Modifications to VAT setup

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

<table>
<thead>
<tr>
<th>VERSION</th>
<th>DATE</th>
<th>AUTHOR</th>
<th>CHANGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>9 July 2020</td>
<td>Tomer Tiram</td>
<td>Initial</td>
</tr>
</tbody>
</table>

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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.
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1. PREREQUISITES

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

**Suite8 Configuration Access:**

<table>
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<tr>
<th>Rights</th>
<th>User</th>
<th>Owner</th>
<th>Group</th>
<th>5. Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>

**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’

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>BOF Vatcode</th>
<th>SFTX Position</th>
<th>BOF Desc</th>
</tr>
</thead>
<tbody>
<tr>
<td>TX2</td>
<td>VAT 5%</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Formula</th>
<th>Order</th>
<th>Valid From</th>
<th>Valid To</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT 20%</td>
<td>(x \times (20/100))</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Choose Tax Header: TX2 VAT 5%
Detail Name: VAT 5%
Choose Post To Dept: 4 VAT 5%
Formula: \(x \times (5/100)\)
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!