



# Self-billing guide

## What is self-billing?

Self-billing was established by automotive companies and it is now a widespread payment process that is used throughout service and industrial sectors.

Self-billing is an arrangement between a contractor's Limited or Umbrella Company (Supplier) and their Customer (NRL Ltd) whereby NRL prepares a contractor's (supplier's) invoice and sends it to the contractor (supplier).

Ultimately it means that your Limited Company will no longer need to send an invoice to NRL. Instead you will submit your timesheets and or expenses which will be authorised by your manager and then NRL will send the invoice and follow it up with a payment. Overall self-billing is a much more efficient payment process for everyone involved.

## How does this benefit me?

Putting in place a self-billing arrangement can be advantageous to you for the following reasons:

- Speeds up the payment process as invoices are automatically created from the approved timesheets/expenses.
- Invoices are produced to a standard format reducing the administration for both parties.
- It can save time and money as invoices can be sent electronically and don't have to be printed.

## How does this benefit us at NRL?

Putting in place a self-billing arrangement can also be beneficial to us for the following additional reasons:

- The margin for error is reduced significantly as invoices are created from pre-approved timesheets/expenses.
- The system we have in place allows us to quickly and efficiently send self-billed invoices electronically.

## Can anyone use self-billing?

Self-billing is only used for contractors working through a Limited Company or Umbrella Company. It's not relevant if you are a PAYE worker.

## Who makes the rules?

The rules on self-billing are set out by HM Revenue & Customs (HMRC) in their VAT Notice 700/62.



# Self-billing guide

## **Does self-billing impact on my IR35 position?**

Self-billing does not impact on your contractual or commercial arrangements between NRL and your Limited Company and has absolutely no impact on IR35 considerations.

## **Who designed the invoice format and layout?**

The invoice format is a standard format that conforms to HMRC regulations and this cannot be changed. The invoice will show full timesheet detail (and expenses where applicable) and copies of the timesheet and expenses will be attached.

## **Who do I contact if my self-bill invoice is incorrect?**

The information used to produce your self-bill invoice is taken from the timesheet that you submitted and the client has authorised so it is unlikely to be incorrect. However, if you do have any queries please do not hesitate to contact our team on +44 (1942) 614 650 and select the contractor payroll option when prompted.

## **Who is the agreement between?**

The agreement is between the Limited Company and NRL Limited.

## **My company has just become VAT registered. Do I need to send NRL a copy of my VAT certificate?**

Yes, if your company has just become recently registered you will need to send us a copy of the new VAT certificate and get in touch with us to sign a new PSCTOA agreement.

## **What do I need to do if my company has now deregistered from VAT?**

If your company de-registers then you will need to inform us of the effective date of change and complete a new Self Billing agreement.

## **What do I need to do if my Limited company has changed its VAT registration number?**

If your company has changed its VAT registration number or just become recently registered you will need to send us a copy of the new VAT certificate and get in touch with us to sign a new PSCTOA agreement.



# Self-billing guide

Once we have received a copy of your VAT certificate we will be able to provide you with a new self-billing agreement, which in turn will need to be signed by an authorised representative of your Limited Company and returned to us.

## **What do I need to do if the Limited Company has changed its name?**

If your company has changed its name BUT maintained the same VAT number, you will need to send us a copy of the change of name certificate issued by the Registrar of Companies. *Please note you will also need to include your name and date of birth in the email alongside the old name of your company.*

Once we have received the certificate issued to you by the Registrar of Companies we will be able to provide you with a new self-billing agreement, which in turn will need to be signed by an authorised representative of your Limited Company and returned to us.

## **My system is set up to provide invoices. How will I cope with self-bill invoices?**

Instead of providing your own invoices, you can use the self-bill invoices as part of your Limited Company's accounting records. This is accepted by HMRC for VAT purposes. However, we recognise that you may have your own system to provide invoices. If you want to continue to do this, we suggest you produce your invoice but do not send it to us; instead, attach it to the self-bill invoice.

## **I have signed a PSCTOA, but my Limited Company has not been paid this week and has not received an invoice.**

Please contact the NRL team on +44 (1942) 614 650 and select the contractor payroll option when prompted.

## **When will my self-bill agreement expire?**

There is no expiry date. The self-billing agreement will continue until you cease to work through NRL.

## **Can I continue to provide my own invoices on a weekly basis if I don't want to agree to the self-billing agreement?**

Self-billing is our standard method because it is more efficient, saves time and markedly reduces the possibility of late payment. You are not required to provide your own invoices for NRL to use.

## **Who do I contact for more details?**

As always, the NRL team will be happy to answer any queries that you may have. Give us a call on +44 (1942) 614 650 and select the contractor payroll option when prompted.