



# **Sumetica Payroll**

## **CIS Setup Guide**

April 2020

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### Introduction

This document shows how to setup a client CIS payroll in Sumetica. Clients may have one or more payrolls allocated to them, for example a weekly and a monthly or a staff and directors payroll. Typically, we see most clients having a single payroll.

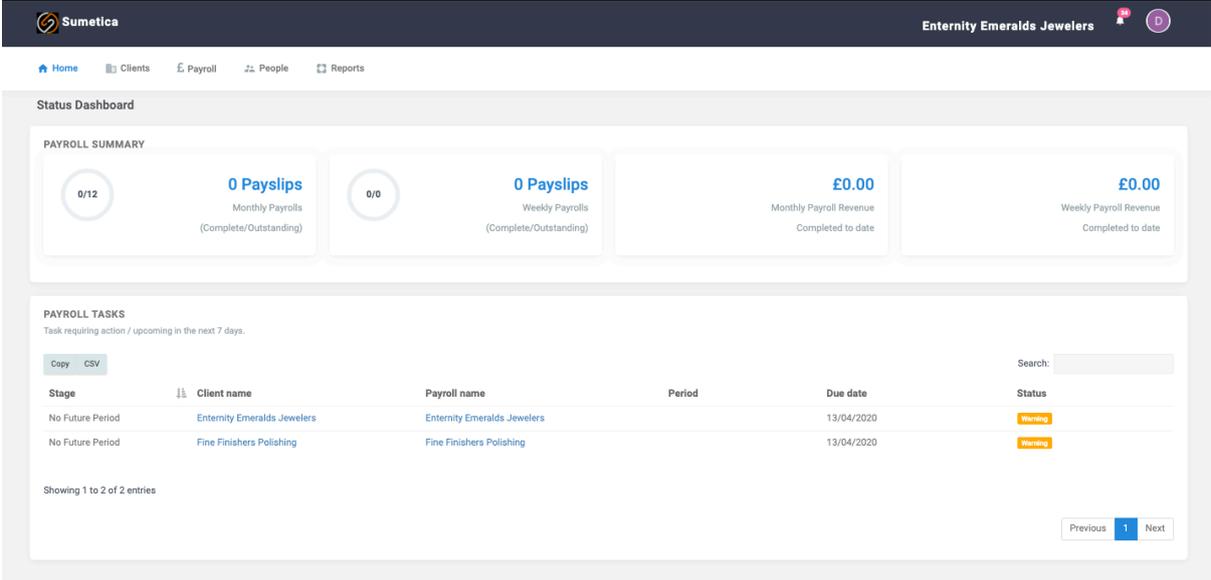
CIS payrolls are a simplified version of the Sumetica payroll, with many of the same features.

Anywhere in Sumetica, you see the  button, click on this to get help on the section of the system you are in.

So with the above in-mind, you should now have your username and password ready and navigate to <https://payroll.sumetica.net> and get started.

# Adding a Payroll

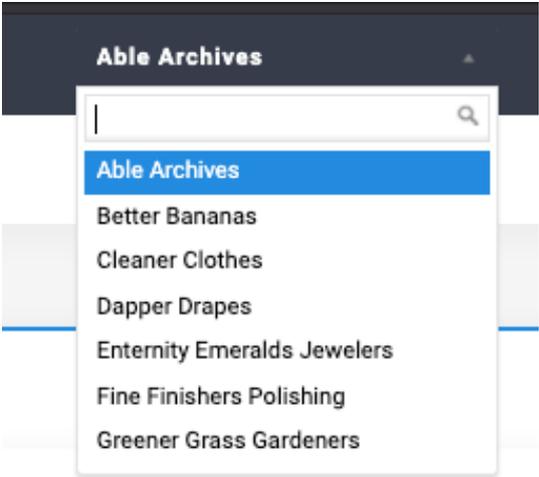
By default, you will be taken to the Sumetica Dashboard page (shown below):



The Dashboard will show data for a number of clients, there will however be a selected client shown in the top right section of the page. For example:



You can switch clients by using the clients page or by selecting from this area. Click on the client name to see a drop down of clients.

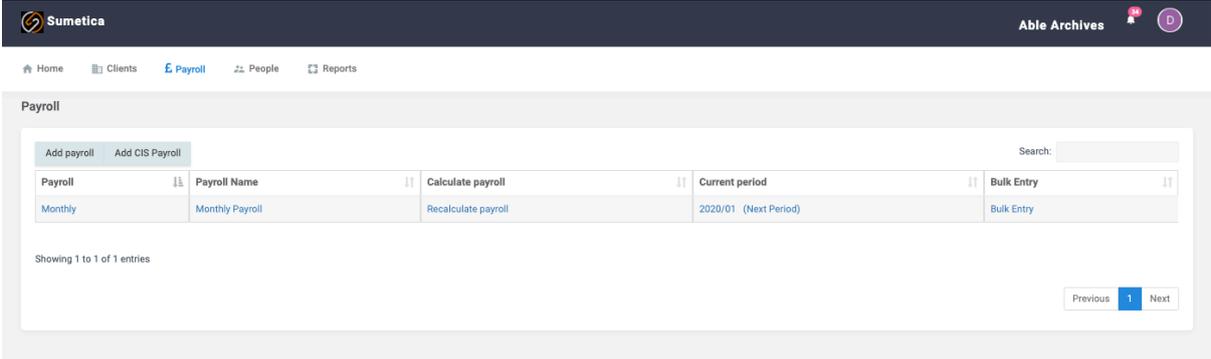


Select the client from the list (scroll or type part of the client name to filter).

Move to the payroll page, selecting the “Payroll” option from the menu bar:

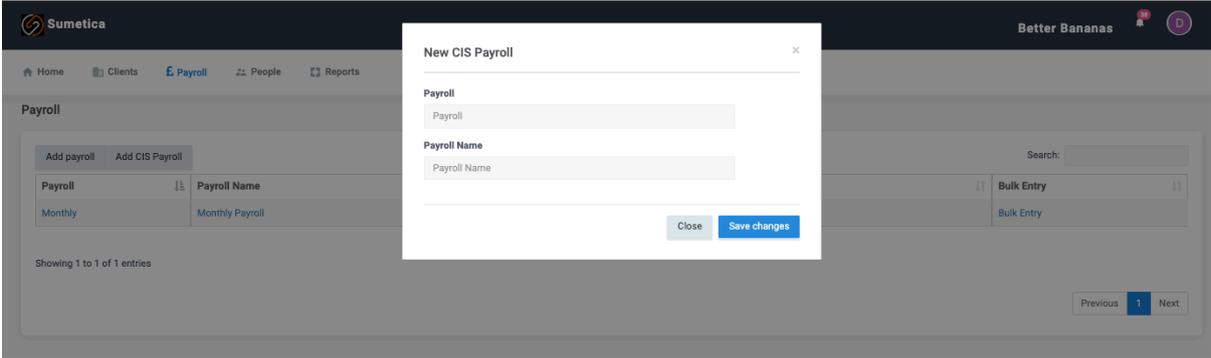


This will show you a list of all payrolls for the selected client.



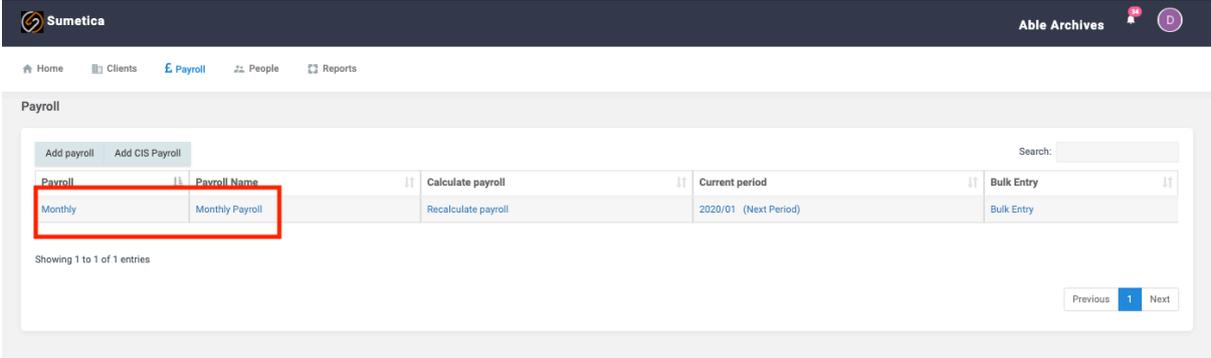
At the top of the list, you will have the option to add a payroll the “Add CIS payroll” button if you have purchased the optional CIS (Construction Industry Scheme) functionality.

Pressing the “Add CIS payroll” button will show a popup allowing you to enter an identifier and name for the contractor. In a single payroll setup these values after often the same “Monthly” and “Monthly Payroll” for example. The payroll identifier is used in employees to show which payroll they are processed on and in reports to select which payroll you are reporting against.



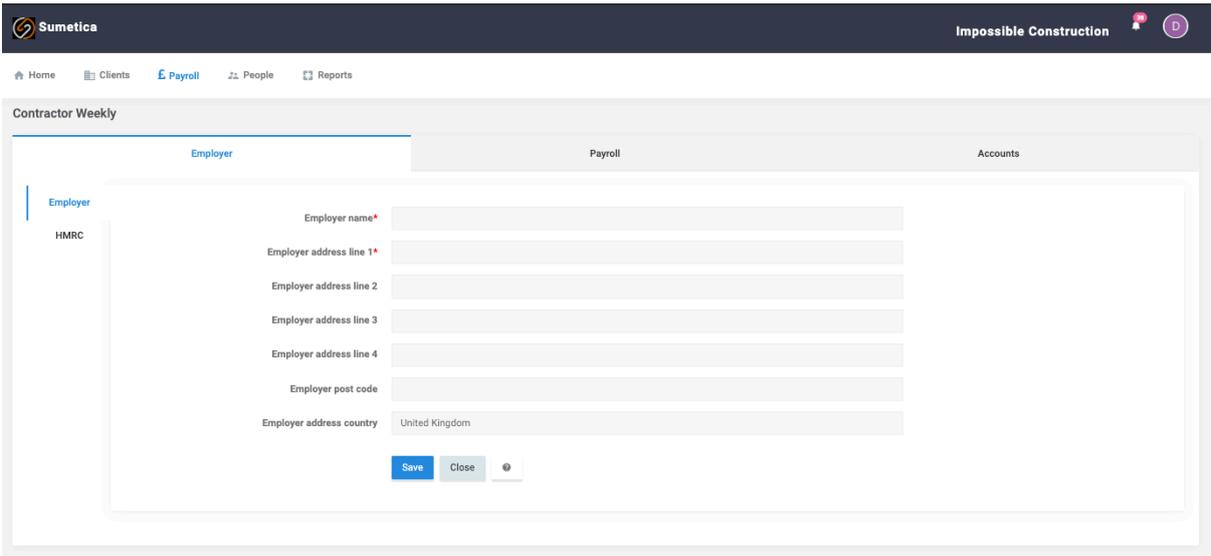
Enter the items and press the “Save changes” button to create the payroll.

Once the payroll has been created, it will show in the list. Open the payroll setup by clicking on the links for “Payroll” or “Payroll Name” as shown below.



## Employer Details

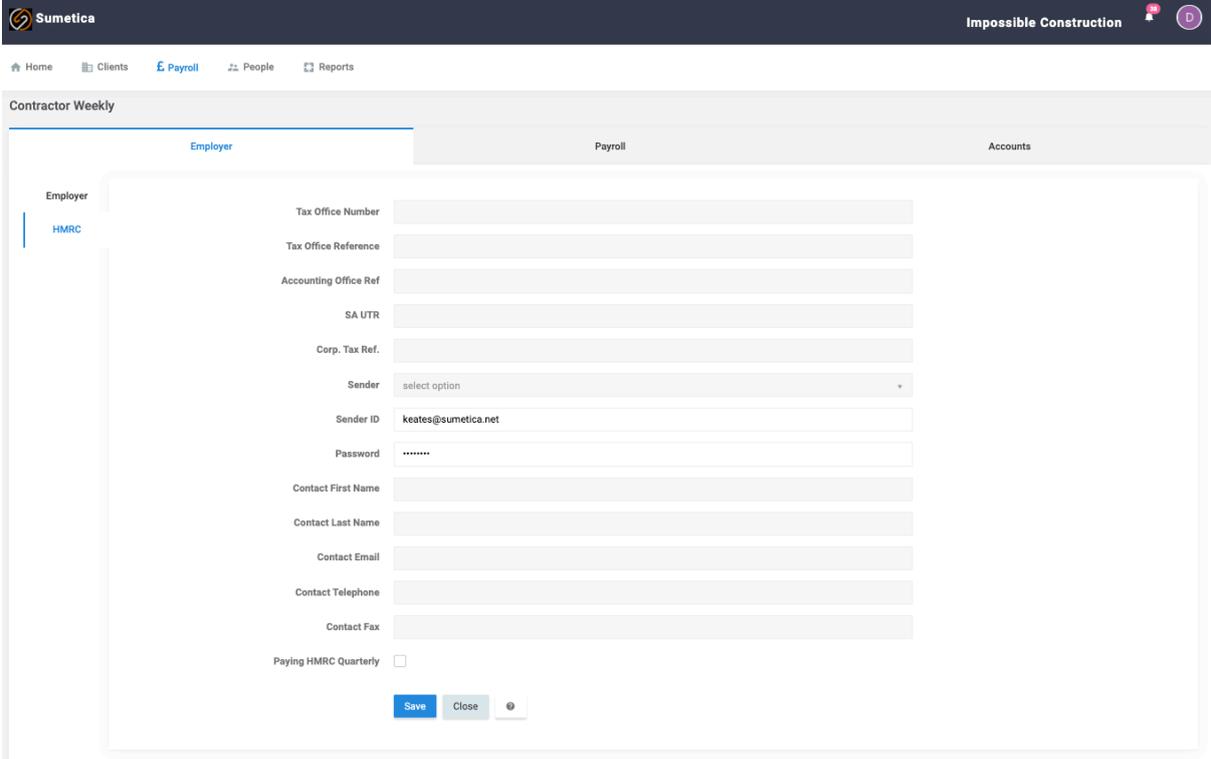
Must be completed.



The first page within the payroll is the Employer Details, here the **name** and **address** of the employer need to be specified. The **Name**, **first line of the address** and the **country** of the employer are mandatory fields.

# HMRC Details

Must be completed.



The HMRC page contains the PAYE reference information and RTI/Gateway login details to be used to exchange data with HMRC electronically.

The **Tax Office Number**, **Tax Office Reference** and **Accounting Office Reference** fields should be completed when available.

The Sender type will need to be set appropriately, if you act as an Agent for the company in question then the type should be set to Agent and your HMRC login details entered.

If the payroll does a quarterly payment for National Insurance and PAYE rather than monthly, then the **“Paying HMRC Quarterly”** box should be ticked.

## Payroll Details

Must be completed.

The screenshot shows the Sumetica CIS Payroll Setup interface. The top navigation bar includes the Sumetica logo, the text 'Impossible Construction', and a user profile icon. Below the navigation bar, there are tabs for 'Home', 'Clients', 'Payroll', 'People', and 'Reports'. The main content area is titled 'Contractor Weekly' and has three sub-tabs: 'Employer', 'Payroll', and 'Accounts'. The 'Payroll' tab is active, displaying a 'Details' form. The form includes the following fields and controls:

- Pay Period\***: 2020/01 (with a clear 'x' button)
- Frequency\***: select option (dropdown menu)
- Auto-run Payroll**:
- Auto-run Post-payroll**:
- Auto-apply DPS**:
- Pay day**: select option (dropdown menu)
- Payslip day**: select option (dropdown menu)
- Bacs day**: select option (dropdown menu)
- Reporting day**: select option (dropdown menu)
- Auto-run day**: select option (dropdown menu)
- Submission day**: select option (dropdown menu)
- First period starts\***: dd/mm/yyyy (with a calendar icon)
- Adjustments**: select option (dropdown menu)
- Territory**: select option (dropdown menu)
- Region**: select option (dropdown menu)
- Run payroll**: [Run payroll](#) (button)
- Confirmed**:
- Save**, **Close**, and a help icon (bottom right)

The payroll details page is central to the operation of the payroll week-to-week or month-to-month. Sumetica’s automation capabilities are centred around the information entered here. See our Payroll Automation Guide for further details.

The payroll will default to being in the first period of the current tax year (e.g. 2020/01). You can change this via the “**Pay Period**” drop-down.

The frequency of the payroll should be set. Typically, this will be **Monthly** or **Weekly**. Two-weekly and Four-weekly are also supported. Select this from the “**Frequency**” drop-down.

The next three tick-boxes control the automation of the payroll. For a fully automated payroll (what we’d refer to as a “Static Payroll”, the “Auto run Payroll” box should be selected. This will run the payroll each period and complete the relevant activities.

If you are running the payroll and after either client-approval or marking the payroll as approved yourself, then the “**Auto run Post-payroll**” box should be ticked instead. This will

not automatically process, but will do the RTI, Pensions, Accounts activities once the payroll has been approved.

The HMRC Data Provisioning Service provides an electronic “mailbox” functionality for employers, certain documents such as Tax Code notifications can be accessed electronically and automatically imported into Sumetica. These messages are collected daily and are visible in the “DPS” are of the payroll record.

Ticking the “**Auto-apply DPS**” option means that these are automatically applied to the employee records. The audit trail will list the change as being made by Data Provisioning Service instead of a user. It is recommended that this option is always ticked, certainly for automated payrolls, to avoid not changing tax codes etc as instructed.

The next six fields determine the key dates within a payroll processing cycle. Starting with “**Pay Day**”, this controls when the pay day should be in any given period. The system will calculate the appropriate date(s) from the description selected. Options are:

<b>1<sup>st</sup> to 28<sup>th</sup></b>	(individual days can be selected, e.g. pay on the 25th of each month)
<b>First working day</b>	(the first working day in the period)
<b>Last working day</b>	(the last working day in the period)
<b>Last working day minus one day</b>	(penultimate working day)
<b>Last working day minus two days</b>	(antepenultimate working day)
<b>Last working day minus three days</b>	(preantepenultimate working day)
<b>1st (next)</b>	(first day of the next period, for weekly = Monday, for monthly = 1st of the following month)
<b>2nd (next)</b>	(second day of the next period, for weekly = Tuesday, for monthly = 2nd of the following month)
<b>3rd (next)</b>	(third day of the next period, for weekly = Wednesday, for monthly = 3rd of the following month)
<b>4th (next)</b>	(fourth day of the next period, for weekly = Thursday, for monthly = 4th of the following month)
<b>5th (next)</b>	(fifth day of the next period, for weekly = Friday, for monthly = 5th of the following month)
<b>Last Monday in period</b>	(the last Monday in the period)
<b>Last Tuesday in period</b>	(the last Tuesday in the period)
<b>Last Wednesday in period</b>	(the last Wednesday in the period)
<b>Last Thursday in period</b>	(the last Thursday in the period)
<b>Last Friday in period</b>	(the last Friday in the period)

Select the option that will create the regular payment date, Weekends and Bank Holidays are automatically accounted for.

*Note, by default RTI Full Payment Submissions are performed on Auto Run Day, unless the payroll requires approval – when it is done on approval.*

**“Payslip day”** this is the offset from pay day that the payslips will be made available to employees when using an integrated Payslip Portal (whether in Sumetica or an integrated solution such as PayDashboard).

**“BACS day”** this is the offset from pay day that the payments file for BACS will be created. Using the BACS 3-day-cycle, this should be at least 2 days before pay day. (Pay day -2 = BACS submission, Pay day - 1 = BACS processing day, Pay Day - 0 = BACS delivery day). This can be set to the same as either **“Reporting day”** or **“Payslip day”** in all other eventualities.

**“Reporting day”** this is the offset from pay day that the reports will be generated (and if the payroll is automatic and marked to send emails (see the Emails section later in this document), then this is the day this will occur. Journal entries are created and if marked to automatically post (see the General Ledger Setup section later in this document) posted to accounts on this day. Typically this is the same as the auto-run day.

**“Auto-run day”** this is the offset from pay day that the payroll will automatically calculate. The payroll calculations will be performed. Typically, this is the same time-period as the **“Reporting Day”**.

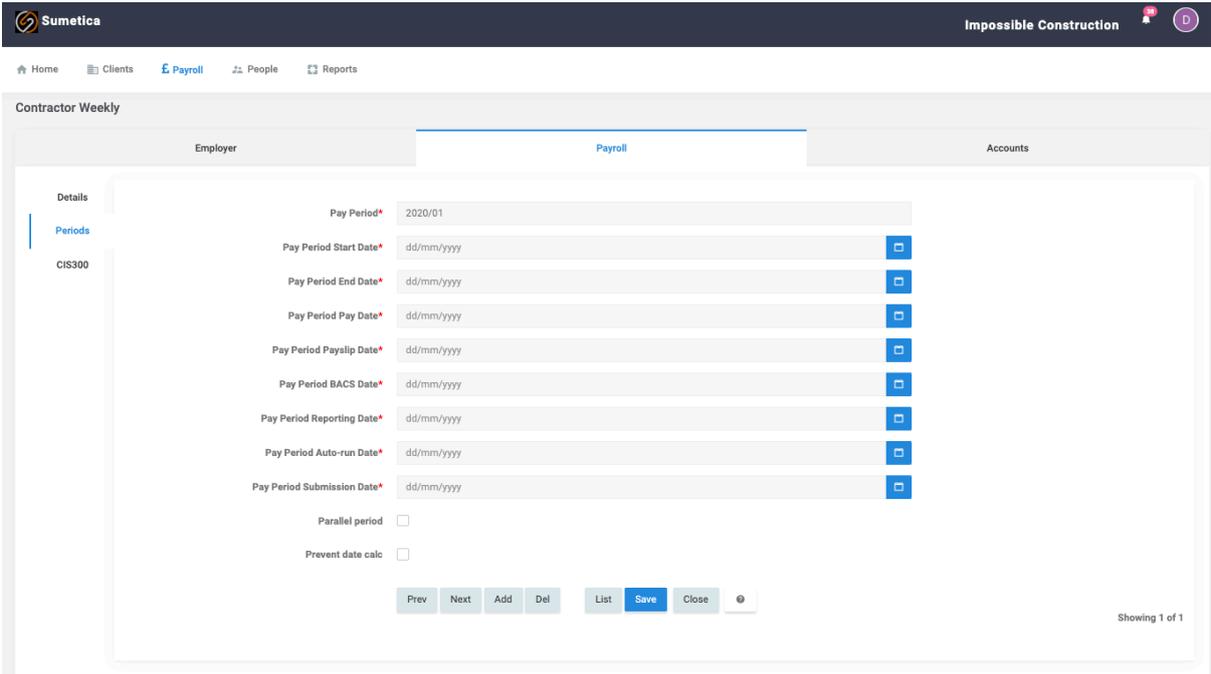
**“Submission day”** this is the offset from pay day that you would expect to receive any information about changes in a **“Variable”** payroll. This is used to show the expected receipt of information in the Dashboard Task List.

The **“First period starts”** field is a date which must be entered. This controls when the first payroll period starts and is used as an **“anchor”** for the date calculations. This will typically be the 1<sup>st</sup> April (monthly payrolls) or the first Monday in April for weekly payrolls. If a payroll is paid one week in arrears (for example hours worked 6<sup>th</sup> April 2020 to 12<sup>th</sup> April 2020 are paid on Friday 17<sup>th</sup> April) then this would be set to having the first period commence earlier – the period start for the 2020/01 week would be 30<sup>th</sup> March 2020, to allow payment on Friday 10<sup>th</sup> April 2020.

**“Adjustments”** covers how to adjust when the dates calculated fall on non-working days (weekends or (public) Bank Holidays). The options are **None** – no adjustment made, **Prior working day** (move the date earlier in the calendar) and **Next working day** (move the date later in the calendar). The typical option here is **Prior working day**. As an example, Friday 10<sup>th</sup> April 2020 was a Bank Holiday. A payroll due to be paid 10<sup>th</sup> April 2020 with a Payslip day of **“Pay day minus one day”** would be automatically adjusted to pay on the 9<sup>th</sup> April 2020 and publish payslips on 8<sup>th</sup> April 2020 when using the **Prior working day** option.

The **“Territory”** and **“Region”** fields are used to control specific regional calculations. If the employer is registered in Scotland or Wales then the region may need to be set.

# Pay Periods



As described previously, the first period for the current tax year will be automatically created when a payroll is added (e.g. 2020/01). The dates of the pay period, pay date etc will all be calculated from the settings entered into the Payroll Details page.

You can review pay period dates here.

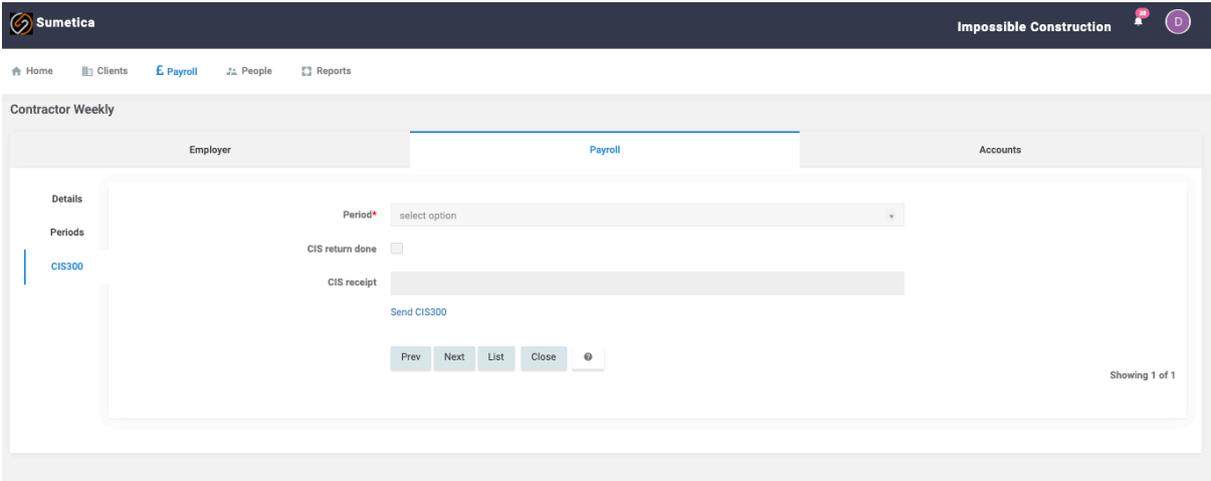
You can also mark a period as **“Parallel period”** ticking this box will flag the period as being used to balance to another system and not for live use.

You can override any of the dates, for example the payroll may be run earlier than usual at Christmas, rather than changing the Payroll Details settings, then changing them back again after the event, enter the required dates and tick the **“Prevent date calc.”** box, this will stop the software from calculating the dates.

As with Pay Codes this is a list and can be navigated using the **“Prev”**, **“Next”** and **“List”** buttons.

You can add and delete pay periods. The software will automatically create the next period when required.

# CIS300 (Monthly Return)

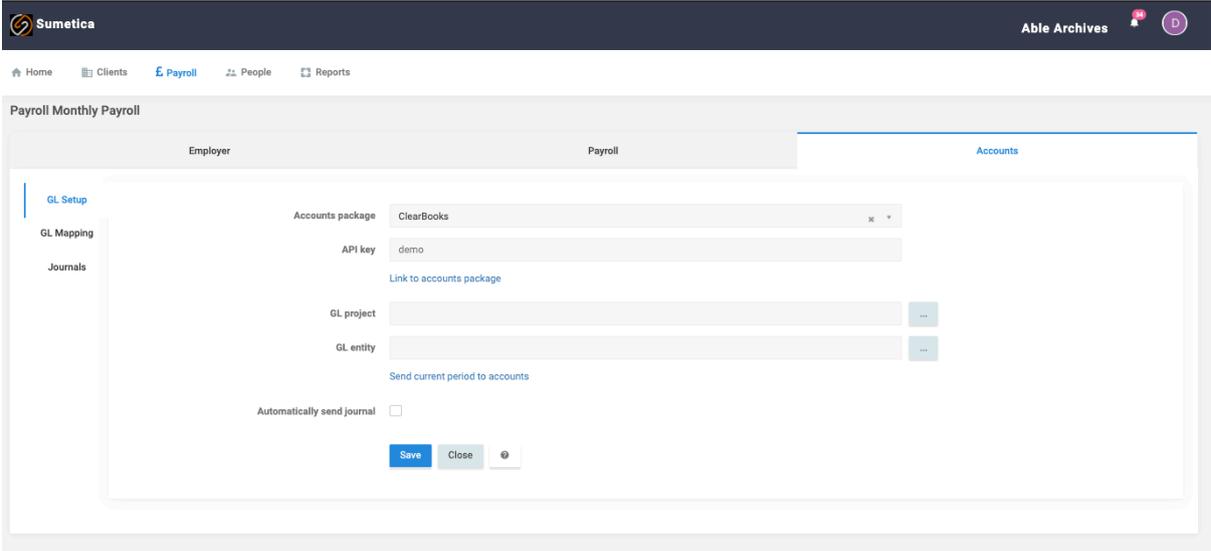


The RTI page keeps track of **CIS300** submissions. Each payroll period is added to the list and can be navigated to with the “**Prev**” and “**Next**” buttons. Click on the links to submit a CIS300 return as required.

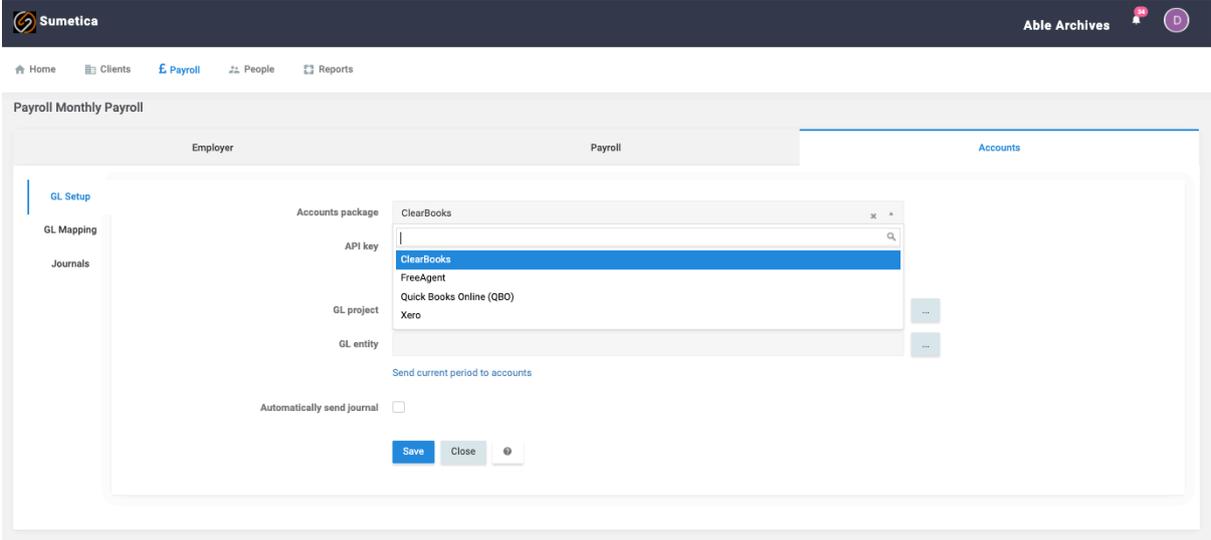
If for the period the CIS300 has been filed, then you will not be able to re-send.

Any due/overdue or failed CIS300 submissions will be shown on the Dashboard.

# Accounts – General Ledger Setup



The General Ledger setup page controls the links for journal postings. Sumetica can automatically post journals to popular accounting packages. Select the package from the list (see below).

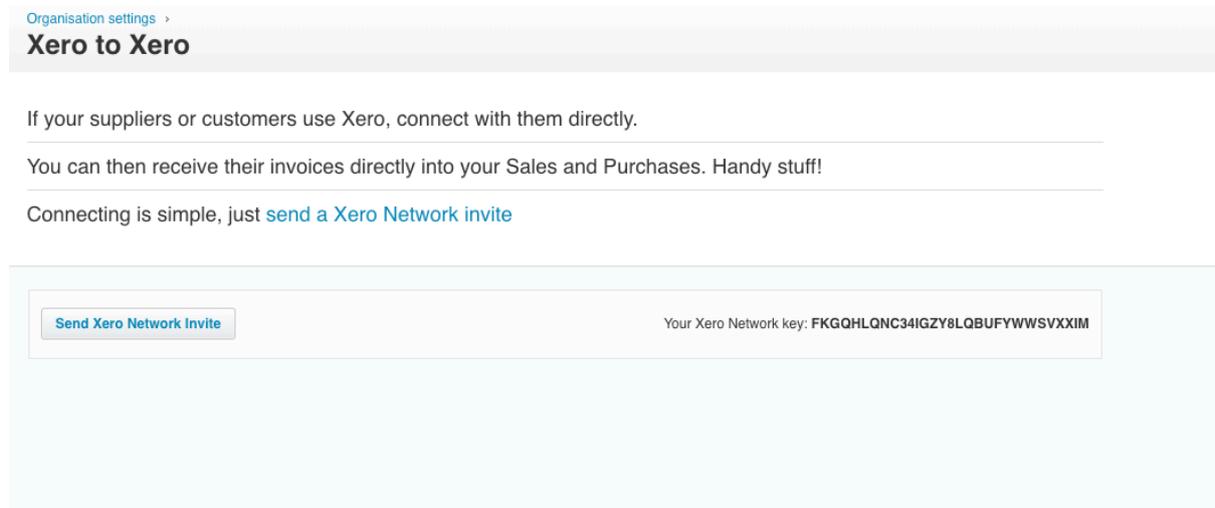


Once you have selected you accounts package (this is for this specific payroll, so you may use both Clearbooks and Xero for different clients and this is catered for) press the “Save” button – then follow the specific package details below.

When appropriate you can select to have the journals automatically post by ticking the box “Automatically send journal”.

## Linking to Xero

Enter the XERO NETWORK KEY found under the Organisation Settings menu in Xero.



Copy this key and paste into the **API Key** box in Sumetica.

Then press the “**link to accounts package**” link on the Sumetica page. You will be directed to a Xero page that will ask you to confirm details about what will be shared with Sumetica and what Sumetica will be allowed to do. Accept these and you will receive confirmation of the link.

## Linking to QBO (Quick Books Online)

For QBO, simply press the “**link to accounts package**” link and follow the instructions on screen when the QBO page opens.

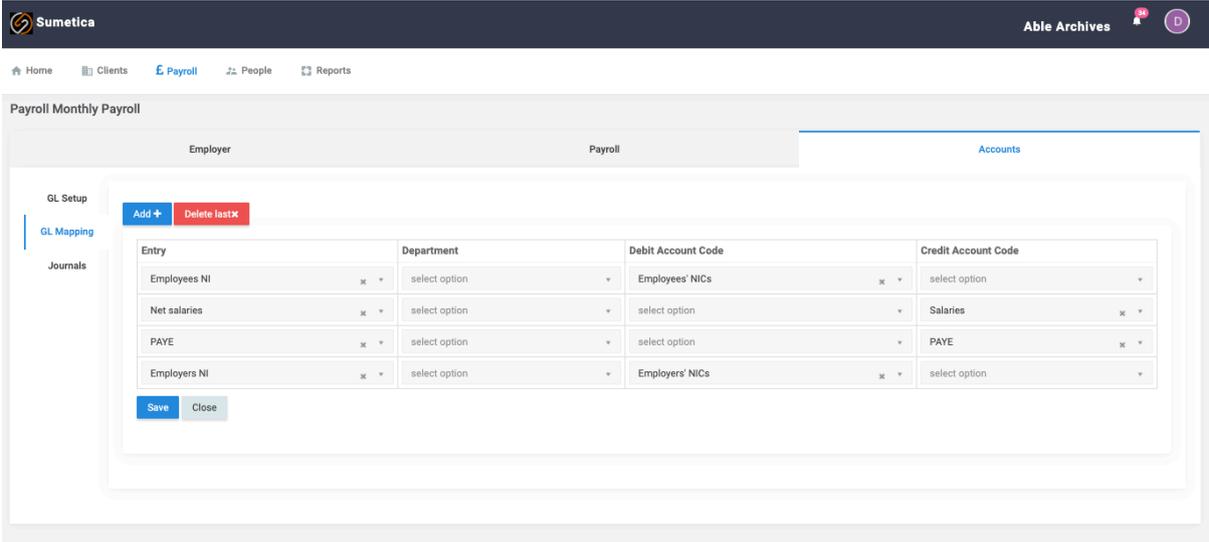
## Linking to FreeAgent

For **FreeAgent** click “**link to accounts package**” and a FreeAgent page will open asking you to login and confirm which client to provide access to. Once complete a code will be shown, this should be entered into the **API Key** box on the Sumetica page and saved.

## Linking to ClearBooks

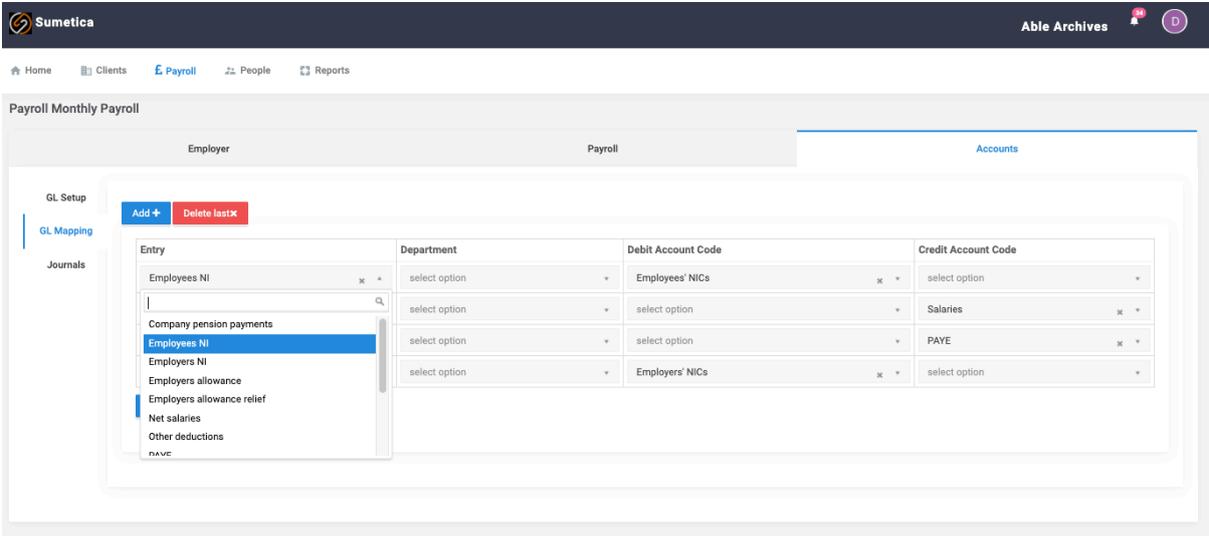
Enter the **ClearBooks** API key (found under settings) into the **API Key** box on the Sumetica page. No other linking is required.

# Accounts – General Ledger Mapping



Once you have linked Sumetica to the accounts package for the payroll, it is possible to map elements from Sumetica to create journal entries.

Press the “Add” button to add a row, you can then select any of the Sumetica entries:

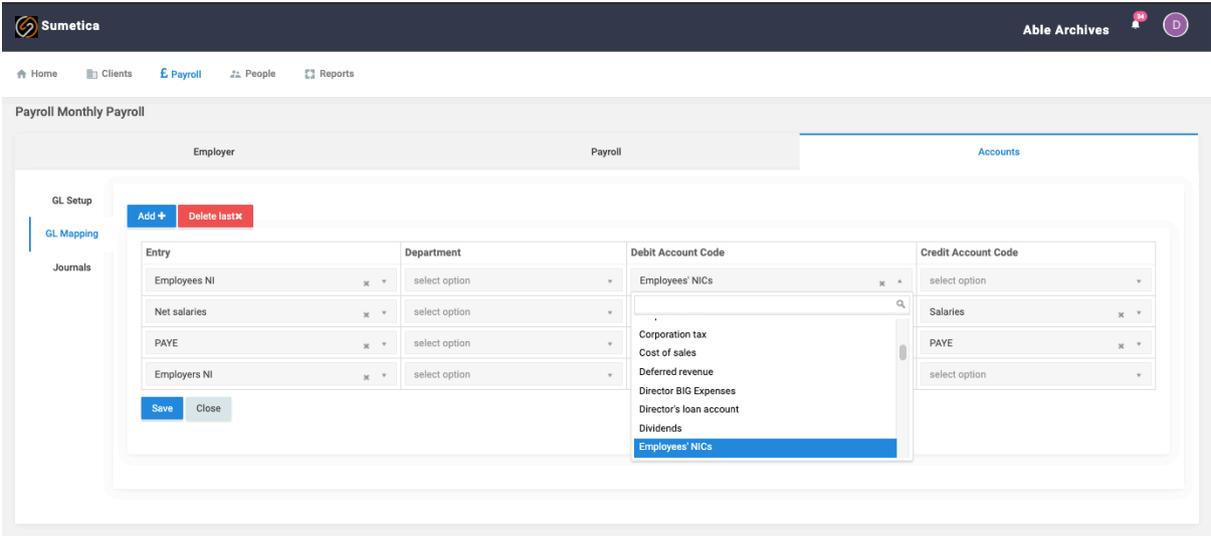


Select the mapping required, firstly the Sumetica element and (optionally) a department can be selected (only required if the departments are mapped to different account codes e.g. direct and indirect labour).

The Sumetica costing entries are pre-summarised and listed below:

- Wages** – total amount of wages
- Materials** – total amount for materials
- VAT** – total amount of VAT
- Deductions Withheld** – total value of tax withheld
- Net Pay** – total value of net pay.

You can then choose the account to debit or credit with the amount. Do this by selecting the corresponding rows’ **“Debit Account Code”** or **“Credit Account Code”** option. In the drop-down you will have the complete chart-of-accounts for the organisation you linked to previously.



Once you have mapped the elements – press the **“Save”** button.

***This will create the map between Sumetica and the chart-of-accounts, however no actual information will be passed or generated at this time.***

## Accounts – Journals

The Journals page is used to view the costing journals created. Once a payroll run has been completed the journal can be created. Before automating a payroll you will generate these manually.

The screenshot shows the 'Accounts' tab in the 'Payroll Monthly Payroll' section. A period selector is set to '2019/01'. The table below shows the following data:

Account code	Debit amount	Credit amount	Posting amount
Salaries		4479.10	-4479.10
PAYE		247.60	-247.60
Total	0.00	4726.70	

Warning: Journal does not balance

[Create/refresh journal entries](#)  
[Rebuild costing from payroll results](#)  
[Download journal entries](#)  
[Send this period to accounts](#)

At the top of the page is a period drop-down, use this to select the relevant pay period.

You will see a warning “**Warning: Journal does not balance**” if there is not a balanced journal.

There are then four links that control the journals:

**Create/refresh journal entries** – clicking this link will build a journal using the results already summarised from a payroll run and will show the journal entries account-by-account on this page.

**Rebuild costing from payroll results** – click on this link if you have made changes to the employees departments after a payroll run, this will rebuild the summarised costing entries used to generate journals.

**Download journal entries** – click on this link to get the current journal entries in an Excel format.

**Send this period to accounts** – click on this link to post the journal.

## Summary

To create a payroll ready to add employees and calculate you must at minimum complete the following pages:

**Employer Details**

**HMRC Details**

**Payroll Details**

You can manually run, report on and perform CIS300 returns.

You can automate:

**Running** of the payroll (calculation)

When automating a payroll, after completing all activities the payroll will move into the next period.