

How to Keep Delivery Services from Taking a Bite Out of Your Bottom Line



In recent years, delivery services have become absolutely critical in helping restaurants stay afloat. Unfortunately, business owners have also become accustomed to the hit delivery service fees render on their bottom line. Our OnePoint experts have seen many restaurants losing more dollars in their delivery service processes than they need to be. Proper bookkeeping and quality control can prevent employee theft, catch vendor error, and keep you from overpaying fees.

1 – Prevent Employee Theft in Your Delivery Services Processes

Your POS has different options for logging a sale; cash tender, credit card or online order. If an employee hits the “online order” button for a cash sale and pockets the cash, then the account that’s short at the end of the night is Doordash, not your cash drawer. This kind of theft can go unnoticed because businesses aren’t as rigorous about reconciling their delivery services accounts.

Getting in the habit of attributing all shortages to delivery service fees or avoiding reconciling the account because the reporting cycle isn’t daily can be common hurdles. The daily reports for your POS need to match your daily deposits in the bank. Our experts recommend having a manager or at least two employees sign off on the drawer at the end of the day as a basic quality control measure. Doing so can help you track patterns in your shortages. For example, if your online order account is short an even \$50 every Tuesday and Thursday, looking at the employee roster for those days may help you uncover a theft.

2 - Catch Third-Party Delivery Services Vendor Error

The quality control processes implemented to help prevent employee theft in your delivery services accounts can also help you catch when those vendors commit an error. Reconciling the daily report from your POS against the bank deposits for the day can catch most errors and human mistakes. However, you also want to pay close attention to error charges made by these vendors.

Doordash, for example, has a 100% satisfaction guarantee. So, if a customer is dissatisfied with their order because sauce wasn’t included, Doordash refunds that customer the entirety of their order. The error occurs when they then don’t pay the restaurant anything. This is incorrect and the business needs to dispute those charges. The restaurant should receive payment for everything other than the sauce or the incorrect item.



3 – Avoid Overpaying Royalty Fees from Delivery Services

As a franchisee, you pay royalty fees on every item out your door. But when an order is refunded (as in the example described above), you need to make sure you have the practices in place to process a refund so that you aren't paying royalty fees on a sale you didn't make.

When it comes to delivery services, it can be challenging to process a refund at the point of sale because you may not find out about the error until the end of the week or the end of the month when your accounts with those vendors are updated. This is why it's important to reconcile your POS against deposits and match your delivery services account to your numbers. Even if you can't process a refund on the day the charge back occurred, you should be able to process the refund within the same month. This will keep your books in order and help you avoid overpaying royalty fees.

4 – Managing Sales Tax Attribution in Your Point of Sale

If you've found yourself wondering who should pay the sales tax when a third party makes the sale, you aren't alone. The answer is: it's complicated.

Who remits sales tax can vary state by state and even delivery service to delivery service within that state. But figuring it out is worth the extra effort to help you potentially save thousands of dollars and avoid paying sales tax twice.

Start by reviewing your contract with each third party delivery service to find out who is responsible for remitting sales tax. Then, program your POS to include a 0% tax rate for delivery orders, and create a tender type for each of the delivery services you work with.

Save Time and Money with an Accounting Partner

Taking the time to implement proper quality control, dispute erroneous charge backs, process refunds, and figure out who should be remitting sales tax is worth the work to prevent employee theft, avoid overpaying fees and catch vendor error. But if managing your books in addition to your restaurants seems like more than you have the resources to cover, contact the experts at OnePoint Accounting. We can help you run your businesses with less headache and hassle.

OnePoint Franchise Accounting has been the go-to financial resource in the franchising industry for more than 30 years. We give you the confidence to run your restaurant group while our designated account managers make sure you are receiving accurate and timely financial information. Our multi-unit restaurant accounting services have helped hundreds of clients across more than fifty brands streamline their bookkeeping processes, improve business operations and reduce failure rates. Reach out today to learn more.