Configuring Service Fees and Taxes in OrderPort POS (California Wineries)

Overview: Wineries using OrderPort POS can add a service fee (e.g. a 1% surcharge on all retail sales) and configure taxes to comply with California regulations. Below are step-by-step instructions from official OrderPort documentation on setting up a 1% service charge for both in-person (POS) and online sales, and guidelines to ensure this fee (and other required fees like CA bottle recycling deposits) are taxed correctly. We also include references to California-specific tax rules that wineries should follow.

Setting Up a 1% Service Fee in OrderPort POS

1. Create a Service Charge Product: In OrderPort's **Catalog Manager**, click **"New Product."** For the Product Type, select **"On Demand,"** then choose the subgroup **"Service Charge Rate"** (for a percentage-based fee). This allows you to define the service charge as a percentage of the final bill orderport.freshdesk.com. (If you do not see the Service Charge subgroup, contact OrderPort support to have it enabled orderport.freshdesk.com.)

2. Configure the Service Charge Details: Give the charge a clear name (e.g. "SBCWP") as it should appear on the POS and receipts. Then enter the **percentage rate** – in this case, 1% – as the value of the service charge, and **save** the new product orderport.freshdesk.com. After saving, assign this service charge item to an appropriate group/subgroup in your catalog for organization (for example, a "Service Charges" or "Fees" category), and mark its status as **Active** so that it becomes available in your inventory and POS orderport.freshdesk.com.

3. Verify in POS: Once active, the service fee will appear in the POS just like any other product in the group you assigned. During a checkout, after adding all regular items to the cart, you can add the **Service Charge** item to apply the 1% fee. The service charge will show up as a line item in the cart, and OrderPort will automatically calculate the 1% of the transaction total and include it in the final amount due orderport.freshdesk.com. In other words, the POS will list the service charge in the order summary and apply the correct additional fee (percentage or flat amount as configured) before payment is processed orderport.freshdesk.com.

Applying the Fee to All Sales (POS and Online)

Once the 1% service charge is set up as a product, it can be applied to **in-person POS sales and online eCommerce orders**:

- **In-Person (Tasting Room POS):** Your staff should add the service charge item to each applicable sale. After ringing up the customer's items, simply tap the **Service Charge** product in POS before finalizing the order. The POS will then include the 1% fee automatically in the transaction total

orderport.freshdesk.com. (For example, on a $100 sale, adding the service charge item will add $1, making the subtotal $101 before tax.)

- **Online Sales (Webstore):** Ensure the service charge product is also **visible on your webstore** catalog so it can be used for online orders. OrderPort treats the fee as a normal product, so by default it won't automatically add itself to web orders – you'll need to include it just like any other item. Many wineries accomplish this by customizing their checkout process or cart requirements. For instance, you might script the webstore to auto-add the "1% SBCWP Fee" item to every cart, or include a notice to customers. If you need assistance, work with OrderPort support to configure an **automatic addition of the fee for online orders** (since there isn't a simple built-in "auto-add" toggle for service charges on the webstore). The key is that the fee item must be present in the order for the charge to apply, whether the sale is on the POS or the website orderport.freshdesk.com.

Tip: Once configured, test a couple of transactions (in POS and on the webstore) to verify the 1% fee is correctly added to all orders. This helps ensure there are no surprises for customers and that your staff remembers to include the fee on every sale.

Ensuring the Service Fee is Taxed Properly

In California, a mandatory service charge or fee is generally **subject to sales tax** (similar to any other part of the selling price). To make sure your 1% fee is taxed correctly in OrderPort, do the following:

- **Mark the Fee as Taxable:** When creating the service charge product in Catalog Manager, there is an option to indicate if the product should be taxed. Be sure to **enable taxation** for this service charge item. (For example, when creating any product in OrderPort, you fill in fields like title, price, etc., and specify "if you want this product to be taxed" orderport.freshdesk.com. Make sure your service fee item is set to be taxed so that it doesn't get treated as a non-taxable item.) Once this flag is on, OrderPort will apply the appropriate sales tax to the fee amount whenever it's added to an order, just like it does for other taxable products.
- **California Tax Rules:** According to the California Department of Tax and Fee Administration (CDTFA), mandatory charges such as the **California Redemption Value (CRV)** deposit on beverage containers **must be included in the taxable amount** of a sale orderport.freshdesk.com. In their guidance, the state explicitly notes that there is *"no exclusion for the CRV amount from the measure subject to sales or use tax, even though those amounts may be itemized to the customer"*

  orderport.freshdesk.com. By the same logic, a required service fee (like your 1% surcharge) is considered part of the sale and is taxable in CA. Ensure you follow this principle by taxing the fee. (Voluntary **tips** or gratuities, in contrast, are not subject to sales tax, but a required fee is taxable.)

- **OrderPort Tax Configuration:** OrderPort's **Sales Tax & Licenses** settings give you control over what gets taxed in each state. For example, you can specify per state whether to charge tax on shipping and handling charges training.orderport.net. Make sure your settings for California are configured to **include tax on service-related charges**. Generally, you would **charge tax on any mandatory fee** in CA, while certain shipping charges might be non-taxable (more on that below). By default, OrderPort's tax automation (or integrated tax service like Avalara AvaTax for Beverage Alcohol) will calculate CA sales tax including the service fee if the product is marked taxable and categorized correctly. It's wise to double-check that you haven't inadvertently turned off tax for any category that your service fee might fall under.
- **Verify Tax Calculation:** After adding the service fee to a test order, verify that the sales tax being charged equals the correct percentage *of the new total*. For instance, if your local combined sales tax rate is 8% and your customer bought $100 of wine, adding a 1% fee makes the subtotal $101; the tax should then be 8% of $101 (not just $100). OrderPort will handle this as long as the fee is set up as taxable. If you notice the fee is not being taxed, revisit the product settings or tax configuration.

Required Disclosure – If the assessment is passed on to customers, it must be disclosed in advance. The disclosure can be placed:

- On a sign or placard in the tasting room

- On tasting room menus, event flyers, and restaurant menus (if applicable)

- In the footer of your website or in the checkout/cart

- On receipts, even if the customer declines the receipt

- In wine club emails

Sample Disclosures

- If the fee is passed on:
  "All retail sales subject to a 1% Santa Barbara County Wine Preserve fee."

- If the fee is included in the retail price:
  "All retail sales include a 1% Santa Barbara County Wine Preserve fee."

Clarify on Receipts – Ensure that receipts display the BID fee as a separate line item with clear wording if passed on to the consumer.

By following these steps, your winery can effectively implement a 1% "SBCWP" fee on all retail sales in California using the OrderPort POS system, ensuring the fee is taxed appropriately and operations remain compliant with state regulations.

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