



Civil Resolution Tribunal

Date Issued: April 14, 2020

File: SC-2019-009904

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Time Is Money Bookkeeping & Accounting Services Ltd.*

v. 1159033 B.C. Ltd., 2020 BCCRT 392

B E T W E E N :

TIME IS MONEY BOOKKEEPING & ACCOUNTING SERVICES LTD.

APPLICANT

A N D :

1159033 B.C. LTD.

RESPONDENT

REASONS FOR DECISION

Tribunal Member:

Rama Sood

INTRODUCTION

1. This dispute is about payment for accounting and bookkeeping services the applicant, Time Is Money Bookkeeping & Accounting Services Ltd., provided to the respondent, 1159033 B.C. Ltd., which does business as Vision Landscaping. The

applicant claims \$699.56 for these services. The respondent says the applicant overcharged for the services.

2. The applicant is represented by JS, who I infer is either a principal or employee.
3. The respondent is represented by PM, who I infer is either a principal or employee.

JURISDICTION AND PROCEDURE

4. These are the formal written reasons of the Civil Resolution Tribunal (tribunal). The tribunal has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). The tribunal's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the tribunal must apply principles of law and fairness, and recognize any relationships between parties to a dispute that will likely continue after the dispute resolution process has ended.
5. The tribunal has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. I decided to hear this dispute through written submissions, because I find that there are no significant issues of credibility or other reasons that might require an oral hearing.
6. The tribunal may accept as evidence information that it considers relevant, necessary and appropriate, whether or not the information would be admissible in a court of law. The tribunal may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.
7. Where permitted by section 118 of the CRTA, in resolving this dispute the tribunal may order a party to do or stop doing something, pay money or make an order that includes any terms or conditions the tribunal considers appropriate.

ISSUES

8. The issues in this dispute are:

- a. whether the applicant's invoice was accurate, and
- b. whether the applicant is entitled to payment of its invoice to the respondent.

EVIDENCE AND ANALYSIS

9. In a civil claim such as this, the applicant bears the burden of proof on a balance of probabilities. While I have read all of the parties' evidence and submissions, I have only addressed the evidence and arguments to the extent necessary to explain my decision.
10. The parties agree that the respondent hired the applicant to provide accounting and bookkeeping services. I infer the applicant was hired in early 2019. The parties did not indicate if there was a written agreement or if they discussed how much the applicant would charge.
11. The applicant says the respondent's bookkeeping was complicated because the records had duplicated recording revenues, expenses, and shareholder credits. The applicant started working on the respondent's financial records and sent the respondent an itemized invoice dated March 4, 2019 for \$522.38 which included GST. According to the invoice, the applicant billed \$60 per "unit". I infer from the type of work the applicant listed in the invoice that 1 unit was equivalent to 1 hour. The respondent did not object to the invoice and paid it in full.
12. The applicant continued to do further work for the respondent and sent a second itemized invoice dated October 1, 2019 to the respondent for \$699.56 which included GST. In the second invoice, the applicant's hourly rate was \$65 per hour to \$80 per hour. The respondent refused to pay the second invoice and says the applicant's work had errors and was incomplete. The respondent also says the applicant overcharged and raised its rate without notice.

The quality of the applicant's work

13. DB is one of the respondent's principals. The respondent says BK, a retired accountant and DB's father-in-law, reviewed the records the applicant prepared and found the following issues:
- a. The expense transactions did not have GST input credits.
 - b. The personal bank account transactions were inputted "inefficiently" and had to be redone.
 - c. The applicant's corporate tax and GST calculations were incorrect.
 - d. The applicant stated DB owed \$16,000 for a shareholder loan but BK said it was \$1,100.
 - e. The journal entries were "confusing" and expenses and transactions were lumped together.
14. Since the respondent alleges the applicant did not do the accounting work properly, the burden of proof to establish the problems with the applicant's work is on the respondent (see *Lund v. Appleford*, 2017 BCPC 91). I find the respondent has not met this burden. The respondent did not provide a written statement from either BK or DB. I find BK's alleged statements to the respondent are hearsay. While the tribunal is permitted to accept hearsay evidence, in this case I place no weight on the respondent's hearsay evidence about what BK said, given there is no explanation before me about why the respondent did not obtain a statement from BK. I find there is not sufficient evidence to assess whether the applicant's work was deficient.
15. Also, I find whether the accounting work was done properly is a subject outside ordinary knowledge that requires expert opinion (see *Burbank v. R.T.B.*, 2007 BCCA 215). I find expert evidence is needed in this dispute as it is not readily apparent if the applicant's work contained the alleged errors.

16. The respondent also says it incurred late filing penalties and interest charges because the applicant did not file the GST return or the corporate T2 tax return. The respondent did not provide any evidence that the Canada Revenue Agency (CRA) assessed any late filing penalties and interest. The applicant agrees it did not file the GST return or the T2 return. However, it says it was unable to do so because the respondent did not approve the returns and revoked access to the respondent's Quickbooks Online account. It also says it tried to contact the respondent on October 1, 2019 so it could file the corporate tax return but the respondent did not respond. The applicant provided a copy of the draft T2 Summary, Schedule 125 Income Statement Information, and Schedule 100 Balance Sheet Information it prepared for the respondent. The applicant also provided a copy of an October 7, 2019 email from Quickbooks notifying it that its access to the respondent's account had been removed. Based on the applicant's evidence, I find the applicant prepared the returns and was unable to file them due to the respondent's actions. I also find the respondent did not prove it incurred late filing penalties and interest charges.

Whether the applicant overcharged in the second invoice

17. The respondent says the applicant billed for setting up "services" in its Quickbooks online account which it did not need. The applicant says the CRA recommended using the GST Quick Method of Election and provided a copy of the CRA's online guide for Quick Method of Accounting for GST/HST. I find whether the applicant's use of Quickbooks for the GST return was appropriate is a subject outside ordinary knowledge that requires expert opinion. Since the respondent is disputing the work done by the applicant, the burden of proof remains with the respondent to show the applicant performed unnecessary work. Again, I find the respondent did not meet this burden.

18. The respondent also says the applicant increased its hourly rate in the second invoice without notifying the respondent. As stated above, the parties did not produce a services agreement or state whether they agreed on the respondent's hourly rate. Since the respondents paid the applicant's first invoice, on balance I

find the parties had agreed the applicant would charge \$60 per hour. However, I do not find the parties agreed to increase the applicant's hourly rate up to \$85 per hour 7 months later. I find the applicant was entitled to only charge \$60 per hour in the second invoice. Since the applicant billed 9 hours in the second invoice, I find it is entitled to receive \$540 plus \$27 for GST for its second invoice. I award the applicant \$567.

19. The *Court Order Interest Act* applies to the tribunal. The applicant is entitled to pre-judgment interest on damages of \$567 from October 1, 2019, the date of the second invoice, to the date of this decision. This equals \$6.
20. Under section 49 of the CRTA and tribunal rules, the tribunal will generally order an unsuccessful party to reimburse a successful party for tribunal fees and reasonable dispute-related expenses. I see no reason in this case not to follow that general rule. I find the applicant is entitled to reimbursement of \$125 in tribunal fees. The applicant did not claim dispute-related expenses.

ORDERS

21. Within 30 days of the date of this order, I order the respondent to pay the applicant a total of \$698, broken down as follows:
 - a. \$567 as payment for the applicant's October 1, 2019 invoice,
 - b. \$6 in pre-judgment interest under the *Court Order Interest Act*, and
 - c. \$125 in tribunal fees.
22. The applicant is entitled to post-judgment interest, as applicable.
23. Under section 48 of the CRTA, the tribunal will not provide the parties with the Order giving final effect to this decision until the time for making a notice of objection under section 56.1(2) has expired and no notice of objection has been made. The time for filing a notice of objection is 28 days after the party receives notice of the tribunal's final decision.

24. The Minister of Public Safety and Solicitor General has issued Ministerial Order No. M086 under the *Emergency Program Act*, which says that tribunals may waive, extend or suspend a mandatory time period. The tribunal can only waive, suspend or extend mandatory time periods during the declaration of a state of emergency. After the state of emergency ends, the tribunal will not have this ability. A party should contact the tribunal as soon as possible if they want to ask the tribunal to consider waiving, suspending or extending the mandatory time to file a Notice of Objection to a small claims dispute.
25. Under section 58.1 of the CRTA, a validated copy of the tribunal's order can be enforced through the Provincial Court of British Columbia. A tribunal order can only be enforced if it is an approved consent resolution order, or, if no objection has been made and the time for filing a notice of objection has passed. Once filed, a tribunal order has the same force and effect as an order of the Provincial Court of British Columbia.

Rama Sood, Tribunal Member