

Restaurant Accounting for QuickBooks

Tips and Techniques for Using the Uniform System of Accounts with QuickBooks





Welcome!

Today's webinar will be starting shortly.

Please print handout notes – <https://www.restaurantowner.com/snlp/313.htm>

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Restaurant Accounting for QuickBooks

Today's webinar begins in . . .







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Restaurant Accounting for QuickBooks

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RestaurantOwner.com

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Jim Laube

Your Hosts



Joe Erickson

RestaurantOWNER.com

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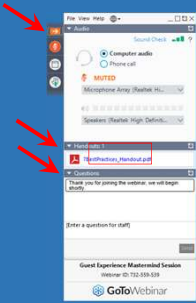
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Questions & Comments



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Q&A



- Questions will be at end of program
- This webinar is being recorded
- Full size slides available in PDF
- Links to new downloads and instructions will be included on the recorded webinar page

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### QuickBooks

- Used by more than 70% of independent restaurants
- Desktop, Mac and Online versions
- Popular with CPAs and bookkeepers
- Easy to use
- Familiar to workforce



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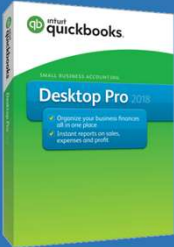
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### QuickBooks

**Drawbacks:**

- Not designed for restaurants
- Designed for 12-month calendar
- Inventory doesn't work for restaurants
- Doesn't have industry standard P&L Reporting
- Improper cost of sales reporting



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### Uniform System of Accounts for Restaurants



- Industry Standardization
- Links Sales to Corresponding Cost of Sales
- Reflects Activities in the Period they occur
- Works with 12-month calendar, 13 4-week or 4/4/5 Accounting period
- Complements weekly tracking
- Performance Oriented P&L Format

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What We'll Cover Today

- How to import the USAR Chart of Accounts
- How to format P&L reports to more closely conform with the USAR
- Tips for using 13 4-week accounting periods
- Recommended sales recording methods
- Correctly accounting for gift card sales and redemptions, sales tax, charge tips and other non-sale income
- Common journal entries for accrual based restaurant accounting
- Your questions

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What We'll Cover Today

✓ **Setting Up QuickBooks for the Uniform System of Accounts**

- *How to import the USAR Chart of Accounts*
- *Using memorized reports for 13 4-week accounting periods*


✓ **How to create USAR-formatted P&L reports**

✓ **Recommended sales recording methods**

- *USAR sales categories*
- *Correctly accounting for gift card sales and redemptions, sales tax, charge tips and other non-sale income*

✓ **Restaurant-specific journal entries**

✓ **Your questions**



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Setting Up QuickBooks for the USAR

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Setting Up QuickBooks for the USAR

Importing USAR Chart of Accounts

- Procedure for QuickBooks Desktop is different than for QuickBooks Online
- New QuickBooks company file vs. one with existing transactions
- Make a backup of your current QuickBooks company file
- Get aid from a competent QuickBooks user recommended



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Importing USAR Chart of Accounts

Preparation:

1. Download appropriate Excel file from RestaurantOwner.com and save to known location
2. Print current Chart of Accounts list from QuickBooks
3. Compare lists; remove duplicate or unneeded accounts from the Excel file
4. Set Company Preferences to use account numbers
5. Make a backup of your current QuickBooks company file



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Download USAR from RestaurantOwner.com



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RestaurantOwner.com

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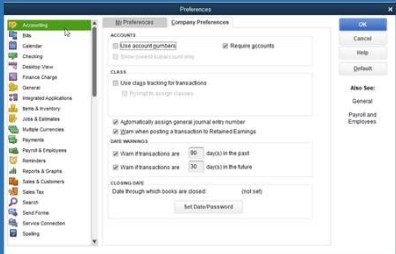
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Instructions: Importing USAR

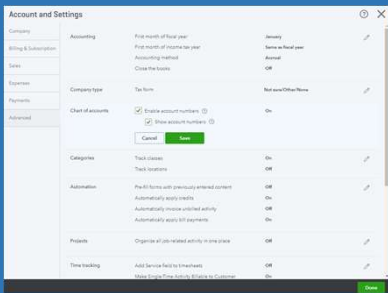
- Step 3 – Set Company Preferences
1. In QuickBooks, click on Edit and then Preferences to open the Preferences dialogue window.
  2. Click on Accounting in the preferences list on left column.
    - a. Click on the Company Preferences tab.
    - b. Set Accounts preferences as follows:
      - i. Use account numbers
      - ii. Require accounts
      - iii. Optional: Show lowest sub-account only
    - c. Click OK to save settings



Set Company Preferences - Desktop



Set Company Preferences - Online



Instructions: Importing USAR

Step 4 – Import the Chart of Accounts

- 1. Click on File, Utilities, Import and then Excel Files to bring up the correct import screen.
- 2. Click on Advanced Import icon.



How to Create USAR Formatted P&L

How to Create USAR Formatted P&L

	Amount	%
<b>Sales:</b>		
Food	\$ 750,000	77.8%
Beverage	150,000	15.4%
Merchandise & Other	20,000	2.0%
<b>Total Sales</b>	<b>\$ 920,000</b>	<b>100.0%</b>
<b>Cost of Sales</b>	<b>210,000</b>	<b>22.8%</b>
Food	150,000	16.3%
Beverage	30,000	3.3%
Merchandise & Other	30,000	3.2%
<b>Total Cost of Sales</b>	<b>\$ 210,000</b>	<b>22.8%</b>
<b>LABOR</b>	<b>90,000</b>	<b>9.8%</b>
Management	30,000	3.3%
Staff	60,000	6.5%
Employer Benefits	10,000	1.1%
<b>Total Payroll</b>	<b>\$ 100,000</b>	<b>10.9%</b>
<b>PRIME COST</b>	<b>\$ 310,000</b>	<b>33.7%</b>
<b>Other Controllable Expenses:</b>		
Direct Operating Expenses	50,000	5.4%
Rent & Occupancy	2,000	0.2%
Marketing	25,000	2.7%
Utilities	10,000	1.1%
General & Administrative Expenses	40,000	4.3%
Repairs & Maintenance	15,000	1.6%
<b>Total Other Controllable Expenses</b>	<b>\$ 132,000</b>	<b>14.3%</b>
<b>CONTROLLABLE INCOME</b>	<b>\$ 478,000</b>	<b>51.9%</b>
<b>Non-Controllable Expenses:</b>		
Occupancy Costs	20,000	2.2%
Equipment Leases	5,000	0.5%
Depreciation & Amortization	10,000	1.1%
<b>Total Non-Controllable Income</b>	<b>\$ 35,000</b>	<b>3.8%</b>
<b>Restaurant Operating Income</b>	<b>\$ 513,000</b>	<b>55.7%</b>
Corporate Overhead	2,000	0.2%
Interest Expense	1,000	0.1%
Other Income/Expenses	1,000	0.1%
<b>Income before Income Taxes</b>	<b>\$ 511,000</b>	<b>55.3%</b>

QuickBooks reports are not USAR compliant

Percentages limited to % of income

Cost of Sales categories should be a % of respective sales



Formatting QuickBooks for USAR

- QuickBooks desktop imports with subaccounts already linked
- QuickBooks Online users must link after importing
- You can add “high level” categories such as Controllable and Non-Controllable Expenses
- Link summary accounts to higher level categories

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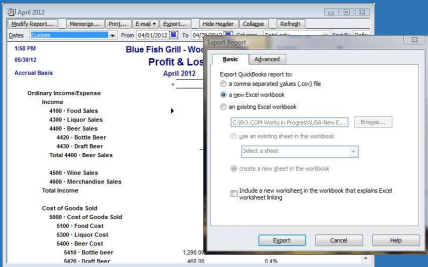
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Exporting Reports to Excel



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Using Memorized Reports for 13 4-Week Accounting Periods

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13 4-week Periods

2019 - 13 Period Year (28 days each)

Period 1						
MON	TUE	WED	THU	FRI	SAT	SUN
1-Jan	2-Jan	3-Jan	4-Jan	5-Jan	6-Jan	7-Jan
8-Jan	9-Jan	10-Jan	11-Jan	12-Jan	13-Jan	14-Jan
15-Jan	16-Jan	17-Jan	18-Jan	19-Jan	20-Jan	21-Jan
22-Jan	23-Jan	24-Jan	25-Jan	26-Jan	27-Jan	28-Jan

Period 2						
MON	TUE	WED	THU	FRI	SAT	SUN
29-Jan	30-Jan	31-Jan	1-Feb	2-Feb	3-Feb	4-Feb
5-Feb	6-Feb	7-Feb	8-Feb	9-Feb	10-Feb	11-Feb
12-Feb	13-Feb	14-Feb	15-Feb	16-Feb	17-Feb	18-Feb
19-Feb	20-Feb	21-Feb	22-Feb	23-Feb	24-Feb	25-Feb

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13 4-week Periods

- QuickBooks designed around 12-month calendar
- Use Memorized Reports for 13 4-week or 4/4/5 accounting periods

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13 4-week Periods

Step 1 – Select P&L Report

Company & Financial

Profit & Loss (income statement)

Profit & Loss Standard

Profit & Loss Detail

Profit & Loss YTD Comparison

Profit & Loss Prior Year Comparison

Profit & Loss by Job

Profit & Loss by Class

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Recommended Sales  
Recording Methods

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Recording Sales in QuickBooks

4 different ways

- Invoice
- Sales Receipt
- Make Deposits
- General Journal Entry

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Recording Sales

Credits (Revenue)

- Food & Beverage Sales
- Merchandise/Other Sales
- Sales Tax Collected
- Gift Certificates Sold
- Customer Deposits
- Charge Tips Withheld
- Credit Card Fees Collected
- Cash Drawer Loans (Tip Float)

Debits (Settlement)

- Cash Deposits
- Credit Card Deposits
- Gift Certificates Redeemed
- Coupons
- Comps & Discounts
- Charge Tips Paid in Cash
- Cash Payouts from Sales
- Repay Drawer Loans

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Credits (Revenue)      **must =**      Debits (Settlement)

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# Restaurant Accounting for QuickBooks

Blue Fish Grill			
Daily Sales Report		Date: 5/30	
Sales: 3,500.00		6,500.00 10,000.00	
Credit Card: 170		250	
Check Avg: 20.50		25.50	
Gross		L1 Discounts & Credits	
Net Sales			
4110 Food	8,000.00	8,000.00	8,000.00
4210 Soft Beverage	400.00	400.00	400.00
4310 Liquor	1,000.00	1,000.00	1,000.00
4410 Draft Beer	200.00	200.00	200.00
4510 Bottle Beer	400.00	400.00	400.00
4610 Wine	1,000.00	1,000.00	1,000.00
4710 Merchandise	100.00	100.00	100.00
4710 Service Charges	100.00	100.00	100.00
TOTAL SALES		10,000.00	
OTHER REVENUE			
2310 Sales Tax Collected	75.00	75.00	75.00
2310 Gift Certificate Sold	100.00	100.00	100.00
2320 Customer Deposits Rcv'd	100.00	100.00	100.00
2340 Charge Tax Collected	100.00	100.00	100.00
7510 Credit Card Fees Collected	100.00	100.00	100.00
TOTAL OTHER REVENUE		2,225.00	
CASH TO ACCOUNT FOR		12,225.00	
SETTLEMENT			
1110 Cash Deposit	12,225.00	12,225.00	12,225.00
1120 Arns	2,400.00	2,400.00	2,400.00
1130 Visa	2,000.00	2,000.00	2,000.00
1130 MasterCard	2,000.00	2,000.00	2,000.00
1130 Discover	1,000.00	1,000.00	1,000.00
2310 Gift Certificate Redemptions	25.00	25.00	25.00
1100 Cash Payments (Pmt)	100.00	100.00	100.00
2340 Charge Tax Paid	100.00	100.00	100.00
TOTAL SETTLEMENT		10,000.00	
CASH OVER or (SHORT)		2,225.00	

## Sales Journal Entry

Make General Journal Entry			
Date: 5/30/2018			
Journal Entry			
Account	Debit	Credit	Amount
4110 Food	8,000.00		8,000.00
4210 Soft Beverage	400.00		400.00
4310 Liquor	1,000.00		1,000.00
4410 Draft Beer	200.00		200.00
4510 Bottle Beer	400.00		400.00
4610 Wine	1,000.00		1,000.00
4710 Merchandise Sales	100.00		100.00
4710 Service Charges	100.00		100.00
2310 Sales Tax Collected	75.00		75.00
2310 Gift Certificate Sold	100.00		100.00
2320 Customer Deposits Rcv'd	100.00		100.00
2340 Charge Tax Collected	100.00		100.00
7510 Credit Card Fees Collected	100.00		100.00
1110 Cash Deposit		12,225.00	12,225.00
1120 Arns		2,400.00	2,400.00
1130 Visa		2,000.00	2,000.00
1130 MasterCard		2,000.00	2,000.00
1130 Discover		1,000.00	1,000.00
2310 Gift Certificate Redemptions		25.00	25.00
1100 Cash Payments (Pmt)		100.00	100.00
2340 Charge Tax Paid		100.00	100.00

## Restaurant-Specific Journal Entries

Common Restaurant Journal Entries

- Changes in Inventory
- Payroll Accrual
- Accrued Monthly Expenses
- Amortization & Depreciation



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Changes in Inventory

- Beginning Inventory
- Ending Inventory

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Changes in Inventory

- Use Memorized Transactions
- QB Desktop – Memorized General Journal
  - QBOE – Recurring Transaction

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Changes in Inventory

QuickBooks Online Plus

Journal Entry

Date: 06/01/2012 Entry # 1

Account	Debit	Credit	Memo	Name	Class
1310 Inventory - Food			Beginning Inventory		
1320 Inventory - Soft Beverages			Beginning Inventory		
1330 Inventory - Liquor			Beginning Inventory		
1340 Inventory - Beer			Beginning Inventory		
1350 Inventory - Wine			Beginning Inventory		
5100 Cost of Goods Sold - Food			Beginning Inventory		
5210 Soft Beverage Cost - Out			Beginning Inventory		
5310 Liquor Cost - Liquor			Beginning Inventory		
5410 Beer Cost - Draft Beer			Beginning Inventory		
5420 Beer Cost - Draft Beer			Beginning Inventory		
5510 Wine Cost - Wine			Beginning Inventory		

Notes:

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Changes in Inventory

Make General Journal Entries

Previous Next Print... History

Date: 06/01/2012 Entry No. 17

Memorized Transaction List

Transaction Name	Type	Source Account	Amount	Frequency	Auto	Next Date
Beginning Inventory	General	1310 - Food	0.00	Monthly		05/01/2012
Ending Inventory	General	1310 - Food		Monthly		05/31/2012

Memorized Transaction Enter Transaction

Save & Close Save & New Close

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Changes in Inventory

Make General Journal Entries

Previous Next Print... History

Date: 05/01/2012 Entry No. 15

Account	Debit	Credit	Memo	Name	Balance
1310 - Food		5,100.00	Beginning Inventory		
1320 - Soft Beverages		490.00	Beginning Inventory		
1330 - Liquor		5,400.00	Beginning Inventory		
1340 - Beer		2,300.00	Beginning Inventory		
1350 - Wine		5,600.00	Beginning Inventory		
5100 - Food Cost	5,100.00		Beginning Inventory		
5210 - Soft Beverages	490.00		Beginning Inventory		
5310 - Liquor	5,400.00		Beginning Inventory		
5410 - Draft Beer	900.00		Beginning Inventory		
5420 - Draft Beer	1,300.00		Beginning Inventory		
5510 - Wine	5,600.00		Beginning Inventory		

Save & Close Save & New Revert

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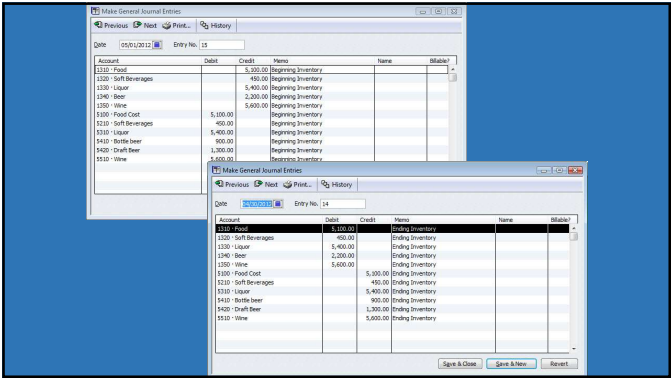
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Other Period Ending Journal Entries

- Current Period Inventory Values
- Reverse Previous Period Inventory Values
- Reallocate Cost of Complimentary Sales & Discounts
- Record Transfers Between Departments
- Reallocate Inclusive Sales Tax
- Record Credit Card Fees and Bank Service Charges
- Reverse Prior Month Payroll Accrual
- Record Current Month Payroll Accrual
- Record Monthly Accrued Expenses
- Allocate Depreciation and Amortization Expenses
- Amortize Prepaid Expenses

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Other Period Ending Journal Entries

PERIOD-ENDING

**Period End Journal Entries for Restaurants**

Period End Journal Entries can be used at the end of each accounting period to help standardize and expedite the monthly accounting period closing process.

A routine procedure can be established by a bookkeeper and maintained by an administrative assistant or a management person.

The downloadable PDF can serve as a guide to setup your own custom list of monthly recurring journal entries.

**Summary of Features & Benefits:**

- Recommended by the NIRA Uniform System of Accounts for Restaurants (USAR)
- Can be easily customized to reflect your unique journal entry requirements.
- Use this form to establish your own list of monthly journal entries to maintain consistency and to avoid missing any entries.
- Typical adjusting entries are listed below and explained in detail on the PDF download:
- JE #1 Current Period Inventory Values
- JE #2 Reverse Previous Period Inventory Values
- JE #3 Reallocate Cost of Complimentary Sales & Discounts
- JE #4 Record Transfers Between Departments

**The Uniform System of Accounts for Restaurants**

A guide to standardized restaurant accounting. Includes: correct wording and numbers for entries.

Get your Accounting questions answered in our members' discussion forum.

**Business**

Many independent restaurants are not good businesses. While they may have great food and service, they struggle financially and don't produce a profit. Perhaps the real reason, looking in to run a restaurant isn't enough. Improve your financial skills to control costs, manage profit margins and make sound business decisions.

[Learn More About Business Skills](#)

**Related Resources**

**TRAINING VIDEO**

**Why Labor Cost Drives Your P&L...**

Are you accounting for the monthly payroll period on your monthly P&L? Many independent do not and it leaves their financial statements.

**TRAINING VIDEO**

**How To Split Bar Business...**

Over the years we've heard several hotel owners about secretly getting drunk, sometimes VEEF, early from last bookkeeping practices. Here is a sample.

**ARTICLE**

**How to Avoid the Date Tap...**

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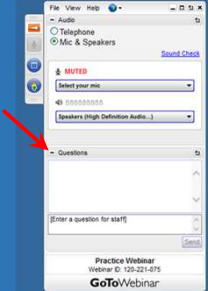
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### Q & A

Type your questions into the Question Box



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### Restaurant Accounting for QuickBooks

Tips and Techniques for Using the Uniform System of Accounts with QuickBooks

**Thank you for attending!**

**Restaurant OWNER.com**



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