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## Month End Close Policy

McDaniels' Policy regarding the close of business shall be as follows:

All pay for Service, Parts & Reconditioning shall be based on the closing date of the work document. Tickets are usually closed after we have been paid in full. Month end closes are normally the last regularly scheduled day of work of a calendar month. Mid-way through this last day, personnel should begin inspecting open or active tickets (repair orders, parts invoices, etc.). Every effort should be made to verify payment and close the tickets. Fixed Operation Directors (or their designees) should provide a parts' obsolescence report and a parts price update report to Accounting, and, within 48 hours, should provide Accounting with any bonuses (with check requests) that should be paid in the month end commission. Other reports, such as vehicle attendance, should also be submitted.

For Sales, all deals should be completed and turned into Accounting by business close on the last business day of the month. Deals not yet delivered, but for which we have been paid in full and have no outstanding conditions may be counted (and turned into Accounting). Commissions or bonuses will not be paid until the following monthly pay cycle on deals that do not make the deadline. Additional sanctions may be imposed against Sales Personnel for tardy submission of deals. Any exceptions to this Policy must be approved by the COO or Dealer.

Within 48 hours of month end close, Sales Management should provide Accounting with accurate new and used vehicle sales logs, a finance and insurance summary and any sales bonuses (with check requests) that should be paid.

At year-end, additional requirements are necessary for inventory purposes. See the Chief Operating Officer or Dealer Principal for specifics.

*As with all McDaniels' Policies, questions or ideas for improvement should be directed to the Chief Operating Officer or Dealer Principal.*