Glossary of Terms

**Account** - Constituents of Account Types. Example: Guest Supplies, an Account within Other Expenses

**Account Type** - Constituents of Categories. Example: Other Expenses, a Category within a Department or Sub-Department.

**Assets** - Includes Items capitalised to Accounts such as Buildings, Equipment, and Furniture.

**Category** - Categories include Revenue, Cost of Sales, Payroll & Related Expenses, Other Expenses, Assets, and Statistics.

**Chart of Accounts** - The accounting structure used to allocate revenues and costs to the hotel’s Operating Statement.

**Cost of Sales** - Includes Accounts and Account Types related to Operated Department Revenues. Example: Account Cost of Sales Food, in Account Type Cost of Sales and Other Revenue, in Operated Department Food.

**Department** - The hotel's operations and divided into Departments in which Categories of Revenues and Expenses are allocated.

**Indextionary** - The comprehensive database of Items compiled from all hotels, enabling their sources and treatment in Operating Statements to be identified. The Indextionary is 'more than an index, but not quite a dictionary.' It contains all of the Items allocated to Revenue, Costs of Sales, Payroll and Related Expenses, Other Expenses and Assets that have been contributed by hotels participating in the project and will continue to grow from these and other qualified sources.

**Item** - The most basic description of a constituent of an Account. Example: Guest Notepaper, an Item within Account Guest Supplies.

**Operated Department** - Comprises Revenues and the related Categories of Expenses and generates Departmental Income. Example: Rooms Department.

**Operating Statement** - The format of a hotel's management accounts.

**Other Expenses** - Includes costs directly attributable to Operated Departments and other general costs allocated to Overhead Departments.

**Overhead Department** - May contain Payroll & Related and Other Expenses and forms part of Undistributed Operating Expenses. Example: Sales & Marketing.

**Payroll and Related Expenses** - Comprises the staff costs of each Department including elements of pay, payroll taxes and employee benefits.

**Revenue** - Contains Accounts and Account Types related to Operated Departments. Example: Account Service Charges, in Account Type Other Revenue, in Category Revenue, In Operated Department Food.

**Statistics** - Comprises those indicators used to monitor performance and facilitate benchmarking.