



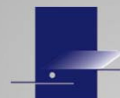
Inadequate Records Under IFTA

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Renée Kyser AL

IFTA P530 Adequacy of Records

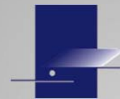
The adequacy of a licensee's records is to be ascertained by the records' sufficiency and appropriateness.

- Sufficiency is a measure of the quantity of records produced;
- The appropriateness of the records is a measure of their quality.



IFTA P570 Inadequate Records Assessment

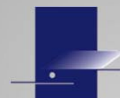
.100 If the base jurisdiction determines that the records produced by the licensee for audit do not, for the licensee's fleet as a whole, meet the criterion for the adequacy of records set out in P530, or after the issuance of a written demand for records by the base jurisdiction, the licensee produces no records, the base jurisdiction ***shall*** impose an additional assessment by either:



IFTA P570 Inadequate Records Assessment

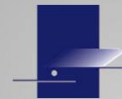
.100.005 adjusting the licensee's reported fleet MPG to 4.00 or 1.70 KPL; or

.100.010 reducing the licensee's reported MPG or KPL by twenty percent.



IFTA P570 .100.200

This section does not affect the ability of a base jurisdiction to disallow tax-paid credit for fuel purchases which are inadequately documented, or, for cause, to conduct a best information available audit which may result in adjustments to either the audited or reported MPG or KPL, suspend, revoke, or cancel the license issued to a licensee.

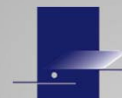


IFTA P570.100.200

So what was the purpose of this language?

- during the Pre-Audit Review, a search of DOT Inspections finds a vehicle was inspected in a jurisdiction where no distance was reported;
- during the review of fuel receipts, you find fuel in a jurisdiction, but no distance was reported.

Can you think of any other situations that can be supported by documentation where distance might be adjusted?



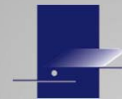
IFTA P570.100.200

The section allows the auditor to make adjustments for the unreported distance.

- The distance may be determined using round trip distance to the fueling location;

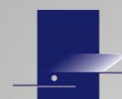
OR

- Determine the distance based upon an MPG/KPL and the gallons



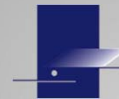
IFTA P570.100.200

These adjustments may or may not result in an adjustment to the originally reported MPG/KPL, but since the records of the fleet as a whole are deemed Inadequate, you will adjust either the Audited or Reported MPG/KPL.



IFTA A350 Audit Adjustments

- .005 Prior experience of the licensee;
- .010 Licensees with similar operations;
- .015 Other vehicles in the fleet with similar operations;
- .020 Industry averages;
- .025 Records available from fuel distributors or other third parties;
- .030 Other pertinent information the base jurisdiction may obtain or examine;

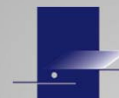


IFTA A350 Audit Adjustments

Reduce the vehicle MPG/KPL by 20%, or
Adjust the vehicle MPG/KPL to 4.00/1.70

Nothing in this section shall affect the grant or denial of credits for tax-paid fuel in accordance with P550.

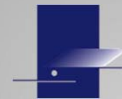
Keep in mind, if the records are Adequate, you have the tools on the previous slide to estimate the fuel usage for the identified units. These MPG/KPL reductions should only be used as a last resort.



IFTA Inadequate Records

In summary – when you have determined the records for the fleet as a whole are Inadequate, you must follow P570 and adjust the MPG/KPL accordingly.

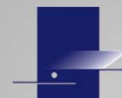
As part of the Best Practices Guide, a chart has been developed to provide guidance during the completion of an audit.



Best Practices Guide IFTA

Source	Adequate	Inadequate	Overall Rating
Distance	X		Adequate
Fuel	X		

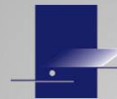
Conduct the audit. Deny fuel when appropriate. Use A350 for estimated fuel consumption, if needed.



Best Practices Guide IFTA

Source	Adequate	Inadequate	Overall Rating
Distance	X		Adequate
Fuel		X	

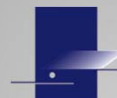
Conduct the audit. Deny fuel when appropriate. Use A350 for estimated fuel consumption, if needed.



Best Practices Guide IFTA

The overall rating can be Adequate when the Distance Records are Adequate and the Fuel Records are Inadequate because there is other language that allows for the adjustment of Tax Paid Fuel.

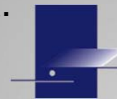
The recently passed ballot kept the language where tax paid fuel can be disallowed and A350 allows for the estimation of fuel consumption based on any of the factors listed in A350.200.



Fuel consumption may be estimated for specific vehicles when records are missing or are substantially impaired.

Even with an adequate rating, an adjustment to the fleet MPG may be warranted.

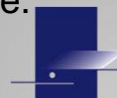
Example: All fleet vehicles are registered at 80,000lbs, but the reported fleet MPG is 10.00, which is excessive based on industry standards. After determining the issue cannot be isolated to specific vehicles, the fleet MPG can be adjusted in accordance with A350 since the facts suggest the reported MPG is based on incomplete fuel data.



Source	Adequate	Inadequate	Overall Rating
Distance		X	Inadequate
Fuel	X		
Distance		X	Inadequate
Fuel		X	

P570 – IRA. Deny fuel when appropriate. Reduce MPG/KPL to 4.00/1.70 or by 20%.

Once the records as a whole are determined inadequate, application of P570 is appropriate.



THANK YOU

Questions
or
Comments?

