

DOI: <https://doi.org/10.36719/2706-6185/35/222-227>

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ORGANIZATION AND IMPLEMENTATION OF ACCOUNTING IN HOTELS BUSINESS

Abstract

Tourism and hotel business, which are important areas of public life and economy, were created and developed as a unity and continue to operate. The mutual activity of tourism and hotel service is closely related to the history of the development of organizational forms of these areas.

The service sector has a positive impact on the country's economy due to the existing international trade opportunities. From this point of view, in order to develop this field within any country, first of all, the restrictions facing international trade should be removed. In general, the effective conduct of all activities in the hotel business is directly related to a well-functioning accounting system. At the same time, this system should meet all the needs of hotel managers and have a feature that can serve the set goals. In addition, considering that unlike other businesses, hotels have fast service, the presence of many revenue centers, a large number of financial transactions and the implementation of high-cost service and resulting in more errors and fraud. It is for this reason that in order to prevent such situations in our Republic, hotel management should take measures against such situations. The best measure, of course, in our opinion, is the organization of an accounting system and an internal control system that meets every need against the mentioned problems.

Keywords: *hotel, business, accounting, organization, control system*

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Mehmanxanalar biznesində mühasibat uçotunun təşkili və həyata keçirilməsi

Xülasə

İctimai həyatın və iqtisadiyyatın mühüm sahələri olan turizm və mehmanxana biznesi vəhdət kimi yaranaraq inkişaf edib və fəaliyyətini davam etdirir. Turizm və mehmanxana xidmətinin qarşılıqlı fəaliyyəti bu sahələrin təşkilatı formalarının inkişaf tarixi ilə sıx bağlıdır.

Xidmət sektoru mövcud beynəlxalq ticarət imkanlarına görə ölkə iqtisadiyyatına müsbət təsir göstərir. Bu baxımdan istənilən ölkə daxilində bu sahəni inkişaf etdirmək üçün ilk növbədə beynəlxalq ticarətin qarşısında duran məhdudiyyətlər aradan qaldırılmalıdır. Ümumiyyətlə, mehmanxana biznesində bütün fəaliyyətlərin səmərəli aparılması bilavasitə düzgün işləyən mühasibat uçotu sistemi ilə bağlıdır. Eyni zamanda bu sistem mehmanxana menecerlərinin bütün ehtiyaclarını ödəməli və qarşıya qoyulan məqsədlərə xidmət edə biləcək xüsusiyyətə malik olmalıdır. Bundan başqa, nəzərə alsaq ki, digər bizneslərdən fərqli olaraq, otellərin sürətli xidmətə malik olması, çoxlu gəlir mərkəzlərinin olması, çox sayda maliyyə əməliyyatları və bahalı xidmətin həyata keçirilməsi və nəticədə daha çox səhv və saxtakarlıq olur. Məhz bu səbəbdən respublikamızda bu halların qarşısını almaq üçün otel rəhbərliyi belə hallara qarşı tədbirlər görməlidir. Ən yaxşı tədbir, əlbəttə ki, fikrimizcə, qeyd olunan problemlərə qarşı hər bir ehtiyaca cavab verən mühasibat uçotu sisteminin və daxili nəzarət sisteminin təşkilidir.

Açar sözlər: *otel, biznes, mühasibat uçotu, təşkilat, nəzarət sistemi*

Introduction

The concept of accounting organization in businesses consists of determining the jobs related to the accounting function, dividing these jobs into levels and staff, establishing relationships between them, and equipping each staff with certain authorities. In order to meet the requirements, the growth and technological development of businesses have revealed the need for accounting organization in three aspects. These; increase in accounting personnel, specialization and automation.

The goals and objectives of the research topic. The main purpose of the research work is to determine the directions of use of international and national accounting systems in the organization of hotel service accounting and to analyze the problems of hotel service accounting organization.

Research methods. The article will initially examine the hotel service and its main directions in the development of the economy. For this purpose, first of all, the formation of the hotel service, which affects the formation of the economy, and the accounting issues, which are the leading system in this service, will be studied with theoretical methods (Libby, Libby, Short, Daniel, 2004).

Background of Investigation Area

The effects of some features of hotel businesses, which differ from businesses in other sectors, on accounting practices can be listed as follows:

- Production and sales in hotel businesses are carried out 24 hours a day without waiting for guests' requests. Due to this working system, accounting records are made on a daily basis without waiting. For example, after 24 o'clock every night, room prices are transferred to the guests' accounts and the room income for that day is determined.
- The fact that approximately 90 % of the balance sheet assets in hotel businesses consist of fixed values causes high depreciation expenses. This is due to the high depreciation rates in these businesses and the short lifespan of the installations, furniture, furnishings, bedding, service and kitchen services used in these businesses (2).
- In accommodation establishments, it is of great importance to meet the guests' requests and needs and attract them back to the business. For example, it is mandatory for the guest who wants to leave at any time of the day to have their accounts ready at all times.
- Hotel management must have the opportunity to protect itself against exchange rate risk as of the guest's departure date. However, the state must not suffer any loss from the action taken. Because the state must somehow secure its taxes and thus prevent base erosion.
- The most important goal of management in the hotel industry is to reduce costs and increase profitability. However, seasonal and macroeconomic factors affect the profitability and financial performance of hotels. In this context, the concept of cost comes to the fore.

As it is known, although the term business is generally used in the public language to mean a technical organization, in today's modern economy, every economic unit that operates for the purpose of meeting needs is called business. In an increasingly competitive environment, as with all businesses, the ability of tourism businesses to achieve their goals involves a series of financial transactions. At this point, information regarding transactions that arise from mutual relations within and between businesses, are fully or partially financial in nature, and can be expressed in money; The science of accounting is emerging, which fulfills the functions of collecting, recording, classifying and correcting, summarizing in a meaningful and reliable way, auditing, reporting and interpreting, and communicating the results to people and institutions related to the business. It is difficult to pay the taxes for which accommodation establishments are liable, to pay all the expenses required for a perfect business, and to impose new expenses for the expansion or enlargement of other establishments, and to achieve this by complying with the conditions of the free market. In this regard, in accommodation businesses, as in all businesses, the realization of the decision taken by the managers on any issue depends on the accuracy, consistency and objectivity of the information in the formation of this decision. This is possible with a well-organized accounting system within the business. Thanks to the accounting function, accommodation establishments can determine to what extent they have or have not achieved their goals and take the necessary

measures. Because foresight or the method of taking precautions in advance is not a new thing in business life, it is possible to say that this situation is an essential issue, so accounting has an important position for foresight and precaution in accommodation establishments, as in every business (Abbasov, Mammadov, Jabbarov, 2017).

The cost structure of hotel businesses consists of the materials used to provide services, labor costs paid to people who prepare and provide services, as well as management, marketing, sales, research and development and financing expenses incurred in order for the hotel to continue its activities. Hotels' need for large fixed capital investments and the high operating expenses they incur while operating lead to an increase in their costs.

- Calculating the break-even point in hotel businesses is a little more complicated than in industrial businesses. Because in these businesses, there is not only a single income item such as room sales, but a wide variety of sales items. So that; In addition to "Room Sales", which is the main sales item of hotel businesses, various sales are also made in secondary departments such as food and beverage, telephone, laundry, health center, garage and similar operations departments. If the chambers department has achieved its budgets but other departments have not achieved their targets, it will bring an additional burden to the main department in question. This will generally delay the hotel's access to the land crossing point or make it inaccessible, causing the period to be closed at a loss.
- Credit card use is common in hotel businesses.
- The number of salable rooms offered by the hotel business is fixed (Galen, Tarun, 2011).

Special Aspects of Accommodation Businesses in Terms of Accounting System

The basic task of accounting, commonly known as accounting, in a business is to detect internal and external value movements within the business and to report them in a meaningful way for management to make decisions, or in other words, to present them in an understandable way⁶. In this context, the accounting systems of accommodation establishments have been established to include this basic task. Situations that are special for accommodation establishments while performing their basic duties can be listed as follows (Gray, William, Liguori, 2003):

- Customers, who are in the buyer position, pay for the service provided to them with a service fee.
- Service sales are made in cash (In developing technology, payments can also be made by credit card, etc., but in our opinion, there is no contradiction in including these in the cash category.).
- In parallel with the existence of more than one income-generating departments, the presence of a large number of safes and cashiers and the intense foreign currency movements make cash register transactions difficult and cause problems.
- In these businesses, the taxable event begins on the day the customer leaves the facility, so the customer's departure date is the invoice date.
- The fact that there are too many departments in the business and that a large number of documents and internal reports are prepared in these departments on a daily basis, as well as the necessity of constantly updating customer accounts, complicates the documentation process.
- Accounting control activities are carried out at the end of the day.
- In accommodation establishments, fixed asset items, called fixed capital investments, have a higher weight in the balance sheet size than the current asset group. Therefore, depreciation expenses calculated on fixed assets constitute a significant part of total expenses.
- Since the majority of services are based on labor force; Personnel costs have a significant place in total costs (Lawson, 2005).
- Unlike industrial businesses, it is possible to apply fixed fee system, percentage fee system and fee systems where both systems are used together in accommodation establishments.
- Since the services offered in accommodation establishments do not have the ability to be stocked, the services must always be kept ready to respond to customer needs immediately. Due to this feature, there is no stock account for the services.

Hotel Business Accounting in Azerbaijan

Organizations engaged in the hotel business incur commercial expenses that are not in a known methodical instruction, but are carried out. These costs are related to the organization and sale of the following service:

- a) costs of commission, representation and other remuneration of tour operators and tour operators of commercial organizations providing commercial services;
- b) representative expenses;
- c) advertising costs (Lockyer, Schoolarios, 2004).

Based on what has been said, it can be noted that the organization can accept and recognize the costs mentioned in the methodical instruction as the cost of the hotel, as well as its cost, and apply it as the basis. Let's also note that in international practice, hotel and similar services are provided directly to employees related expenses are not included in the cost of hotel services.

The costs (expenses) that we will list below are not included in the cost calculation, but their indicators are used in the formation of financial and economic activity (Sabzaliyev, Abbasov, 2015):

- expenses incurred for taking measures for the organization of rest and health protection of employees directly participating in the main types of activities;
- expenses related to the verification of its financial and economic activity at the initiative of one of the founders (participants) of the organization;
- completion of works on construction, equipment, maintenance of cultural – mass and other non-production objects located on the balance sheet of the organization, as well as expenses incurred in connection with the performance of works carried out in the order of providing assistance and participation in the activities of other organizations.

Most likely, not all of the costs listed in the methodology and methodical instructions were included in the hotel's budget. However, it should be noted that there are almost a number of non-production costs in economic activity, but the organization can exclude them from the calculation of the cost of the provided service. Such expenses are recorded during the formation of financial results as a loss of the current accounting period, which can reduce the income from economic operations that lead to profit.

When calculating the cost in the national accounting system, any organization, including a hotel organization, has the right to apply the rules of recognition of expenses determined by the National Accounting Standard No. 13 "On Expenses Related to Debts" for the formation of financial results.

In order to recognize expenses, it is necessary to observe the following conditions in accounting (Stephen, February 2006):

- expenses are carried out in accordance with the contract on ordinary business turnover and the requirements set by the legislation;
- to determine the cost amount as it happens;
- regularity of confidence in the stability of the economic interest of the organization.

The method and methodical instructions in force during the calculation of cost provide for the determination of costs by the calculation method, i.e. in the periods and places where they occur. Most of the hotel's expenses are related to current expenses. However, let's note that in the organizations engaged in the hotel business, expenses related to the future reporting period also occur, which should be recognized in that period. Part of such expenses forms short-term assets of the organization (for example, material values), and the other part forms long-term assets (land, buildings and equipment – fixed assets).

It is impossible to calculate the cost of hotel services in both international and national accounting systems without specifying the object of calculation.

At present, the following grouping of current costs is proposed in most parts of the guidelines on the cost of service in the fields of hotel activity in the International accounting system:

- on the places of occurrence and the nature of the activity;
- on items and elements of costs;
- on the manufactured product, the work done, the service provided;

- on inclusion in yeast cost;
- regarding the technological process;
- on the object of calculation.

In the Republic of Azerbaijan, this grouping of current expenses was accepted in the national accounting. For these groupings, a general methodological instruction was adopted. For example, in the methodological instruction, one area of the calculation object of the communal hotel – for example, the price of one bed – is set. This indicator is also used in other hotel service organizations (10).

In addition, in the methodological instruction, the calculation of the cost of hotel services consists of two sections, including the total number of natural indicators: the total usable area, including the area for rent; residential area; daily – the total amount of funds used is displayed.

Among those indicators, the last indicator – the daily – bed indicator, calculated as follows (Sg-c), is more involved in the cost calculation.

$Sg-c = Y \times X \text{ days};$

Here Y – the total amount of land;

Day – the number of days in the reporting period.

Therefore, when we calculate the full cost (value indicator) of hotel services in National accounting, we must collect all the costs related to the calculation of the report without dividing or grouping the costs related to one calculation object, i.e. daily bed.

If we first determine the natural and other indicators, then it will be quite easy to calculate the cost of the hotel service.

For example, let's assume that the Hilton hotel is equipped with equipment for 450 seats, but only 430 guests were received in them during the reporting period. All guests used the hotel service for 92 days during the reporting period. The expenses incurred during this period include the following:

- 2200 thousand manats for labor payment and social insurance deductions;
- for electricity – 2200 thousand manats, for water supply – 3400 thousand manats; heating service – 5200 thousand manats;
- for communication service – 350 thousand manats;
- 250 thousand manats for property insurance;
- costs incurred for the maintenance of the building and the territory – 1800 thousand manats;
- expenses for maintenance of administrative apparatus – 1500 thousand manats.

Let's note again that we have chosen a bed day in the hotel as a calculation object. And therefore, the amount of all operating expenses was 16900 thousand manats (2200 + 2200 + 3400 + 5200 + 350 + 250 + 1800 + 1500).

If we take into account that the total number of beds in the hotel is equal to 41400 (450 places \times 92), then using the obtained data, we will get that the cost of one bed per day was 408 manats (16900 thousand manats: 41400 beds per day).

Conclusion

The application of information technology at the internal level of the enterprise can be changed depending on the profile of the enterprise engaged in hotel service and the scope of its work. The most important thing here is to receive, develop and protect the information received during the performance of the tourism service.

In our country, the accounting department of hotel enterprises carries out the issues of registration, classification of accounts related to the activities carried out in the hotel, and the flawless preparation of documents related to all these works. Currently, automation is considered an integral part of any modern hotel. Therefore, we can improve the quality of service by reducing staff at the same time as applying new information technology in the hotel business. In order to automate the management system of the hotel, an internal computerization system should be implemented in the hotel, along with using the possibilities of global international computerization.

This system should be effective and should be adapted to the accounting module or widely used accounting software.

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Received: 28.02.2024

Accepted: 26.04.2024