

New Suppliers Procedures

Purchase Orders must only be raised on existing Suppliers on the Agresso system. If a new supplier is required then this procedure must be followed.

Do not issue a normal Purchase order until the new account has been approved by the procurement section.

1. Complete the attached 'New supplier request form'. It is important to fully disclose the type of goods or services the new supplier will provide and what type of business the supplier is.
2. Email the completed form as requested on the form.
3. Procurement will undertake checks on the new supplier request. Depending on the type of goods and services provided and the type of business. The following actions may occur:
 - a. The new supplier will be approved and setup on Agresso. An advice will be sent out to the originator and Purchase Orders can be raised.
 - b. The new supplier will not be approved and an alternative existing supplier will be advised.
 - c. If the supplier potentially falls within the scope of the new intermediary rules additional checks will be made directly with the supplier.
 - i. The supplier will be contacted and asked to confirm the type of business and asked to complete the 'HMRC Employment Status Check for Tax' online form at <https://www.gov.uk/guidance/check-employment-status-for-tax> to determine how the University will need to deal with paying for the work.
 - ii. The supplier will return the information and a copy of the determination.
4. The determination will be checked by the Finance Office. Additional information may be sought from the department to validate the determination.
 - a. If the Supplier is a limited company or partnership and is outside the scope of the new legislation or the HMRC fails to make a determination and all other checks are favourable, a new supplier record will be setup. An advice will be sent out and Purchase Orders can be raised.
 - b. If the Supplier is a sole trader either under a trading name or as an individual and is determined as self employment or the HMRC tool fails to make a determination. A new supplier record will be setup. An advice will be sent out and Purchase orders can be raised.

- c. If the supplier is a limited company or partnership and within the scope the new legislation. The department and the supplier will be informed of the 'deemed employment process (see the end of this document). This means the University will have to deduct Tax and National Insurance from the Invoice and also pay employers National Insurance (approximately 14%) over to HMRC. No supplier account will be setup.
 - d. If the supplier is a sole trader either under a trading name or as an individual and is determined as Employed. Then the department and the supplier will be informed, payment will be through the Payroll.
 - i. If the work is for less than 3 months the Casual Payroll 'Pink Form' process may be used.
 - ii. If for longer, then you will need to contact HR to instigate the recruitment process. The individual will be an employee. of the University together will all the employment rights that brings.
5. When the department and the supplier agree to the deemed employment process, then the supplier must be allocated a Payroll number and a special order raised against the payroll number in the logistics section of Agresso. The special order must also contain the determination and the terms of payment. The supplier submits invoices together with a deemed employment form to the department for manual authorisation and payment by the payroll section of Finance.
6. If the department or the supplier do not agree to these deemed employment terms or employed terms then the department must seek other suppliers.
7. Non-compliance by the department will result in delay to the payment of any unapproved supplier. The invoice will be placed on hold until the full determination process is complete. Any additional costs will be charged to the department and the matter reported to the head of department as a breach of financial procedure.

Deemed Employment Process

1. Payroll must allocate a payroll number on the deemed employment being agreed between department and supplier, to allow a special order to be raised against the new payroll number.
2. Payment of the suppliers invoice will be made through the payroll, with tax and national insurance deducted from the taxable invoice amount (this excludes materials and VAT). Employers National Insurance will also have to be paid over to HMRC.
3. The supplier will not be an employee and will have no employment rights such as sick pay and holiday pay.

4. The terms of payment will be any invoice (and authorised deemed employment form) received in the Payroll Office by the 10th of any month will be paid by BACS on the last working day of that month.
5. The supplier will submit an invoice and a completed deemed employment form to the department.
6. The department will confirm the correctness of the invoice and sign the approval box. The invoice and deemed employment form should be sent to the Payroll Section of Finance.
7. Payroll will setup an account from the details on the Deemed Employment form, attach the account to a IR35 post on the Casual Payroll.
8. Payroll will enter the taxable Invoice amount, Materials cost and VAT as variable input and process this in a payroll run. Tax and NI will be deducted to create a net payment to the supplier. These deductions together with additional Employers National Insurance will be paid over to HMRC and reported through the Monthly RTI file.
9. A Payslip will be sent out to the supplier advising the net amount (and annotated with the Invoice number)
10. Payment will be processed by BACS directly to the bank account advised on the deemed employment form.
11. The gross cost of the Invoice and the additional costs of employers national insurance will be charged to the code on the deemed employment form and account code 445.
12. With the final invoice, a P45 will also be sent out to the supplier and the payroll account closed.
13. Any future engagement must follow the procedure as if a new supplier as each engagement must have a separate determination.

Bangor University New Supplier Request Form

For Internal use only. Please do not send out to the prospective supplier

Please email the completed document to procurement@bangor.ac.uk. Alternatively, for payments such as expenses to individuals email fos999@bangor.ac.uk. If the supplier accepts payment by purchasing card, a supplier account is not required.

Can the supplier accept payment by Purchasing card but the order value is over the limit?	No
What goods or services are required from the supplier?	Click here to enter text.
Anticipated Annual Expenditure	£
Which procurement procedure will be used?	Choose an item.
Expected saving by using this supplier	£
Frequency of using Supplier	Choose an item.
Supplier Name	Click here to enter text.
Contact Name	Click here to enter text.
Supplier Address	Click here to enter text.
Sales – telephone Number	Click here to enter text.
Accounts – telephone number	Click here to enter text.
Orders – email address	Click here to enter text.
Remittance – email address	Click here to enter text.
Type of business*	Choose an item.
Requested by	Click here to enter text.
Department	Click here to enter text.
Date	Click here to enter a date.

IR35 - Bangor University Deemed Employment Form



This form should accompany your business invoice. It provides sufficient information to allow the University (or its wholly owned subsidiaries) to deduct Tax and National Insurance from your invoiced amount and record the deductions with the HMRC. Please see notes overleaf.

Send the invoice and completed form to the departmental engager for authorisation.

Purchase Order No	
Invoice number(s)	
Is this the last invoice for this engagement?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Personal details of the worker	
Title (Mr/Mrs etc.)	
Full name	
Personal address (including postcode)	
Date of birth	
National Insurance number	
Bank sort code (6 digits)	
Bank account number (Usually 8 digits)	
Language for correspondence	Welsh <input type="checkbox"/> English <input type="checkbox"/>

P45 request applies to first payment of the engagement only

I enclose a valid P45 from a Previous Employer	Yes <input type="checkbox"/> No <input type="checkbox"/>
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Important Information about the engagement and payment terms

Under the determination, the work is within the scope of the Intermediaries Act and is a deemed employment, from which we must deduct Tax and National Insurance. We will also have to pay additional employers National Insurance and Apprenticeship Levy on the taxable amount.

For clarity, you are **not** an employee of the University (or its wholly owned subsidiaries) and have no employment rights.