



MILITARY RESTAURANT HOLDINGS, LLC

NORFOLK, VA

OPERATIONS MANAGERS

CRITICAL POLICIES AND PROCEDURES

06/2012

NORFOLK CHILI'S
CRITICAL POLICIES AND PROCEDURES

TABLE OF CONTENTS

<u>PAGE</u>	<u>SECTION</u>
3	Lead by Example
4	Scheduling – Manager and employee schedule policies
7	Operating Hours
9	Cash Handling – Cash audit
19	Serving Alcoholic Beverages Responsibly
21	Restaurant and Military Installation Security
23	Inventory Policies
25	Cost Control Procedures
27	Payroll and Tip Report Procedures
32	Uniform Policies
39	Shopper Report Policies

LEAD BY EXAMPLE

You were hired because we believe that you possess the skills to manage our assets and to motivate people. We expect you to set the example as you are the supervisor of your staff. That goes from being in proper uniform to following all of our company policies and procedures yourself before you hold others accountable for the same job. Some ways of doing this are listed below:

- Completely understand all of our policies and procedures
- Practice and know the job of each of your team members
- Know exactly how long it takes to do each task so that you can hold your team members accountable and assure that the utmost productivity is happening
- Share your enthusiasm for great customer service

Listed below are some general expectations that will be expected of you and what you should expect from your team members

1. INTEGRITY

- a. Tell The Truth, Deal in Facts Only, Don't Assume
- b. Honesty (Cash Handling, etc.)

2. SELF INITIATIVE

- a. Taking Responsibility
- b. Doing Projects without Being Asked
- c. Improving Operations

3. AWARENESS

- d. Employee Awareness
- e. Guest Awareness
- f. Labor and COS awareness to drive bottom line

4. EMPLOYEE DEVELOPMENT

- a. 80% of Your Time Spent With Employees
- b. Training Follow up and Challenging Employees
- c. Support and thank team member for a job well done
- d. Constant communications with team members including management

5. GUEST FOCUS

- a. Outstanding customer outreach (touch every table)
- b. Food Quality
- c. Employee and Unit Appearance
- d. 100% Guest Satisfaction

SCHEDULING POLICIES

SCHEDULING POLICY

MANAGER SCHEDULES

There are 12 periods in our fiscal year. All manager schedules should be written to include one full period. All managers are required to rotate their schedule having around the same number of opening shifts as closing shifts in any four week period. In restaurants that are 24 hours, managers should also have an equal amount of overnight shifts based on the business needs. General Managers are required to work no less than ½ of the busiest shifts for their revenue centers. A summary at the bottom of each schedule showing the number of am and pm shifts per manager is required. Both first and last names are required on all schedules.

Every manager should have at least one weekend off per period and have five day work weeks with days off together if the business permits.

All schedules for the future fiscal period are due in the corporate office no later than one week before the new period begins. All schedules are subject to approval by the Director of Operations.

MIT schedules are due to the Vice President of HR one day prior to the new manager's orientation.

HOURLY EMPLOYEE SCHEDULES

Our work weeks run Wednesday through Tuesday and schedules should reflect this work week and be posted no later than Sunday night prior to the start of the next Wednesday's schedule.

Both first and last names that appear on the employee's paycheck are required on each hourly schedule (nicknames should be placed in parentheses). The employee's attendance policy requires them to find another employee to cover their shift if they are unable to come to work. Because of this policy, each employee's current phone number must be listed beside or under their name. The correct day and dates should be listed each week. No hourly employee should ever be promised a set schedule nor should have set days off unless approved by the Director of Operations. There must be adequate copies of the current schedules available to each employee weekly.

All employees who are in training must be noted on their schedule. A new employee should not be working a shift alone until they have completely finished all workbooks, testing, and training specific to their position. No employee should be released from training until they are able to perform all tasks expected **ALONE AND TO THE STANDARD.**

OPERATING HOURS

OPERATING HOURS

Your store sits on a Military Installation meaning that sometimes we are subject to certain activities happening on the post may disrupt our business and at time may require us to close our store without warning. Barring those issues you are required to open and close your store at the posted operational hours agreed upon by your Area Director. In addition you may decide you need to stay open longer than the posted closing time to accommodate business if needed. However you may never close your store early or open it late without the direct permission of your Area Director. Below are some things to remember.

- 1) **NEVER MAKE A DECISION TO CLOSE YOUR STORE EARLY UNLESS YOU HAVE CLEARED IT WITH YOUR AREA DIRECTOR.**
- 2) If the Military requires you to close your store unexpectedly or earlier than posted times you must notify your Area Director right away.
- 3) Your store must be opened at the posted times even if a manager has to work a position until an employee can cover the shift

Any violation of this policy will result in the immediate termination of your employment.

CASH HANDLING CASH AUDITS

CASH HANDLING IN A HIGH VOLUME ENVIRONMENT

Our restaurants run a higher percentage of cash sales as compared to credit card transaction than most street side restaurants. That being said, there is a great opportunity for employees to mishandle our cash. Below are some key points of our cash handling policy that can help you protect the company from employees mishandling cash. By practicing these methods on a daily basis you can reduce our losses.

- All sales are to be rung real time – bartenders are to ring drinks before they are made
- All checks are to be closed real time as well. Servers and bartenders are not allowed to leave checks open after the guest has left.
- Cash Audits and Full Service Ticket Audits are required to be done by managers daily and each hour if possible – These include reviewing closed check reports and open check reports
- No less than one cash audit per shift is required on cashier and bartender positions
- Ticket audits should be done on servers hourly this includes reviewing open and closed checks verifying all items were rung up real time
- All Bartenders and cashiers should do blind drops
- All employees are required to ring up all sales by using a POS card – assigning only PIN number is not allowed
- When doing a check out, look at each cash handler's cash to credit card ratio % at the end of each shift. If you have employees who are significantly higher in credit card ratio than others on the same shift then you may have a problem with those employees mishandling cash
- The manager on duty should check out each server, bartender, and cashier insuring each void, comp, and discount ticket is in their check out with their financial report, all totals match and each void, comp, and discount was approved and signed by a manager.
- Managers should touch and talk with the guest at a table that requires a comp, void, or discount – these should be done real time – never after the guest has left.
- All voids, comps, and discount tickets must be included in each person's check out and turned in with the weekly package
- Managers should never give their micros card to any employee to perform functions on the POS system. Giving an employee the keys to the restaurant or your POS card could lead to the immediate termination of your employment.
- Voids should be less than .5% of sales at all times
- Double cash drawers are required – no one should share a drawer or allow someone other than themselves to handle their bank.
- Cash deposit logs must be filled out each shift.
- Comps are done on prepared food, voids are done when no product was wasted
- Bottled drinks are free for managers but must be rang up real time and comped
- Calculators are not allowed by any POS workstation including the bar and togo area
- Check in and around cash drawers for loose change, paper with tally marks, loose change in the extra change compartment inside the cash drawer, etc. These are signs of cash miss-handling and if found should prompt an immediate cash audit.

CASH HANDLING POLICIES – CASH AUDIT

It is the manager's responsibility to enforce all cash policies currently in effect. Attached you will find the policy for your restaurant. All managers are held accountable for insuring that all their employees follow this policy on a daily basis.

Attached you will find the "Cash Audit Sheet" to be used during each cash audit.

The proper way to conduct an audit is as follows:

- 1) Choose a cashier or bartender to audit during a slow period during your shift
- 2) Bring another cashier, bartender or manager with you to relieve the chosen cashier or bartender while you perform the audit
- 3) Have the cashier or bartender pull their drawer and then you run a shift report for that cashier or bartender
- 4) Have the cashier count their drawer in your presence with the cashier out of the guest's view. Use the designated cash audit sheet to record the count. It is very important that both of you count the money together so there is no question of integrity.
- 5) Count the bank amount first and set it aside recording all numbers on the audit sheet.
- 6) Everything else in the drawer should be their sales. Count the remaining money and record it on the audit sheet.
- 7) If there is a variance that is over or under more than \$5.00 a decision will have to be made with another manager before the employee leaves as to what discipline will be taken.

- 8) Check all voids and discounts for manager signatures and legitimacy.
- 9) Match the credit card slips with the credit card sales recorded on the shift report.
- 10) Check the cash to credit card ratio for the employee and compare it to other employees on the same shift.
- 11) Both the manager and the employee are to sign the audit sheet and attach the shift financial report to the sheet.
- 12) The sheet must be turned into with your daily paperwork

Military Restaurant Holdings, LLC Cash Audit Sheet

Date: _____

Location: _____

Employee Name: _____
(please clearly print complete employee name)

Time of Audit: _____

Cash On Hand: \$ _____

- Bank: \$ _____

Total Cash: \$ _____

- Micros Reading: \$ _____

Variance: \$ _____

Employee Signature: _____

Manager Signature: _____

Manager Name: _____
(please print clearly)

Pennies _____ Ones _____ Hundred _____
Nickels _____ Fives _____ Other _____
Dimes _____ Tens _____ TOTAL: _____
Quarters _____ Twenty _____ _____

Action Taken: _____

MILITARY RESTAURANT HOLDINGS, LLC

CASH HANDLER PROCEDURES AND POLICIES

NORFOLK, VA – CHILI'S

Most of our restaurants are very busy thus creating quite a bit of cash to be handled by our employees. Because of this issue we have very strict cash handling policies. The main thing to remember is that all sales must be rung real time, all cash must be placed in the cash drawer and all checks must be closed out real time. Failure to follow these policies could result in the immediate termination of your employment. Below are specifics regarding our cash handling rules.

BEGINNING OF SHIFT FOR BARTENDERS AND TOGO CASHIERS:

1. Receive your bank from the manager on duty.
2. Count your bank and insure the correct amount has been given to you.
3. Sign the cashier deposit log stating that you received your bank and the amount – you must fill out the deposit log and sign it at the beginning and end of each shift.
4. **PROCEED TO YOUR REGISTER IMMEDIATELY AND PUT YOUR BANK INTO THE REGISTER. DO NOT STOP AT RESTROOM, IN THE HALL WAY, ETC.**

BEGINNING OF SHIFT FOR SERVERS:

1. You must bring a cash bank to start each of your shifts from your own funds.
2. The bank must be in at least \$30 in small denominations of ones, fives, and coins.
3. It is against company policy to attempt to get change from the bartender or togo cashier to start your shift.

DURING YOUR SHIFT FOR ALL EMPLOYEES WHO HANDLE CASH:

1. **ALL SALES MUST BE RUNG UP AT THE TIME OF PURCHASE INCLUDING EMPLOYEE MEALS.** Bartenders are required to ring drinks prior to them being made and served to the guests. Bar guests are to pay at the time of ordering and all bar drinks should be rung up before they are made. Only guests paying with a credit card may run a tab at the bar.
2. **ALL SALES MUST BE RUN UP ON ALL TICKETS.** If you are a food server you must ring up all non-alcoholic beverages real time – no exceptions. Ticket audits are performed daily to insure that all servers are ringing all non-alcoholic beverages on all checks that are relevant. If a check audit is done on one of your tables and it is discovered that there are non-alcoholic beverages, alcoholic beverages, or any food items that have been served to the guest that have not been rung up on the guest ticket for that table you will be immediately terminated.
3. **IT IS AGAINST COMPANY POLICY TO RING SALES AFTER THE GUEST HAS LEFT YOUR REGISTER OR GIVEN YOU TENDER. IT IS AGAINST COMPANY POLICY TO PLACE MONEY IN AN OPEN CASH DRAWER WITHOUT RINGING THE SALE FIRST. YOU ARE RESPONSIBLE FOR ALL SALES RUNG UP. YOU ARE RESPONSIBLE FOR MAKING THE CORRECT CHANGE.**

- a. **IF YOU ARE OBSERVED NOT RINGING SALES “REAL TIME” BY A SHOPPER OR A MEMBER OF MANAGEMENT, IT WILL RESULT IN THE IMMEDIATE TERMINATION OF YOUR EMPLOYMENT.**
4. **NO ONE IS TO BE IN YOUR DRAWER EXCEPT YOU!!! NOT EVEN A MANAGER. REMEMBER, YOU ARE RESPONSIBLE FOR THIS MONEY, IF YOU LET SOMEONE ELSE USE YOUR DRAWER, YOU ARE STILL RESPONSIBLE!!**
5. **IF RECEIVING CREDIT CARDS AS PAYMENT, BE SURE TO FOLLOW THE FOLLOWING STEPS:**
 - Be sure the credit card is presented from the cardholder
 - If receiving credit cards as payment, be sure the customer signs the voucher. Staple the signed credit card voucher and the closed check receipt onto the guest check. You are responsible for the credit card vouchers just like cash, if you lose one, you will be short the amount of the charge.
 - **YOU CAN NEVER ACCEPT A CREDIT CARD NUMBER ONLY FOR ANY PURCHASE EVEN IF THE CREDIT CARD COMPANY AUTHORIZES THE PURCHASE – IN THE EVENT THAT YOU HAVE TO MAKE A SECOND TRANSACTION WITH THE SAME CARD, YOU STILL MUST HAVE THE CARD TO MAKE THE TRANSACTION, YOU CAN NEVER RING UP ANY SALE WITH JUST A CREDIT CARD NUMBER.**
 - Verify that the name on the card matches the name signed on the receipt
 - **YOU CAN NEVER GIVE A GUEST CASH BACK FROM A CREDIT CARD PURCHASE IN ANY FORM**
 - In the event that the guest leaves and does not close out his or her credit card receipt, close the credit card out to only the amount of the purchase. **DO NOT ADD ANY GRATUITIES TO THE CREDIT CARD SLIP YOURSELF. ONLY THE GUESTS ARE ALLOWED TO ADD GRATUITIES TO A CREDIT CARD RECEIPT.**
6. If you are a bartender and you have a guest with an open credit card tab, you will need to transfer the sales to the next employee coming on duty to relieve you or you may ask the guest to close out their tab in a very appropriate non-intrusive manner. Staple the receipt and the credit card final print out together and place into the cash drawer
7. You are responsible for taking out your credit card tips during or after your shift. If you are a bartender, do not ask your manager for a credit card tip total.
8. If you are a bartender or cashier, no calculators, pennies, loose coins, straws, paperclips, loose staples, or any other unnecessary objects are allowed on or around your cash drawer or POS terminal during your shift. You should never place anything in the extra coin slot in the cash drawer except rolled coins. When such items are found near the drawer, counter or extra coin slot we will automatically perform a cash audit on your drawer because we will suspect you are not ringing sales.
9. In the event of a guest or table of guests leave without paying “walk-out”, you must alert a manager as soon as possible. Notifying a manager

END OF SHIFT

Cashiers and Bartenders are required to make a blind drop. That means you must deposit the amount of the bank you began with and all of your sales. A manager will not tell you the amount of the sales you need to drop.. Do not ask your manager to run a financial tape and advise you of your drop amount. Not making a blind drop and having or obtaining sales information prior to making or dropping your sales deposit will lead to your immediate termination. Managers are not allowed to run your employee financial reports prior to dropping your money.

- 1) Go the manager's office or designated area and count down your drawer to the amount you started with away from the guests.
- 2) Everything else in excess of your original bank amount is your "blind" drop.
- 3) Place the drop in the envelopes provided to you and give it to your manager.
- 4) Sign the cash deposit log stating the amount you have dropped.

OTHER PAPERWORK

- 1) Complete your paperwork by neatly gathering the list of articles below combined with a rubber band or paperclip and place in the area designated by your manager. The articles listed below are part of your total deposit and it is your responsibility to turn all of these in at the end of your shift. If any of the articles are missing, this will be considered a shortage and the appropriate variance policy will apply.
 - a. (Top of pile) Copy of POS shift report (Food Servers Only)
 - b. Comps and voids accompanied by their closed checks signed by a manager
 - c. (Bottom of pile) Credit Card vouchers accompanied by their closed checks separated by category
 - d. Coupons, BOG's, Gift Certificates stapled to the check redeemed on and 'VOIDED' written across the front.

VARIANCES

BARTENDERS AND TOGO EMPLOYEES

THE LEAD, KEY OR MANAGER WILL NOTIFY EMPLOYEES OF VARIANCES. IF THE VARIANCE IS \$25.00 OR LESS, THE FOLLOWING PROCEDURES WILL OCCUR:

- 1) Variances of \$5.01 (five dollars and one cent) over or under to \$15.00 (fifteen dollars) will result in a write up.
- 2) Variances of \$5.01 (five dollars and one cent) over or under to \$15.00 (fifteen dollars)(that occur four times in any consecutive 28 day period will result in additional corrective action up to and including discharge.

- 3) Variances of \$15.01 (fifteen dollars and one cent) over or under to \$25.00 (twenty-five dollars) will result in a one day, unpaid suspension. A second violation within 28 days of the first violation will result in corrective action up to and including discharge.

IF THE VARIANCE IS \$25.01 (twenty-five dollars and one cent) OR MORE, THE EMPLOYEE WILL BE TERMINATED OR MOVED INTO A NON-CASH HANDLING POSITION IMMEDIATELY. THE NON-CASH HANDLING POSITION WILL ONLY BE OFFERED IF EMPLOYEE HELD THIS POSITION PRIOR TO BECOMING A BARTENDER OR TOGO EMPLOYEE.

COCKTAIL SERVERS AND FOOD SERVERS

You are responsible for bringing to work with you a cash bank to run your shift which should be around \$30.00 made up of ones, fives, and change. Getting change from the bartender or grab and go cashier to run your shift is against policy as well as selling your excess ones you receive in tips after your shift is over back to the bartender or grab and go cashier. You are responsible for depositing the entire cash amount due on your shift report. If you do not have sufficient cash to make the deposit (which would only happen if you made a change error or your bank was lost or stolen during your shift), you will be required to make up the difference within 24 hours after notification of the shortage.

If you lose a credit card voucher and the guest later disputes the charge and we are not able to verify the amount since the signed copy was lost, you will be responsible for reimbursing us for that amount.

IF YOU CHOOSE NOT TO MAKE UP THE DIFFERENCE IN ANY OF THESE SITUATIONS, YOU WILL BE TERMINATED.

Please also be aware that frequent significant variances may be grounds for disciplinary action, up to and including termination.

BARTENDERS, FOOD SERVERS AND COCKTAIL SERVERS – WALK OUT POLICY

In the event you have a guest or table of guests not pay for their tab and walk out of the restaurant for any reason, you must notify a manager immediately. If you do not notify a manager real time when this situation occurs, you will be responsible for the amount of the guest check. Notifying a manager about this type of situation several minutes, hours or after your shift ends is not acceptable and could be grounds for termination.

CASH AUDITS

At any time audits, may be performed on your bank or daily sales. You and at least one representative of management will be present for an audit. During a cash audit, if you are found to be over in money above \$10.00 you will be subject to immediate termination without warning.

At any time you may be visited by a member of our loss prevention secret shopper service. If you are observed not ringing a sale real time or otherwise violating any of the cash policies listed above you may be immediately terminated depending on the severity of the situation.

OPERATIONS MANAGER'S CASH CONTROL STANDARDS AND RESPONSIBILITIES

The cash procedures below are to be performed when each cash handler is ready to leave the premise – regardless whether or not it is at normal shift change.

CASHIER AND BARTENDER PROCEDURES FOR PICKING UP BANKS

- 1) Cashiers and bartenders must receive their bank from the manager on duty, count it, and sign the cash deposit log.
- 2) **IT IS YOUR RESPONSIBILITY TO HOLD THE CASHIER ACCOUNTABLE FOR COUNTING THEIR BANK AND SIGNING THE CASH DEPOSIT LOG.**

CASH DEPOSIT LOGS

- 1) All cashiers and bartenders must fill out the cash deposit log when they receive their bank and after they deposit their sales. Every drop is a blind drop – do not run an employee financial and give it to the employer prior to them making their deposit.

When these steps are followed, it minimizes the time spent investigating incidents.

- 2) You must get a total of the receipts attached to the employee financial for each employee to insure what they wrote on the cash deposit log is accurate.
- 3) If a cashier's shift sales report does not reflect the amount the cashier or bartender claims they dropped then you must discipline the employee according to the variance policy.
- 4) Look carefully at the employee's shift report. Make sure they have all credit card receipts and the tips are correct and have not been altered. Look at their comps, voids, and discounts to determine a problem. The employee should never have more than .5% of voids versus sales. Look carefully at their cash to credit card ratio to insure they are within the same range as other employees on the same shift.

SAFE COUNTS / CHECK OUTS / CHANGE FUNDS

1. The opening manager is responsible for counting the safe each morning before they hand out banks for the cashiers and bartenders.

2. Log the amount of the safe on the safe count sheet. If there is a variance from the night before you must notify the General Manager and Area Director right away. Do not wait.
3. The opening manager is responsible for checking out all bartenders, servers, and cashiers that worked on their shift before they leave for the day. All deposits, safe counts and banks must be accounted for and ready for the next shift. The opening manager will make a deposit and place it in the safe in the amount due for their shift. If there is a variance to the amount called for from the POS system you must alert your General Manager and Area Director right away.
4. The closing manager is responsible for counting the safe each afternoon when they arrive to the store and recording that amount on the safe count. The same procedure must be followed as listed above if there is a variance from the opening manager.
5. The closing manager is responsible for checking out all bartenders, servers, and cashiers that worked on their shift before they leave for the day. All deposits, safe counts and banks must be accounted for and ready for the next shift. The closing manager will make a deposit and place it in the safe in the amount due for their shift. If there is a variance to the amount called for from the POS system you must alert your General Manager and Area Director right away.
6. On the days when change funds are due, the morning manager must deposit funds to cover the change fund amount coming in from the armored car. **DO NOT ACCEPT A CHANGE FUND IF YOU DO NOT HAVE THE MONEY TO PAY FOR IT – NO EXCEPTIONS.**

SERVING
ALCOHOLIC
BEVERAGES
RESPONSIBLY

MILITARY RESTAURANT HOLDINGS, LLC STEPS TO RESPONSIBLE ALCOHOL BEVERAGE SERVICE - VIRGINIA

Military Restaurant Holdings, LLC is committed to the responsible service of alcoholic beverages. In accordance with this commitment, all employees are required to follow the procedure listed below:

- 1) No employee will serve an alcoholic beverage to anyone under the age of 21.
- 2) All employees will carefully check identification of anyone who appears to be under 35 years of age.
 - a) Acceptable documentation is a valid state driver's license with a photo or a photo ID issued by the state in question; a valid U.S. government issued military ID, or a valid passport.
 - b) The employee will check the identification to determine its authenticity. A manager must be informed if there is any appearance of forgery or tampering.
 - c) In the absence of authentic identification, or in case of doubt, the employee will refuse service of alcoholic beverages to the guest.
- 3) Wait-staff employees **under 18** years of age **will not** sell or serve any alcoholic beverage at any time.
- 4) Bartender employees under 21 years of age **will not** sell, mix or serve any alcoholic beverage at any time.
- 5) No employee will serve an alcoholic beverage to anyone who is intoxicated.
- 6) No employee will serve alcoholic beverages to anyone to the point of intoxication.
- 7) No employee will serve alcoholic beverages during prohibited hours. (2:00am – 6:00am)
- 8) It is the employee's responsibility to notify a manager when a guest shows signs of intoxication or is requesting alcoholic beverages above the limits of responsible beverage service. The manager is required to inform the guest that no further alcoholic beverages will be served. In the event that a manager is not available, the employee is responsible for informing the guest that no further alcoholic beverages will be served. The employee is then responsible for insuring that no alcoholic beverages are served to the guest at that time.
- 9) Any intoxicated guest wishing to leave the establishment will be urged to use alternative transportation provided by the establishment. This can be a cab service, designated driver, etc.
- 10) All employees are obligated to inform law enforcement authorities when intervention attempts fail.
- 11) No employee will drink alcoholic beverages while working.
- 12) All employees who work with mixed beverages will use the electronic liquor control system where available; for measurement of liquor for mixed beverages. Restaurants where an electronic liquor control system is not available will be required to use a 1 ¼ ounce jigger for each shot of liquor in a mixed beverage.
- 13) Employees will not serve more than two alcoholic beverages to one guest at one time.

The sale/service of alcoholic beverages should not be a routine! It is one of the few legal products you can sell that could put you in jail.

RESTAURANT AND INSTALLATION SECURITY POLICY

RESTAURANT AND MILITARY INSTALLATION SECURITY

As an employee of a Military Restaurant Holdings, LLC restaurant, we are responsible for providing a safe, secure environment for employees and guests. In order to assist with this effort, the Company has certain policies and procedures in place. These procedures are outlined as follows:

- No manager or employee is allowed to be in the restaurant alone. Employees that remain with management at the beginning or end of a shift must be clocked in. Violation of this will result in termination.
- The safe environment must be maintained while entering and exiting the building as defined in the safety video. Violation of this will result in termination.
- The back door cannot be opened for any reason later than one hour prior to the restaurant closing nor after the restaurant has closed.
- The back door should only be opened to persons recognized as having appropriate business with the restaurant. If that cannot be determined, then the person should be directed to the front door if the restaurant is open, or denied entry until proper identification is established if the restaurant is not open. Control of the back door is the responsibility of all employees.
- All front and side doors must remain locked until the designated time (unlocked 15 minutes before opening, and secured 15 minutes after close).
- All parts of the alarm system must be in working order and executed daily, including setting perimeter alarms once the last guest has left the building.
- No manager or employee should ever leave the building in pursuit of a guest or another employee.
- The manager on duty is responsible for ensuring that employees use the buddy system when leaving at night.

Because we work on a military installation, we must obey all the policies and procedures set forth by the military. Please be aware that you will be expected to abide and follow these rules specifically in regards to your security identification badge which you obtained before orientation. You will be required to handle yourself professionally when going through the gates of the base in the event the base is closed off and inspects vehicles entering the installation. If they tell you that you or your vehicle must be searched for example, you must comply with their request. The Military is of course a separate agency from our company and can detain you and even prevent you from entering through the security checkpoint if you are disrespectful, argue with them regarding their request, or refuse to cooperate. If you are denied access through the checkpoint due to your behavior or you violate any of the Military rules regarding security on the installation you will be disciplined up to and including termination without prior warning.

INVENTORY POLICIES

INVENTORY PROCEDURES

Inventory is done on the last Tuesday in the accounting period. It is crucial that this information is correct as it is used to compile cost of sales. The following are some policies regarding our inventory procedures. There are also bottle count inventory that should be done each shift and high cost item inventory will be done weekly.

- 1) Inventory is to be done only at the close of business or before the start of the next business day. Starting inventory before these designated times in the restaurant can lead to inaccurate count of inventory. Violation of this policy will result in the immediate termination of your employment.
- 2) It is a manager's responsibility to conduct inventory. Hourly employees are not allowed to do inventory.
- 3) Two people should do inventory together. One to count and one to write.
- 4) Inventory should be done on sheets received from the accounting office. If changes are needed, it is the manager's responsibility to work with accounting to fix errors and do corrections as soon as they are found.
- 5) Bottle counts are required each shift for all bottled beer and bottled wine. This is to be checked by the manager to insure there are no variances or theft opportunities. Bottle counts should be done before and at the end of shifts.

COST CONTROL PROCEDURES

COST CONTROL PROCEDURES

Monitoring your cost of sales is a good way to tell if you have a cash handling problem in your unit. Below are procedures that must be followed when this happens:

1. Check your inventory sheets and prices for your food items. Be sure they are being counted the same way the accounting department is costing them out.
2. Spend more time with your employees. More supervision is always this best way to improve operations.
3. Enforce all cash handling policies including cash audits, table ticket checks, and checking cash to credit card ratios on each employee. Employees with lower cash to credit card ratios as compared to all others in the restaurant, generally indicates cash violations.
4. Send other managers into your restaurant that your employees do not know to shop the store and try and detect cash handling problems.
5. Be sure the uniform policy is being followed – no back packs or large bags are allowed in the restaurant by employees. By allowing employees to bring large bags into the store could create a situation where the employee takes home product that does not belong to them.
6. Be sure all your products are secured nightly. That includes insuring that products are secured upon deliver as well.

PAYROLL PROCEDURES AND POLICIES

PAYROLL PERIODS

Our work weeks run Wednesday through Tuesday and we are on a bi-weekly pay period. Paydays are every other Monday following the end of a bi-weekly pay period. Employees can choose to have their paycheck go direct deposit or have a live check. Employees on the direct deposit system will receive paycheck stub explaining hours and net pay. In the event an employee is not on direct deposit, a live check is mailed to the employee to the address we have on file. Terminated employees will receive their paycheck in the mail. If a paycheck arrives at the restaurant for an employee who was terminated after the payroll was produced, the manager should put the paycheck in the mail for the employee.

PAYROLL PROCEDURES

It is each manager's responsibility for reviewing their labor each day and at the end of each week on Tuesday. All employees are required to take a 30 minute unpaid break per shift if business permits. Other break policies apply based on the state applicable law.

We encourage every employee to work full-time or average at least 35 hours per week. With a full-time staff, we are able to reduce the amount of employees we have to manage and reduce our hiring costs.

Managers are required to review their payroll when it is ready for preview. This is sent to you by the payroll department on Wednesday or Thursday after the end of the pay period and is called a "Payroll Validation Report". The payroll department must receive an email from a member of the management team stating they have reviewed this report and are approving it for payment to the employees.

If you have paychecks that are left in your safe for more then two pay periods you are required to mail these to the employees. Do not keep pay checks or paychecks stubs for more then two pay periods in your restaurant.

MANAGING TIP REPORTS

In addition to the validation report, you also receive a tip report showing all tipped employee wages claimed in comparison with their co-workers. This report also shows cash to credit card ratios. It is the management team's responsibility to review this report each pay period and use it as a tool to help run the business and investigate suspicious activity.

Team members with significantly lower cash tips claimed as compared to their co-workers may be an indicator of poor customer service or an employee not following the tip policy which requires them to claim 100% of what they make. Employees who show up on these reports frequently may need coaching on the tip policy and possible documentation.

It can also reveal employees who are significantly over claiming because they may not understand how to claim their cash tips or believe that they need to claim both their credit card and cash tips when clocking out. When you find an employee on the report that looks to be significantly over claiming their cash tips it is important to coach the employee right away to prevent a tax liability for the employee and the company.

The tip report also shows the cash to credit card ratios of each employee and how they compare to the rest of the store. Team members with lower cash to credit card ratios as compared to their co-workers may indicate cash sales not being rung up and a potential loss to the company. Employees on the tip report whom repeatedly show up as having a lower than average cash to credit card ratio should be coached. Termination may be warranted if there is substantiation that the employee is breaking a company policy like not ringing sales.

PAYROLL ADJUSTMENT FORMS

In the event you have an employee whose check was issued missing hours, you can request a payroll adjustment check from the payroll department. This is done by using the “Payroll Adjustment Request Form”; one is attached for your reference.

When submitting a payroll request form, back up POS reports must be submitted with the request proving the employee actually worked the hours requested to be paid. If a POS report is not available, a copy of the employee’s schedule must be sent showing the days and times worked.

Payroll Adjustment Request Form

Employee Name: _____

File #: _____

Today's Date: _____

Correction to Pay Date: _____

Store Location: _____

Next Check _____

Manual Check _____

	Hours Worked	Hours Paid	Hours Owed
Regular Hours:	_____	_____	_____
Overtime Hours:	_____	_____	_____
Vacation Hours:	_____	_____	_____
Sick Hours:	_____	_____	_____
Holiday Hours:	_____	_____	_____
Other Hours:	_____	_____	_____

	<u>Earnings Earned</u>	<u>Earnings Paid</u>	<u>Earnings Owed</u>
Regular Earnings:	\$ _____	\$ _____	\$ _____
Overtime Earnings:	\$ _____	\$ _____	\$ _____
Vacation Earnings:	\$ _____	\$ _____	\$ _____
Sick Earnings:	\$ _____	\$ _____	\$ _____
Holiday Earnings:	\$ _____	\$ _____	\$ _____
Other Earnings:	\$ _____	\$ _____	\$ _____
Other Description:	Total Earnings Owed: \$ _____		

Regular Rate Was Calculated At: \$ _____ Regular Rate Should Be Calculated At: \$ _____
 OT Rate Was Calculated At: \$ _____ OT Rate Should Be Calculated At: \$ _____

Please Circle Reason(s) For Adjustment and Explain in Lines Below:

Manager Error
 POS Error
 Employee Error
 Payroll Error
 Other Error

Manager Name: _____ Manager Signature: _____
 (please print clearly)

For Payroll Use Only

Date Received: _____
 Date Due: _____
 Company Code: _____
Time Received: _____
 Check #: _____
 Date Issued: _____
Payroll Notes:

Payroll Employee Signature: _____
 Payroll Employee Name: _____

Payroll Manager Initials: _____

UNIFORM POLICIES

ATTIRE AND PERSONAL HYGIENE – OPERATIONS MANAGERS

The appearance that you project goes a long way in forming our customers' impressions of our Company. If your clothes are clean and neat, you are well groomed and you present yourself with pride and a professional demeanor, the customer will be favorably impressed. If your clothes are dirty or worn, your hair is messy, you are slouched, you don't smile, etc., the customer is going to think that you, and by extension, the Company, just really don't care that much. In addition, if you are not appropriately dressed and groomed, you are going to have a hard time holding your subordinates accountable for these things.

Attire

Men should wear either long or short sleeved button down oxford shirts. They must be professional in color, clean and pressed. Pants should be dress slacks, professional in color, clean and pressed. A belt and name tag should also be worn at all times. Pull-over polo shirts and sleeveless shirts are not allowed.

Women should wear professional suits, dress, skirts, or pants. Shorts, mini-skirts, low cut blouses or shirts are not allowed. Shirts should be professional blouses short or long sleeved or short or long sleeved button down oxford shirts professional in color, clean and pressed. When wearing pants with a tucked in shirt, a belt is required. Your name tag must be worn at all times. Pull-over polo shirts and sleeveless shirts are not allowed.

Facial Hair

Except as specifically provided in this policy, employees must be clean-shaven every day (no stubble!). Beards are not allowed. Goatees are allowed. If a medical condition exist, a physician's note must be provided to the Company before you start to work and must be renewed with a current note every 12 months. Mustaches are permitted but must be neatly trimmed and close cut. Sideburns cannot extend below the earlobe.

Nametags

You must wear a nametag while you are on Company premises.

Hair Restraints

If you work in a position that requires a hair restraint, you will be provided with one upon hire. If the hair restraint issued to you is a ball cap or visor, you will need to wear them faced forward on your head. It is not allowed to wear a cap or visor backwards, upside down, or in any other manner than the normal faced forward position.

Hair

Your hair must be clean and well groomed at all times. Hairstyles must be conservative, and should be professional in style and color. Your hair can only be a color that could generally be expected to occur naturally (i.e., no bright pinks, greens, etc.). Long or bushy hair must be close to the head or securely fastened away from the face. Only reasonably sized hair ornaments that blend with the uniform will be allowed. Men's hair must be off the collar.

Jewelry and Makeup

Makeup must be conservative and tasteful.

NO FACIAL PIERCING OR PLUGS ARE ALLOWED. THIS INCLUDES:

NOSE RINGS

EYEBROW RINGS

TONGUE RINGS and/or CHIN RINGS

PLUGS FOR EARINGS

Make-up should be minimal. No unusually bright or colorful lipstick is permitted.

Large, garish or obscene tattoos on visible body parts are not permitted for employees whose job requires them to be in view of customers for some or the entire shift.

Personal Hygiene

Cleanliness and caring for your personal hygiene is a requirement.

Bathe at least daily and use deodorant.

Brush your teeth at least daily and use mouthwash or breath mints as needed to maintain pleasant breath.

Chewing gum is not permitted.

No excessive perfume or cologne is permitted.

Fingernails should be clean and neatly trimmed. Nails cannot be longer than ¼ inch beyond the fingertip. The only nail polish permitted is clear and acrylic or adhesive nails are not allowed.

Hands and fingernails should be clean and well maintained at all times. Frequent and thorough hand washing is a critical safety requirement in our business. Hand washing must follow any act that offers even a remote possibility that the hands have picked up contaminants.

Always wash your hands after the following: using the restroom; touching areas of your body such as ears, mouth, nose, hair or scratching anywhere; using a handkerchief or tissue; hand contact with unclean equipment, work areas or soiled rags; handling of raw food, particularly meat and poultry; handling of money; smoking cigarettes; eating; or finishing any type of food preparation. You should always wash your hands before starting any type of food preparation.

Shoes

Because you will be working in a food and beverage area where floors may have the tendency to be slippery, you are required to wear non-skid shoes.

ATTIRE AND PERSONAL HYGIENE – HOURLY EMPLOYEES

The appearance that you project goes a long way in forming our guests' impressions of our Company. If your uniform is clean and neat, you are well groomed and you present yourself with pride and a professional demeanor, the guest will be favorably impressed. If your uniform is dirty or worn, your hair is messy, you are slouched, you don't smile, etc., the guest is going to think that you, and by extension, the Company, just really doesn't care that much.

The Company has taken care in selecting uniforms that are attractive, durable and comfortable. You must follow the specific uniform descriptions for your restaurant, which have been given to you separately.

Your responsibility is to obtain those parts of the uniform identified in the uniform descriptions, wear all parts of the specified uniform at all times, and keep the uniform clean, free from wrinkles, and in good repair at all times.

The Company's managers have the authority to make a final judgment about whether an individual employee's appearance (dress and overall grooming) is appropriate and consistent with Company guidelines. An employee whose appearance does not comply with Company guidelines may be sent home for the remainder of that employee's scheduled shift, resulting in lost wages. Repeated violations of Company guidelines may result in termination of employment.

ALL UNIFORMS ARE TO BE CLEAN AND PRESSED AT ALL TIMES!

A nametag must be worn over the heart at all times. If an apron is part of your uniform, wear the nametag on the apron bib.

Shirt collars should be worn over the apron straps (if any). Shirts must be tucked in and buttoned to the top button.

Undergarments must be in colors that do not show through the uniform and cannot be seen, this includes

T-shirts worn under the uniform shirt.

When entering and leaving you must look professional! Do not walk around the restaurant with your uniform undone. We do not want people forming a bad impression of our employees, even if they are off duty!

REMEMBER: WEAR YOUR UNIFORM WITH PRIDE AND STYLE!

Pants

You will be issued a shirt that is appropriate for your position. The pants you wear must be blue jeans that fit you appropriately with straight legs that do not drag the ground. They cannot be largely oversized, flare bottomed, leggings, or carpenter pants. The color of your jeans needs to be a medium regular blue jean color. No tie-dyed or colored jeans are allowed. A plain black belt must be worn with your pants if you do not wear an apron.

Shoes

Because you will be working in a food and beverage area where floors may have the tendency to be slippery, you are required to wear non-slip shoes. You must have approved non-slip shoes prior to starting your employment. We offer discount coupons towards the purchase of these shoes and because your safety is of great concern, we want you to wear the best protection possible. Once you have your shoes, you are required to wear them each day you work. If you change your shoes during the course of your employment and they do not meet the non-slip requirement, you will be suspended without pay until you have the required non-slip shoes.

Facial Hair

Except as specifically provided in this policy, employees must be clean-shaven every day (no stubble!). No beards are allowed except in those instances in which a medical condition necessitates the growth of facial hair. In those instances, a physician's note must be provided to the Company before you start to work and must be renewed with a current note every 12 months. Mustaches and goatees are permitted but must be neatly trimmed and close cut. Sideburns cannot extend below the earlobe.

Nametags

You must wear a nametag while you are on Company premises. You will be provided with a nametag prior to your start date; should you lose your nametag an additional nametag will be provided to you at no cost (although we ask that you please be careful and try to keep track of your nametag, as replacement nametags do cost us money). If you require an excessive number of replacement nametags in an unreasonably short time period, we reserve the right to begin charging you a replacement fee of \$3.00 per nametag.

Hair Restraints

If you work in a position that requires a hair restraint, you will be provided with one upon hire. If the hair restraint issued to you is a ball cap or visor, you will need to wear them faced forward on your head. It is not allowed to wear a cap or visor backwards, upside down, or in any other manner than the normal faced forward position. Should you lose your hat or visor an additional one will be provided to you.

If you require an excessive number of replacement caps or visors in an unreasonably short time period, we reserve the right to begin charging you a replacement fee at the current price of the cap or visor.

Hair

Your hair must be clean and well groomed at all times. Hairstyles must be conservative and should be professional in style and color. Your hair can only be a color that could generally be expected to occur naturally (i.e. no bright pinks, greens, etc.). Long or bushy hair must be close to the head or securely fastened away from the face. Only reasonably sized hair ornaments that blend with the uniform will be allowed.

Men's hair must be off the collar or tucked up under a hat.

Hair restraints that cover the front of the head to the back of the head must be worn by all employees handling or serving food.

Jewelry and Makeup

Jewelry and makeup must be conservative and tasteful.

CERTAIN PIERCING OR PLUGS ARE NOT ALLOWED. THIS INCLUDES:

NOSE RINGS

EYEBROW RINGS

TONGUE RINGS and/or CHIN RINGS

PLUGS

Employees who do not handle food may wear small finger rings. Only one ring per hand is permitted (a wedding set would be considered one ring). Do not wear rings that protrude or dangle, as this can be hazardous.

Make-up should be minimal. No unusually bright or colorful lipstick is permitted.

Tattoos are required to be covered.

Personal Hygiene

Cleanliness and caring for your personal hygiene is a requirement.
Bathe at least daily and use deodorant.

Brush your teeth at least daily and use mouthwash or breathe mints as needed to maintain pleasant breath. Chewing gum is not permitted.

No excessive perfume or cologne is permitted.

Fingernails should be clean and neatly trimmed. Nails cannot be longer than ¼ inch beyond the fingertip. The only nail polish permitted is clear and acrylic or adhesive nails are not allowed.

Hands and fingernails should be clean and well maintained at all times. Frequent and thorough hand washing is a critical safety requirement in our business. Hand washing must follow any act that offers even a remote possibility that the hands have picked up contaminants. Always wash your hands after the following: using the restroom; touching areas of your body such as ears, mouth, nose, hair or scratching anywhere; using a handkerchief or tissue; hand contact with unclean equipment, work areas or soiled rags; handling of raw food, particularly meat and poultry; handling of money; smoking cigarettes; eating; or finishing any type of food preparation. You should always wash your hands before starting any type of food preparation.

Other

You may not store personal items such as backpacks, purses, or other types of luggage and bags at the unit you are working. In the event that you do bring such articles they are subject to search upon request. Further, with cause to suspect a possible theft, you may be subject to the search of your person.

It is absolutely forbidden to bring cellular telephones, pagers, handheld game players, radios, CD players, or any other kind of portable personal electronic device to the units. Anyone caught with such a device in the unit but not in use will be suspended without pay immediately, for the remainder of his or her scheduled shift, with subsequent infractions possibly resulting in termination.

Anyone caught using such a device in a unit, other than a company-issued Verizon phone as authorized by management, may be terminated immediately, with no further warning.

SHOPPER REPORT POLICIES

HANDLING SHOPPER REPORTS

Around every six weeks we send an outside company to conduct a secret shopper service on our units. The purpose of this service is to get an idea what the guests experience while visiting our stores and interacting with our employees.

The shopper service focuses on three main issues:

- 1) Store Condition – Appearance, cleanliness, etc.
- 2) Guest Service/Employee Performance
- 3) Cash Handling Procedures

The employee who is shopped can receive up to a 100% score on their report in increments of five. Based on their score, the following policy applies:

Scores of 100% - A copy of the report should be given to the employee, a staff meeting should be held recognizing the employee for such a great job, and a small reward should be given. The original report should be signed by the employee and their manager then sent it back to the H.R. department to be placed in their file.

Scores of 85% - 95% - not involving cash violations- A copy of the report should be given to the employee and a one on one training session should be held to discuss what they missed on the report and how they can improve in the future. The original report should be signed by the employee and their manager then sent back to the H.R. department to be placed in their file.

Scores of 0% – 80% - not involving cash violations – A copy of the report should be given to the employee and a one on one training session is to be held to discuss what they missed on the report and how they can improve in the future. A written warning should accompany the report. The original and the warning are to be signed by the employee and their manager then sent back to the H.R. department to be placed in their file. SCORES BELOW 70% SHOULD BE SERIOUSLY REVIEWED AS GUEST SERVICE IS NOT HAPPENING. TERMINATION IS WARRANTED FOR THIS LOW OF A SCORE BASED ON EMPLOYEE’S PREVIOUS HISTORY.

Scores involving cash violations – All reports involving cash violations that state both shoppers witnessed that the employee did not ring the sale requires that the employee be **immediately terminated**. A copy of the shopper report should be provided to the employee. A termination form along with the original report is to be sent back to the H.R. department to be placed in their file.