Going through an audit can be stressful, especially if you are unsure or unaware of the proper record keeping to be in compliance. Throughout the years, the Indiana Department of Revenue’s audit staff has seen various forms of noncompliance that have resulted in costly assessments.

To ensure that you will have the necessary documentation to provide in the event that you are selected for an IFTA or IRP audit, please reference the list(s) below.

**Distance Records**
Distance records produced by a means other than a vehicle-tracking system that contain the following elements will be accepted as adequate:

- The beginning and ending dates of the trip to which the records pertain;
- The origin and destination of the trip;
- The route of travel;
- The beginning and ending reading from the odometer, hubodometer, engine control module (ECM), or any similar device for the trip;
- The total distance of the trip;
- The distance traveled in each jurisdiction during the trip; and
- The vehicle identification number or vehicle unit number.

Distance records produced wholly or partly by a vehicle-tracking system, including a system based on a global positioning system (GPS) that contain the following elements will be accepted as adequate:

- The original GPS or other location data for the vehicle to which the records pertain;
- The date and time of each GPS or other system reading, at intervals sufficient to validate the total distance traveled in each jurisdiction;
- The location of each GPS or other system reading;
- The beginning and ending reading from the odometer, hubodometer, engine control module (ECM), or any similar device for the period to which the records pertain;
- The calculated distance between each GPS or other system reading;
- The route of the vehicle’s travel;
- The total distance traveled by the vehicle;
- The distance traveled in each jurisdiction; and
- The vehicle identification number or vehicle unit number.
Fuel Records
Fuel can be purchased from a retail fuel station or in bulk. The different ways of purchasing fuel have specific records to maintain in order to receive tax-paid credit through the audit process.

To receive tax paid credit for retail fuel purchases proof of the purchase must be produced. Proof of purchase can be shown by providing:

- A receipt, invoice, or transaction listing from the seller;
- A credit-card receipt;
- A transaction listing generated by a third party; or
- An electronic or digital record of an original receipt or invoice.

The retail receipt, invoice, or transaction listing must contain:

- The date of the fuel purchase;
- The name and address of the seller of the fuel (a vendor code, properly identified, is acceptable for this purpose);
- The quantity of fuel purchased;
- The type of fuel purchased;
- The price of the fuel per gallon or per liter, or the total price of the fuel purchased;
- The identification of the qualified motor vehicle into which the fuel was placed; and
- The name of the purchaser of the fuel (where the qualified motor vehicle being fueled is subject to a lease, the name of either the lessor or lessee is acceptable for this purpose, provided a legal connection can be made between the purchaser named and the licensee).

If you maintain a bulk fuel tank, retain the following records:

- Receipts for all deliveries;
- Quarterly inventory reconciliations for each tank;
- The capacity of each tank; and
- Bulk withdrawal records for every bulk tank at each location.

To receive tax paid credit for fuel withdrawn from a bulk fuel tank proof of the purchase must be produced. The receipt provided must show:

- The purchase price of the fuel delivered into the bulk storage includes tax paid to the member jurisdiction where the bulk storage is located; or
- The licensee has paid fuel tax to the member jurisdiction where the bulk storage is located.

The withdrawal records must contain:

- The location of the bulk storage from which the withdrawal was made;
- The date of the withdrawal;
- The quantity of fuel withdrawn;
- The type of fuel withdrawn; and
- The identification of the vehicle or equipment into which the fuel was placed.
Quarterly Summaries
You must maintain quarterly summaries for each vehicle of your fleet. Each vehicle summary should list the distance traveled and fuel placed into each vehicle by jurisdiction and in total. If you purchase fuel at retail stations and maintain a bulk fuel tank your fuel summary must list the bulk fuel and retail fuel separately for each unit in the fleet.

The summation of all vehicle summaries should reconcile to the reported distance and fuel figures on your IFTA return each quarter. The summaries of the four quarters of the Distance Reporting Period should reconcile to the reported distance on the IRP Application Schedule B.

You will need to provide separate IFTA and IRP summaries if you have:

• An IFTA vehicle that is not part of your IRP registered fleet; or
• An IRP-registered vehicle that is not part of your IFTA fleet.

Record Retention
IFTA – all distance records, fuel records and quarterly summaries that were used to determine reported figures must be maintained for a period of four years from the due date or filing date of the return, whichever is later.

IRP – all distance records and quarterly summaries that were used to determine reported figures must be maintained for the current registration and the three preceding registrations.

Audit Outcomes of Inadequate Records
If you are audited and your IFTA or IRP records are rated as inadequate the following adjustments will be made.

• Your reported miles per gallon will be reduced to 4.0 or reduced by 20%, which will result in increased consumption and tax due (IC 6-6-4.1-9 and IFTA Article P570).
• Any reported tax-paid credit gallons without a supporting fuel receipt(s) will be disallowed credit (IC 6-6-4.1-6 and IFTA Article P550).
• You will be assessed 20% of the apportionable fees paid for the registration year audited. (IRP Plan Article x-1015).