

Business Plus Accounting Restaurant Professional – Inventory Management

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Business Plus Accounting Restaurant Professional – Inventory Management

Performing proper inventory management involves the following steps:

Inventory Setup

1. Defining vendors in the system.
 - a. This tutorial will walk you through how to create a purchase order. To create a purchase order, you will need to have all of your vendors defined in the system.
2. Ensuring all products has the correct price, cost, and vendor information.
 - a. When adding products to inventory, to save time, it is important to have the correct price, cost and vendor information in the Define Products function. This allows you to add products to inventory faster than manually entering this information.
3. Moving all products into inventory.
 - a. The Define Products function of BPA, and the Inventory Management function, are two separate processes. After you have added all of your products to Define Products, you will need to move those items into your Inventory Management system.
4. Ensuring menu items have proper food recipes defined.
 - a. An example of this would be an omelet with toast. In this example, you will need to remove eggs, cheese, toast, butter, etc. from inventory. A food recipe will allow you to automatically take these items out of inventory when the omelet with toast is sold.
5. Perform an Inventory Cycle Count.
 - a. A cycle count is an inventory management procedure where inventory is counted on any given day.

Receiving Inventory

1. Creating a Purchase Order.
 - a. Once you have created a vendor order and printed it, you can refer to it while making a telephone order or you can send a copy of it to your vendor (pre-printed purchase order forms are available).
2. Receiving Products into Inventory.
 - a. When a vendor order arrives, you must receive it. The receiving process involves telling the system what you received.

Accounting For Inventory in the General Ledger

1. Creating an Accounts Payable entry into the General Ledger.
 - a. If you are using a separate accounting package to manage your Accounts Payables, such as Quickbooks, this step would be an optional step. Otherwise, you will need to add the Accounts Payables for your vendors into the system.

Inventory Setup

Defining Vendors

Ensuring All Products Have the Correct Cost, Price, and Vendor Information

Adding Products to Inventory

Ensuring Menu Items Have Proper Food Recipes Defined

Performing an Inventory Cycle Count

Define Vendors

Before creating purchase orders in the system, you will need to define all vendors. To do this, perform the following steps:

1. Go to Business System→Definitions→Define Vendors—Add.
2. Enter the following fields on page 1:
 - a. Vendor Number: Enter the vendor's identification number.
 - b. Vendor Name: Enter the vendor's name.
 - c. Contact: Enter the name of the person with whom you make contact.
 - d. Terms: Enter the nomenclature for your payment terms with this vendor.
 - i. Example: "2/10 Net 30". This means a 2% discount will be given if the vendor's total invoice is paid in 10 days. The invoice is due in 30 days.
 - e. Terms Percent: Enter the percent discount you get for early payment.
 - i. From the example in "Terms": you would enter 2 here.
 - f. Terms Days: Enter the number of days you are allowing for an early payment discount.
 - i. From the example in "Terms": you would enter 10 here.
 - g. Terms Due: Enter the number of days before vendor payment is due.
 - i. From the example in "Terms" above you would enter 30 here.
 - h. Fixed Disc Day: If this vendor uses a fixed day of the month for calculating discounts (Instead of the normal 2/10 Net 30 format) you should enter that day here (1-31).
 - i. Vendor Type: Enter any three characters with which you want to group your vendors.
 - i. Example: "LIQ" for liquor vendors
 - j. Enter Address and Phone Information
 - k. Account: This field holds the Account Number assigned to you by this Vendor.
3. Enter the following fields on page 2:
 - a. Shipping address: If the mailing address for your vendor is different from the shipping address, enter the shipping address here.
 - b. Default G/L Acct: If you are using the BPA software for managing your accounting, enter the G/L Account that Accounts Payable uses by default to post vendor invoices
4. Press Save when finished

Ensuring All Products Have The Correct Cost, Price, and Vendor Information

In Restaurant System→Manager Functions→Define Products, you will need to define the cost, price, and vendor information for each product. To do this, perform the following steps:

1. Go to Restaurant System→Manager Functions→Define Products→Modify.
2. Choose the product that you want to adjust.
3. On page 1, the following fields will need to be filled out:
 - a. Unit of Measure – This is the unit of measure that YOU will use to count your inventory. For example, if you count eggs by each individual egg, then you can enter “EA” into this field.
 - b. Cost – This is your cost, based on your unit of measure. Using our eggs example, if your vendor sells you a case of eggs for \$10, with 100 eggs in a case, then your cost would be 10 cents.
 - c. Price – If you are selling this product as a separate menu item, then enter the price here.
 - d. Order Level - Enter the minimum number of units of this product you want to have available. Anything at or below this number will put this product on the reorder report.
 - e. Maximum Level - Enter the maximum number of units of this product you want to have available. If the number of units available is at or below the reorder level the auto reorder function will order enough products to bring the available level up to the maximum level.
4. On page 2, the following fields will need to be filled out:
 - a. G/L Sales Acct and G/L COG Acct – If you are managing your accounting within our software, enter the appropriate sales and cost of goods account here.
 - b. Reorder Vendor 1-3 - Enter the vendor number for the vendor from whom you will purchase this product during an auto reorder. When you select auto reorder from the vendor order option menu, each product that has fallen below its reorder level will be ordered from the vendor entered here.
 - c. Vendor Conversion UM – This field allows you to enter the VENDORS unit of measure. For example, if you count eggs by each egg, but, your vendor counts them in cases, then you could enter “CS” in this field.
 - d. Vendor Conversion # - This field allows you to convert from the vendor order unit of measure to the unit of measure you sell. For example. if you sell in each but you must order in cases, and a case contains 100, then enter 100 here.).

Adding Products to Inventory

To move all of your products into the Inventory Management system, perform the following steps:

1. Go to Business System→Inventory Management→Move Products to Inventory for Products Not in Inventory.
2. To continue, press Yes on the next screen.

All products have now been moved into inventory.

Ensuring Menu Items Have Proper Food Recipes Defined

If you are seriously committed to tracking inventory, you need to use entree recipes and sides recipes. Recipes allow you to define items that need to be pulled from inventory when an entree is sold.

Typically, these would be items like 8oz Sirloin, mixed vegetables, cheese, olives, garnishments, bread, spices etc... First, these items need to be defined as products. The unit of measure assigned to them needs to be small enough to allow practical assignments in the recipes and also needs to be a practical unit for ordering the item. For example, if milk was part of the recipe its unit of measure in its product definition should be some reasonable unit like gallon, so that you can specify .25 for 1/4 gallon in your recipe and still order milk from your vendor in gallons.

The items defined for a recipe are automatically removed from inventory when you post your daily sales.

To define recipes, perform the following steps:

1. Go to Restaurant System→Manager Functions→Define Recipes→Add.
2. Press the F8 to pick the product you want to define a recipe for, then press Enter.
3. In the recipe table, on the first blank line, press the F8 key, and choose a product that needs to be pulled from inventory when the menu item is sold.
4. In the quantity used field, enter the amount that should come out of inventory. Using our eggs example, if an omelet requires two eggs, and you are counting each ("EA") egg in your inventory, then enter 2 in this field.
5. Continue adding all other products to the recipe.
6. Press the F3 key to save the recipe.

Perform an Inventory Cycle Count

Perform a cycle count by following these steps:

Step I – Print a Cycle Count Report

1. Go to Business System→Inventory Management→Inventory Cycle Count→Print Cycle Count Report
2. If you like to specify a Department or Product Type to count, press the F8 key on the appropriate field and select a Department/Product Type, then press Enter
3. You will then be able to print the Cycle Count Report on a full size document printer, or, view the report on your screen.
4. Use this report as a guide when counting your inventory.

Step II – Enter Cycle Count Adjustments

1. Go to Business System→Inventory Management→Inventory Cycle Count→Enter Cycle Count Adjustments
2. Enter the date that the cycle count was performed
3. Next, you will be presented with a spreadsheet containing all of your items. In the COUNTED column, enter the quantity of each item you have counted.
4. Press F3 when finished.

Step III – Post Inventory Cycle Count Changes

1. Go to Business System→Inventory Management→Inventory Cycle Count→Post inventory Cycle Count Changes
2. Enter the date that the cycle count was performed
3. Next, you will be given an option to post inventory cost differences to the General Ledger.
 - a. Example: Before the Cycle Count, the Inventory Management system showed that you had 50 eggs on hand. However, you physically counted 60 eggs. Selecting Yes on this option will post an entry to the General Ledger for the difference of the cost.
4. Finally, you will be presented with an option to print the adjustments made to your inventory.

Receiving Inventory

Creating a Purchase Order

Receiving Products Into Inventory

Creating a Purchase Order

To add products into inventory, you will need to create a Purchase Order for the products you are adding. To do this, perform the following steps:

1. Go to the Business System-->Purchase Orders-->Add.
2. Enter the Vendor Account number. If you do not have the vendor saved in the system, then, you can click the New Vendor button to create the vendor.
3. Enter the Contact name for the Vendor Account.
4. Enter the Order Date (the date that you placed the order with your vendor).
5. Click on an empty line underneath Product and press the F8 key on your keyboard. Add the products that were purchased from the vendor.
6. Ensure that the cost, price and quantities are correct. The price and cost will be based on the vendor's unit of measure. So, if you defined the vendor's unit of measure as Cases, the cost and price will be by the case.
7. Press Save-F3.
8. The next screen will allow you to add additional information about the Purchase Order. Press the Tab key to move through all of the fields.
9. Finally, you will be presented with the option to print the purchase order.

The purchase order is now created.

Receive Products Into Inventory

To add the items on the purchase order to your inventory, perform the following steps:

1. Go to the Business System-->Product Receiving-->Receive Products Into Inventory.
2. Press the Add button.
3. Press the F8 key to view a list of purchase orders, and select the appropriate purchase order.
4. Ensure that the Store Quantity, Back Order Quantity, Unit Cost, and Unit Price are correct. The cost and prices will be based on your unit of measure. So, if you defined your unit of measure as Bottles, the cost and price will be by the bottle.
5. Press the Save-F3 key.
6. The next screen will give you the option to add lot or serial numbers to the products you are receiving. This step is an optional step.
7. Next, you will be presented with the option to print a report of the products you received into inventory.
8. Finally, if you have a barcode printer, you will be presented with the option to print barcodes for those products.

The items are now added into inventory.

Accounting for Inventory in the General Ledger

Creating an Accounts Payable for the Purchase Order

Creating an Accounts Payable for the Purchase Order

If you are using Business Plus Accounting to manage your accounting, you will need to create an Accounts Payable for inventory purchases.

Within Accounts Payable, you can either manually enter a check for an inventory purchase, or, you can create an invoice for the vendor.

Manual Checks

Manual checks can be written and later entered into the system.

To manually enter a check, perform the following steps:

Part I – Create the check

1. Go to Business System → Accounts Payable → Checkbook-Manual Checks → Add
2. Enter the check number of the actual check you are writing or printing
3. In the Pay To The Order field, enter the Payee's name. You can use the F8 key to pull up a list of vendors.
4. Enter the check date.
5. Enter the amount of the check.
6. Enter any information about the check in the Memo field.
7. Next, you will need to enter the General Ledger account that corresponds to the payable. For example, if you are writing a check for a food purchase, you will want to use a food purchase/costs account. If you need to add multiple accounts, use the F7 key to enter a new line.
8. Press F3 to save.
9. The next screen will ask if you want to print a check. Select Yes to print the check...No to skip this option.

Part II – Post the Check

1. In Accounts Payable, go to Post A/P and Check Book Checks.
2. Enter the date that you want the check to be posted into the G/L. Also, enter General Ledger Bank Account that needs to be deducted (default is 1110-0000).
3. Next, you will have the option to print an A/P Check Posting Report.
4. If you choose to print the report, you can print it on your printer, or view it on the screen.
5. **Note: Checks cannot be reprinted after they have been posted.**

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Creating an Invoice

To create an invoice for a vendor, perform the following steps:

Part I – Create the Invoice

1. In Accounts Payable, go to Enter Vendor Invoices.
2. Go to Add.
3. Enter the Vendor #. You can use the F8 key to pick from a list of vendors
4. Enter the Vendor's Invoice Number.
5. Enter the total amount of the invoice in the Inv Total Field
6. Enter the invoice date.
7. Enter the Due Date. This is the date that the invoice must be paid.
8. Enter the Disc Date. This is the last day that you can pay an invoice to receive a discount from the vendor. Discount terms are set up in the Vendor Definition.
9. Enter any freight costs in the Non Disc Freight field.
10. Enter a PO Number. If you have created a purchase order from the Purchase Orders screen, you can type in the PO Number, and the PO Total will match the purchase order created.
11. In the GL Account table, enter the account that you will be posting the invoice to (not the checking account). For example, if you are purchasing, you will want to enter in a Food Cost/Purchase account.
12. Type in the amount that you will be invoicing.
 - a. If you need to add other GL accounts, you can do this on the next line of the table.
13. Press Save.

Part II – Post The Invoice

1. Go to Accounts Payable -->Enter Vendor Invoices.
2. First, you may print a Pre-Post Report to see the invoices that will be posted.
3. Next, you will need to post the invoice. To do this, go to Accounts Payable, Enter Vendor Invoice, Post Invoices.
4. Select the Date that you want the invoices to be posted to.
5. Finally, you will be asked if you want to print a posting report.

Part III – Select Invoices For Payment

1. BPA allows you to select individual, or groups of invoices that you would like to pay. To pay for an invoice(s), go to Accounts Payable-->Select Invoices For Payment.
2. The next screen will give you options to select invoices that need to be paid. The following options are available for selection:
 - a. Invoices By Due Date
 - b. Invoices By Vendor
 - c. A Specific Invoice
 - d. Discount Available
 - e. General Selection (allows you to select individual invoices)
 - f. Partial Payment (allows you to pay an invoice partially)
3. After you have selected all invoices for payment, you will be shown a screen that shows the total cash requirements to pay those invoices.

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Part IV – Print A/P Checks

1. Before printing checks, it is recommended that you print a Cash Requirements Report to ensure that you have enough money in your bank account to cover the checks. To do this, go to Accounts Payable-->Cash Requirements Report.
2. For the invoices that have been selected for payment, you will now need to print checks for those payments.
 - a. Even if you are going to hand-write checks, checks for those payments still need to be printed in the BPA software. You may print them on blank paper.
3. Go to Accounts Payable -->Print A/P Checks.
4. **Note: All users must be exited out of the software before printing.**
5. Enter the check number you will be starting with.
6. Enter the date of the check.
7. The check will then print to your default printer.

Part V – Post A/P Checks

1. Once checks have been printed, you will need to post your A/P checks. To do this, go to Accounts Receivable-->Post A/P and Check Book Checks.
2. Enter the date that you want the check to be posted into the G/L. Also, enter General Ledger Bank Account that needs to be deducted (default is 1110-0000).
3. Next, you will have the option to print an A/P Check Posting Report.
4. If you choose to print the report, you can print it on your printer, or view it on the screen.
5. **Note: Checks cannot be reprinted after they have been posted.**