

**IFTA AUDIT COMMITTEE TELECONFERENCE MINUTES**  
**May 12, 2015 at 11:30 EST**

**Jurisdiction Representatives:**

Dave Nicholson, Chair, OK  
Jeff Hood, Ex-Officio, IN  
Bob Gattinella, RI  
Diana Kay, FL  
Jimmy Tompkins, AL

Helen Varcoe, MT  
Maxime Dubuc, QC  
Stacey Hammock, WY  
Joel Foreman, NE  
Kristie Zanis, NH

**Board Liaisons:**

Steve Nutter VA  
Joy Prenger MO

**IFTA Inc. Advisors:**

Debbie Meise  
Lonette Turner

**Roll Call:** Jimmy Tompkins and Joy Prenger absent

**Review Minutes**

Bob Gattinella made a motion to accept the minutes from the April meeting.  
Helen Varcoe seconded the motion.  
The April minutes were approved.

**Old business:**

**Vacancies:**

Joel Foreman was welcomed to the committee. He introduced himself as well as all the committee members making introductions. Dave mentioned Jimmy Tompkins and Joy Prenger who were unable to make the call. Joel is a great addition and Dave is glad to have him on board.

There is still another vacancy and Lynden Landholm from Kansas has volunteered. Debbie will submit his name to Steve to give to the Board for approval.

Dave mentioned Don Williams has vacated his position on the committee due to new job duties. John Manning in Idaho has volunteered but won't be able to join until next year. Dave is also waiting to hear back from Arizona on a potential volunteer.

**Ballot 3 Update:**

Debbie announced there have been two more requests for another comment period. The requests came from New Hampshire and Connecticut. She will pull the ballot from voting today and Tom will work on the website for the comments. The website should be up sometime next week. She asked the committee if they wanted to pull the ballot or go to an additional comment period.

Steve asked about the votes that are currently casted. Those votes are lost once the ballot is pulled and the voting process will start all over. The 45 day comment period starts from the date it is posted for comments. By the time it gets posted to the website the comment period will probably go until the first week in July.

Dave asked if the jurisdictions have to specify what the substantive changes are. Debbie said Connecticut's response was detailed and she will share that information with him.

Dave asked for a vote on whether to move the ballot forward to another comment period or to withdraw it.

Stacey voted to move the ballot forward to next comment period.

Bob was curious as to what Connecticut had to say and if it was anything different than before. He voted yes but it would be the last time.

Maxime voted to move forward.

Helen voted to move forward.

Kristi voted to move forward.

Dave voted to move forward.

Dave will get the comments to everyone after Debbie gets them to him.

The committee will move forward with the additional comment period.

Dave asked Steve if he has heard from the ASSC. Steve has not heard from them. He talked to Stuart and there is interest but they haven't got together to discuss things.

Jeff suggested the Chair and Vice Chair of the AC get with the Chair and Vice Chair of the ASSC. This ballot should not go out without due professional care and should be discussed.

Debbie said the ASSC just hasn't had a chance to review the ballot. Ed had sent something to the committee. She will contact them to set up a meeting.

Dave would like to reach out to Ed, Stuart and Chuck.

Steve thought the Board should be involved in the meeting as well.

Helen agreed to be involved in the process.

Debbie will work on setting up these meetings. Dave will be at the IRP ABM next week and Helen will be out the following week.

Helen would like to put the ballot out for the community to comment and Dave agreed.

Jeff asked at what point can we make changes to the ballot.

Debbie commented that changes need to be made before it goes to comment. It needs to be ready for vote before it goes out for comment.

Jeff suggested speaking with the ASSC before we send it out for comment. Then it would go for vote if no changes are made.

Stacey asked what our time frame is to make changes.

Debbie mentioned we have 45 days to make changes then put it out for comment.

Joel and Diana joined a little late and Dave got them up to speed on our discussion on ballot 3. He said Jeff had a good suggestion to meet with the ASSC before we send the

ballot out for comment. He explained we voted to move it forward but will wait until we meet with the ASSC and everyone agreed.

Bob commented that it will weigh heavily if we can get the ASSC on board and get this ballot passed. Dave agreed.

Jeff commented that if we get the response back by May 18<sup>th</sup>, Ed should be able to talk about it. Dave thought it would be better after the 18<sup>th</sup>. Debbie commented that Ed will need to get the responses together after the first week in June.

### **A310 Number of audits:**

This ballot failed due to insufficient votes. Pat sent a question to Debbie asking the PCRC to clarify how they look at this situation. They have a call today and will respond to Dave.

Debbie commented that if only two quarters are available, that's all you have to audit.

Dave said we agreed on that but Dick mentioned they would look for four quarters.

Debbie explained that January through December is the license year but if the licensee begins in July, that's when their license year starts. When they license is their license year.

Dave commented about the short period audits for cause. We need clarification on what the PCRC will allow for an audit.

### **New business:**

#### **Workshop**

The Board has approved all travel expenses for all committee members. Dave thanked Steve and said he will send a thank you note to the Board. There is memo from the Board that Dave sent via e-mail to all the committee members this morning.

Dave asked if that also includes the ex-officio and Debbie said yes.

Jeff asked where the workshop will be held.

The workshop will be in Las Vegas and the Tuscany Suites & Casino, which is a little off the strip. It will be February 9-11. Debbie encourages everyone to go check out the hotel online.

Workshop ideas were discussed including a GPS mock audit, whether we want to do a similar format and we need to come up with topics.

Debbie will get the planning committee schedule.

Dave mentioned IFTA will host the calls on the first Wednesday of the month. He would like Jeff and Helen to be involved and he will reach out to Anthony on the IRP committee.

Jeff asked about the comments from the 2015 workshop. Dave mentioned Tammy is working on them. Debbie said the Chair and Vice Chair should have them by the end of the week.

Dave asked everyone to be thinking about topics and a title for the workshop. The 2015 title was "What's in your Audit".

Dave mentioned attendees want to look at GPS. We could contact vendors to help with gathering the data.

Diana suggested putting GPS in the title to help attract people. We could include something on what to do with the new technology that is coming out. A few committee members have done a GPS audit. There are new providers and everyone needs to be aware of the requirements per IFTA and IRP.

Jeff suggested developing an exchange of electronic information for discussion. Formatting uniformity would make it easier to exchange data and easier to audit without so much data entry. That could possibly be a breakout.

Diana mentioned Florida has a GPS questionnaire. This is sent after they mark they have GPS on their pre-audit questionnaire. Dave asked if she would share that questionnaire and she said yes.

Dave brought up segments on dual fuel.

Jeff suggested a segment of learning and not working. Dave agreed with having a break on working on an audit. He asked everyone to think of non-audit related topics to break up the workshop.

Diana likes the dual fuel topic and says they have these types of carriers in Florida. In Florida from 2014-2018, there is a dual fuel exemption where it is exempt from tax.

Jeff suggested topics on interest applied by fuel type, the wrong fuel type in wrong jurisdiction, a no change audit but lots of interest applied, and a dual fuel example.

### **Other business:**

There are 7 IFTA ballots for 2015. They have been out for a few weeks with no comments. Dave asked everyone to review each one that pertained to auditing. Provide any comments you may have and he will share with everyone.

The Managers' and Law Enforcement Workshop will be in San Antonio at the Holiday Inn Riverwalk on October 6-8. Helen and Jeff will be going.

The IFTA Annual Business Meeting is at the Menger Hotel in San Antonio on August 12-13.

**Quarterly cut-offs:**

The question from Delaware regarding quarterly cut-offs was discussed. Dave forwarded the e-mails to the committee. Debbie explained the issue. The licensee had distance in a jurisdiction but didn't end at the end of the month. He filed using distance going into half of the next month. This could present a problem if there is a tax rate change. They would need to file amended returns. The question was asked how each jurisdiction would handle this issue. Would they allow amended returns during an audit? Florida & Wyoming would correct the error during the audit. Debbie explained that most systems won't allow an amended return during an audit but there are some systems that still allow them after an audit. Montana states in their letter that no amendments will occur until completion of the audit.

Dave mentioned there is nothing that says they can't file an amendment if it has been audited.

Jeff commented if there is nothing in the Agreement, it should go back to jurisdictional rules and regulations.

Florida only allows them to amend returns that are not under audit.

Debbie explained IFTA is not specific. This issue is happening so they get a credit because they don't like the audit.

Jeff commented it creates a credit where it did not exist.

Dave asked if there is a hard set cut-off date. What about tax rate changes? Ballot 3 talks a little bit about cut-off dates.

Bob mentioned this should be looked at on a case by case basis. The fuel should follow the distance. Is the difference material? He didn't think it was a big deal provided there was no tax rate change.

Debbie thought this question needed a response from the committee. He sent this question to IRP as well. There is no language about a period being locked. She asked if there was somewhere we could craft language.

Diana commented that we can't audit changes again.

Dave asked what's to stop a carrier from a cut-off period. Amending the returns and sampling was discussed.

Jeff asked how we would change this problem.

Bob thought to put it in the report or deal with it when it becomes material.

Dave said it would be up to the jurisdiction on how to handle this situation. We need to discuss this issue further and answer the question after further discussion.

Debbie pointed out that if this was a large carrier it would be a huge issue. The committee needs to talk about it and make sure we do it right. This issue also depends on each jurisdiction's system.

Florida has a statute of limitations on amending returns.

Jeff thought we should poll the community on this issue and bring it up at the ABM.

Debbie thought it would be a good town hall discussion at the workshop.

Dave said we need to draft a survey to give to the audit contacts.

Jeff thought a good question might be "can a licensee amend a return under audit"?

Debbie mentioned another good question would be "does their system allow this to occur?" We could use the interjurisdictional exchange to ask these questions. There could possibly be another subcommittee or an audit presentation at the ABM.

Dave asked for volunteers to put some questions together for the survey. Diana volunteered. Dave, Helen and Jeff will also be involved. Debbie set up the call for June 2, 2015 at 11:30 EST and have questions ready.

Helen motioned the meeting be adjourned. Diana second. Motion carried.