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THE RESTAURANT MANAGER'S HANDBOOK

How to Set Up, Operate and Manage A
Financially Successful Food Service Operation

Douglas Robert Brown



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How to Set Up, Operate and Manage a Financially Successful Food Service Operation

By Douglas Robert Brown

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Every effort has been made to make this manual as complete and as accurate as possible. However, there may be mistakes both typographical and in content. Therefore, this text should be used only as a general guide and not as the ultimate source of information.

The purpose of this manual is to educate and entertain. The author and the publisher shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused or alleged to be caused directly or indirectly by the information contained in this book.

customers served. "Cash, Over/Short" refers to any mistakes made at the register. Complimentary, house and manager figures are recorded from when you itemized the food and bar tickets in step 9. Break down the food, liquor and wine sales for each category and enter at full price.

This concludes the reconciliation part of the revenue accounts. Every item and sale is accounted for and reconciled against every other transaction in the restaurant. Keep all of these forms for at least five years in a fireproof storage file. All forms used during the month may be kept in loose-leaf binders in the bookkeeper's office.

The Daily Sales Report should be left at the manager's desk at the end of the day. Remember that all this information is strictly confidential and should never be the subject of idle conversation.

SECTION 3 **PAYROLL**

As stated in Chapter 1, preparing the payroll is best left to a computerized payroll program, such as QuickBooks® or Peachtree®, or to a payroll service. Please review the section on payroll in Chapter 1.

TAXES AND TIPS

One of the biggest challenges facing restaurant owners and managers in regard to payroll is getting employees to report and pay taxes on their tips, as required by the IRS. Complying with the intricacies of the tip reporting and allocation rules can be difficult and confusing. Tip tax laws are constantly changing. There are at least five legal suits involving tip regulations that are currently pending. You must use extreme caution in this area; get assistance from your accountant, attorney, state restaurant association or the National Restaurant Association (<http://www.restaurant.org>).

U.S. SUPREME COURT DECIDES TIP-REPORTING CASE

United States vs. Fior d'Italia Inc., 01-463

The Internal Revenue Service can use estimates to make sure it is collecting enough taxes on cash restaurant tips, the Supreme Court said Monday, June 17, 2002. The ruling is a defeat for the estimated 350,000 restaurants with tipped workers. The court said the IRS can estimate the amount of cash tips given to employees based on tips shown on credit card receipts. The estimate is used to determine taxes. This case pitted one of the nation's oldest Italian restaurants against U.S. tax collectors. The restaurant contends the IRS formula does not take into account stingy cash tips, take-out meals or tip-shar-

ing among hostesses and other staff.

Justice Stephen Breyer, writing for the 6-3 court, said, while the practice is not illegal, "we recognize that Fior d'Italia remains free to make its policy-related arguments to Congress." The ruling is a follow-up to the Supreme Court's 1973 decision that the IRS can make an educated guess about employees' tip taxes when records are inadequate. Fior d'Italia, operating in San Francisco for 116 years, had challenged an extra \$22,000+ bill that was calculated with estimates. Using credit card receipts, the IRS had calculated that workers were tipped about 14 percent on meals. The San Francisco-based 9th U.S. Circuit Court of Appeals said the IRS could not prove that people who paid with cash tipped 14 percent, and that the IRS therefore should stop using the estimates.

OTHER TIP TAX CASES

Since the IRS first began pursuing employer-only and employer-first restaurant audits in the mid-1990s to collect taxes from employers on tips employees allegedly failed to report, the restaurant industry has mounted several major court challenges. Several of these challenges have made it to the federal appeals court level. In the Fior d'Italia case, the 9th Circuit (San Francisco) ruled in the restaurant's favor. Three other federal appeals courts have sided with the IRS.

Get more details on all the rulings:

9th Circuit (California), in *Fior d'Italia, Inc. v. United States* (March 2001);

11th Circuit (Florida), in *Quietwater Entertainment, Inc. v. United States* (June 2000; no published opinion);

11th Circuit (Alabama), in *Morrison Restaurants, Inc. v. United States of America* (August 1997); and

Federal Circuit (Washington, DC): *Bubble Room, Inc. v. United States* (Pending).

TIPPED EMPLOYEES

The supreme court ruling of June 25, 2002, states that the Internal Revenue Service can use aggregate tip estimates to ensure that the employer is paying enough FICA taxes on allegedly unreported tips. This essentially means the IRS can look at the restaurant's records, come up with a total amount of tips it thinks employees should have reported, and bill the restaurant business for the employer's share of FICA taxes (currently 7.65%) on any allegedly unreported tips. Under the new ruling, the IRS does not need to examine individual employees' records or credit employer FICA tax payments to individual employees' Social Security accounts. It is permissible for the IRS to estimate the amount of cash tips given to employees based on tips included on credit-card receipts. Potentially, a restaurant could face a tax bill for FICA taxes on allegedly unreported tips going as far back as 1988, when Congress first began requiring employees to pay FICA

taxes on all tips. As an employer of tipped employees you are essentially being forced to protect yourself from IRS audits and aggregate FICA tax assessments.

So what is the restaurant owner to do? In 2000, the IRS announced it was lifting a five-year moratorium on its employer-only audits. We recommend restaurant owners at least consider signing the Tip Reporting Alternative Commitment (TRAC) with the IRS. Through the TRAC (under a more customized employer-created approach, EmTRAC), a restaurant business agrees to assume greater responsibility for training, educating and getting employees to report their tips. In exchange, the IRS agrees that it will not bill the restaurant for FICA taxes on allegedly unreported tips unless it has first examined which employees had not reported tips accurately. The TRAC program essentially allows you a release from employer-only assessments if you comply with the program. This is the only remedy, albeit a partial one, unless Congress acts on the subject. The National Restaurant Association as well as other trade group associations have vowed to take the fight over tip reporting to Congress. In the meantime, you must govern yourself accordingly, and seek the advice of your CPA.

THE TIP RATE DETERMINATION AND EDUCATION PROGRAM

The Tip Rate Determination and Education Program was developed by the Internal Revenue Service in 1993 to address the concern of widespread underreporting of tip income in the food-and-beverage industry. The goal was to involve employers in monitoring their employees' tip-reporting practices.

There are two different IRS programs available: the Tip Rate Determination Agreement (TRDA) and the Tip Reporting Alternative Commitment (TRAC). Participation in one of these programs is voluntary, and the restaurant may only enter into one of the agreements at a time. *Please note that 1998 tax legislation specifies that IRS agents can't threaten to audit you in order to convince you to sign a TRAC or TRDA agreement.*

The big benefit for you as an employer is that you will not be subject to unplanned tax liabilities. Those who sign a TRAC or TRDA agreement receive a commitment from the IRS that the agency will not examine the owner's books to search for underwithheld or underpaid payroll taxes on tip income. There are benefits to employees, also, including increases in their Social Security, unemployment compensation, retirement plan and workers' compensation benefits.

Under TRDA, the IRS works with you to arrive at a tip rate for your employees. Then, at least 75 percent of your tipped workers must agree in writing to report tips at the agreed-upon rate. If they fail to do so, you are required to turn them in to the IRS. If you do not comply, the agreement is terminated and your business becomes subject to IRS auditing.

The TRAC is less strict but requires more work on your part. There is no established tip rate, but you are required to work with employees to make sure they understand their tip-reporting obligations. You must set up a process to receive employees' cash tip reports, and they must be informed of the tips you are recording from credit-card receipts.

TIP CREDITS FOR EMPLOYERS ARE POSSIBLE

As an employer, you may also be eligible for credit for taxes paid on certain employee tips (IRS Form 8846). The credit is generally equal to the employer's portion of Social Security and Medicare taxes paid on tips received by employees. You will not get credit for your part of Social Security and Medicare taxes on those tips that are used to meet the federal minimum wage rate applicable to the employee under the Fair Labor Standards Act (as detailed later in this chapter). This is also subject to state laws. You must also increase the amount of your taxable income by the amount of the tip credit. Note the following changes to this credit:

1. The credit is effective for your part of Social Security and Medicare taxes paid after 1993, regardless of whether your employees reported the tips to you or when your employees performed the services.
2. Effective for services performed after 1996, the credit applies to the taxes on tips your employees receive from customers in connection with providing, delivering or serving food or beverages, regardless of whether the customers consume the food or beverages on your business premises.

EMPLOYEE TIP REPORTING "FREQUENTLY ASKED QUESTIONS"

Because you're an employee, the tip income you receive—whether it's cash or included in a charge—is taxable income. As income, these tips are subject to federal income tax and Social Security and Medicare taxes, and may be subject to state income tax as well.

What tips do I have to report? If you received \$20 or more in tips in any one month you should report all your tips to your employer so that federal income tax, Social Security and Medicare taxes—maybe state income tax, too—can be withheld.

Do I have to report all my tips on my tax return? Yes. All tips are income and should be reported on your tax return.

Is it true that only 8 percent of my total sales must be reported as tips? No. You must report to your employer all (100 percent) of your tips except for the tips totaling less than \$20 in any month. The 8-percent rule applies to employers.

Do I need to report tips from other employees? Yes. Employees who are indirectly tipped by other employees are required to report "tip-outs." This could apply to bus persons, for instance.

Do I have to report tip-outs that I pay to indirectly tipped employees? If you are a directly tipped employee, you should report to your employer only the amount of tips you retain. Maintain records of tip-outs with your other tip income (cash tips, charged tips, split tips, tip pool).

What records do I need to keep? You must keep a running daily log of all your tip income.

What can happen if I don't keep a record of my tips? Underreporting could result in you owing substantial taxes, penalties, and interest to the IRS and, possibly, other agencies.

If I report all my tips to my employer, do I still have to keep records? Yes. You should keep a daily log of your tips so that, in case of an examination, you can substantiate the actual amount of tips received.

Why should I report my tips to my employer? When you report your tip income to your employer, the employer is required to withhold federal income tax, Social Security and Medicare taxes, and, maybe, state income tax. Tip reporting may increase your Social Security credits, resulting in greater Social Security benefits when you retire. Tip reporting may also increase other benefits to which you may become entitled, such as unemployment or retirement benefits. Additionally, a greater income may improve financing approval for mortgages, car loans and other loans.

I forgot to report my tip income to my employer, but I remembered to record it on my federal income tax return. Will that present a problem? If you do not report your tip income to your employer, but you do report the tip income on your federal income tax return, you may owe a 50 percent Social Security and Medicare tax penalty and be subject to a negligence penalty and, possibly, an estimated tax penalty.

If I report all my tips, but my taxes on the tips are greater than my pay from my employer, how do I pay the remaining taxes? You can either pay the tax when you file your federal income tax return or you can reach into your tip money and give some to your employer to be applied to those owed taxes.

What can happen if I don't report my tips to the IRS? If the IRS determines through an examination that you underreported your tips, you could be subject to additional federal income tax, Social Security and Medicare taxes and, possibly, state income tax. You will also be charged a penalty of 50 percent of the additional Social Security and Medicare taxes and a negligence penalty of 20 percent of the additional income tax, plus any interest that may apply.

What is my responsibility as an employee under the Tip Rate Determination Agreement (TRDA)? You are required to file your federal tax returns. You must sign a Tipped Employee Participation Agreement proclaiming that you are participating in the program. To stay a participating employee, you must report tips at or above the tip rate determined by the agreement.

What is my responsibility as an employee under the Tip Reporting Alternative Commitment (TRAC)? Directly tipped employee: Your employer will furnish you a written statement (at least monthly) reflecting your charged tips:

1. You are to verify or correct this statement.
2. You are to indicate the amount of cash tips received.
3. When reporting your cash tips, keep in mind that there is a correlation between charged tips and cash tips.

4. You may be asked to provide the name and amount of any tip-outs you've given to indirectly tipped employees.

What about indirectly tipped employees? You are required to report all your tips to your employer.

EMPLOYER'S TIP RECORDS

It is in your company's best interest to insist that all employees accurately report their income from tips. The IRS will hold you responsible. Establishments that do not comply are subject to IRS audit and possible tax liabilities, penalties and interest payments. As a precaution, if you have any employees who customarily receive tips from customers, patrons or other third parties, we recommend you keep the following additional information about tipped employees:

1. Indicate on the pay records—by a symbol, letter or other notation placed next to his or her name—each tipped employee.
2. Weekly or monthly amount of tips reported by each employee.
3. The amount by which the wages of each tipped employee have been increased by tips.
4. The hours worked each workday in any occupation in which the employee does not receive tips, and the total daily or weekly earnings for those times.
5. The hours worked each workday in any occupation in which the employee receives tips, and the total daily or weekly straight-time earnings for those times.

Large Food or Beverage Establishments Need to File Form 8027 with the IRS

You may meet the definition of a "large food or beverage establishment" if you employ more than 10 employees. If you do, the law requires that you file Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, with the IRS.

If you meet the definition, the law requires that you report certain tip information to the IRS on an annual basis. You should use Form 8027 to report information such as total charged tips, charged receipts, total reported tips by employees and gross receipts from food-and-beverage operations. Also, employers must allocate tips to certain directly tipped employees and include the allocation on their employees' W-2 forms when the total of reported tips is less than 8 percent.

The IRS offers a program that business owners can enter into to help them educate their employees about tip reporting and tax obligations. This is the "Tip Rate Determination and Education Program." There are two arrangements under the program that a food-and-beverage employer can enter into: TRDA, the Tip Rate Determination Agreement, or TRAC, Tip Reporting Alternative Commitment.

To find out more about these programs and about whether you should be filing Form

8027, contact the Tip Coordinator of your local IRS office. Check your telephone directory for the IRS office in your area. They can provide the mailing address and phone number for the Tip Coordinator.

You can get a copy of Form 8027 and its instructions by calling 800-TAX-FORM (800-829-3676). You can also get copies of most forms by dialing 703-368-9694 from your fax machine.

FOR MORE INFORMATION ON TIP REPORTING

The following IRS forms and publications relating to tip income reporting can be downloaded directly from the government Web site: http://www.irs.gov/forms_pubs/index.html. Look under the heading "Forms and Publications by Number."

Pub 505—*Tax Withholding and Estimated Tax*

Pub 531—*Reporting Tip Income*

Form 941—*Employer's Quarterly Federal Tax Return*

Form 4137—*Social Security and Medicare Tax on Unreported Tip Income*

Form 8027—*Employer's Annual Information on Tip Income and Allocated Tips*

"THE IRS TIP AGREEMENTS REALLY HELP EMPLOYERS AND WORKERS" - FROM THE IRS

The IRS is continuing its emphasis on a multiyear strategy to increase tax compliance by tipped employees. Originally developed for the Food and Beverage industry, this program has now been extended to the Gaming (casino) and Hairstyling industries.

There are two arrangements under this program that, depending on their business, employers in specific industries can agree to enter into: The Tip Rate Determination Agreement (TRDA) is available to the Gaming and the Food and Beverage industries and the Tip Reporting Alternative Commitment (TRAC) is available to the Food and Beverage and the Hairstyling industries.

First introduced in 1993, the TRDA set the stage for a new way of doing business at the IRS. This arrangement emphasizes future compliance by tipped employees in the Food and Beverage industry by utilizing the tip rates individually calculated for each restaurant. In addition, as long as the participants comply with the terms of the agreement and accurately report their tip income, the IRS agrees not to initiate any examinations during the period the TRDA is in effect. When TRDA was first introduced in 1993, initial response from the industry was mixed. Today the TRDA is a viable option for many restaurants.

The second arrangement, TRAC, grew out of a collaborative effort between the IRS and a coalition of restaurant industry representatives. It was first introduced in June 1995.

TRAC emphasizes educating both employers and employees to ensure compliance with the tax laws relating to tip income reporting. Employees are provided tip reports detailing the correlation that exists between an employee's charged tip rate and the cash tip rate. In general, the District Director will not initiate any examinations on either the employer or employees while the agreement is in effect if participants comply with the provisions of the agreement.

The overall response to TRDA and TRAC has been very positive among employers who seek to foster compliance by their employees in a manner that is relatively simple and that makes good business sense. In addition, there are benefits for both the employer and the employees.

COMPUTERS & YOUR FOOD-SERVICE OPERATION—HOW TO USE THEM & PROFIT FROM THEM

INTRODUCTION

Computers are here, and integrated into every facet of the food-service industry. The main use of computers in the food-service industry can be summarized as a key system that will help operations track sales and purchases, keep track of inventory, compare prices, maintain ledger and payroll, develop menus and minimize food waste.

According to a study commissioned by 13 U.S. and Canadian food-related associations, implementation of an efficient computer-based food-service response program could trim an estimated \$14.3 billion in costs annually from the food-service industry in the two countries alone.

The resulting program, Efficient Foodservice Response creates a paperless kitchen, linking buyers to distributors via the Internet. Food and supplies are ordered on-line and paid for by electronic transfer. Participating vendors tag goods with bar codes that are read by laser scanner. At the food-service operation, information is immediately stored in an in-house computer, and the computer's inventory database is instantly updated.

Benefits are across the board: precise inventory management, timely deliveries, reduced warehouse levels and increased kitchen work space.

Let's take a closer look at how computer hardware and software will serve and benefit the food-service industry, and glance at what options and features you might have.

WHAT IS A PC?

The official definition of "PC" from <http://www.pcwebopedia.com>:

1. Short for personal computer or IBM PC. The first personal computer produced by IBM was called the PC, and increasingly the term PC came to mean IBM or IBM-compatible personal computers, to the exclusion of other types of personal computers, such as Macintoshes.

In recent years, the term PC has become more and more difficult to pin down. In general it applies to any personal computer based on an Intel microprocessor or on an Intel-compatible microprocessor. For nearly every other component, including the operating system, there are several options, all of which fall under the rubric "PC".

Common questions are: What kind of computer should I get? How much RAM? How fast should the CPU be? Should I get Pentium or Athlon? What brand and what size monitor? What type of video card? Should I get a dial-up connection, DSL or cable modem? What are the best accounting packages for the computer?

These are difficult questions, and today's answer will be out of date in six months. The best advice on what type of computer system to purchase for your restaurant is, simply, to get the most powerful computer system within your budget. Here are some considerations:

- **CPU speed.** The CPU is the engine of your computer. In general, the faster the engine, the greater its performance. I recommend a processor built for future growth capacity. Therefore, the fastest in your budget is recommended.
- **RAM.** RAM is the temporary storage place for all information on your computer. The fastest RAM is the best to get, and I recommend nothing less than 128 Megabytes (MB) on each computer; at least 256 MB RAM per workstation is preferable.
- **Operating system.** I recommend Microsoft Windows XP Professional Edition or Microsoft Windows 2000. These systems provide stable operating platforms and superior networking capabilities.
- **Monitor.** I recommend 17" or bigger. (19" is my preferred standard.) You have lots of choices in brands, as well as flatscreen and LCD-screen varieties. I prefer 19" flatscreen or 17"-or-larger LCD monitors.
- **Graphics card.** For business applications I recommend a graphics accelerator card with a minimum of 32 MB of RAM. There are dozens to choose from depending on the application, with chipsets from various manufacturers. My favorite for its great business and gaming performance is any card based on the Geforce Chipset.
- **Athlon vs. Pentium.** Both are world-class processors. There are die-hard fans of each.
- **Dial-up, DSL or cable.** If you need high-speed connections, you want DSL or cable (if they are available in your area). Dial-up is the least costly but slowest type of connection. For the average Web browser, dial-up is usually sufficient. For power users, I recommend DSL or cable. Note: If you use a broadband connection, invest in a DSL/cable router or a good firewall software application.
- **Networking.** If you have more than one computer you will want to network your computers. This will allow you to share programs, files, printers, Internet connections and more. There are dozens of networking systems available.

including standard wired networking, phone-line networks and wireless networks. There are advantages to each:

- **Standard wired networking** is the fastest, but requires extensive cable installation in your building.
- **Phone-line networks** offer good performance, low cost and use the existing phone lines in your restaurant to make network connections. Note: You can still talk on your phone while your network is being used.
- **Wireless networking** is the most costly, but it's highly versatile, requires no cable installation and is very effective. One major advantage of wireless is you are not limited by phone lines or network cable. You can take your wireless laptop anywhere in your restaurant and maintain your network connection.
- **Platform.** This is essentially Windows vs. Macintosh. A few years ago DOS-based systems would have been in the mix, also, but those software applications are antiquated by current industry standards. The choice is yours to make. Obviously, your hardware preference will select your software platform. In my opinion the Windows-based operating systems and Windows' overall available software packages and long-term industry support make Windows-based platforms the best choice.

F RONT-OF-THE-HOUSE COMPUTER SYSTEMS

POINT-OF-SALE SYSTEMS

The most widely used technology in the food-service industry is the touch-screen, or POS (point-of-sale), system. The POS system is basically an offshoot of the electronic cash register. touch screen POS systems were introduced to the food-service industry in the mid-1980s and have penetrated 90 percent of restaurants nationwide. From fine-dining establishments to fast-food, the touch screen is effortless. In fact, a child could be trained to use it in a few minutes. Such systems will pay for themselves. According to information published by the National Restaurant Association, a restaurant averaging \$1,000,000 in food-and-beverage sales can expect to see an estimated savings of \$30,000 per year. Understanding the numbers collected by a POS system will give the operator more control over inventory, bar revenues, labor scheduling, overtime, customer traffic and service. Understanding POS ultimately clarifies the bottom line, knocking guesswork out of the equation.

A point-of-sale system is comprised of two parts: the hardware, or equipment, and the software—the computer program that runs the system. This system allows waitstaff to key in their orders as soon as the customers give them. Additional keys are available for particular options and specifications, such as "rare," "medium-rare" and "well-done." Some systems prompt the waitstaff to ask additional questions when the item is ordered,

such as, "Would you like butter, sour cream or chives with the baked potato?" Some will suggest a side dish or a compatible wine.

The order is sent through a cable to printers located throughout the restaurant: at the bar and in the kitchen and office. All orders must be printed before they are prepared, thus ensuring good control. When a server has completed the ordering, a guest check can be printed and later presented. Most POS systems allow certain discounts and require manager control over others. Charge cards, cash and checks can be processed separately, and then reports can be generated by payment type.

Some benefits of using a POS system:

- Increases sales and accounting information.
- Custom tracking.
- Reports waitstaff's sales and performance.
- Reports menu-item performance.
- Reports inventory usage.
- Credit-card purchases.
- Accurate addition on guest checks.
- Prevents incorrect items from being ordered.
- Prevents confusion in the kitchen.
- Reports possible theft of money and inventory.
- Records employee timekeeping.
- Reports menu-sales breakdown for preparation and menu forecasting.
- Reduces time spent walking to kitchen and bar.

As the labor market continues to diminish, touch screens with POS systems will become necessary. It has been predicted that in the next few years customers may even place their own orders. Terminals will be simply turned around. During peak seasonal periods, ordering food may be like pumping your own gas; customers will key in their own selections, then slide their credit cards through to pay.

Many POS systems have been greatly enhanced to include comprehensive home delivery, guest books, on-line reservations, frequent-diner modules and fully integrated systems with real-time inventory, integrated caller ID, accounting, labor scheduling, payroll, menu analysis, purchasing and receiving, cash management and reports. Up-and-coming enhancements and add-ons include improved functionality across the Internet, centralized functionality enabling "alerts" to be issued to managers and voice-recognition POS technology.

STAND-ALONE SOFTWARE APPLICATIONS

While there are literally dozens of software packages available to assist the restaurant manager, this discussion will concentrate on what I consider to be the current market leaders. It will provide some insight as to how they work, what they can do for your restaurant, and what benefits you will realize if you include them in your restaurant-management practices. These systems are what we refer to as "stand alone," as they are not part of a POS system:

CHEFTEC

ChefTec is an integrated software program with recipe and menu costing, inventory control and nutritional analysis.

- **Recipe and menu costing.** Store, scale and size an unlimited number of recipes. Write recipe procedures with culinary spell-checker. Instantly analyze recipe and menu costs by portion or yield. Update prices and change ingredients in every recipe with the touch of a button. Cost out bids for catering functions. Attach photos, diagrams and videos to bids, or add pictures of plate layout to recipes for consistency.
- **Nutritional analysis.** Preloaded with USDA information. Add your own items. Calculate nutritional value for recipes and menus. Provide accurate, legal information on "low-fat", "low-salt," etc. Print out "Nutrition Facts" labels. The nutritional-analysis module will get a quick and accurate analysis of nutritional values for up to 5,000 most-commonly-used ingredients. Allows you to add your own specialty items. Calculate nutritional values for your recipes and menu items. See at a glance which menu items are low-fat, low-calorie, etc.
- **Inventory control.** Preloaded inventory list of 1,900 commonly used ingredients with unlimited capacity for adding additional ingredients. Import purchases from on-line vendors' ordering systems. Track fluctuating food costs. Compare vendor pricing. See impact of price increases on recipes. Automate ordering with par values. Use handheld devices for inventory. Generate custom reports. The inventory control module allows you to track rising food costs automatically. Compare vendor pricing at the touch of a button, from purchases or bids. Enter invoices quickly using the "Auto-Populate" feature. Generate customized reports on purchases, price variances, bids and credits, physical inventory, and ordering and maintenance of par levels. Lists ingredients in different languages (Spanish, French, German and others).

ChefTec PDA is also available. ChefTec is available from Atlantic Publishing Company (<http://www.atlantic-pub.com> or 800-541-1336): Item CTC-CS.

NUTRACOSTER

NutraCoster calculates the product cost (including labor, packaging and overhead) and nutritional content for any size batch of food. Ingredient database with nutritional infor-

mation for approximately 6,000 ingredients (USDA Handbook 8). Include unlimited number of ingredients and process stats. Print camera-ready "Nutrition Facts" labels that comply with the requirements of the Nutrition Labeling and Education Act (NLEA). The "Overhead Calculator" allows you to factor overhead costs into your product cost. No more "rules of thumb" or "fudge factors." Nutritional analysis now accounts for nutrient changes during processing, such as water lost during baking, water gained during boiling, fat lost during broiling, fat gained during frying, or other changes in nutritional value. Print multiple "Nutrition Facts" labels per page. Include ingredient listings with Nutrition Facts. Supports unlimited simultaneous users.

NutraCoster also offers additional libraries with nutritional information for specific brand-name ingredients. NutraCoster is available from Atlantic Publishing Company (<http://www.atlantic-pub.com> or 800-541-1336; Item NUT-CS).

MENUPRO

MenuPro allows you to quickly create your own professional menus at a fraction of the cost of print-shop menus. Whether you need "Daily Specials" or an elaborate dining room menu, MenuPro gives you quick, top-quality designs and artwork without the expense or hassle of using a graphic artist or desktop publisher. MenuPro is available from Atlantic Publishing Company (<http://www.atlantic-pub.com> or 800-541-1336); Item MNP-CS.

EMPLOYEE SCHEDULE PARTNER

Employee Schedule Partner is a complete software package for employee scheduling. Point and click: make a schedule without touching the keyboard. Click a button and the software will fill your schedule with employees automatically. Click a button to replace absent employees, and a list of available employees with phone numbers will appear. The on-line coach will give helpful hints to new users. Accommodates an unlimited number of employees and positions. You can manually override selections at any time and track employees' availability restrictions. Schedule employees to work multiple shifts per day. Track payroll and hourly schedule totals for easy budget management. Schedules can begin on any day of the week. Track stations as well as positions. Specify maximum hours per day, days per week and shifts per day for each employee. Lock any employee into a scheduled shift so the program will not move them when juggling the schedule. Save old schedules for reference when needed.

The software is even password protected to prevent unauthorized use. Employee Schedule Partner is available from Atlantic Publishing Company (800-541-1336 or <http://www.atlantic-pub.com>); Item ESP-CS.

EMPLOYEE TIME CLOCK PARTNER

Our hands-down favorite time clock software is Employee Time Clock. This is a complete employee time clock software package. It is very powerful yet simple to use. Automatically clock in and out (just enter your employee number. Employees can view their time cards to verify information. Password protected so only management may edit time card information. Even calculates overtime both daily and weekly. Management can assign Employee ID number or PIN (personal identification number). Employee Time Clock Partner is available from Atlantic Publishing Company (<http://www.atlantic-pub.com> or 800-541-1336); Item # ETC-CS.

ONLINE RESERVATION SYSTEMS

An online reservation system can be incredibly simple or advanced and complex. Would you believe that a fully functional on-line reservation system can be free? It is true. All you need is an active Web site and a reservation form. Your site visitor fills out the form requesting a reservation. You set up an auto-responder to respond to the site visitor stating that she will be confirmed within a reasonable amount of time, say two hours. You receive the reservation request by e-mail, confirm that you can accommodate the request and then reply back to the person by e-mail or phone. Total cost: zero. Customer satisfaction: superior. That is the basic, no cost approach. There are dozens of reputable software packages and companies that can provide your online reservation system. These FRS (Foodline Reservations Systems) enable you to do the following:

- Accept reservations anytime—day or night.
- Track guests' preferences in order to provide enhanced customer service.
- Use the power of direct marketing to build guest traffic and offer premium services to your most frequent customers.
- Check reservation status from any Internet-connected computer.
- Network all computers and reservation systems in a restaurant group.
- Choose to manage all of your reservations or to put just a few of your tables online.

A search through Google.com will yield dozens of software packages and consultants who can assist you find the right one for your on-line reservation system.

QUICKBOOKS

My favorite accounting package, without a doubt, is the veteran QuickBooks by Intuit. The QuickBooks's 2002 version is rich in features, including built-in remote-access capabilities and Web interfaces. QuickBooks is available at <http://www.quickbooks.com>. Another popular account package is Peachtree, available at <http://www.peachtree.com>.

DESKTOP PUBLISHING APPLICATIONS AND IDEAS

There are hundreds of reasons to own and utilize a computer in your work as a food-service manager. The computer, if utilized effectively, will save you enormous amount of time and money.

Desktop publishing applications will allow you to print your own customer and/or employee newsletters, table tents, menus, business cards, employee-of-the-month certificates, customer gift certificates, advertising posters, employee manuals, wine lists, catering and banquet menus, office stationery and newsletters.

THE FUTURE OF COMPUTERS IN FOOD SERVICE

The food-service operation of the future will most likely resemble what it does today—with integrated software and hardware solutions to increase productivity, eliminate waste and increase profits!

The point-of-sale computer that will allow operators to more closely monitor inventory and costs. Web-site reservations, marketing and e-commerce will increase the return on investment in a Web presence, bringing in more guests than ever imaginable. Diners may enter their own menu selections into laptop POS systems right from their tables. Patrons will be able to pull up a screen showing all menu items, then select dishes with a push of a button. Consumers will also be able to customize meals and beverages—single malt scotch or blended, margarine or butter, salted or unsalted, medium-rare or well-done, spicy or mild. Ultimately, the restaurant will be a paperless operation.

THE EFFECTIVE USE OF E-MAIL

E-mail, short for electronic mail, is a system that enables a computer user to exchange messages with other computer users within a communications network (Internet). To use e-mail, you must have access to a computer that is linked to the Internet via a modem and phone line, cable modem, DSL connection or other network connection. E-mail services are typically provided at no cost from your Internet service provider, and they come with any domain names you purchase for Web sites. Careful consideration should be given to your choice of domain names and/or e-mail addresses, as these represent your company. For example, The Silvermine Tavern, a New England country inn and restaurant in Norwalk, Connecticut, purchased the domain name <http://www.silverminetavern.com>. Purchasing a domain name that directly represents your restaurant is an outstanding opportunity to gain the use of the corresponding e-mail addresses. In the case of The Silvermine Tavern, innkeeper@silverminetavern.com is one of their primary e-mail addresses. This clearly states to the casual observer that any e-mail sent to