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Handling Cash and Payments in Bars

Aims and learning outcomes

This chapter aims to introduce the areas central to handling cash and payments in the bar. On completion of this chapter the learner should be able to:

- Explain the principle payment systems used in the bar
- Identify management procedures for the handling, movement and recording of cash and payments in the bar
- Identify the risks which arise from fraudulent and dishonest activities in the bar.

8.1 Introduction

The bar industry is one of the last remaining industries where the predominant method of payment is still by cash. Although in recent years we have noticed the rise of credit and debit cards as the new methods of payments, cash still remains the preferred method of payment. The control and management of all forms and methods of payments bring with them their own challenges to managers, bartenders and owners.

8.2 Payment systems used in the bar

The cash register

Usually operated as the main payment point in most bars, and usually in the centre of the back bar where it is easily accessible by all food and beverage staff members.

The amount of cash registers held in any location usually depends on the volume of business that the location is turning over. Some large bars will provide one cash register per staff members with responsibility for the contents of the cash drawer and float.

Cash register functions

The principle functions which cash registers are required to perform are:

- **For the business:** they record the sales and total them on a report printout that becomes a master record. They record every transaction producing a printout of the price of food and drinks ordered by customers and the total amount due for the food and beverage orders.
- **For the manager:** who can operate defined keys to extract totals for all transactions during particular trading sessions (for example the lunchtime period). This is useful for checking cash totals and accounting information for the business.
- **For the customer:** who can receive a receipt for their food and beverage order. They can witness their order recorded and totalled on the ECR display, which can be projected onto larger screens positioned at good customer viewing vantage points for price, product and transaction transparency.



Figure 8.1: Antique cash register.

Electronic cash register (ECR)

In the majority of bars, owners wanting a more specialized machine order their registers through a distributor, who will work with the owner and management team to understand the specific tasks the register needs to perform. The distributor will design the software for these special functions or have it designed at a software company. The distributor then approaches the manufacturer with the list of needed features. In some cases, the new features can be made to fit in a pre-existing model or the manufacturer's engineers may have to redesign parts and processes. Although bars choose distinctly different ECRs, the greater majority of these ECR systems will contain similar function buttons and facilities.

ECR operation instructions for bar staff

- 1 Turn the register to the appropriate mode or setting for accepting cash sales.
- 2 Enter the number, or clerk code, that you have been assigned as an employee. This code allows the owner to see who processed what cash transactions and how much he is responsible for in the drawer.
- 3 Enter in the price of the first item you are ringing up, using the numeric keypad. Some electronic cash registers also allow you to enter a department code or item number. Press Enter. Repeat the process for each item.
- 4 When finished, press Subtotal to get the final amount of the sale including tax.

- 5 Type in the amount of cash received from the customer and press the Change or Cash button. The electronic register should open to allow staff to give change and print a receipt for the customer.



Figure 8.2: ECR system.

Electronic point of sale (EPOS)

There are EPOS systems, also known as management control payment systems, which are designed specifically for the hospitality and bar industry.

Touch screen EPOS systems

These systems are designed specifically for point of sale. Operators are led through transactions, prompting them to select options such as cooking instructions or side orders. Screens can be configured to encourage staff to up-sell or promote sales of high margin products. These systems promote good customer service and significantly reduce transaction times. Multiple operators can concurrently use the system. Simply touch the screen to select any course and you will instantly be presented with a new keyboard containing only those items. The system is ideal for extensive or complicated menus that have a variety of choices and options.

Screen based EPOS systems

Use for operators with large menus, individual buttons (ranging up to 165 buttons) can be set up to display a list of items for selection. Buttons could be set up for any products, food and beverages. These EPOS systems are a good alternative to touch screen EPOS systems where budgetary constraints exist, with virtually identical features to the touch screen systems at lower prices.



Figure 8.3: EPOS system.

Principle features of EPOS systems include: accurate customer billing, reliable order printing, hand held ordering, tighter cash control, customer accounts, detailed management information, improved promotion control, back office software, real time alerts and third party integration.