



March 12, 2020

## DEALERSHIP INFORMATIONAL ADVISORY **COVID-19 UPDATE #1**

With yesterday's announcement by Gov. Hutchinson regarding the first confirmed in-state case of COVID-19 (coronavirus), we want to make sure that each Arkansas dealer is prepared for this situation.

Common sense things like washing hands with soap and water, providing access to hand sanitizer (if you can find it), disinfecting public surface areas, door handles, etc., are a good start. Below are some helpful things to take into consideration when deciding how to address this serious health threat facing the world.

### **Taking Precautions at Your Dealership**

This health situation will surely have a significant impact on a dealership's workforce and business operations, hindering floor traffic resulting in a drop in customer service. Dealers need to take warnings seriously and ensure that your dealership is taking steps to keep staff, customers, and vendors healthy while working at and visiting your business.

Dealerships can enact proper protocols to reduce the possibility of people getting sick from the Coronavirus. In general, OSHA requires all businesses to provide a safe work environment for all employees. A safe work environment includes one that keeps employees safe from known diseases. Below are some steps dealers can take now to try to ensure the health and safety of your staff to prevent illness:

- Encourage employees to wash with soap and water or sanitize hands frequently;
- Make hand sanitizer and boxes of tissues available throughout the dealership;
- Keep anti-bacterial wipes around and frequently wipe down the interior of vehicles in the showroom and demos before/after test drives;
- Treat customer cars that come in for service the same way - disinfect them before your technicians diagnose and repair these vehicles;
- Suggest that, for now, employees may wish to avoid shaking hands;
- Require your cleaning companies to treat all work surfaces, including phones, computers, floors, and restrooms, with proper disinfectants;
- Discourage employees from using other employees' phones, desks, offices, or other work tools and equipment;
- Minimize situations where people are crowded together, like meetings. Use e-mail, phones, and text messages to communicate with each other. When meetings are necessary, avoid close contact by keeping a separation of at least six feet, where possible, and assure that meeting rooms are well-ventilated; and
- Allow employees to work from home when possible - encourage sick employees to stay home by having appropriate dealership policies such as paid sick time.

## Dealership Employees' Work Schedules, Compensation

Here are several points to keep in mind as you attempt to prepare for any disruption at your dealership from the Coronavirus, especially in properly managing exempt/salary and non-exempt/hourly employees:

- If a dealership employee notifies you that he/she has been diagnosed with Coronavirus, you should immediately contact your local health department and the state department of public health to find out what you should do. You should then tell all dealership employees that they may have been exposed, but you must keep the infected employee's identity confidential.
- **Sick/Quarantined Employee:** If an employee is out because he/she or a family member is sick with the Coronavirus, you must pay him/her for any work he/she does from home. Hourly employees must be paid for actual time worked. Salaried exempt employees must be paid their full weekly salary if they perform any work during a given week (with the caveat that deductions from pay may be made for absence of one or more full days due to sickness or disability, if made in accordance with a bona fide plan, policy, or practice of providing compensation for salary lost due to illness, such as a PTO policy). If an employee is out and does not work from home, you should pay them according to your sick/paid time off policy. After employees exhaust any paid leave, the dealership does not have to pay them as long as they do not do any work from home.
- **Dealership Closure:** If your dealership is forced to close due to reasons related to the Coronavirus, all employees should be paid according to the dealership's sick/paid time off policies. You must pay **hourly employees** only for the actual hours that they work; if the dealership is closed for longer than their sick or vacation time, you do not have to pay them once such sick or vacation time is exhausted. If an **exempt employee**, you do not have to pay them if the dealership is closed for longer than their sick or vacation time if the dealership is closed for at least an entire work week and the employee performs no work. If the dealership decides to allow exempt employees to work from home while the dealership is closed, or if the dealership is closed for less than a week, exempt employees who work any time during such week must be paid their regular weekly salary. If you do not want your employees to work while at home, you may wish to tell your employees not to work. If you are going to allow hourly or exempt employees to work from home while the dealership is closed, you should require them to keep accurate records of their hours worked and tasks completed.

## Communication to Customers

Finally, the lifeblood of your business is your customers. You should consider crafting a communication to your customers that reflects your compassion for those who may be affected by the virus, that you are open for business, and that your business is clean and safe.

In such a communication, detail that you have taken precautionary measures at the dealership to help ensure that your visitors and employees are being protected from the spread of germs and that you have initiated numerous protocols at the dealership beyond the normal steps you take during the flu season, such as:

- You have installed hand-sanitizing stations throughout the dealership to allow visitors and personnel to clean their hands more frequently;
- You have increased the frequency in which high-volume, high-touch areas, including paper towel dispensers, vanity tops, counters, and door handles, are cleaned;
- Your staff is required to engage in good hygiene by frequently washing their hands with soap and water for at least 20 seconds;

- You are in touch with numerous agencies and your state trade Association, Chamber of Commerce, plus the health departments at the city, state, and federal levels to make sure you receive the latest updates and protocols;
- You have distributed critical information to key staff members and business partners to help prevent communicable sicknesses throughout this dealership; and
- Your showroom offices and demo vehicles are disinfected and cleaned throughout the day - these measures include the use of disinfectant cleaning agents and increased frequency

For additional information, the Arkansas state chamber working with Dover Dixon Hughes provided the following summary for employers, [link](#).

We would also recommend monitoring updates from the CDC, [link](#), and OSHA, [link](#).

AADA will work to keep you updated on this fluid situation, but there is no need to panic. A firm commitment to maintaining a safe and clean work environment for your employees and customers will help you navigate this health crisis.

If you have any questions about this bulletin please don't hesitate to call, 501-372-2596, or email Greg Kirkpatrick [greg@arkautodealers.com](mailto:greg@arkautodealers.com).