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| **FUEL**  **POLICY AND PROCEDURES**  The Louisiana Legislative Auditor (LLA) is providing the following best practice to help local government entities create their own written policies and procedures. Because this document may not include all legal provisions applicable to different types of local government entities, entities should consult with legal counsel when developing written policies and procedures. Also, many of the legal provisions referenced in this document may not apply to quasi-public organizations, such as nonprofits. Quasi-public organizations should refer to the LLA’s legal FAQs for additional guidance. | |
| **POLICY**  Management is to implement and monitor controls over fuel (gasoline and diesel) to ensure that purchases and usage is reasonable, authorized, and that only municipality-owned vehicles and equipment are receiving the fuel. Managements’ failure to ensure that employees complete and maintain accurate records places the municipality at a significant risk of the unauthorized use or theft of the municipality’s fuel supplies. Personal use or theft of fuel will result in automatic termination and possible legal action.  Fuel can either be purchased in bulk and inventoried/stored in tanks on-site for usage or be purchased from vendors that use a suitable fleet manager system (e.g., Fuelman, etc.). If fuel purchases are estimated to total more than $30,000 in one year, management will publicly bid the fuel in accordance with the Public Bid Law (Louisiana Revised Statute 38:2211, et. seq.).   1. **Bulk Purchases - Inventory**  * For each fuel tank, a *Fuel Tank Log* is to be completed and maintained that documents monthly activity. At a minimum, the log should contain:  1. Beginning inventory (measured number of gallons in tank at beginning of period) 2. Purchases (number of gallons received in the tank during the period) 3. Usage (number of gallons dispensed during the period per meter readings) 4. Calculated ending inventory (= A + B – C) 5. Actual ending inventory (measured number of gallons in tank at end of period) 6. Difference, if any (= E - D) [Note: MUST BE INVESTIGATED AND RESOLVED]        * + For each fuel pump, a *Fuel* *Pump Usage Log* is to be completed and maintained that documents monthly activity. At a minimum, the log should contain:   + Date   + Name/signature of employee dispensing the fuel   + Name/signature of employee driving vehicle/equipment (if different)   + Description - vehicle/equipment   + Odometer reading - vehicle/equipment   + Beginning meter reading – fuel pump   + Number of gallons dispensed   + Ending meter reading – fuel pump   II**. Credit Card Purchases – Fleet Manager System**   1. The clerk is to maintain an accurate listing of all fuel credit cards, including a photo copy of each card and the department and/or person that each card is assigned. 2. The clerk is to periodically conduct an inventory of all cards and any lost or stolen cards are to be terminated immediately. 3. It is the department head’s responsibility to keep all cards locked in a secure location when not in use. All departments must maintain a sign-in and sign-out log that contains the following information:  * Date the credit card is issued * Credit card number * Name/signature of the employee who is receiving/using the card * Name/signature of the employee who is issuing the card * Description of vehicles/equipment receiving the fuel * Date the credit card is returned * Names/signatures of the employees acknowledging the cards’ return   Note: Cards are to be in the possession of the person who signed out the card at all times and never left in the vehicle. The card is to be returned promptly and the log will be updated (signatures) to document receipt.  4. Employees are to enter accurate information (e.g., vehicle odometer reading) at the vendor’s  pump and obtain receipts to submit to the clerk. Failure to enter accurate information and  submit receipts may result in disciplinary action. | |
| **PROCEDURES** | Date and Person Responsible |
| **Fuel Inventory – Tanks and Pumps**   1. Secure the fuel tanks and pumps under lock when not being used. 2. Restrict access to tanks and pumps to only authorized personnel. 3. Designate an employee to maintain and update the *Fuel Tank Log* during the month. 4. Designate an employee to maintain and ensure that the *Fuel* *Pump Usage Log* is accurately updated each time fuel is dispensed during the month.   5. At the end of each month, the maintenance supervisor (or designee) is to perform the following tasks:  A. Tanks   * + Obtain the *Fuel* *Tank Log* for each tank and review for completeness, accuracy, and reasonableness. * Measure/determine the number of gallons in the tank and record as the actual ending inventory on the *Fuel Tank Log*. * Compare the actual ending inventory to the calculated ending inventory and document the difference on *Fuel Tank Log.* Investigate the difference, if any and document its resolution.   B. Pumps   * + Obtain the *Fuel* *Pump Usage Log* for each pump and review for completeness, accuracy, and reasonableness.   C. Monthly Reconciliation of Usage (Tanks and Pumps)   * + Reconcile/agree the total quantity of fuel used as recorded on the *Fuel Tank Log* to the total quantity of fuel dispensed as recorded on the *Fuel* *Pump Usage Log*. Investigate the difference, if any, and document the resolution.   + Submit the *Fuel Tank Log*, *Fuel Pump Usage Log*, and reconciliation to the clerk. |  |
| **Credit Cards – Fleet Manager System**   1. Each month, the clerk is to reconcile/agree the credit card receipts (turned in by employees) to the vendor’s monthly statement. 2. The monthly vendor statements are to be carefully reviewed for completeness (e.g., odometer readings) and any unusual activity (e.g., purchase made out-of-town, more than one purchase on the same day, purchase made on a weekend, etc.) and immediately report any exceptions or concerns to the appropriate department head and mayor. |  |
| **Monthly Fuel Reporting**   1. The clerk is to use the information recorded on the fuel logs and/or credit card statement to prepare a monthly summary of fuel usage. 2. The clerk is to calculate the following data monthly for each vehicle/equipment:  * Total number of gallons received (calculate using the *Fuel Pump Usage Log* and/or vendor statement) * Total number of miles traveled (calculate using odometer readings on *Fuel Pump Usage Log* and/or vendor statement) * Miles per gallon (calculate by dividing the total number of miles traveled by the total number of gallons received)  1. Present the summary report and the monthly data on each vehicle/equipment to the board at its regular monthly meeting. |  |
| <https://www.lla.la.gov/resources/local-government-reporting/best-practices> | 10/10/2014 |