



Guidance on attaining a New Supplier

This includes: The University of Hertfordshire, Polyfield Property Ltd (incl. Hertfordshire Sports Village), UH Ventures Ltd (incl. Conference Hertfordshire), UH Trust, UH Holdings Ltd, UniversityBus Ltd, Uno Buses (Northampton) Ltd, Exemplas Holdings Ltd, Exemplas Ltd, Exemplas Trade Services Ltd, Enterprise Growth Solutions Ltd and Bio Park Hertfordshire Ltd.

The rules on services provided by suppliers in the Public Sector (which includes Higher Education Institutions and their subsidiaries), changed in April 2017. If you are looking to use a new supplier for the provision of a service, you will need to read this guidance as financial penalties may be imposed upon the University if the regulations are breached.

What do I have to do if I need a new supplier?

Firstly, if you require a new supplier, you must contact your Purchasing Officer **before** any services are provided by the supplier.

Your Purchasing Officer is there to discuss your requirements and assist you. They will also search the current list of suppliers to see if any of them can meet your needs. If there is no suitable supplier, your Purchasing Officer will assist you in completing the 'New Supplier Questionnaire' form.

A status assessment may be required

The change in legislation requires us, as the end client, to make an assessment on taxation status on all suppliers if services are provided by the following supplier categories: -

- on a self-employed basis
- as a sole trader
- via the suppliers own personal service company.

The taxation status held elsewhere for similar services provided to other organisations by the supplier will not apply to the engagement with us. The University is required to carry out its own assessment.

In order to gather the information needed to make the assessment, the Procurement Team will e-mail your preferred new supplier with the **Supplier Questionnaire 1** form.

The new supplier will need to complete questionnaire based on way they provide their services and return the completed form to the Procurement Team.

The Status Assessment

The returned completed questionnaire will be passed to the Payroll Manager to evaluate the tax status that applies for the engagement with us. The Payroll Manager makes this assessment using the HMRC Status tool.

Status Outcomes

There are two possible outcomes for individuals providing services on a **self-employed** or **sole trader** basis, these are: -

This engagement should be classed as self-employed for tax purposes	This engagement should be classed as employed for tax purposes
<ul style="list-style-type: none">• If the outcome above is received, then the supplier can be set up as a supplier on a self-employed/sole trader basis.• Payment will be made via Accounts Payable <p>Please note: the outcome only applies to the engagement assessed, if the nature of the services provided change, a further status assessment will be required.</p>	<ul style="list-style-type: none">• If the outcome above is received, then the supplier <u>cannot</u> be set up and paid as a new supplier.• The individual will require a contract via HR (or, if conditions of use are met, payment via the One-Off Taxable Payment claim).• Payment will need to be made via the Staff Payroll and subject to PAYE regulations.

There are two possible outcomes for individuals providing service via their own **personal service company**, these are: -

The intermediaries legislation does not apply to this engagement	The intermediaries legislation applies to this engagement
<ul style="list-style-type: none">• If the outcome above is received, then the supplier will be set up as a new supplier with a PSC-OUT flag.• The supplier will be paid via Accounts Payable and invoices received will not be subject to PAYE regulations. <p>Please note: the outcome only applies to the engagement assessed, if the nature of the services provided change, a further status assessment will be required.</p>	<ul style="list-style-type: none">• If the outcome above is received, then the supplier will be set up and as a new supplier with a PSC-IN flag.• Payment will be made via Payroll through the Off-Payroll workforce payroll.• Invoices received will be paid subject to PAYE regulations

