

UK VAT Changes

Implementing VAT changes in OPERA Cloud

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
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 Administration access in OPERA Cloud

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 Cloud menu select 'Administration' and go to Financial>Transaction Management and from the sub-menu select 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

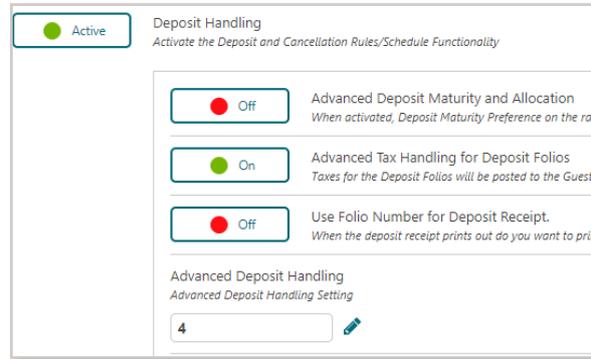
Code	Description	Group	Subgroup	Generates		
				Inclusive	Exclusive	
7000	VAT 20%	TAX	VAT	<input type="checkbox"/>	<input type="checkbox"/>	⋮
7001	VAT 4%	TAX	VAT	<input type="checkbox"/>	<input type="checkbox"/>	⋮
7002	VAT 0%	TAX	VAT	<input type="checkbox"/>	<input type="checkbox"/>	⋮
7003	VAT Exempt	TAX	VAT	<input type="checkbox"/>	<input type="checkbox"/>	⋮

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 7001).

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, from the OPERA Cloud menu select 'Administration' and go to Enterprise>OPERA Controls. Select the Cashiering group on the left and then scroll down the controls until you see "Deposit Handling" as show below:

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 the 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.

Code	Description	Group	Subgroup	Generates	
				Inclusive	Exclusive
1002	Deposit Revenue	REV	ACC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7010	Deposit VAT 20%	REV	TAX	<input type="checkbox"/>	<input type="checkbox"/>
9940	Deposit Matured	PAY	INP	<input type="checkbox"/>	<input type="checkbox"/>

To review which codes will require the VAT levels amending, go to Reports and Manage Reports. In the 'Report Group' select 'Configuration' and locate the report which has the REP name of 'CF_TRXCODES2'.

Click on "Preview/Download" 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.

CHANGES TO BE MADE ON APRIL 1ST

After the Night Audit on March 31st, and as soon as possible on April 1st, the changes below must be completed, assuming the system has been reviewed previously and the pre-existing 20% VAT codes are in place.

Update VAT code on Transaction Codes

From the OPERA Cloud menu select 'Administration' and go to Financial>Transaction Management and from the sub-menu select Transaction Codes.

Starting at the top of the list, generally code 1000 for Accommodation – click on the Actions option and then "View", scroll down to the "Generates" section and on the line for 12.5% click on the Action button and "Edit"



Generates Code	Description	Generated By
8000	VAT - 12.5%	Code
Sub-Total 1		

In the "Generates code" overtype the existing code with the 20% VAT code which in our example is 7000, then change the percentage to 20 and click "Save" then "Back" and move onto the next transaction code which needs updating and Repeat the same process of selecting "Generates" and amend to the 20% VAT code and change the percentage to "20".

All codes associated with the accommodation posting, food elements and non-alcoholic codes need to be updated. All other codes unless specified by HMRC should have previously remained at 20% or 0% or Exempt as per your current setup.

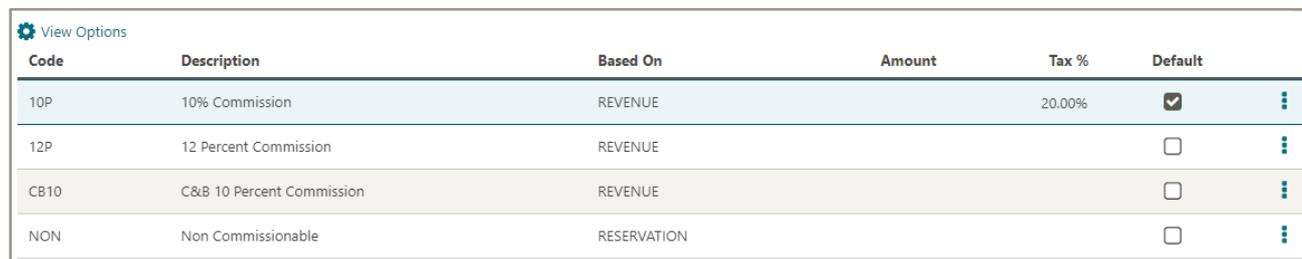
If your hotel does offer Reduced VAT rates for long-stay guests (as identified in the pre-work) then you need to locate the Accommodation Long Stay transaction code which would be in the similar range as Accommodation and edit the transaction code as detailed above and amend the Generates code to the 4% VAT code (which in our example is 7001) and change the percentage to "4".

Some hotels have also previously used an automatic update of VAT after the 28th night of the stay. During the period of reduced VAT this was removed and replaced with a manual process to accommodate the VAT changes. Now the VAT levels have returned to the original levels this functionality can be utilized again.

Should you require assistance configuring the automated long stay VAT functionality, Oracle Hospitality can provide a documented process.

Update VAT for Commissions

If your hotel uses the Commission module the Tax in here also needs updating back to 20%, as shown below. From the OPERA Cloud menu select 'Administration' and go to Financial>Commission Management and from the sub-menu select Commission Codes; click "Search".



Code	Description	Based On	Amount	Tax %	Default
10P	10% Commission	REVENUE		20.00%	<input checked="" type="checkbox"/>
12P	12 Percent Commission	REVENUE			<input type="checkbox"/>
CB10	C&B 10 Percent Commission	REVENUE			<input type="checkbox"/>
NON	Non Commissionable	RESERVATION			<input type="checkbox"/>

If none of the commission codes have a Tax% value shown then you can skip this section.

If on the screen you have any items shown with a Tax % of 12.5%, click on the actions button for that line and “Edit”, change the Tax %, showing as 12.5% below, to 20% and then click on “Save” at the bottom of the screen, repeating for any other codes

Required Field

Property
LONDON

Code
10P

Description
10% Commission

Sequence
1

Hold Status
 Always
 Accounts Receivables
 Prepaid

Reservation History Records

Commission Paid
 Per Night Per Stay

Amount
 Percentage

Commission Calculation

Based On
 Reservation Revenue

Tax %
 12.50%

Checking Everything is Updated

To make sure you have completed the changes correctly, log into OPERA Cloud application and go to Reports and Run Reports. In the ‘Report Group’ select ‘Configuration’ and locate the report which has the REP name of ‘CF_TRXCODES2’.

Click on “Preview/Download” and on each accommodation/Food or non-alcoholic beverage code you should now see 20.00 and the correct transaction code for the as highlighted below:

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

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, access Toolbox in the side bar menu. From here navigate to Utilities > Synchronization > Inventory. Enter the property code (if not already populated), 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 original VAT rate back 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

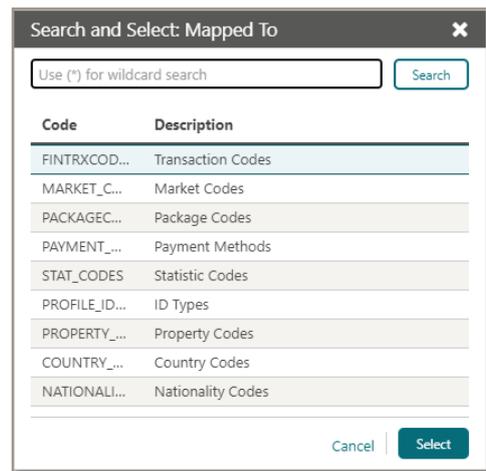
If your hotel uses the Back Office functionality in OPERA to your financial accounting system used by your company, e.g. Sage50, Sage200, etc., then during the daytime of April 1st, the setup of the Back Office interface will need amending.

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 Administration > Interfaces > Export Mapping

Changing VAT on Back Office Codes

OPERA Cloud menu select 'Administration' and go to Interfaces > Export Mapping and from the sub-menu select Export Mappings. In the "Mapped To" search filed click on the search option and from the results returned (shown below) click on Transaction Codes and "Select" and then Search.



On each transaction code which requires a change in VAT percentage or a new value adding, click on the Actions option at the end of the line and "Edit"

Code	Description	Actions
1000	Accommodation	⋮
1005	Accommodation Manual	Edit

Expand the "Backoffice Transaction Codes" by clicking the "+" and then amend the Tax Codes:

Mapping Code	Description	Export Value
BOF_CODE1	Nominal Code	40000
BOF_CODE2	Cost Centre	GUI
BOF_CODE3	Department	REC
BOF_CODE4	Tax Code	1
BOF_CODE5	CB Account (Payments Only)	
BOF_CODE6	Account Number	
BOF_CODE7	Mapping Code 7	
BOF_CODE8	Mapping Code 8	
BOF_CODE9	Mapping Code 9	

In the above example Tax Code 1 = 12.5% - change to original code for 20% and "Save"; Continue this process with all transactions codes as necessary. For any newly created transaction codes, enter all required values accordingly.