

Manual –

1) Scenario (distance):

A log hauler only maintained load tickets for his activity. Due to travel limitations, he is not required to complete daily DOT logs. Regarding the required information, the load tickets reflect the name of the mill and the date the load was delivered; they do not reflect the tract where the load originated, odometer readings, etc. He also went into 2 adjoining jurisdictions using back rounds and logging roads; that distance may or may not be exempt as off-road distance in the respective jurisdiction.

Questions:

1. What issues do you see?
2. How would you handle this audit?

2) Scenario

An Alabama carrier has 2 vehicles in their IFTA and IRP fleets. They consistently operate in multiple jurisdictions. During the preliminary process, a federal inspection of 1 vehicle in Humptulips, WA is noted; no WA distance was reported. When records are received for audit, the distance records provided by the carrier are sporadic and incomplete to the level they are rated inadequate; they do not sufficiently cover the activity of the fleet. When the fuel records are examined to ensure the claimed tax paid credits are supported, the following unreported jurisdictions are discovered:

MO – 04/12/16

UT – 04/13/16

MS – 05/11/16

WY – 05/12/16

OK – 06/15/16

OR – 06/17/16

ND – 06/26/16

Nothing was reported in jurisdictions west or north of AR, with the exception of those jurisdictions traveled via the I-10 & I-20 corridors (MS, LA, TX, NM, AZ & CA). The above fuel dates do not correlate to the available distance records due to record gaps. Summed receipts throughout the audit period total less than reported in some jurisdictions and more in others.

Questions

1. What would your IFTA rating be, and why?
2. How would you handle the above issues?
3. Would it make a difference if only 1 or 2 unreported receipts were discovered?
4. Would it make a difference if the unreported receipts were in adjoining jurisdictions?

3) Scenario

The carrier has 2 vehicles. Drivers complete a trip sheet that includes date, driver's name, origin, final destination, odometer readings at borders and jurisdictional distance. Carrier's office staff scans the trip sheets and forwards them to a service provider. The service provider enters each trip into a database. The service provider checks odometer continuity and that all distance is reported. The database can produce monthly and quarterly summaries by truck, with jurisdictional distance. The carrier has repetitive trips between 3 to 4 jurisdictions. Fuel is purchased tax paid using a 3rd party fuel service, with most purchased locally; monthly detailed invoices are provided to the carrier. Drivers record fuel stops and attach receipts to their trip sheets. The service provider relies strictly on the trip sheets when reporting.

Found during audit:

Testing shows 1 vehicle's distances are off for all jurisdictions, to include reporting 5 times the audited distance for 1 jurisdiction. Testing proves the other vehicle is generally correct, but there are minor errors. Total distance for both vehicles was reported correctly. The audited and reported fuel do not agree – it appears drivers intermittently neglected to record a purchase, attach a receipt or both.

Questions:

- 1) How would you adjust (correct) the jurisdictional distance for each vehicle?
- 2) Would you project the errors you discovered?
- 3) What about the fuel aspect; what would you do for that segment?