

# Construction Industry scheme – Processing using the CIS Module.

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Sage



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# The CIS Module.

The CIS module is an add on licence. This may be included in your subscription or purchased as an additional module

The CIS module can be used by main contractors and enables the following.

- Subcontractor Verification
- Storage of Subcontractor Verification records
- Automatic CIS deduction postings
- CIS return submission
- Submission of CIS corrections
- Issuing subcontractor statements

# Activation.

- The Modules will need to be activated, this can be done within tools> activation> Enable Construction Industry scheme.
- During activation nominal codes must be created for CIS labour and materials. These must be used when processing CIS transactions
- Government gateway log in credentials can also be added to enable verification and submission direct through the software.

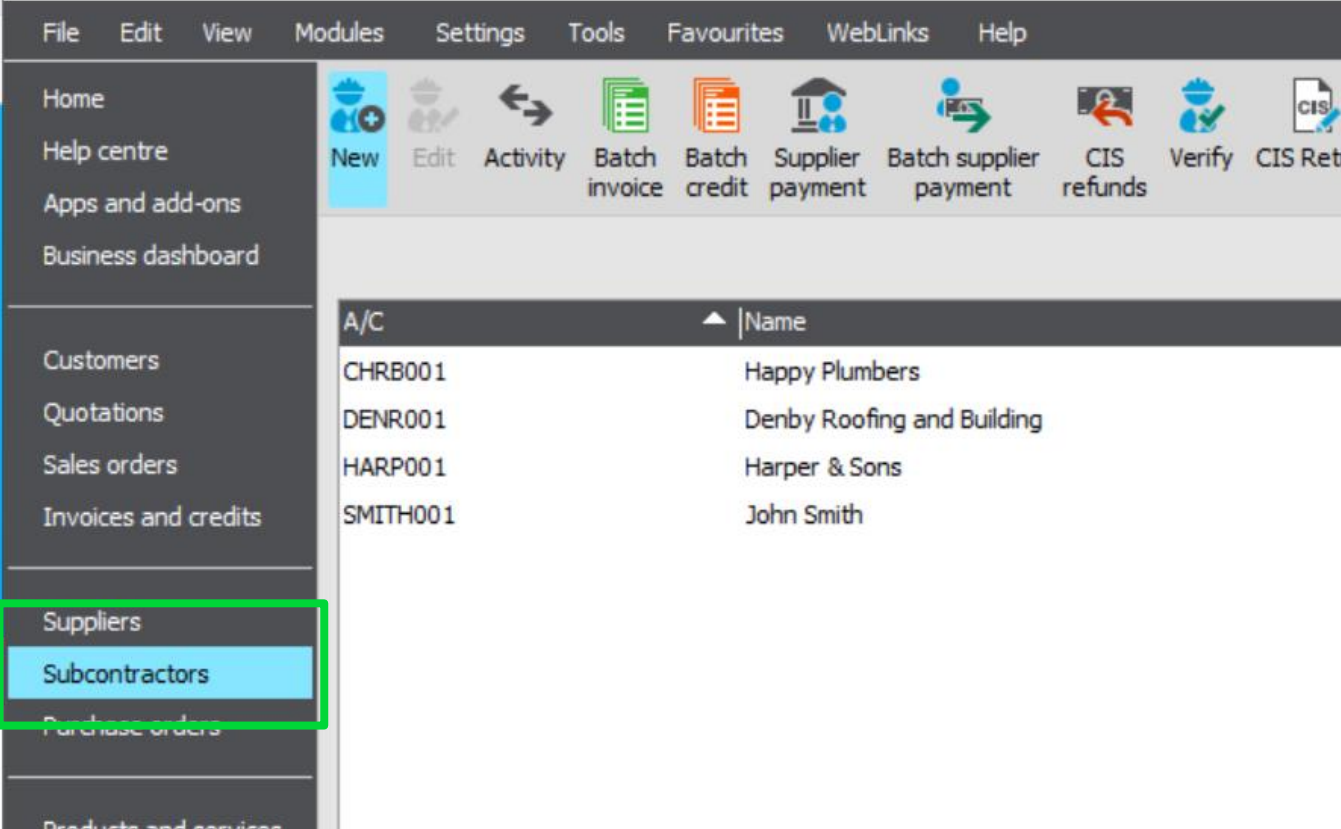
The screenshot shows the 'Sage 50 CIS Activation' window. The title bar reads 'Sage 50 CIS Activation'. The main heading is 'Sage 50 - CIS Module Activation'. On the left, a vertical navigation pane shows five steps: 1 Welcome, 2 Nominal Codes (highlighted), 3 Company Details, 4 e-Submissions, and 5 Finish. The main area is titled 'Nominal Codes' and contains a list of codes with dropdown menus: CIS Labour (6000), CIS Materials (6001), CIS Other Labour (6002), CIS Other Materials (6100), CIS Tax (2101), CIS Tax Liability (2102), and CIS CITB Levy (8200). A green question mark icon is in the top right of the main area. Below the list, a message states: 'You can now continue to enter your Company and e-Submission Details by selecting Next.' At the bottom, there are three buttons: 'Cancel', 'Back', and 'Next'.

Nominal Codes	
CIS Labour	6000
CIS Materials	6001
CIS Other Labour	6002
CIS Other Materials	6100
CIS Tax	2101
CIS Tax Liability	2102
CIS CITB Levy	8200

You can now continue to enter your Company and e-Submission Details by selecting Next.

# Subcontractor Details.

- A new module appears called 'subcontractors'
- Subcontractors who are already setup as a supplier can be converted into a subcontractor record.
- Subcontractors will be visible within both the subcontractor and the supplier modules.



The screenshot displays the Sage software interface. The top menu bar includes File, Edit, View, Modules, Settings, Tools, Favourites, WebLinks, and Help. The left sidebar contains a navigation menu with the following items: Home, Help centre, Apps and add-ons, Business dashboard, Customers, Quotations, Sales orders, Invoices and credits, Suppliers, Subcontractors (highlighted in blue), Purchase orders, and Products and services. The main window shows a table of subcontractor records with the following data:

A/C	Name
CHRB001	Happy Plumbers
DENR001	Denby Roofing and Building
HARP001	Harper & Sons
SMITH001	John Smith

# Subcontractor details.

A new CIS tab will appear on supplier records

To convert a supplier record into a subcontractor the CIS tab must be completed

A brand new subcontractor can be created in the same way as a new supplier but from within the subcontractor module.

Supplier Record - Smith Builders

Clear form New order Delete Skype Google Maps

Details  
**CIS**  
Defaults  
Credit Control  
Bank

Alerts  
Communications  
Memo

Activity  
Purchases  
Orders  
Graph

**Business type**

Business type: Sole Trader

**Verification status**

Status: Verified with HMRC  
Verification number: V5678912345  
Last verified: 07/11/2022  
Tax treatment: Net (standard rate)  
Verify Now Tax Treatment...

**Subcontractor details**

Trading name:   
Legal name:   
 Use the legal name in reports  
First name or initial: John  
Second name:   
Surname: Smith

**Payment details**

Payment frequency: Monthly  
 Agreement to send monthly statements by email  
 Agreement to pay a third party:

**References**

UTR: 2234567890  
NINO: YW000003A

**Pre-2007 information**

If this subcontractor was used before the 2007 CIS reform, you can record information from that scheme for reference.  
Record pre-2007 information

# Processing CIS invoices.

CIS invoices must use the CIS nominal Codes created during set up

The invoice is posted as normal applying the correct VAT code (Domestic reverse charge tax codes are available)

Batch Subcontractor Invoice

Clear form  
 Insert row (F7)  
 Remove row (F8)  
 Copy cell above (F6)  
 Copy cell above +1 (Shift + F6)  
 Calculate net (F9)  
 Memorise  
 Recall  
 Print list  
 Send to Excel

A/C

N/C

A/C*	Attach	Date*	Due On*	Ref	N/C*	Department*	Details	Net	T/C*	VAT	Disp
SMITH001		07/11/2022	07/12/2022		6000	0	Labour	1000.00	T1	200.00	
SMITH001		07/11/2022	07/12/2022		6001	0	Materials	5000.00	T1	1000.00	

# Processing CIS payments.

The CIS deduction is automatically calculated based upon the subcontractor status a purchase credit is posted to the CIS Tax nominal code

Bank Details			Supplier Details			Payment Details		
Bank A/C	1200		Account*	SMITH001		Date*	07/11/2022	
Name	Bank Current Account		Name	Smith Builders		Reference		
Balance	-49429.07		Balance	7200.00		Ex. Reference		
Show: All			From: // To: //			<input checked="" type="checkbox"/> List Invoice/Credit by item line		

View	No.	Type	A/C	Date	Due on	Ref	Ex.Ref	Department	Details	T/C	Amount £	Payment £	CIS Tax Treatment	CIS Tax
	51	PI	SMITH001	07/11/2022	07/12/2022			0	Labour	T1	1200.00	1000.00	Net (standard rate)	200.00
	52	PI	SMITH001	07/11/2022	07/12/2022			0	Materials	T1	6000.00	6000.00	Gross	0.00

51	PI	SMITH001	6000	0	Labour	07/11/2022	08/11/2022	07/12/2022	1000.00	200.00	T1	Y
52	PI	SMITH001	6001	0	Materials	07/11/2022	08/11/2022	07/12/2022	5000.00	1000.00	T1	Y
53	PP	SMITH001	1200	0	Purchase Payment	07/11/2022	08/11/2022		7000.00	0.00	T9	Y
54	PC	SMITH001	2101	0	CIS Tax Deduction	07/11/2022	08/11/2022	07/11/2022	200.00	0.00	T9	Y



# CIS Return.

The CIS return can be calculated and submitted from within the software.

The CIS return picks up payments made against CIS invoices.

If a mistake is made, a correction can be made to a CIS transaction but the CIS return for that period impacted will need to be resubmitted to HMRC.

The screenshot shows a software window titled "CIS Return". At the top left is a "Print list" button with a printer icon. Below this, there are two dropdown menus: "View subcontractor payments for: Tax Year:" set to "2022 - 2023" and "Tax Month:" set to "08 - 06/11/2022 - 05/12/20".

The "Return summary" section contains three input fields: "Total payments:" with the value "6000.00", "Cost of materials:" with "5000.00", and "Tax deducted:" with "200.00". To the right of these fields is a checkbox labeled "I will be inactive in the scheme for the following 6 months (from 06/12/2022 until 05/06/2023).", which is currently unchecked.

Below the summary is a section titled "Breakdown by subcontractor:" containing a table with the following data:

Ref.	Name	UTR	Verification Number	Total Payments	Cost of Materials	Tax Deducted
SMITH001	John Smith	2234567890	V5678912345	6000.00	5000.00	200.00

At the bottom of the window, there is a disclaimer: "By submitting this monthly return, you are confirming that the employment status of each individual included on this return has been considered and payments have not been made under contracts of employment." Below the disclaimer are two buttons: "Submit Online" and "Close".

# Subcontractor Statements.

Subcontractor monthly statements can be generated and issue to Subcontractors.

These can be configured to be to be emailed direct to your subcontractors.

<u>SubContractor Monthly Statement</u>	
CIS - Standard VAT	
Contractor's Employer Reference	123/R023
Construction Industry Scheme Statement of payment and deduction for month ending: 05/04/2022	
<b>Subcontractor</b>	
Name:	<b>Harper &amp; Sons</b>
Unique Taxpayer Reference	<b>4234567899</b>
NINO:	
CRN:	<b>12345678</b>
Higher Rate Verification Number:	
Gross amount paid (Excl VAT and CITB levy): (A)	<b>3,000.00</b>
Less cost of materials:	<b>2,000.00</b>
Amount liable to deduction	<b>1,000.00</b>
CIS Tax Deducted: (B)	<b><u>200.00</u></b>
Amount Payable: (A-B)	<b>2,800.00</b>
*Verification number only to be entered where a deduction at the higher rate has been made.	

# Summary.

- The CIS module will only work for main contractors processing subcontractor invoices.
- Subcontractors can be verified directly from the software and the verification details held on the subcontractor record.
- CIS transactions must be posted using the CIS nominal codes set up during activation.
- When a CIS invoice containing labour is paid the deduction is automatically calculated and a credit note automatically posted to the CIS tax control account.
- The module can be used to calculate and submit the CIS return to HMRC.

# Upcoming Webinars.

## Upcoming

Month End

CIS

Domestic Reverse Charge

Journals

Customers > Letters

Festive Messaging

Prepayments & Accruals

Fixed Asset

## Key Topics

### **Report Design > Groups & Sorts** **Tuesday 22 November 2pm**

Learn about the structure of reports in Report Designer, and the impact of adding groups and sorts to a report with a view to enabling you to make basic amendments to existing reports.

### **Any requests?**

Please add them to the exit survey as you leave.

## **What is Sage Membership ?**

**Sage University – [Sageu.com](https://www.sageu.com)**

**Sage City – [Sagecity.com](https://www.sagecity.com)**

**Sage Masterclass**

# Member Masterclass

## Season 1: Finding and keeping great people

Built exclusively for Sage members and available to everyone for a limited time only.


Your greatest asset is your people. So, how do you find and keep the best?

Whether you're a one-person business or already lead a team, a great hire is game-changing.

In the very first season of Member Masterclass, you'll discover:

- How to create a world-class onboarding experience.
- How to develop and nurture your talent.
- How to retain the talent you have.

Visit [sage.com/uk/masterclass](https://sage.com/uk/masterclass) now and learn from visionary leaders on how to hire and retain top talent.




SEASON 1: FINDING AND KEEPING GREAT PEOPLE

### How to create a more human company


Join Michael Acton Smith, Co-Founder and Co-CEO of Calm, and discover techniques to help you build a happier, healthier and more productive workplace.

Watch the keynote




**Duke Stump**  
Chief Brand Officer at NewLab

### Building a business with soul




**Charlie Gladstone**  
Author and Creative Entrepreneur

### The life-changing magic of emotional intelligence at work




**Khalilah Olokunola**  
Chief People Officer at TRU Colors

### Why successful recruitment doesn't end with onboarding




**Duke Stump**  
Chief Brand Officer at NewLab

### How to spark inspiration and create a positive culture



**Julia Jahn**  
Global Employee Experience Lead

### How to make your people thrive and come alive



**Bobette Buster**  
Author, Film Producer, and Professor of Storytelling

### How to create a deeper connection with your people

And  
more...

# Thank you!

