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# What compliance looks like: Policy & procedure manuals

We've been on a pythonesque journey for the Holy Grail this year.  Our Holy Grail is compliance. If you have been following along, you've sent the message that compliance is non-negotiable and you've named a compliance officer to manage your compliance initiative. The compliance officer is now trained in the various federal and state laws and regulations that regulate our industry. Next? Create a manual to crystallize your policies and the procedures your employees are expected to follow, one for Sales and another for F&I.

Contents

Your P&P Manual should cover a few basic areas:

Acknowledgement page

List of non-negotiables

Job description

Process description

Acknowledgement Page

This one page document basically states that the employee has read the policy and procedure manual and agrees to abide by the policies stated within the manual. It is important to have the employee sign this acknowledgement form and to retain a copy in the employee's personnel file. I have read too many depositions where dealership employees, managers and owners are asked about the dealership's training and the answer is a big "DUH." Having this form in file is documentation that you have a P&P in place and that the employee agreed to abide by the P&P.

One note: make sure you provide training on the P&P and give the employee time to read the P&P before you get the form signed. Otherwise, the employee can say in a wrongful termination lawsuit that he or she was forced to sign the form and didn't really read or understand the dealership's policies.

Non-Negotiables

This is simply a list of the ten or so absolute rules to follow. The penalty for not following any of these rules is termination, so the rules have to be clear and absolute. One such non-negotiable could be "I will not sign someone else's name to any document or allow any other person to sign someone else's name to any document."

Job Description

Lay out a job description for the person who is singing the Acknowledgement Page. Obviously, you will need a separate job description for the Sales P&P than you need for the F&I P&P.

Process Description

Finally, itemize the various processes in your dealership. Start each section with a process definition, and then describe in detail how the employee is expected to perform the function. An example for identity theft deterrence could look like this:

Definition

Identity theft is one of the fastest growing crimes in the United States. An individual's identity is considered stolen when an unauthorized third party poses as the consumer to obtain credit under the victim's name.

Policy

The Company has a stringent Safeguards Policy in place that fully complies with the Federal Trade Commission Safeguards Rule. In place are:

A Compliance Officer
A risk assessment
An employee policy and training
Contractual agreements with service providers
Ongoing, periodic audits of the program

All employees are expected, at a minimum, to adhere to the following:
Keep all customer non-public personal information secured in designated areas
Report any suspicious activity to the Compliance Officer
Change computer passwords monthly
Lock desks and office doors when away from their work area
Log off their PC's when away from their work area

All employees are to be cognizant of the following red flags that can be useful in detecting identify theft. Red flags include a customer who:
Has an expired or pre-dated driver's license
Doesn't know or gives conflicting answers about personal demographic information
Insists on conducting the transaction over the phone, fax or e-mail
Has someone waiting for her outside in another vehicle and seems overly anxious to complete the transaction
Pays MSRP and buys everything in aftermarket and F&I
Has placed a consumer statement in his/her Credit Bureau Report stating that his/her identity or identifying information has been stolen, and requires the inquirer to positively confirm the applicant's information

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