



CHECKLIST

2023 Year-End Excellence: Restaurant Accounting & Payroll



Whether you're a restaurant accounting professional, or a restaurant manager who works with one, here are some key areas to review at the end of the year to **close the year out on a high note while also conducting a financial health check of your operation.**

Read on to see it live:



Red Flag Tests for HR & Payroll

No matter what payroll service you use, there are standard system reports you should run at end of year to see any red flags that might hang you up to start 2024. Review your active employee list for any missing key information. Review your historic pay-run to see summary amounts and deductions to ensure the numbers make sense. Check in with your employees to ensure that their payroll is accurate, and they aren't having issues with their W-2s, so you can start the new year off on the right foot.



Establish & Understand Your Payroll Deadlines

There are several year-end deadlines that are important for you and your employees (that vary by state) to know. When is the last day you can process payroll? When are your W-2s available for review? What is the deadline to file your state taxes and ACAs? If you find any issue or missing information with your W-2s, find out when those need to be communicated to your payroll company and corrected.



Income Statement Review

Income statement reviews are a good way to see your restaurant's performance and any variations or outliers in that performance over time. You can then identify the root causes. If you find inconsistencies, be sure to calculate and include any adjustments for non-cash expenses or missing invoices. This is crucial for profitability for your restaurant!





Balance Sheet Review

As with income statements, reviewing your balance sheet is an important recurring task for your restaurant. If you use restaurant management software, you can review things like your accounts payable (AP) aging report and compare it against your open AP account balance. You can also review bank reconciliation for old checks or outstanding deposits and resolve them.

Reviewing your credit card and third-party receivables is an equally important part of balance sheet review. They should only be showing two to three days of sales that you're waiting on for credit cards and a maximum of one week for third-party delivery platforms. Otherwise, there may be issues with how you're recording deposits and fees.

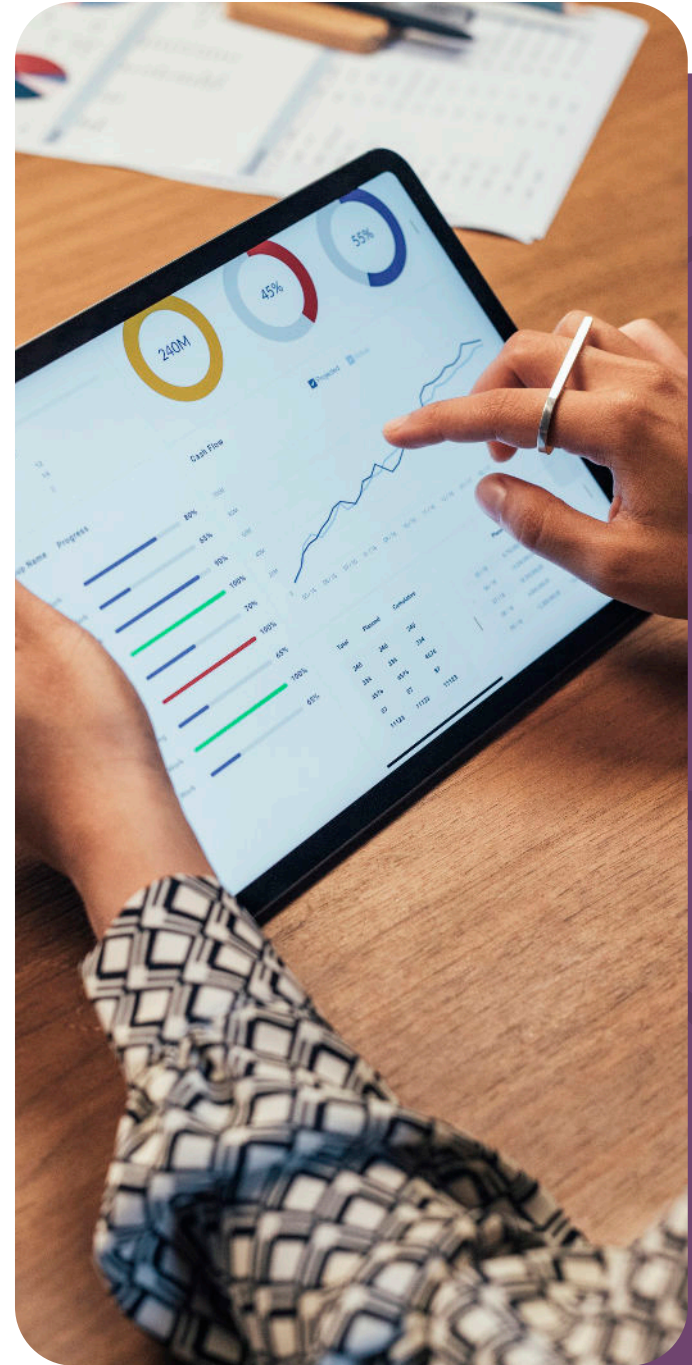


Wrapping up Year End

If you don't perform income statement and balance sheet reviews every month or quarter, reviewing at the end of the year can be a good way to do a check up on your restaurant's financial health. You'll likely uncover some outliers and discrepancies and have a better understanding of how to fix them. That said, there are also several tasks that are unique and specific to the end of the year.

First and foremost, you need to close the fiscal year and adjust your net income to retained earnings so you can have a clean starting trial balance for the new year. You may also need to file annual reports, although the timing may vary if you're a member of a larger brand.

While tax season hasn't officially kicked off, it's also important to prepare for income taxes, both at the state and federal level for 2023, as waiting until April to review gives little time for any reconciliation on financial discrepancies.





A Fresh Start to 2024

It's essential to check in on these key areas of your restaurant operation at year end to better understand the financial health of your restaurant operation. They allow you the proper time to find any outliers, discrepancies or missing data across payroll and accounting you may not have been aware of. By checking in on these areas of your business, you'll be setting yourself up for success in the near year!

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