



CARDLOCK OPERATOR GUIDELINES

DEPARTMENT OF STATE POLICE
OFFICE OF STATE FIRE MARSHAL
LICENSE AND PERMIT SERVICES
NONRETAIL FUEL DISPENSING
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General Information

What does OSFM inspect during a records inspection? There are four categories of requirements that must be met. Think of each of these categories separately because each requirement must be met by each customer. If the customer does not meet ALL of the eligibility criteria, that customer is not eligible for cardlock fuel dispensing.

1. Signed Written Agreements

Each customer who has cards that access Class 1 flammable liquids at cardlock facilities must have a **signed** and **dated** written agreement for non-retail fuel dispensing on file with the operator. This documentation must be kept and be available at the time of the cardlock records inspection.

2. Customer Eligibility Documents

Each customer must provide the operator with current verifiable proof of business. This documentation must be on file and available at the time of the records inspection.

Acceptable proof of business includes their verifiable Federal Employer Identification Number (FEIN) or equivalent documentation to show the customer is currently engaged in business. The FEIN is a 9-digit number and is the only "stand alone" information that can be accepted without backup documentation. If the customer does not have a FEIN, there are other documents that can prove the customer is a business. Those documents include:

Tax information is due to the operator by April 15th of each year. If a customer files for an extension, they must submit a copy of their request for extension, and upon filing, must forward a copy of the actual tax return to the operator. Extensions are not open-ended. Therefore, you will want to keep track of expiration dates for extensions.

Schedule C Federal Tax Return

This business income/loss form must include the **entire** page, although the numbers can be blocked out. The Schedule C must be for the most current tax year.

Schedule F Federal Tax Return

This farm income/loss form must include the **entire** page, although the numbers can be blocked out. However, if a farmer wants an exemption to the minimum fuel purchase requirement, then the amount deducted on line 21 must be completed and *visible*. The Schedule F must be for the most current tax year.

Form 1120 Federal Tax Return

Farmers who are incorporated can supply a form 1120 in lieu of a schedule F, provided the form 1120 is accompanied by the first page of the 1040, and is for the most current tax year.

Business License

A license or permit issued by a government agency is acceptable if it is current and verifiable. For instance, a business license that expired in 2006 does not show that the customer is in business in 2007.

According to statute, the customer must provide a current copy of the license or permit when signing up. The licenses, permits or other documents issued must show an expiration date and the business status of the licensee. When the document expires, they need to send in a new copy; however, you can obtain and have on file an electronic document, as noted under Electronic Documentation.

Examples of acceptable documentation, as long as they are current and not expired, are listed below.

- DOT License or Weight/Cab Card
- Construction Contractors Board License
- Landscape Contractors Board License
- Real Estate License
- Department of Agriculture License
- Marine Board Licenses
- Oregon Fish & Wildlife (fishing vessels)
- Other City or County issued Business Licenses

Electronic Documentation

You may obtain and add to the customer file an electronic printout from the internet, providing the status of the business is active. Licensing information can be located online at <http://www.oregon.gov> and go to popular sites and look for state agencies.

For new customers, please note that OSFM will require that the customer provide a copy of their original proof of business document. Because the statutes indicate that the customer is to provide proof of business, OSFM will consider the electronic documentation as acceptable only for existing customers, not for new customers. (New customers must submit the initial copy for proof of business).

3. 900 Gallon Fuel Purchase Requirement

Customers must purchase a minimum of 900 gallons of fuel (including diesel) from **any** source, every 12 months. If your customers do not purchase the minimum required amount of fuel at your facilities, they will either need to 1) send you copies of their receipts or invoices, or 2) complete the Fuel Purchase Report and submit it regularly.

The Fuel Purchase Report is available upon request through our office or on our website. Customers using the Fuel Purchase Report certify, under penalty of perjury, that the information and purchase documentation listed on the form is true and correct. Customers using this form should also:

- a. Report the number of *gallons* purchased on the Fuel Purchase Report, not the *dollar* amount.
- b. Fill in all information on the form. Incomplete Fuel Purchase Reports will not be accepted as proof of purchase.
- c. Keep their fuel receipts as back up documentation, as this information will be randomly verified. The customer may be required to send in their receipts as part of a cardlock records inspection.

Note: If receipts are not available, the "Fuel Purchase Report" cannot be used towards the required 900 gallon fuel purchase requirement. It is the operator's responsibility to ensure the purchases total 900 gallons or more within a 12-month time period. This documentation must be on file and available to the Cardlock Compliance Specialist.

Customers who do not meet the minimum fuel purchase requirement **must** have their access to Class 1 flammable fuel invalidated.

Certain customers are exempt from the fuel purchase requirement. If the customer is exempt, they are not required to purchase 900 gallons of fuel. Exempt customers are exempt *only* from the minimum fuel purchase requirement. They must meet all other cardlock requirements. Exempt customers are:

- (1) *Farmers*: If the farmer takes a deduction for fuel on his/her Schedule F (**line 21**), and if they provide you with the most current Schedule F showing the deductions claimed, that customer is exempt from the 900-gallon purchase requirement. In order to be exempt from the 900-gallon requirement, the farmer **MUST** provide you with the Schedule F showing the fuel deduction. This is true even if the farmer has given you their FEIN number as proof of business.
- (2) *Government agencies providing police, ambulance or fire services.* (only these listed are exempt)
- (3) *Grandfathered Customers*: If the customer was a customer of a cardlock facility on and since June 30, 1991, that customer is exempt from the 900-gallon fuel purchase requirement. You must have documentation on file, such as an invoice, to show the customer was and has continued to be a customer since June 30, 1991. "Grandfathered customers" must meet all other customer requirements.

4. Fire Safety Training

Fire Safety Training shall be provided **prior** to allowing a customer to dispense flammable liquids. Owners of non-retail facilities shall provide fire safety training that meets State Fire Marshal requirements to each customer authorized to dispense flammable liquids at their facilities. There are two parts to remember. 1) Owners need to provide documentation that they have **delivered** fire safety training to the customer dispensing flammable liquids at their facility. 2) The customer shall certify in writing that fire safety training was received. This documentation must be on file and available to Cardlock Compliance Specialists.

The following procedure can be used to ensure all requirements are met:

- (1) The operator provides safety training to the cardlock customer.
- (2) The customer receives, reads, and understands the safety training.
- (3) The customer signs the safety training receipt to certify they received and read the fire and life safety training material provided to them.
- (4) The customer certifies they distributed the fire and life safety training material to all employees under their supervision, and certifies that employees have been trained in the safe operation of flammable liquid equipment at cardlock facilities.
- (5) The customer returns the signed receipt to the operator.

If further information is needed, please contact the Cardlock Program at 503-373-1540, ext. 285.