



Guide for Completing Hotel/Motel Income and Expense Forms

The “**Total Number of Rooms**” available refers to number of rooms that are available for overnight accommodation only.

The “**Annual Occupancy Rate**” equals the total number of occupied room nights per year divided by the total number of rooms available per year expressed as a percentage.

The “**Average Daily Rate**” equals the total annual room revenue divided by the total number of occupied room nights.

“**RevPAR**” means the annual room revenue divided by rooms available.

The income and expense information should comply with the standards set out by the “**Uniform System of Accounts for the Lodging Industry – 9th Revised Edition**”.

Revenues should be classified by departments such as Room, Food & Beverage, Telephone, Garage/Parking, Laundry, Health Club, Commercial and Other revenue.

Under this system, only direct operating expenses are charged to operating departments of the hotel or motel. General overhead items such as administration, management fees, marketing and maintenance, which apply to the operations as a whole, are classified as Undistributed Operating Expenses.

“**Operated Department**” categories include:

- Rooms
- Food
- Beverage
- Banquet/Meeting Rooms
- Telephone
- Garage/Parking Lot
- Health/Fitness/Spa/Club
- Vendor Sales
- Other Operated Departments
- Rentals and Other Income

“**Undistributed Operating Expense**” categories are:

- Administration and General Expenses which include manager’s office, front office (administration, data processing, night office, accounting), credit office (receiving clerks).
- Human Resources which includes the employment office;
- Marketing which includes sales department, advertising, merchandising, public relations (publicity, research);
- Repair and Maintenance which includes chief engineer, maintenance staff, grounds keeping staff, (office and store rooms); and



- Other, which includes guest entertainment, transportation, utilities and energy costs.

Furniture, Fixtures and Equipment (FF&E) can include:

- Room Furnishings and equipment that are replaced during their useful life.
- Any equipment that is replaced over its useful life, not considered as a capital cost.
- China, glassware, silverware, linen, and uniforms ONLY when such items are not accounted for by the inventory method or replaced regularly.

Reserves for Replacement Allowance

- Only capital costs that are annually budgeted related to the hotel building only; e.g. roof replacement, boiler, HVAC system, building envelope and structural repairs.