**NOTES FOR REQUISITIONERS**

**TEMPORARY REDUCED RATE OF VAT ANNOUNCED – 5%**

On 8th July 2020, the Government announced that it would introduce a temporary reduced rate of VAT of 5% on certain supplies as follows;

* Certain supplies of food and drink for consumption in cafes, bars and similar premises;
* Overnight accommodation in hotels, B&B’s and similar establishments
* Admission to certain attractions including shows, theatres, concerts, museums, exhibitions and similar cultural events.

It will be effective for a temporary period between **15th July 2020 – 31st March 2021** and has been announced as part of the Governments urgent response to the coronavirus pandemic.

**Requisitions in Oracle from 15th July 2020**

It is unlikely that this change will have a significant impact on typical type of items that are requisitioned in Oracle.

Catering

The majority of supplies that will be affected by the change will be purchases of food and drinks in catering outlets – these are not usually ordered through the University’s procurement system but may be claimed more typically via expenses incurred by staff.

More general supplies of catering – for example, orders for buffet lunches or teas and coffees are not thought at this stage to be covered by the VAT relief. Therefore, “catering” generally will remain standard rated and if you order general catering in this way, you do not need to select a tax classification – the system will default to STANDARD.

Overnight Accommodation

If you are ordering this through Oracle, you should select REDUCED as a Tax Classification when raising the requisition.

Ticketed Events and Admissions

Again, if you are ordering any tickets or admission to concerts, shows and other similar *cultural* events, you should select REDUCED as a Tax Classification.

This does not apply to non-cultural events such as conferences, symposium or sporting events. These will remain STANDARD.

***If in doubt,*** please remember to contact the VAT Helpdesk at the following email address;

***vathelpdesk@bham.ac.uk***