Guidelines for payments being made to an individual

The University is required to assess all payments for services and all payments in the nature of employment for tax liability.

**Flowchart Diagram**

1. **Does the invoice come from a Limited Company or other corporate body?** (see note 2 below)
   - Yes
     - Is it from a PSC (see note 1)
       - Yes
         - See this chart instead
       - No
         - Do not deduct tax or NI. Process the invoice using the Accounts Payable process.
   - No

2. **Is the invoice for supply of goods?**
   - Yes
   - No

3. **Is the invoice from a non UK resident?**
   - Yes
   - No

4. **Is the invoice from an employee, or former employee, of the University or one of its subsidiaries?**
   - Yes
     - Does the employee currently have a University Masters and Scholars or a subsidiary company contract?
       - Yes
         - Refer the payment to the University Payroll team for advice on how it should be processed.
       - No
         - No
   - No

5. **Is the invoice for supply of goods?**
   - Yes
   - No

6. **Is the invoice for teaching and/or instructing? This includes lecturing, teaching, seminar presentations on academic or non-academic subjects including coaching, presentation skills etc and also sports coaching.**
   - Yes
     - Conduct an Employment Status check using the HMRC CEST tool. (See link in the box to the right)
     - Does this indicate that the individual should be treated as an employee?
       - Yes
         - Process the invoice through payroll as appropriate. Tax and NI may be deducted.
       - No
         - No
   - No

**Notes**

- **Note 1:** The generally accepted definition of a Personal Service Company (PSC) is a limited company that typically has a sole director, the contractor, who owns most or all of the shares. The contractor’s PSC generally supplies professional services to end user clients, either directly or via an agency. The professional services are delivered by the contractor who is also the owner and director of the business.
- **Note 2:** Limited company, or other corporate body, invoices must contain the company name and be for payment to a company bank account. Ideally the invoice will also include a company registration number and/or a VAT registration number. If you are in any doubt process the invoice as if it comes from an individual.
- **Note 3:** All payments to an individual processed through the Accounts Payable process will be recorded, where applicable, for declaration to HMRC in accordance with HMRC regulations.
- **Note 4:** Examined and Accredited courses do not include those that only issue a certificate of attendance or similar.

Please sign and date below to certify that you have verified all the answers above.

Signed & Print Name

Date

IF IN DOUBT REFER TO HEAD OF PAYROLL FOR FURTHER ADVICE