Construction Industry scheme – Processing using the CIS Module.

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Contents

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.
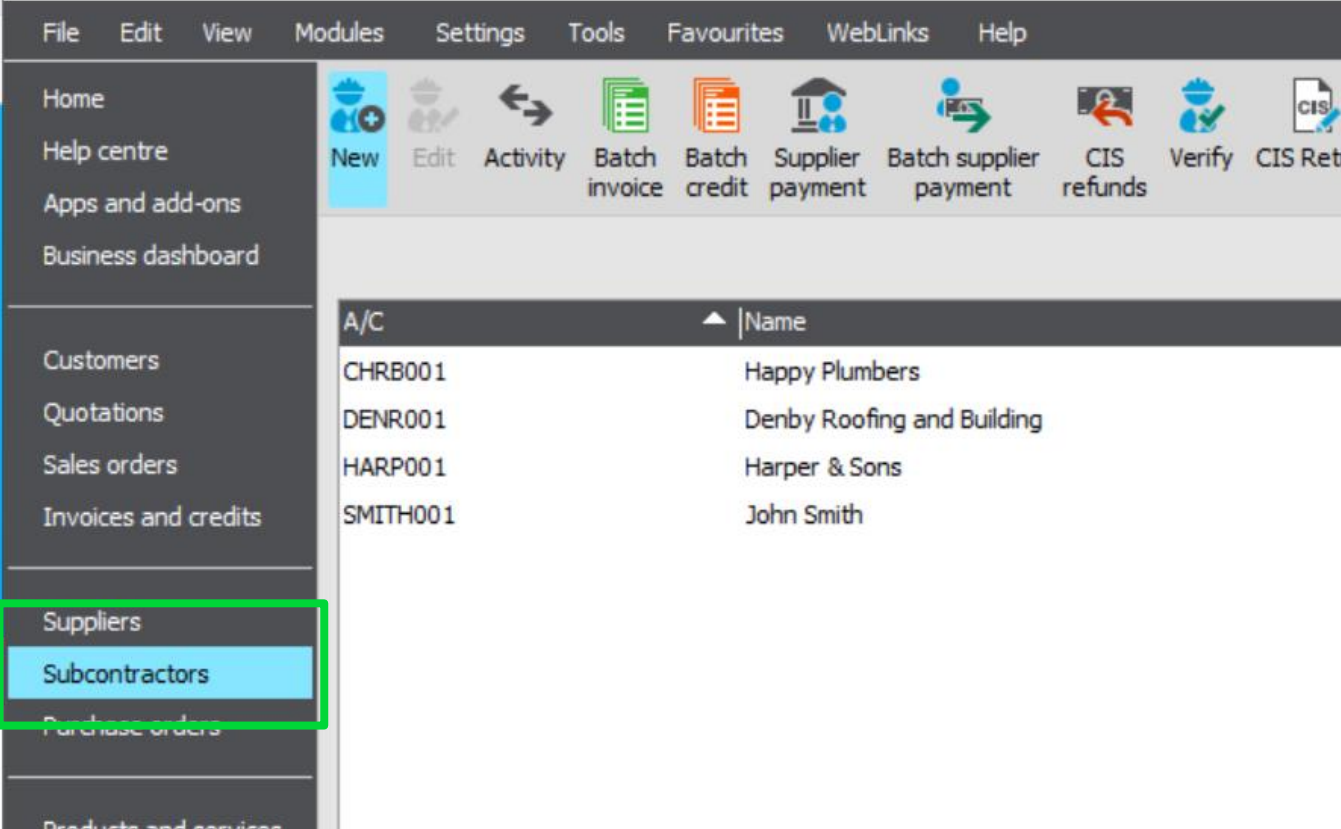
Subcontractor Details.

- 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.

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.

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)

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

Bank A/C	1200
Name	Bank Current Account
Balance	-49429.07

Supplier Details

Account*	SMITH001
Name	Smith Builders
Balance	7200.00

Payment Details

Date*	07/11/2022
Reference	
Ex. Reference	
Amount	7000.00

Show	All		From	/ /	To	/ /		☑ 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.

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.

SubContractor Monthly Statement	
CIS - Standard VAT	
Contractor's Employer Reference	123/R023

Construction Industry Scheme
Statement of payment and deduction for month ending: 05/04/2022

Subcontractor

Name:	Harper & Sons
Unique Taxpayer Reference	4234567899
NINO:	
CRN:	12345678
Higher Rate Verification Number:	

Gross amount paid (Excl VAT and CITB levy): **(A)**	3,000.00
Less cost of materials:	2,000.00
Amount liable to deduction	1,000.00
CIS Tax Deducted: **(B)**	200.00
Amount Payable: **(A-B)**	2,800.00

*Verification number only to be entered where a deduction at the higher rate has been made.

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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	Key Topics
Month End CIS Domestic Reverse Charge Journals Customers > Letters Festive Messaging Prepayments & Accruals Fixed Asset	**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.

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Thank you!