**SALES INVOICE REQUESTS**

**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.

**SIPS Invoice Requests**

If you are making certain supplies which require a sales invoice to be raised to an external customer (i.e. not within the University group), then you should be aware of the following areas where this change may or may not impact;

Catering

* It appears at this stage as though the reduced rate for catering only applies to supplies of food and drink for consumption within cafes, bars or restaurant. Therefore, at this point, we are not treating general supplies of catering to external customers as eligible. Therefore, if you are requesting an invoice for catering – you should continue to use the tax code **STANDARD** unless you consider it is very specifically for catering provided within one of our main catering outlets. In this case, please revert to the Tax Team for guidance.
* There is some confusion currently in the guidance around catering provided as part of conference income. This is currently being clarified with HMRC but for the time being, it is prudent to continue to treat any catering lines as remaining at tax code **STANDARD**.
* Sales of alcoholic drinks remain standard rated as does sales of confectionery items.

Accommodation

* Where an invoice request is being raised to an external customer to the University for overnight accommodation e.g. at Edgbaston Park Hotel or Lucas House, this should now be requested at the rate of **REDUCED.**
* Any invoice requests for accommodation to non-students in our halls of residences e.g. for tutors at summer programmes or pre-sessionals should now be requested at the rate of **REDUCED.**
* The same applies to any invoice requests for accommodation at any of our other sites e.g. Priestley Centre.

Events

* Whilst many ticketed events will be paid for through separate ticketing systems, if you are raising an invoice for tickets or admission to cultural events such as shows, concerts or exhibitions, these should now be requested with tax code **REDUCED.**

**Things to Think About**

**Timing –** the temporary reduced rate will apply to supplies with a tax point between 15th July 2020 and 12th January 2021.

The tax point of your invoice is likely to be the date of the invoice if it is raised *before* the date of the catering, hotel or conference stay or event or within 30 days after. Therefore, this will not necessarily be the same as the date of the catering, hotel stay or event.

As a result, most invoices that are raised during the 15th July 2020 – 12th January 2021 period, if they are eligible for a reduced rate supply, will be so based on the date of the invoice.

If you have any concerns about invoices being raised for example for events that took place some time in the past or a long way in the future – please refer to the Tax Team for advice.

**Deposits –** As above, a deposit which is being raised by an invoice dated during the temporary reduced rate period for a supply which is eligible can be treated as REDUCED.

Where we have partially or fully invoiced for a booking of accommodation before 15th July – that will take place between 15th July 2020 – 12th July 2021, we can consider crediting the customer the VAT if they request this. We have only 45 days however to apply this credit from the change in VAT rate i.e. until 29th August 2020. We will update this guidance based on any further information regarding this as it becomes apparent. If you have any queries on providing VAT credits for any supplies invoiced before 15th July 2020, please contact the Tax Team.