

UK VAT Changes

Implementing VAT changes in OPERA Version 5

March 2022 | Version [1.10]
Copyright © 2022, Oracle and/or its affiliates
Public



PURPOSE STATEMENT

This document provides an overview of how to amend the configuration of your OPERA system to accommodate the changes in VAT rates reverted to full VAT amount in the UK on April 1st, 2022.

DISCLAIMER

This document in any form, software or printed matter, contains proprietary information that is the exclusive property of Oracle. Your access to and use of this confidential material is subject to the terms and conditions of your Oracle software license and service agreement, which has been executed and with which you agree to comply. This document and information contained herein may not be disclosed, copied, reproduced or distributed to anyone outside Oracle without prior written consent of Oracle. This document is not part of your license agreement nor can it be incorporated into any contractual agreement with Oracle or its subsidiaries or affiliates.

This document is for informational purposes only and is intended solely to assist you in planning for the implementation and upgrade of the product features described. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described in this document remains at the sole discretion of Oracle.

Due to the nature of the product architecture, it may not be possible to safely include all features described in this document without risking significant destabilization of the code.

TABLE OF CONTENTS

| | |
|--|----------|
| Purpose Statement | 2 |
| Disclaimer | 2 |
| FOLIO AMENDMENTS | 4 |
| OVERVIEW | 4 |
| PRE-WORK BEFORE APRIL 1ST | 4 |
| Review Tax Codes | 4 |
| Review Deposit Tax Transaction Codes | 5 |
| CHANGES TO BE MADE ON APRIL 1ST | 6 |
| Update VAT code on Transaction Codes | 6 |
| Update VAT for Commissions | 6 |
| Checking Everything is Updated | 7 |
| CHANGES TO BE MADE BEFORE NIGHT AUDIT ON APRIL 1ST | 8 |
| Check which codes need updating | 8 |
| Changing VAT on Back Office Codes | 8 |

IMPORTANT INFORMATION

FOLIO AMENDMENTS

As this VAT change is reverting the formerly reduced VAT levels back to the original VAT, pre-Covid changes, the folios should already have the correct configuration to show the 20% VAT.

If any changes are required to show the 20% VAT percentages on the folio formats, and you are unable to complete this task on your own so therefore would like to request assistance from Oracle Hospitality to make the necessary stationery changes, please purchase 2 hours / units from the on-line store. Please note, this is for folio amendments only.

Please follow this link to access the store:

- <https://shop.oracle.com>
- Change the country to "United Kingdom"
- Select "MICROS Consulting"
- Select [Oracle Hospitality Hotel Remote Property Management System Implementation](#) (part number B87423)
- Hit "Buy now" and select "Oracle Hospitality OPERA", and the quantity "2".
- Select "Add to Cart" and follow the path to register your business and complete the purchase.

If you do not wish to or are unable to purchase the time from the Oracle on line store using a credit card please refer this request to your Account Manager, if you do not know who this is, then please call +44 (0) 1189 244 156 and we will help locate them for you.

OVERVIEW

Following the temporary reduction in VAT rates for hospitality which has been in force in the UK since July 15th, 2020, the Government announced a gradual return to previous VAT rates. This is to be a two-stage process, with the VAT rates increased to 12.5% on October 1st, 2021, and are now scheduled to revert back to the original 20% on April 1st, 2022.

For these changes, the user needs to have configuration access to OPERA

PRE-WORK BEFORE APRIL 1ST

It is advised the system set up and VAT codes are reviewed prior to the date of the VAT changes:

Review Tax Codes

As the VAT is reverting back to its former levels, and there are already transaction codes which are set to the 20% VAT level, this means there should be no requirement to create additional codes for this VAT change. It is advised that the VAT codes are reviewed in advance of the changes to ensure all is prepared to make the changes on the correct date.

From the OPERA main menu screen select 'Configuration' and once logged in, go to Cashiering and from the menu select Codes>Transaction Codes.

Scroll down the codes until you reach the transaction codes which are used for VAT, traditionally these will be in the 7000 range, but these may vary per site

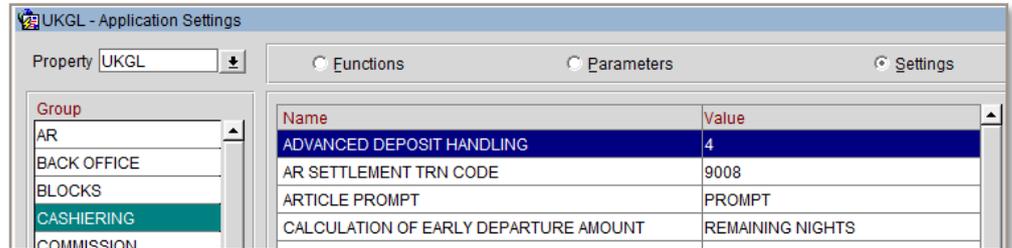
| | | | | |
|------|------------|-----|-----|--|
| 7000 | VAT@20% | TAX | TAX | |
| 7005 | VAT@4% | TAX | TAX | |
| 7010 | VAT@0% | TAX | TAX | |
| 7015 | VAT Exempt | TAX | TAX | |

For Hotels which offer Reduced VAT rates for long-stay guests, there will also be a code for VAT 4% (in example above this is 7005).

Review Deposit Tax Transaction Codes

If your hotel uses the Deposit Tax function within OPERA Cloud then some additional codes will also be configured for this functionality. This should also be reviewed to ensure the correct codes are still in place from prior to the VAT changes. If you need to check if you use this option, please go to OPERA main menu screen select 'Configuration' and once logged in, go to Setup>Application Settings> select the Cashiering group on the left and then click on the Settings radio button – you should at the top of the list then see this:

If the value for “Advanced Deposit Handling” is “0” then no action is needed, if it is “4” then please complete the tasks below.



Now you have determined you use the Deposit Tax Function the codes can be reviewed. From the OPERA Cloud menu select 'Administration' and go to Financial>Transaction Management and from the sub-menu select Transaction Codes. In the description type “%deposit” and search. You should have several codes returned, the ones to focus on are Deposit VAT or Deposit Tax (usually in the 7000 range) and one for Deposit Revenue. These codes should already be in place from prior to the VAT reductions.

To review which codes will require the VAT levels amending, log into PMS and go to Miscellaneous and select Reports from the menu. In the 'Report Group' select 'Configuration' and locate the report which has the REP name of 'CF_TRXCOCES2'.

Click on “Preview” and on each accommodation/Food or non-alcoholic beverage code you should see 12.50 as highlighted below. These codes will need amending back to 20% on the date of the VAT change (April 1st).

In addition, as mentioned above, any Deposit Revenue codes and Long Stay Accommodation codes will also need amending (to 20% and 4%).

| Ty. | Group | Subgr. | Sub Ty. | Tm. | Description | Rev | Cash | Man Value | Def Flat / Per | Gen |
|-----|-------|--------|---------|------|---------------------------------------|-----|------|-----------|----------------|-----|
| C | RM | RM | L | 1000 | Room Rate Tax Inclusive Generate 1 | Y | Y | 12.50 | | Y |

The system is now reviewed and ready for the changes on April 1st.

However, if you have a column showing for Tax% and codes set up like the image shown to the right, then you need to edit each code that shows 12.5% and on the Edit screen change the Tax % to be 20% :

Checking Everything is Updated

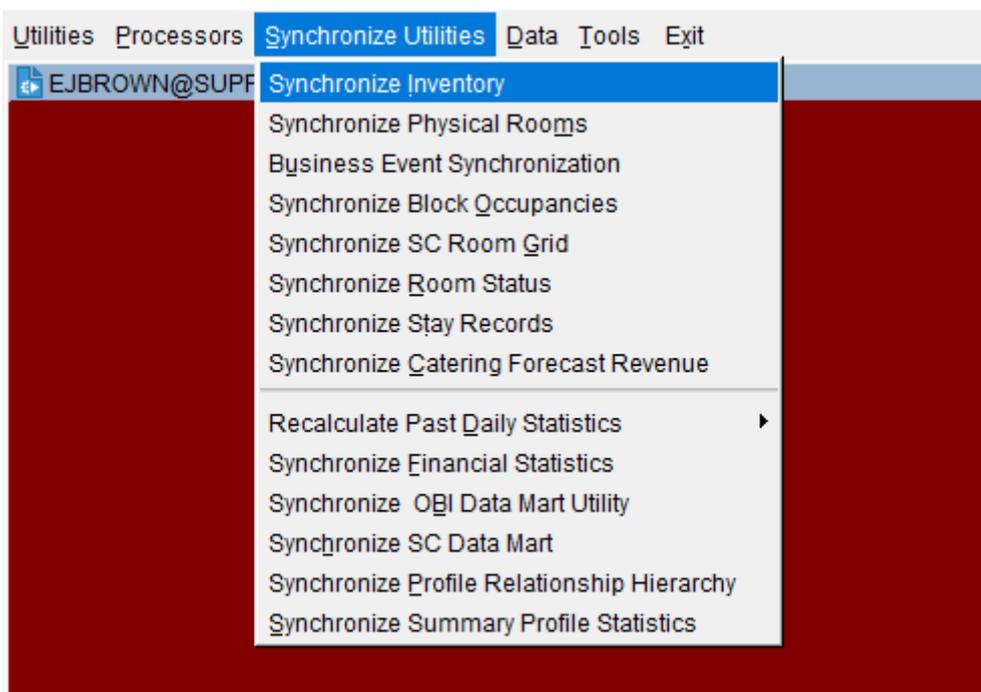
To make sure you have completed the changes correctly, log into PMS and go to Miscellaneous and select Reports from the menu. In the 'Report Group' select 'Configuration' and locate the report which has the REP name of 'CF_TRXCODES2'.

| Trn. | Description | Rev | Cash | Man | Def | Gen | Class1 | M |
|------|-------------|-------|-------------------|-----|-----|-----|--------|---|
| | | Value | Flat / Percentage | | | | | |
| 1000 | Room Charge | Y | | Y | | Y | | |
| | Generate 1 | 20.00 | | | | | | P |

Print or Preview the report and on each accommodation/Food or non-alcoholic beverage code you should now see 20.00 as highlighted below:

If any codes have been missed that should be at 20%, please go back to the [transaction code](#) and update it

It is advised that a resync of the inventory is ran for the changes to be reflected in the forecast reports. To complete a resync, navigate to Utilities > Synchronize Utilities > Synchronize Inventory. Enter the From Date and To Date then click start. It is recommended to run the resync from the current system date until 31/12/25.



Your system is now ready to be used with the temporary VAT rate in place

Please review the following page if your hotel uses a Back Office Interface to system such as Sage/SAP etc.

CHANGES TO BE MADE BEFORE NIGHT AUDIT ON APRIL 1ST

If your hotel uses the Back Office functionality in OPERA to your financial accounting system used by your company, e.g. Sage50, Sage200, etc., then during the daytime of April 1st, the setup of the Back Office interface will need amending.

Please remember that the tax codes for the transaction codes may also have to be changed and mapping for any new transaction codes must also be done. It should be noted that there are screen variations depending on the accounting system used.

The user must have access to Configuration and from there the External > Back Office option. If this is not accessible, then the permission “External Config – Back Office Configuration” will need to be assigned.

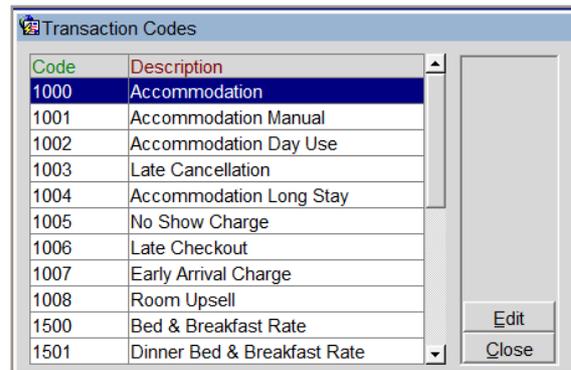
Check which codes need updating

To get a list of the codes which will need updating, log into PMS and go to Miscellaneous and select Reports from the menu. In the ‘Report Group’ select ‘Configuration’ and locate the report which has the REP name of ‘CF_BOF_TRXCODES_MAP’.

Print the report and highlight any codes which need changing from 12.5% to 20% and any new codes that do not have a VAT element assigned to them. Remember that the tax codes for the transaction codes may also have to be changed if required by the financial system

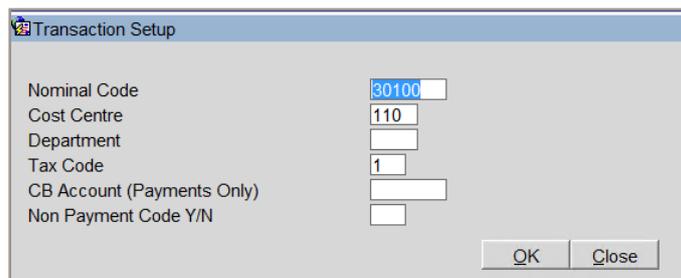
Changing VAT on Back Office Codes

From the OPERA main menu screen select ‘Configuration’ and once logged in, go to External and from the menu select Back Office>Configuration>Transaction Codes



| Code | Description |
|------|-----------------------------|
| 1000 | Accommodation |
| 1001 | Accommodation Manual |
| 1002 | Accommodation Day Use |
| 1003 | Late Cancellation |
| 1004 | Accommodation Long Stay |
| 1005 | No Show Charge |
| 1006 | Late Checkout |
| 1007 | Early Arrival Charge |
| 1008 | Room Upsell |
| 1500 | Bed & Breakfast Rate |
| 1501 | Dinner Bed & Breakfast Rate |

Using the list generated above, edit each transaction code and locate the field relevant to tax – this may be a code and your finance team should be able to tell you what number to replace it with – so below “1” is the old code for 12.5% and “4” maybe the code being used for 20%.



| | |
|----------------------------|-------|
| Nominal Code | 30100 |
| Cost Centre | 110 |
| Department | |
| Tax Code | 1 |
| CB Account (Payments Only) | |
| Non Payment Code Y/N | |

Repeat the process of editing each identified record and once complete, back in PMS run the same report of BOF mappings and confirm all updates have been completed.