

Budgeting



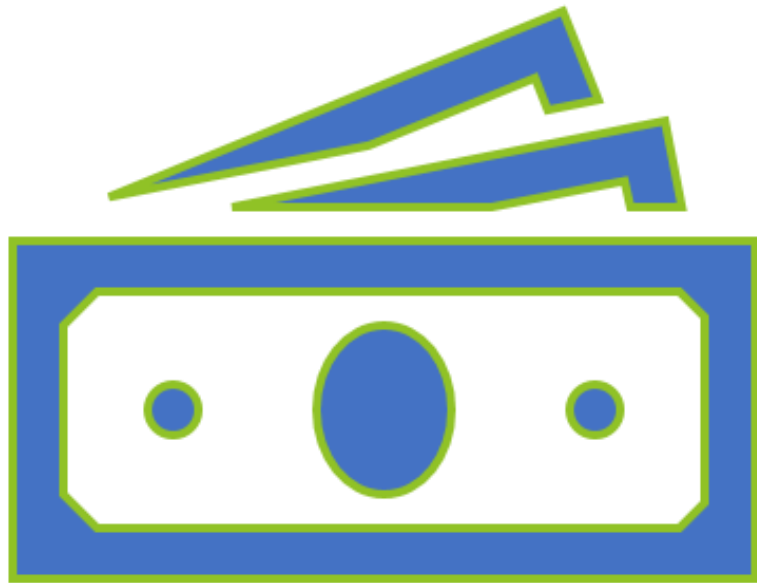
Budgeting

- ▶ What is Budgeting?
- ▶ Budgeting is the process of creating a plan for "what you spend"



Budgeting

Creating the plan will help you understand whether you have enough money to do what you like and what you want to do



Budgeting

- ▶ Budgeting is simply balancing your expense with your income

Steps for Budgeting



Step 1



Set realistic Goals

Steps for Budgeting



Step 2



Identify your income and expenses

Steps for Budgeting



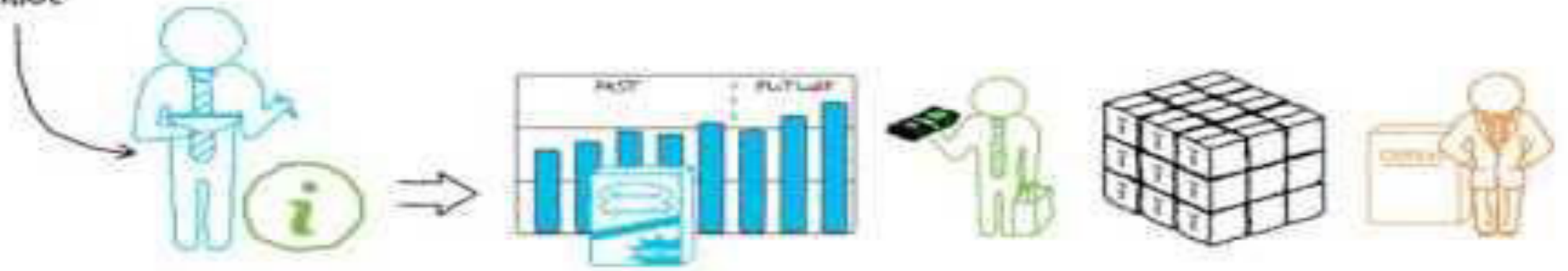
Step 3



Separate the needs from the wants



JANE



Budgeting



The most important long-term planning function performed by front office managers is budgeting front office operations.



The hotel's annual operation budget is a profit plan



These budget plans become standards against which management can evaluate the actual results of operations.

Budgeting



Front office earns maximum hotels' room revenue



Room's division's profits are greater than any other departments



Accurate budget is vital to create and overall budget of the hotel



- ▶ The primary responsibility in budget planning are revenue forecasting and estimating related expenses
- ▶ Room revenue is forecasted with inputs from reservation manager
- ▶ Expenses are estimated with inputs by all department managers in room division

Budgeting

- ▶ The hotel accounting division is also responsible for coordinating budget plan of individual department managers
- ▶ The hotel general manager and controller typically reviewed departmental budget plan and prepare a budget report for approval by the hotel owners.



