

G C M A



BAR: STOCK CONTROL

Taking Stock

This month we look at the subject of Bar Stock Control, covering aspects such as; delivery to point of sale, the visit of the Stocktaker, the recording procedures, analysis of the Stocktaker's report, and the interpretation the Committee may have on the whole subject.

Role of the Steward/House Manager

The Steward/House Manager has the responsibility of ensuring stock is;

- ✓ the correct quantity and type of stock is ordered
- ✓ delivered on time and in good condition
- ✓ finds its way to the point of sale in first class condition.

The Steward/House Manager is also responsible for;

- ✓ management of the bars
- ✓ opening and closing of the bar(s)
- ✓ staff

It is important to liaise with the club's Secretary/Manager to ensure that the profitability of each product is in line with expectations.

While the quality of the beer, the general demeanour of the individual and the unsociable hours the person is expected to work may all be taken into account, most members of golf clubs usually just concern themselves with the year's takings and % profit as recorded in the annual accounts.



The Stocktaker

Most golf clubs will have in place, and have had for many years, a mechanism for controlling how produce is sold through their bars, and for keeping check on the associated profitability this facility produces. A licensed Stocktaker, whose engagement is by means of a visit each month, or perhaps a six weekly basis, normally provides this function.

While consistently poor reports cannot be sustainable by a Club, and the possibility of irregularities cannot be ignored, there are often genuine and simplistic reasons for large variances in reports. On the premise that prevention is better than cure, Secretaries may like to consider the following suggestions for operating good working practices, in liaison with their Stewards/House Managers, so that such problems can be eliminated or at least have the possibility of their occurrence reduced.

1

Invoices & Cash Takings Records

When a payable invoice is received from a supplier, it is advisable for a photocopy to be taken and filed ready for collection by the Stocktaker at their next visit. This will enable them to reconcile the stock received against the delivery invoices (normally retained by the Steward), and check that prices being charged are in line with terms agreed with the Club.

It is appreciated that Clubs may wish to keep discounts and bonus payments confidential, and this last point may not be required from the Stocktaker.

It is stating the obvious to say that a record of cash takings received from the Steward since the last visit will need to be produced. However it is preferable for this to be produced on a spreadsheet format, which may also include reference to card swipe receipts, top-ups and discounting of sales etc applied by such systems. The aim here would be to provide a more accurate profitability figure.

Another matter for consideration is that there may be an ongoing claim for credit of a spoiled product. For this there may be a "returned" tag in hand but no credit yet received – without such knowledge the product will appear to have been sold, causing an adverse effect on the stock

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Wastage Record Book

It is essential that the Steward keeps a Wastage Record Book. The main purpose of this book is to record the value of any product that is dispensed for which cash has not been received. This will cover many items. The following are some examples of the commonest ones:

- ✦ Line clearance – beer etc discarded by way of cleaning the pipes. To ensure this is accurate, it is worthwhile checking the amount claimed is correct by way of occasionally supervising this weekly routine. Simply, one needs to measure the quantities involved and calculate the value accurately by reference to the sale price of each particular line. In fairness to the Steward, this may need periodic adjustment as and when new lines are introduced, and/or prices are increased.
- ✦ Ullage – waste produced by excess fobbing, leakage or perhaps occasional unsaleable produce, eg the first pint of real ale lying in the pipes during warm weather.
- ✦ Draymen – it is often long-standing tradition in clubs to give these delivery persons a drink/bottle of beer as a form of gratuity whilst making their deliveries.
- ✦ Drinks poured by mistake need recording also, on the assumption that they have not been recycled!
- ✦ Breakages and Spillages are other obvious items to include.

3

New Staff

All new staff should receive adequate training, with particular reference to the tills and application of measures. They must be shown how to ring in the sale of products competently, administer “top ups” for card swipe systems, and perhaps most important be aware of the procedure on how to correct errors, plus who has the authority to do so if not afforded to them.

The correct way of pouring measured items is crucial, and traditions that exist in some clubs such as “the club half” must have an accepted control method in place.

It is inevitable that a new, inexperienced member of staff will make mistakes with orders, and he/she must be aware of the need to record such mistakes in the 'wastage' book. It must also be made clear to new staff from the outset any understanding regarding the receipt of tips, drinks bought by members, or perks there might be regarding subsistence items.

4

Outstanding Accounts

While a clean slate is desirable on a pay-as-you-go basis, it is inevitable that there will be an outstanding account in the till at some point in time. It is therefore important that the following list is checked for possible correction before the next visit by the Stocktaker –

- ✦ Functions such as the Annual Dinner Dance normally incorporate pre-dinner drinks for the guests and/or top table dignitaries, and a provision of wine etc throughout the evening is again quite normal. This will need to be settled, usually by way of the Office, via petty cash or some other similar method.
- ✦ Drinks given to players following team matches (jugs of beer with the meal etc) are quite usual, and again may require settlement through the Office as above.
- ✦ A member may have organised a corporate/society golfing day and has a "free bar" account to settle by way of invoice. This may take a week or so to process and can be overlooked easily.
- ✦ Functions of a family nature (weddings, funerals, birthdays, anniversaries) may involve a free bar situation also, and to avoid any embarrassment or dispute, settlement of the account is often best left until after the event.
- ✦ A member may have "borrowed" a bottle or case of something and not yet returned said goods. Generally this should be frowned upon, but in the special case of a request from a long-standing member, the Steward may have difficulty in saying no.
- ✦ Where there is "in house" catering, there may be an understanding that sherry/wine/lemons etc may be obtained via the bars due to advantageous purchasing powers, and/or the utilisation of old stock.

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Summary of Reports

The Stocktaker's Reports will normally provide the following results:

Cash Takings	gross and net of VAT
Cost of Purchases	calculated from invoices
Surplus / Deficit	actual takings compared to calculated value of sales
Current Stock Value	unsold stock as on day of Stocktaker's visit
Profit	takings less purchases

Some Club Committees may find it sufficient to be given the above figures each month by way of simple reference at the relevant Finance/Management meetings. However, with the ever increasing desire to have more detail and analysis these days, I believe Secretaries could provide more substance and value by converting the figures into a simple spreadsheet type report.

Over time this analysis will also provide a year-on-year reference document, which could be useful for comparison purposes as and when there is a change of personnel, or perhaps there appears to have been a decline in performance by the Steward/House Manager. To make the maximum use of this analysis, it is recommended that the net wastage figure is included (ie surplus less wastage, or in the case of a deficit, plus the wastage) both in numerical detail, and on a per day basis (ie the net figure divided by the number of days the report is for). Similarly, it would be useful to show the net wastage as a percentage of the gross takings. This could be useful when there are periods/years when takings fluctuate, and for the comparison of figures with other clubs in the area.

Shelf Value (this is an optional addition that can be provided, which shows a calculation for how many days' stock is being held for each product, based on the product's average daily sale. This is particularly useful in identifying the possibility of short life items soon becoming out-of-date, and, if there is any unnecessary overstocking of a product (eg three months' supply of whisky just sitting in the store room).

Committee's Interpretation

In the perfect world, the Stocktaker's reports will inform the Club that its profitability is on line with its budgetary expectations (net % profit), the amount of surplus/deficit recorded by the Steward is both consistent and acceptable, all deliveries are accounted

_for and all cash takings have been recorded and banked. But we don't live in the perfect world do we!

Any deviation from the above often brings a hue and cry reaction from the Committee with associated comments such as "something's not right" or "someone's on the fiddle" or worse still "someone has to go". I am of little doubt that there will always be some members of golf club committees that will hold a very sceptical view about the performance of their Steward/House Manager. If the Stocktaker's reports show consistency, some will view it as suspicious, whilst the odd large deficit may promote the "I told you so" statement.

If the above recommendations are followed, then consistency is achievable. The recommended analysis will also identify and support where such consistency has been the norm, and while there will always be the occasion where a "bad stock" arises, occasionally this will "bounce back" in the next stock period.

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Stocktaker Error

It may be the case that the Stocktaker himself has made a mistake, and, for the sake of example, a full keg of beer might have been mixed in with the empty ones, or a case of whisky recorded as a case of lower priced wine. Additionally, it is rare for clubs to trade in 36 gallon barrels these days with combinations of 9, 10, 12, 18 or 22 gallon containers often on site at the same time. The accurate reference to these by both the Steward and the Stocktaker is therefore essential for calculation purposes. If the latter examples of errors are a regular occurrence, then of course this would suggest the Steward/House Manager might need to look at their methods of storage and stock rotation, which is a separate matter for discussion another time!