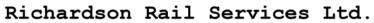
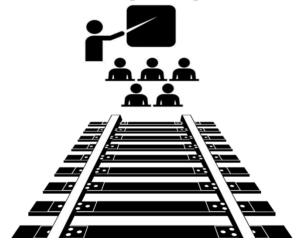
Contractors – Getting Paid



Personal Development Specialist



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1 Purpose

The purpose of this Procedure is to provide a process to support staff in getting paid the correct value of money for services rendered and ensure that they are paid on time. It also clearly defines the expectations and responsibilities of contractors when working on behalf of Richardson Rail Services Ltd.

The process will also help to ensure the correct bookkeeping for Richardson Rail Services Ltd and help us maintain our legal and moral obligations.

This process applies to all sectors and contracts and must be used accordingly. The responsibilities detailed within this process must be implemented as a minimum standard throughout the business.

2 Definitions:

- Timesheet- A document to confirm actual hours worked on site.
- **Client-** The person, Company, or Sponsor (Primary or Sub) requesting services from Richardson Rail Services Ltd.
- Contractors- Person(s) working on behalf of Richardson Rail Services Ltd. (Note, although sometimes referred to as staff, persons/contractors are not considered to be staff nor directly employed)
- **Job** The role the staff member has been requested to complete can include the provision of equipment, completion of a job role, or other.
- Training Staff A member of staff working as an assured trainer OR assured assessor.
- **Line Manager** The member of staff who has requested the job and sent the job information to the staff member delivering the services.
- **Payroll** The list of payments required.
- Invoice A document that lists the correct information and price for services rendered.
- Accounts department The team in Richardson Rail Services Ltd. That process invoices and other requirements prior to scheduling payments to the payroll.
- **Payroll Deadline** All timesheets, Invoices and other requirements must be submitted prior to 16:00hrs on a Friday to be paid the following Friday.
- CIS Construction Industry Scheme, A tax that applies to certain activities on the railway.
- **UTR** Unique Tax Reference.
- **VAT** Value Added Tax, A Tax added to all qualifying sales.

3 Scope

- 3.1 Contractors undertaking Safety Critical, Electrical or Engineering Jobs:
 - This procedure applies to all contractors that might engage with Richardson Rail Services Ltd. To undertake jobs that include Safety Critical, Engineering or Electrical works, such as COSS, ES, Level A, Level B, DIST Level A, DIST Level C, Track Engineer etc. (non-exhaustive list).

3.2 Contractors undertaking Labour works:

• This procedure applies to all contractors that might engage with Richardson Rail Services Ltd. To undertake jobs that include labour works, such as Groundworker, Trackman, PTS Labour etc. (non-exhaustive list).

3.3 Contractors undertaking Specialist works:

• This procedure applies to all contractors that might engage with Richardson Rail Services Ltd. To undertake jobs that include De-Veg, Consulting, Safety inspections, Steel Works, Bridge inspections etc. (non-exhaustive list).

3.4 Contractors undertaking Training works:

• This procedure applies to all contractors that might engage with Richardson Rail Services Ltd. To undertake jobs that include Training, Assessing etc. (non-exhaustive list).

3.5 Exclusions:

• This procedure does not apply to anyone working for Richardson Rail Services Ltd. As a PAYE staff member.

4 Roles & Responsibilities

4.1 Managing Director:

Managing Director shall:

- Ensure that all Line Managers understand this procedure;
- Ensure that this procedure is maintained with up-to-date practices; and
- Ensure any changes made to this procedure are done in accordance with internal processes.

4.2 Line management:

Line Management shall:

- Ensure that this process is adopted locally in all their areas of control.
- Ensure that this process is cascaded to contractors and that it is complied with.
- Ensure that this process is sent to or received by all contracts, new or old.
- The line manager is responsible for ensuring that staff members get the required resources to undertake the procedures set out in this document.
- Ensure that all work requests are inputted onto the relevant trackers as required.

4.3 Accounts:

Accounts shall:

- Ensure that this process has been followed prior to adding any invoices to the payroll.
- Ensure that this process is followed in terms of compliance with our legal obligations of data collection for tax / HMRC purposes.
- Ensure that as far as reasonably possible and practicable, we as a company help combat potential money laundering.

4.4 Contractors:

Contractors shall:

- Ensure that this process is followed fully when working on behalf of Richardson Rail Services Ltd.
- Ensure that they have all the requirements in place prior to sending in an invoice.
- Ensure that they have read, understood, and agreed to this process prior to attending the site or completing any jobs for Richardson Rail Services Ltd.

5 HMRC Compliance

5.1 HMRC Compliance Explanation:

As part of our legal obligations to HMRC, we must pay all the required taxes and try our best to combat tax evasion from contractors who work on behalf of Richardson Rail Services Ltd.

As such, we must keep a database of all contractors that work for us; contractors can be Public Limited Companies (PLC) or Private Company Limited By Guarantee. Private Company Limited by Shares. Private Unlimited Company. Particular Types of Limited Company. Sole Traders or Individuals. (Non-Exhaustive).

5.2 Mandatory Information We Must Collect:

We need the following information: Company name, registration number, contact person, email, phone number, address, insurance documents, VAT certificate, CIS status, and UTR number. (Where Applicable).

6 Requirements for Non-Training Contractors to Submit an Invoice 6.1 Requirements Before Attending Site:

Any contractor must ensure before attending site that they are aware of the timesheet requirements and must have the relevant timesheet to take with them.

They must be aware and have the payment hours and rate for the shift(s) they are booked on agreed upon in writing. They must also be sure of where, when and what they are doing and must have all the detail Is to complete the job effectively.

If there is any uncertainty on this, then the staff member is responsible for ensuring questions are asked and clarity received before attending work.

6.2 Requirements at Site:

Any contractor working on behalf of Richardson Rail Services Ltd. must always behave professionally while on site, adhering to all standards, rules, and regulations. They must also comply with all expectations from us and the client and complete their planned job role and/or the booked hours. They must sign in at any SACs that might be available at the site and undertake any required inductions.

6.3 Requirements Following the Job:

Upon completion of the work, and only at that time, the member of staff must ask the on-site manager/supervisor of their work to sign their timesheet.

The contractor must ensure the timesheet is legible prior to getting it signed.

If you are undertaking work multiple days at the same location, with the same client and same supervisors, multiple days can be on the same timesheet.

Other means of actual hours worked can be used, such as emails from the client's site manager, if there is no client manager/supervisor on site.

There must be a fully completed induction pack of the contractor within the last twelve months of the date of the job.

The mandatory details we must keep for HMRC must be up to date.

7 Requirements for Training Contractors to Submit an Invoice 7.1 Requirements Before Attending Site:

Any contractor must ensure before attending the site that they have agreed on any additional fees with the admin team in writing so that they are captured on the booking form.

7.2 Requirements at Site:

Any contractor working on behalf of Richardson Rail Services Ltd. must always behave professionally while on site, adhering to all standards, rules, and regulations. They must also comply with our and client expectations and complete their planned job role and/or the booked hours. They must sign in at any SACs available at the site and undertake any required inductions.

7.3 Requirements Following the Job:

Upon completion of the work, and only at that time, the member of staff must ensure to log the result(s) of the event on the sentinel system, our booking system, save all evidence and paperwork and ensure that all our requirements as per our quality assurance manuals are completed.

There must be a fully completed induction pack of the contractor within the last twelve months of the date of the job.

The mandatory details we must keep for HMRC must be up to date.

8 Requirements of timesheets

Timesheets must be clear.

They must be legible.

They must also have, as a minimum, the location of the job and the client's name.

They must have the contractor name, sentinel number, job role, hours, breaks, week-ending date, and date(s) of work.

They must be signed by the contractor with a printed name also present.

They must be signed, printed and dated by a supervisor or higher-level site contact from the client. It is preferable to add on if known, the PO number and/or Contract number as well as any other useful notes.

9 Payment of VAT

If an invoice is charging VAT this will not be paid until the payee's company documents/information has been checked and confirmed.

Company registration certificate, VAT registration certificate, policies, procedures and insurance and that company has been added to our approved suppliers list.

We reserve the right to refuse invoice payment in full if we do not believe the requirements are in place to add the company to our approved supplier list.

10 Payment of CIS

If Richardson Rail Services Ltd. or the Contractor deem the work falls under the CIS, the relevant tax must be deducted from the invoice. Unless the Contractor is CIS GROSS Status, and this has been confirmed, Richardson Rail Services Ltd. Will pay the contractor via an Umbrella Company who will ensure all tax obligations are met. The Contractor will be liable for all associated costs and taxes.

11 Invoice Requirements and Payroll Details

All invoices received before 16:00hrs on a Friday will be processed and paid no later than the Friday of the subsequent week, provided they are submitted correctly in line with the details outlined in this section and accompanied by a valid completed & signed timesheet. The work details must also be fully submitted on our internal trackers that the accounts department uses to check off invoices.

Invoices must be sent directly to the accounts department. Any invoice not sent directly to the accounting department will not be paid. – <u>Caitlin@richardsonrail.co.uk</u>.

Timesheets must be submitted in either WORD or PDF format.

We will not accept payment links, embedded text in emailed invoices, images of invoices, or any other document type.

Timesheets can be in any format if they are completed fully and clearly. The full timesheet must be visible in the image, scan, or file.

Please ensure your invoice includes the following information: Full name, full address, date of invoice, due date (must be in line with our terms as a minimum), week number of work, date(s) of work, location of work, hours worked, and job role.

If you are a sole trader or director of your limited company, you must also include your National Insurance (NI) number if it is not already on our system.

Your invoice must be addressed to Richardson Rail Services Ltd., 16 Lower Station Road, Billingshurst, RH149SX, UK.

Ensure that your payment details are displayed on the invoice , and your name/company name must match that of the bank account you are requesting payment to; ensure the invoice includes the account name, bank name, bank address, sort code, and account number.

12 Non-Payments

12.1 First Instance – Training Contractors:

In the First instance of not receiving payment, please email the accounts department. Work with the accounts department to try to resolve any issues with the invoice.

12.2 Escalation – Training Contractors:

If required, and if no agreement can be settled. Please raise the issue with the managing director via email.

12.3 First Instance – Non-Training Contractors:

In the first instance of not receiving payment, please speak with the staff member who booked you for the job to identify the issue. Typically, the accounts team will email the relevant line manager or the contractor what they are missing to authorise the invoice to payroll. If it is spreadsheet - or timesheet-related, the only person who can assist is the line manager.

Do not ring the account department chasing for payment, as they cannot authorise payments that do not meet all the requirements in this process.

12.4 Escalation – Non-Training Contractors:

Only after at least one week of trying to resolve with the relevant line manager can escalation be considered; if there are still issues, please forward the email trail to the managing director, explaining in as much detail as possible what the issue is.

12.5 Reserving Right:

We reserve the right to withhold payment of any invoice if we feel there has been any breach of any process, policy, or rules we expect the contractor to work to.

We reserve the right to withhold payment of any invoice if we feel that the conduct on-site was not to our expectations.