

restaurant accounting

BASICS

The Ultimate Cheat Sheet



ORDERLY

MASTER THE 5 BASIC RESTAURANT ACCOUNTING CONCEPTS THAT WILL HELP YOU RUN A MORE PROFITABLE RESTAURANT

#1 CHART OF ACCOUNTS

What it means: The different categories of buckets of money that go in and out of your restaurant like assets, revenue and expenses.

Why you care: It's the master spreadsheet where you keep all your financial numbers. It's important for day-to-day operations and doing taxes.

#2 COST OF GOODS SOLD

What it means: The total cost of what it took to put the food on the plate... all the ingredients & items on your menu.

Why you care: Tells you how much profit you're making per plate and if your menu prices are where they need to be.

#3 LABOR COSTS, OCCUPANCY EXPENSES & OPERATING EXPENSES

What they mean:

- Labor costs: How much you're spending to pay your staff.
- Occupancy expenses: Rent, property taxes & insurance and utilities.
- Operating expenses: Everything else... from food spend to marketing.

Why you care: You can't really do anything about occupancy expenses... but labor costs and operating expenses are worth a second look. It's in these areas that you can cut back to save more money.

#4 PRIME COST

What it means: Add your Cost of Goods Sold and your Labor Costs. That's your Prime Cost.

Why you care: These 2 areas are where you spend the bulk of your money. If this is increasing, dig in to see where you can cut costs.

#5 COST-TO-SALES RATIO

What it means: This is a comparison of your Chart of Accounts buckets to your sales. So if you want to see how much your food costs are as a percentage of your sales, use this formula:

$$\text{Food Cost} / \text{Food Sales} \times 100\% = \text{Food Cost-to-Sales Ratio}$$

Why you care: Your Food Cost-to-Sales Ratio should be at least 26%... so you can determine if you're meeting that goal. You can also better compare your business to other businesses... no matter their size.

PUT YOUR ACCOUNTING ON AUTOPILOT WITH THIS APP



ELIMINATE 100% OF PAPER INVOICES & PUT YOUR ACCOUNTING ON AUTOPILOT WITH THIS FREE APP

Let's be real...

Dealing with your restaurant's accounting can be tedious... time-consuming... and just plain boring.

It doesn't have to be this way.

The **Orderly App** is paperless invoicing designed to capture, manage, and share invoices online.

In fact, the average restaurant uses it to **save 9 hours a month** on accounting work.

The best part... **it's 100% free.**

You can **put your accounting on autopilot...** and never have to deal with invoices again.

FREE APP



DOWNLOAD THE FREE APP

