform numerous computations, and generate accurate account totals. A system update is often used to perform many of these automated functions. System updates are run daily to establish an audited end of day and allow for report production, system file reorganization, and system maintenance. Computerized front office accounting systems also offer

rapid access to information, thereby enabling front office management to more knowledgeably manage operations. Reports detailing revenue data, occupancy statistics, advance deposits, arrivals, no shows, room status, and other operational information can be generated on request, or as part of the regular system update routine.

### **The Night Audit Process**

The night audit focuses on two areas: the discovery and correction of front office accounting errors and the creation of accounting and management reports. From an accounting point of view, a night audit ensures the integrity of front office accounts through a cross-referencing process. Guest and non-guest accounts are compared with source documents from revenue centers to prove individual transaction entries and account totals. Discrepancies found during a night audit must be corrected so that the front office accounting system is in balance.

The following steps are common to the sequence of a night audit:

1. Complete outstanding postings.
2. Reconcile room status discrepancies.
3. Balance all departmental accounts.
4. Verify room rates.
5. Verify no-show reservations.
6. Post room rates and taxes.
7. Prepare required reports.
8. Prepare cash receipts for deposit.
9. Clear or back up the system.
10. Distribute reports.

In a computer system update, several of these steps may be condensed or combined. The following sections examine these front office audit procedures from an operational perspective.

### **Complete Outstanding Postings**

One of the primary functions of the night audit is to ensure that all transactions affecting guest and non-guest accounts are posted to appropriate folios before the end of the day. It is important to accurately post and account for all transactions on the day they occur. Charges posted with the wrong date will confuse guests and severely complicate cross-referencing. Posting errors can be problematic and can lead to discrepancies and delays at check-out. Traditionally the first step of the night audit is to complete all outstanding postings. While sound front office practice dictates that transactions be posted to the proper accounts as they are received, the night auditor must confirm that all transactions received at the front desk have been posted before starting the audit routine. In addition to completing the posting function, the night auditor verifies that all vouchers for revenue center transactions are posted. If the hotel supports point-of-sale or call accounting systems interfaced with a front office accounting system, then the previously posted totals should be verified to ensure that all outlet charges have been posted.

### **Reconcile Room Status Discrepancies**

Room status discrepancies must be resolved in a timely manner since imbalances can lead to lost business and cause confusion in the front office. Errors in room status can lead to lost and uncollectible room revenues and omissions in postings. The front office must maintain current and accurate room status information to effectively determine the number and types of rooms available for sale. For example, if a guest checks out but the front desk agent fails to properly complete the check-out procedure, the guest's room may appear occupied when it is really vacant. This error in procedure could prevent the room from being rented until the error is discovered and corrected. In manual and

semi-automated hotels, before the end of the day, the night auditor reconciles discrepancies between the daily housekeeper's report and the front office room status system (the room rack and guest folios in manual and semi-automated hotels). To minimize errors, housekeeping departments typically require staff to record the perceived status of all rooms serviced. The auditor must review front office and housekeeping department reports to reconcile and finalize the occupancy status of all rooms for a given night.

If the housekeeping report indicates that a room is vacant, but the front office believes it is occupied, the auditor should search for an active room folio and registration card. If the folio exists and has a current outstanding balance, there are several possibilities:

- . A guest may have departed but forgotten to check out.
- . A guest may be a skipper who left with no intention of checking out.
- . A front desk agent or cashier may not have properly closed the folio at check-out.

After verifying that the guest has left the hotel, the night auditor should process the check-out and set the folio aside for front office management review and follow-up. If the folio has been settled, the front office room status system should be corrected to show that the room is vacant. The night auditor should verify the guest folio against the housekeeping and the room status reports to ensure that all three are consistent and in balance. In a computerized system, the check-out process is normally linked to a rooms management function that automatically monitors and updates the room's status. Few, if any, room status discrepancies should occur in a computerized front office system, but the night audit process is still necessary to ensure accuracy.

### **Balance All Departments**

The night audit process can become quite complicated when errors are discovered. It is generally considered more efficient to balance all departments

first and then look for individual posting errors within an out-of-balance department. The night auditor typically balances all revenue center departments using source documents that originated in the revenue center. The night auditor seeks to balance all front office accounts against departmental transaction information. Vouchers received at the front desk and other documents are totaled and compared with revenue center summaries. Even fully automated front office accounting systems rely upon source documents to help resolve discrepancies as they arise. When the front office accounting system is out of balance, the correctness and thoroughness of account postings must be investigated. A detailed department audit (by shift or by cashier) may be conducted and individual postings reviewed until the front office accounting error is corrected. **The process used to balance the revenue center departments is often called the trial balance.** The night auditor completes the trial balance before verifying the final system balance and creating final night audit reports. The trial balance usually uncovers any corrections or adjustments that need to be made during the night audit process. Night auditors often perform the trial balance before posting room and tax-charges. Doing so can simplify the final night audit procedure. If the trial balance was correct and the final balance is wrong, the auditor can deduce that the error must relate to the room and tax posting. It is important to note that a mathematical balance in guest and non-guest accounts against departmental totals does not necessarily mean that the proper accounts were selected for posting. Posting the correct amount to an incorrect account would still present an in-balance total. This type of error usually goes unnoticed until a guest has a problem with the validity of an entry on his or her statement.

### **Verify Room Rates**

The night auditor may need to complete a room revenue and count report. This report provides a means for analyzing room revenues since it shows the rack rate (price) for each room and the actual rate at which the room was sold. If a room's

rack and actual rates do not match, the night auditor should consider several factors:

. If the room is occupied by a member of a group or by a corporate-rate customer, is the discounted rate correct?

. If there is only one guest in a room and the actual rate is approximately half the rack rate, is the guest part of a shared reservation? If he or she is, did the second guest register?

. If the room is complimentary, is there appropriate supporting back-up for the rate (for example, a complimentary room authorization form)?

The proper use of room revenue and count information can form a solid basis for room revenue analysis. The night auditor may be required to produce a copy of this report for review by front office management. Some hotels today measure room revenue potential against actual room revenue. The actual room revenue posted is compared with the rack rate of the rooms occupied for the night. The comparison may be shown as a percentage. The night auditor may be responsible for calculating this number and reporting it as part of the night audit or it may be done automatically by the front office computer system.

### **Verify No-Show Reservations**

The night auditor may also be responsible for clearing the reservation rack or filing and posting charges to .no-show accounts. In posting no-show charges, the night auditor must be careful to verify that the reservation was guaranteed and the guest never registered with the hotel. Sometimes duplicate reservations may be made for a guest or the guest's name maybe misspelled and another record accidentally created by the front office staff. If these are not identified by front office or reservations staff, the guest may actually arrive but appear to be a no-show under the second reservation. No-show billings must be handled with extreme care. A front desk agent who does not record cancellations properly may cause clients to be billed incorrectly. Incorrect billing may lead the credit card company to reevaluate its legal agreements and relationship with the hotel. Incorrect billing may also cause the hotel to lose the guest's future business and

(if applicable) the business of the travel agency that guaranteed the reservation. All front office staff must adhere to established no-show procedures when handling reservation cancellations or modifications.

### **Post Room Rates and Taxes**

Posting room rates and room taxes to all guest folios typically takes place at the end of day. Once room rates and taxes are posted, a room rate and tax report may be generated for front office management review. The ability to electronically post room rates and room taxes on demand is surely one of the most frequently cited advantages of an automated front office system over manual and semi-automated systems. Once the night auditor has verified the room rates to be posted, the computer can auto-post numerous room rate and room tax charges to the appropriate electronic folios in a matter of minutes. With manual or semi-automated systems, the procedure required to post room rate and room tax can be very tedious and time consuming. In addition, automatic charge postings are accurate, with no chance for pickup, tax calculation, or posting errors.

### **Prepare Reports**

The night auditor typically prepares reports that indicate the status of front office activities and operations. Among those prepared for management review are the **final department detail and summary reports, the daily operations report, the high balance report,** and other reports specific to the property. Final department detail and summary reports are produced and filed along with their source documents for accounting division review. These reports help prove that all transactions were properly posted and accounted for. The daily operations report summarizes the day's business and provides insight into revenues, receivables, operating statistics, and cash transactions related to the front office. This report is typically considered the most important outcome of the front office audit. The high balance report, identifies guests whose charges are approaching an account credit limit designated by the hotel (the house limit). In a



computerized front office system, the computer may be programmed to produce many management reports on demand. For example, the high balance report may be produced at any time during the day as a continuing check on guest transactions and account balances. In addition, other reports are usually created at this time by the night audit. A report showing each group in the hotel, the number of rooms occupied by each group, the number of guests for each group, and the revenue generated by each group is common. This report helps the hotel sales department with the group history. The same type of report may be generated for guests on package plans or guests staying in the hotel due to a special promotion or advertising program. Other reports may list guests who stay frequently and guests who are VIPs. In automated hotels, this type of marketing information can be automatically tracked, sorted, and reported.

### **Deposit Cash**

The night auditor frequently prepares a cash deposit voucher as part of the night audit process. The night auditor compares the postings of cash payments and paid-outs (net cash receipts) with actual cash on hand. A copy of the front office cashier shift report may be included in the cash deposit envelope to support any overage, shortage, or due back balances. Since account and departmental balancing often involve cash transactions, accurate cash depositing may depend on an effective audit process.

### **Clear or Back Up the System**

In manual and semi-automated front office operations, totals must be cleared from the system after the night audit is complete. Manual systems are cleared by simply moving the closing balance from the night audit report to the opening balance of the next day's report. In semi-automated operations, the totals in the posting machine must be brought to a zero balance. The night auditor controls this function so that the possibility of fraud is minimized. As each account is reduced to zero, a separate card (sometimes called a *Z card*) is used to verify the zero balance. A *Z card* is usually submitted with the night audit work to show

that all accounts have been properly reset. In semi-automated systems, typically only the ending balance is maintained in the posting machine. Since a computer system eliminates the need for a room rack, reservation cards, and a variety of other traditional front office forms and devices, front office accounting depends on the continuous functioning of the computer system. A system back-up in the night audit routine is unique to computerized front office systems. Back-up reports must be run and various media duplicated in a timely manner so that the front office can continue to run smoothly. End-of-day reports can be developed and automatically generated by a front office computer system. Normally, at least two guest lists are printed for back-up and emergency use: one for the front desk and one for the switchboard. Computer-generated front office information should also be copied (backed up) onto magnetic tape or magnetic disk, depending on the system configuration. A system back-up should be conducted after each night audit and stored in a safe place. Many computer systems have two types of system back-up. A daily back-up simply creates a copy of front office electronic files on magnetic tape or magnetic disk. The second type of system back-up is performed once or twice a week. This back-up not only copies daily information, but eliminates account and transaction information deemed to no longer be of value. Following this procedure will reduce the overall amount of computer storage required for back-up.

### **Distribute Reports**

Due to the sensitive and confidential nature of front office information, the night auditor must promptly deliver appropriate reports to authorized individuals. The distribution of night audit reports is the final step in the night audit routine, and is important to efficient front office operations. Informed managerial decisions can be made if all night audit reports are completed accurately and delivered on time.

### **Verifying the Night Audit.**

Numerous types of posting, mathematical, and clerical errors can be identified through an effective night audit. Among the most typical errors are those involving previous balance pickup, transpositions, and misplaced folios.

### **Pickup Errors**

In manual and semi-automated front office systems, front desk agents must access the previous balance of an account folio, post the debits and credits, and calculate a new current balance. If the previous balance is entered (picked up) incorrectly, the resulting ending balance will be incorrect. This can happen whenever a posting is made to a folio, not just during the night audit. Pickup errors are frequently the most time-consuming errors to locate and correct; it is often necessary to review all previous and ending balances on every folio in order to identify the error.

### **Transposition Errors**

A transposition error is one of the easiest to identify. This type of error occurs when numbers related to a transaction are reversed—for example, entering \$523 into a posting machine rather than the actual previous balance of \$532. A transposition error can usually be identified by subtracting the smaller number from the larger number and dividing by 9. If the result is a whole number (as in the above example), the problem is most likely a transposition error.

### **Missing Folios**

Many times, a manual or semi-automated front office system is out of balance because a folio has been filed incorrectly or has been removed from the folio bucket. After check-out, front desk agents move accounts pertaining to check-outs to the forward section of the folio bucket. Sometimes, front desk agents forget to relocate closed folios and the folio is improperly refiled behind the room tab in the bucket. Other times, a current folio may be filed in the front part of the folio bucket when it should be returned to its proper place elsewhere in the

bucket. Sometimes, questions may arise on a particular account, such as a high-balance account. In order to investigate the proper account, the front office credit manager may need to remove the folio from the bucket for review. If this happens, the front desk agent removing the folio should always leave a signed note stating that he or she has temporarily removed the folio, along with the name of the guest on the folio and the folio number. When a folio is missing, the night audit simply will not balance. In automated hotels, where folios are stored electronically, missing folios are not an issue.

### **Automated System Update**

A system update in a computerized front office system accomplishes many of the same functions as a non-computerized night audit routine.

System updates are run daily to enable computer system file reorganization, system maintenance, and report production and to provide an end-of-day time frame. A front office computer system may be connected with remote communications to revenue outlet devices for automatic postings. The front office computer system may support point-of-sale interfaces, call accounting technology, in-room movies and in room vending, and the like. Its interface capability enables the system to control and monitor charges made at remote revenue outlets throughout the hotel. Management policy usually dictates the extent of system interface application. The night auditor should routinely review interface procedures to ensure the proper handling of automatically posted transactions from revenue outlets.

In the case of guaranteed reservation no-shows, for example, postings may be programmed to flow automatically to a billing file. If a transaction needs to be independently posted, the guest's electronic folio can be displayed on a computer terminal screen for posting. Once complete, the folio can be placed back into electronic storage and printed on demand.

In some front office computer systems, the balancing of front office and department accounts is continuously monitored through an on-line accounting system. As a charge purchase is entered at a remote point-of-sale terminal, for example, the charge may be instantaneously posted to an electronic guest folio and an electronic departmental control folio. *A control folio is a computer-based internal accounting file that supports all account postings recorded by an operating department.* To balance departments, the front office computer system tests all non-control folio entries against individual control folio transactions. An imbalance is just as likely to identify a problem in automatic posting techniques as a shortcoming in front office accounting procedures. Detailed departmental reports can be generated and checked against account postings to prove account entries at any time during the day.

Front office computer systems may also generate computer-printed copies of several other files as a safeguard against system failure. Activity reports, guest lists, room status reports, account statements, and the like may be printed and held as a hedge against system failure. Since front office computer systems deal with information and not physical inventories, the cash deposit procedures relevant in a non-computerized property are still often maintained.