

WHAT IS A BAS AGENT SERVICE?

One aspect of the answer is: when are you relied on for providing a certain level of knowledge or expertise in helping your clients (in relation to a BAS Provision).

Scenario 1

A person is engaged by a client to do everything from and including and up to;

- opening the mail
- sorting out the financial related items
- banking the cheques
- identifying and processing invoices from suppliers
- issuing invoices for the business
- entering all the transactions into the books of the business (be that manual or computer)
- includes attaching a GST code according to a system that others have advised or others will review
- reconciling the bank account
- maybe even reconciling GST control accounts

But then the information is all provided back to the business or to another person who uses all that information in the preparation of the BAS for the business.

Who is being relied on?

The subsequent person. It would appear it is not reasonable for the processing person (who may have attached GST codes and checked that the books are correct) to be deemed to have been relied on for preparation of a BAS that still requires a lot further processing and application of knowledge.

Scenario 2

A Person is engaged for doing everything in Scenario 1 above but also the business seeks the person to:

- ensure that the BAS is prepared, lodged and paid
- ensure that the GST is materially correct as to calculation and interpretation
- provide certainty to the business that they are complying with BAS provisions

It is fairly clear that person is now being relied on for their knowledge and expertise in helping the business comply.

Therefore they are certainly providing a BAS Service

Which of the above services counts as BAS Services (in scenario 2 where they have done everything in scenario 1 as well as scenario 2)?

We would argue that it all does.

Because all along the processing line above the BAS Agent is using that level of knowledge and expertise to be relied on by the client in ensuring every aspect of the process is correct in ascertaining the correct answers in relation to BAS Provisions.



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Which of the above relates to relevant experience?

Maybe not the opening of the mail, but from every other part of the process we would argue that the tasks involve a substantial use of knowledge and expertise of BAS Provisions to get it right and get it right efficiently.

Scenario 3

A person is engaged for none of the task involved in Scenario 1, but they do

- come in to check and review that work performed by others
- and all of scenario 2

It is clear that this person is also being relied on and therefore they are providing a BAS Service.

All of that work would be considered relevant experience.

Scenario 4

A person is engaged to process payroll on a regular basis

- they attend weekly, fortnightly etc
- they take the time and work records and process the pay either manually or through a system, but following a system of process and procedure.

Similar to scenario 1, we don't believe this person is providing a service that stands alone and can be relied on by the business therefore it is not a BAS Service.

Scenario 5

A person is engaged to set up a payroll system

or

they come in to do the quarterly review of payroll and the reporting for the BAS

or

they come in annually to reconcile wages etc and prepare the payment summaries

We believe all of these are services where it is clear the client is relying on the person to get the BAS provision (PAYG Withholding) correct and hence it is a BAS Service and must be provided by a BAS Agent.

Summary

So, what is a BAS Service? Are you being relied on to give the client confidence that their BAS provision obligations are being met?

If you ask questions of others for interpretation or explanation of the system then NO you aren't being relied on and you aren't providing a BAS Service.

ICB

1 March 2010

March 1, 2010

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