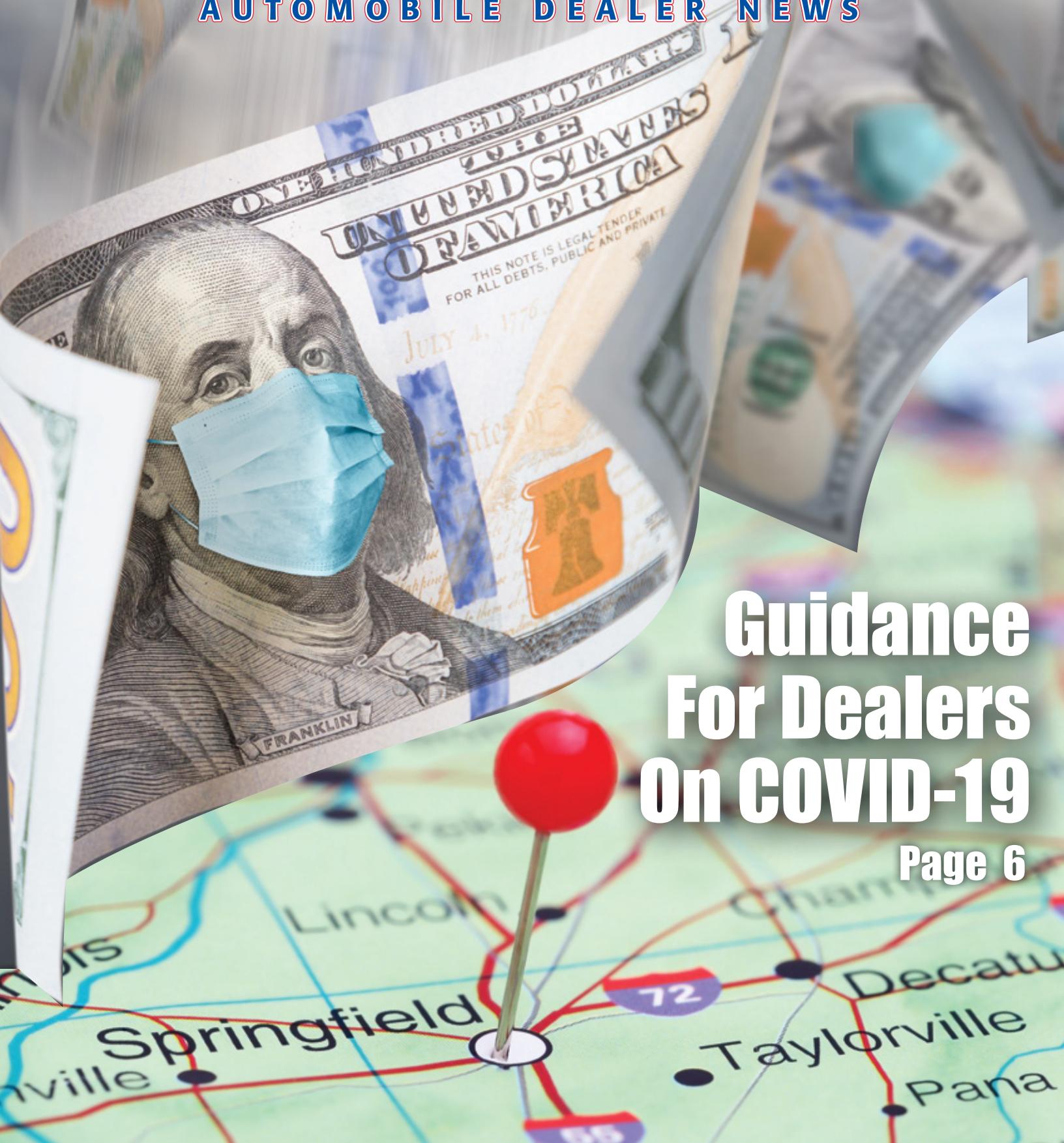


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AUTOMOBILE DEALER NEWS



**Guidance
For Dealers
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Guidance For Dealers On COVID-19



On behalf of the IADA Board of Directors and staff, I would like to dedicate this edition of our Illinois Automobile Dealers Association Dealer News to sharing the latest information and guidance for dealers on COVID-19.

On March 20th, Governor Pritzker issued Executive Order 2020-10, directing Illinois residents to stay at home starting March 21 at 5PM through the end of the day on April 30, 2020. The Executive Order generally directs Illinois residents to remain at home, except as otherwise directed in the Executive Order. The order includes several exceptions, including a list of Essential Businesses and Operations that can continue to operate.

IADA and CATA were engaged in discussions with high-level staff from the Governor's Office to clarify how it relates to motor vehicle sales. IADA and CATA have stressed that availability of motor vehicles for anyone who needs transportation should be honored by dealers based upon an essential needs test, including needs of first responders, for any person whose vehicle is damaged and is concerned about the reliability of their current vehicle, expiring leases and

otherwise needs a replacement or additional vehicle, all of which supports transportation as an essential and critical link in the transportation infrastructure. Additionally, dealership parts and service departments are essential and may continue to operate.

The Governor's Department of Commerce and Economic Opportunity did release a Frequently Asked Questions document with guidance clarifying Executive Order 2020-10. The FAQ states that motor vehicle parts and service departments can continue to operate. It further provides that motor vehicle dealer showrooms must be closed to the public, but dealers can admit customers by appointment to conduct sales. Dealerships may also continue to conduct sales activities online and by telephone. It is recommended that dealers keep a log of showroom appointments visitors.

The FAQ also provides instruction about social distancing requirements, making disinfecting products available to employees and customers, implementing special hours for elderly and vulnerable customers, and posting online when your place of business is open and how to reach the facility and, if possible conduct business by telephone or remotely.

IADA will continue to keep you posted as additional information becomes available. If you have any questions, please consult the Coronavirus Guidance and Information area at www.illinoisdealers.com or contact IADA at 217-753-0220.

On a positive note, IADA and CATA did host a successful State Conference in Marco Island, FL. I would like to thank all of the dealer members and sponsors who made our 2020 IADA-CATA (fourteenth annual) State Conference so successful. We had a dynamic group of attendees and families participate in the March 14-18 event held at the JW Marriott.

The conference agenda included an Officer and Sponsor Recognition Breakfast, dealer board meetings, and several networking events for our members. We were thrilled to have NADA Chairman, Rhett Ricart, speak at the breakfast along with Andy Church, Dealer Solution Mergers and Acquisitions. We have used many of the following pages to showcase photos of the event. I would like to offer our most sincere thanks to our wonderful sponsors who helped make this event possible. Without their generous support, this event would not be possible.

I would like to thank all our dealer members for your support of IADA throughout the year, especially now during this trying time. We will continue to provide you with the latest legislative and regulatory updates as we receive them. IADA is always available to answer your questions or provide guidance on COVID-19, feel free to call, email or find daily updates at www.illinoisdealers.com. We have not forgotten about the \$10,000 trade-in cap and as soon as things get back to normal in Springfield, this is our top priority. ■

Sincerely,
Mike Ettleson
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January 15	Seminar	
February 13	Seminar – IADA Office	
March 11	Webinar	
April 15	Seminar – IADA Office	(Suspended during stay at home order.)
May 13	Webinar	
June 17	Seminar – IADA Office	
July 15	Webinar	
August 12	Seminar – IADA Office	
October	Seminar – (CATA Office)	
November 10	Webinar	

Registration details are regularly emailed to our IADA members - or send an email to mhealey@illinoisdealers.com to reserve a spot

CVR also offers weekly webinars to assist specifically with CVR processing. To receive an evite, simply send an email request to: IL@CVRReg.com

These training sessions are provided by IADA at no cost to our IADA-CVR dealers.

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2020 IADA – CATA DEALER CONFERENCE

March 14-18, 2020, JW Marriott – Marco Island, FL

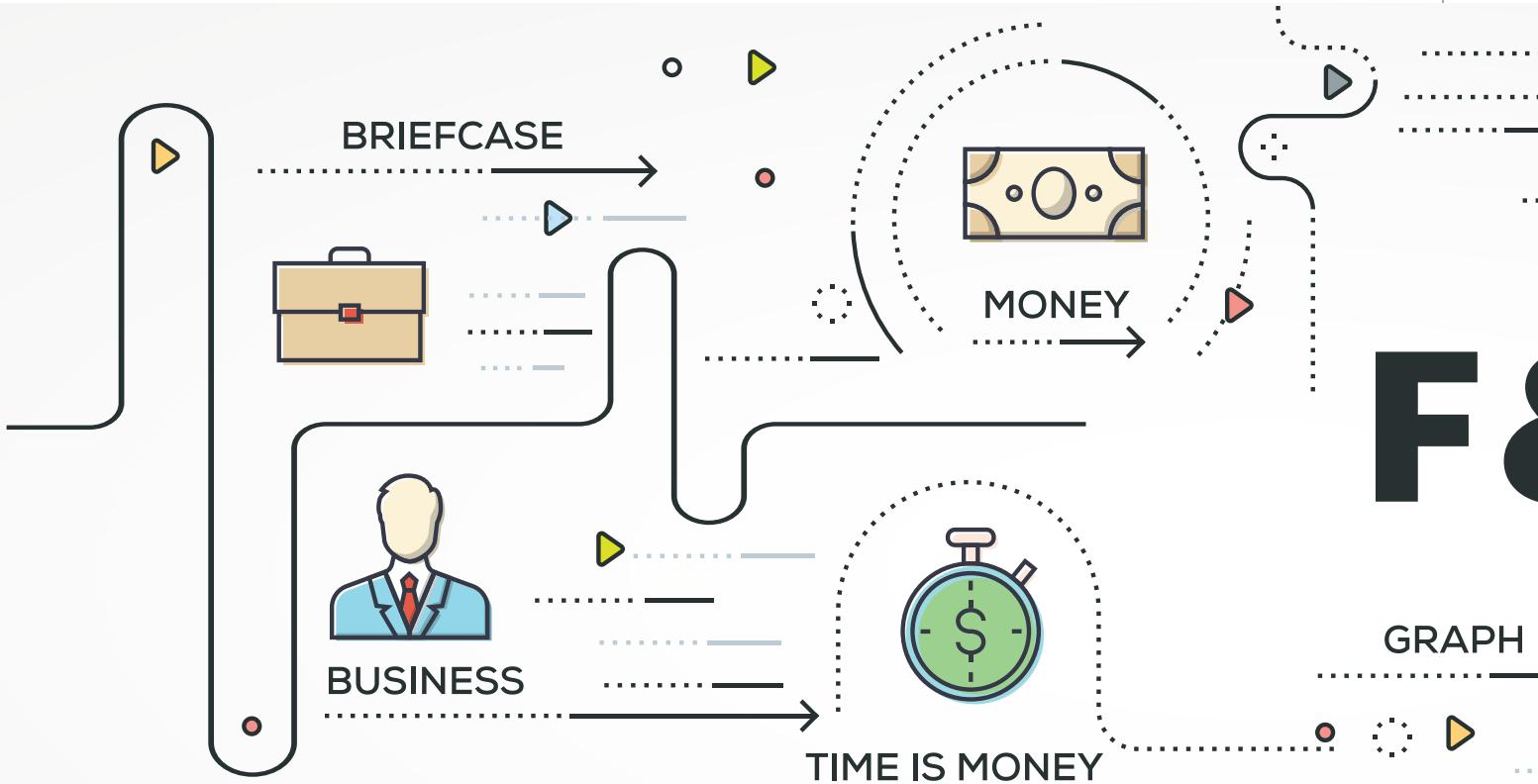


Thanks to all our member and valued sponsors who made this conference a success!



Seven Reasons to Cross Train for F&I Now

By Joel Kansanback, Executive Vice President



Cross training isn't a new idea and it certainly isn't unique to our industry. But perhaps now is a good time to review the benefits of cross training for your dealership and to discuss some keys to success.

You probably have used cross training for functions like cashier, receptionist or billing out deals. Let's talk about F&I and why cross-training for this department is particularly appealing.

Why cross train? There are several reasons to have more people cross trained in F&I:

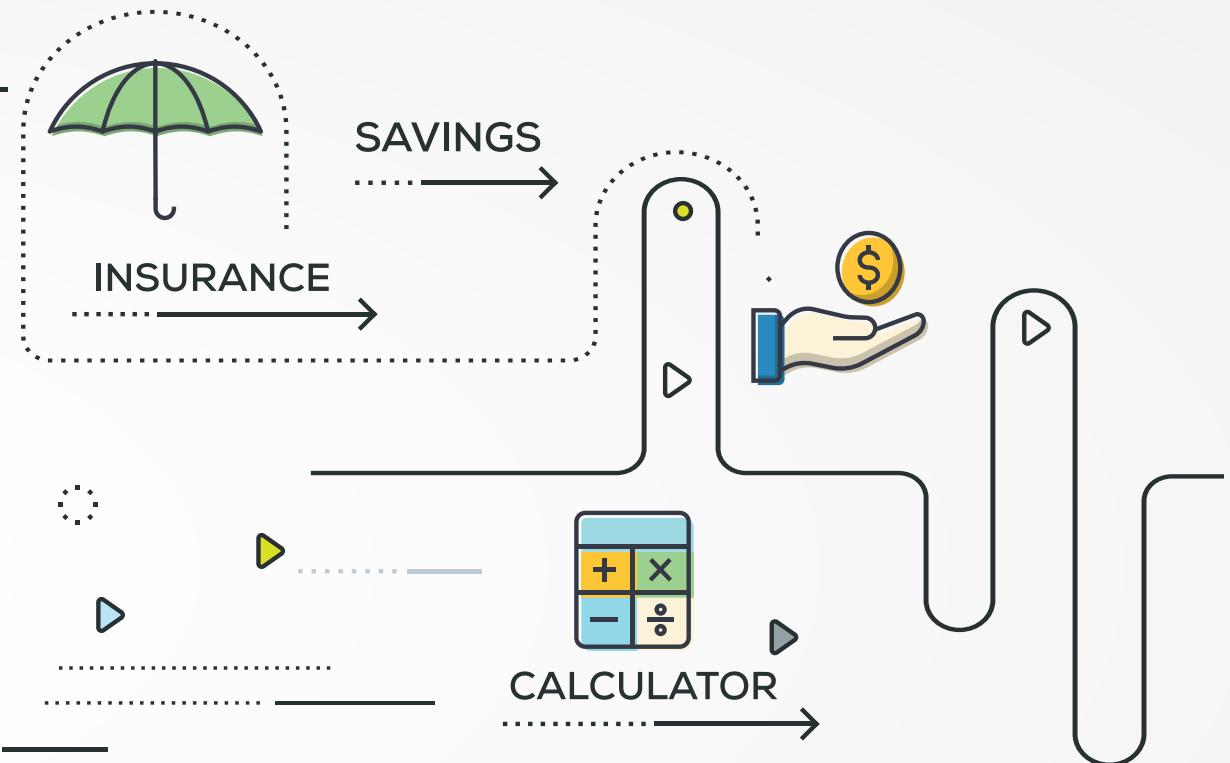
- First is providing coverage. When your core F&I team has weddings, funerals, vacations and emergencies you need a solution. We know these things are coming so why not be prepared.
- Secondly, it provides elasticity. When all at once you have five deals drop at once on a Wednesday night who's going to sign them out? If you don't have back up how long will those customers wait?
- Third is optionality - when an F&I Manager comes forward and demands a pay raise you want options. When an F&I Manager comes forward and quits to go to another dealer you want options. Having other

people cross trained provides you these options. By having a trained backup, you may actually be able to run leaner and have your best F&I professional talk to more customers.

- Fourth is running lean - too many dealerships employ extra F&I Managers for coverage of days off and to make damn sure a sales manager doesn't have to sign out a deal on some lonely winter Thursday night.
- Fifth skills development - if you have a talented salesperson that you think might be a future Sales Manager there is still no more important stop on their career development journey than F&I. From here they get a unique look at how deals get put together, how different salespeople work with customers, how the software systems all work, what it takes to get loans approved and what all the state and legal requirements are. It's a development step that you can't afford to have them miss.
- Sixth - the Ability to assess talent. Are they a future Sales Manager? A salesperson can have a lot of success with personality, building trust and relationship building. But those skills won't necessarily translate to Sales Management. To be successful at the next step they will need to be process oriented, have tremendous follow through and

You probably have used cross training for functions like cashier, receptionist or billing out deals. Let's talk about F&I and why cross-training for this department is particularly appealing.

&



see the big picture. There is no better development step or test for these traits than F&I. Selling to 60 or 75 customers per month in F&I vs 15 or 20 per month in sales gives a person the unique amount of repetition needed to master closing skills. It's their first chance at leadership and you can see how they respond to the pressure.

- Seventh - you are demonstrating a clear career path in your dealership. Do you want to have lower employee turnover? Show people a career path, develop and grow people. Not only will these people be more naturally loyal they will help you develop a culture consistent with your values and how you want things done.

Avoiding common pitfalls. There are a few major pitfalls that can be avoided when cross training. Who we select matters! This shouldn't be a mad experiment - select the person who has earned it and that has the highest likelihood of success and as a real full-time F&I Manager. I've seen people selected for this job because they have a degree in finance, because they once sold insurance, because they dress more professional, because they are a family friends kid or because they are a person who will work for the least. Seriously? Choose your future managers - if you start with this in mind, it will best guide your decision.

Be clear about expectations. The more complete you can explain the full scope of the job, the hours the responsibilities the pay and how their performance will be evaluated the better off everyone will be. Most of the failures in doing this start in the first 30 minutes.

Remember to promote humble, hungry and smart. A shortcoming in any of these three areas is a sure-fire recipe for failure. Please know that the smart you are looking for is a common-sense person who can think on their feet. The hungry should be self-explanatory, but I want to make sure that you don't miss on humble. As a backup being cross trained into a new position it will be imperative that the person have a deep inner confidence and not be an arrogant or brash person. These people won't make it.

Done properly the cross training of a key person into F&I will help you as a leader move your entire dealership forward regardless of what the future has in store. ■

For more information, please contact Francis Fagan with Automotive Development Group at 312-608-4979 or ffagan@adgtoday.com. Francis is the Regional Training Director for Illinois and Indiana. At Automotive Development Group we put the emphasis on training. Visit our website for our training calendar and to meet our nationally renowned trainers. www.AutomotiveDevelopmentGroup.com



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Coronavirus Relief For Dealership Employers and Their Employees — Families First Coronavirus Response Act

By Juli Cardosi, Law Office of Julie A. Cardosi, P.C.



Families First Coronavirus Response Act (FFCRA) became effective April 1, 2020 and applies through December 31, 2020 as a measure to assist businesses with fewer than 500 employees with challenges presented by the COVID-19 pandemic. U.S. Department of Labor (DOL) administers and enforces FFCRA's paid leave requirements.

This FFCRA overview is provided with the caveat that further DOL rulemaking and guidance is expected. Dealerships should

consult with their private attorneys concerning FFCRA's application and must also comply with other existing laws applicable to employee leave.

FFCRA generally provides that Covered Employers must provide to employees:

- 2 weeks (up to 80 hours) **emergency paid sick leave** at the employee's regular rate of pay where the employee is unable to work/telework because the employee is quarantined

related to COVID-19 (pursuant to Federal, State or local quarantine or isolation order, or advice of health care provider), and/or is experiencing COVID-19 symptoms and is seeking medical diagnosis; or

- 2 weeks (up to 80 hours) **emergency paid sick leave** at two-thirds the employee's regular rate of pay where the employee is unable to work/telework because of a bona fide need to care for an individual subject to quarantine related to COVID-19 (pursuant to Federal, State or local quarantine or isolation order or advice of a health care provider to self-quarantine) or care for a child (under age 18) whose school/childcare provider is closed or unavailable for reasons related to COVID-19 and/or the employee is experiencing a substantially similar condition as specified by the Secretary of Health and Human Services in consultation with the Secretaries of Treasury and Labor.

Covered Employers must also provide employees who are employed for at least 30 days:

- Up to an additional 10 weeks **expanded family and medical leave** at two-thirds the employee's regular rate of pay where the employee is unable to work/telework because of a bona fide need to care for a child (under age 18) whose school/childcare provider is closed or unavailable for reasons related to COVID-19.

Covered Employers include private employers with fewer than 500 employees. Small businesses with less than 50 employees may qualify for exemption due to school closings/childcare unavailability if business viability would be jeopardized.

Under FFCRA, an employee qualifies for the leave if unable to work/or telework because the employee is:

1. Subject to a Federal, State or local quarantine or isolation order related to COVID-19.
2. Advised by health care provider to self-quarantine related to COVID-19.
3. Experiencing symptoms of COVID-19 and is seeking medical diagnosis.
4. Caring for an individual who is subject to a quarantine or isolation order related to COVID-19 or has been advised by a health care provider to self-quarantine related to COVID-19.
5. Caring for a child whose school or place of childcare has been closed (or childcare unavailable) for reasons related to COVID-19.
6. Experiencing any other substantially similar condition specified by the Secretary of the HHS in consultation with the Secretaries of Treasury and Labor.

Regarding leave duration, for reasons (1) through (4) and (6), full-time employees are eligible for up to 80 hours of leave and part-time employees are eligible for the number of hours of leave an employee works on average over a 2-week period. For reason (5), full-time employees are eligible for up to 12 weeks of leave at 40 hours /week, and part-time employees are eligible for leave



Covered Employers include private employers with fewer than 500 employees. Small businesses with less than 50 employees may qualify for exemption due to school closings/childcare unavailability if business viability would be jeopardized.

for the number of hours an employee is normally scheduled to work over that period.

Regarding pay calculation, for reasons (1), (2), (3), leave shall be paid at either the employee's regular rate or the applicable minimum wage, whichever is higher, up to \$511/day and \$5,110 aggregate (over 2-week period). For reasons (4) or (6), leave shall be paid at 2/3 the employee's regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200/day and \$2,000 aggregate (over 2-week period). For reason (5), leave shall be paid at 2/3 the employee's regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200/day and \$12,000 aggregate (over 12-week period - 2 weeks of paid sick leave, followed by up to 10 weeks paid expanded family and medical leave).

Covered Employers qualify for tax credits for all qualifying wages paid under the FFCRA. Tax credits also extend to amounts paid or incurred by the employer to maintain health insurance coverage.

■ CORONAVIRUS RELIEF FOR DEALERSHIP — *continued from page 15*

Covered Employers must post a notice of FFCRA requirements in a conspicuous place on premises. Employers may not discharge, discipline or discriminate against an employee who takes leave under the FFCRA and files a complaint or initiates a proceeding under/related to FFCRA. Employers also face penalties and enforcement under the FFCRA.

Covered Employers qualify for tax credits for all qualifying wages paid under the FFCRA. Tax credits also extend to amounts paid or incurred by the employer to maintain health insurance coverage.

Because of the dynamic nature of developments brought on by COVID-19, dealerships should ensure FFCRA compliance and consult with their legal counsel about its application. ■



Julie A. Cardosi is an attorney and president of the private firm, Law Office of Julie A. Cardosi, P.C., of Springfield, Illinois. She has practiced law for over 30 years and represents the business interests of franchised new vehicle dealers. Formerly in-house legal counsel for IADA, she concentrates her practice in the areas of mergers and acquisitions and other transfers of dealer ownership, franchise law, commercial law, state and federal regulatory compliance matters, including employment, and other areas impacting day-to-day dealership business operations. She has also served as former Illinois Assistant Attorney General and Deputy Chief of the Consumer Fraud Bureau of the Attorney General's Office. The material discussed in this article is for general information only and is not intended as legal advice and should not be acted upon as such. Dealers should consult their own private legal counsel for application to their specific circumstances. For more information, Julie can be reached at jcardosi@autocounsel.com, or at 217-787-9782, ext. 1.

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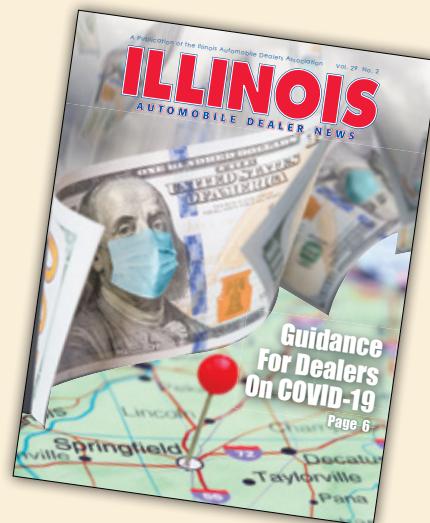
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