

Standard Operating Procedure (SOP)

Title: Physical Inventory Process – Restaurant Operations

Prepared by: BN Consulting

Effective Date: [Insert Date]

Review Date: [Insert Date]

1. Purpose

To establish a standardized process for performing accurate, efficient, and auditable physical inventory counts in restaurant operations.

2. Scope

This SOP applies to all food, beverage, and supply inventory within the restaurant, including dry storage, refrigeration, freezer, bar, and non-consumables.

3. Roles & Responsibilities

- **General Manager (GM):** Oversees the inventory process, ensures accuracy, and reviews final reports.
 - **Inventory Team Leader:** Assigns count areas, trains team members, collects worksheets, reconciles variances, and manages exceptions.
 - **Team Members:** Perform counts in assigned areas, record data accurately, and follow procedures.
-

4. Pre-Inventory Preparation

To ensure efficiency and accuracy, the following must be completed at least **24 hours prior** to the scheduled count:

- **Scheduling:**
 - Conduct inventory during low-traffic times (before opening or after close).
 - Assign at least two people per count area (one counts, one records).
 - **Organization:**
 - Clean and organize all storage areas (group like items together, discard expired/spoiled items).
 - Ensure all product labels are visible and packaging is intact.
 - Standardize units of measure (e.g., pounds, cases, bottles, each).
 - **Documentation:**
 - Prepare printed or digital count sheets by location and category.
 - Include item name, description, unit of measure, and space for count.
 - Verify POS and inventory system item lists are current.
-

5. Inventory Counting Procedure

1. Team Assignment

- Assign two-person teams to each area (dry goods, walk-in cooler, freezer, bar, etc.).
- Each team receives pre-labeled count sheets or a tablet with digital forms.

2. Counting Process

- Counter verbally states item and quantity.
- Recorder documents count clearly, using standard units.

- Open packages should be converted into decimal or fractional units (e.g., 0.5 case, 0.25 bottle).

3. Accuracy Checks

- Count slowly and deliberately, pausing to confirm unusual quantities.
- Cross out mistakes clearly; do not erase.
- If unsure, recount immediately before moving on.

4. Progression

- Work systematically (top to bottom, left to right).
- Do not skip items or areas.
- Mark completed shelves/sections with tape or chalk to avoid duplication.

5. Handling Missing Items & Inaccuracies

- If an item is found in storage but **missing from the inventory list**, place it in a **designated “Exception Area”** (e.g., a marked table or cart).
- Clearly label the item with its name, unit of measure, and approximate quantity.
- Continue the count without adding it to the sheet.
- Once the full count is complete, the Inventory Team Leader will:
 - Review all exception items.
 - Add missing items to the official inventory list in the system.
 - Update the master inventory template so future counts include the item.
- For **inaccuracies** (e.g., mislabeled or unclear entries on the list), note them on the count sheet and flag for correction after the count is complete.

6. Post-Inventory Audit

1. Collection & Review

- Inventory Team Leader collects all sheets and checks for missing data, unclear handwriting, or inconsistencies.
- Review unusual variances (e.g., negative counts, significant drops from prior period).

2. Data Entry

- Enter all counts into the POS or inventory management system.
- Confirm units of measure match system setup.
- Ensure all **exception items** identified in Section 5 are properly added to the system.

3. Variance Audit

- Run preliminary variance report comparing physical count vs. expected balance.
- Investigate significant discrepancies (theft, spoilage, receiving errors, miscounts).
- Perform spot recounts on high-value or questionable items.

4. Final Approval

- GM reviews the variance report and signs off on final inventory.
- Store signed count sheets in inventory binder or digital archive for audit purposes.

7. Efficiency & Accuracy Best Practices

- Always use two-person teams for accountability.
- Schedule recurring inventory on the same day/time each week or month.
- Train staff on unit conversions (e.g., “half case = 6 bottles”).

- Use scales for partial meat/produce items when possible.
 - Rotate counters across areas monthly to reduce bias and errors.
 - Regularly update item master list to remove inactive items.
 - Maintain an **Exception Area** each cycle to capture new or unexpected items.
-

8. Safety Considerations

- Wear proper PPE (gloves, closed-toe shoes, jackets for freezer).
 - Use step stools or ladders safely when accessing high shelves.
 - Avoid blocking exits or walkways with product during counts.
-

9. Records & Retention

- Maintain physical or digital copies of:
 - Completed count sheets
 - Exception item notes
 - Variance reports
 - GM sign-off
- Retain for at least **12 months** for financial and operational audits.