



The Restaurant Accounting Basics Cheat Sheet

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.

Put Your Accounting on Autopilot

Eliminate 100% of Paper Invoices with this free app.

Let's be real.

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

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Orderly 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.

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