



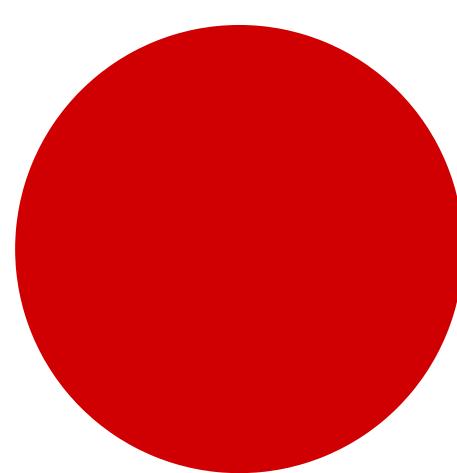
# TEN TIPS TO PREVENT THEFT, GIVEAWAYS AND OVERPOURING

**BERG**

Theft is an ongoing threat to the profitability and longevity of a bar, restaurant or nightclub. It can negatively influence staff morale and cost bar owners thousands of dollars of losses each month.

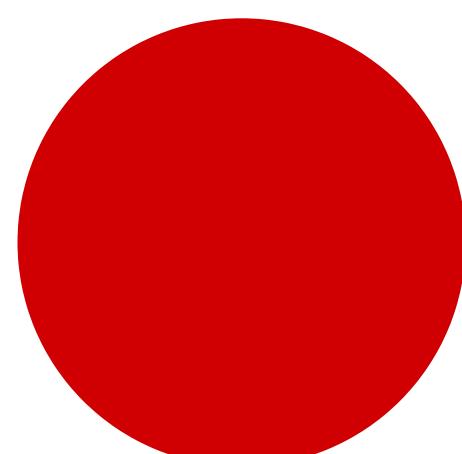
Many employees may not consider their actions to be stealing and may not realize the consequences of their actions. They are more likely to reduce your profits by over-pouring and giving away drinks.

An establishment's policies and procedures should be tailored to its needs. Not all of these tips will conform to every beverage operation's exact circumstances. It will depend upon the degree of electronics and systems integration that are employed.



Overpouring, spills and waste, mistakes and inadequate pricing structures contribute to high beverage costs.

The only way to keep costs under control is to have proven systems in place for inventory control, training, cash monitoring procedures and financial reporting tools that alert the management when costs spike.



# 01

## HIRE THE RIGHT PEOPLE

Preventing theft starts with putting good hiring practices in place. If a job candidate has worked several different bars, ask yourself why. There are distinct advantages to training your own staff in your own way for your own unique establishment.

In order to find the right person for the job, use your best resource—your current, trusted staff. They understand your culture and know what you're looking for, and they can provide you with a smaller, more screened pool of applicants. You can also use job search sites and social media to find candidates.

### REFERRALS



# 02

## ESTABLISH & ENFORCE GOOD EMPLOYEE POLICIES

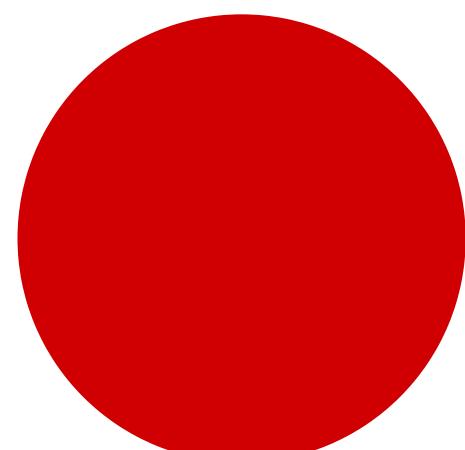
Your employee manual should clearly define your policies and procedures and describe the consequences to breaking these policies. All employees should sign off on receiving the employee manual upon employment.

- A. Take actions consistently with regard to breaking policies and procedures.
- B. Do not permit employees to drink at the bar while on or off duty.
- C. Do not allow bartenders to participate in the physical inventory process.
- D. Do not allow bartenders to be involved in ordering, receiving or issuing of liquor. The ordering, receiving, issuing, and storage of the liquor inventory should be the sole responsibility of management.

**03**

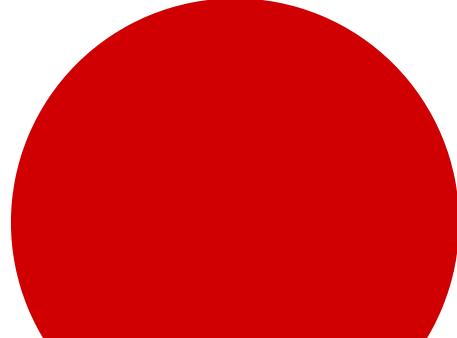
## **CREATE CHECKS AND BALANCES FOR POS INTEGRATION & CASH MANAGEMENT**

A. Employees should be prohibited from checking out their cash drawers. In many operations, bartenders are required to reconcile their cash drawers. This entails using the cash in the drawer to compile the bar's opening bank for the following shift and to itemize the remaining cash proceeds onto a deposit slip. The checkout process provides employees with an ideal opportunity to safely take out any stolen funds secretly deposited into the register's cash drawer during the course of their shift. By taking this responsibility away, management will effectively make it more difficult and riskier to withdraw stolen proceeds from the cash register or POS. The employee will, as a result, be forced to either pull the money out of the cash drawer during the shift or opt not to use the register as a place for stolen funds.



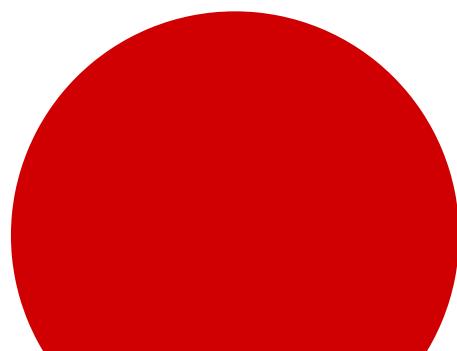
B. Conduct Mid-Shift or "last call" "Z" Readings. If management suspects the POS or register's cash drawer is being used as a place for stolen funds, the manager on duty can confirm or deny this by taking a mid-shift "z" reading or take one immediately following last call.

The manager should clear the register by taking a "z" reading or run a sales report on the POS and replace the cash drawer with a new bank. If unaccounted funds are in the register for safe keeping, the cash drawer count will be "over" when compared to the cash register's sales totals. One important element of the strategy is to periodically conduct two mid-shift readings during the course of a night, making it riskier to use the cash drawer for stolen funds.



## C. Require Bartenders take PRE and POST-Shift Par Readings

The operation's bar par sheets will detail precisely how many bottles of each product in the liquor inventory should be behind the bar at any one point in time. The bartending staff should be required to take a bar par reading at the conclusion of the night shift. The closing bar par must take into account the bottles emptied during the course of the shift. The bar par reading will conclusively reveal if all of the products in the liquor inventory are actually behind the bar in their prescribed quantities. If there is a discrepancy in the bar par reading, it must be investigated immediately, for it may indicate that a full bottle of liquor was stolen from the bar.



# 04

## UTILIZE POS SYSTEM TO TRACK CASH, DEBIT AND CREDIT

A cash register is the number one place that theft can easily occur. Most POS systems have detailed reports and processes to help decrease cash loss. Cash includes more than just cash – it also includes debit and credit. Some quick things to be on the look-out for include: over/under, voids, opens, promo for guest, excessive “on the fly” requests for food and sales/tip ratios. Maintain systems up to date on PCI compliance to protect you and your customer from data theft. Ensure you have a tight process for credit card transactions including manager approval for reprints. Institute strict procedures such as:



- POS or Cash Register

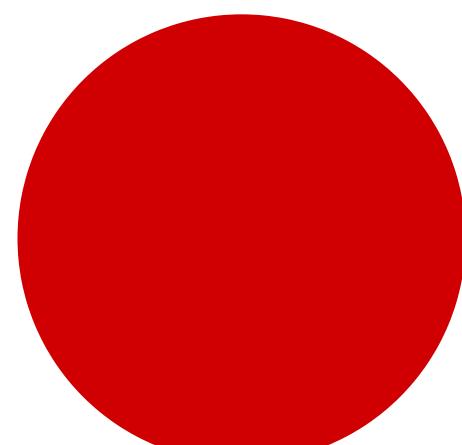
Bartenders should have access to the key that turns the register on. They should not have access to the keys that activate the “x” or “z” reading function.

- Safeguard all POS Passwords

Ensure that management only has access to passwords. This will prevent employees from being able to open reports and view their shift sales.

- Cash Drawer Count Verification

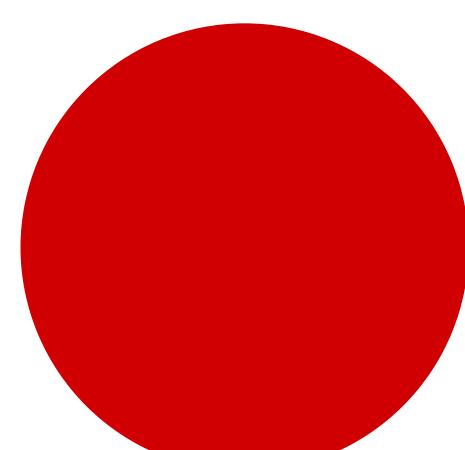
Bartenders should verify the amount of money in the register's opening bank. This will prevent using the bank to explain a cash shortage or overage in the register.



- Cash Handling Procedures

Bartenders should be required to tell the patron the price of the drink and verbally confirm the amount of money tendered (“That will be \$2.50 out of \$5.00”). This makes it more difficult to defraud the client through overcharging or shortchanging.

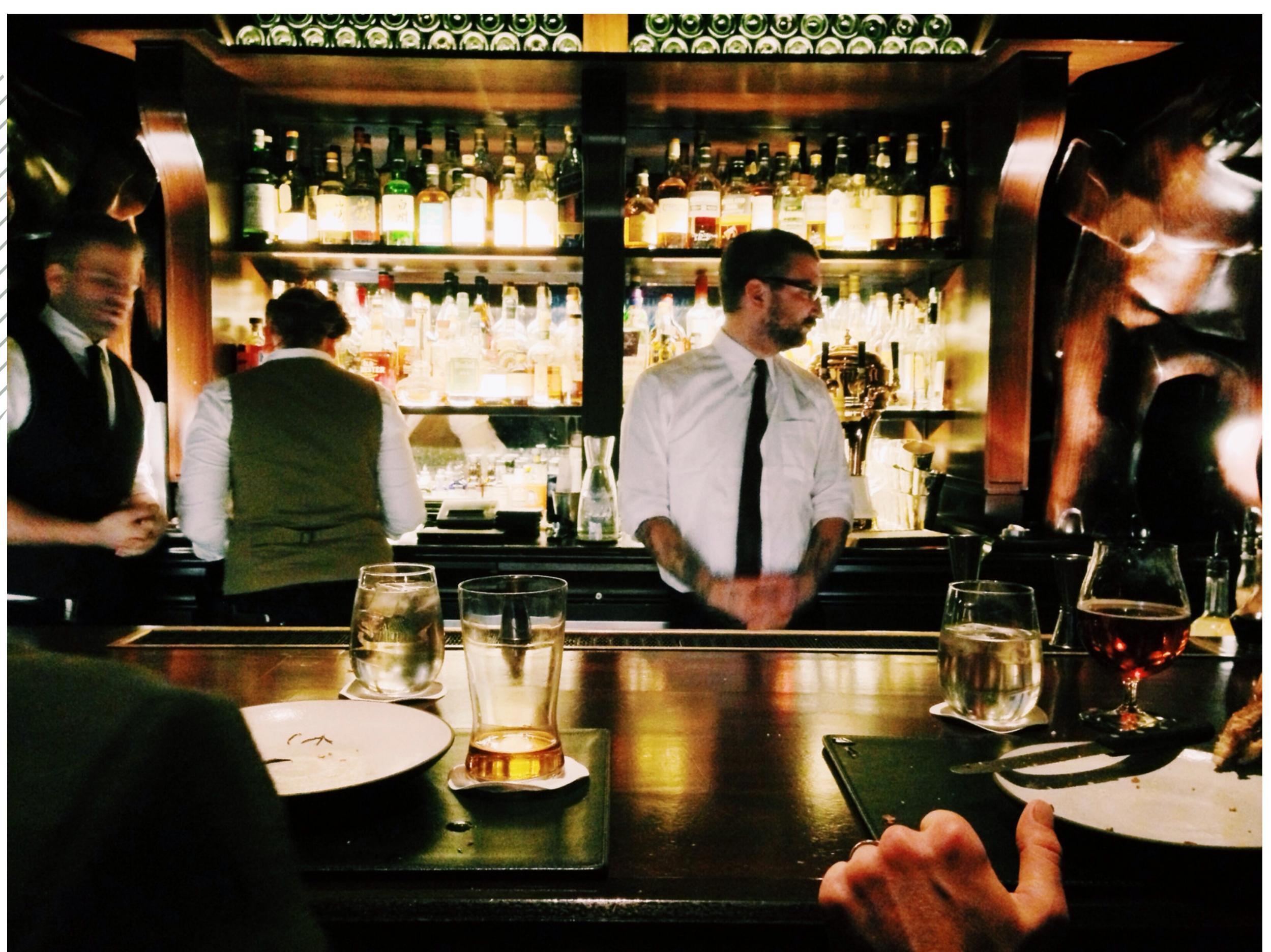
Bartender should also “fan” a customer’s change such that the person can at a glance confirm the correct amount of change.



# 05

## ESTABLISH A PROCESS FOR COMPS

Bartenders should receive management approval prior to preparing the customer's complimentary drink. This policy is intended to stop them from claiming, after the fact, that a drink was given away with management's consent, when in reality the drink was sold and the proceeds of the sale were pocketed.

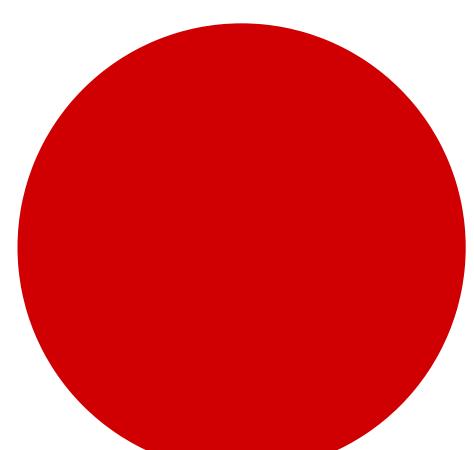


# 06

## ESTABLISH & ENFORCE A STRICT POUR POLICY

Set up a policy on pours that addresses the size (portion) of pours, under and overpouring and strict adherence to drink recipes:

- “Tailing” is the practice of letting a bottle continue to pour after the true measure has been reached. Tailing is often used to deliberately overpour the liquor portion used in a drink and should be prohibited.
- Bartenders should be expressly forbidden from intentionally overpouring or underpouring the liquor portion in a customer’s drink. Also, bartenders should be directed not to “top-pour” liquor or “ghost” the alcoholic portion in a blended drink. Both of these techniques are used by bartenders to steal by underpouring the alcohol in a series of drinks.



- Provide the bartending staff with a comprehensive set of standardized drink recipes. It is absolutely fundamental in the pursuit of consistency of product and controlling the beverage operation's liquor costs. It should be a matter of policy that bartenders are required to pour only the drink recipes provided by management. This directive will, for the most part, prevent bartenders from overpouring the alcoholic portion in drinks.



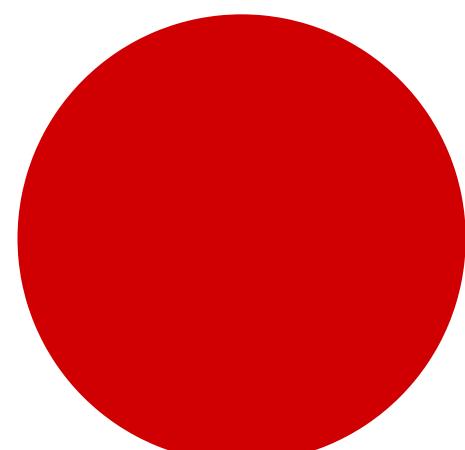
# 07

# CREATE TIP JAR PROCEDURES

The bartenders' tip jar should be situated well away from the operation's cash register or POS. If it is located right next to the register, it is far too easy to divert stolen funds away from the register and into the tip jar. Bartenders should also be prohibited from making change out of their tip jar or taking currency from the tip jar and exchanging it for larger denominations out of the cash drawer. If bartenders are stealing from the business and using the cash drawer for the stolen funds, they can easily retrieve the money from the register under the pretense of making change.



- Passcode protect the “no sale” feature. Unless someone is watching the LCD display, the act usually goes unnoticed. Since the sale wasn’t rung into the register, the bartender need only remove the stolen proceeds from the cash drawer when safe to do so. The best preventative measure against this type of theft is to restrict the use of the “no sale” key.
- One technique to deterring theft through use of the “no sale” key is to provide the bartenders with an alternative source for making change. A small container, or even a cabinet drawer will suffice. By providing a separate source for making change behind the bar, the bartenders will no longer have a legitimate reason for accessing the cash drawer with the “no sale” key every time someone needs change. This will make it slightly more challenging to steal unrecorded sales and depositing the funds in the cash drawer without entering any sales data.



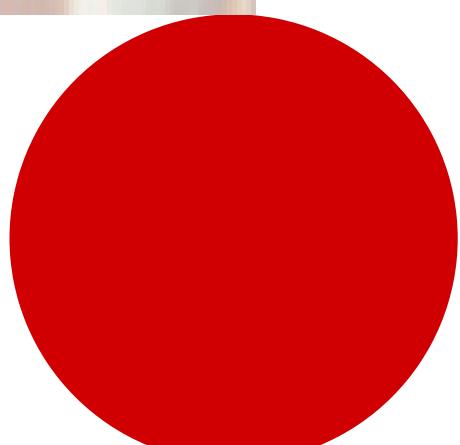
- Establish a policy that drink tabs must be secured by a major credit card. If a customer wants to run a drink tab, the bartender should first obtain a major credit card from the customer as a type of security deposit. This practice will ensure that the establishment will receive payment in the event the customer walks out without first clearing his or her tab. It also prevents the bartender and customer from working together to defraud the establishment. This could be accomplished by the bartender claiming that the patron left without clearing his or her tab, when in fact, the person gave the bartender a sizable cash gratuity to let him or her leave without paying the tab amount.



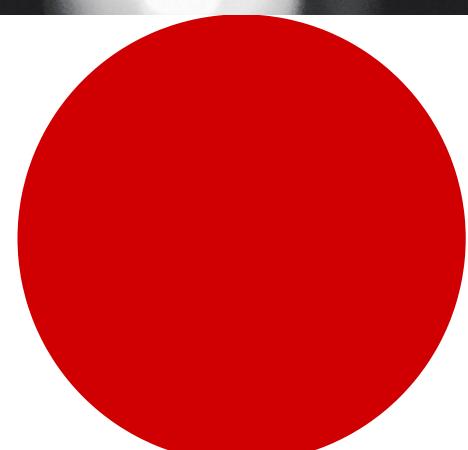
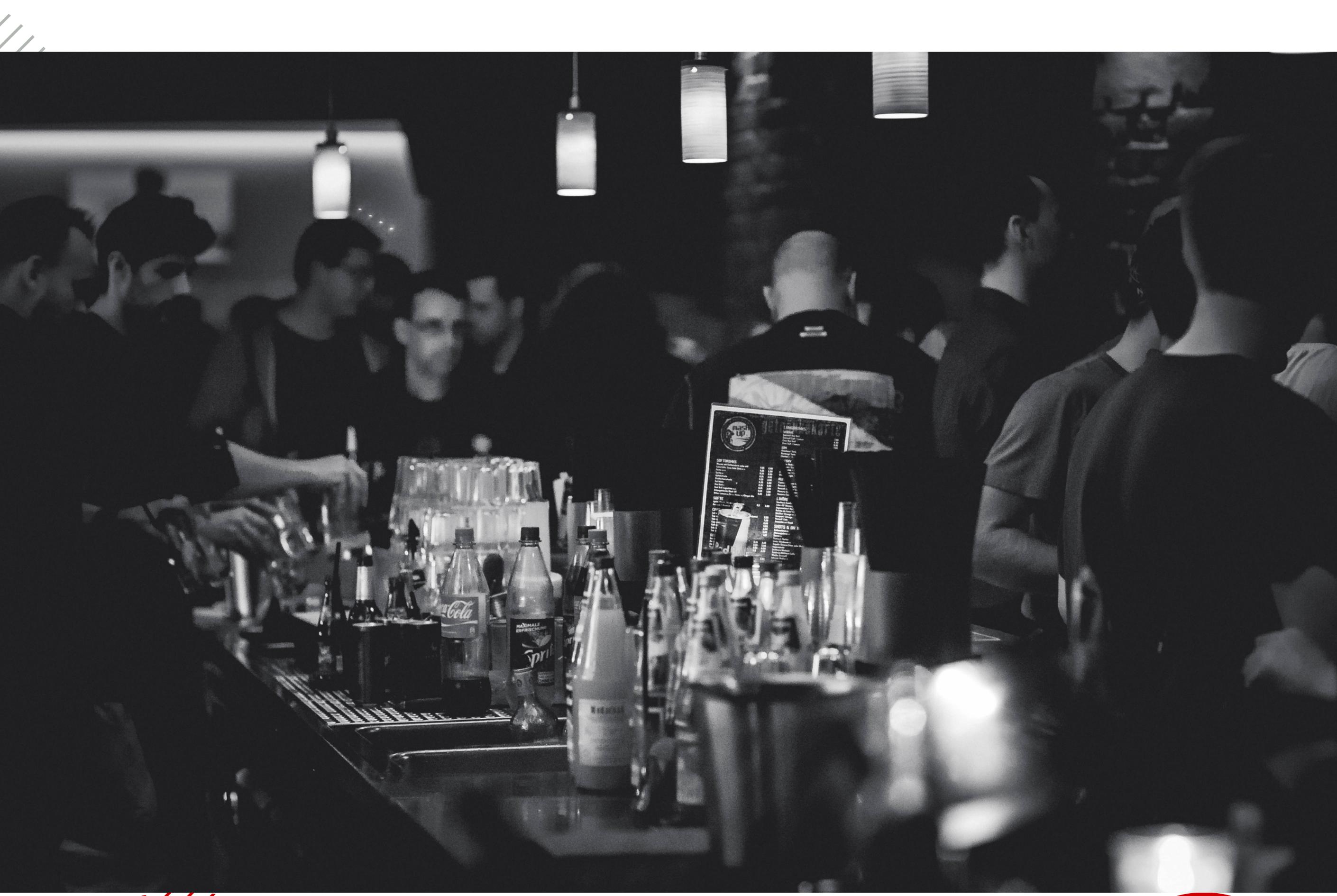
# 08

## MANAGE PROACTIVELY

There are dynamic measures management can use in addition to the aforementioned policies and procedures to curb employee theft. One of the elements in the strategy is increasing management's presence in the bar. Direct observation is the best method of preventing theft and no one is in a better position to observe than the manager-on-duty. If an individual is trained to spot specific improprieties and is well versed in the operation's prices, policies and procedures, he or she will be ideally situated to monitor the bartender's conduct while on-duty.

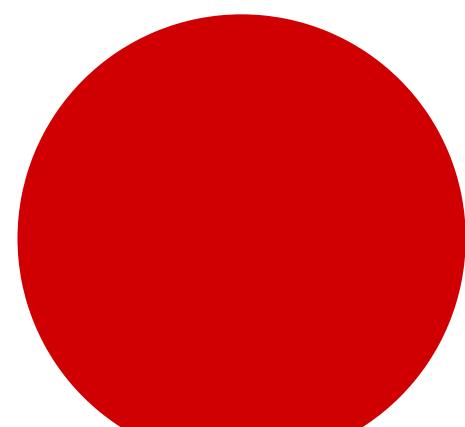


One costly misconception many managers have is that the bar is somehow the bartender's private domain and any managerial encroachment into their inner sanctum is intrusive and operationally disruptive. The fact that the bar facility itself often provides bartenders with the privacy and sanctuary necessary to steal warrants that you need to occasionally intrude into that space. From such a vantage point, it is far easier for a manager-on-duty to detect evidence of internal theft.



When misappropriating cash, bartenders need to keep track of exactly how much money they have stashed in the register's drawer. If a bartender makes a mistake, the cash count and the register reading will not balance and it becomes incriminating. Anything that could possibly be used as a record-keeping system should immediately be suspect. Items such as coins, matches, sword picks, or any small object could be used as a token. Tokens are used like poker chips to keep a tally of the amount of money the register's drawer is over. Some bartenders use a written ledger that they keep in their pocket or in a drawer. Anything closely resembling a counting scheme should be immediately investigated.

Other signs of internal theft include an unusual number of “no sale” rings in an evening and the tip jar being inexplicably stuffed to capacity. Another clue is if the cash drawer is not being normally maintained. Segregated monies might be hastily deposited proceeds of theft.



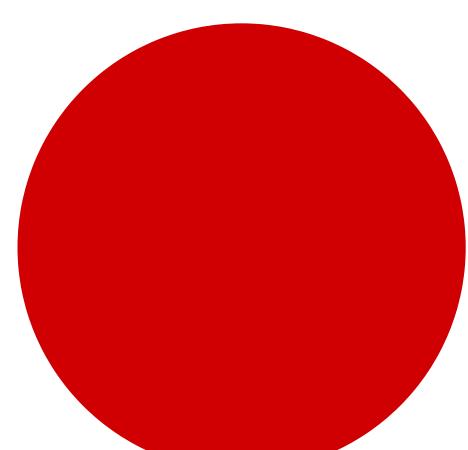
# 09 ESTABLISH SECURITY MEASURES

- Lock and Secure Inventory

All of the operation's liquor, beer and wine inventory should be stored in a locked and secure area. It is a sound policy to limit access to the liquor room to management only.

- Establish a Perpetual Inventory System

The perpetual inventory system tracks the changes in the liquor rooms inventory. You can continually monitor against internal theft by comparing the last entry on a product's perpetual inventory sheet with the actual number of bottles on-hand in the liquor room. The more inventory you store in the liquor room, the more reasons you have to implement a perpetual system.

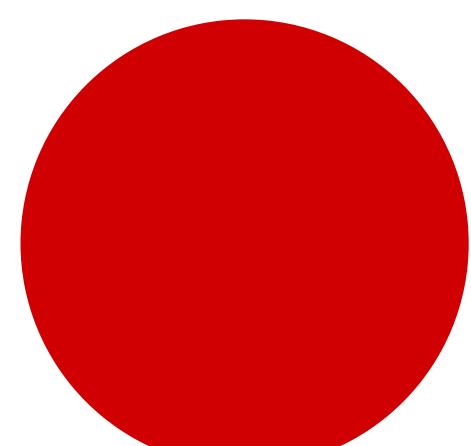


- Manager-on-Duty to Initial All Time Cards

It should be policy that the manager-on-duty must initial all employee time cards when they clock out at the end of their shift. This practice is designed to discourage employee theft through time clock fraud.

- Strictly Enforce a No Sale Policy

One of the more uncomplicated methods of theft involves a bartender selling a drink and depositing the proceeds into the register using the “no sale” feature. Unless someone is watching the LCD display, the act usually goes unnoticed. Since the sale wasn’t rung into the register, the bartender need only remove the stolen proceeds from the cash drawer when safe to do so. The best preventative measure against this type of theft is to restrict the use of the “no sale” key.



- **Install Remote Video Cameras**

An effective preventive measure is to install remote video cameras to monitor the activities behind the bar. Technological advancements have made these video surveillance systems both more cost-effective and more effective. There are systems that will show you four different views on the screen simultaneously.

- **Spotting Services**

Another option available to management is to enlist the services of a spotting service to scrutinize the operation. Spotters are essentially detectives who, armed with the operation's prices, policies and procedures, will sit at the bar observing the legitimacy of the bartenders' activities



# 10 IMPLEMENT A COMPLETE ELECTRONIC BAR SOLUTION

A liquor control system fully integrated with a POS system are critical components of a complete bar management solution that eliminates liquor losses and manages cash and inventory electronically.

Berg leads the market with its liquor control systems that support an easy interface from the simplest cash register to the most sophisticated POS system and printers. Integrating the POS system with an advanced Berg liquor control system creates a high-tech business model for today's high stakes bar and restaurant industry.

[MORE INFO](#)

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