

ACCOUNTING ORGANIZATION IN THE DOMESTIC TOURISM ACTIVITY

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Abstract: *The purpose of this paper is to highlight certain peculiar on the accounting organization in the domestic tourism activity. On the other hand, I sought to highlight the importance of the domestic tourism activity in national tourism activities.*

Key words: *domestic tourism activity, tourism establishment, tourism service provision, accounting operations, tourism documentation.*

INTRODUCTION

Tourism represents, nowadays, a separate field, an important component of or economic and social life in all countries.

Given the changes occurred in the contemporary world, tourism evolves under their impact, in line with the overall development direction. The multitude of connections and implications present at the economic, social, cultural and political level, its role in the society, and its transformations as a phenomenon, support the preoccupations to find the content of tourism, its weaknesses, and its impact, for a better knowledge of its operating mechanisms.

Given these mentions, various classifications of the forms of tourism practiced were published in the specialised literature, according to the criteria used to group them as homogenously as possible [5].

The form of tourism is in fact the association/combination of services (transport, accommodation, food, entertainment) included in the tourism product, and the manner of selling it.

In the tourism practice, there are several criteria and possibilities of grouping forms of tourism, but in the context of this study, we will mention only the tourists' place of provenance or origin, which leads to two separate main forms [2]:

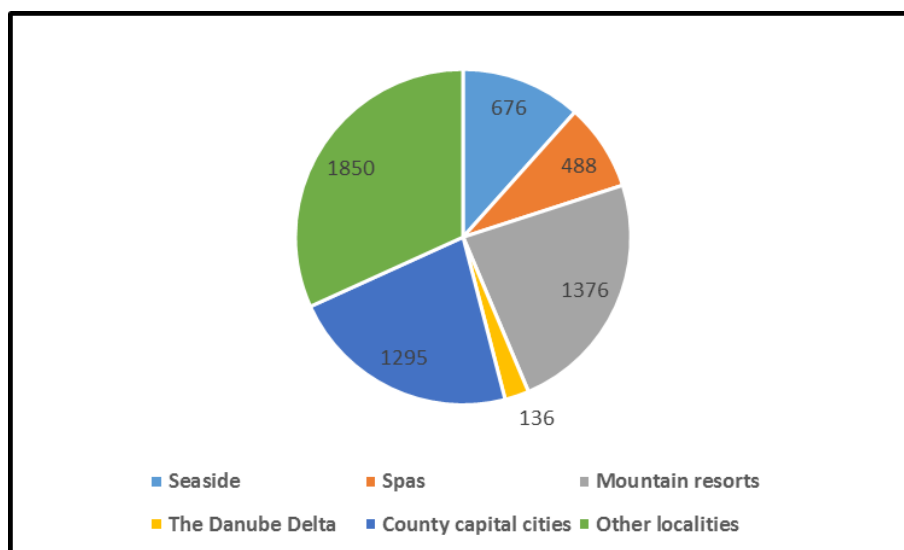
- The domestic tourism practiced by the population of a country within the national borders;
- The international tourism resulted from people's travel outside the borders of their countries.

MATERIALS AND METHODS

Tourism development is for many countries, an important objective of the economic policy, given its beneficial effects for the population, consumption, employment, international relations, its role of stimulating factor of the progress and growth. However, tourism dynamics is largely dependent on the achievements in branches and fields of the economy. Nevertheless, its interdependence relationships in the economy require a correlation of the tourism growth with the overall development pace, and implicitly integrating its dynamics into the general strategy of the economic evolution [1].

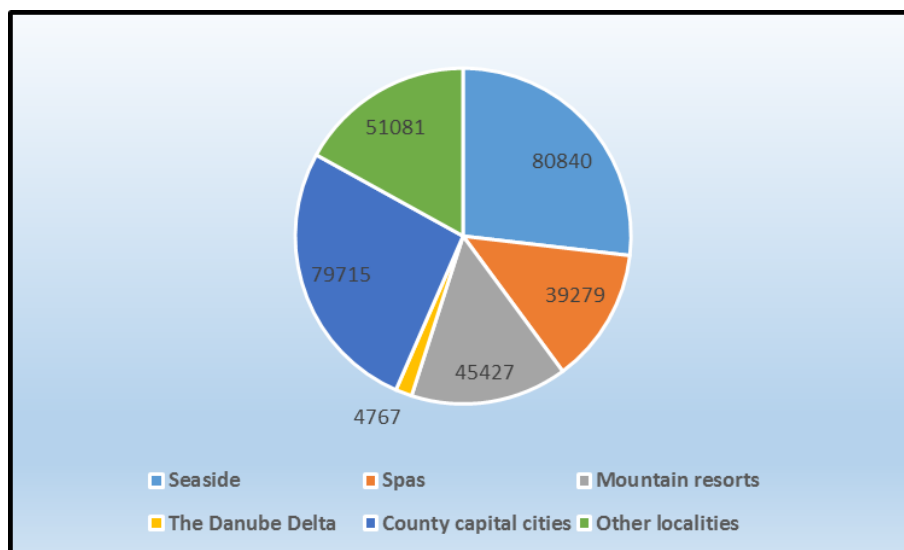
Practicing tourism within a country depends primarily on the number of tourism reception structures with functions of tourist accommodation in terms of location, but also on the number of places representing the existent accommodation capacity. Based on this information, we can assess the absorption capacity of a country's tourism in an effective

manner. According to the data supplied by de INSSE (National Institute of Statistics) for 2012, their number is as follows:



• Source: National Institute of Statistics

Fig. 1 – Tourism reception structures with functions of tourist accommodation



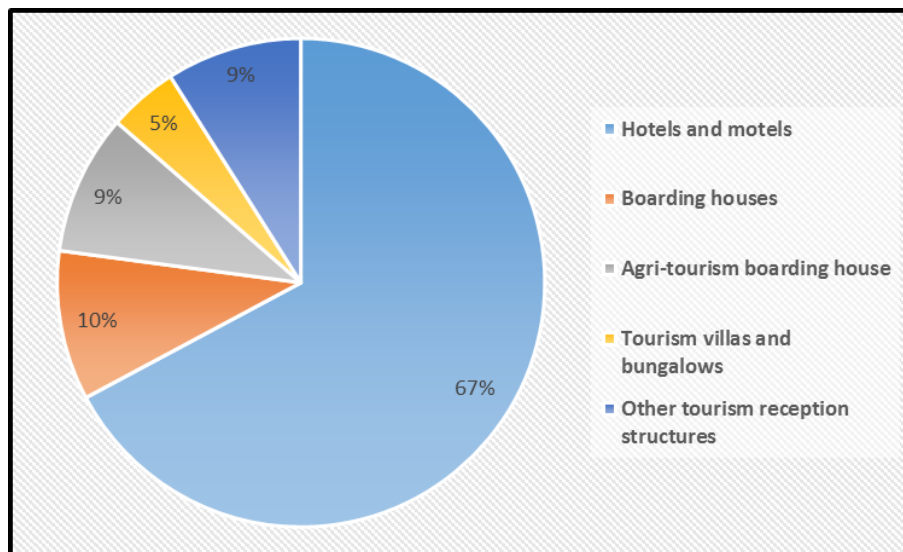
• Source: National Institute of Statistics

Fig. 2 – Existent accommodation capacity

The accommodation activity implies:

- the accommodation activity itself carried out through various categories of accommodation establishments: hotels, motels, inns, tourism villas, cottages, etc;
- the complementary service provision activity: mail services, personal services (barber's, hairdresser's, laundry, rental of objects), treatment services, leisure activities, etc.

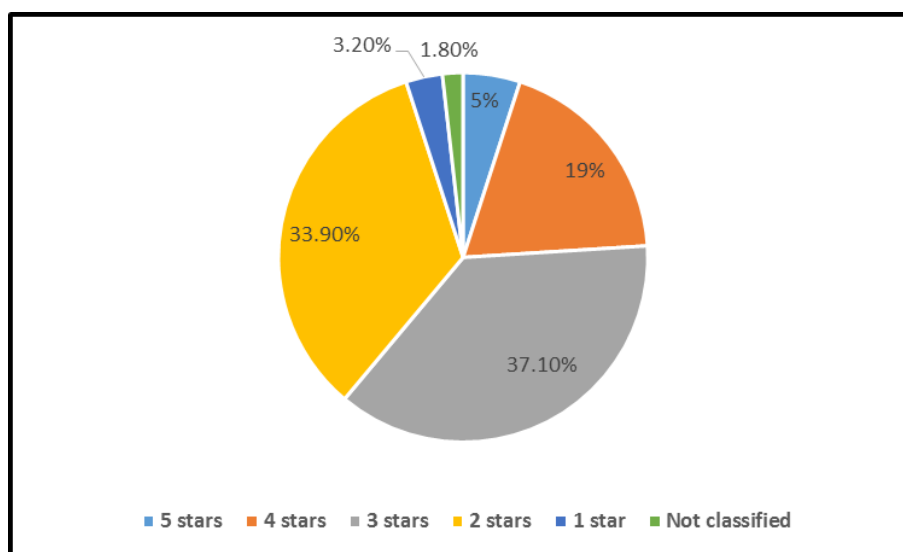
On the other hand, taking into account the structure of the operational tourism accommodation capacity (number of establishments on various categories of accommodation establishments) we can have a better image of the ways of spending spare time in our country.



• Source: National Institute of Statistics

Fig. 3 – Structure of the operational tourism accommodation capacity

Another problem aimed in relation to the domestic tourism is that of the available funds allocated to the domestic tourism activities. From this point of view, according to the statistical information, overnight stays on comfort categories (depending on the infrastructure) are as in the figure below.



• Source: National Institute of Statistics

Fig. 4 – Overnight stays on comfort type categories

At domestic, as well as at external level, the travel agency is the intermediary between service providers and tourists, and represents the main tourism product distributor. The main tasks of a travel agency are: selling tickets for any land, sea or air transport means, and selling tourism services.

Both domestic, as well as at external level, the travel agency serves the needs of tourists by providing them, for a fixed price, with tour packages that include the two categories of services: accommodation and board.

As can be seen in the data included in the tables below, the number of Romanian tourists who take part in domestic tourism activities organised by travel agencies is continuously increasing. Their preferences according to the offers of the travel agencies are also very well highlighted by a group of domestic tourism areas.

Table 1
Number of tourists who take part in the actions organized by travel agencies

	Domestic tourism activity	
	2011	2012
Tour operators	364,107	642,268
Number of tourists (total)		
Selling agencies	58,211	41,395
Number of tourists (total)		

- Source: National Institute of Statistics

Table 2
Number of Romanian tourists who take part in domestic tourism activities, on tourism areas

	Tour operators		Selling travel agencies	
	2011	2012	2011	2012
Tourists (total)	364,107	642,268	58,211	41,395
Seaside	184,263	234,726	27,758	24,693
River cruises	66	146	85	56
Sea cruises	22	216	47	32
The Danube Delta	3,917	6,922	1,228	1,188
Cultural tourism	10,297	4,711	2,081	917
Religious pilgrimage	2,201	879	579	499
Mountains	67,541	213,807	9,929	6,994
Spas	46,359	38,702	5,765	2,917
Other areas	49,441	142,159	10,739	4,099

- Source: National Institute of Statistics

Various information sources provide clients with knowledge on the tourism service offer, on the possibilities of spending their holidays in a pleasant way. The main purpose of the brokerage services provided by travel agencies is to satisfy tourists' interests.

RESULTS AND DISCUSSIONS

The domestic tourism service provision activity, as any other activity, implies highlighting a number of operations that, in summary, represent a set of incomes and expenses that determine the purpose of the activity: the result. The specificity of this

activity implies registering the operations in recording documents. The payment instruments are differentiated according to the options of the broker or of the tourist for the settlement of the tourism services.

The tourist voucher is a document specific to individual tourism and to small groups which consists of a paper issued by the partner travel agency to the service suppliers for the provision to the beneficiaries of the documents of the services mentioned therein and for the payment of the suppliers (transport, reception, etc). **The holiday and spa treatment voucher** is a document issued by the travel company, based on which the equivalent value of the tourism services is received from the tourists and which entitles tourists to receive all the services bought. **The list of receipts and refunds** is used for the daily recording of receipts and refunds from the place value. **The diagram of the places sold** comprises information about all the places contracted with the service providers, to be sold [2].

When trips are organized there are several documents as presented below. The **Trip schedule** is prepared in agreement with the service providers and includes the details of the localities, days and services. **The price analysis** is prepared in order to calculate the tariff of the tourism action per tourist. **The Delegation (Travel order)** is a document that empowers the accompanying guide to manage the respective action. **The trip ticket** allows for collecting the equivalent value of the tourism action from tourists and is drawn up by the tourism agent. **The booking order** is drawn up by the travel agency and is sent to the service providers so that they can provide all the services required to the stay. **The guide's file (the tourism action file)** includes the documents received by the guide from the travel agent which he/she fills in and gives to the agency at the end of the tourism action together with **the travel settlement** and **the guide's report** [4].

The payment instruments used can be the ones usually used in the financial and accounting practice: cheque, payment order, card, cash, receipt, cash/collection order [6].

The current recording of the specific representative operations related to the domestic tourism is made as follows:

- **The travel agency sells tourism service packages through contracts concluded with accommodation establishments in the country, the agency playing the role of broker.**
- The invoice is issued to the client:
 - 4111 "Clients" = %*
 - 401 "Suppliers"*
 - 704 "Incomes from the services provided"*
 - 4427 "VAT collected"*
- The invoice is cashed from the client:
 - 5311 "Petty cash in RON" = 4111 "Clients"*
- The equivalent value of the tickets is paid to the accommodation establishments:
 - 401 "Suppliers" = 5121 "Bank accounts in RON"*

In this case (for brokers) the VAT tax base does not include the amounts paid by the taxpayer in the name and on behalf of another person and which are then settled to that

person, or the amounts collected by a taxpayer in the name and on behalf of another person.

- **The sale of service packages for the stay is recorded on own account. Their price includes the agency fees (with corresponding VAT).**

The tourism service package includes: accommodation expenses, food expenses, transport expenses.

- RON -

- The invoice corresponding to the tourism packages is recorded:
 $4111 \text{ "Clients"} = \% \quad 704 \text{ "Incomes from works and services"} \quad 4427 \text{ "Output VAT"}$
- The equivalent value of the tourism packages is collected:
 $5121 \text{ "Cash at bank in RON"} = 4111 \text{ "Clients"}$
- The equivalent value of the accommodation services is recorded:
 $\% = 401 \text{ "Suppliers"}$
 $628 \text{ "Other third party services"} \quad 4426 \text{ "Input VAT"}$
- The equivalent value of the food services is recorded:
 $\% = 401 \text{ "Suppliers"}$
 $628 \text{ "Other third party services"} \quad 4426 \text{ "Input VAT"}$
- The equivalent value of the transport services is recorded:
 $\% = 401 \text{ "Suppliers"}$
 $628 \text{ "Other third party services"} \quad 4426 \text{ "Input VAT"}$

Due to the fact that the travel agency acts on its own behalf, using the delivery of goods and provision of services performed by other persons, all operations performed by the travel agency in relation to the trip represent a single service provided by the travel agency to the traveller. The tax base in this case is constituted by the profit margin which is calculated as the difference between the total amount that will be paid by the traveller and the costs of the travel agency, including the tax corresponding to the deliveries of goods and provisions of services directly to the traveller, if the deliveries of goods and provisions of services are performed by other taxpayers.

The total amount to be paid by the traveller includes the counter-performance obtained by the travel agency from the traveller or from a third party for the provided service.

➤ **An invoice is recorded and collected in relation to the domestic transport, including VAT.**

- The client's invoice is recorded:
 $4111 \text{ "Clients"} = \%$

704 "Incomes from works and services"

4427 "Output VAT"

- The collection of the invoice is recorded
5121 "Cash at bank in RON" = 4111 "Clients"

Or

5311 "Petty cash in RON" = 4111 "Clients"

The transport expenses can also include the airport on domestic lines which is exempt from VAT.

In the case of food services, the situation is as follows [3]:

- Goods are distributed from the central warehouse to the restaurant and the bar at the purchase price, to which a mark-up is added by both establishments

371/2	=	%
"Goods purchased for resale - restaurant"		371/1
Or		378
371/3		"Price differences on goods purchased for resale"
"Goods purchased for resale - bar"		4428
		"VAT under settlement"

- Goods are sold for cash through the restaurant and the bar at the public food price

5311	=	%
"Petty cash in RON"		707/2
		"Sale of goods purchased for resale through the restaurant"
		707/3
		"Sale of goods purchased for resale through the bar"
		4427
		"Output VAT"

- Finished products are delivered from the confectionery laboratory to the confectionery within the hotel

371/4	=	%
"Goods purchased for resale - confectionery"		701
		"Sales of finished goods"
		378
		"Price differences on goods purchased for resale"
		4428
		"VAT under settlement"

CONCLUSIONS

As can be seen in this study, tourism is a globally beneficial business, for the economy of any country, but also at local level, for the area where the visited sights are located, so the overall tourism policy at domestic level should be directed in such a way as

to contribute to the increase in the living standard of the population in those regions and to satisfy their needs.

On the other hand, the domestic tourism business includes both accommodation services and various other services. The intangible form of the service provision makes its registration in the accounting records simple, the registration being reduced to the expenses (generated by various categories of activities) on the one hand, and on the other hand by the related incomes, the difference between them representing the general result recorded.

Due to the fact that in the modern society, it is necessary to know all the activities performed by tourism establishments, it is very important to highlight the “weaknesses” and “strengths” of the whole system. The improvement of the activities depends on the efficiency of the service selling activity but also on the extent to which they satisfy the needs of the clients in a complete and concrete manner.

Consequently, accounting is an indispensable tool. Its adjustment to the information system of a modern society creates the prerequisites for a rapid and efficient development especially in the priority segments of the national economy.

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