

## I. INTRODUCTION

### A. GENERAL INFORMATION

1. This IFTA Program Compliance Guide has been prepared to assist in the conduct of a Program Compliance Review (Review). Such a Review offers a detailed analysis of a member jurisdiction's IFTA audit and administrative operations. The purpose of an IFTA Review is to ensure that a member jurisdiction is meeting its obligations under the IFTA.
2. Currently, the following documents govern a member jurisdiction's IFTA program:
  - a. the IFTA Articles of Agreement;
  - b. the IFTA Procedures Manual; and
  - c. the IFTA Audit Manual.
3. Pursuant to the IFTA Procedures Manual, Section P1210, “[m]ember jurisdictions shall permit periodic program compliance reviews to be performed to assure they are in compliance with the provisions of the Agreement.” The IFTA Procedures Manual, Section P1220, provides, in part: “[p]rogram compliance reviews shall be conducted in accordance with the procedures and specifications outlined in the IFTA Program Compliance Review Guide, . . . .” Therefore, knowledge of the contents of the Review Guide is essential prior to participating in a Review as a member of a Review Team.
4. The Review has been designed to allow a Team to complete a review of several matters prior to the scheduled dates of the Review. The Administrator will make a request for information prior to the scheduled dates of the Review. Failure of a jurisdiction to timely respond to the request may cause a delay in the Review process. The jurisdiction will find that its Review will be less intrusive and of greater benefit if it meets its responsibilities.
5. The Program Director will be responsible for establishing and maintaining a pool of qualified individuals who will conduct Reviews. The pool will consist of both audit and administrative representatives from member jurisdictions. Committee members may be in the pool, but shall not review any Reports of the Reviews in which they participate.
6. Both an opening and closing conference will be held with the jurisdiction. The purpose of the opening conference is to discuss the review with the jurisdiction. The purpose of the closing conference is to present findings of the Review to the jurisdiction.
7. Following the completion of a Review, a draft Report will be prepared by the Administrator, based on the findings of the Team, and will be presented to the jurisdiction for response. Once the response is received, it will be incorporated into the draft Report and presented to the Committee for processing as required in this Guide.
8. This Guide also provides information regarding Findings of Non-Compliance, Follow-up and Reassessment procedures for such Findings by the Committee and the Program Director.

9. The Review Teams will utilize review Worksheets (see attachments A –P) to ensure that a Review covers all required topics and that jurisdictions are reviewed in a consistent manner.

**B. PROGRAM COMPLIANCE REVIEW SCHEDULING**

The Program Director will schedule the Reviews on a regional basis based on a five-year cycle.

## II. PROCEDURES FOR CONDUCTING PROGRAM COMPLIANCE REVIEWS

### A. TERMS

The following terms will be used throughout these procedures:

1. **Administrator:** A Program Compliance Administrator employed by IFTA, Inc.
2. **Board:** Board of Trustees of IFTA, Inc.
3. **Committee:** The Program Compliance Review Committee of IFTA.
4. **Dispute Resolution Committee:** Dispute Resolution Committee of IFTA.
5. **Follow-up:** The process of obtaining verification of compliance from a jurisdiction.
6. **IFTA Governing Documents:** The IFTA Articles of Agreement, Procedures Manual and Audit Manual.
7. **Panel:** Members of the Program Compliance Review Committee assigned to a particular Review.
8. **Program Director:** A Program Director employed by IFTA, Inc.
9. **Reassessment:** Reassessment and reexamination of a jurisdiction to ensure compliance following a Finding of Non-Compliance in a Program Compliance Review.
10. **Reassessment Plan:** The plan developed by the Committee members not serving on the Panel and the Program Director, with review by a jurisdiction, to bring the jurisdiction into compliance with the IFTA. Such plan will include the methods of cure of non-compliance as well as the time frame established for compliance.
11. **Report:** The Program Compliance Review Report.
12. **Review:** The Program Compliance Review which may be conducted either on-site or remotely.
13. **Subject:** The member jurisdiction which is the subject of the Program Compliance Review.
14. **Team:** The Program Compliance Review Team.

## **B. REVIEW TOPICS AND WORKSHEETS**

A jurisdiction's Review will be completed on the following topics:

1. Worksheet A LICENSE APPLICATION CONTENTS
2. Worksheet B LICENSE CONTENT AND DESIGN
3. Worksheet C DECAL CONTENT AND DESIGN
4. Worksheet D LICENSE APPLICATION AND CREDENTIAL PROCESSING
5. Worksheet E TEMPORARY DECAL PERMITS
6. Worksheet F INFORMATION PROVIDED TO IFTA LICENSEES
7. Worksheet G BONDING PROCEDURES
8. Worksheet H LICENSE SUSPENSION, REVOCATION, CANCELLATION AND REINSTATEMENT PROCEDURES
9. Worksheet I TAX REPORT FORM CONTENT AND PROCESSING
10. Worksheet J BASE JURISDICTION ACCOUNTING
11. Worksheet K AUDITORS
12. Worksheet L JURISDICTION AUDIT ACCOUNTABILITY
13. Worksheet M AUDIT PROCEDURES
14. Worksheet N ASSESSMENT PROCEDURES
15. Worksheet O APPEALS PROCESS
16. Worksheet P RESPONSIBILITIES IN BANKRUPTCY PROCEEDINGS

## **C. SCHEDULING OF PROGRAM COMPLIANCE REVIEWS**

1. It is the responsibility of the Program Director to ensure that the required Reviews are scheduled.
2. The Program Director will ensure that the IFTA Commissioners of the Subjects will be contacted to request preferred dates for a Review.
3. Once the dates of the Reviews are determined, the Program Director will ensure that a Team is selected to conduct the Review. The Team will consist of an auditor and an administrator in addition to the Lead Reviewer from IFTA, Inc. whenever possible.
4. The Program Director will contact the Team to determine their availability to participate.
5. Once the Team is confirmed, the Program Director will ensure that the IFTA Commissioner of the Subject has been contacted to confirm the scheduling of the Review and announce the Team.
6. If a change to the scheduling is necessary, the Subject should contact the Program Director at the earliest possible time. The Review dates will be changed only if the Administrator and the Team are available on the requested Review dates.
7. When necessary and appropriate, the Administrator designee will provide all Team members with travel information required to conduct the Reviews.
8. When necessary and appropriate, the Subject will provide the Administrator information regarding hotel accommodations, at least ninety (90) days prior to the Review date. The

Administrator will secure hotel accommodations for the Team and provide the selected hotel information to the Team members.

**D. PRELIMINARY REVIEW**

1. Approximately 120 days prior to the scheduled Review dates, the Administrator will contact the Subject requesting information in order to conduct the Preliminary Review. A copy of the correspondence will be sent to the Team. The correspondence will contain a date by which the Subject must provide the information to the Administrator.
2. Upon receipt of the information from the Subject, the Administrator will select a sample of licensee files and a sample of audits, which will be the basis for the Review. The Administrator will inform the Subject of the samples.
3. Upon receipt of the information from the Subject, the Team should be able to complete a preliminary review.
4. If during the Preliminary Review the Administrator determines that additional information is necessary, the Administrator will contact the Subject to obtain such information.
5. Following the Preliminary Review, the Administrator will prepare a draft Report. The Administrator will present this report at the opening conference.

**E. OPENING CONFERENCE**

1. An opening conference will be held by the Team with the Subject.
2. The Administrator should conduct the opening conference by making appropriate introductions of the Team and asking the Subject's representatives to introduce themselves and to describe their work functions as related to the Subject's IFTA program.
3. Once introductions are completed, the Administrator will explain the Review process that will occur during the Review, soliciting the Subject's representatives to ask any questions they may have concerning the process.
4. The Administrator should give the Subject the opportunity during the Review to provide any additional information that may be important to the Review.
5. At this time, the representatives should give the Team an explanation of their IFTA processes. This may include application, return and audit processing
6. At this point, the Administrator will determine how the Team will proceed and divide the Review tasks accordingly.

## **F. REVIEW**

Worksheets (A – P), in the format of check lists are provided to ensure uniformity in the Review process. The Team should complete the applicable worksheet for each topic as the particular Review process is taking place. The Worksheets are lettered and page numbered in accordance with the letter shown with the topic. Any areas of non-compliance or concern should be noted on the comment sheet attached to the applicable Worksheet.

## **G. CLOSING CONFERENCE**

1. Following completion of the Review, the Administrator will request a closing conference with the representatives of the Subject's choice.
2. At the closing conference, the Administrator will discuss the preliminary findings of the draft Report. The focus of such discussion should be on any areas of non-compliance or any questions of compliance that were found during the Review. The Team may provide suggestions for both administrative and audit programs.
3. The Administrator will remind the Subject's representatives that responses to the citations in the draft Report will be due to IFTA, Inc. within thirty (30) days of the closing conference.
4. Questions should be solicited from the Subject representatives to ensure no issues are outstanding following the Review.

### **III. REPORT, REASSESSMENT AND FOLLOW UP PROCEDURES**

#### **A. REPORT PROCESS**

1. All reports, worksheets, and comment sheets, along with all documents which were obtained from the Subject for review and copies of all correspondence relating to the Review, are used by the Administrator for compilation of the Report of the Team. The Administrator will create and maintain a file of the Review of the Subject. This will become the permanent file of the Subject's Review which will be housed at the offices of IFTA, Inc.
2. The Administrator must prepare the Report based on the Team findings and provide it to the Subject at the closing conference.
3. The Subject must review the Report and submit written responses, if any, to the Administrator within approximately thirty (30) days of receipt.
4. The Administrator will compile the responses into the Report and submit it to the Director within approximately five (5) days of receipt. The Program Director will forward the Report to the Panel. The Report to the Panel will include all information the Administrator and Program Director deems necessary for the Panel to complete its review. The Panel may contact the Program Director for additional information if it deems necessary.
5. The Panel will review the Report and issue their findings of compliance or non-compliance to the Chair of the Committee.
6. If the Panel makes a Finding of Non-Compliance based on its review, within fifteen (15) days of receipt, a written Finding will be drafted by the Panel, and such finding, along with a written recommendation for Reassessment and/or Follow Up, if deemed necessary by the Panel, will be sent to the Chair.
7. The Chair will forward the Finding to the Director within fifteen (15) days of receipt.
8. IFTA, Inc. will post all Final Reports on its secure web site for review by the IFTA Commissioners after completion of all follow-up and reassessment processes.

#### **B. REASSESSMENT AND FOLLOW UP PROCESS**

##### **1. FOLLOW UP**

- a. If the findings of the Panel include a recommendation for Follow Up, the Committee chair and vice chair will make a determination on the Follow Up recommendation.
- b. Once all recommendations have been reviewed and the Committee chair has determined that Follow Up is required, the Program Director will contact the Subject, in writing, requesting that the Subject submit documentation of compliance within thirty (30) days.

- c. Upon receipt of the Follow Up documentation from the Subject, the Committee will review it. If the documentation proves that the Subject is now in compliance, the chair shall direct the Program Director to issue the Final Report.
- d. If the Committee determines that the documentation does not prove compliance or if the Subject fails to provide the required documentation, the Committee will proceed with the Reassessment Process.

## 2. REASSESSMENT

- a. If the findings of the Panel include a recommendation for Reassessment, or if after a follow-up the Subject is determined not to be in compliance, the recommendation is forwarded to the Chair and Vice Chair of the Committee. In order for the Reassessment to go forward, a majority of the five (the three Panel members, the Chair and the Vice Chair) must agree with the recommendation. Either the Chair or the Vice Chair must be part of the majority.
- b. If the Reassessment goes forward, the Chair, the Vice Chair and the Committee members not serving on the Panel and the Director will develop a Reassessment plan and timeline. The date of compliance will depend entirely upon the area of non-compliance found.
- c. The Program Director will contact the Subject and provide the Reassessment plan and timeline.
- d. If the Subject requests some modification to the timeline, and the Program Director approves of the modification, the Program Director will notify the Chair that the timeline has been modified. When the Reassessment Plan has been approved by the Subject as indicated by the signature of its IFTA Commissioner, it will be returned to the Program Director. It will be the responsibility of the Program Director to track the Reassessment to ensure that the Subject's Reassessment Plan and timeline are followed. The Committee has discretion to require periodic reports and updates from the Subject to ensure the Reassessment Plan is being followed.
- e. Upon bringing its program into compliance, the IFTA Commissioner of the Subject will verify compliance in writing to the Program Director. The verification will be forwarded to the Committee chair by the Program Director. The verification will be included in the Subject's file at the offices of IFTA, Inc. and the verification will be disseminated to all member jurisdictions as proof of compliance.
- f. If the Subject fails to bring its program into compliance as required by the Reassessment Plan, the Program Director will notify the Committee chair.
- g. Based on the notification of non-compliance, two-thirds of the full Committee must determine whether to make a Final Determination Finding of Non-Compliance.



- h. If a Final Determination Finding of Non-Compliance is issued, it will be forwarded by the Program Director to the Subject in care of its IFTA Commissioner and to the head of the Subject agency through which the fuel use taxes are collected pursuant to the IFTA, and to the Governor or Premier of the Subject.
- i. Following the issuance of a Final Determination Finding of Non-Compliance pursuant to Section R1555 of the IFTA Articles of Agreement, the Committee will refer the matter to the IFTA membership.

IFTA Program Compliance Review Guide  
Attachments  
Worksheets A - P

**JURISDICTION:**

**DATE:**

**A. IFTA LICENSE APPLICATION CONTENTS**

**Determine that the information requested on the initial license application meets the requirements found in the IFTA governing documents.**

√

**CITE**

_____ The jurisdiction's IFTA license application form contains the following information:	<b><u>R315</u></b>
_____ Federal Employer Identification number (or in the case of a sole proprietorship, the Social Security number) for US- based applicant. The unique identifier required to create an account number for a Canadian-based applicant	<b><u>P105, P200</u></b> <b><u>P210, P220</u></b> <b><u>P230, P240</u></b>
_____ Owner's, partner's or corporate name	<b><u>P110</u></b>
_____ Legal business name	<b><u>P115</u></b>
_____ Physical location of the business	<b><u>P120</u></b>
_____ Mailing address of the business	<b><u>P125</u></b>
_____ Signature or electronic submission compliant with R940.300 and P160 and date	<b><u>P130</u></b>
_____ Number of IFTA decals required by licensee	<b><u>P135</u></b>
_____ Application fee (if applicable)	<b><u>R355, P140</u></b>
_____ Decal fee (if applicable)	<b><u>R355, P145</u></b> <b><u>P320.300</u></b>
_____ Statement of existence of bulk storage in all member jurisdictions	<b><u>P155</u></b>
_____ Statement that applicant agrees to comply with reporting, payment, recordkeeping, and license display	<b><u>P160</u></b>

**JURISDICTION:**

**DATE:**

**A. IFTA LICENSE APPLICATION CONTENTS**

\_\_\_\_\_ requirements as specified in the International Fuel Tax Agreement.

\_\_\_\_\_ Statement that applicant agrees that base jurisdiction may withhold any refunds due if the applicant is delinquent on payment of fuel taxes due any member jurisdiction.

**R1130**  
**P160**

\_\_\_\_\_ Statement that applicant certifies with his or her signature that, to the best of his or her knowledge, the information is true, accurate, and complete and any falsification subjects him or her to appropriate civil and/or criminal sanction of the base jurisdiction (e.g. perjury)

**P160**

**JURISDICTION:**

**DATE:**

**B. IFTA LICENSE CONTENT AND DESIGN**

***Determine that the form and content of the license meet the requirements found in the IFTA governing documents.***

√

**CITE**

_____ License is approximately 3-1/2 x 8-1/2 inches (9 x 21.5 centimeters)	<b><u>P310</u></b>
_____ License contains base jurisdiction identification	<b><u>P310.100</u></b>
_____ License contains licensee's name and address and DBA, if different from owner, partner or corporate name	<b><u>P310.200</u></b> <b><u>R320</u></b>
_____ License contains licensee's account identification number	<b><u>P310.300</u></b>
_____ License contains expiration date (month, day and year)	<b><u>P310.400</u></b>
_____ Licenses are valid for a calendar year	<b><u>R610</u></b>

**JURISDICTION:**

**DATE:**

**C. DECAL CONTENT AND DESIGN**

**Determine that the form and content of the decals meet the requirements found in the IFTA governing documents.**

**CITE**

√ _____	The jurisdiction's IFTA decals meet the following requirements:	
_____	Approximately 3 inches high and 3 inches wide (7.5 centimeters high and 7.5 centimeters wide)	<b><u>P320.100</u></b>
_____	White letters	<b><u>P320.100</u></b>
_____	Letters "IFTA" a minimum of 3/4-inch (1.88 centimeters)	<b><u>P320.100</u></b>
_____	Letter I in the upper left-hand corner	<b><u>P320.100</u></b>
_____	Letter A in the lower right-hand corner	<b><u>P320.100</u></b>
_____	Letters F and T constitute a diagonal design on the decal	<b><u>P320.100</u></b>
_____	Two-letter jurisdiction designation in the lower left-hand corner	<b><u>P320.100</u></b>
_____	Last two numbers of the appropriate year in upper right-hand corner (Four numbers are allowed.)	<b><u>P320.100</u></b>
_____	Decals are serialized	<b><u>P320.100</u></b>
_____	The serial number of each decal shall be no less than 3/16" high (0.47625 centimeters) and shall be displayed between the two-letter jurisdiction designation and the letter "A" of "IFTA".	<b><u>P320.100</u></b>
_____	Does not contain vehicle specific data	<b><u>R615</u></b>
_____	Jurisdiction utilized IFTA, Inc. standards when ordering decals	<b><u>P320.200</u></b>
_____	Decals are to have a white border 1/8 inch thick	<b><u>P320.200</u></b>
_____	Background color as specified for the current year Color: _____	<b><u>P320.200</u></b>

**JURISDICTION:**

**DATE:**

**D. LICENSE APPLICATION AND CREDENTIAL PROCESSING**

**Determine that such procedures, including the application review process, meet the requirements found in the IFTA governing documents. Determine that the jurisdiction issues credentials as required by the IFTA governing documents. Determine that the jurisdiction has a renewal process in place.**

**Determine whether the jurisdiction accepts as licensees applicants from non-member jurisdictions. If so, determine that such applicants meet the requirements found in the IFTA governing documents.**

**Determine whether the jurisdiction accepts consolidated fleets. If so, determine that the proper approval was given and received.**

	<u>CITE</u>
_____ <input checked="" type="checkbox"/> Jurisdiction determines whether a prospective licensee has been previously licensed under the IFTA	<u>R335</u>
_____ Jurisdiction determines whether a previously license is still under revocation by any member jurisdiction	<u>R335</u>
_____ Jurisdiction determines whether the application contains any misrepresentation, misstatement, or omission of information required in the application	<u>R335</u>
_____ Upon being satisfied that the application is correct, the jurisdiction issues the fuel tax credentials for the fleet	<u>R330</u>
_____ Jurisdiction issues one license to each licensee	<u>R605, R620</u>
_____ Jurisdiction issues two decals for each qualified motor vehicle operated by each licensee	<u>R605, R625</u>
_____ Jurisdiction renews IFTA licenses each year	<u>R345.100</u>
_____ Jurisdiction requires that license is active, all returns have been filed and all taxes, penalties and interest have been paid prior to renewing a license	<u>R345.100</u>
_____ Jurisdiction may deny or cancel a carrier's license if the carrier is reporting zero miles or base jurisdiction distance only consecutively for three (3) quarters or more.	<u>R345.300</u>

JURISDICTION:

DATE:

**E. TEMPORARY IFTA DECAL PERMITS**

**Determine whether the jurisdiction has elected to issue temporary decal permits. If so, determine that such temporary permits meet the requirements found in the IFTA governing documents.**

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CITE

\_\_\_\_\_ Temporary decal permit issued by jurisdiction is vehicle specific

R650

\_\_\_\_\_ IFTA temporary permit issued by jurisdiction contains expiration date

R650

\_\_\_\_\_ IFTA temporary permit issued by jurisdiction expires in 30 days

R650



**JURISDICTION:**

**DATE:**

**F. INFORMATION PROVIDED TO LICENSEES**

**Determine that the jurisdiction provides information to its IFTA licensees as required by the IFTA governing documents.**

	<u>CITE</u>
√	
_____ Details on the explanation of base jurisdiction determination	<u>R360.500</u>
_____ Licensing requirements	<u>R360.200</u>
_____ Tax reporting requirements	<u>R360.300</u>
_____ Record requirements	<u>R360.300</u>
_____ License cancellation provisions	<u>R360.200</u>
_____ Audit information	<u>R360.400</u>
_____ Instructions for display of tax license and identification decals	<u>R360.100</u>
_____ Jurisdiction updates information provided to licensees as Agreement or Procedures are modified	<u>R360</u>

**NOTE: The information provided to licensees may, according to the Articles of Agreement, be more inclusive. The above is the required information.**

List below any additional information provided by the jurisdiction to an IFTA licensee:

- \*
- \*
- \*
- \*
- \*

**JURISDICTION:**

**DATE:**

**G. BONDING PROCEDURES**

**Determine whether the jurisdiction has elected to require bonds. If so, determine that the jurisdiction's bonding procedures meet the requirements found in the IFTA governing documents.**

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**CITE**

Jurisdiction requires posting of bonds for the following causes:

**R340**

\_\_\_\_\_ A licensee has failed to file timely returns

\_\_\_\_\_ A licensee has not remitted tax

\_\_\_\_\_ An audit indicates problems severe enough that in the commissioner's discretion, a bond is required to protect the interests of the member jurisdictions

\_\_\_\_\_ License reinstatement following revocation

**R430.100**

\_\_\_\_\_ Jurisdiction requires bonds in the equivalent of at least twice the estimated average tax liability for the reporting period for which the licensee will be required to file a tax return

**P410**

Jurisdiction allows the following types of securities to be filed by a licensee:

\_\_\_\_\_ Surety bond

**P420**

\_\_\_\_\_ Bonds or other obligations of the United States or Canada, bonds or other obligations of the base jurisdiction, or any county, or city and county of the base jurisdiction, having a market value not less than the amount of the bond required and made payable to the base jurisdiction.

**P430.100**

\_\_\_\_\_ Automatically renewable time certificates of deposit not exceeding the insured amount, issued by a bank doing business in the base jurisdiction and insured by the Federal Deposit Insurance Corporation or the Canadian Deposit Insurance Corporation, made in the name of the depositor, payable to the base jurisdiction, and containing the provision that interest earned shall be payable to the depositor and can only be canceled by written authorization from the base jurisdiction.

**P430.200**

Investment certificates or share accounts not exceeding the federally insured amount, issued by a savings and loan association doing business in the base jurisdiction, and insured by the Federal Savings and Loan Insurance Corporation. Evidence of the insured account, either certificate or passbook, must be delivered to the base jurisdiction, along with a properly executed assignment form whereby the funds on deposit are assigned and made payable to the base jurisdiction.

**P430.300**

Lawful money of the United States or Canada. Cash bonds must be submitted in the form of a cashier's check, money order, or other certified funds which are payable to the base jurisdiction.

**P430.400**

Any other secure obligations deemed appropriate by the base jurisdiction to cover the projected liabilities for all member jurisdictions.

**P430.500**

**JURISDICTION:**

**DATE:**

**H. LICENSE SUSPENSION, REVOCATION, CANCELLATION  
AND REINSTATEMENT PROCEDURES**

**Determine that the jurisdiction has procedures in place for license status changes as required by the IFTA governing documents.**

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**CITE**

\_\_\_\_\_ Jurisdictional laws provide for license cancellation

**R410.200**

\_\_\_\_\_ Jurisdictional laws provide for license suspension and/or revocation

**R420.200**

\_\_\_\_\_ Upon failure to pay or appeal an assessment, the jurisdiction will issue a notice of immediate revocation in accordance with the base jurisdiction's statutes for such notices to an IFTA licensee

**R1270**

JURISDICTION:

DATE:

## I. TAX RETURN FORM CONTENT AND PROCESSING

Determine the following as required or allowed by the IFTA:

- a. that the jurisdiction requires all IFTA licensees to file a quarterly tax report even if no operations were conducted during the reporting period; that the jurisdiction furnishes, at no charge to its licensees, the appropriate tax reporting forms at least 30 days prior to the due date of the reports and that the jurisdiction has provided the correct tax rates to its licensees for all quarters in the review period;
- b. that the jurisdiction appropriately determines the timeliness of the tax reports filed by its licensees by the postmark date;
- c. that the jurisdiction uses a standard tax report;
- d. that the jurisdiction has elected to authorize licensees to submit computer-generated tax reports or written tax reports;
- e. that the jurisdiction requires licensees to report all fuel placed in the fuel supply tank of a qualified motor vehicle as taxable on the IFTA tax report;
- f. that the jurisdiction correctly applies tax-paid gallons for each member jurisdiction;
- g. that the jurisdiction correctly calculates interest on tax due;
- h. that the jurisdiction correctly calculates penalty on tax due;
- i. whether the jurisdiction allows for the filing of annual reports if licensees meet the filing requirements and request such filing; and
- j. that the base jurisdiction requires licensees to maintain records to substantiate information reported on the quarterly tax report and requires such records to be maintained for the required retention period.

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CITE

\_\_\_\_\_ Jurisdiction requires all IFTA licensees to file a quarterly tax return even if no operations were conducted during the reporting period

R930.100

\_\_\_\_\_ Jurisdiction furnishes, at no charge to the licensees, the appropriate tax return forms at least 30 days prior to the due date of the returns

R940.100

_____	Jurisdiction tax returns contain the correct fuel tax rates for all member jurisdictions for all quarters in the review period	<b><u>R940.100</u></b> <b><u>P730</u></b>
_____	Jurisdiction appropriately determines timeliness of tax return and remittance filed by postmark date	<b><u>R960.100</u></b>
	The jurisdiction uses a standard tax return that contains at least, the following elements	<b><u>R950</u></b> <b><u>P720</u></b>
_____	Name and mailing address of the jurisdiction issuing the return	<b><u>P720.050</u></b>
_____	A space for the IFTA license number of the licensee	<b><u>P720.100</u></b>
_____	A space for the name and address of the licensee	<b><u>P720.150</u></b>
_____	A space for the reporting quarter of the return	<b><u>P720.200</u></b>
_____	A space for the total distance traveled in all jurisdictions during the reporting period, including operations with trip permit	<b><u>P720.250</u></b>
_____	A space for total fuel consumed in all jurisdictions during the reporting period	<b><u>P720.300</u></b>
_____	A space for the average fuel consumption factor (to two decimal places) for the reporting period]	<b><u>P720.350</u></b>
_____	A space for the fuel type being reported for the reporting period	<b><u>P720.400</u></b>
_____	Columns for the jurisdictions in the Agreement	<b><u>P720.450</u></b>
_____	Columns for reporting for each jurisdiction in order with rounding provided to the nearest whole unit:	<b><u>P720.500</u></b>
_____	Tax rate	<b><u>P720.500.010</u></b>
_____	Total miles or kilometers	<b><u>P720.500.015</u></b>
_____	Total taxable miles or kilometers	<b><u>P720.500.020</u></b>
_____	Taxable gallons or liters	<b><u>P720.500.025</u></b>

_____	Tax paid gallons or liters	<b><u>P720.500.030</u></b>
_____	Net taxable gallons or liters	<b><u>P720.500.035</u></b>
_____	Tax due	<b><u>P720.500.040</u></b>
_____	Interest due	<b><u>P720.500.045</u></b>
_____	Total due	<b><u>P720.500.050</u></b>
_____	Totals for the columns that are listed above with the exception of Tax Rates and Interest	<b><u>P720.550</u></b>
_____	A space for penalty or late filings fees (\$50.00 or 10 percent of the tax, whichever is greater)	<b><u>P720.600</u></b>
_____	A space for the total remittance of the return	<b><u>P720.650</u></b>
_____	A space for the date of the submitted return	<b><u>P720.700</u></b>
_____	A space for a signature of the person filing the licensee's return	<b><u>P720.750</u></b>
_____	A space for the title of the person filing the licensee's return	<b><u>P720.800</u></b>
_____	A space for the telephone number of the person filing the licensee's return	<b><u>P720.850</u></b>
_____	The jurisdiction allows a licensee to submit a written return setting forth all information required which will be accepted in lieu of a return on the tax return form	<b><u>R940.200</u></b>
_____	The jurisdiction requires licensees to report all fuel placed in the fuel supply tank of a qualified motor vehicle as taxable on the IFTA tax return	<b><u>R820</u></b>
_____	The jurisdiction correctly applies tax-paid gallons for each member jurisdiction	<b><u>R1120.200</u></b> <b><u>P1070</u></b>
_____	Jurisdiction calculates interest on tax due for each jurisdiction when a tax return is not filed in a timely manner	<b><u>R1230</u></b>
_____	Jurisdiction requires IFTA licensees to maintain supporting records for prescribed retention period.	<b><u>P510.100</u></b>
_____	Tax return or tax return instructions contain the US/CND conversion rates	<b><u>P730</u></b>

**JURISDICTION:**

**DATE:**

**J.1. BASE JURISDICTION ACCOUNTING - GENERAL**

**Determine the following as required by the IFTA:**

- a. **that the base jurisdiction's records of IFTA licensee accounts contain the information required and meet the retention period;**
- b. **that the jurisdiction's transmittal of funds is timely and that the fund transmittal includes a remittance listing for each jurisdiction;**
- c. **that the jurisdiction has adopted the uniform account numbering system;**
- d. **that the jurisdiction correctly administers credits and refunds;**
- e. **that the jurisdiction provides required information to other member jurisdictions; and**
- f. **that the required information is provided to the IFTA, Inc. in a timely manner.**

√

**CITE**

**1. Records of Licensee Information**

\_\_\_\_\_ Jurisdiction maintains a complete record of all fuel tax returns submitted by each of its licensees

**P910**

The jurisdiction's licensee account records contains at least the following:

\_\_\_\_\_ Fuel tax returns

**P910.050**

\_\_\_\_\_ Applications

**P910.100**

\_\_\_\_\_ Audit findings and work papers

**P910.150**

\_\_\_\_\_ Refund requests

**P910.200**

\_\_\_\_\_ Notifications issued for debit or credit balances by the base jurisdiction

**P910.250**

\_\_\_\_\_ Payments of taxes made to the base jurisdiction

**P910.300**



_____	Funds received from and transmitted to other jurisdictions. Such records shall identify licensees and remittances from each licensee	<b><u>P910.350</u></b>
_____	Cancellation of license requests	<b><u>P910.400</u></b>
_____	Requests for hearing to resolve assessments made by the base jurisdiction	<b><u>P910.450</u></b>
_____	Results of administrative hearing process	<b><u>P910.500</u></b>
_____	Jurisdiction's IFTA records storage system, which may be microfilm, microfiche, or other computerized or condensed record storage system, meets the legal requirements of the base jurisdiction	<b><u>P920.100</u></b>
_____	Jurisdiction maintains IFTA tax returns for a minimum of four years	<b><u>P920.200</u></b>
<b><u>2. Licensee Account Identification</u></b>		
_____	The jurisdiction adopted a uniform account numbering system of eleven characters which contains as the first two characters the alphabetic designation of the base jurisdiction. For US jurisdictions, the subsequent nine characters will be the Federal Employer Identification number of the licensee issued by the Internal Revenue Service	<b><u>P200, P210</u></b> <b><u>P1010</u></b>
_____	If the jurisdiction establishes fleet accounts, it identifies each account with a fleet identifier in addition to the carrier identification number	<b><u>P210</u></b>
_____	If the jurisdiction is a Canadian jurisdiction, it has adopted a numbering system for the subsequent nine characters which will meet its needs	<b><u>P230</u></b>
_____	Jurisdiction allows licensee's account number to remain unchanged from year to year	<b><u>R610</u></b>
<b><u>3. Communications With Other Jurisdictions</u></b>		
_____	The jurisdiction sends to each member jurisdiction a listing of new applicants on a quarterly basis, identifying the license numbers assigned.	<b><u>R350</u></b>
_____	The jurisdiction notifies all member jurisdictions within 10 days of all revocations/suspensions or reinstatements	<b><u>R420.300</u></b> <b><u>R430.300</u></b>
_____	The jurisdiction notifies all member jurisdictions of all cancellations quarterly	<b><u>R410.300</u></b>

\_\_\_\_\_ The jurisdiction notifies appropriate member jurisdictions of audit findings

**A690.300**

\_\_\_\_\_ The jurisdiction forwards to new member jurisdictions the required licensee listings

**R1535.200**

**4. Communications With IFTA, Inc. Staff**

_____	Jurisdictions notified the IFTA, Inc. staff at the earliest possible time of any change in their tax rate.	<b><u>P1120.100</u></b>
	Date of Tax Rate Change: _____	
	Date of Notification to IFTA, Inc. staff: _____	
_____	Jurisdiction submitted an annual report to the IFTA, Inc. staff for distribution to each member jurisdiction for each year of the review period	<b><u>P1110.100</u></b>
_____	Jurisdiction submitted the required annual reports for the preceding calendar year by March 1 for the preceding calendar year	<b><u>P1110.100</u></b>
	Jurisdiction's annual reports include:	
_____	Number of IFTA accounts	<b><u>P1110.300.005</u></b>
_____	Number of new licensees	<b><u>P1110.300.025</u></b>
_____	Number of cancellations and suspensions and/or revocations	<b><u>P1110.300.010</u></b>
_____	Number of audits	<b><u>P1110.300.015</u></b>
_____	Number of audits with assessment	<b><u>P1110.300.020</u></b>
_____	Current tax rates	<b><u>P1120.100</u></b>
_____	Unusual activities within a member jurisdiction that could affect an audit	<b><u>P1110.300.030</u></b>
_____	Jurisdiction advised the IFTA, Inc. staff of all non-taxable miles or kilometers, non-taxable fuels, exempt vehicles, or other changes affecting the administration of the Agreement	<b><u>P1130</u></b>

**JURISDICTION:**

**DATE:**

**J.2. BASE JURISDICTION ACCOUNTING - TRANSMITTALS**

	<u>CITE</u>
√ _____ Jurisdiction forwards all funds received to the appropriate jurisdictions once each month	<u>P1040</u>
_____ All funds received by the last day of the month are forwarded by the last day of the following month.	<u>P1040</u>
_____ Payments of billing transmittals received from other jurisdictions are made by the last day of the month following the month in which the billing transmittal was received	<u>P1040</u>
_____ Reports of no activity are forwarded to member jurisdictions when no funds are collected	<u>P1040</u>
_____ Transmittals to other member jurisdictions are consecutively numbered	<u>P1050</u>
_____ At the end of each calendar year, each non-Clearinghouse member jurisdiction shall notify other jurisdictions of the number of transmittals that have been sent that calendar year. At the end of each calendar year, Clearinghouse members shall notify all non-Clearinghouse members of the number of transmittals that have been sent that calendar year.	<u>P1050</u>
The jurisdiction's transmittal contains at least the following information:	
_____ The base jurisdiction's name	<u>P1040.050</u>
_____ The reporting period of the transmittal	<u>P1040.100</u>
_____ The account number of each licensee being reported	<u>P1040.150</u>
_____ The total miles or kilometers reported for each licensee for that jurisdiction	<u>P1040.200</u>
_____ The total taxable miles or kilometers reported for each licensee for that jurisdiction	<u>P1040.250</u>
_____ The reported fleet fuel consumption factor for each licensee	<u>P1040.300</u>
_____ The reported taxable gallons or liters for each licensee for that jurisdiction	<u>P1040.350</u>
_____ The reported tax paid gallons or liters for each licensee for that jurisdiction	<u>P1040.400</u>

_____	The net taxable gallons or liters for each licensee for that jurisdiction	<b><u>P1040.450</u></b>
_____	The tax due for each licensee for that jurisdiction	<b><u>P1040.500</u></b>
_____	The interest due for each licensee for that jurisdiction	<b><u>P1040.550</u></b>
_____	The total due for each licensee for that jurisdiction	<b><u>P1040.600</u></b>
_____	The amount deficient from partial payment for each licensee for that jurisdiction (If Option 1 is utilized)	<b><u>P1040.650</u></b>
	The summary totals of:	
_____	Miles or kilometers	<b><u>P1040.700</u></b>
_____	Taxable miles or kilometers	<b><u>P1040.700</u></b>
_____	Taxable gallons or liters	<b><u>P1040.700</u></b>
_____	Tax-paid gallons or liters	<b><u>P1040.700</u></b>
_____	Tax Due	<b><u>P1040.700</u></b>
_____	Interest Due	<b><u>P1040.700</u></b>
_____	Total Due	<b><u>P1040.700</u></b>
_____	Amount Deficient (If Option 1 is utilized)	<b><u>P1040.700</u></b>
_____	Audit results are transmitted to member jurisdictions with monthly transmittals	<b><u>A690.400</u></b>
	Jurisdiction properly transmits funds to other member jurisdictions according to the payment option chosen:	<b><u>P1060</u></b>
_____	Option 1	<b><u>P1060.100</u></b>
_____	Option 2	<b><u>P1060.200</u></b>

**U.S. Jurisdictions:**

_____	Transmittal reports to a Canadian jurisdiction are in U.S. customary measures and U.S. dollars	<b><u>P1030.100</u></b>
_____	All funds transmitted are in U.S. dollars	<b><u>P1030.100</u></b>

**Canadian Jurisdictions:**

_____	Transmittal reports to a U.S. jurisdiction are either in U.S. customary measures and U.S. dollars or in International Customary measures and Canadian dollars.	<b><u>P1030.200</u></b>
_____	All funds transmitted to U.S. jurisdictions are in U.S. dollars	<b><u>P1030.200</u></b>
_____	Conversions from Canadian to U.S. dollars are done using the Bank of Canada noon day spot rate quoted at 12:00 p.m. Eastern time	<b><u>P1030.200</u></b>
_____	Fund conversions prior to 12:00 p.m. Eastern time are converted using the prior day spot rate	<b><u>P1030.200</u></b>
_____	The amount converted is net the cost of converting	<b><u>P1030.200</u></b>

**All Jurisdictions:**

Transmittal funds include:

_____	Indication of which transmittal report(s) the funds are for	<b><u>P1030.300.005</u></b>
_____	The gross amount being transmitted	<b><u>P1030.300.010</u></b>
_____	The currency of funds – U.S. or Canadian dollars	<b><u>P1030.300.015</u></b>
_____	The conversion rate and the date of the conversion rate (if applicable)	<b><u>P1030.300.020</u></b>
_____	The cost of conversion (if applicable)	<b><u>P1030.300.025</u></b>
_____	The net amount being transmitted (if applicable)	<b><u>P1030.300.030</u></b>

**JURISDICTION:**

**DATE:**

**J.3. BASE JURISDICTION ACCOUNTING - CREDITS AND REFUNDS**

	<u>CITE</u>
_____ <sup>√</sup> Licensees receive full credit or refund for tax-paid fuel used outside the jurisdiction where the fuel was purchased	<u>R1100</u>
_____ If a credit is not refunded, it is carried over to offset liabilities of the licensee in future reporting periods until the credit is fully offset or until eight calendar quarters shall have passed since the end of the calendar quarter in which the credit accrued, whichever occurs sooner	<u>R1120.100</u>
_____ The licensee receives, on request, a cash refund of any accumulated credits	<u>R1100</u>
_____ The jurisdiction allows credits and issues refunds for all of its licensees on behalf of all member jurisdictions	<u>R1100</u>
_____ Credits are refunded to the licensee only if all motor fuels taxes, penalty, and interest, including audit assessments, governed by IFTA due every other member jurisdiction have been paid, unless the unpaid amount is under proper appeal procedure	<u>R1100</u> <u>R1140.200</u>
_____ Refunds determined to be properly due are paid within 90 days after receipt of a written request for payment from a licensee	<u>R1150</u>
_____ If refunds are not paid within the 90-day period, interest accrues at the rate specified in the Agreement	<u>R1150</u>
_____ Such interest is calculated from the date the refund was due for each month or fraction thereof until paid	<u>R1150</u>

**JURISDICTION:**

**DATE:**

**K. AUDITORS**

*Determine the following as required or suggested by the IFTA:*

- a. that the jurisdiction's IFTA auditors have adequate technical training and proficiency and that those auditors meet the qualifications of the jurisdiction's personnel guidelines;*
- b. that the jurisdiction's audit and audit support staffs are properly trained in audit planning and audit procedures and that supervisory follow-up and review of the auditor's procedures exist;*
- c. that the jurisdiction's auditors maintain an independence in mental attitude and are without bias with respect to IFTA licensees under audit;*
- d. that the IFTA jurisdiction's auditors exercise due professional care in performing an IFTA audit and in the preparation of an IFTA audit report;*
- e. that all licensees are given equal consideration and that no preferential treatment is given; that all licensees are audited under a uniform program unless special circumstances exist otherwise; that each jurisdiction is given equal consideration in an IFTA audit; and*
- f. that the jurisdiction's IFTA auditors conduct themselves in a manner which promotes cooperation and good relations and that auditors are allowed to discuss discrepancies with and make preliminary recommendations to an IFTA licensee.*

√

CITE

_____ IFTA auditors have adequate technical training and proficiency	<u><b>A210.100</b></u>
_____ Jurisdiction auditors meet the qualifications of the jurisdiction's personnel guidelines	<u><b>A410.100</b></u>
_____ Jurisdiction's audit and audit support staffs are properly trained in audit planning and audit procedures	<u><b>A410.200</b></u>
_____ Supervisory follow-up and review of the auditor's procedures exists	<u><b>A220.200</b></u>
_____ In all matters relating to an audit assignment, an independence in mental attitude is maintained by the jurisdiction's auditors	<u><b>A210.200</b></u>
_____ The auditors are without bias with respect to a licensee under audit	<u><b>A210.200</b></u>



**JURISDICTION:**

**DATE:**

**K. AUDITORS**

- |  |                        |
|--|------------------------|
| _____ Due professional care is exercised in performing an audit and in preparing an audit report       | <b><u>A210.300</u></b> |
| _____ All licensees are given equal consideration; no preferential treatment is given                  | <b><u>A420.100</u></b> |
| _____ All licensees are audited under a uniform program unless special circumstances dictate otherwise | <b><u>A420.300</u></b> |
| _____ Each member jurisdiction is given equal consideration in an audit                                | <b><u>A420.200</u></b> |
| _____ Auditors are allowed to discuss any discrepancies with a licensee                                | <b><u>A410.400</u></b> |

**L. AUDIT ACCOUNTABILITY**

**CITE**

Jurisdictions will be held accountable for audits and will be required to complete audits of an average of 3 percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year.

**A310  
R1510.100**

Number employed: \_\_\_\_\_

Jurisdiction has met the requirement to audit an average of 3% per year of the IFTA accounts reported on the annual report for each year of the program compliance review. [L110]

**A310**

Number of IFTA Licensees Each Year From Annual Reports: \_\_\_\_\_

<u># of Accounts:</u>	0	0	0	0	0
<u># of NEW Licensees</u>	0	0	0	0	0
	0	0	0	0	0
Year:	2006	2007	2008	2009	2010
<u>Actual # of Licensees Audited:</u>	0	0	0	0	0
Year:	2007	2008	2009	2010	2011
<b>IFTA 3% Requirement number:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	2007	2008	2009	2010	2011
<u>Actual Percentage of Licensees Audited Each Year</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>
	2007	2008	2009	2010	2011
<b>Average # per year:</b>	<b>0</b>				
<b>Total Average:</b>	<b>#DIV/0!</b>				

<b>Cite A320. Selection of Audits</b>						
<b>High(25%)/Low(15%) Mileage Requirements: IFTA vs. Jurisdiction Amt.</b>						
Year	<u>IFTA Requirements</u>		<u>Actual Amount Jurisdiction Completed</u>			
	High %	Low %	High #	%	Low #	%
2007	0	0	0	#DIV/0!	0	#DIV/0!
2008	0	0	0	#DIV/0!	0	#DIV/0!
2009	0	0	0	#DIV/0!	0	#DIV/0!
2010	0	0	0	#DIV/0!	0	#DIV/0!
2011	0	0	0	#DIV/0!	0	#DIV/0!
<b>Average High/Low Completed Per Year</b>			<b>0.00</b>		<b>0.00</b>	
<b>Average High/Low Requirement Per year</b>			<b>0.00</b>		<b>0.00</b>	
<b>Average High/Low Percentage Per year</b>			<b>#DIV/0!</b>		<b>#DIV/0!</b>	

At least 15 percent of the jurisdiction's audit requirement involves low distance accounts. (Low distance accounts are considered to be 25 percent of the previous year's licensees who had the lowest number of miles/kilometers reported in all member jurisdictions) [L120]

**A320.100**

At least 25 percent of the jurisdiction's audit requirement involves high distance accounts. (High distance accounts are considered to be 25 percent of the previous year's licensees who had the highest number of miles/kilometers reported in all member jurisdictions) [L130]

**A320.100**

Low distance computations and high distance computations are determined by taking the sum of miles/kilometers reported in all member jurisdictions for the first three quarters of each calendar year [L140]

**A320.200**

<b>JURISDICTION:</b>	<b>DATE:</b>
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**M. AUDIT PROCEDURES**

Audited Licensee Name: \_\_\_\_\_ License Number: \_\_\_\_\_

Audit Period: \_\_\_\_\_ Audit Completion Date: \_\_\_\_\_

*Determine the following as required or suggested by the IFTA:*

- a. that the jurisdiction's auditors adequately plan their IFTA audits;*
- b. that the IFTA pre-audit, sampling, and testing procedures are followed;*
- c. that the jurisdiction's IFTA audits include a proper study and evaluation of a licensee's internal controls;*
- d. that the jurisdiction's auditors review and verify reports kept by a licensee that were generated through a computer-based system;*
- e. that the jurisdiction's IFTA audit working papers are complete and support the audit findings; that the audit files contain the appropriate documentation;*
- f. that the jurisdiction's IFTA audit reports contain the appropriate information; and*
- g. that the jurisdiction properly notifies appropriate parties of audit findings.*

CITE

_____	Audit was adequately planned	
	Preaudit Analysis	<u>A220.100</u>
	Study and Evaluation	<u>A220.200</u>
_____	The audit was conducted on a sampling basis, unless a specific situation dictated otherwise	<u>A530</u>
_____	Sample period(s) selected are representative of the licensee's operations	<u>A530.100</u>
_____	Auditors, through inquiry and observation, determined the licensee's prescribed policies and procedures. (An auditor normally documents his understanding in his work papers by completing a questionnaire designed for this	<u>A640.100</u>

_____	purpose, or by diagramming or describing the flow of transactions in flowchart or narrative form)	
_____	The auditors reviewed the licensee's accounting system	<b><u>A640.100</u></b>
_____	Auditors identified the records that the licensee keeps to support his returns	<b><u>A640.100.015</u></b>
_____	Auditors determined if there had been changes in the licensee's accounting procedures or operations during the audit period	<b><u>A640.100.005</u></b>
_____	Audit was conducted on behalf of all member jurisdictions	<b><u>R1310</u></b>
_____	Receipts for tax-paid purchases that have been altered or indicate erasures are not accepted without demonstration from the licensee that the receipt is valid.	<b><u>P570.200</u></b>
_____	If tax paid fuel documentation was unavailable, all claims for tax paid fuel were disallowed	<b><u>A550.200</u></b>
_____	The auditor made any reasonable attempt to verify distance	<b><u>A540.300</u></b>
_____	If the auditor was unable to determine any reasonable method to assign or allocate unreported miles/kilometers, unreported miles/kilometers were assigned to all jurisdictions on the basis of each jurisdiction's audited percentage of total miles/kilometers.	<b><u>A520</u></b>
_____	In the absence of adequate records, 4 m.p.g. was used unless substantial evidence exists to the contrary.	<b><u>A550.100</u></b>
	Audit documentation accomplishes the following:	<b><u>A670</u></b>
_____	Communicates the results of the audit, showing adjusted distance, fuel and monetary results	<b><u>A670.100</u></b>
_____	Documents and justifies procedures conducted by the auditor	<b><u>A670.200</u></b>
_____	Indicates source of audit results (for example, audited fuel determined from retail purchase receipts)	<b><u>A670.300</u></b>
_____	Communicates suggestions and recommendations made to the licensee	<b><u>A670.400</u></b>
_____	Clearly supports audit findings	<b><u>A670.500</u></b>

The audit file contains at least the following:

**A680**

Schedules:

**A680.100**  
**A680.100.005**

\_\_\_\_\_ Summary schedules

*Summary schedules shall include reported and audited fuel and distance for each affected jurisdiction. They shall also include the assessment or refund for the jurisdictions and the net total assessment or refund due for the audit, including all penalties and interest.*

\_\_\_\_\_ Supplementary schedules

*Supplementary schedules shall provide additional detail for results on the summary schedules. Supplementary schedules will contain, but not be limited to, schedules showing how audited fuel and distances were calculated and the computation of adjustment factors determined from a sample, if applicable.*

**A680.100.010**

Support Documentation:

**A680.200**  
**A680.200.005**

\_\_\_\_\_ Detail Information

*Detail information is documentation of actual records reviewed which support the audit results. Detail information includes, but is not limited to, the following: detail of retail or bulk purchases, detail of bulk fuel withdrawals and analysis of trips audited, showing audited distance in total and per jurisdiction. This information may be maintained on a work paper or electronically on a database.*

\_\_\_\_\_ Listing of Records Maintained

*A listing of records maintained shall indicate what records are maintained and presented by the licensee and whether the records comply with the Agreement.*

**A680.200.010**

\_\_\_\_\_ A synopsis of opening and closing conference notes with licensee indicating date, and persons attending

**A680.200.015**

**Licensee Audit Report** contains at least the following information:

\_\_\_\_\_ Name and address of licensee

**A660.100.005**

\_\_\_\_\_ Account number

**A660.100.010**

\_\_\_\_\_ Audit period

**A660.100.015**

\_\_\_\_\_ Types of records audited

**A660.100.020**

_____	Description of audit techniques employed	<b><u>A660.100.025</u></b>
_____	Net distance adjustment	<b><u>A660.100.030</u></b>
_____	Net tax paid fuel purchases adjustment	<b><u>A660.100.035</u></b>
_____	MPG/KPL as reported	<b><u>A660.100.040</u></b>
_____	MPG as result of audit	<b><u>A660.100.045</u></b>
_____	Net fuel tax adjustment per jurisdiction	<b><u>A660.100.050</u></b>
_____	Remarks and recommendations	<b><u>A660.100.055</u></b>
_____	Signature of auditor or reviewing jurisdictional official and date	<b><u>A660.100.060</u></b>
_____	In calculating audit interest, overpayments to any jurisdiction quarterly returns within the audit period were applied to any liability on subsequent quarterly returns on a jurisdictional basis within the audit period	<b><u>R1230.300.010</u></b>
_____	In calculating audit interest, interest accrued on the net amount of tax due each jurisdiction within the period of time audited	<b><u>R1230.300.010</u></b>
_____	Interest was calculated from the date the tax was due for each calendar month or fraction thereof. (A fraction of a month accrued a full month's interest.)	<b><u>R1230.300.010</u></b>
_____	The auditor used the best information available to the jurisdiction in conducting the audit	<b><u>A540.200</u></b>
_____	If a software distance program was used, it was used only as an audit tool	<b><u>A540.400</u></b>
_____	Following the close-out conference and any review period, the licensee was furnished with the Licensee Audit Report and a customary notice of assessment, billing or other notification which would signify the beginning of the licensee's appeal period	<b><u>A690.100</u></b>
_____	Within 45 days of the providing the licensee with the Licensee Audit Report and its customary notification of assessment or billing, the Interjurisdictional Audit Report was prepared and the jurisdiction notified the affected member jurisdictions of the audit findings	<b><u>A690.200</u></b>

The **Interjurisdictional Audit Report** contains at least the following information

**A660.200**

_____	Name of base jurisdiction	<b><u>A660.200.005</u></b>
_____	Name and address of licensee	<b><u>A660.200.010</u></b>
_____	FEIN or equivalent	<b><u>A660.200.015</u></b>
_____	Reported tax by jurisdiction	<b><u>A660.200.020</u></b>
_____	Audited tax by jurisdiction	<b><u>A660.200.025</u></b>
_____	Penalty	<b><u>A660.200.030</u></b>
_____	Interest by jurisdiction	<b><u>A660.200.035</u></b>
_____	Total by jurisdiction	<b><u>A660.200.040</u></b>

**JURISDICTION:**

**DATE:**

**N. ASSESSMENT AND COLLECTION PROCEDURES**

**Determine that the jurisdiction has assessment procedures in place as required by the IFTA.**

√

**CITE**

\_\_\_\_\_ Jurisdiction methods of collection are governed by its laws and the administrative procedures established by the Agreement.

**R1240.100**

\_\_\_\_\_ In the event a licensee fails to file a tax return when due, fails to make records available upon written request, or fails to maintain records, the jurisdiction:

**R1210.100**

\_\_\_\_\_ Determines the tax liability of the licensee for each jurisdiction and/or

**R1210.200.005**

\_\_\_\_\_ Revokes or suspends the license if the licensee fails to file and tax return with full payment due

**R1210.200.010**

\_\_\_\_\_ The jurisdiction adds penalties and interest and serves any assessment in accordance with its laws

**R1210.300**



**JURISDICTION:**

**DATE:**

**O. APPEALS PROCESS**

**Determine that the jurisdiction has an appeals process in place for all actions allowable under the IFTA.**

√

**CITE**

\_\_\_\_\_ Jurisdiction conducts its appeal process in accordance with the procedures established by its own law and regulations on behalf of all member jurisdictions

**R1400**  
**R1430.200**

\_\_\_\_\_ Jurisdiction holds hearings expeditiously and gives at least 20 days' written notice of the time and place of the hearing

**R1420**

\_\_\_\_\_ Jurisdiction notifies an appellant of the findings of fact and ruling on the appeal

**R1440**

\_\_\_\_\_ Jurisdiction allows an appellant to appear in person and/or be represented by counsel at the hearing and to produce witnesses, documents, or other pertinent material to substantiate the Appeal

**R1430.100**

\_\_\_\_\_ Further appeal of the jurisdiction's finding proceed in accordance with the jurisdiction's laws

**R1450.100**

**JURISDICTION:**

**DATE:**

**P. RESPONSIBILITIES IN BANKRUPTCY PROCEEDINGS**

**Determine that the jurisdiction has procedures in place for Bankruptcy proceedings as required by the IFTA.**

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**CITE**

\_\_\_\_\_ In the event the jurisdiction receives official notice or otherwise obtains knowledge of the filing of a bankruptcy case or similar insolvency, liquidation or reorganization proceeding by or against a licensee, the base jurisdiction takes responsibility for determining and taking such action as it deems reasonable and necessary with respect to the need to:

**R1250.100**

\_\_\_\_\_ Prepare and file a proof of claim

**R1250.100.005**

\_\_\_\_\_ Prepare and file requests for payment of post-petition liabilities

**R1250.100.010**

\_\_\_\_\_ Prosecute and defend proofs and requests

**R1250.100.015**

\_\_\_\_\_ If the jurisdiction determines that it will not pursue the IFTA claim, the jurisdiction promptly notified any jurisdiction that had an interest in the proceeding so it could seek to intervene

**R1250.200**

\_\_\_\_\_ Upon request for a member jurisdiction, the jurisdiction promptly provided such information and documentation in its possession as was necessary for the other jurisdiction to defend any contested matters or adversary proceedings involving fuel use taxes administered under the IFTA

**R1250.300**