

# Modifications to VAT setup

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Setup modifications due to temporary reduction of the UK VAT rates – Oracle Hospitality Suite8 PMS

July 2020 | Version 1.0  
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## BACKGROUND

As part of the economic recovery efforts from Covid-19, the UK government announced that the VAT for the hospitality sector will be reduced to 5% instead of the current 20%. This change will come into effect on Wednesday July 15<sup>th</sup> 2020 for a period of six months, and will return to the current level of 20% on Tuesday January 12<sup>th</sup> 2021.

This change affects the VAT levels on accommodation and food & soft drink charges, but does *not* affect the VAT levels on alcoholic beverages which will remain at 20%.

## VERSION CONTROL

VERSION	DATE	AUTHOR	CHANGES
1.0	9 July 2020	Tomer Tiram	Initial

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Please read the entire document first to have a full overview about this topic.



## 1. PREREQUISITES

The user performing these changes must have the following user permissions granted before beginning the task:

### Suite8 Configuration Access:

Rights	User	Owner	Group	G. Owner
Configuration	Y	Y	P	P
Access	Y	Y	Y	N

### User Permission:

Cashiering	Y	Y	P	P
Access	Y	Y	Y	N
Department code setup	Y	Y	N	N
Edit	Y	Y	N	N
Add	Y	Y	N	N
Delete	Y	Y	N	N

## 2. CREATE NEW TAX DEFINITION

Log in to Suite8 and access Setup > Configuration > Cashiering > Tax Definition

Click 'New'

Code	Description	BOF Vatcode	SFTX Position	BOF De	
TX3	VAT Zero %		0		New
TX6	VAT 20%		0		Edit

Tax Desc 'TX2' & 'VAT 5%', and click 'OK'

**8 Tax Definition**

Tax Desc:   OK

BOF Vatcode:

SFTX position:   City Tax

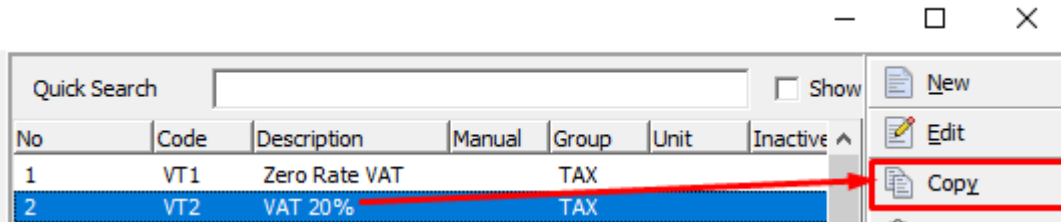
Default tax code for BOF deposits Cancel

**NOTE:** If code TX2 is already in use, please select the next available code (TX3, etc.)

### 3. TAX DEPARTMENT CODE SETUP

Go to Configuration > Cashiering > Department Codes

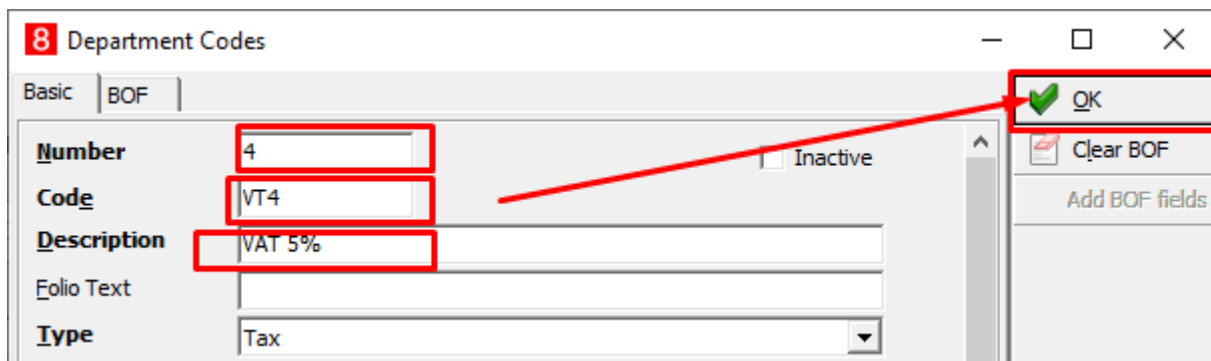
Locate the entry for VAT 20%, highlight the line and click 'Copy'



A screenshot of a software window showing a list of Department Codes. The list has columns for No, Code, Description, Manual, Group, Unit, and Inactive. Two rows are visible: row 1 with Code VT1 and Description Zero Rate VAT, and row 2 with Code VT2 and Description VAT 20%. The 'Copy' button in the right-hand toolbar is highlighted with a red box, and a red arrow points from the 'VAT 20%' description to it.

No	Code	Description	Manual	Group	Unit	Inactive
1	VT1	Zero Rate VAT		TAX		
2	VT2	VAT 20%		TAX		

Change the Number, Code & Description to a convenient number in your sequence and click 'OK'  
(The numbering in the screenshot below is provided as an example only)



A screenshot of the 'Department Codes' form. The 'Basic' tab is selected. The 'Number' field contains '4', the 'Code' field contains 'VT4', and the 'Description' field contains 'VAT 5%'. The 'Type' dropdown is set to 'Tax'. The 'OK' button in the top right corner is highlighted with a red box, and a red arrow points from the 'VAT 5%' description to it.

8 Department Codes

Basic | BOF

**Number** 4

**Code** VT4

**Description** VAT 5%

Folio Text

**Type** Tax

Inactive

OK

Clear BOF

Add BOF fields

## 4. TAX DETAIL SETUP

Go to Configuration > Cashiering > Tax Details

Click New

Name	Formula	Order	Valid From	Valid To	Departme	New
VAT 20%	(x*(20/100))		✓			

**8** Tax Details
— □ ×

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Tax Detail Setup
✓ OK

Tax header: TX2 VAT 5% ▾

Detail Name: VAT 5%

Post To Dept: 4 VAT 5% ▾

Formula: (x\*(5/100))

Daterange: 15/07/2020 ▾ - 12/01/2021 ▾

Included    Print Separate    Post if Zero

Order: 0 ▾

✖ Cancel

Choose Tax Header      **VAT 5%**

Detail name              **VAT 5%**

Choose Post To Dept    **VAT 5%**

Formula                  **(x\*(5/100))**

Daterange                **July 15<sup>th</sup> 2020 - January 12<sup>th</sup> 2021**

Tick box                  **Included**

To test the change, click the cog icon to the right of the formula, enter a value and click on *Calculate* (**Mandatory**)

**8** Tax Formula Validation
— □ ×

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(x\*(5/100))

Parameter	Value
Adultno	1
Taxfree	0
Automatic	1
Child_CA2	0
Child_CA1	0

Calculation as included tax

Value: 100.00

Calculate

Result: 5.00

✓ OK

✖ Cancel

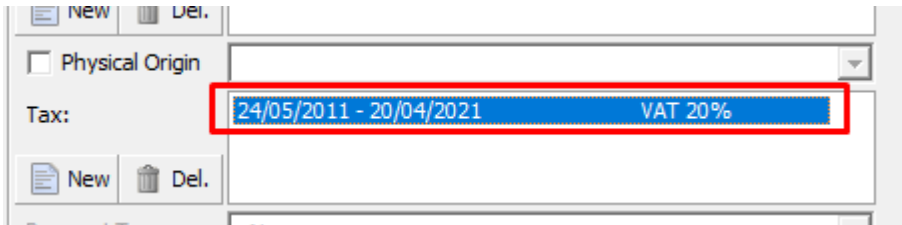
Click OK to confirm

Click OK again to confirm the Tax Details

## 5. DEPARTMENT CODE SETUP

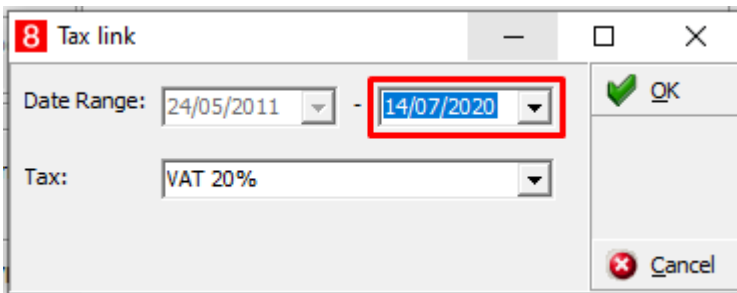
Review all department codes which are eligible for the new VAT value.

Double click on the VAT 20% line



<input type="checkbox"/> Physical Origin	
Tax:	24/05/2011 - 20/04/2021 VAT 20%
<input type="button" value="New"/>	<input type="button" value="Del."/>

Set VAT 20% end date to **July 14<sup>th</sup> 2020** and click OK (all posting up to this date will retain the 20% rate)



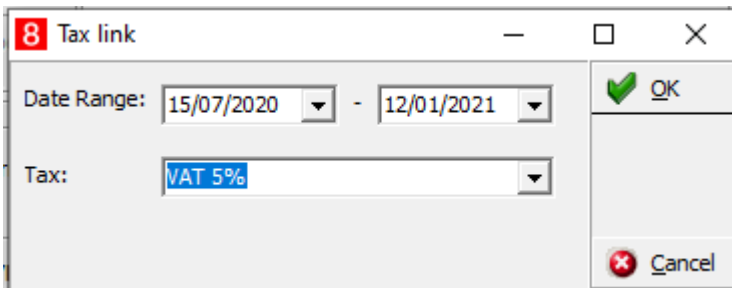
8 Tax link

Date Range: 24/05/2011 - 14/07/2020

Tax: VAT 20%

Click New

Set the Date Range **July 15<sup>th</sup> 2020 - January 12<sup>th</sup> 2021** and the new 5% VAT rate (all posting from the 15<sup>th</sup> will apply 5% rate)

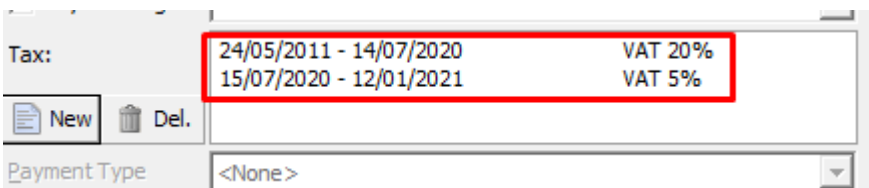


8 Tax link

Date Range: 15/07/2020 - 12/01/2021

Tax: VAT 5%

Click OK



Tax:	24/05/2011 - 14/07/2020 VAT 20%
	15/07/2020 - 12/01/2021 VAT 5%
<input type="button" value="New"/>	<input type="button" value="Del."/>
Payment Type	<None>

This is the correct VAT configuration on the department code :

For VAT 20%: **End date of 14/07/2020**

For VAT 5%: **15/07/2020 – 12/01/2021**

## 6. IMPORTANT NOTES

- The property must review ALL the department codes which are required to apply the VAT rate change
- At any time after the night audit of July 14<sup>th</sup> 2020, it is possible to add another new VAT value to the department codes to begin on **January 13<sup>th</sup> 2021**, with the return to 20% VAT
- During the night audit of **July 14<sup>th</sup> 2020**, Suite8 will display a warning message explaining that the VAT 20% calculation is about to expire for all the departments to which you applied the changes.

**IT IS CRITICAL TO SELECT IGNORE ALL AND NOT EXTEND, AND THE NIGHT AUDIT WILL CONTINUE**

Thank you for the  
hard work performed!





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