

FOR COMMENT PERIOD ENDING JULY 5, 2026



IFTA BALLOT PROPOSAL

#09-2026

Sponsor

IFTA, Inc. Program Compliance Review Committee

Date Submitted

May 29, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

Procedures Manual
Procedures Manual

Section P1210
Section P1230

Subject

Jurisdiction participation in program compliance reviews.

History/Digest

P1230 currently requires jurisdictions to participate in their appropriate share of program compliance reviews each year with no member jurisdiction being required to participate in more than two program compliance reviews per year.

The IFTA Board of Trustees issued a Board Charge to the Program Compliance Review Committee in March 2024 to develop new review procedures that include an annual Admin review of all member jurisdictions. The Charge directed the PCRC to streamline the review process with more focus on items that are of monetary importance to all member jurisdictions and to develop a strategy for staggered reviews. The strategy developed, guided by the Board Charge, is the 1-year Admin review, annual reporting to jurisdictions on audit accountability, and a 5-year Audit review.

Membership approved streamlined review procedures at the 2025 Annual Business Meeting by a majority vote.

The removal of the language in P1210 clarifies that member jurisdictions are not responsible for funding travel expenses under the program compliance review process. Instead, these costs are centrally funded by IFTA, Inc. to support a consistent, equitable, and streamlined team-based review model. This update aligns the manual with current practice and removes outdated language from the prior review structure.

The streamlined procedures greatly reduce audit review criteria and the number of audits reviewed for most of the criteria. The streamlined procedures for Admin review of jurisdictions rely on data analytics from IFTA Clearinghouse reports eliminating cumbersome and time-consuming time spent downloading transmittals.

The current limitation included in P1230, which restricts jurisdictions to no more than two program compliance reviews per year, conflicts with the approved annual Administrative Review requirement for all member jurisdictions and does not reflect the variable workload associated with both administrative and audit reviews. Review demands fluctuate significantly by year based on the number and complexity of assigned reviews, and the Program Compliance Review Committee seeks to ensure adequate flexibility in assignments to maintain effective coverage. The Committee continues to reduce the overall time burden on reviewers by utilizing a team-based review model that allows work to be distributed more efficiently across available resources.

Intent

This ballot updates Sections P1210 and P1230 to align the Procedures Manual with the current team-based Program Compliance Review model. The changes remove outdated funding language and outdated participation limits, ensuring that travel costs are centrally funded by IFTA, Inc. and that reviewer assignments can be flexibly managed to support both Administrative and Audit Reviews. Together, these updates promote consistency, efficiency, and equitable participation across all member jurisdictions.

Underlining Indicates Addition; Strikethrough Indicates Deletion

1 *P1210 REVIEW REQUIREMENT

2
3 Member jurisdictions shall permit periodic program compliance reviews to be
4 performed to assure they are in compliance with the provisions of the Agreement. ~~At~~
5 ~~the expense of the member jurisdictions conducting such reviews, they will be~~
6 ~~performed after the first year of implementation of the Agreement. The expenses of~~
7 ~~such reviews may be paid through the International Fuel Tax Association if funds are~~
8 ~~available.~~ Beginning January 1, 1997, the program compliance reviews will be conducted
9 according to a schedule developed by IFTA, Inc.

10
11 IFTA Inc is responsible for funding the designated travel week expenses for reviewers to
12 attend and conduct team-based Program Compliance reviews.

13 *P1230 REQUIRED PARTICIPATION

14
15 Jurisdictions will be required to participate in their appropriate share of program
16 compliance reviews each year- through assignment of jurisdictional reviewers to assist
17 in the program compliance review process. No member jurisdiction will be required to
18 participate in more than two program compliance reviews per year. Reviewer
19 assignments are distributed equally among member jurisdictions based on the schedule
20 maintained by the Program Compliance Review Facilitator.

21
22 Member jurisdiction reviewers serve a two-year term during which they participate in
23 the team-based review process. The majority of reviewer responsibilities are
24 concentrated during one designated travel week per year, when administrative and
25 audit reviews are conducted collaboratively, per the program compliance review guide.

26
27 Reviewers may be asked to participate in opening review conferences, virtual training,
28 completion of reviews started during the travel week, and limited follow-up discussions,
29 but no additional extensive review obligations should be required.
30