Required Fuel Documentation

Audit Readiness · https://atsfleetmanagement.com/docs/required-fuel-documentation/

Description

Fuel documentation is one of the most critical components of IFTA compliance and audit readiness. Every fuel tax credit claimed on an IFTA return must be supported by proper documentation demonstrating that fuel was purchased, taxes were paid, and the fuel was used in qualified motor vehicles operating under IFTA.

During an audit, fuel documentation is often reviewed alongside mileage records to verify the accuracy of tax calculations and MPG (Miles Per Gallon) ratios. Missing, incomplete, or inaccurate fuel records can result in disallowed fuel tax credits, additional tax assessments, interest charges, and penalties.

Maintaining complete fuel documentation throughout the year helps ensure accurate reporting, supports tax credits, and significantly reduces audit risk.

Why Fuel Documentation Is Important

Fuel records directly impact:

- Fuel tax credits
- MPG calculations
- Tax liability calculations
- State fuel allocations
- Audit compliance
- Filing accuracy

Without proper fuel documentation, auditors may disallow tax-paid fuel credits.

What Auditors Expect to See

Auditors expect every fuel purchase reported on an IFTA return to be supported by documentation.

Fuel records should answer:

Purchase Information

- When was the fuel purchased?
- Where was the fuel purchased?
- How much fuel was purchased?
- Was fuel tax paid?

Vehicle Information

- Which vehicle received the fuel?
- Was the vehicle operating under IFTA?

Documentation Verification

- Does a receipt exist?
- Does the receipt contain all required information?
- Does the purchase reconcile to reported fuel totals?

Required Fuel Documentation

The following records should be maintained for every fuel purchase.

Fuel Receipts

Fuel receipts remain the most important form of fuel documentation.

Each receipt should include:

✔ Purchase Date

✔ Purchase Time

✔ Vendor Name

✔ Vendor Address

✔ State or Jurisdiction

✔ Gallons Purchased

✔ Fuel Type

✔ Total Purchase Amount

✔ Tax-Paid Fuel Information

Receipts that are incomplete or unreadable may not be accepted during an audit.

Fuel Card Reports

Fuel card reports provide:

✔ Transaction Summaries

✔ Purchase History

✔ Driver Assignments

✔ Vehicle Assignments

✔ Fuel Quantities

✔ Purchase Locations

Fuel card reports are frequently used to verify receipt information.

OCR Fuel Receipt Records

When using Advanced IFTA OCR processing, maintain:

✔ Receipt Images

✔ OCR Results

✔ Transaction Records

✔ Manual Corrections

OCR records provide additional support for fuel purchases and simplify audit preparation.

Fuel Purchase Reports

Maintain:

✔ Vehicle Fuel Summaries

✔ Quarterly Fuel Reports

✔ State Fuel Reports

✔ Driver Fuel Reports

✔ Fleet Fuel Reports

These reports should reconcile to quarterly IFTA filings.

Bulk Fuel Documentation

Carriers maintaining bulk fuel facilities have additional documentation requirements.

Required Bulk Fuel Records

✔ Fuel Purchase Invoices

✔ Supplier Documentation

✔ Delivery Records

✔ Bulk Tank Inventory Reports

✔ Withdrawal Logs

✔ Vehicle Assignment Records

Bulk Fuel Withdrawal Documentation

For every withdrawal, maintain:

- Date
- Vehicle Number
- Driver Name
- Gallons Dispensed
- Fuel Type
- Tank Identification

Missing withdrawal records frequently result in audit findings.

Fuel Documentation Retention

Fuel records should be maintained for at least:

Four Years

Recommended records include:

✔ Fuel Receipts

✔ Fuel Card Reports

✔ Bulk Fuel Records

✔ Fuel Purchase Reports

✔ Tax Documentation

✔ OCR Receipt Images

Common Fuel Documentation Problems

The following issues frequently generate audit findings.

Missing Fuel Receipts

Fuel purchases cannot be verified.

Incomplete Fuel Receipts

Required information is missing.

Duplicate Fuel Purchases

Transactions appear multiple times.

Missing Fuel Card Transactions

Purchases were not imported.

Missing Bulk Fuel Records

Inventory usage cannot be verified.

Incorrect Fuel Assignments

Fuel assigned to the wrong vehicle.

Fuel Documentation Best Practices

Upload Receipts Immediately

Fuel receipts should be uploaded as soon as possible after purchase.

Verify OCR Results

Review OCR results for:

- Gallons
- Dates
- Locations
- Purchase amounts

Reconcile Fuel Monthly

Compare:

- Fuel card reports
- Fuel receipts
- Fuel reports

Review Exception Reports

Investigate:

- Missing fuel
- Duplicate fuel
- MPG variances

Warning Signs of Fuel Documentation Problems

The following issues may indicate documentation deficiencies:

Missing receipts

Duplicate purchases

Missing gallons

Unusual MPG values

Fuel assigned to wrong vehicle

Missing bulk fuel records

Missing fuel exceptions

Large fuel tax credits

Fuel Documentation Audit Checklist

Before filing each quarter, verify:

✔ All fuel receipts uploaded

✔ OCR processing reviewed

✔ Fuel card transactions reconciled

✔ Bulk fuel records updated

✔ Duplicate transactions removed

✔ Fuel reports reviewed

✔ Fuel exceptions resolved

How Advanced IFTA Helps

Advanced IFTA provides multiple tools to simplify fuel documentation management.

Fuel Management Features

✔ OCR Fuel Receipt Capture

✔ Fuel Receipt Storage

✔ Fuel Purchase Tracking

✔ Fuel Card Integration

✔ Bulk Fuel Tracking

✔ Vehicle Fuel Assignment

✔ Exception Reporting

✔ Audit Readiness Monitoring

✔ Historical Fuel Reporting

Recommended Actions

1. Upload all fuel receipts immediately.
2. Verify OCR extraction results.
3. Reconcile fuel records monthly.
4. Investigate fuel exceptions promptly.
5. Maintain bulk fuel documentation.
6. Remove duplicate transactions.
7. Retain records for at least four years.

Related Articles

- Understanding IFTA Audits
- What Auditors Look For
- Audit Readiness Checklist
- Required Mileage Documentation
- Missing Fuel Receipts and Audit Risk

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