

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.

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CITE

_____ The jurisdiction's IFTA license application form contains the following information:	R315
_____ 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	P105, P200 P210, P220 P230, P240
_____ Owner's, partner's or corporate name	P110
_____ Legal business name	P115
_____ Physical location of the business	P120
_____ Mailing address of the business	P125
_____ Signature or electronic submission compliant with R940.300 and P160 and date	P130
_____ Number of IFTA decals required by licensee	P135
_____ Application fee (if applicable)	R355, P140
_____ Decal fee (if applicable)	R355, P145 P320.300
_____ Statement of existence of bulk storage in all member jurisdictions	P155
_____ Statement that applicant agrees to comply with reporting, payment, recordkeeping, and license display requirements as specified in the International Fuel Tax Agreement.	P160
_____ 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

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B. IFTA LICENSE CONTENT AND DESIGN

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

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CITE

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

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C. DECAL CONTENT AND DESIGN

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

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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)	P320.100
_____ White letters	P320.100
_____ Letters "IFTA" a minimum of 3/4-inch (1.88 centimeters)	P320.100
_____ Letter I in the upper left-hand corner	P320.100
_____ Letter A in the lower right-hand corner	P320.100
_____ Letters F and T constitute a diagonal design on the decal	P320.100
_____ Two-letter jurisdiction designation in the lower left-hand corner	P320.100
_____ Last two numbers of the appropriate year in upper right-hand corner <i>(Four numbers are allowed.)</i>	P320.100
_____ Decals are serialized	P320.100
_____ 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".	P320.100
_____ Does not contain vehicle specific data	R615
_____ Jurisdiction utilized IFTA, Inc. standards when ordering decals	P320.200
_____ Decals are to have a white border 1/8 inch thick	P320.200
_____ Background color as specified for the current year	P320.200
_____ Color: _____	

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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.

	CITE
_____ <input checked="" type="checkbox"/> Jurisdiction determines whether a prospective licensee has been previously licensed under the IFTA	R335
_____ <input type="checkbox"/> Jurisdiction determines whether a previously license is still under revocation by any member jurisdiction	R335
_____ <input type="checkbox"/> Jurisdiction determines whether the application contains any misrepresentation, misstatement, or omission of information required in the application	R335
_____ <input type="checkbox"/> Upon being satisfied that the application is correct, the jurisdiction issues the fuel tax credentials for the fleet	R330
_____ <input type="checkbox"/> Jurisdiction issues one license to each licensee	R605, R620
_____ <input type="checkbox"/> Jurisdiction issues two decals for each qualified motor vehicle operated by each licensee	R605, R625
_____ <input type="checkbox"/> Jurisdiction renews IFTA licenses each year	R345.100
_____ <input type="checkbox"/> 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	R345.100
_____ <input type="checkbox"/> 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.	R345.300

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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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_____ 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:
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F. INFORMATION PROVIDED TO LICENSEES

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

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

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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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

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**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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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <p>_____ Jurisdictional laws provide for license cancellation</p> <p>_____ Jurisdictional laws provide for license suspension and/or revocation</p> <p>_____ 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</p> | <p>R410.200</p> <p>R420.200</p> <p>R1270</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|

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

**R940.100
P730**

_____	Jurisdiction appropriately determines timeliness of tax return and remittance filed by postmark date	R960.100
		R950
	The jurisdiction uses a standard tax return that contains at least, the following elements	P720
_____	Name and mailing address of the jurisdiction issuing the return	P720.050
_____	A space for the IFTA license number of the licensee	P720.100
_____	A space for the name and address of the licensee	P720.150
_____	A space for the reporting quarter of the return	P720.200
_____	A space for the total distance traveled in all jurisdictions during the reporting period, including operations with trip permit	P720.250
_____	A space for total fuel consumed in all jurisdictions during the reporting period	P720.300
_____	A space for the average fuel consumption factor (to two decimal places) for the reporting period]	P720.350
_____	A space for the fuel type being reported for the reporting period	P720.400
_____	Columns for the jurisdictions in the Agreement	P720.450
_____	Columns for reporting for each jurisdiction in order with rounding provided to the nearest whole unit:	P720.500
_____	Tax rate	P720.500.010
_____	Total miles or kilometers	P720.500.015
_____	Total taxable miles or kilometers	P720.500.020
_____	Taxable gallons or liters	P720.500.025
_____	Tax paid gallons or liters	P720.500.030
_____	Net taxable gallons or liters	P720.500.035
_____	Tax due	P720.500.040
_____	Interest due	P720.500.045

_____	Total due	P720.500.050
_____	Totals for the columns that are listed above with the exception of Tax Rates and Interest	P720.550
_____	A space for penalty or late filings fees (\$50.00 or 10 percent of the tax, whichever is greater)	P720.600
_____	A space for the total remittance of the return	P720.650
_____	A space for the date of the submitted return	P720.700
_____	A space for a signature of the person filing the licensee's return	P720.750
_____	A space for the title of the person filing the licensee's return	P720.800
_____	A space for the telephone number of the person filing the licensee's return	P720.850
_____	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	R940.200
_____	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	R820
_____	The jurisdiction correctly applies tax-paid gallons for each member jurisdiction	R1120.200 P1070
_____	Jurisdiction calculates interest on tax due for each jurisdiction when a tax return is not filed in a timely manner	R1230
_____	Jurisdiction requires IFTA licensees to maintain supporting records for prescribed retention period.	P510.100
_____	Tax return or tax return instructions contain the US/CND conversion rates	P730

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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.**

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1. Records of Licensee Information

<hr style="border: none; border-top: 1px solid black;"/>	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:		
<hr style="border: none; border-top: 1px solid black;"/>	Fuel tax returns	P910.050
<hr style="border: none; border-top: 1px solid black;"/>	Applications	P910.100
<hr style="border: none; border-top: 1px solid black;"/>	Audit findings and work papers	P910.150
<hr style="border: none; border-top: 1px solid black;"/>	Refund requests	P910.200
<hr style="border: none; border-top: 1px solid black;"/>	Notifications issued for debit or credit balances by the base jurisdiction	P910.250
<hr style="border: none; border-top: 1px solid black;"/>	Payments of taxes made to the base jurisdiction	P910.300
<hr style="border: none; border-top: 1px solid black;"/>	Funds received from and transmitted to other jurisdictions. Such records shall identify licensees and remittances from each licensee	P910.350
<hr style="border: none; border-top: 1px solid black;"/>	Cancellation of license requests	P910.400

_____	Requests for hearing to resolve assessments made by the base jurisdiction	P910.450
_____	Results of administrative hearing process	P910.500
_____	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	P920.100
_____	Jurisdiction maintains IFTA tax returns for a minimum of four years	P920.200
	<u>2. Licensee Account Identification</u>	
_____	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	P200, P210 P1010
_____	If the jurisdiction establishes fleet accounts, it identifies each account with a fleet identifier in addition to the carrier identification number	P210
_____	If the jurisdiction is a Canadian jurisdiction, it has adopted a numbering system for the subsequent nine characters which will meet its needs	P230
_____	Jurisdiction allows licensee's account number to remain unchanged from year to year	R610
	<u>3. Communications With Other Jurisdictions</u>	
_____	The jurisdiction sends to each member jurisdiction a listing of new applicants on a quarterly basis, identifying the license numbers assigned.	R350
_____	The jurisdiction notifies all member jurisdictions within 10 days of all revocations/suspensions or reinstatements	R420.300 R430.300
_____	The jurisdiction notifies all member jurisdictions of all cancellations quarterly	R410.300
_____	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.	P1120.100
	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	P1110.100
_____	Jurisdiction submitted the required annual reports for the preceding calendar year by March 1 for the preceding calendar year	P1110.100
	Jurisdiction's annual reports include:	
_____	Number of IFTA accounts	P1110.300.005
_____	Number of new licensees	P1110.300.025
_____	Number of cancellations and suspensions and/or revocations	P1110.300.010
_____	Number of audits	P1110.300.015
_____	Number of audits with assessment	P1110.300.020
_____	Current tax rates	P1120.100
_____	Unusual activities within a member jurisdiction that could affect an audit	P1110.300.030
_____	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	P1130

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J.2. BASE JURISDICTION ACCOUNTING - TRANSMITTALS

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_____ Jurisdiction forwards all funds received to the appropriate jurisdictions once each month

P1040

_____ All funds received by the last day of the month are forwarded by the last day of the following month.

P1040

Outgoing Transmittals

_____ Each member jurisdiction shall forward transmittal data listings related to tax returns received during each month. Transmittal data listings and related funds must be forwarded monthly in accordance with the transmittal and funding calendar prepared by the Clearinghouse Advisory Committee and approved by the IFTA, Inc. Board of Trustees. The funds and the supporting transmittal data listings may be sent separately. A report of no activity is required for each member jurisdiction if no revenue was collected on its behalf. *Effective January 1, 2010*

_____ 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.

P1040

Incoming Billing Transmittals

_____ In the event a transmittal data listing to another jurisdiction results in money being owed to the base jurisdiction, the jurisdiction being billed shall remit payment to the base jurisdiction in accordance with the transmittal and funding calendar prepared by the Clearinghouse Advisory Committee and approved by the IFTA, Inc. Board of Trustees. *Effective January 1, 2010*

_____ Reports of no activity are forwarded to member jurisdictions when no funds are collected

P1040

_____ Transmittals to other member jurisdictions are consecutively numbered

P1050

_____ 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.

P1050

_____ The jurisdiction's transmittal contains at least the following information:

_____ The base jurisdiction's name

P1040.050

_____ The reporting period of the transmittal

P1040.100

_____ The account number of each licensee being reported

P1040.150

_____	The total miles or kilometers reported for each licensee for that jurisdiction	P1040.200
_____	The total taxable miles or kilometers reported for each licensee for that jurisdiction	P1040.250
_____	The reported fleet fuel consumption factor for each licensee	P1040.300
_____	The reported taxable gallons or liters for each licensee for that jurisdiction	P1040.350
_____	The reported tax paid gallons or liters for each licensee for that jurisdiction	P1040.400
_____	The net taxable gallons or liters for each licensee for that jurisdiction	P1040.450
_____	The tax due for each licensee for that jurisdiction	P1040.500
_____	The interest due for each licensee for that jurisdiction	P1040.550
_____	The total due for each licensee for that jurisdiction	P1040.600
_____	The amount deficient from partial payment for each licensee for that jurisdiction (If Option 1 is utilized)	P1040.650
	The summary totals of:	
_____	Miles or kilometers	P1040.700
_____	Taxable miles or kilometers	P1040.700
_____	Taxable gallons or liters	P1040.700
_____	Tax-paid gallons or liters	P1040.700
_____	Tax Due	P1040.700
_____	Interest Due	P1040.700
_____	Total Due	P1040.700
_____	Amount Deficient (If Option 1 is utilized)	P1040.700
_____	Audit results are transmitted to member jurisdictions with monthly transmittals	A690.400

Jurisdiction properly transmits funds to other member jurisdictions according to the payment option chosen:

P1060

_____	Option 1	P1060.100
_____	Option 2	P1060.200

U.S. Jurisdictions:

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

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.	P1030.200
_____	All funds transmitted to U.S. jurisdictions are in U.S. dollars	P1030.200
_____	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	P1030.200
_____	Fund conversions prior to 12:00 p.m. Eastern time are converted using the prior day spot rate	P1030.200
_____	The amount converted is net the cost of converting	P1030.200

All Jurisdictions:

Transmittal funds include:

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

_____	The cost of conversion (if applicable)	P1030.300.025
_____	The net amount being transmitted (if applicable)	P1030.300.030

JURISDICTION:

DATE:

J.3. BASE JURISDICTION ACCOUNTING - CREDITS AND REFUNDS

	CITE
√ _____ Licensees receive full credit or refund for tax-paid fuel used outside the jurisdiction where the fuel was purchased	R1100
_____ 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	R1120.100
_____ The licensee receives, on request, a cash refund of any accumulated credits	R1100
_____ The jurisdiction allows credits and issues refunds for all of its licensees on behalf of all member jurisdictions	R1100
_____ 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	R1100 R1140.200
_____ Refunds determined to be properly due are paid within 90 days after receipt of a written request for payment from a licensee	R1150
_____ If refunds are not paid within the 90-day period, interest accrues at the rate specified in the Agreement	R1150
_____ Such interest is calculated from the date the refund was due for each month or fraction thereof until paid	R1150

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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	A210.100
_____ Jurisdiction auditors meet the qualifications of the jurisdiction's personnel guidelines	A410.100
_____ Jurisdiction's audit and audit support staffs are properly trained in audit planning and audit procedures	A410.200
_____ Supervisory follow-up and review of the auditor's procedures exists	A220.200
_____ In all matters relating to an audit assignment, an independence in mental attitude is maintained by the jurisdiction's auditors	A210.200
_____ The auditors are without bias with respect to a licensee under audit	A210.200
_____ Due professional care is exercised in performing an audit and in preparing an audit report	A210.300

JURISDICTION:

DATE:

K. AUDITORS

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|--------------------------------------------------------------------------------------------------------|-----------------|
| _____ All licensees are given equal consideration; no preferential treatment is given | A420.100 |
| _____ All licensees are audited under a uniform program unless special circumstances dictate otherwise | A420.300 |
| _____ Each member jurisdiction is given equal consideration in an audit | A420.200 |
| _____ Auditors are allowed to discuss any discrepancies with a licensee | A410.400 |

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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

<input checked="" type="checkbox"/>	Audit was adequately planned Preaudit Analysis Study and Evaluation	A220.100 A220.200
<input type="checkbox"/>	The audit was conducted on a sampling basis, unless a specific situation dictated otherwise	A530
<input type="checkbox"/>	Sample period(s) selected are representative of the licensee's operations	A530.100
<input type="checkbox"/>	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 purpose, or by diagramming or describing the flow of transactions in flowchart or narrative form)	A640.100
<input type="checkbox"/>	The auditors reviewed the licensee's accounting system	A640.100

_____ Auditors identified the records that the licensee keeps to support his returns	A640.100.015
_____ Auditors determined if there had been changes in the licensee's accounting procedures or operations during the audit period	A640.100.005
_____ Audit was conducted on behalf of all member jurisdictions	R1310
_____ 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.	P570.200
_____ If tax paid fuel documentation was unavailable, all claims for tax paid fuel were disallowed	A550.200
_____ The auditor made any reasonable attempt to verify distance	A540.300
_____ 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.	A520
_____ In the absence of adequate records, 4 m.p.g. was used unless substantial evidence exists to the contrary.	A550.100
_____ Audit documentation accomplishes the following:	A670
_____ Communicates the results of the audit, showing adjusted distance, fuel and monetary results	A670.100
_____ Documents and justifies procedures conducted by the auditor	A670.200
_____ Indicates source of audit results (for example, audited fuel determined from retail purchase receipts)	A670.300
_____ Communicates suggestions and recommendations made to the licensee	A670.400
_____ Clearly supports audit findings	A670.500

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

A660.100.025

_____	Net distance adjustment	A660.100.030
_____	Net tax paid fuel purchases adjustment	A660.100.035
_____	MPG/KPL as reported	A660.100.040
_____	MPG as result of audit	A660.100.045
_____	Net fuel tax adjustment per jurisdiction	A660.100.050
_____	Remarks and recommendations	A660.100.055
_____	Signature of auditor or reviewing jurisdictional official and date	A660.100.060
_____	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	R1230.300.010
_____	In calculating audit interest, interest accrued on the net amount of tax due each jurisdiction within the period of time audited	R1230.300.010
_____	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.)	R1230.300.010
_____	The auditor used the best information available to the jurisdiction in conducting the audit	A540.200
_____	If a software distance program was used, it was used only as an audit tool	A540.400
_____	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	A690.100
_____	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	A690.200

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

A660.200

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

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.

√

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