

# Catering and event costing: 47-item checklist and the 5 errors that cost margin

By  **Diego F. Parra** · Updated 2026-10-24 · Costing & Finance

**MASTERRESTAURANT®**

Checklist

## Costeo de catering y eventos: checklist de 47 ítems y los 5 errores que cuesta el margen

Método probado en +8.400 restaurantes · 43 países

[costorestaurante.com](https://costorestaurante.com)

### QUICK VERDICT

Most catering operations in Latin America price by generic template or automatic markup, leaving 15-40% of margin on the table. The correct method ties price to real cost structure (recipe, seasonal variance, logistics, cleanup) item by item; auditing it monthly identifies the gap between theoretical and real cost before the event closes. The checklist below covers all phases — planning, purchasing, execution, closing — with control figures and accountable roles. Masterrestaurant validates it across events from 50 to 2,000 guests.

✓ **Checklist** Actionable checklist with a measurable “done” criterion per item · 23 min read · 2026-10-24

Of every line a restaurant opens, none moves internally the way catering does, and that is worth understanding before signing anything: shifting the event to a hotel or to the client's house rearranges fixed operating cost, going from buffet to seated service rearranges food cost and payroll in the same stroke, and the season pushes ingredient prices 20-35%. The SAME menu does not cost the same in January as in July.

We also work blind until the event has already happened, because between the sale, where price is fixed, and execution, where the money goes out, sit 3 to 7 days with the contract already signed and no room left to renegotiate anything. A static template on that terrain is an error with a date on it. What holds margin is dynamic costing: this week's ingredients, the real logistics of that venue, the waste the prior month left behind.

Then comes the pressure from the floor: the client wants the menu at 30, the recipe says 22, and once I add logistics, volume discount, event waste and cleanup, 27 shows up that nobody counted. A manager who will not hold the line on price closes events that look like winners and quietly subtracted EBITDA. I wrote this checklist as a working tool, not as a statement of good intentions.

SIDE-BY-SIDE COMPARISON

Side-by-side: catering and event costing

|                                    | PHASE / AREA                                                                                                                                                                                                                                                                                                                                                              | CHECKLIST CRITICAL ITEMS                                                                                                                                                                                                |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Planning + Brief                   | ✗ 5 items: validate complete brief (date, headcount, location, service type), quantify logistics (transport, setup, teardown), identify space restrictions (available kitchen, refrigeration, hot water), define payroll and supervision, reserve raw materials 10 days in advance                                                                                        | ✓ Error: price from mouth without calculating real logistics (many 'off-site catering' priced as if in-house costs 35% more) — impact: USD 200-500 lost per 100-person event                                            |
| Purchasing + Recipe Management     | ✗ 11 items: itemize recipe (exact weights, not 'a bit of'), validate suppliers per ingredient (product XYZ is not the same in Feb vs Aug), calculate waste factor per ingredient (fruit 8-12%, vegetables 10-18%, meat 15-20%), apply volume discount and lead-time advantage, quote vs prior month price, register every quoted price                                    | ✓ Error: use recipe from 8 months ago without updating prices; error: don't itemize waste and assume 5% global (real event waste is 12-18% from handling, seasonality, breakage) — impact: USD 800 lost in 200 portions |
| Food Cost + Prime Cost Calculation | ✗ 9 items: theoretical food cost (itemized ingredients ÷ expected portions), apply real waste factor; theoretical prime cost (food cost + kitchen payroll ÷ portions); validate prime cost ≤ 50% of sale (if I charge USD 50/person, prime cost ≤ USD 25); calculate service costs (fuel, gas, water, ice, disposables), include contingency margin (3-5% of direct cost) | ✓ Error: ignore prime cost and only watch food cost (28% food cost looks good; 62% prime cost breaks the event) — impact: looks like 8% net margin, closes at -6% real                                                  |

|                                | PHASE / AREA                                                                                                                                                                                                                                                                                                                                                                                                                                                            | CHECKLIST CRITICAL ITEMS                                                                                                                                     |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Logistics and Operation</b> | <p>✗ 8 items: calculate transport cost (round-trip, box volume, fuel, driver); reserve equipment (ovens, grills, coolers) one week ahead with fixed cost per event; estimate setup/teardown time with assigned payroll; audit consumables per event (ice 15 kg, gas 10 m³, water 200 L); validate liability insurance; document space setup with photo</p>                                                                                                              | <p>✓ Error: 'logistics is free because my van goes' — impact: USD 250-600 per event in uncosted fleet + invisible depreciation</p>                           |
| <b>Closing and Real Cost</b>   | <p>✗ 6 items: weigh leftovers (don't guess waste); register all real expenses in event closure sheet (actual ingredients used vs theoretical, real payroll, rented equipment, unexpected extras); calculate real cost = (theoretical cost + differences) ÷ actual portions served; compare theoretical vs real cost (gap &gt;10% signals recipe or process error); document in event closure form; feed monthly benchmarks with real data</p>                           | <p>✓ Error: don't close events, assume 'everything went as planned' — impact: don't know real cost and perpetuate false templates that accumulate error</p>  |
| <b>Monthly Audit</b>           | <p>✗ 8 items: compile all month's events; calculate average real food cost (this month vs prior month, normal variance is ±8%); calculate average real prime cost; identify 3 events with largest theoretical/real gap; measure average waste per ingredient type; review suppliers with different prices vs benchmark; validate no event dropped below 20% net margin; project annual impact of trend (if I lose USD 300/event × 8 events/month = USD 28,800/year)</p> | <p>✓ Error: don't do monthly audit, let small deviations pile up — impact: discover year-end that your 'catering margins of 30%' were actually 8-12% net</p> |

**Put it to work in your restaurant: 21-day restaurant food cost challenge →**

### The correct method costs item-by-item, not by template

Costing item by item is no accountant's preference: it is the only thing that stops an event from being sold at a price the operation cannot carry. The automatic markup nearly every operator in Latin America uses, recipe times 3 or recipe plus 30%, ignores venue, service type and season, and that is how you get the profitable-looking events that subtract 15-40% of EBITDA at closing. Working that structure through Masterrestaurant across catering operations in Brazil, Colombia and Mexico, I keep meeting the same owner, one who sees the profit on the invoice while losing it in the kitchen, because catering incurs its fixed costs (transport, equipment rental, logistics, cleaning) AFTER the price is signed. Reviewing real prices weekly, the prior month's waste and the exact logistics of the event is what separates profit from silent loss.

## **The five decisions that cost real money when they fail**

Five decisions concentrate almost all the margin that disappears, and together they erode 30-50% of theoretical margin. A brief without a confirmed headcount 15 days out gets paid for with 12-18% of overproduction, since suppliers will not honor last-minute changes and the excess ends up sold 40% below cost. When nobody quotes transport with three vendors or asks about municipal parking, USD 800 to 2,500 appear on a large event and come straight out of profit. Buying at 5 days instead of 10 raises raw material 8-15% on urgency and erases volume negotiation, per Acodr s 2025. Waste follows: anyone who does not measure ingredient rejection or unconsumed plates from the prior month walks around with a real cost 6-12% above the nominal recipe. And with no compliance audit, nobody knows whether purchasing followed the list, so the same error repeats month after month.

## **How to implement the checklist in real operations: who, when, where?**

**Fifteen items, three blocks, one owner: the catering manager. That is where implementation lives, which is why it should be ordered by CALENDAR rather than by topic.**

Fifteen days out the brief closes, meaning date agreed, headcount confirmed in writing, a photo of the venue showing outlets and water point, service defined without ambiguity, and the space constraints written down before they ambush the setup crew. In that same cut, logistics gets quantified with three transport quotes, a locked budget for rented equipment, labor hours for setup and teardown, municipal permits and a current policy. At ten days it is raw material: exact weights instead of estimates, three suppliers per ingredient, price checked against the quarterly average, and the order placed with availability confirmed. Every Tuesday at ten in the morning the manager reviews prices against that average. That cadence leaves time to negotiate or change the menu without losing money.

## **Diego F. Parra: the mistake I see over and over in junior managers**

The mistake I see over and over in junior managers is confusing an estimated budget with verified real cost: they build the offer on the kitchen recipe, add 30% margin, and present it as guaranteed profit. The recipe, though, knows nothing about event waste, ignores the real logistics of that month, with transport pricier in season and refrigeration eating power, and never asks whether ingredients rose over the last three weeks. The invoice lands with the 3 to 7 day lag catering always carries, the cost came in at 28% where the offer said 22%, and that 8% profit ended up as a 3% loss. None of it shows in the day's cash, because sale and cost never synchronized; it shows in the month-end summary, when there is nothing left to fix. The checklist exists to force that visibility BEFORE you sell.

## **How to audit compliance: measurable evidence per item?**

**Auditing compliance means asking for evidence, not for someone's word: each week the manager builds a report where every checklist item is backed by a document that actually exists.**

From the brief you demand the email with the headcount, the venue photo filed in the event folder, service type noted on the purchase order and constraints in a memo; if a single one is missing, purchasing does not move. Logistics already executed gets contrasted against what was quoted, transport invoice against the locked quote, with any deviation above 5% investigated, plus rented equipment, real setup hours signed off by the operations team, permits and policy. Waste is left, and waste is where most people cheat themselves: purchased weight per the invoice against weight used in the kitchen, documented scrap, unconsumed plates chilled for another event. If one event passes 12% waste, menu and supplier get reviewed before the next.

## Seasonal variability: why January and July cost differently

January and July do not cost the same, and whoever fails to adjust for it carries a projection error of 25 to 40%. In January, with harvest in and produce oversupplied, a fruit-forward menu comes in 8-12% cheaper than in July, when those same items arrive imported. Add weather and road conditions: per ABRASEL 2024, July transport runs 15-22% above January. Underneath the season two more levers operate, service type, where buffet eats 23% of the recipe in payroll, seated 31% and cocktail stations 27%, and the place where you serve, which moves fixed cost between 18 and 35%. None of this can be guessed. The first Tuesday of every month I review ingredient prices, compare them against the quarterly average, and re-quote transport with the same three carriers: one hour of work that saves 3 or 4 EBITDA points.

## When to renegotiate client price: real-cost coverage rule?

**Forty-eight hours from the confirmed brief: that is the window to go back to the client when your price review shows margin fell from 32% to 24% on season or availability.**

And watch how you frame it, because the conversation is not 'the price goes up' but 'the menu adapts': where imported July salmon sat, local sea bass comes in, 25% cheaper, and the guest experience stays intact without touching the contract figure. A client who refuses the adaptation is asking you to pay the difference, so that event does not happen. My rule, and here I allow no middle ground: real recipe plus real logistics plus real waste above 65% of sale price, or margin under 28%, and the event does not run without renegotiation. Write that condition into the manager's internal terms, with the trigger spelled out, above 8% variability on key ingredients, and the owner informed 48 hours before the kitchen fires up.

## The lag visibility problem: why catering is the highest financial-risk restaurant model

No other restaurant format asks you to promise profitability first and spend the money afterward, and that inversion of the natural order is what makes catering the highest financial-risk model I know. Add a second condition almost nobody weighs: there is no daily flow here to average out mistakes, there are a few large events, so 3 of 15 closing below 20% margin is enough to damage the whole month. Which is why the audit has to be obsessive, and anyone calling that perfectionism has not yet lost a quarter to two badly costed events. What the checklist does is pull every figure forward to the moment it can still be used: brief confirmed before purchasing, logistics quoted before cooking, waste measured month to month, report closed every week. Close your next event with a real-cost sheet within three days. The rest falls into place.

## Verifiable checklist: 47 items per phase

☐ PLANNING · 1 of 5 — Validate complete brief (☐ exact date, ☐ confirmed headcount, ☐ location with photo, ☐ explicit service type, ☐ space restrictions documented). Owned by the Manager, fifteen days out. ☐ PLANNING · 2 of 5 — Quantify logistics (☐ distance to event and transport cost, ☐ equipment to rent with budget, ☐ setup/teardown time in labor hours, ☐ parking and municipal permits, ☐ liability insurance verified). The Manager signs it off two weeks before the event. ☐ PLANNING · 3 of 5 — Reserve raw materials in advance (☐ list ingredients with exact weights, ☐ quote with 3 suppliers per ingredient, ☐ compare vs 3-month

## Verifiable checklist: 47 items per phase — in practice

average price, ☐ anticipate 10 days, ☐ document each quote). Chef and Purchasing, fifteen days out. ☐ RECIPE AND FOOD COST · 1 of 11 — Itemize recipe (☐ each ingredient in exact weight/unit, ☐ verify yield per ingredient vs standard waste table, ☐ include exact protein if seasonal changes, ☐ no assumed quantities, ☐

document recipe source or validate in test). Owner: Chef. Done a month ahead. ☐ RECIPE · waste · 2 of 11 — Apply real waste factor (☐ fruit: 8-12%, ☐ vegetables: 10-18%, ☐ meat: 15-20%, ☐ fish: 12-22%, ☐ dairy/cheese: 2-5%, ☐ don't assume global 5%, ☐ register prior month's real waste for this calc).

### **Verifiable checklist: 47 items per phase — key points**

The Chef runs it thirty days out. ☐ THEORETICAL FOOD COST · 3 of 11 — Calculate theoretical food cost (☐ sum all ingredients at real price, ☐ divide by expected portions, ☐ validate  $\leq 32\%$  of sale price, ☐ if  $> 35\%$ , renegotiate menu with client or raise price). Chef and Manager sign, one month before. ☐ THEORETICAL PRIME COST · 4 of 11 — Theoretical prime cost calc (☐ food cost + kitchen payroll  $\div$  portions = theoretical prime cost, ☐ validate  $\leq 50\%$  of sale price, ☐ if  $> 55\%$ , review menu or logistics).

### **Verifiable checklist: 47 items per phase — examples and figures**

Chef and Accountant review it with thirty days of runway. ☐ SERVICES AND CONTINGENCY · 5 of 11 — Service cost (☐ water: 200L standard event = USD 2-5, ☐ gas/fuel cooking: USD 10-20, ☐ ice: 15kg = USD 5-8, ☐ disposables if applicable: USD 3-8, ☐ contingency margin: 3-5% of direct cost). The Manager estimates it a month ahead. ☐ MARKET PRICES · 6 of 11 — Validate prices vs market (☐ beef: compare current-month average price vs prior 3 months, ☐ fruit/veg: validate seasonality, ☐ if gap  $> 15\%$ , review supplier, ☐ seasonal changes documented).

### **Verifiable checklist: 47 items per phase — what comes next**

Purchasing, four weeks out. ☐ LOGISTICS · transport · 1 of 8 — Transport cost (☐ distance to event, ☐ cost per km per fleet (USD 0.35-0.50/km typical), ☐ fuel round-trip, ☐ driver + wait time, ☐ tolls if applicable, ☐ note: off-site event = +25-35% vs in-house). Manager, thirty days before the event. ☐ LOGISTICS · equipment rental · 2 of 8 — Equipment rental (☐ list equipment needed: ovens, grills, coolers, tables, chairs, ☐ quote each with rental company, ☐ include insurance, ☐ include equipment transport, ☐ typical: USD 300-800 per standard event). Manager; quoted a month ahead. ☐ LOGISTICS · setup · 3 of 8 — Setup and teardown (☐ labor hours estimated, ☐ multiply  $\times$  payroll cost per hour, ☐ typical: 3-5 hours setup, 2-3 hours teardown, ☐ not free). The Chef costs it with a month to spare. ☐ LOGISTICS · consumables · 4 of 8 — Consumables per event (☐ ice: estimate amount (15-25kg standard event), ☐ gas: m<sup>3</sup> needed per cooking, ☐ water: total liters (beverage, cooking, cleanup), ☐ document each expense). Manager, event by event.

### **Verifiable checklist: 47 items per phase — in practice (5)**

☐ LOGISTICS · venue · 5 of 8 — Validate space and restrictions (☐ take photo of space, ☐ measure available water points, ☐ verify refrigeration/freezer, ☐ smoke exhaust, ☐ parking, ☐ venue contact name). The Manager verifies it fifteen days out. ☐ AT THE EVENT · supervision · 1 of 6 — On-site supervision (☐ head chef present entire operation, ☐ carry setup checklist, ☐ register start/end time per phase, ☐ document unexpected issues, ☐ photo of plated dishes, ☐ service quality verified). Chef or Manager, throughout the operation. ☐ AT THE EVENT · portions · 2 of 6 — Portion control (☐ count actual portions served vs expected, ☐ register discards,

### **Verifiable checklist: 47 items per phase — key points (6)**

☐ if menu changed on-site, document with client signature, ☐ per-person vs buffet: document difference). Head chef, while service runs. ☐ CLOSING · leftovers · 1 of 6 — Weigh leftovers (☐ meat: weigh actual leftover kg, ☐ vegetables: weigh actual kg, ☐ don't guess, ☐ register in closure form, ☐ validate real waste vs theoretical). The

Chef does it the moment service ends. □ CLOSING · closure sheet · 2 of 6 — Event closure sheet (□ number of guests served, □ list of real vs budgeted expenses (differences), □ unexpected extras (liquor, ice, transport), □ actual payroll paid, □ equipment damage if any, □ sign-off by head chef and manager).

### **Verifiable checklist: 47 items per phase — examples and figures (7)**

Manager, next day. □ CLOSING · real cost · 3 of 6 — Calculate real cost (□ real cost total = theoretical cost + real differences, □ real cost per portion = real total ÷ actual guests, □ compare vs theoretical: if > 10% difference, review process). Accountant, within three days after. □ CLOSING · net margin · 4 of 6 — Validate net margin (□ net margin = (sale price – real cost) ÷ sale price, □ if < 20%, flag for review, □ if < 15%, escalate to owner). The Accountant validates it before three days pass. □ MONTH

### **Verifiable checklist: 47 items per phase — what comes next (8)**

CLOSED · compile · 1 of 8 — Compile all events (□ spreadsheet with: event date, headcount, sale price, theoretical cost, real cost, net margin %, □ sort by margin descending, □ identify top 3 with largest theoretical/real gap). Accountant, between the 1st and 5th of the following month. □ MONTH CLOSED · trends · 2 of 8 — Analyze trends (□ calculate average real food cost this month vs prior month (normal variance: ±8%), □ if > ±8%, review supplier or recipes, □ calculate average real prime cost this vs prior month, □ if > ±5%, review payroll or logistics).

### **Verifiable checklist: 47 items per phase — in practice (9)**

Owned by the Manager in the first week of the next month. □ MONTH CLOSED · waste · 3 of 8 — Waste benchmark (□ calculate average waste per ingredient type for month, □ compare vs standard table (fruit 8-12%, veg 10-18%, meat 15-20%), □ if above 20%, review handling or supplier, □ register to calibrate future estimates). The Chef compiles it every month. □ MONTH CLOSED · projection · 4 of 8 — Annual projection (□ calculate average net margin from month's events, □ multiply × 12 months and expected events/year, □ if < 25%

### **Verifiable checklist: 47 items per phase — key points (10)**

net, review pricing strategy, □ if < 20%, review costs). Manager and Accountant, monthly close. □ MONTH CLOSED · suppliers · 5 of 8 — Supplier review (□ validate each supplier is within standard sector price range (see price benchmarks), □ if outlier, request new quote, □ supplier changes: document reason). Purchasing, once a month. □ MONTH CLOSED · report · 6 of 8 — Executive report (□ 1-page document with: month's events (count, avg net margin), top 3 loss-making events, action recommendations, quarterly projection). The Manager delivers it before day 10 of the following month.

### **POINT BY POINT**

## The 4 changes that make the difference

### RECIPE COSTING

**A · PHASE / AREA** Error: use generic recipe template from 6 months ago, no price or waste factor updates

**B · MASTERRESTAURANT** Correct: itemize recipe monthly, prices quoted that week, waste factor from prior month's real data

**Verdict:** B. Static template = guaranteed error. Prices and waste shift; costing must follow.

### MARGIN CALCULATION

**A · PHASE / AREA** Error: 'food cost 28%, so margin is 72%' (forgets prime cost, logistics, services, tax, gas)

**B · MASTERRESTAURANT** Correct: net margin = (sale price – real cost total) ÷ sale price, where total = food + prime + logistics + services + contingency

**Verdict:** B. Only real net margin matters. Everything else is accounting illusion.

### RESULTS AUDIT

**A · PHASE / AREA** Error: 'assume it went well', don't close events, find out 6 months later margins were lower

**B · MASTERRESTAURANT** Correct: close each event within 3 days, compare theoretical vs real, identify gap and investigate cause

**Verdict:** B. No close = errors perpetuate. With close, scale what works, fix what doesn't.

## WASTE CONTROL IN CATERING

**A · PHASE / AREA** Error: assume 5-8%

waste globally across events (reality: typical 12-18%)

**B · MASTERESTAURANT** Correct: itemize

waste per ingredient (fruit 8-12%, veg 10-18%, meat 15-20%), audit real event waste, apply calibrated factor to next event

**Verdict:** B. Each ingredient has its loss curve. Underestimate waste and USD 400 per event walks away.

### SIDE-BY-SIDE COMPARISON

#### Top 5 Errors almost everyone makes

**BROKEN COSTING**

- ✗ Ignore logistics (transport, setup, equipment): assume 'zero cost' or 5% when it's 18-25% of total.
- ✗ Don't itemize waste per ingredient; apply 5% global when real is 12-18% from event handling.
- ✗ Sell by automatic markup (recipe  $\times$  2.8) without validating prime cost is  $\leq$  50% of sale.
- ✗ Don't close events or compare theoretical vs real cost; perpetuate months-old templates with obsolete prices.
- ✗ Confuse food cost with margin: event with 30% food cost and 68% prime cost looks 'winner' in recipe, loses 15% net.

## Cash impact (per 100-person event at USD

50/person = USD 5,000 sale) **MASTERRESTAURANT**

- ✓ Lose USD 180-250 from ignoring logistics (3.6-5% of sale).
- ✓ Lose USD 400-600 from underestimating waste in catering (8-12% of sale).
- ✓ Lose USD 250-500 from not validating prime cost before fixing price.
- ✓ Lose USD 100-300 per event from not auditing theoretical/real gap (if you don't know, it repeats).
- ✓ Total annual if you run 8 events/month without audit: USD 28,800-57,600 in lost margin.

## THE NUMBERS THAT MATTER

### Real operating figures (Masterrestaurant audit, 2024-2026)

**12**

-30 %

Typical restaurant EBITDA margin

**65**

-70 %

Typical profit margin on pasta dishes

**3.9%**

Restaurant net profit margin (avg)

**≈2300**

USD/MONTH

Typical monthly electricity bill for a restaurant (U.S.)

**40%**

General liability surcharge for  
restaurants earning over \$2M (U.S.)

**12.2%**

Restaurant industry share of all Mexican businesses

## VISUALIZATION

### The numbers, visualized

Typical restaurant EBITDA margin



Typical profit margin on pasta dishes



Restaurant net profit margin (avg)



General liability surcharge for restaurants earning over \$2M (U.S.)



Restaurant industry share of all Mexican businesses



Sources: [WhippleWood CPAs — Restaurant Financial Benchmarks 2026](#) · [Sauce — Most Profitable Restaurant Foods 2025](#) · [Restaurant365](#) · [Toast — Average Restaurant Electricity Bill 2025](#) · [MoneyGeek — Restaurant Business Insurance Cost 2025](#)

Chart by [masterrestaurant.com](#)

## ILLUSTRATIVE CASE (COMPOSITE)

*“80-seat restaurant in San José, Costa Rica, with catering line in hotels. Sold events at USD 45/person with ‘food cost 28%’ per template. Audit of 4 consecutive events revealed: theoretical food cost 28%, real cost 41% (unaccounted waste 8%, uncoded logistics 5%). Real prime cost 72%, net margin -2%. Change: costed line-by-line, weekly audit. Same price × same variety = 18% net margin in month 2, 21% month 3. Annual impact: USD 32,000 additional.”*

### — Operations manager, 3-location chain, 2024

*Composite case for illustration: the names and figures in it do not describe a real business and are not industry data.*

## HOW TO APPLY IT IN YOUR RESTAURANT

## 4 steps to implement the checklist in your operation



### Step 1: Build your recipe template with line-by-line breakdown

Open a spreadsheet (Excel, Google Sheets) and itemize each recipe: not 'ground beef', but '1.2 kg Angus ground beef, supplier-code-001'. Include weight/unit, unit price (validated with 3 suppliers), recipe portions, and cost per portion. For each ingredient, assign real waste factor (fruit 8-12%, veg 10-18%, meat 15-20% by type). Save the sheet with date and validate theoretical food cost is  $\leq 32\%$  of sale price. If not, renegotiate menu or price with client BEFORE confirming.



### Step 2: Cost logistics as an independent cost line

For each event, calculate transport cost (distance  $\times$  USD 0.40/km round-trip), equipment rental (oven, cooler, tables: typical USD 300-500), setup/teardown (hours  $\times$  kitchen payroll rate), consumables (ice, gas, water: typical USD 20-40). Logistics is NOT 'leftovers': it's fixed cost that varies per event. Express it as % of sale price to validate that total (food cost + prime cost + logistics) leaves 20-25% net margin. If it doesn't, raise price or reduce event scope.



### Step 3: Close each event within 3 days with real cost sheet

After event, weigh leftovers (don't guess) and register real waste. Compile all real expenses in a closure form: ingredients real vs budgeted, payroll, equipment, extras. Calculate real cost per portion =  $(\text{theoretical cost} + \text{real differences}) \div \text{actual guests}$ . If real cost  $>$  theoretical by more than 10%, document why (supplier change, unforeseen waste, actual qty different). This is NOT bureaucracy: it's the only way to know what happened and where margin went.



### Step 4: Monthly audit of benchmarks and trends

Compile all month's events in a sheet: date, qty, sale price, real cost, net margin %. Calculate average net margin (must be  $\geq 20\%$ ). Identify 3 events with largest theoretical/real gap (your outliers). Compare average food cost this month vs prior month (normal variance  $\pm 8\%$ ; if higher, something's up). Project annual margin based on month average. If trending down, escalate to owner with concrete recommendations: supplier change, menu review, logistics audit, or sale price adjustment.

## FAQ

## Owner's frequently asked questions

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### How do you price catering for events without losing margin?

Catering for events is priced item by item: an itemized recipe with its real waste factor, kitchen payroll, transport, equipment, consumables and a contingency margin, never with a generic template or an automatic markup. After each event, weigh the leftovers and compare theoretical cost with real cost, because that gap tells you whether the recipe or the process is failing. Then review all the month's events together, so suppliers and templates get corrected before small deviations pile up.

### Does each event need its own costing? Can't I use a general template?

Yes, each event needs its own costing. A general template tells you 'historical 30% food cost', but doesn't tell you 'this July event with hothouse tomato will be 35%' or 'transport to 40km adds 8%'. Costing is built 30-45 days before event with that date's ingredients, that location's real logistics, and that operation's payroll. Use a structure template (speeds you up), but fill real numbers per month/event. The error above is exactly using template without updating prices.

### When do I say 'no' to a client if price doesn't close?

When real cost + 20-25% net margin exceeds what client pays. Example: USD 35/person menu + USD 6 logistics = USD 41 real cost (60% of sale), margin -10%. Options: (a) raise to USD 45, (b) swap ingredients for cheaper, (c) don't do the event. Data rules. If you say yes to USD 35, you lose real money per portion. After 8-10 events like that, you notice. Better avoid it: tell client 'at USD 35 I don't close; at USD 48 I do'. Lose 30% of clients not willing to pay more, but those remaining are profitable.

### What if real cost is way off theoretical? Is that my fault?

Not always. Could be (1) recipe error (ingredients measured wrong, waste underestimated), (2) supplier change (nobody updated price), (3) real event differs from brief (headcount changed, menu adjusted on-site), (4) on-site handling (real waste higher from lack of control). Checklist forces you to document WHERE the gap is. If it happens in every month's events (gap >15%), it's systemic — review recipe, suppliers, process. If one-off, it was event-specific.

### If I outsource equipment (oven, cooler, tables), does cost drop?

Sometimes. Outsourcing equipment removes fixed ownership cost but adds rental. Calculate: monthly equipment rental ÷ events/month = cost per event. Compare vs depreciation + maintenance of your equipment. Typical: outsourcing costs 5-10% more in frequent events, but adds flexibility if sporadic. In frequent catering (8+ events/month), buy equipment. In sparse catering (2-3 events/month), outsource.

Do I have to audit ALL events or can I sample?

Audit all in first 3 months (calibrates your template and reveals where margin goes). After that, audit 100% of events but fast-track the close: weigh leftovers and register differences (15 min). Deep analysis (investigate gap, review process) only if gap > 10%. Green events (gap <5%) are baseline: followed plan. What costs time is auditing 8 events/month; what saves money is catching 1 in 10 bleeding USD 300.

DATA & SOURCES

Catering and event costing: 2026 data from official sources

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

| Metric                                                                                                                                                            | Value                                                        | Source                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Share of U.S. restaurant and foodservice surplus food coming from overproduction (loss to factor into cost per portion), 2024                                     | 11,9 % del excedente (1,49 millones de toneladas) en 2024    | ReFED — Restaurants and Foodservice (2025)                                                                             |
| Share of U.S. restaurant and foodservice surplus food coming from plate waste, 2024                                                                               | cerca de 70 % del excedente en 2024                          | ReFED — Restaurants and Foodservice (2025)                                                                             |
| Value of surplus food in the U.S. in 2024, the scale of input cost lost before becoming units sold                                                                | 381.000 millones de USD en 2024                              | ReFED — Food Waste Data: Causes & Impacts (2025)                                                                       |
| Difference in main-dish cost when applying time-driven activity-based costing (TDABC) versus traditional costing, in a 5-star hotel restaurant (case study, 2024) | 38,18 % de diferencia en la sección de platos fuertes (2024) | Heliyon — Using time-driven activity-based costing in restaurant business: Levelled application of a case study (2024) |
| Capacity utilization rate of second-level cooks measured with time-driven ABC in a fine-dining restaurant (case study, 2024)                                      | 70,89 % (2024)                                               | Heliyon — Using time-driven activity-based costing in restaurant business: Levelled application of a case study (2024) |
| Share of restaurants facing labor problems, the context motivating time-driven ABC labor costing (2024 study)                                                     | 97 % (2024)                                                  | Heliyon — Using time-driven activity-based costing in restaurant business: Levelled application of a case study (2024) |

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