# Oakbank Bowling Club

# Work Instruction: Estimate Cost of Goods Sold (COGS)

**Task**: Calculate an approximate value of COGS without taking a physical inventory count

**Performed By: Treasurer or Bar Manager**

**Prerequisites**:

* Access to a Sales Summary from the Square EFTPOS system
* A record of actual cost, or an average cost, of items that we track
* Good understanding of Excel
* Trev’s magic spreadsheet

**Inputs**:

* Sales Summary
* Average cost of items

**Outputs:**

* Cost of Goods Sold… to be entered into MYOB

**Why do we need this?**

To enable periodic (monthly, quarterly etc) reporting of reasonably accurate Financials, ie Profit & Loss and Balance Sheet, we need to know, in a given period, what we sold and how much it cost us. With this, we can easily enter the appropriate accounting journals.

At least annually, a proper stocktake should be performed, probably between the end of the season and the AGM, and any inventory and COGS adjustments entered into the accounting system, prior to accounts being audited.

The process outlined here is less accurate, but somewhat easier than doing a physical count.

**Procedure**:

1. Export an Item Sales Detail report from Square (see the Square Work Instruction for details)
2. Import or copy this sheet into Trev’s COGS workbook
3. Create a Pivot table that groups sales by Category, Item and Date
4. Add a lookup table that pulls average item cost from the average cost table
5. Filter out non-inventoried items… we are ONLY interested in drinks, nibbles, and clothing (plus any other items that may in future be included in our balance sheet & P/L
6. Enter the total COGS sold for each category into MYOB as a debit to the COGS accounts, and a credit to the related inventory account