

AUTOMOBILE DEALERS ASSOCIATION OF INDIANA
(ADAI)

150 West Market Street
Suite 812
Indianapolis, Indiana 46204

Phone: 317-635-1441
Fax: 317-685-1028
Email: info@adai-inc.org

PRSR STD
U.S. POSTAGE
PAID
Permit #4747
Indianapolis, Indiana



*ADAI ... The eyes, ears, and
VOICE
of Indiana's Franchised
New Vehicle Dealers!*

The Showroom is the official publication of the Automobile Dealers Association of Indiana, Inc.. It is intended to provide accurate and authoritative information on the subject matter covered and is distributed with the understanding that the association is not rendering legal, accounting, or other professional services and assumes no liability whatsoever in connection with its use.

2020

ADAI EXECUTIVE COMMITTEE

PRESIDENT - JEFF ROUSH, TOM ROUSH INC.. - WESTFIELD
VICE PRESIDENT -KEVIN O'BRIEN, TOM O'BRIEN C-D-J-R- INDIANAPOLIS
TREASURER - SCOTT JAEGER, TOYOTA OF TERRE HAUTE - TERRE HAUTE
SECRETARY - GRANT GERNHARDT, DEFOW CHEVOLET -LAFAYETTE
IMMEDIATE PAST PRESIDENT - RAY FARABAUGH, D-PATRICK NISSAN - EVANSVILLE

ITDA CHAIRMAN

Jacob "Jake" Nichols, Palmer Trucks. - Indianapolis

MDAI EXECUTIVE CHAIRMAN

Rayce Guthrie

STAFF

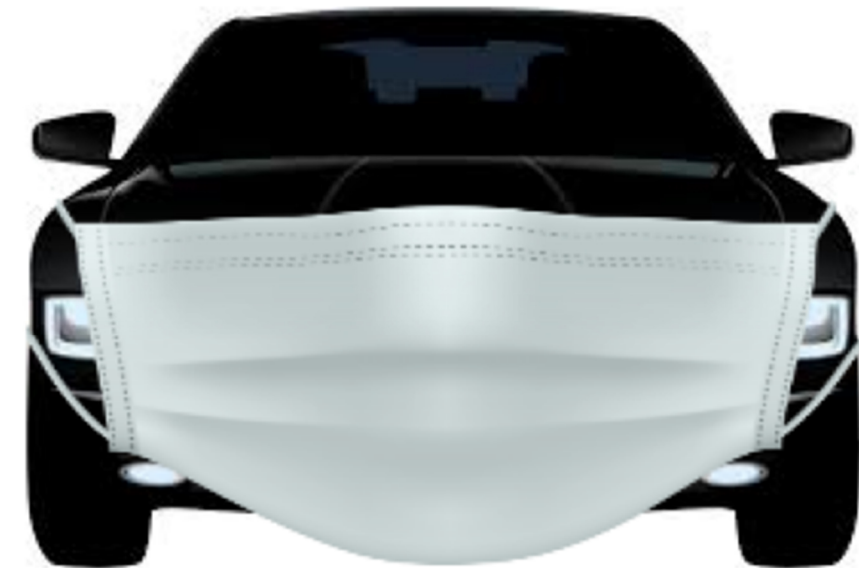
Marty Murphy - Executive Vice President
Mary Ellen Phillips - Membership/Services Manager
Amy Phillips - Showroom Editor/Website Coordinator
Connie Dixon - Vernon General Insurance

See our Web Page for
past issues and other information!
www.adai-inc.org



May/June 2020 Volume 39, Edition 2

THE SHOWROOM



We Are In This Together!

INSIDE THIS ISSUE

NADA Director's Report	3
BHPH Corner	7-9
Law Notes	10
Money Matters	15-17
ITDA	21



Exclusively
Endorsed
by ADAI.

Dealertrack delivers Indiana's most comprehensive Registration and Titling solutions:

- In-State delivers instant and accurate Application for Certificate of Title
- Out-of-State for ease-of-use and industry-leading processing times
- Accelerated Title for fast release on trade-ins

**Fast, Simple
and Comprehensive.**

**Dealertrack Registration
and Titling**

Schedule a demo by calling
888.346.3087 or visiting
go.dealertrack.com/in

ALLIED MEMBERS (CONTINUED)

KEY BANK - DEALER SERVICES

PH: (317) 974-3711 fax: (317) 464-8022
Principal Business: Commercial Dealer Finance & Community Banking
Contact: Kevin Ringenberg
www.key.com/dealer

MALLOR/GRODNER ATTORNEYS

PH: (812) 332-5000 FAX: (812) 961-6161
Principal Business: General Legal Practice
Contact: Geoffrey M. Grodner
www.lawmg.com

MANHEIM'S INDIANAPOLIS AUTO AUCTION

PH: (317) 862-8622 FAX: (317) 862-7526
Principal Business: Auto Auction
Contact: Emily Decker
www.manheim.com

MCM CPAS & ADVISORS

PH: (317) 347-5200 FAX: (317) 347-5211
Principal Business: Certified Public Accountants
Contact: Scott Herman
www.mcmcpa.com

MEDOVA HEALTHCARE FINANCIAL GROUP LLC

PH: (316) 616-6160 FAX: (316) 616-6161
Principal Business: healthcare benefits solutions
Contact: Daniel Whitney
www.medova.com

M & T BANK

PH: (412)588-2721
Principal Business: banking (floorplan)
Contact: Michael Cartier
www.mtb.com

ONE-VIEW, INC.

PH: (317) 915-9039 FAX: (317) 915-9045
Principal Business: Data Archiving for Auto Dealers
Contact: David DeHaven
www.one-view.com

PNC BANK

PH: (317) 267-3720 FAX: (317) 267-6156
Principal Business: Floor Plan/Indirect Lending
Contact: Ron Watson
www.PNC.com

PROTECTIVE ASSET PROTECTION

PH: (800) 794-5491
Principal Business: Vehicle Protection Plans, GAP Coverage, Credit Insurance, Limited Warranty Products, Dealer Participation Programs and F & I Training
Contact: Brad Hayes
www.protectiveassetprotection.com

QB BUSINESS SOLUTIONS

PH: (772) 215-0837 FAX: (727) 239-0460
Principal Business: Retail Warranty Reimbursement
Contact: Tom Hall (561) 252-4434
QBbusinessSolutions.com

RESOURCE AUTOMOTIVE & FIRST EXTENDED BY ASSURANT

PH: (317) 956-9418 FAX: (312) 356-7867
Principal Business: Dealership Consulting, Training and F & I Profitability
Contact: Matt Mahar
www.resourceautomotive.com

RESOURCES MANAGEMENT GROUP

PH: (800) 761-4546 FAX: (808) 452-7458
Principal Business: F&I Provider and Development
Contact: Gregory Hoffman
www.corprmg.com

REYNOLDS & REYNOLDS

PH: (937) 485-2494
Principal Business: Computer Information & Business Forms
www.reyrey.com

ROWLEY & COMPANY, LLP

PH: (219) 874-1437 FAX: (219) 874-1438
Principal Business: Certified Public Accountants
Contact: Mark Rowley
www.rowleyandco.com

SHRED-IT

PH: (317) 876-3477 FAX: (317) 876-3738
Principal Business: Mobile Paper Shredding & Recycling
Contact: LaMonica Costello
www.shredit.com

SOMERSET CPAs, P.C.

PH: (317) 472-2230 FAX: (317) 208-1200
Principal Business: Accounting/Consulting
Contact: Jane Saxon
www.DealershipCPAs.com

SOUTHWEST DEALER SERVICES

PH: (913) 888-8938 FAX: (913) 888-8927
Principal Business: Dealer products and services
www.swds.net

SPECTRIO

PH: (800) 584-4653 FAX: (727) 787-2582
Principal Business: Information on Hold
Contact: Joe Martin
www.spectrio.com

STOLL, KEENON, OGDEN PLLC

PH: (317) 822-6787
Principal Business: ADAI retained counsel, ADAI Forms Packets
Contact: Donn Wray, Ron Smith
www.skofirm.com

TRADEREV

PH: (844) 881-8738
Contact: Natalie McKinney
www.traderev.com

UNITED SURETY AGENTS, INC.

PH: (800) 467-2245 FAX: (317) 254-1234
Principal Business: Auto Dealer Surety Bonds
Contact: Tony Widgery
www.unitedsuretyagents.com

VERNON GENERAL INSURANCE

PH: (317) 546-5281 FAX: (317) 685-1028
Email: vernongeneral@adai-inc.org
Principal Business: Credit Life/GAP Insurance
Contact: Marty Murphy
www.adai-inc.org/vgi

ZURICH

PH: (517) 899-3939 - Paul
PH: (269) 903-6587 - Jim
Principal Business: Insurance
Contact: Paul Stewart & Jim Revas
www.zurichna.com/FandI

ALLIED MEMBERS

700 CREDIT

PH: (614)310-8218
Principal Business: Credit reports
Contact: Britney Fischer
www.700credit.com

ADESA AUCTIONS INDIANAPOLIS

PH: (317) 838-8000 FAX: (317) 838-8081
Principal Business: Wholesale Auto Auction
Contact: Dave Emerson
www.adesa.com

ALDEBARAN CAPITAL, LLC

PH: (317) 818-7827 FAX: (317) 818-7830
Principal Business: Investment Management
Contact: Edward A. Skarbeck
www.aldebarancapital.com/

AMERICAN AUTO GUARDIAN, INC.

PH: (888) 442-2886 FAX: (847) 463-7011
Principal Business: vehicle service contracts
Contact: Bernie Miraglia

AMERICAN FIDELITY ASSURANCE CO.

PH: (800) 654-8489 EXT: 5945
FAX: (866)606-6149
Principal Business: Short/Long Term Disability
Contact: Kathleen Weisenbach
www.americanfidelity.com

AMERICAN FINANCIAL & AUTOMOTIVE SERVICES, INC.

PH: (800) 967-3633 FAX: (832) 813-0538
Principal Business: Dealership Development & F&I Products
Contact: Laura Hetland
www.afasinc.com

ARMATUS DEALER UPLIFT

PH: (443) 391-5701 FAX: (410) 252-4548
Principal Business: Retail Warranty Reimbursement
Contact: Joe Jankowski
www.Dealeruplift.com

ARONSON ADVERTISING

PH: (312) 498-5248 FAX: (847) 297-1701
Principal Business: Automotive Marketing Agency
Contact: Michael Sperling
www.aronsonads.com

AUTO DEALERS EXCHANGE

PH: (317) 352-0121
Principal Business: Auto Auction
Contact: Terry Goins
www.adeindy.com

AUTOMOTIVE DEVELOPMENT GROUP

PH: (847) 612-9361
Principal Business: Business Development & Growth
Contact: Bill Kelly
www.adtoday.com

BIRDEYE, INC.

PH: (650) 313-5225
Principal Business: Marketing Software
Contact: David Tulkin,
david.tulkin@birdeye.com
www.birdeye.com/automotive

BANK OF AMERICA

PH: (513) 377-5559
Principal Business: Dealer Financing
Contact: Chuck Massa
www.bankofamerica.com

BMO HARRIS BANK N.A.

PH: (219) 789-5470 FAX: (844) 610-7706
Principal Business: Banking
Contact: Scott Jelinek
scott.jelinek@bmo.com
www.bmoharris.com

BRADY WARE DEALERSHIP ADVISORS

PH: (614)384-8432
Principal Business: Dealership Consulting, Tax, and Accounting Services
Contact: Brittany Paul
www.bwdealershipadvisors.com

CAR PEOPLE MARKETING

PH: (317) 439-2489
Principal Business: Service Department Advertising
Contact: Tony Clark
www.carpeoplemarketing.com

CARDCONNECT

PH: (773) 332-2982 FAX: (847) 620-2787
Principal Business: Merchant Credit Card processing
Contact: Lance Marcinek
www.cardconnect.com

CARTRIDGE WORLD -CASTLETON

PH: (317) 576-9580 Fax: (317) 576-9582
Principal Business: Printing Supplies
Contact: Steve Farley
<https://cartridgeworld.com/locations/e-82nd-st-indianapolis-in/>

CLARK COUNTY AUTO AUCTION

PH: (812) 283-5555 FAX: (812) 258-2400
Principal Business: Auto Auction
Contact: Matthew Fetter
www.clarkcountyyaa.com

COMPLYNET CORPORATION

PH: (847) 915-6363 fax: (847) 823-9778
Principal Business: Compliance & Risk Mngmnt. Consulting
Contact: Philip Troy
www.complynet.com

COX AUTOMOTIVE/DEALERTRACK TECHNOLOGY INC.

PH: (888) 346-3087
Principal Business: Vehicle Registration & Titling Solutions
Contact: Ernest Lattimer
www.dealertrack.com/rts

CURRY ENTERPRISES, INC.

PH: (800) 421-9361 FAX: (317) 352-9399
Principal Business: Auto Dealer Supply Company
Contact: Tim Curry or Sean Curry

DDI TECHNOLOGY

PH: (844) 836-1621 FAX: (803) 808-3780
Principal Business: Vehicle Titling & Registration Services
Contact: Todd Phillips
www.dditechnology.com

DEALER OPTIONS

PH: (317) 504-7900 FAX: (317) 8861623
Principal Business: Transactional Consulting
Contact: Bill Fox

DIMENSIONAL COMMUNICATIONS

PH: (317) 215-4199
Principal Business: Telephone consulting, sales and Installation of CCTV
Contact: Richard Bruce
www.dimcomindy.com
ENVIROTEST TITLING & REGISTRATION
PH: (219) 661-8220 FAX: (219) 661-8409
Principal Business: Vehicle Titling & Registration
Contact: Jennifer Kharchaf
www.ETRIndiana.com

FEDERATED INSURANCE

PH: (317) 849-7550 FAX: (317) 849-7570
Principal Business: Property & Casualty Insurance, Life & Disability, Pension/Retirement/Estate Planning
www.federatedinsurance.com

FORT WAYNE AUTO TRUCK AUCTION

PH: (260) 422-9577
Principal Business: Auto & Truck Auction
Contact: Chris Walsh, GM
www.fwata.com

GRAPHIC RESOURCES, INC.

PH: (317)865-9200 FAX: (317) 865-9300
Principal Business: Auto Dealer printing & supplies
Contact: Ken Haag
www.deals4dealers.com

HILL, BARTH & KING LLC

PH: (317) 886-1624
Principal Business: Tax, accounting, assurance and business consulting
Contact: Rex Collins
www.hbkcpa.com

HUNTINGTON NATIONAL BANK OF INDIANA

PH: (317) 229-4070 FAX: (317) 299-4007
Principal Business: Banking
IN Regional Mgr.: (317) 229-4051 Clint Sommer
Commercial Portfolio Mgr.: (317) 229-4037 Eric Seiler

J M & A GROUP

PH: (954)429-2000
Principal Business: Automotive Financing and Insurance
Contact: Donna Hawker
donna.hawker@jmagroup.com
www.jmagroup.com

KATZ, SAPPER & MILLER, LLP

PH: (317) 580-2000 FAX: (317) 580-2117
Principal Business: Certified Public Accountants
Contact: Jenna Smith
www.ksmcpa.com

KESLER-SCHAEFER AUTO AUCTION, INC.

PH: (317) 297-2300 FAX: (317) 297-6234
Principal Business: Auto Auction Every Thursday
Contact: Steve Kesler
www.ksaa1.com

NADA DIRECTOR'S REPORT

CHRIS COYLE
Coyle Chevrolet
Clarksville



Save the Date: NADA Show 2021 Returns to New Orleans

January 21-24

In 2021, the Auto Industry Event of the Year will be more important than ever, as we face ongoing challenges and navigate a new era of business for dealers. Save the date: NADA returns to New Orleans, January 21-24 for the latest workshops and other educational offerings, as well as all the cutting-edge products, tools and solutions from our world-renowned Expo.

Dealers won't want to miss this opportunity to reconnect with peers and learn how stores are rebuilding and re-growing their businesses. The automotive community will have the chance to reunite and attending will help you re-energize your dealership and employees, learn the latest industry updates and get insights on the new keys to dealership success.

NADA firmly believes in the importance of providing a safe conference and expo experience while still allowing attendees to have fun and conduct business as needed. As we open for exhibit sales and attendee registration, please know NADA is working with our strategic planning partners at the New Orleans Ernest N. Morial Convention Center and other local entities to provide a clean and sanitized environment at our event. Read more about safety and security plans in place for the 2021 Show in New Orleans.

The information, business connections and industry updates that will be provided at the NADA Show are more vital than ever to auto dealers in this new business climate. Let's get back to business and kick off a new year!

Attendee registration and housing will open July 20, 2020. Learn more at NADASHOW.ORG

We can't wait to join you in New Orleans!





Terry Lee
 Terry Lee Hyundai-Genesis
 NADAPAC Chairman



2020 Contributors
 (as of May 31, 2020)

** Indiana's NADAPAC Team consists of the NADA Director (Chris Coyle), NADAPAC Chairman (myself), and Association Executive Vice President (Marty Murphy).

PRESIDENTS CLUB (\$2,500 - \$5,000)

-

GOLD EAGLE DONORS (\$1,000 - \$2,499)

SILVER EAGLE DONORS (\$500 - \$999)

- Dennis Gernhardt - DeFouw Chevrolet Inc.

BRONZE EAGLE DONORS (\$250 - \$499)

- Morgan Jones - John Jones GM City
- Charles Sauers - Sauers Buick GMC

CONTRIBUTING MEMBERS (less than \$250)

State Summary
 (as of May 31, 2020)

Analysis of Contributors :	
Members in report:	296
Members with permission :	50
Percent members with permission :	16.89%
Contributors (YTD) :	3
Contributions received as of :	
Previous year 5/31/2019	\$2,370.00
Current year 5/31/2020	\$1,000.00
Current year quota	\$29,160.00
Percent current year quota attained:	3.43%

CLASSIFIED SECTION

LOOKING FOR SOMETHING TO *BUY?*

HAVE SOMETHING FOR *SALE?*

ADVERTISE HERE...*FREE!*

****FOR ADAI DEALER MEMBERS ONLY****

ADAI POSITION STATEMENT

A level playing field, with fair and open competition among all dealers, is the best assurance Indiana consumers will continue to obtain the highest level of value and service for their automobiles, trucks and motorcycles. ADAI is committed to taking whatever actions are necessary to accomplish this mission, including enacting legislation to protect dealers in their relationship with the manufacturer. The ADAI will work to protect members from overreaching or unfair manufacturer restrictions on their ability to operate and sell the businesses they have worked hard to build. The ADAI will also work to support legislation to protect members from perceived abuses and oppressive acts by the manufacturer.

The ADAI believes any Indiana state budget surplus is a result of over taxation. The ADAI believes in maintaining a 'rainy day fund'; however, all additional surpluses should be either returned to the taxpayers in the form of tax cuts or invested in economic development. The ADAI will work for and support legislation aimed at increasing Indiana's economic development. The ADAI will work against and oppose legislation harmful to members and their employees.

ADAI PURPOSE STATEMENT

The purpose of the Automobile Dealers Association of Indiana, Inc. is to maintain and enhance the franchise distribution system of motor vehicles in Indiana. The ADAI believes the franchise system of independently owned and operated licensed new vehicle dealers best serves the interest of manufacturers and consumers by insuring the most competitive and efficient means of distributing and servicing high quality new and used motor vehicles.

"Let ADAI open the door to a profitable relationship."



CALENDAR OF EVENTS

INFORMATION NUMBERS

2020 SCHEDULE:

ADAI HEADQUARTERS

JANUARY 2020	Allied & ADAI/ITDA/MDAI Annual Dues Invoices	Mailed
FEBRUARY 2020	Allied & ADAI/ITDA/MDAI Annual Dues Invoices 1st Quarter ADAI Board Meeting	2nd Notice Mailed February 4, 2020
MARCH 2020	Allied & ADAI/ITDA/MDAI Annual Dues Invoices	3rd Notice Mailed
APRIL 2020	2nd Quarter ADAI Board Meeting	April 21, 2020
MAY 2020	NADAPAC Contribution Request	1st Notice Mailed
JUNE 2020	Time Dealer of the Year Award (TDOY)	Nominations
JULY 2020	3rd Quarter ADAI Board Meeting NADAPAC Contribution Request	July 14, 2020 2nd Notice Mailed
AUGUST 2020	Herman Goodin Award	Nominations
SEPTEMBER 2020	ADAI/ITDA/MDAI Annual Elections	Nominations
OCTOBER 2020	4th Quarter /Annual ADAI Board of Directors Meeting Herman Goodin Award TMDA ADAI/ITDA/MDAI Annual Elections	October 20, 2020 Winner Notification Submission to NADA Votes Tallied
NOVEMBER 2020	ADAI/ITDA/MDAI Annual Elections	Results Notification
DECEMBER 2020	Indianapolis Auto Show Indiana Convention Center - Indianapolis	December 26, 2020 - January 1, 2021

Indiana Toll Free In Area	1-800-872-0363 1-317-635-1441
FAX	1-317-685-1028
E-Mail	info@adai-inc.org
Homepage Website:	www.adai-inc.org
Marty Murphy <i>Executive Vice President</i>	marty@adai-inc.org
Mary Ellen Phillips <i>Accounts payable/receivable, Membership/Services Manager, Special Events Coordinator</i>	maryellen@adai-inc.org
Amy Phillips <i>Showroom Editor, Website Coordinator</i>	amy@adai-inc.org
Connie Dixon <i>Dealer Bond Coordinator, Vernon General Insurance</i>	connie@adai-inc.org

NADA CONVENTIONS

2020	Las Vegas	February 14-17
2021	New Orleans	January 21-24
2022	Las Vegas	March 10-13

BUREAU OF MOTOR VEHICLES

BMV Call Center <i>(Drivers License, Title & Registration Information)</i>	(317) 232-2892 FAX: (317) 233-5131
--	---------------------------------------

SECRETARY OF STATE

SOS DEALER SERVICES DIVISION...PH:	(317) 234-7190
	FAX: (317) 233-1915
FORMS & INFORMATION (WEBSITE): www.in.gov/sos/dealer/	

REVENUE TAX LIEN & LICENSE PROTEST INFORMATION

IDOR COLLECTIONS DIV.....	(317) 232-2165
OPTION #2—VEHICLE TITLE OR PROFESSIONAL LICENSES	
OPTION #2—DEALER (LICENSE) PROTEST	
OPTION #4—VEHICLE TITLE (TAX LIENS)	

CHILD SUPPORT LIEN INFORMATION

DCS CHILD SUPPORT LIENS	(317) 234-2768
--------------------------------	----------------

Keep Your Office Out of the "Red Flags Rule" Danger Zone



- On-site Shredding
- Deadbolt locked security console FREE of charge
- Licensed, bonded, uniformed and insured CSRs
- Document of destruction provided at conclusion of each shred
- All materials recycled

DOCUMENT DESTRUCTION. DONE RIGHT. ON SITE.

Our business is to protect your business.

First automatic shred FREE if you mention this ad.

Contact LaMonica Burgess at (317) 563-2094.

1-800-69-SHRED
www.shredit.com
info@shredit.com



Shoppers enjoy more choices than ever today. But not all that glitters is gold, as they say, and all that comes from China or appears on an e-commerce site is not gold either. In other words, there's a lot of unreliable cartridges out there.

If you are struggling to find the perfect balance of Quality and Price for your printer cartridges we are the company that can help you.

- ✓ Over 10 years experience serving over 30 Auto Dealership locations in Central Indiana.
- ✓ We can share numerous referrals with you of dealerships that highly recommend us.
- ✓ We remanufacture cartridges so we know the product/category better than resellers.
- ✓ Our expertise is printer cartridges, trust our knowledge to help you manage the category.
- ✓ We will save you money with a quality cartridge you can always depend on.

- Free Next Day Delivery
- Customized 24/7 On-line Ordering/Tracking System specific for your printers.
- 100% recycling of your returned empty cartridges.
- 100% Satisfaction Guarantee on every cartridge for both print quality and page yield.
- Indiana Family based business established in 2006. Have comfort in Shopping local

Call me or email me today for a free quote. Mention this add and get 10% off your first order.

Steve Farley / Owner
Cartridge World - Castleton
5357 E 82nd St
Indianapolis IN 46250
317-576-9580
sfarley@cartridgeworldusa.com



Cartridge World | Global Brand Local Experts™

RETAIL WARRANTY REIMBURSEMENT

WE WORK IN
49 STATES
WITH 24
MANUFACTURERS



WE ARE ENDORSED BY
14 STATE
DEALER
ASSOCIATIONS



WE HAVE OVER
5,600
SUBMISSIONS
APPROVED



OUR AVERAGE CLIENT ADDS
\$209,278*
ANNUALLY TO THEIR
BOTTOM LINE



*Annual Parts and Labor Uplift


Armatus provides the industry's only turn-key solution for retail warranty reimbursement submissions. Our dedicated staff and proprietary software guarantee you will achieve an optimized result.

OUR COMMITMENT TO OUR CLIENTS:

- ▲ **You Won't Lift a Finger:** Armatus does all the work for you
- ▲ **Fully Contingent Fee:** You only pay when you are approved
- ▲ **Speed and Accuracy:** We'll have your project done in 30 days or less
- ▲ **Data Governance:** Your customer information is safe with us



Endorsed By:



AUTOMOBILE DEALERS ASSOCIATION OF INDIANA

(888) 477-2228
WWW.DEALERUPLIFT.COM
info@dealeruplift.com




American Red Cross
Indiana Region



Make A Difference In Your Community

Donate a Vehicle to the American Red Cross

Members of the Automobile Dealers Association of Indiana (ADAI):

You can now support the life-saving mission of the Red Cross by making a tax-deductible vehicle donation.

Every donated vehicle--no matter the condition--can help the Red Cross continue its humanitarian and blood services work throughout Indiana.

How ADAI dealerships can help:

- Instead of taking your unwanted vehicle to auction, donate it to the Red Cross, and receive a tax deduction.

To arrange a free pick up, go to:
www.redcross.org/cardonation or call
 Derence Foster at (317) 684-4380.

- Donate a new vehicle to our disaster response fleet. We'll display your logo on the vehicle as it transports our dedicated volunteers across Indiana.



**Thank you for supporting
the Red Cross**

For more information, contact:
 Derence Foster
 (317) 684-4380
derence.foster@redcross.org

VEHICLE DEALER MERCHANDISING BONDS



**VERNON GENERAL
INSURANCE COMPANY**
Since 1851



The following New and Renewal licensees must now provide and maintain a \$25,000 Bond for the Indiana Secretary of State to obtain their licenses:

New and Used Vehicle Dealers
Automobile Auctioneer, Factory Branch, Converter Manufacturer,
Manufacturer Distributer, Transfer Dealer, Distributer Branch,
Factory Representative, Wholesale Dealer, Distributer Representative,
Automotive Mobility Dealer

HUGE DISCOUNT FOR ADAI MEMBERS!!!

Your Company, Vernon General, through its' administrator United Surety Agents, Inc. is the easiest and best place to obtain your bond.

For ADAI members:

1. Simplified Short Form Application
2. Discount Pricing
 - One Year Premium - **\$188.50**
 - Two Years Premium - **\$356.50**
 - Three Years Premium - **\$516.50**
3. Easy Future Renewals

Apply now and bond effective date will coincide with your license renewal date.

To get an application and apply online just go to our website at www.unitedsuretyagents.com, or call (317) 254 8721 or Fax (317) 254 1234

BONDS WRITTEN THROUGH



USA
UNITED SURETY AGENTS, INC.
Indianapolis, Indiana (800) 467-2245



BHPH CORNER

PRESENTED BY: **KSM** KATZ
SAPPER
& MILLER

Managing Cash Flow in Times of Uncertainty

By: Brett Breedlove and Dan Sailer

The unprecedented events in response to the COVID-19 pandemic are impacting every business in complex ways. Maintaining adequate cash flow to sustain successful operations is likely to elevate as a significant risk for many companies. However, there are tried-and-true processes that can help identify a potential cash crunch and maximize critical reaction time to avoid or minimize business interruption.

Focus on Cash Flow as Opposed to Net Income

Just as it is possible for unprofitable companies to generate positive cash flow, it is possible for profitable companies to face cash shortfalls. Notwithstanding events like a sudden loss of revenue, companies that have experienced high levels of growth typically have funded their increasing working capital needs through external financing whose obligations must be met. If you are used to managing based on an income statement, now is the time to focus on liquidity by examining your short-term cash flows. Profitability becomes irrelevant if you run out of cash.

Assemble a 13-Week Cash Flow Projection

A 13-week cash flow projection (or one calendar quarter) allows management and other users to pinpoint the major short-term sources and uses of company cash and to gauge the relative size and timing of potential cash shortfalls. Unlike GAAP-based financial statements, a 13-week cash flow is simply "cash in, cash out," similar to your personal checkbook register. To gain a better understanding of your company's cash flow picture:

- Assemble a series of actual weekly cash flows to identify patterns and trends.
- Identify and forecast the total *cash sources* throughout the 13-week period, like collections of existing receivables and cash receipts from subsequent sales.
- Establish your relevant *cash disbursement* line items such as payroll, payroll taxes, employee benefits, vendor payments, insurance, rent, professional fees, other tax payments, capital expenditures, debt service payments, and any other contractual obligations.

Assign each payment to the appropriate week. To compute weekly net cash flow, subtract each week's disbursements from the cash sources. Roll the cash balance cumulatively from one week to the next, identifying any periods where the cash balance reflects a deficit.

A comprehensive model will also incorporate a revolving line of credit as well as projected collateral balances like receivables and inventory to ensure that the short-term collateral can support the required line of credit balance. Building from metrics like *days sales outstanding*, *days payable*, and *inventory turns* aids the

BPHH CORNER (CONTINUED)

PRESENTED BY:



preparer in assembling a defensible cash flow projection.

Remember, it is more important to develop “reasonable assumptions” than to try to make the forecast perfect. Draft all assumptions, which should be clearly summarized, concise, and based on expected operating conditions.

Weekly Cash Flow Projection				
	Week 1	Week 2	Week 3	Week 4
Collections from A/R	\$ 10,000	\$ 10,000	\$ 9,000	\$ 9,000
Proceeds from Sale of Equipment	-	-	1,500	-
Total Cash Sources	\$ 10,000	\$ 10,000	\$ 10,500	\$ 9,000
Payroll, Taxes, & Benefits	-	7,500	-	7,500
Vendor Payments	3,000	3,500	4,000	4,500
Rent	4,500	-	-	-
Insurance	-	-	3,500	-
Debt Service	-	2,500	-	-
Other Disbursements	1,000	1,000	1,000	1,000
Total Cash Disbursements	\$ 8,500	\$ 14,500	\$ 8,500	\$ 13,000
Weekly Net Cash Flow	\$ 1,500	\$ (4,500)	\$ 2,000	\$ (4,000)
Beginning Cash Balance	4,000	5,500	1,000	3,000
Ending Cash Balance (Deficit)	\$ 5,500	\$ 1,000	\$ 3,000	\$ (1,000)

Example of a 13-week cash flow projection

Benefits of the 13-Week Cash Flow Projection

The following are several tangible benefits of a 13-week cash flow projection:

- It opens dialogue among the management team and allows the opportunity for agreement or disagreement on the key assumptions driving the projected cash flows. How big is the cushion of solvency? Does pricing need to be adjusted in the short term to salvage customers? How have your competitors reacted to the current environment?
- The process distinguishes the most critical relationships to the company among employees, customers, and vendors. Management will frequently establish a hierarchy of the essential versus non-essential payees.
- It helps identify potential periods of illiquidity, allowing management crucial time to react or explore financing alternatives. The exercise also identifies fixed versus variable expenses. You can also build scenarios from the model and “stress test” it against various conditions.
- It can expedite crucial communications within your company or with your lender, creditors, investors, and external advisors. It can also aid in negotiations – lessors and vendors have a vested interest in your survival.
- Tracking actual weekly cash flow activity compared to a projection helps identify cash flow variances, improves decision-making, and allows for better ongoing assumptions.

If you miss a payment to your bank or break a covenant, your lender may request a period of forbearance subject to certain conditions. Oftentimes, one of the forbearance terms entails providing a 13-week cash flow



Manage Costs by Maximizing Your Tax Savings.

We offer Expense Management Services for you and your employees.

American Fidelity provides a suite of expense management services that can help you and your employees maximize your tax savings and manage costs associated with various benefits. We specialize in providing employer administrative services for all of our services, which can easily coordinate with existing plans.

Our expertise and experience in offering expense management services allows us to make recommendations on the programs that will work best in your situation. Also, we explain how we can implement these cost-saving programs for you and your employees.

Our Expense Management Services

- Section 125 Plans
- Flexible Spending Accounts
- Health Savings Accounts
- Health Reimbursement Arrangements
- Dependent Verification Reviews
- Enrollment Solutions



To learn more about what American Fidelity can do for your organization, contact:

Kathleen Weisenbach
District Manager

800-450-3506, ext. 5945
kathleen.weisenbach@americanfidelity.com

SB-25306-0312



Our Family, Dedicated To Yours.™



Protecting Dealership Employees from Heat Illnesses

From ADAI's endorsed provider of Environmental Health & Safety compliance services:

With temperatures rising, and summer around the corner, precautions should be taken to protect your dealership employees from heat stress, which can cause illnesses, and sometimes even death.

What can cause or contribute to heat illness? High temperatures and humidity, direct exposure to the sun, the lack of a breeze or wind, heavy physical labor, low liquid intake, waterproof clothing, and not being accustomed to a hot workplace.

There are different types of heat illnesses, such as heat exhaustion, heat cramps, heat rash, and heat stroke. The symptoms of heat exhaustion are headaches, dizziness, fainting, weakness and wet skin, irritability or confusion, thirst, nausea, and vomiting. The symptoms of heat stroke are confusion, fainting, seizures, and no sweating.

If a worker at risk for heat illness is not alert or is confused, this could be a sign of heat stroke and 911 should be called immediately and ice towels or ice bags should be applied to the employee immediately. If an employee appears to be suffering from any other heat illness, call a supervisor, or 911 if a supervisor is not available, move the employee to a cooler area, provide cool drinking water, remove outer clothing, fan and mist the employee, apply ice bags or ice towels, and stay with the employee until help arrives.

To protect workers at times when there are risks of heat illness, it is important that the dealership implement a heat illness prevention program. This program should be overseen by someone and provide training to employees to recognize the signs of heat illnesses and how to prevent them. Rest periods should become frequent when risk factors are present and cool water should be provided to these workers. Each at-risk worker should be reminded to pay attention to his/her needs, and use a buddy system to monitor one another. If possible, materials should be provided to block out direct sun, and at-risk employees should drink fluids every 15 minutes, even if they are not thirsty. These employees should also avoid drinking beverages that contain caffeine, and wear clothing that is lightweight, light colored, and loose fitting.

ABOUT COMPLYNET: Founded in 1994, ComplyNet has emerged as an automotive industry leader in compliance and risk mitigation solutions in the area of Environmental Health & Safety (EH&S), Sales, Finance, Information Security, and Human Resources. ComplyNet combines its on-site services and its intuitive software-as-a-solution services to help dealerships, service centers, and body shops reduce risk, achieve compliance, and retain talent. ComplyNet serves over 1,000 dealers across the United States, including multiple dealership groups in the top 150. To reach ComplyNet, please visit www.complynet.com or contact EJ Shelby, National Director of Sales, at 219.308.2649 or ej.shelby@complynet.com.

BPHH CORNER (CONTINUED)

PRESENTED BY:



projection and actual weekly cash flow reporting thereafter.

Considerations for a Possible Cash Shortfall

If the model shows a lack of cash or borrowing capacity in a given week, you have a problem to solve. If the gap is moderate, consider these ways to increase short-term liquidity:

- Offer a discount to customers for accelerated payments.
- Prioritize payments to critical vendors or commit to terms of Cash on Delivery for new purchases.
- Exhaust opportunities to raise debt or equity capital from existing shareholders.
- Sell excess or non-essential assets.
- If you own real estate, evaluate a sale-leaseback.
- Request temporary rent abatement from your landlord and lessors.
- Evaluate SBA lending programs or alternative financing through asset-based lenders.
- Defer capital expenditures, especially if they do not serve your core mission.

Monetize slow-moving or obsolete inventory by offering it to customers for a discount or sell it for scrap value if necessary.

If the cash flow gap appears overwhelming, you may need to explore dramatic changes to your business model or plan for significant changes to your capital structure. If it becomes clear that your debts cannot be serviced and must be restructured, it may be wise to conserve cash for retainers to legal and consulting advisors to explore a Chapter 11 reorganization. Have copies of your loan agreements on hand so the contractual rights of the lender can be evaluated by your advisors.

Navigate Beyond the 13-Week Period

Once you have established comfort in your short-term liquidity, take a longer-term view by building monthly projections and ultimately a multi-year business plan.

Remember, disruptions must be navigated thoughtfully but they are usually temporary. This, too, shall pass!

Brett Breedlove is a director with Katz, Sapper & Miller's Buy Here - Pay Here Services Group. He can be reached at 317.805.2390 or bbreedlove@ksmcpa.com. Dan Sailer is a manager with Katz, Sapper & Miller's Valuation Services Group. He can be reached at 317.452.1208 or dsailer@ksmcpa.com.

We know
Buy Here - Pay Here.



Our People: Your Success

Katz, Sapper & Miller, LLP
Certified Public Accountants

ksmcpa.com

LAW NOTES

PRESENTED BY:



**Manufacturers Attempting to Sidestep Franchise Law -
The Need for Strengthening Indiana's Franchise Statutes**

Those of you who have attended our programs over the last several years have heard us speak about different provisions of Indiana's franchise statutes. Since 2006 as a result of the ADAI and lobby efforts, Indiana has moved from the bottom third of states in franchise protections to the top third. Unfortunately, the manufacturers continually play the game of "whack-a-mole" and come up with new and more devious attempts to sidestep, weaken, or in some instances get rid of franchise protection statutes.

Franchise legislation was enacted decades ago because of the disparity of bargaining power between manufacturers and dealers. Automotive manufacturers, like farm equipment manufacturers were riding roughshod over their dealers. Many times, we are asked why should there be franchise protection? Franchise agreements are what the law terms "contracts of adhesion" meaning that the disparity of bargaining power is so great that the dealer simply is forced to accept whatever the manufacturer advances. One of our favorite questions when we litigate with manufacturers is to ask the question when or if they have ever negotiated with the dealer to change the terms and provisions of a franchise agreement.

That said the next two battles in the never-ending war is beginning to focus on two fronts:

Electric vehicles.
Data protection.

It has become clear over the last year or two that the manufacturers have now decided to try to subvert state law and engage in direct sales over the Internet, essentially making the dealer nothing more than a delivery agent. This premises based on the false assertion that electric vehicles are so unique, and the technology is so different that dealers are incapable of selling and servicing electric vehicles. According to the manufacturers this supports a separate side agreement, differing from the general franchise agreement. Without the separate agreement, dealers will not be allowed to sell electric vehicles. The basis of the argument is patently false. Dealers have for decades sold electric vehicles as they have from time to time existed. What we are now witnessing is the headlong dash into a chasm by manufacturers wanting to be considered to be good citizens and wonderful environmental stewards, knowing full well that obtaining additional energy from coal-fired plants will probably offset any of positive environmental gains. In any event, the manufacturers see the electric vehicle as a predominant vehicle, certainly in the long term. Our view of that can be shortly explained as "fool's gold".

However, the manufacturers have apparently decided that the electric vehicle is the fault line they have been looking forward to weakening and perhaps destroy, at least in part, franchise statues and the dealer franchise network. Chevrolet and Buick GMC have come out with very recent electric vehicle "participation" agreements. The Buick GMC agreement has side agreements binding dealers to third-party providers and requiring indemnification of those third-party providers where the dealer has no control over the contractual relationship. Likewise, Audi, Volvo, Ford, Volkswagen and other manufacturers are attempting to differentiate franchise rights with respect to electric vehicles versus fossil fuel vehicles.

Your Association is going to mount a major legislative agenda in 2021. The Association needs dealer support and will be soliciting not only ideas or input from dealers, but also financial backing. As the saying goes, please contribute generously and often. Next edition we will discuss data agreements and how the manufacturers are destroying part of the goodwill value of your dealerships.

For further information or questions, please contact:

Marty Murphy (marty@adai-inc.org; (317) 635-1441);
Ron Smith (ron.smith@skofirm.com; (317) 822-6787);
Joel Nagle (joel.nagle@skofirm.com; (317) 822-6784).

SOMERSET
CPAs AND ADVISORS



DRIVING YOUR BUSINESS FORWARD

"Somerset is more than our CPA firm; they are a catalyst for business transformation. The team has proven to be a great partner across all aspects of engagement – from our annual audited financials to process improvement."

-Somerset Client

YOUR DEALERSHIP EXPERTS



Jane Saxon, CPA
Principal
jsaxon@somersetcpas.com



Craig Todderud, CPA
Senior Manager
ctodderud@somersetcpas.com



800.469.7206
somersetcpas.com



DON'T ROLL THE DICE WITH YOUR F&I.

CHOOSE THE SURE THING: A PROTECTIVE DOWC™ (DEALER OWNED WARRANTY COMPANY) PROGRAM.

Think a dealer participation program that earns up to 20%* more is too good to be true? It's not.

Because the **Protective DOWC™ program** qualifies as an insurance company, you benefit from the tax treatment of insurance companies. Plus, there are none of the set-up fees, ceding fees, annual maintenance fees or "just because" fees.

Forgo the surprises and generate more wealth. When you compare, there's no comparison.

 Call Protective's Indiana representative, Brad Hayes at **866 559 7742**

 Or visit protectivedowc.com to learn more



* Projections based on consistent, eligible product sales over a 10-year period compared against traditional reinsurance programs. Earnings vary based on company performance. Protective and its associated companies do not provide tax advice. Please consult your financial and tax advisor.

cardconnect.



A proud member of ADAI since 2014.

[ADA/MDAI Members]: Guaranteed savings on credit card processing fees, or **we'll pay you \$500!**



Real-time Reporting



P2PE + Tokenization = Ultimate Layered Security



Next Day Funding



No Contracts



Upgraded Credit Card Processing EMV Equipment



Free Cost Comparison

Reduce your merchant processing rates with our patented Interchange Optimization software.

Lance Marcinek

National Sales Director

lmarcinek@cardconnect.com | 773.332.2982

[BMV offers innovative technology for Hoosier registrants](#)

Auto dealers are an integral part of Indiana's community and economy. The Indiana Bureau of Motor Vehicles (BMV) shares a common goal with auto dealers to provide efficient, exceptional customer service. The BMV strives to be one of the most innovative and efficient motor vehicle agencies in the country while offering progressive service options to our customers. During the recent public health emergency, our agency enhanced promotion of out-of-branch transaction options available to Hoosiers. Because of the efficiency and ease of these options, we encourage auto dealers to promote BMV online services and BMV Connect kiosks to new vehicle owners.

When notifying customers their title has been processed and they have received the Application for Certificate of Title, it is important to inform customers of the options for completing their new registration with the BMV. Many customers never need to visit a branch, they can register their new vehicle online through myBMV or at a BMV Connect kiosk. Customers can access these options through our website, found here:

- myBMV account: <https://mybmv.bmv.in.gov/bmv/mybmv/default.aspx>
- BMV Connect kiosk locations: <https://www.in.gov/bmv/2793.htm>

Although many customers are eligible to complete new registration transactions online or at a BMV Connect kiosk, there are a few important restrictions.

Eligibility Requirements:

- Vehicles only. *RVs, boats, ORVs, and snowmobiles are not eligible.*
- Title must already be processed
- Purchase date must be within 60 days
- Registrant may select special organization plate types during the transaction
- Only certain plate types may be transferred online
 - Standard Passenger, Standard Truck 11,000, In God We Trust, and Standard Motorcycle
 - Registrant names on the transferred plate must be identical to all names on new registered vehicle
 - Once plate is transferred, the registrant will have the option to mark their previous vehicle as sold or destroyed
- Registrant will have the ability to enter insurance and passed emissions test numbers at the time of registration transaction
- Vehicles requiring additional documentation (e.g., fuel tax permits, 2290's, plate authorization forms, etc.) are not eligible for online or kiosk registrations

For more information about registering a vehicle, please visit <https://www.in.gov/bmv/2448.htm>.



Jake Nichols
ITDA Chairman
Palmer Trucks
Indianapolis

ATD News June 2020

[Steve Bassett Perspective: Federal Excise Tax Relief Can Aid Recovery](#)

Our nation's economic recovery depends in large part on maintaining a flow of goods provided by trucks. To help ensure this important work gets done, Congress must provide a catalyst to boost production at domestic truck factories and bring customers back to our stores. The fastest and most direct way for Congress to aid this part of the economic recovery — and the trucking industry — would be to suspend the 12% federal excise tax on heavy-duty trucks and trailers. As Congress considers the next phases of virus-related economic recovery legislation, it should include suspension of the FET on new trucks and trailers until the end of 2021.

I urge my fellow dealers and others in the industry to contact their member of Congress this week to convey support for FET suspension and a strong economic recovery. Unlike other stimulus programs, FET suspension does not require more paperwork, learning new compliance rules or a new bureaucracy. In short, it is a win for the economy, the environment, truck manufacturers, dealers and purchasers.

Source: Transport Topics

[Dealers Sales Volumes Approach Highest Levels in Three Months](#)

Both parts and service volumes grew to their highest levels since the beginning of the COVID-19 coronavirus pandemic, KEA Advisors announced this week in its most recent weekly dealer survey. Beginning in the service space, KEA Advisors says its 81 dealer responders recorded 5,620 repair orders last week. This was a rise of more than 1,100 orders compared to the shorter previous week and the highest number for the dealer community since Week 11 of the year — the first week impacted by coronavirus.

Source: Truck Parts and Service

[Carriers, Truck Dealers Take Safety Precautions Amid COVID-19](#)

As COVID-19 spread across the country and the number of cases began to spike, some trucking companies and truck dealers made significant operational changes in their maintenance shops to prevent exposure to the virus. Refrigerated carrier Prime Inc. and truck dealer Freightliner Northwest, for example, implemented several key measures to protect the health and safety of their employees as they work to keep the nation's supply chains up and running. And they didn't have to sacrifice productivity to do so.

Source: Transport Topics





KNOW

that together, we can accelerate your dealership's success.

PNC DEALER FINANCE GROUP | We understand that your dealership needs a financial resource with specialized experience in your category. One that can meet your business and personal financial needs. And one that provides flexibility to support your sales efforts and growth strategy.

When you work with PNC's Dealer Finance group, you gain access to a broad range of banking and financial services, including floor plan financing, retail financing, treasury management and wealth management. All of these services are available from a dedicated relationship management team that understands your business.

For more information about how PNC and our Dealer Finance group can help you move your dealership forward, please contact one of the representatives below.

FLOOR PLAN FINANCING
Ronald Watson: 317-267-3720

RETAIL FINANCING
Central and Southern Indiana: Shawn Breen: 317-698-3754

RETAIL FINANCING
Northern Indiana: Mike Tokoly: 219-242-5977



PNC and "for the achiever in you" are registered marks of The PNC Financial Services Group, Inc. ("PNC"). Banking and lending products and services and bank deposit products and investment and wealth management and fiduciary services are provided by PNC Bank, National Association, a wholly-owned subsidiary of PNC and Member FDIC. Services such as public finance advisory services, securities underwriting, and securities sales and trading are provided by PNC Capital Markets LLC, a registered broker-dealer and member of FINRA and SIPC. Lending and leasing products and services, including card services, trade finance and merchant services, as well as certain other banking products and services, require credit approval.

©2017 The PNC Financial Services Group, Inc. All rights reserved.

BB PDF 1217-083

INSURANCE CORNER

PRESENTED BY: **FEDERATED INSURANCE**
It's Our Business to Protect Yours®

Claim of the Month — Could it happen to you?

A driver died in a rollover when a tire failed on a pre-owned vehicle he recently purchased. During the dealership's intake inspection, the inspecting employee simply checked all the boxes on the checklist without actually inspecting the vehicle. The employee listed the tire tread as sufficient, even though it was well below the acceptable limit.

CLAIM AMOUNT: \$3 Million

When a customer purchases a pre-owned vehicle, they trust your assessment of the vehicle. The customer might not ask for an independent inspection. So for safety's sake, it's important that your technicians do a thorough check for any hazards.

- Ensure your processes are thorough and up to date.
- Stress the importance of the processes outlined on your checklists at safety meetings.
- Implement a policy that requires a manager to confirm inspection findings every so often.
- Assign inspections to a trained, experienced employee.
- Consider a second inspection upon sale that reaffirms the safety of vehicles you sell.

Checklists are intended to guide employees through complex, but necessary, processes. But when an employee sees a checklist, especially one they have completed many times before, they might be tempted to fill it out without performing the listed actions. This can become a dangerous habit. The claim above is not the only instance in which failing to complete the checklist could be harmful. Skipped shop and showroom safety procedures, glossed-over hiring processes, and other situations could lead to harmful and expensive consequences.

Federated Mutual Insurance Company is recommended by 19 state and national auto dealer associations for customized insurance programs and value-added risk management services, such as Federated's Shield Network®, the Risk Management Resource Center, and the Federated Employment Practices Network®. Visit federatedinsurance.com or contact your local marketing representative for resources you can use to create or enhance your own risk management program.

This article is for general information and recommendations for risk prevention only and should not be considered legal or other expert advice. The recommendations herein may help reduce, but are not guaranteed to eliminate, any or all risk of loss. All products and services not available in all states. Qualified counsel should be sought with questions specific to your circumstances and applicable laws.

© 2020 Federated Mutual Insurance Company.

This article is for general information regarding risk prevention only and should not be considered legal advice. The claim illustration is only a basis for discussion and an example of one possible scenario. The recommendations presented are not guaranteed to reduce or eliminate any risk of loss. Qualified counsel should be sought regarding questions specific to your circumstances. © 2014 Federated Mutual Insurance Company.

FEDERATED INSURANCE
P. O. BOX 50487
INDPLS, IN 46250

800) 428-4143
(317) 849-7550
Fax: (317) 849-7570

www.federatedinsurance.com

Protecting Your American Dream

Face to face,
eye to eye, delivering
innovative risk
management solutions
for your profession.



Scan to read our
latest HR Question
of the Month article.



HR QUESTION ?
of the month



Commercial Insurance | Property & Casualty | Life & Disability Income | Workers Compensation | Business Succession and Estate Planning | Bonding
Federated Mutual Insurance Company and its subsidiaries* | federatedinsurance.com | Ward's 50* Top Performer | A.M. Best* A+ (Superior) Rating

20.05 Ed. 12/19 *Not licensed in all states. © 2019 Federated Mutual Insurance Company

letter; the vendor should do the rest. Dealers should be wary of vendors asking them to perform services, such as pulling potentially thousands of repair orders, in order to assist in preparing the submission. There are some true nightmare stories, where dealers have been forced to perform the work multiple times, based on lost shipments between the dealer and vendor, or even the vendor and manufacturer; in some cases approvals were delayed for months.. There should be limited distractions or side projects handed to your skeleton crew: With the proper vendor, all you've done is added a few no-upfront-cost team members to your arsenal.

A quality vendor saves you time, sure. But another great reason to have a competent third-party prepare and submit your retail warranty reimbursement is because of how well versed they are on every state's law and the manufacturers' requirements. Factory auditors jump at the chance to rebut or deny submissions, and drag out the reimbursement process because manufacturers don't want to pay you more than their standard rate—a common fact of the trade. A top-flight firm knows how to follow submission guidelines to a T and make sure your reimbursement comes as quickly as possible and gives factory auditors no leg to stand on. Although no one can foreclose on all manufacturer tactics to reduce or deny a dealer's submission, it makes sense to leverage industry insider knowledge to assure the best possible result.

Getting Started

Sometimes dealers' reaction to retail warranty reimbursements is that it seems too good to be true—that's certainly understandable. But the reality is that retaining the right vendor who can guide you through the experience, including what behavior to expect from your manufacturer, can make the process as painless as possible. If you take the time to consider all of the nuances involved, you'll realize this is not the time to take this on yourself— it's not always a walk in the park.

Now, in times of crisis, it has never been more important for dealerships to see the light at the end of the tunnel. The veil of uncertainty will lift sometime in the future—is your dealership ready with the revenue it needs to get a running head start?



Joe Jankowski is Managing Partner of Armatus Dealer Uplift, a Hunt Valley, Maryland-based firm specializing in retail warranty reimbursement submissions. Joe has been personally involved in consulting on 10 retail warranty statutes and is widely recognized as an expert in this highly technical arena. Previously, Joe spent more than 20 years as CFO, COO, and CEO of a large automotive group in Maryland.

[Finding Revenue During a Crisis Through Retail Warranty Reimbursement](#)

By Joe Jankowski

The world is in crisis, and no one has escaped the financial and economic effects of the COVID-19 pandemic. Everyone in the retail automotive industry understands the true impact that this virus is having on dealerships and just how crucial it is for stores to find additional revenue now more than ever.

Even as many are forced to furlough or lay off employees and juggle payments to keep a skeleton crew running, there is a solution that requires no upfront investment and barely any work on your part: **a retail warranty reimbursement submission.**

Some dealerships might be reluctant to undertake this, citing concerns such as the fact that they're focused on finding revenue immediately and can't wait 60 to 90 days, they have a hold on spending, or they simply don't have the time. The truth is that none of these issues are show-stoppers in submitting your retail warranty reimbursement. Let's address each one.

Revenue Now: A Profit Plan for the Near Future

We understand that money is needed now—there's no way around that. But unfortunately, there may not be a direct answer to that besides government-funded loans and stimulus grants. However, once the economy reopens and society begins to slowly meld itself back into a shape of what it once was, dealerships are likely to be the beneficiaries of pent-up demand. Cars are going to be rolling in for repairs, and business will rebound. By submitting a retail warranty reimbursement submission today, you're preparing your dealership for the inevitable economic uptick by starting the process now, which will put money on your bottom line that you'll have access to a few months down the road.

Setting yourself up for the future should be an important focus today. Not only does a retail warranty submission help you in a few months, but it is tantamount to an annuity, the benefits of which will be perpetual.

Expense Reduction Mode: Never Pay Up-Front Fees

Submitting a retail warranty reimbursement with vendors that operate with a win-win philosophy, means you don't pay any of the cost of services until the manufacturer approves your submission. When you do pay, it is out of found money. Additionally, one way to determine whether a submission is worth your while is to request that your vendor provide you a no-cost projection of just how much more you could be adding to your bottom line if you were to move forward. There should be no strings attached—you should only have to provide a few labor and parts figures on your end, and you'll immediately have a good sense of how much you could stand to gain.

This makes it easy to see how profitable a submission could be because you'll have a good estimate of just how much you may be getting and how quickly your pay-back period is on all fees. Even before the reimbursement is in your pocket, you'll have a projection of the profit number you've been looking for to start strategizing around your sustainability plans. Especially in these critical times, a vendor should ensure that their clients feel comfortable and satisfied by walking in the dealer's shoes, and not expecting fees when the dealer can least afford it.

No Time: Let Others Do the Work for You

One of the most common objections to performing a retail warranty submission during a crisis, is not having enough time, and this is especially true now. Dealerships are scrambling to keep paychecks coming and maintaining any semblance of normalcy during the crisis, so where would they have time to prepare and submit a complex retail warranty submission? That's exactly where a true professional services firm comes in.

A dealer's participation should be limited to providing minimal access to the DMS and signing a pre-written

MONEY MATTERS

presented by:



How your workplace might be impacted by Families First Coronavirus Response Act

By MCM HR Solutions Group

In response to the COVID-19 pandemic, the Families First Coronavirus Response Act (H.R. 6201) was signed by the President on March 18, 2020. This Act includes requirements for employers relating to paid sick time and family leave and is effective beginning April 2, 2020 through December 31, 2020. Employers must provide two weeks of paid sick leave to full-time employees who need leave in response to COVID-19 as well as twelve weeks of leave and job protection for employees under the Family and Medical Leave Act (FMLA) who meet certain criteria relating to COVID-19.

Emergency Paid Sick Leave Act - FAQs

Who is eligible?

Employers with fewer than 500 employees. There may be certain exemptions for employers with fewer than 50 employees should the Act jeopardize the business's viability. Eligible employees include those defined by the Fair Labor Standards Act (FLSA).

What is the effective date?

Both the proposed FMLA changes and the proposed paid sick leave take effect not later than 15 days after enactment, April 2, 2020 and would remain in place until the end of 2020.

What are qualified reasons for taking paid sick leave under the Act?

An employee may be eligible for the paid sick leave if work is unable to be performed remotely and

- The employee is subject to a federal, state or local quarantine due to COVID-19 (eligible employees will receive paid sick leave at their regular rate, except that in no event shall the amount paid exceed \$511 per day and \$5,110 in total);
- The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19 (eligible employees will receive paid sick leave at their regular rate, except that in no event shall the amount paid exceed \$511 per day and \$5,110 in total);
- The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis (eligible employees will receive paid sick leave at their regular rate, except that in no event shall the amount paid exceed \$511 per day and \$5,110 in total);
- The employee is caring for an individual who is either subject to a federal, state or local quarantine or isolation due to COVID-19 or has been advised to self-quarantine due to concerns related to COVID-19 (eligible employees will receive paid sick leave at two-thirds of their regular rate, except that in no event shall the amount paid exceed \$200 per day and \$2,000 total);
- The employee is caring for their child whose school has been closed or place of care is unavailable due to COVID-19 precautions (eligible employees will receive paid sick leave at two-thirds of their regular rate, except that in no event shall the amount paid exceed \$200 per day and \$2,000 total); or
- The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretaries of Treasury and Labor (eligible employees will receive paid sick leave at two-thirds of their regular rate, except that in no event shall the amount paid exceed \$200 per day and \$2,000 total).



What is the amount of paid sick leave to be provided to eligible employees?

Full-time employees are entitled to 80 hours of paid sick leave. Part-time employees are entitled the average number of hours that employee works over a two-week period.

Who pays for the sick time or leave?

Employers must pay the benefits, but they will receive a tax credit for doing so.

Additional information for employers:

- Paid sick leave under the Act is in addition to any paid time off currently provided.
- Employers may not require employees to use their current paid leave prior to using the paid sick leave under the Act.
- Employees are not required to provide notice to the employer prior to using the paid sick leave, however, the employee is required to follow reasonable notice procedures after the first day the employee is sick in order to continue receiving the paid sick time.
- The Secretary of Labor may exclude from these requirements employers with fewer than 50 employees based on hardship or for employers of health care providers and emergency responders. The process to request an exclusion was not defined.

Emergency Family and Medical Leave Expansion Act - FAQs

Who is eligible?

Employers with fewer than 500 employees. There may be certain exemptions for employers with fewer than 50 employees should the Act jeopardize the business's viability. Eligible employees include those who have been employed with a private employer at least 30 calendar days before the leave is requested as well as all government employees.

What is the effective date?

Both the proposed FMLA changes and the proposed paid sick leave take effect not later than 15 days after enactment, April 2, 2020 and would remain in place until the end of 2020.

What are qualified reasons for taking paid sick leave under the Act?

An eligible employee may take up to twelve weeks of leave if work is unable to be performed remotely and the employee must care for their child who is under the age of 18 and whose school or place of care has closed because of the COVID-19 public health emergency.

What is the amount of leave to be provided to eligible employees?

Qualifying employees may take up to twelve weeks of leave. The first 10 days of leave are unpaid, following the 10 days, the employee is entitled to receive two-thirds of their normal wages for the number of hours they would be regularly scheduled to work (up to a maximum of \$200 per day and \$10,000 total). Employees may use any paid time off accrued during the initial two-week period.

Additional Information for Employers:

- For employers employing 25 or more employees, the employer must make reasonable efforts to restore the employee to an equivalent position following the employee's leave. A narrow exception exists for positions that no longer exist due to economic conditions or changes in operations caused by a public health emergency.
- The COVID-19 FMLA leave, which counts towards an employee's total FMLA leave allotment,



applies to any employee who has been working for his/her employer for at least 30 days and provides leave for a "qualifying need relating to a public health emergency."

- A "qualifying need" means the employee is unable to work (or telework) due to a need to care for the employee's son or daughter whose school or place of care is closed, or whose childcare provider is unavailable, due to a public health emergency.
- Like the first version of the House Bill, the final version still provides a payroll tax credits to employers for paid leave and emergency unemployment assistance. These tax credits are refundable and therefore ultimately 100% of the financial burden of providing this assistance will be funded by the federal government. To the extent the mandate causes a liquidity hardship for the employer Treasury is creating a process to advance the benefit of the credits to the employer.

Employers Facing Layoffs - FAQs

What factors must employers consider when conducting layoffs?

Any employer covered by the Worker Adjustment and Retraining Notification (WARN) Act has an obligation to provide notice of a plant closing or mass layoff in certain situations. "Covered" employers include those with 100 or more full-time employees.

How much notice must be provided to employees under the WARN Act?

Employers must provide at least 60 calendar days of notice prior to plant closing or mass layoff.

Additional information for employers:

- It is unclear whether COVID-19 would provide an exception to the WARN Act and, in such cases where a layoff is under consideration, employers should seek guidance from an employment attorney.

We want to partner with you for the good of your people and our community. If you would like to discuss any of these new regulations and the new business model we are all in, please reach out to our team and one of our consultants will be in touch with you. Contact our team at AskHRSG@mcmhrsg.com