Modifications to VAT setup

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

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 15th 2020 for a period of six months, and will return to the current level of 20% on Tuesday January 12th 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	
TX6	VAT 20%		0	

New
Edit

Tax Desc 'TX2' & 'VAT 5%', and click 'OK'
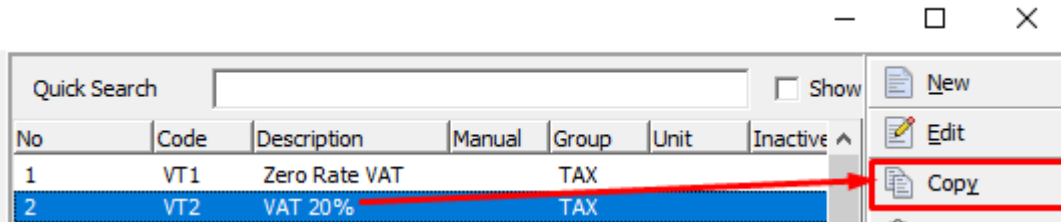
NOTE: If code TX2 is already in use, please select the next available code (TX3, etc.)

3. TAX DEPARTMENT CODE SETUP

Go to Configuration > Cashiering > Department Codes
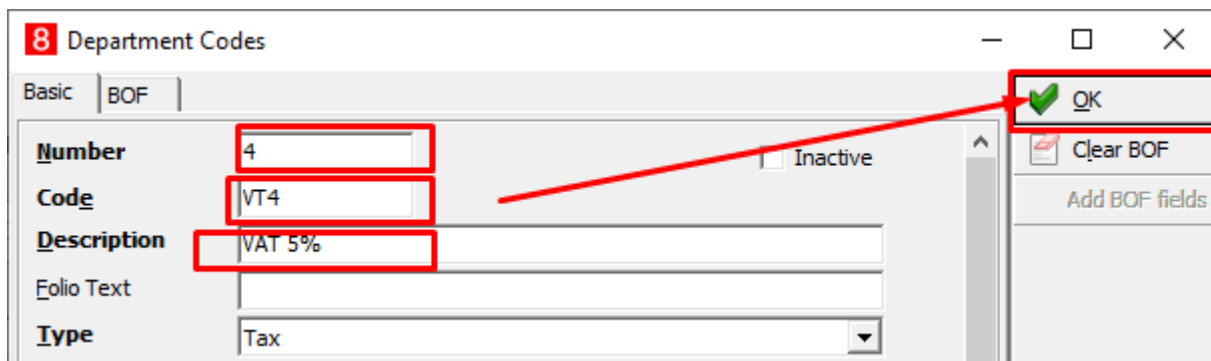
Locate the entry for VAT 20%, highlight the line and click 'Copy'

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)

4. TAX DETAIL SETUP

Go to Configuration > Cashiering > Tax Details

Click New

Choose Tax Header	**VAT 5%**
Detail name	**VAT 5%**
Choose Post To Dept	**VAT 5%**
Formula	**(x*(5/100))**
Daterange	**July 15th 2020 - January 12th 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**)
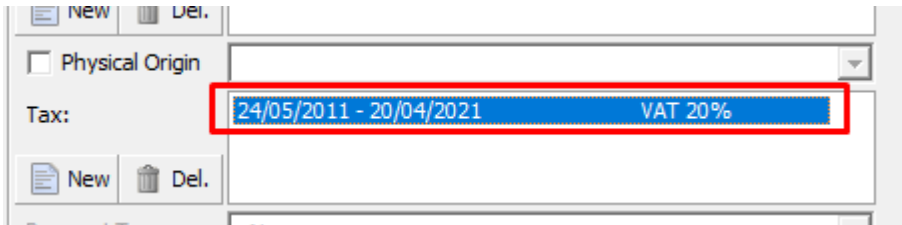
Click OK to confirm

Click OK again to confirm the Tax Details

5. DEPARTMENT CODE SETUP
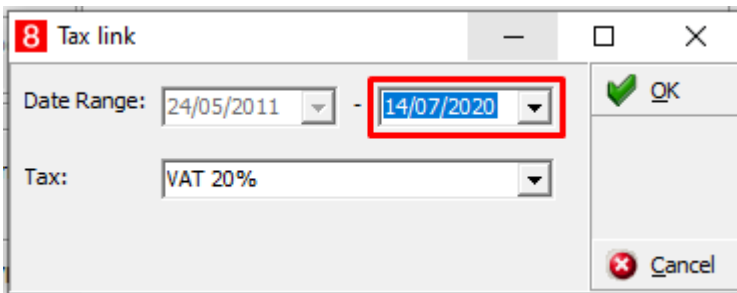
Review all department codes which are eligible for the new VAT value.

Double click on the VAT 20% line

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

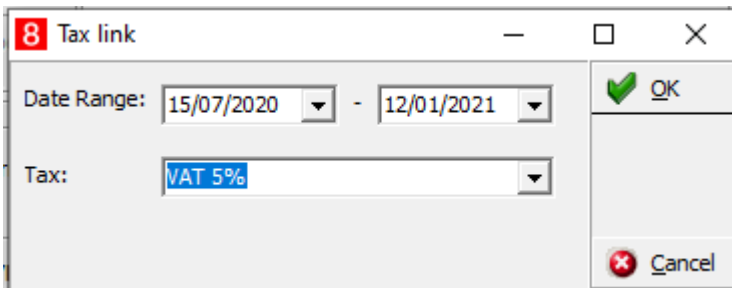Click New

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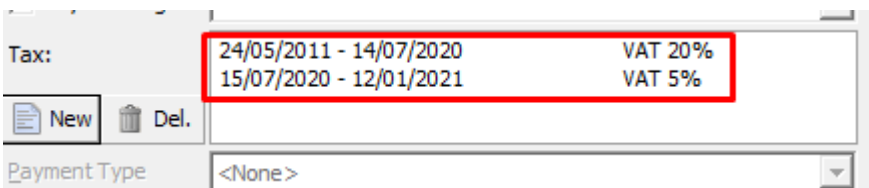

Click OK

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 14th 2020, it is possible to add another new VAT value to the department codes to begin on **January 13th 2021**, with the return to 20% VAT

- During the night audit of **July 14th 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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