

	<b>RESOURCE LIBRARY</b> <b>HOTEL OPERATIONS - HOUSEKEEPING</b> <b>Anticipated Loss Standards</b>	<i>CODE:</i> 03.05.089 <i>EDITION:</i> 1 <i>PAGE</i> 1 OF 1
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**Description:**

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**OBJECTIVES**

- To establish guidelines for anticipated loss standards.

**STATEMENT OF POLICY & PROCEDURE**

1. Line losses or linen consumption is an accepted fact in a hotel operation, since linen is a perishable item with a limited life span. But while losses are expected it is important to analyze the losses after each inventory to see if they are in line with anticipated loss standards. Our corporate anticipated loss standards for a 6-month period in Bavaria Hotels International are as follows:

Sheets	15% - 20%
Pillow cases	15% - 20%
Bath towels	25% -30%
Hand towels	25% -30%
Bath mats	25% -30%
Face cloths	65% -85%
Pool towels	50% -65%

- Please note that the anticipated losses are shown as percentage of the in-circulation requirement.

2. By reviewing actual losses in several Bavaria Hotels International, it has become evident that these anticipated loss standards are inaccurate in certain circumstance. For example, hotels which buy local goods of inferior quality experience higher losses; hotels which have known pilferage experience high losses; hotels which kept sub-standard linen par will incur high losses due to the excessive washing of linen.
3. Therefore these anticipated loss standards can only be taken as a guideline. When accurate inventories are taken, and accurate records are kept for three consecutive years it will be possible for each hotel to tailor these anticipated loss standards to its own operation.
4. On subsequent policies are several forms and procedure for analyzing the linen loss patterns in an individual hotel.

Note: Loss analysis for room linen is felt necessary only for the major items, that is, sheets, pillow cases, bath towels, hand towels, bath mats, face cloths and pool towels.