

September 19, 2006

## **Remember your checklists?**

*by Gil Van Over*

I do a fair amount of flying. Whether in a 747 or a Piper Cub, I've noticed one thing pilots of both have in common. They use checklists. Regardless of how many miles they've flown, they religiously use checklists. There is a lesson to be learned here.

Pilots I've spoken with say they generally use three checklists. One at pre-takeoff, one when they reach altitude and a final one at pre-landing. To a person, they say the checklists help them to feel confident they did not overlook anything and if missing something could lead to a calamitous event.

I know you have checklists in your dealership. Chances are you have one for the Sales, one for F&I and a final one for your Accounting Clerk. Question is: Are they being used religiously and effectively?

To be honest, chances are the checklists are not being used. Your file may have a checklist in it, but it is there out of habit, not because it was necessarily used to protect your back.

Sometimes I see where the F&I Manager has checked OK for all items on the checklist, then made a photocopy of the form. Then, with each deal, he simply writes the customer's name and the deal number on the form and submits it.

Other times I find where an Accounting Clerk checks OK on an item that is clearly wrong, or missing, or not applicable.

Both cases are potentially damaging. A plaintiff's attorney will make the argument that the incorrect checklist shows collusion between the doer and the checker, leading to charges that the dealership has a pattern in place to further fraudulent practices.

### **Suggestions**

Put together an F&I compliance checklist that both the F&I Manager and the Billing Clerk have to complete. Require that it be completed correctly by both parties. Have the Office Manager or Controller spot check five deals a month to make sure the checklist is being properly used.

### **Checklist Elements**

If you don't have a checklist, send me an e-mail. I can get a sample to you that you can customize to your dealership. There are nine essential elements to a good checklist:

1. Buyer's Order/Order for Leased Vehicle

2. Credit Application and Privacy Notice
3. Retail Installment Sales Contract/Lease Agreement
4. Menu
5. Trade Documents
6. Customer Identification/OFAC
7. Other Documents
8. Deposits/Down Payments
9. F&I Functions

Honestly using a checklist can help keep the dark side in the closet.

© 2006 by gvo3 Consulting, LLC. All rights reserved.

Published by [Dealer Communications](#)

Copyright © 2006 Horizon Communications Inc.. All rights reserved.

Information in this newsletter is provided by both proprietary and public sources. Dealer Communications makes no claims as to the accuracy of information provided by third party providers.

Powered by [IMN](#)