Introduction

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Preface

Loss prevention is a sound business practice which directly affects profitability. Universal Underwriters Insurance Company designed this guidebook to serve as a tool to assist our customers in responding to the changing conditions of your business environment. It contains informative guidelines to aid you and your designated personnel in developing a unique loss prevention program. Each section of this guidebook addresses areas which have historically generated loss exposures for the business we insure.

The sections in this guidebook are:

- Management practices
- Target exposures
- Regulatory controls
- Common hazards
- Self-inspection checklists

The first section describes management practices for loss prevention programs that include: developing safety policies; implementing safety committees; accident investigation and sample guidelines for employment related exposures.

The second section describes target exposures that are the leading causes of loss typically found in automotive service and repair industry. Guidelines include: key control management; test drive procedures and vehicle safety.

The third section describes regulatory controls towards compliance with OSHA standards. This section includes: lock-out/tag-out; personal protective equipment; respiratory protection and hazard communication standard.

The fourth section describes common hazards found in your business. These include: machine guarding; electrical safety; spray booths, flammable and combustible liquids and automobile lifts.

Management’s involvement is crucial to the success of any program. It becomes increasingly more important when balancing the desire to improve the bottom line and the welfare of employees. While this guidebook is not a panacea, it can help maintain this balance and prevent future losses. Working together as a team, we can help reduce loss exposures, and in turn, promote and maintain a safe, profitable work environment.
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Management practices
Loss prevention policy

Employees’ attitude can have a significant impact on a company’s loss experience. Controlling the actions of employees and the overall work environment can help prevent losses. The safety program’s foundation must be built upon management support.

- A safety policy should be written to address the unique needs of each organization. We recommend the following elements be part of any loss prevention policy:
  - Statement indicating that every attempt will be made to create a safe work environment and reduce the potential for accidents.
  - The organization’s intention to comply with state, federal and local laws, as well as accepted standards of safe work practices.
  - Precedence of safety over saving time or taking short cuts.
  - Importance of protecting the public, employees and company operations.
  - Signature of owner or senior management.

In developing a policy, management should assess the organization’s true attitude toward loss prevention and be willing to accept ultimate responsibility to prevent losses.
Duties and responsibilities

Owner(s)
Owners/managers have the ultimate responsibility for the control of losses in your business. Owners/managers should implement a loss prevention program and provide leadership in order to achieve the program's objective. Owners/managers can accomplish this by doing the following:

- Adopt a safety policy statement.
- Give leadership and direction in the administration of loss prevention activities and give fair consideration to recommendations to prevent losses.
- Appoint a designated person to coordinate the loss prevention program.
- Review the accident summary reports in order to keep informed on your loss record and insist on appropriate action when loss trends are unfavorable.
- Review serious losses to satisfy that loss causes are being investigated and proper corrective action is being taken.
- Give positive recognition to those supervisors and employees who are performing well in their safety efforts.
- Participate in monthly loss prevention meetings and give feedback to management on their safety efforts.

Designated person
The designated person should be responsible for developing, implementing, and supervising the entire program to assure that it is in accordance with company policy. The designated person's duties should include the following:

- Coordinate all loss prevention activities for your business.
- Establish, implement and enforce loss prevention rules, regulations and procedures.
- Conduct facility inspections and attend departmental loss prevention meetings.
- Review supervisors’ accident investigation reports and see that action is taken to prevent reoccurrence. Establish procedures for reporting and completing accident reports.
- Establish and coordinate loss prevention training programs for managers, supervisors and employees as required.
- Solicit loss prevention ideas from managers, supervisors and employees for implementation whenever possible to encourage commitment to the loss prevention program.
- Act as chairperson of your safety committee.

Department managers
- Instruct new employees and review departmental safety procedures with all employees.
- Investigate all accidents promptly to discover their cause of loss and to implement corrective action. Complete and forward accident investigation reports to designated person for review.
- Conduct loss prevention meetings on a regular schedule to discuss loss trends, hazards in the workplace and safety topics.
- Know and support your loss prevention program and assigned responsibilities. Encourage participation from employees by soliciting new ideas and rewarding safe job performance.
- Conduct inspections of department on a regular basis to identify and correct unsafe acts and conditions.
Controlling workers compensation costs

In the insurance industry, we often hear the question, “How do I control my workers compensation insurance costs?” Well, we’re here to share the secret. The key to controlling these costs is you. You, as the business owner, are the key to controlling workers compensation insurance premiums. In fact, you have the potential to lower the cost of work comp insurance.

Experience rating

Individual states establish “manual rates” for employers in various types of businesses. The manual rate is the cost of insurance, per $100 of payroll, for the business in question. This rate undergoes many calculations and one of these is experience rating. The NCCI (National Council on Compensation Insurance) in their booklet* entitled “ABCs of Revised Experience Rating,” tells us that, “Simply stated, experience rating is a procedure utilizing past insurance experience of the individual policyholder to forecast or predict future losses.” Why is this important? The NCCI goes on to say, “Since experience rating offers the prospect of a premium reduction, it provides incentive for employers to develop safety programs and accident prevention procedures.” The bottom line: fewer claims can mean lower premiums.

(*This booklet is available on the web at www.ncci.com.)

Safety + loss prevention = $

Now we know that establishing safety programs can result in direct savings on insurance premiums. This is in addition to the indirect savings (productivity, efficiency, etc.) and the satisfaction of keeping your employees safe and healthy. What do we do now? What are the essential elements of a good safety program? Are some elements more important than others are? What is the quickest and most efficient way to implement a loss prevention program? The purpose of this section is to provide guidance in this matter.

Essential loss prevention program elements

Establishing an effective loss prevention program can be as simple as one, two, and three. Implement a safety program containing these elements:

I. Publish a safety policy statement.
   A. Express management support and commitment
   B. Establish objectives for the program

II. Assign responsibility for the safety effort.
    A. Designate one person at each location as the safety coordinator
    B. Give them authority to address safety issues

III. Develop workplace rules and procedures.
     A. Publish and post safety rules
     B. Develop procedures for job tasks-identify hazards and controls

IV. Establish supervisor and employee training programs.
    A. New employee orientation
    B. Regularly scheduled safety training for all employees

V. Investigate all incidents and accidents.
   A. Goal is to determine actual loss causes
   B. Identify corrective actions to be taken

VI. Conduct regular safety inspections of the facility.
   A. Identify hazards before they can cause accidents or injuries
   B. Unsafe conditions and unsafe acts should be evaluated

VII. Get employees involved in the safety effort.
     A. Safety committees
     B. Suggestion box
     C. Incentive programs

VIII. Address regulatory compliance issues.
      A. OSHA standards
      B. Fire safety codes
Looking for help
The first place to look for help is your workers compensation insurance carrier. They generally have professional consultants available to assist you with program development and implementation. Outside safety consultants can also be helpful in this regard. For our customers, the topics listed above are all addressed in this loss prevention guidebook. Many industry associations publish safety information for their members and make it available at little or no cost. Government and private websites can also provide a wealth of free information. For instance, the OSHA site (www.osha.gov) offers “small business compliance guides” for several federal regulations.

Controlling workers compensation costs
Other ideas
Workers compensation costs can be controlled in other non-safety areas. Other than suggestion number one listed below, the following are considered “cost containment” tasks. They are implemented after the accident or injury occurs, but can be effective in reducing the final cost of the claim. Consider the following:

I. Allocate loss and insurance costs
   A. By location or department
   B. Costs become part of manager’s performance review and pay plan
   C. Increases awareness of loss costs

II. Designate physicians or clinics
   A. If permitted by law in your state
   B. Helps to lower medical costs

III. Implement a modified duty/return to work program
   A. Studies have shown that getting an injured employee back to work reduces costs
   B. Employees back in the workplace contributing instead of staying at home

IV. Providing a wide array of employee benefits
   A. Assists in the reduction of workers compensation losses
   B. Reduces the possibility of fraudulent claims
Human resources policy manual

The following outline can be used as a guide for developing an employee handbook.

I. Introduction to your business.
   A. A signed note of welcome from you.
   B. Brief history of your business.

II. New employee indoctrination.
    A. Explanation of probationary periods.
    B. Explanation of your policies including safety regulations and details of penalties for violations.
    C. Training program with emphasis on safe practices.
    D. Binding arbitration program.

III. Benefits (health, life, disability insurance; profit sharing, retirement plan, etc.)
    A. Eligibility.
    B. Coverages and limitations.
    C. Enrollment procedures.
    D. Notification procedures when personal information changes.
    E. Duration of coverage.
    F. Cost of the plan.
    G. Claiming benefits.

IV. Equipment policy.
    A. Personal tools (determine needs and provisions if stolen).
    B. Company tools.
    C. Personal protective equipment.

V. Working hours.
   A. Absenteeism and punctuality.
   B. Breaks, lunch and dinner hours.
   C. Overtime policy.
   D. Vacation/holidays/leave of absence.

VI. Wage and salary policy.
    A. Increases.
    B. Advancements and transfers.
    C. Salary advances.
    D. Sick pay.
    E. Layoffs/termination.

VII. Employee responsibilities.
    A. Relationship with customers.
    B. Personal appearance.
    C. Alcoholic beverages and narcotics.
    D. Use of building and facilities.
    E. Company property.
    F. Removal of parts, scrap, etc.
    G. Suggestions.
    H. Moonlighting.
    I. Good housekeeping.
    J. Code of ethics.

VIII. Receipt of handbook (signed and dated).
The information provided herein should be used as general guidelines only. Only an attorney engaged in the active practice of law can give you the accurate legal advice you may need. So, please refer all questions to your attorney.

Hiring practices overview

I. Employment applications/interviews
   A. Information collected on application forms, in job interviews, background or reference checks should focus on applicant’s ability to perform the essential functions of the job.
   B. Questions about an applicant’s prior workers compensation history should be excluded at the pre-employment stage.
   C. Questions about medical history should be excluded at the pre-employment stage. No medical tests should be given before a formal job offer has been made.
   D. Post-offer medical exams require uniformity of all applicants for a particular job. HIV testing should be excluded.
   E. Job descriptions should be used for all positions and adequately describe the essential functions of the job.

II. Screening practices
   A. If employees are going to be placed in a position of handling money, checks, securities, then a criminal history check should be completed to screen the applicant’s background.
   B. Motor vehicle record (MVR) checks should be completed on all drivers of company owned vehicles and/or vehicles operated for business where allowed or required by law. In some court decisions, employers were held for negligent liability when hiring employees driving company vehicles without checking their driving records. The company should have a written policy outlining unacceptable criteria and procedures to manage the MVR program and follow such policy.
   C. Previous employer verification should be checked to confirm all work experience and references, dates of employment and previous employers.
   D. To ensure proper identity of applicants, names, addresses, phone numbers and Social Security Numbers (SSN) should be verified.
   E. To prevent against employee dishonesty, credit history should be screened. A written policy describing unacceptable criteria is required for this employment practice to avoid discrimination.
   F. Pre-employment drug screens should be required for all applicants.

III. Job requirements/descriptions
   A. Job title - purpose of the job
      1. Describe the ultimate services desired.
      2. Define the relationship of this job to others in the organization.
      3. Describe the consequences of poor or non-performance.
   B. Actual duties of the job
      1. Describe the most important duties to be performed.
      2. Describe all secondary duties.
      3. Define how often the duties are performed.
      4. Describe the nature and scope of decision-making.
   C. Job completion
      1. Describe the reporting relationships.
      2. Identify the internal contacts involved.
      3. Define the general working conditions (e.g., workstation, hours, hazards).
   D. Required human relations and personal skills
      1. Identify interpersonal skills to support relationships with others.
      2. Describe the detailed orientation of the job.
      3. Define the specific skills absolutely essential for the job.
      4. Describe required personal grooming and attitudes for the job.

Note: it is recommended that employees sign a release which pertains to the specific information they are providing to the employer.
Motor vehicle records (MVRs)

Developing and implementing a policy of checking MVRs on all regular drivers can be an invaluable tool to your business and management. You should seek legal advice prior to implementing an MVR procedure to ensure proper compliance with all laws pertaining to the use of MVRs in hiring practices. A driver’s past record can provide a profile of past driving performance and insight into their future driving performance. Drivers with historical patterns of vehicle accidents and traffic violations are likely to continue that pattern when driving company owned vehicles. MVRs should be a part of the overall driver selection program where allowed or required by law.

Where allowed or required by law, initial MVRs should be obtained on all applicant drivers of company owned vehicles as part of the interview process. This can be accomplished by having applicants bring MVR to interview. The fact that MVRs may not identify all accidents or convictions does not lessen their importance - a bad driving record is generally an indication of poor driving habits.

An applicant’s MVR which reflects a major violation such as "driving under the influence" should be immediately disqualified from driving a company owned vehicle. Evaluate other violations, recent history and patterns of violations before disqualifying an employee from driving a company-owned vehicle.

Types of violations:

I. Major violations are serious convictions which might indicate a disregard for public safety:
   A. Driving under the influence of alcohol or drugs.
   B. Reckless driving where bodily injury or property damage results.
   C. Hit and run

II. Moving violations can be an indication of poor driving habits:
   A. Speeding
   B. Failure to yield right-of-way.
   C. Driving too fast for conditions.

III. Statutory violations are generally licensing or registration offenses:
   A. Operating an unregistered vehicle.
   B. Using false registration or license.
   C. Driving while license is under suspension.

MVRs should be checked and reviewed for all regular drivers of company owned vehicles on at least an annual basis to ensure they are maintaining good driving habits.
The information provided herein should be used as general guidelines only. Only an attorney engaged in the active practice of law can give you the accurate legal advice you may need. So, please refer all questions to your attorney.

**Safeguarding the privacy of your customers’ information**

**Your legal obligations**
The FTC requires businesses to have a written program in place documenting the steps you have taken to safeguard your customer’s personal information.

The FTC’s final “standards for safeguarding information” rule (“safeguards rule”) requires you to take steps to ensure the security of customer data.

Have you completed your information security plan?

**Background**
President Clinton signed the Gramm-Leach-Bliley Act into law on November 12, 1999. The GLBA’s Title V dealt with privacy, and, in particular, the disclosure of so-called nonpublic personal information.

No later than July 1, 2001, under GLBA and under the FTC’s final “privacy of customer information” rule (“privacy rule”), auto dealers and (according to regulations issued by other federal regulatory agencies) other “financial institutions” were required to provide “customers” and, in some cases, “consumers,” initial privacy notices and then follow-up with annual privacy notices to continuing “customers.”

The GLBA also mandated that each federal regulatory agency (including the FTC) issue an appropriate rule governing the way “financial institutions” subject to that agency’s jurisdiction would be required to “safeguard customer records and information.” The safeguards rule was published in the Federal Register on May 23, 2002 (16 CFR 314). Compliance is mandatory no later than May 23, 2003. (The rule is posted on the internet at http://www.ftc.gov/os/2002/05/67fr36585.pdf.)

Perhaps more relevant to your needs is the FTC’s “financial institutions and consumer data: Complying with the safeguards rule” which may be found on the internet at http://www.ftc.gov/bcp/conline/pubs/buspubs/safeguards.pdf.

This bulletin is being sent to you now as a sort of checklist for you, against which you can measure the steps we presume you have already taken in order to be in compliance with the safeguards rule.

**Objectives of the FTC’s safeguards rule**
It is important that you understand why the GLBA required the federal agencies, including the FTC, to publish “safeguards rules.” Browsing through your local newspaper or watching the evening news may offer some answers. “Identity theft” is in the news quite often these days and is quickly becoming a national problem.

In a recent high profile case an employee of a software vendor, who provided services to the three national credit agencies, sold customer information to identity thieves. At last report authorities knew of at least 30,000 victims and an estimated $2.7 million in losses.

Consider the number of consumer customers your business currently has and the much larger number of “customer files” that your business has established over the years and still maintains, whether in paper form, or in digital or other data-preservation formats, or both. In particular, think about the active files now “sitting around your offices” or in your computer’s “active files database.” Now consider how “safe” and “well-protected” that information is. Whatever your answer might be, the stated objectives of the safeguards rule are:

1. Ensure the security and confidentiality of customer information;
2. Protect against any anticipated threats or hazards to the security or integrity of such information; and
3. Protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.
Let’s review your security plan.

- **You must have a written information security plan.** This plan should “describe your program to protect customer information.” Depending upon your organization’s size and complexity, the plan could be as short as one or two pages or much, much longer. That is because the safeguards rule specifies that your program should be appropriate to your dealership’s “size and complexity, the nature and scope of its activities, and the sensitivity of the customer information at issue.”

- You must have designated the employee or employees who will coordinate your safeguards program. Ideally, the employee(s) should be identified in the plan, and, as personnel changes, you must be certain to always have one or more employees who are designated as the “safeguards” point person(s), and the employee(s) should know that he, she or they have been so designated.

- You must have identified and assessed the risks that must be addressed in safeguarding customer information in each relevant area of your organization’s operation and evaluate, and at reasonable intervals re-evaluate, the effectiveness of current safeguards for controlling these risks.

- You must have a program for monitoring the plan and the safeguards in place.

- You must have procedures for regularly checking the adequacy of the security you have established with respect to maintaining customer information.

- You must evaluate all aspects of your program from time to time, to make appropriate adjustments and to explain why you believed the adjustments were appropriate.

- **You must always select appropriate “service providers” and require them (by contract) to implement safeguards that are appropriate to their organization in protecting consumer information.**

In addition, the safeguards rule requires that you consider all areas of your operation, **with special emphasis on three critical areas: employee management and training; information systems; and managing system failures.**

In the FTC’s brochure that is cited in this bulletin, the FTC suggests the following practices be implemented. (Please refer to the actual FTC document on their website for complete content):

- **Employee management and training** - The success or failure of your information security plan depends largely on the employees who implement it.

- You will want to check references prior to hiring employees who will have access to customer information.

- You may want to ask every new employee to sign an agreement to follow your organization’s confidentiality and security standards for handling customer information.

- You will need to train employees to take basic steps to maintain the security, confidentiality and integrity of customer information, such as:
  - locking rooms and file cabinets where paper records are kept;
  - using strong passwords (at least eight characters long);
  - encrypting sensitive customer information when it is transmitted electronically over networks or stored online;
  - referring calls or other requests for customer information to designated individuals who have had safeguards training; and

- You will want to instruct and regularly remind all employees of your organization’s policy - and the legal requirement - to keep customer information secure and confidential. You may want to provide employees with a detailed description of the kind of customer information you handle (name, address, account number, and any other relevant information) and post reminders about their responsibility for security in areas where such information is stored – in file rooms, for example.

- You will want to limit access to customer information to employees who have a business reason for seeing it. For example, grant access to customer information files to employees who respond to customer inquiries, but only to the extent they need it to do their job.

- **Information systems** - Information systems include network and software design, and information processing, storage, transmission, retrieval, and disposal. Here are some suggestions on how to maintain security throughout the life cycle of customer information - that is, from data entry to data disposal:
  - Store records in a secure area. Make sure only authorized employees have access to the area. For example:
    - store paper records in a room, cabinet, or other container that is locked when unattended;
• store electronic customer information on a secure server that is accessible only with a password - or has other security protections - and is kept in a physically-secure area;
• don’t store sensitive customer data on a machine with an internet connection; and
• maintain secure backup media and keep archived data secure, for example, by storing off-line or in a physically secure area.

– Provide for secure data transmission (with clear instructions and simple security tools) when you collect or transmit customer information. Specifically:
  • if you collect information directly from consumers, make secure transmission automatic. Caution consumers against transmitting sensitive data, like account numbers, via electronic mail; and
  • if you must transmit sensitive data by electronic mail, ensure that such messages are password protected so that only authorized employees have access.

– Dispose of customer information in a secure manner. For example:
  • hire or designate a records retention manager to supervise the disposal of records containing nonpublic personal information; and
  • shred or recycle customer information recorded on paper and store it in a secure area until a recycling service picks it up, and promptly dispose of outdated customer information.

– Use appropriate oversight or audit procedures to detect the improper disclosure or theft of customer information.

• **Managing system failures – Effective security management includes the prevention, detection and response to attacks, intrusions or other system failures. Consider the following suggestions:**
  – Maintain up-to-date and appropriate programs and controls by:
    • following a written contingency plan to address any breaches of your physical, administrative or technical safeguards;
    • checking with software vendors regularly to obtain and install patches that resolve software vulnerabilities;
    • using anti-virus software that updates automatically;
    • maintaining up-to-date firewalls, particularly if you use broadband Internet access or allow employees to connect to your network from home or other off-site locations; and
    • providing central management of security tools for your employees and passing along updates about any security risks or breaches.
  – Take steps to preserve the security, confidentiality and integrity of customer information in the event of a computer or other technological failure. For example, back up all customer data regularly.
  – Maintain systems and procedures to ensure that access to nonpublic consumer information is granted only to legitimate and valid users.
  – Notify customers promptly if their nonpublic personal information is subject to loss, damage or unauthorized access.

In addition to this bulletin and the FTC article mentioned herein, if you are an auto dealer customer, the NADA publishes “A Dealer Guide to Safeguarding Customer Information.” This guide can be ordered via their online catalog at [www.nada.org/mecatalog](http://www.nada.org/mecatalog) or by telephone at 800-252-NADA, ext. 2 (Members: $25.00 and Nonmembers: $50.00).
The information provided herein should be used as general guidelines only. Only an attorney engaged in the active practice of law can give you the accurate legal advice you may need. So, please refer all questions to your attorney.

Americans with Disabilities Act overview

I. Who must comply
   a. Employers with 25 or more employees must comply, effective July 26, 1992.

II. Employment practices
   a. Employers may not discriminate against an individual with a disability in hiring or promotion if the person is otherwise qualified for the job.
   b. Employers can ask about one’s ability to perform a job, but cannot inquire if someone has a disability or subject a person to tests that tend to screen out people with disabilities.
   c. Employers will need to provide “reasonable accommodations” to individuals with disabilities. This includes steps such as job restructuring and modification of equipment.
   d. Employers do not need to provide accommodations that impose an “undue hardship” on business operations.

III. Public accommodations
   a. Auxiliary aids and services must be provided to individuals with vision or hearing impairments or other individuals with disabilities, unless an undue burden would result.
   b. Physical barriers in existing facilities must be removed, if removal is readily achievable. If not, alternative methods of providing the services must be offered, if they are readily achievable.
   c. All new construction and alterations of facilities must be accessible.

IV. Physical aspects of the workplace
   a. Employers should review access or path of travel to worksite, parking area, building entrance, hallways, steps, ramps, and elevators.
   b. Employers should review access to employer provided facilities such as washrooms, cafeterias and training rooms.
   c. Employers should review the workstation such as desks, telephones, computers, work processors, supply and copying rooms.

V. Employer checklist
   a. Qualification Standards
      1. Job descriptions should adequately describe the essential functions of the job.
      2. Recruitment/selection criteria should be job-related and consistent with business necessity.
      3. Employment skill tests should be job-related and necessary from a business standpoint.
      4. Employment skill tests should be offered uniformly to all applicants for a particular job.
      5. Employment skill tests should be modified for employees with disabilities when needed.
   b. Medical examinations
      1. No medical tests given before a formal job offer has been made.
      2. Post-offer medical exams require uniformity of all applicants for a particular job.
      3. HIV testing should be excluded.
   c. Inquiries regarding disabilities
      1. Information collected either on application forms, in job interviews, background or reference checks focus on applicant’s ability to perform the essential functions of the job, not on the disability.
      2. Questions about an applicant’s prior worker compensation history should be excluded at the pre-employment stage.
      3. Questions about HIV or AIDS should be excluded at the pre-employment stage.
   d. Reasonable accommodations
      1. Requests for reasonable accommodations should be documented, including a copy of the actual request, cost for accommodations and dates when each step occurred.
      2. Reasonable accommodations should be provided to qualified applicants or employees on a case-by-case basis, unless the employer can prove undue hardship.
      3. Reasonable accommodations not provided should have appropriate factors documented, including nature and cost of accommodations and the effect of the accommodation upon the operation.
   e. State disability laws
      1. Review state disability laws to determine if they are more stringent than the ADA.

The Department of Justice publishes the “ADA Guide for Small Businesses” and it is available to print or download from their website at www.ada.gov.
Discrimination and sexual harassment in the workplace: prevention starts at the top

Lawsuits alleging discrimination in the workplace more than tripled in the 1990s. These stories are in the newspaper and on the evening news almost daily. The most common complaints involve race, sex, disability and age. The uncertainty of today’s business climate, along with the downturn in the stock market, and, most importantly, layoffs, increases the likelihood of legal action. And your business can find itself in legal trouble even if you, the owner, did not make a conscious decision to discriminate against anyone in a situation involving a hiring, firing, or layoff.

Of critical importance is the need for you to consult with your legal counsel prior to implementing any policies, procedures or statements regarding discrimination or harassment in your workplace.

Owners and managers set the tone

What can businesses do to protect themselves from lawsuits alleging discriminatory work practices? The first step is to examine your company culture. Owners and managers set the example that most employees follow. Is it considered permissible for employees to tell insensitive jokes around the water cooler? If so, where do you draw the line? “Zero tolerance” regarding discriminatory behavior of any kind. This means everything from jokes and e-mail to hiring and firing policies. Management must be aware that employees watch them for cues as to what is allowed in the workplace and what is not. Never forget that actions speak much louder than words. Owners, managers, and supervisors must talk the talk and “walk the walk.” How easy would it be right now to prove that you condone harassment or a hostile work environment? If the answer is not “impossible,” there are steps you can take to protect yourself.

Buzzwords are important

“Diversity,” “sensitivity training,” and “politically correct” are popular buzzwords right now for good reason. These are the tools and rules being used by corporate America to promote harmony in the workplace, improve culture, and prevent legal action resulting from harassment and discrimination. It is the employer’s responsibility to write and issue a policy stating that discrimination and harassment in the workplace will not be tolerated. Managers must then be trained on how to implement and enforce this policy. They must learn the necessity for having a diverse workforce and how to be sensitive about an employee’s age, race, color, gender, and religious affiliations. Educating management and employees about equitable and fair treatment for everyone is critical. Managers should also be knowledgeable of state and federal statutes prohibiting employment discrimination including:

- Title VII of the Civil Rights Act of 1964 that prohibits employment discrimination on the basis of race, color, religion, gender, or national origin;
- The Age Discrimination in Employment Act of 1967, as amended (ADEA), which prohibits employment discrimination against individuals 40 years of age and older;
- The Equal Pay Act of 1963 (EPA), which prohibits discrimination on the basis of gender in compensation for substantially similar work under similar conditions; and
- Title I of the Americans with Disabilities Act of 1990 (ADA), which prohibits employment discrimination on the basis of disability in both the public and private sectors, excluding the federal government.

Start with a formal policy

A written policy prohibiting employment discrimination and harassment is a necessity. It forms the foundation for company culture and is the basis for management and employee training. While this list is not all-inclusive, some of the more common provisions in an antidiscrimination policy are:

1. Definitions of discrimination and harassment (available at the EEOC website located at www.eeoc.gov).
2. Declaration of a “zero tolerance” policy.
3. A list of persons within the company to whom employees must report discrimination.
4. Steps the company will take upon receipt of an employee complaint (investigations, etc.).
5. How the employee will be advised of the general outcome of the complaint.
6. Zero tolerance regarding retaliation.
Biggest mistakes made by employers
- Mishandling of claims or concerns expressed by employees.
- Failure to take action when the complaint is made.
- Reluctance to address issue.
- Failure to conduct a thorough investigation.
- Failure to take appropriate action against the alleged accused.
- Failure to document the investigation and actions taken and keep the records.
- Improperly dealing with the complaint.
- Use extreme caution when taking any action that could be considered retaliatory, particularly during or immediately after the investigation.
- Failure to keep employees informed.
- Failure to know employee and supervisor rights and responsibilities.
- Failure to have and then review antidiscrimination policies on a regular basis.

Written policies and reporting procedures help to protect employers
In two decisions issued by the U.S. Supreme Court the court described an “affirmative defense” that is available to employers in sexual harassment cases.

In the case of Burlington Industries Inc. vs. Kimberly B. Ellerth, Justice Anthony Kennedy wrote (for the majority):
“...When no tangible employment action is taken, a defending employer may raise an affirmative defense to liability or damages, subject to proof by a preponderance of the evidence. . . The defense comprises two necessary elements: (a) that the employer exercised reasonable care to prevent and correct promptly any sexually harassing behavior; and (b) that the plaintiff employee unreasonably failed to take advantage of any preventative or corrective opportunities provided by the employer or to avoid harm otherwise.”

In an article published in the June 29th edition of Business Insurance, Susan Mahallati Kysela, labor counsel for the National Chamber Litigation Center, Inc. in Washington was quoted as saying, “One important aspect of this case is that it is the first time that the court has placed a burden on the employee to come forward and complain about sexual harassment to the employer.” She also said, “The decisions also encourage employers to implement sexual harassment policies and to take steps to combat sexual harassment in the workplace. The affirmative defense is good for employers because it appears that employers that take action to prevent sexual harassment may not be held liable.”

These decisions are a warning to those companies that do not have and do not enforce harassment and discrimination policies. Ensure your business is complying with the law by:

1. Developing a policy addressing harassment and discrimination. HR policies must address all forms of discrimination and harassment, and not be limited strictly to sexual harassment. The policy also must include formal procedures (employees and management) for reporting harassment and discrimination.
2. Make sure employees are aware of and understand your policy. New employee orientation programs should include an introduction to the policy, how to report complaints, who to report them to. Employees should sign a form acknowledging receipt of the policy and training.
3. Managers should also receive specific training on what constitutes harassment and discrimination, how to handle employee complaints and what corrective actions are to be taken, including specific state laws with specific training requirements: Cal., Conn.
4. Compliance with your own policy is critical. It is important to point out that the Supreme Court also ruled (in the two cases mentioned earlier in this article) that an employer can be vicariously liable for its supervisor’s actions. Management must respond promptly, follow-up quickly and take corrective action as necessary.
5. Monitor the workplace for compliance with all policies and procedures. If your policy states that display of sexually explicit pictures is prohibited (and it should), these pictures shouldn’t be allowed anywhere in the business, including the service and parts departments.
Other thoughts
There are many areas of your business that require attention to detail and sound policies, including:

- Develop human resource policies – it is an excellent place to include a discrimination policy.
- Hiring, counseling (poor performance), performance evaluations, and termination policies must be documented and well understood by employees and management.
- Remember that sexual harassment is a form of sex discrimination.
- Ensure all alleged complaints reported to management are documented as part of your investigation process.
- Train, educate, and inform.

Training materials, and sample programs are available from a number of sources, including the NADA. Zurich offers a web-based, interactive CD-ROM zero tolerance discrimination training program to our customers. This program may help reduce your risk of sexual harassment and discrimination in your business. There are firms that specialize in human resource issues and offer training, legal advice and “1-800” telephone numbers for employee reporting.

Remember to consult with your own legal counsel regarding any actions you take regarding discrimination and/or harassment in your workplace.
Workplace substance abuse overview

I. Written substance abuse policy
   A. Let employees and applicants know that drug and alcohol use on the job or that affects job performance is not tolerated.
   B. Explain why you are establishing the policy (workplace safety, worker health, productivity, public liability).
   C. Express to employees what will happen if they violate the policy.
   D. State your position on drug testing and the consequences of a positive test result.
   E. Describe the responsibility of an employee with a drug or alcohol problem to seek and complete treatment.
   F. Identify company or community resources where employees with problems can get help.
   G. Make clear that participation in an employee assistance program is confidential and will not jeopardize employment or advancement, but that participation will not protect employees from disciplinary action for continued unacceptable job performance or rule violations.
   H. Explain thoroughly the policy to employees and have them acknowledge in writing that they have received and understand the policy.
   I. Be fair and consistent in applying the policy to all employees.
   J. Comply with all state and Federal laws and policies.

II. Employee education and awareness
   A. Implement an employee education and awareness program for new and current employees.
   B. Explain in writing your workplace substance abuse policy to employees.
   C. Inform employees on how drugs and alcohol actually affect the company's productivity, service quality, absenteeism and accident/loss costs.
   D. Explain drug testing procedures with special attention to the consequences of testing positive, and procedures for ensuring accuracy and confidentiality.
   E. Comply with all state and Federal laws and policies.

III. Starting a drug testing program – contact an attorney
   A. A drug testing program should meet the following, as a minimum:
      1. Statutory or regulatory requirements.
      2. Disability discrimination provisions.
   B. Before implementation, decide who will be tested.
   C. Determine when tests will be given. On a random basis? As part of a pre-employment program?
   D. Identify the drugs that will be tested.
   E. Determine frequency of tests.
   F. Decide before implementation, action to be taken if an applicant tests positive.
   G. Decide before implementation action to be taken if an employee tests positive.
   H. Determine what tests you will use and what procedures you will follow.

Be sure your drug testing program is fair, accurate and legally defensible. Remember, it should be undertaken only as part of a comprehensive drug-free workplace program.

Note: Consult with a lawyer about drug testing before implementing any drug testing policy.
Wrongful termination overview

I. Pre-employment interview
   A. Make it understood to the applicant employment will be on an "at will" basis and that no one in the company is authorized to make exceptions.
   B. Review with applicant work rules, policies and safety program.
   C. Discuss the job description with the applicant and ensure the job requirements are understood.
   D. Ensure applicant understands eligibility for benefits and what benefits they will receive.

II. Compliance with public policy
    A. Know and comply with specific regulations applicable to your business.
    B. Ensure all violations of public policies/regulations are reported to management.
    C. Never ask, suggest, direct or order an employee to engage in illegal conduct or activity.

III. Performance reviews
     A. Implement a regular schedule, such as, annual performance reviews.
     B. Ensure that all employees know and understand performance standards of their job.
     C. All employees should be treated equally and fairly when evaluating employee performance.
     D. Discuss and document all performance problems with employees. Ensure management reviews all disciplinary actions.
     E. When doing performance reviews, ensure employees understand their review by asking them to sign the review form.

IV. Termination
    A. Discuss the dismissal in advance with only the appropriate people to review all facts, including discipline actions of other employees under similar circumstances.
    B. Ensure the discharge is because of a lawful reason that can be proved, especially if a similar circumstance did not result in discharge.
    C. If it cannot be proved, then it is best to set a precedent and inform all employees that such circumstances will result in future discharge.
    D. Conduct the termination in a business manner and have all important documents, such as:
        1. Specific business-related reasons for the discharge
        2. Previous written warnings on performance
        3. Severance policy and termination benefits
        4. Checklists for return of company materials
    E. Have another member of management present to witness reactions of the discharged employee and to ensure all termination policies are followed.
Safety orientation

A professional management approach to employee orientation is a systematic and a sound substitute for trial and error learning and hit-and-miss instruction. The foundation of all orientation activity is planning. Planning includes designing to the particular training needs of employees, both individually as well as in a group. These needs should be determined by a careful check of the requirements of specific jobs in comparison with expected job performance. Each job function should be defined in terms of duties and responsibilities, quality of work expected and mistakes and errors to be avoided.

The goal of effective training is to reduce and eliminate unsafe acts. This training should begin the day the employee is hired. First impressions are critical; therefore, it is essential to start employees with a positive attitude toward safety.

Employee orientation

A successful orientation process has two basic phases and both should be completed before the new employee actually begins working. They are:

General orientation
Job orientation

General orientation

Objectives of this training include a firm understanding of the company’s loss prevention philosophy, compliance with company rules and all pertinent regulations, and general familiarity with your business.

Job orientation

The training in this phase is the department manager’s opportunity to ensure the employee starts off on the "right foot." Managers should train employees on safe operating practices in doing their assigned job, explain all hazards of the job and provide proper protective equipment to avoid personal injury or illness.

As an aid to ensure that all appropriate information has been presented, an employee orientation checklist should be used and signed by the employee. This checklist should be maintained in the individual personnel files.

An effective employee training effort increases worker skill, satisfaction, and motivation. The results are increased productivity, reduced absenteeism, fewer on-the-job injuries, lower incidence of worker sabotage and less employee turnover. A successful employee training program is a critical component of an organization’s loss prevention program.
The information provided herein should be used as general guidelines only. Only an attorney engaged in the active practice of law can give you the accurate legal advice you may need. So, please refer all questions to your attorney.

Safety orientation checklist

Employee Name:______________________________________ Date:_____________________

Job Title:_______________________________Department:_____________________________

1. Explain the function and responsibility of the department in which the employee works.
2. Verify necessary employment background information in accordance with local, state, and federal laws.
3. Obtain approved motor vehicle record (MVR) in accordance with local, state, and federal laws.
4. Discuss company loss prevention policy and safety regulations.
5. Explain accident reporting procedures.
6. Location of first aid and eyewash stations.
7. Explain emergency evacuation procedures and routes.
8. Explain smoking regulations in department.
9. Location of fire extinguishers and fire fighting procedures.
11. Provide required personal protective equipment and train how to use.
   a. Eyewear
   b. Respiratory
   c. Hearing
12. Explain hazards associated with other departments.
13. Discuss housekeeping requirements for assigned workplace.
14. Explain facility inspection program to identify and correct hazards.
15. Discuss the electrical lockout - tagout program for department equipment.
16. Explain facility security procedures and systems.
17. Eye protection should be worn when grinding, cutting or welding.
18. Proper footwear and clothing should be worn.
19. Explain "safe lifting" techniques and discuss material weight limits.
20. Demonstrate use of available material handling aids/devices.
21. Explain electrical grounding protection of power tools and equipment.
22. Discuss vehicle exhaust system.
23. Explain proper use and storage of flammable liquids/materials.
24. Discuss proper safeguards for welding and cutting.
25. Demonstrate designated test drive route and explain procedures.
26. Explain key control for owned and customer vehicles.
27. Discuss proper use of hand/power tools and equipment.

I have received and understand orientation & training on the subjects stated above.

__________________________________        __________________________________
Employee signature    Manager signature
The information provided herein should be used as general guidelines only. Only an attorney engaged in the active practice of law can give you the accurate legal advice you may need. So, please refer all questions to your attorney.

Safety committees

Safety and health committees are being used with greater frequency than ever before as an effective means to control losses. These committees assist management in matters of safety and health as they relate to operations. A successful committee has a defined purpose and has management’s support in carrying out its assigned responsibilities.

The focus of a safety committee is to reduce losses. The committees can be set up to fulfill the following basic functions:

I. Monitor implementation of safety policies and communicate activities of the committee to employees and managers.
II. Conduct regular inspections to identify unsafe acts and conditions.
III. Submit recommendations to correct identified hazards or deficiencies.
IV. Identify the safety training needs of employees.
V. Review accidents to determine causes of loss and make recommendations to prevent recurrence.

In establishing the committee, management should define: policies and procedures to be developed; role of participants; meeting format and commitment to schedule. An effective safety committee can contribute to reducing losses.

Policies and procedures should be developed that describe the committee’s limit of authority, meeting frequency, attendance requirements and recordkeeping. The ideal committee size is five to seven and should be represented by as many departments as possible. The designated person should always be the committee chairperson. You or the manager should attend as many of these meetings as possible to show support for the program and to monitor the activities of the committee.

Suggested meeting agenda as follows:

I. Meeting called to order.
II. Read minutes of previous meeting.
III. Discussion of old business.
IV. Review accident investigation reports.
   A. Determine causes
   B. Corrective action
   C. Approval by group
V. Review of accident experience.
   A. Number of total losses/claims
   B. Comparison to previous years
   C. Trends developed
VI. Comments by management.
   A. Response to committee suggestions for corrective action
   B. Operational changes that affect safety
VII. New business.
VIII. Adjournment.
# Safety committee minutes

Date of committee meeting: ___________________________  Time: ________________
Minutes prepared by: _______________________________  Location: ____________

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Previous action items:____________________________________________________________________________
_________________________________________________________________________________________________

Review of accidents since previous meeting: __________________________________________________________
_________________________________________________________________________________________________

Recommendations for prevention: ___________________________________________________________________
_________________________________________________________________________________________________

Recommendations from anonymous employees: __________________________________________________________
_________________________________________________________________________________________________

Suggestions from employees: ______________________________________________________________________
_________________________________________________________________________________________________

Recommended updates to safety program: _____________________________________________________________
_________________________________________________________________________________________________

Recommendations from accident investigation reports: ________________________________________________
_________________________________________________________________________________________________

Safety training recommendations: __________________________________________________________________
_________________________________________________________________________________________________

Comments: ______________________________________________________________________________________
_________________________________________________________________________________________________
Accident investigation

An accident investigation program should be established on the belief that all accidents have causes and if these causes are addressed, similar accidents can be prevented. Accident investigations are conducted in order to:

I. Analyze an accident or "near miss" to determine cause.
II. Identify loss-producing exposures.
III. Develop corrective measures.
IV. Prevent recurrence.
V. Improve efficiency.

An accident investigation should be performed by the manager responsible for the area where it occurs. The manager is responsible for filling out the accident investigation form completely, identifying causes, and addressing recommendations. The investigation should be conducted using the following guidelines:

I. Investigation should be completed within 24 hours of the accident.
II. Prevention of recurrence should be paramount; placing blame should not be an issue.
III. Interview the employee(s) involved as soon as possible.
IV. Put the employee at ease; allow them to give their version of the accident without being interrupted.
V. Ask appropriate questions but avoid putting the employee on the defensive by asking any "why" questions.
VI. Close the interview by stressing that prevention of similar accidents is the primary reason for the accident investigation.
Sample instructions for completing the accident investigation report

An accident investigation is not designed to find fault or place blame but is an analysis of the accident to determine causes that can be controlled or eliminated.

(Item 1) Identification: This section is self-explanatory.

(Item 7) Nature of injury: Describe the injury, e.g., strain, sprain, cut, burn, fracture.

Injury type: First aid - injury resulted in minor injury/treated on premises; medical - injury treated off premises by physician; Lost time-injured missed more than one day of work; No Injury - no injury, near-miss type of incident. Part of the body part of the body directly affected, e.g., foot, arm, hand, head.

(Item 8) Describe the accident: Describe the accident, including exactly what happened, and where and how it happened. Describe the equipment or materials involved.

(Item 9) Cause of the accident: Describe all conditions or acts which contributed to the accident, i.e.
   a. unsafe conditions - spills, grease on the floor, poor housekeeping or other physical conditions.
   b. unsafe acts - unsafe work practices such as failure to warn, failure to use required personal protective equipment.

(Item 10) Personal protective equipment: Self-explanatory.

(Item 11) Witness(es): List name(s), address(es), and phone number(s).

(Item 12) Safety training provided: Was any safety training provided to the injured related to the work activity being performed?

(Item 13) Interim corrective action: Measures taken by supervisor to prevent recurrence of incident, i.e., barricading accident area, posting warning signs, shutting down operations, etc.

(Item 14): Self-explanatory.


(Item 16) Follow-up: Once the investigation is complete, the safety coordinator shall review and follow-up the investigation to ensure that corrective actions recommended by the safety committee and approved by the employer are taken, and control measures have been implemented.
Sample accident investigation report

Name: _____________________________ Address: ______________________________

1. Name of injured: ____________________________________________ S.S.#: ______________________

2. Sex [ ] M [ ] F Age: __________

3. Time of accident: _____ a.m. _____ p.m. Date of accident: _________________________________

4. Employee’s job title: __________________________________________

5. Length of experience on job: _____ (years) ____ (months)

6. Location where the accident occurred: _______________________________________________________

7. Nature of injury, injury type, and part of the body affected: ____________________________________

8. Describe the accident and how it occurred: ___________________________________________________

9. Cause of the accident: __________________________________________________________________

10. Was personal protective equipment required? [ ] yes [ ] no  Was it provided? [ ] yes [ ] no  Was it being used? [ ] yes [ ] no  If "no," explain. __________________________________________

   Was it being used as trained by supervisor or designated trainer? [ ] yes [ ] no
   If "no," explain. __________________________________________

11. Witness(es):

    ________________________________________________________________

12. Safety training provided to the injured? [ ] yes [ ] no  If "no," explain.

13. Interim corrective actions taken to prevent recurrence: ________________________________________

14. Permanent corrective action recommended to prevent recurrence: ________________________________

15. Date of report ___________________ 20____

Prepared by: ________________________________________________________________

Manager (Signature) _____________________________________________ Date: _______________________

16. Status and follow-up action taken by designated person:

   ________________________________________________________________

   ________________________________________________________________

Designated person (Signature) _____________________________________________ Date: _________
Return to work program

You can reduce workers compensation costs while improving employee productivity. How? Use a return to work program to help minimize the time an injured employee is away from work.

Developing a return to work program is not a quick fix. It requires a commitment to build and use a program. You need to involve your employees. Put process in place. But the rewards for your business can more than repay your efforts.

Why you would want a return to work program?

Of course, you want to save money on the rising workers compensation costs. You also want to protect and retain great employees. Some benefits to you include:

- Reduce your workers compensation costs.
- Improve employee productivity.
- Improve morale for all employees – not just those who are injured.
- Change the mindset of employees. “Off work” does not have to mean off work for a long period of time.
- Retain valued employees.
- Show an injured employee that people care.

How it works:

- A physician places restrictions on what an injured employee can do during recovery.
- The employee performs an alternative work assignment that fits within restrictions.
- As restrictions are lessened, the employee is able to perform different tasks.
- Restrictions are lifted and the employee is able to assume his or her regular job.

Zurich return to work program gives you all the details including answers to:

- What are appropriate work assignments?
- Can I really bring an injured employee back to work before they’re completely well?
- Where do I start to develop a program?
- What do I tell employees? When?
- How do I get the treating doctor on board?
- What should my return-to-work policy statement look like?

Zurich return to work program was developed for our workers compensation customers to help contain the rising cost of this critical employee benefit. Contact your local Zurich account executive for all of the details about this exciting new product.
Employee motivation and incentives

An active and effective safety program is a necessity that can prove beneficial. However, even within a comprehensive safety program breakdowns can occur. Unfortunately, safety can take a back seat due to distractions and boredom. An incentive program can be used as an additional tool to enhance safety efforts.

A well structured and implemented incentive program benefits both the employees and the employer. A reduction in accident frequency and severity provides an economic benefit to your business. An incentive program can also increase employee morale both on and off the job.

The following are some items to consider when establishing an incentive program.

- A survey of the employees to determine their attitudes towards an incentive program. It should include how incentives are to be given out; who should get them; and what activities are to be used (safety suggestions, accidents, driving record, etc.).
- You should assume an active role in the program.
- Involve a variety of people in the planning process.
- Establish clearly defined, realistic goals, but don’t make them too easy.
- Avoid establishing a program that would encourage employees not to report accidents.
- Consider using a frequency or incident rate in the incentive program.
- Review your loss history to determine a rate but go back far enough to provide an accurate reflection of actual performance.
- Awards must be worth the effort in order to be effective.
- Care should be used when money is part of the incentive program, once spent there is little "evidence" of the success.
- Emphasize recognition and positive reinforcement in the program.
- Reinvesting a portion of the "safety" savings into the program is a cost effective method of keeping the program "fresh" and ongoing.
- Post a bulletin board showing number of days without lost time injury/accident in the workplace.
- Conduct lunch meetings (pizza, etc.) with employees to discuss injury/accident record and ways to promote safety.

A word of warning, a safety incentive/motivation program is not a panacea for an ineffective safety effort. It should be used to enhance safety efforts that are already in place.
Auto dealer target exposures
Binding Arbitration

Auto dealers engage in risky activities every day. Plaintiffs’ lawyers, and especially class action plaintiffs’ lawyers, have discovered how attractive auto dealers (and the deep-pocket finance companies that buy the dealers’ financing contracts) can be as defendants. Companies with 15 to 100 employees, the size of the typical dealership, are the most commonly sued businesses today.

Why binding arbitration? Because it offers dealers numerous benefits:

- Privacy is perhaps the most important. The process is private in all jurisdictions.
- On average, binding arbitration awards are similar to jury awards, but the risk of an outrageous award is much lower.
- Decisions are rational, professionals make decisions. There are no juries in binding arbitration cases.
- The decisions are final or restricted by the binding arbitration agreement.
- It’s faster and delays are eliminated. On average, binding arbitration cases are resolved in less than nine months; the average civil case takes over two years.
- It’s less expensive. Arbitration costs can run 15 to 20 times less than resolving a similar dispute through the court system.

How does binding arbitration work?

- To begin a binding arbitration claim, one party completes a binding arbitration claim form, files it with the arbitration administrator and pays a filing fee, if any. The other party responds.
- In some systems, the parties can have a document hearing. This means an arbitrator studies the documents submitted by each party, makes a decision and issues an arbitration award.
- Or the parties could opt for a participatory hearing where each party submits evidence and appears before an arbitrator who studies the evidence, makes a decision and issues an arbitration award.
- The binding arbitration decision or award is legally enforceable by the courts.

How can Zurich help me?

Zurich’s new turn-key binding arbitration program provides dealers an alternative to the current court system to resolve disputes. Zurich worked with automotive industry and legal experts to develop a binding arbitration program. The program was designed with the interests of all involved parties, from the financial institutions to the dealer and consumer, in mind. The program is more than just recommended arbitration language. It is thorough and provides best practice guidelines and procedures for properly implementing binding arbitration into a dealership.

Where can I get more information on this program?

This program, including a comprehensive installation kit, is available only to Zurich customers. Contact your local Zurich Account Executive for all of the details about this exciting new product.
Spot deliveries

“Spot deliveries” are an exposure unique to the retail automotive business. Many losses have occurred after a car has been released to a customer under the pretense of being a spot delivery. It is easy to be fooled into delivering a vehicle to an unscrupulous “buyer” as evidenced by the following examples.

A couple entered a dealership to look at a new Toyota Landcruiser. They take it out for a test drive and decided to buy it. Although they didn’t have a trade-in, they did have $1,500 for a down payment. The credit bureau report showed an excellent credit rating. The dealership “spotted” the vehicle to the couple. When the dealership tried to contact the couple to inform them that the financing had been approved, the people denied buying a car. It turned out the “buyers” were using stolen identification. Amount of loss - $40,000.

A 20 year old came into a dealership looking for a car. She had a trade-in with a negotiable title, her credit check was good and she provided a proof-of-insurance card. Based on this information, the dealership spot delivered the vehicle. Before the financing could be approved, she was involved in a fatality accident. As it turns out, her insurance was a 7-day binder for physical damage only and there was no liability coverage.

In both of these examples, a loss could have been avoided if the dealership had done a few basic checks. In the first example, the dealership did not confirm the couple’s identity. Employment, home phone number and permanent address should have been verified. “Red flags” on the application were ignored. The birth dates did not match those on the drivers’ licenses, and they listed working in one state and living in another. In the second example, the dealership did not verify the insurance coverage with the buyer’s agent - a critical step, especially on younger customers.

The following checks may reduce your exposure to liability if undertaken prior to spot delivering a vehicle; however, you should always seek the advice of legal counsel before implementation:

- Be wary of a customer who is overly anxious to take possession of a vehicle before the financing is approved. He or she may be more interested in simply obtaining the vehicle, not purchasing it.
- Upon obtaining the advice of your dealership legal counsel, you might have the customer sign:
  - Conditional Delivery Agreement - This states the date the car is to be returned if the financing is not approved.
  - Verify the customer is who he or she claims to be.
    1. Get a photocopy of their driver’s license, where allowed by law.
    2. Call their place of business and verify employment.
    3. Verify their permanent address.
    4. Determine that the probability of financing is good. Run a credit bureau check, where allowed by law.
  - Make sure the customer has proper security, such as:
    1. A trade-in with a negotiable title;
    2. A cash down-payment;
    3. A check where the funds can be verified. Accept no post-dated checks.
  - Verify insurance coverage for physical damage and liability or have the customer bring in a 30-day binder from a local agent.
  - Use common sense. Thoroughly check out any red flag such as: information given on the application that does not match up; or no title on a trade-in.
  - Be cautious with young, inexperienced drivers.
  - Spot deliver cars to regular/repeat customers only.
  - Develop and use a dealer checklist as a guide for employees to make sure all appropriate steps have been taken. (See attached “New Car Sales Checklist”).
Conditional purchase agreement

____________________, the undersigned Customer (“Customer”), agrees to purchase from
____________________, the undersigned Dealer (“Dealer”), the following described vehicle:

____________________________________________________________________________________

(YEAR) (MAKE) (MODEL) (VIN) (DEALER STOCK NO.)

Customer intends to finance the purchase of Vehicle. At Customer’s request and for Customer’s convenience, Dealer
agrees to the immediate delivery of Vehicle, permitting Customer to use Vehicle while financing, satisfactory to Customer,
of the unpaid cash balance of the purchase price is obtained. Customer hereby accepts delivery and the terms and
conditions set forth below. Customer agrees to seek financing in good faith and with due diligence. Customer further
agrees to provide Dealer with proof of motor vehicle insurance with minimum financial responsibility limits, if applicable by
state law.

Unless financing is obtained and the purchase consummated by __________ , 20_____ (the “Completion Date”),
Customer agrees to return Vehicle to Dealer by 6:00 PM on Completion Date.

Customer further agrees that he/she shall indemnify Dealer against all damage to Vehicle as well as any loss of whatsoever
kind, arising out of the use of Vehicle after delivery to Customer (Customer’s Liability for Use).

At any time before satisfactory financing of Vehicle is obtained and the purchase consummated, and in addition to, and
not in lieu of, the exercise of any other legal or equitable remedies which Dealer may have, Dealer retains the right to do
any of the following:

1. To retake possession of vehicle without judicial process, and, for this purpose, to enter upon the
   premises where Vehicle may be located and remove it.

2. To retain from any down payment or the net proceeds of the sale of any trade-in an amount equal to:
   (i) the Customer’s Liability for Use, and (ii) the expenses arising out of the enforcement of this
   Agreement, including reasonable attorney’s fees.

Subject to the foregoing, upon return of Vehicle, all deposits, down payments, and trade-ins, if any, shall be refunded to
Customer. Nothing contained in this Agreement is intended to require Customer to purchase Vehicle, and Customer may
return Vehicle at any time prior to the Completion Date, subject only to Liability For Use.

Accepted and agreed to this _____ day of __________________, 20_____.

Signed and Copy Received:   ___________________________________

Customer

___________________________________

Dealer
New car sales checklist

The purpose of this form is to assist you in making a sound business decision regarding the approval of a spot delivery. The sales manager must review the deal to see that the following procedures have been completed and they must sign off that they agree that the spot delivery is a good business decision.

Customer______________________________________________________________________
______________________________________________________________________________
(Year)  (Make)  (Model)   (VIN)  (Dealer Stock #)

Yes/No

_____ 1. The customer has signed and initialed the Supplement to Purchase contract in all appropriate areas including the conditional delivery agreement. The contract has been explained to the customer and the customer has been given a copy of the contract.

_____ 2. A copy of the driver’s license is on file.

_____ 3. Place of employment has been verified by calling the employer.

_____ 4. Permanent address has been verified.

_____ 5. Credit history has been checked through a credit bureau and the sales manager agree the buyer is a good credit risk. Sales Manager’s Initials:_________

_____ 6. Customer has proper security, such as: (check the one which is applicable)

______ Trade in with negotiable title
______ A cash down payment
______ A check with verified funds (bank has been called to verify funds).
No post dated checks.

_____ 7. Insurance coverage has been verified for physical damage and liability or have the customer bring in a 30 day binder from a local agent.


The sales manager must sign off indicating the above listed concerns have been properly addressed during the sales process.

Date:__________________________  Sales Manager Signature:_____________________

This form is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs as well as to ensure your compliance with all legal requirements.
Customer trade-in certification & damage/title disclosure

Selling a used vehicle without disclosing prior damage, or with an inaccurate odometer, can cause big problems for dealers. Obtaining a signed statement from the customer who is trading in their used vehicle is critical. Most important are the dealers cash basis and value of the trade-in; it is good business to know exactly what the vehicle is worth. It is obvious that a salvage vehicle, or one with 160,000 as opposed to 60,000 miles, is worth less to you. The problem is compounded if the dealership turns around and sells it to a consumer. Consumer protection laws may hold you responsible for knowing the true facts, so it is time well spent to investigate.

The first place to begin an investigation is a title search. Many states have data bases that can be researched to determine the past history of the vehicle. If this information is not available in your state, there are vendors available that can perform title searches at a very reasonable cost.

One of the best methods for documenting due diligence in trying to determine the past history and present condition of a vehicle, is having the customer fill out and sign a disclosure form. The form should include as a minimum:

- Customer’s name
- Year, make, model & VIN #
- Declaration that vehicle is NOT a salvage or a former police, fire or taxi vehicle
- Statement verifying odometer mileage and the odometer is in good working order
- Certification that none of the following conditions are present:
  ✓ welded or bent frame
  ✓ welded or bent chassis
  ✓ motor or cylinder head(s) cracked, welded or repaired
  ✓ airbag has been deployed
  ✓ if airbag was replaced, it was OEM equipment
  ✓ emissions or exhaust systems modified or removed
  ✓ prior damage from accident, hail, theft, vandalism or other causes
- Statement accepting financial responsibility for undisclosed liens, incorrect payoff information or hidden deficiencies

There is no substitute for a thorough inspection of the vehicle by a qualified person. Look for obvious prior damage and signs of less noticeable damage. Remember that you, as the dealer, will be held up as the “car expert” and may be held responsible for disclosing all prior damage whether you had direct knowledge or not.

A sample Customer Trade-In Certification and Damage/Title Disclosure form follows this introduction. It can be used to develop one of your own. Always consult legal counsel to ensure that your form meets federal, state and local laws and regulations.
Customer trade-in certification & damage/title disclosure

TO: ____________________________________________________________

(Name of Dealership)

I, _________________________________________ declare/acknowledge the following information with reference to the following described vehicle:

_________________________ (Year)

_________________________ (Make)

_________________________ (Model)

_________________________ (Vin #)

The said vehicle is being traded with a Certificate of Title, not bearing a “TITLE BRAND,” indicating the vehicle was previously used as a police, fire, or taxi vehicle; a brand indicating the vehicle is a “flood” or “salvage” vehicle; any other brand which would cause a decrease in the value of such vehicle, due to its prior use or condition, including a notation that the mileage as reflected on such title document is not the actual mileage on the vehicle. The odometer on this vehicle is in good working order and has not been damaged, altered, reset or replaced.

I also certify that said vehicle does not have a welded or bent frame or chassis and the motor block and cylinder head(s) is/are not cracked, welded or repaired. The present engine in the vehicle is the one originally installed by the vehicle’s manufacturer. The said vehicle has not ever been involved in a flood or a flood-like condition, and I have not modified or removed any emissions or exhaust system parts. To my knowledge the vehicle has not been involved in any accident or collision, has not suffered any hail damage, has not been stolen, vandalized, involved in a flood or a flood-like condition, or otherwise damaged. If so, any prior damage, no matter how minor, will be disclosed on a separate and attached document.

I further certify that the airbag has not been deployed or replaced. If the airbag has been deployed, it has been replaced with original equipment from the manufacturer. The said vehicle’s restraint harness system (lap and shoulder belts) have not been altered, removed or disabled.

I agree I will be solely responsible for all damages, losses, expenses or fees incurred by ________________ in the event I misrepresent payoff information and/or have undisclosed liens that would delay or restrict ________________ from obtaining title to said vehicle and I also agree to be solely responsible for and will indemnify ________________ for any additional hidden deficiencies that impair the value of the trade-in vehicle.

I have read and acknowledge understanding of the above disclosure.

Date:____________________________  (Signed)___________________________________

This form is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs as well as to ensure your compliance with all legal requirements.
Employee dishonesty

Employee dishonesty losses are a major cause of business failures. It is estimated that 30% of all such failures are due to embezzlement. It is unfortunate that you cannot trust all people with your money, but you can protect yourself by being aware of money theft opportunities that may exist in your dealership. If you are having internal losses of this type, evaluate the employees who have access to cash, checks and other currency. Be aware if these employees never take vacations or if their lifestyle changes suddenly. The following guidelines can assist you in preventing losses.

Petty Cash:
- Appoint controller/office manager as custodian of account.
- Limit the amount of funds and amount of withdrawals.
- Document withdrawals with vouchers and ensure they are completed and signed in ink.
- Withdrawal vouchers must also have manager’s signature of requesting department.
- Controller/office manager should reconcile the fund on a regular basis (daily, monthly).
- The fund should never be used for cashing checks or cash advances of any type.
- The owner/general manager should randomly check the fund for shortages.

Cash Receipts:
- A background report (criminal, previous employment, credit, character, etc.) or similar check should be performed on all employees who will handle cash transactions.
- Cash transactions should be handled by the cashier and a separate employee should post the transactions to the journal.
- The employee in the office who reconciles the bank deposits should not handle cash transactions, including writing checks.
- Cash transactions should not be completed without a receipt and the controller/office manager should keep a control log of numbered receipt books issued out.
- Limit number of voided receipts and ensure they are approved by controller/office manager.

Checks:
- The owner/general manager should randomly open and review dealership mail.
- All incoming checks should be made out to the dealership and stamped for “Deposit Only.” Instruct banks to never cash dealership checks.
- The dealership should not cash personal checks under any circumstances.
- All outgoing checks should made out to payee. Do not make checks out to “cash.”
- Blank checks should never be signed in advance.
- Store blank checks in a locked safe.
- Discontinue use of facsimile signature on outgoing checks.
- The employee delivering payroll checks to employees should be different than the person completing the payroll.
- The owner/general manager should look for missing checks and verify checks against journal entries unannounced and on a random schedule.
- All cash receipts, checks and currency should be kept in a locked safe until deposited - not in a desk drawer or cabinet.

Credit Cards:
- Establish a limit of type and number of cards accepted. Post this information in the appropriate departments in public view.
- Establish and enforce acceptable credit limits per customer.
- Approval of purchases over limits should be approved by owner/general manager.
- Limit the number of credit card imprinters and limit use and access to authorized persons only.

Bank Deposits:
- A designated runner should be the only person allowed to pick up the monthly bank statement and deliver it directly to the owner/general manager for review. Another option is for the bank statement be mailed direct to owner/general manager’s home address.
- The employee responsible for making up the daily bank deposit should be different than the employee assigned to deliver the deposit to the bank.
- The actual bank deposit should be reconciled to the prepared deposit slip by a separate employee on a daily basis to ensure deposits are correct.
- The controller/treasurer should randomly assist the person who normally prepares the bank deposit. This should be done on a monthly basis.
• The employee who maintains the cash receipts journal and prepares the bank deposit should be required to complete daily accounting tasks before leaving the dealership for the night.

A certified public accountant (CPA) should routinely review the books of accounts every thirty (30) days to ensure that transactions are entered and posted daily and that the books are up to date and reconcile. An outside audit should be performed annually. Both types of audits should be on an unannounced random schedule.

Inform all employees who handle cash, credit, checks, and other currency that their records will be audited on an unannounced random schedule.
Key control management

Each year automobile dealers are faced with the ever increasing cost of vandalized, damaged and stolen inventory because they do not have satisfactory Key Control policies. The most costly property crime in the U.S. is vehicle theft. According to the National Insurance Crime Bureau, 1,192,809 motor vehicles were stolen in 2006 at an estimated value of over $7.9 billion.

Key Control, simply defined, is a system to control access to and monitor the use of keys for new and used inventory, and customer-owned vehicles. A good key control program not only provides the mechanism for key security, it also defines responsibilities for those directly in contact with vehicle keys. It should enable the dealer to quickly ascertain who was the last person to have had possession of a set of keys and for which car. The minimum requirements for a Key Control Program are:

- Written responsibilities for one or more trusted employees accountable for the keys
- A procedure for inputting new inventory keys into the system immediately
- Key security that assures that keys will be tracked by some method
- Daily key inventory
- Keys must be removed from all unattended vehicles
- Secure vehicle keys during test drives. Sales staff should never exit the vehicle without keys in hand.
- Secured customer vehicle keys
- Limit access to key cutting apparatus, keep a log of the serial # and who requested it
- Employee training
- Program audits

There are a number of different methods for assuring key control in the dealership. Active management of the key control system is the essential element of any program. The following are brief outlines of our recommended “Best Practices” for new and used inventory:

**Automated Systems**

- Obtain automated key dispensing machine
- Assigned responsibility for Key Control Program
- Individually assigned personal ID codes to each salesperson, manager, etc.
- Daily key management reports to General or Sales manager (“Key-Out” reports)
- Daily reconciliation of all keys using key management report
- Second set of keys (new inventory) secured with new car packages in different location
- Limited access and control of dealer tags
- Limit access and assign responsibility for key cutting apparatus

**Inventory Manager**

- Assign responsibility for Key Control Program
- Delegate responsibility for keys to a Key Custodian or Inventory Manager
- Establish area for key storage, access limited to authorized individuals
- Keep only one set of keys on the key boards, other sets secured in separate location
- Maintain a permanent log for checking keys out and in
- Log should include name, stock #, date, and time out and in
- Daily Key Management report to General or Sales Manager (“Key-out” reports)
- Daily reconciliation of all keys using key management report
- Limited access and control of dealer tags
- Limit access and assign responsibility for key cutting apparatus
New/Used Car Manager as Key Custodian

- Assign responsibility for Key Control Program
- Delegate responsibility for keys to a Key Custodian each shift or as necessary
- Provide locking key cabinets and secure overnight
- Limit access to key boards and remove from public view as much as possible
- Keep only one set of keys on the key boards, other sets secured in separate location
- Maintain inventory card on key board behind keys, so that missing keys can be spotted at a glance
- Maintain a permanent log for checking keys out and in
- Log should include name, stock #, date, and time out and in
- Daily Key Management report to General or Sales Manager
- Daily reconciliation of all keys using key management report

Receptionist as Key Custodian

- Assign responsibility for Key Control Program
- Delegate responsibility for keys to a Key Custodian each shift or as necessary
- Provide locking key cabinets to be installed behind receptionist desk
- Limit access to key boards, remove from public view and secure overnight
- Keep only one set of keys on the key boards, other sets secured in separate location
- Maintain a permanent log for checking keys out and in
- Log should include name, stock #, date, and time out and in
- Daily Key Management report to General or Sales Manager
- Daily reconciliation of all keys using key management report
- Limit access and control of dealer tags
- Limit access and assign responsibility for key cutting apparatus

Customer service areas, paint and body shops are often overlooked when key control programs are developed. The dealership can lose a valued customer when forced to call and tell them, “We’re sorry, but we lost your car.” These are two recommended programs for managing and securing keys in the customer service areas.

Dispatcher as Key Custodian – Customer Vehicles

- Assign responsibility for Key Control Program
- Delegate responsibility for keys to a Dispatcher/Key Custodian for each shift
- Establish secure area for Dispatcher, access limited to authorized individuals
- Keys should never be left in unattended vehicles
- Provide key cabinets to be installed within Dispatcher’s secured area
- Limit access to key boards, remove from public view and secure overnight
- Delegate responsibility for assigning service work and keys to technicians
- Dispatcher maintains records indicating date, work order # and technician name
- Technicians only assigned one work order or set of keys at one time
- Technicians should not be assigned more work until keys are returned to Dispatcher
- Dispatcher completes work order and sends keys and paperwork directly to cashier
- Cashier should have secure area for keys until picked up by customer
- This process ensures a “chain of custody” for customer keys
Service Manager/Service Writer as Key Custodian – Customer Vehicles

- Assign responsibility for Key Control Program
- Delegate responsibility for keys to the Service Writer
- Provide locking key cabinets
- Limit access to key boards, remove from public view and secure overnight
- Keys should never be left in unattended vehicles
- Delegate responsibility for assigning service work and keys to technicians
- Service Writer maintains records indicating date, work order # and technician name
- Technicians only assigned one work order or set of keys at one time
- Technicians will not be assigned more work until keys & work order are returned
- Service Writer completes work order and sends keys and paperwork to cashier
- Cashier should have secure area for keys until picked up by customer
- This process also ensures a “chain of custody” for customer keys
Inventory control

An effective inventory control system can help to prevent theft losses of vehicle and parts. However, the success of such programs depends on management involvement, from implementation to enforcement. Continuous review of procedures will lead to potential problems in your inventory controls and where improvements need to be made.

Vehicle Inventory:

- Effective inventory control starts when vehicles are received into the dealership.
- Assign one trusted employee the responsibility of inventory control and record keeping.
- Vehicles should be inspected by an assigned employee to ensure there is no damage or equipment missing.
- When possible, vehicle deliveries should be scheduled during business hours and unloaded at a pre-determined secured location.
- Remove keys from delivered vehicles immediately.
- Physical inventories should be conducted at least at every other week by a responsible manager (business, inventory, sales).
- Owner/general manager should make random and unannounced check of inventory.
- Maintain log or record of units out for reconditioning or customizing with return dates and check on a regular basis (daily, weekly).
- Take notice of inventory display patterns and look for empty vehicle spaces.
- Enforce effective key control - SEE KEY CONTROL MANAGEMENT SECTION.
- Implement effective site security - SEE PREMISES SECURITY SECTION.

Parts Inventory:

- Partial inventories should be conducted on a regular basis (daily, weekly, monthly) by the parts manager.
- Owner/general manager should perform bin checks on a random basis.
- An outside auditor should complete a 100% inventory every year (annually).
- Inventory cards or counter pads should be reconciled daily by the parts manager and spot checked by the owner/general manager on a random basis.
- Assign receiving and shipping of parts to different employees.
- Reconcile the packing slips and inspection of parts to the invoices before payment.
- Limit access to parts area to authorized persons. No entry for mechanics, lot boys, sales, porters.
- Request for outside purchases must have approved and attached purchase order from requesting department manager.
- Issue and approval of purchase orders should be limited to parts manager and reviewed by controller.
- Owner/general manager should spot check return parts to ensure that scrap is not being returned or that employees are selling returned parts.
- Parts should not be given out unless accompanied by repair order or requisition. Ensure old parts are taken in exchange for new part.
- Payment for parts should be to the cashier and ensure receipts are given and recorded daily.
- Limit the use of employee discounts to parts purchased for owned vehicles.
- Controller should review parts sales tickets on a regular basis and the owner/general manager should spot check on a regular basis.
- Develop written procedures to ensure scrap parts are sold to scrap dealers and require written receipts/documentation of transactions.
- Limit number of special orders and spot check on disposition of parts.
- Repair orders should be reviewed on a regular basis (daily, weekly) by the parts manager and spot checked by the owner/general manager on a random basis.
- Ensure the receiving of all parts is entered into the purchase order and inventory system.
Demonstrator policy and agreement

In consideration for the dealership providing you with a demonstrator, it is expressly understood that you will comply with the following policies and procedures:

1. All demonstrators are assigned at the absolute discretion of the Dealer Principal.
2. The demonstrator may be removed from your possession at any time without notice or replacement.
3. In the event of termination of your employment with the dealership, regardless of the reason, you will immediately surrender the vehicle to the General Manager.
4. Use of the demonstrator is restricted to commuting between your residence and the dealership and driving for business purposes. Incidental personal stops are permitted while commuting between your residence and the dealership or driving for business purposes.
5. You must abide by all local, state and federal laws regarding a motor vehicle and are personally responsible for any traffic violations, parking tickets or fines.
6. You must possess a valid Driver's License and have a driving record with minimal or no violations within a rolling three-year period before you can be issued a demonstrator. You will sign a Motor Vehicle Record Request which allows our insurance carrier to order your driving record anytime during your employment with the dealership. Any subsequent violations may result in surrender of the demonstrator assigned to you at the absolute discretion of management.
7. The consumption of alcohol or any controlled substance by you or any passenger is strictly prohibited in, or while operating the demonstrator.
8. Use of this demonstrator is strictly limited to you and no one else.
9. The demonstrator cannot be driven more than 75 miles from the dealership without the consent of the General Manager. Under no circumstances will the demonstrator be available for personal use except as provided in paragraph 4.
10. Keys must be removed and the vehicle locked whenever left unattended.
11. The attachment of any type of trailer hitch or hook-up to the demonstrator or the towing of any type of trailer is strictly prohibited.
12. Any traffic accidents or damage to the demonstrator must be reported immediately to the General Manager or your supervisor. If you are at-fault in the accident, you will be required to pay all costs not covered by the dealership's insurance policy including, but not limited to, the deductible.
13. The vehicle must be on the dealership's premises during working hours and be available to other personnel for demonstration purposes. No personal property is to be kept in the demonstrator and the dealership will not be held liable for loss of same.

A dealer license plate will be issued to you for use on the demonstrator only. This license plate is assigned to the demonstrator and must be turned in for reassignment. You are responsible for charges incurred by the dealership for replacement of a dealer license plate lost while on a demonstrator assigned to you.

The interior and exterior of the demonstrator must be maintained in a clean and orderly condition, ready for sale. No smoking is allowed in any demonstrator vehicle.

You are responsible for seeing that scheduled maintenance services are performed on the demonstrator at the proper time and/or mileage intervals.

You are personally responsible for any and all repairs due to abnormal wear and tear including, but not limited to, scratches, dings and dents.

Use of seat belts by driver and passengers is mandatory.

I have read this entire document and fully understand its contents. By my signature below, I agree to comply with these policies and procedures and acknowledge that my failure to adhere to them may result in disciplinary action up to and including termination of my employment.

In addition to the conditions outlined in the Demo Agreement and Policy, I agree to secure and provide the dealership with a current copy of my Motor Vehicle report. I agree to provide this report upon signing the Demo Agreement and on an annual basis for as long as I am provided a Demonstrator Vehicle.

I understand my failure to provide such a report could result in my forfeiting the use of the Dealership provided Demonstrator Vehicle. I also understand that a poor driving record could lead to my forfeiting the use of a Demonstrator Vehicle.
THIS FORM IS PROVIDED AS A SAMPLE ONLY. PLEASE CONSULT YOUR ATTORNEY REGARDING THE SPECIFIC WORDING OF YOUR OWN DEMONSTRATOR POLICY STATEMENT. THE INTERNAL REVENUE SERVICE HAS SPECIFIC RULES IN PLACE REGARDING DEMONSTRATOR USE AS A TAXABLE FRINGE BENEFIT. PLEASE HAVE YOUR CPA OR TAX CONSULTANT DETERMINE HOW THOSE RULES WILL APPLY TO YOUR DEMONSTRATOR PROGRAM.
Test drive procedures

If a thief wants to steal a car or truck, they will use whatever means available to do so. A dealership should do everything possible to prevent this type of potential loss. Some minimum guidelines to control test drives are:

- Obtain and keep a copy of the driver's license of all prospective customers on file (unless prohibited by law).
- Verify information on license as being correct with photo identification.
- When possible, copy a major credit card and keep temporarily during test drive.
- Interview prospective customer to obtain personal information such as home/work address and phone numbers, as well as the name of company they work for.
- Ensure a salesperson accompanies all prospective customers on test drives.
- When possible, test drives should be on designated routes determined by the sales or general manager.
- Have a method to let management know when a vehicle is out on a test drive or demonstration ride by use of a “TEST DRIVE OR DEMONSTRATION LOG.”
- Salespersons should always drive the demo vehicle off the lot and drive to a transfer place to allow the prospective customer to drive.
- Test drive transfer places should be well-lit and in areas where there is moderate traffic of people. (malls, movie and restaurant parking lots, etc.).
- Salespeople should always exit the vehicle with KEYS IN HAND when transferring control of the vehicle to a prospective customer.
- Ensure the prospective customer is familiar with safety and operational features of the test drive vehicle (manual transmissions, 4-wheel vehicles, mirror adjustments, etc.).
- Never let a prospective customer who is suspected of being under the influence of alcohol or drugs drive a vehicle.
- Salespeople who observe prospective drivers operating the demonstrator vehicle in a reckless or unsafe manner should stop vehicle and remove driver as soon as possible.

Although it is recommended that you do not permit “extended test drives,” if you feel that you must allow the prospective customer to take the demonstrator overnight or over the weekend, ensure salespeople use a “borrowed car/loaner/rental car agreement” that transfers liability to the customer while in their care, custody, and control. In these situations, the salesperson should ensure the following:

- Obtain a copy of the prospective customer's driver license with photo ID.
- Obtain copy of “Proof of Insurance” card or document and verify current coverage, when possible.
- Where possible, keep the prospective customer’s owned vehicle driven to dealership until dealership vehicle is returned.
- Ensure verification of credit, financing, and personal information before releasing vehicle.
- SALESPEOPLE MUST HAVE MANAGEMENT APPROVAL BEFORE RELEASING VEHICLE.
Vehicle safety program

Vehicle safety is a management responsibility to develop, implement and effectively direct. Goals of this management program should be to reduce vehicle accidents involving bodily injury and/or property damage; reduce operating costs; protect the public and protect the image of your dealership. The written program should include the following:

- Management Policy Statement
- Driver Selection
- Driver Training
- Driver Supervision
- Accident Investigation/Reporting
- Vehicle Maintenance
- Safety Motivation - Recognition
- Vehicle Operating Safety Rules

Policy Statement

A vehicle safety program is most effective when everyone feels they have a role in the process. Owners/General Managers must commit time and resources, department managers must implement the program and employees must be involved from the start. A safety program should begin with a clearly worded statement of policy from management indicating:

- The vehicle safety program will apply to ALL employees, departments, and operations.
- The cooperation of ALL employees is expected and required.
- Vehicle safety is important for humanitarian and economic reasons.

Driver selection

Every effort should be made to hire the most qualified person to drive company owned vehicles. Management should define the specifications/requirements of the job and determine the driver’s ability to meet those requirements. Some sources and techniques to use are:

- A completed application form by the applicant.
- A valid and current drivers' license for the state of vehicle operation.
- A check of motor vehicle records (MVR's).
- A check of previous employer references.
- A personal interview with department manager.
- A physical examination.
- A written test on traffic regulations and driving attitudes.
- A road test in a vehicle of the type to be driven over a similar route.
- Successful completion of probation period.

Driver Training

The most important aspect of a vehicle safety program is to ensure hired drivers receive the proper training in safe vehicle operation. As a minimum, they should receive:

- Orientation on company policy for vehicle safety.
- Review of rules and procedures stressing the driver’s responsibilities for vehicle safety.
- On-the job training covering vehicles to be used, maintenance and safe work practices.
- Continued training as needed based on periodic performance evaluations.
Driver Supervision

A manager’s attitude toward safe driving can affect the performance of drivers responsible to the department. Managers should be held accountable for safety performance in their department by the owner/general manager. Managers should supervise through proper and safe job performance:

- Observation of the driver’s performance.
- Periodic reviews of driver personnel file/MVR.
- Listening to comments and/or complaints of others.
- Remaining alert to personality or performance changes.
- Evaluating vehicle use (or abuse) and maintenance practices.
- Always encouraging a safe and high level of performance.

Accident Investigation/Reporting

The primary purpose for accident investigation is to determine the cause of the accident and implement corrective action to prevent similar recurrences. It can also assist management to determine whether an accident was preventable or not. Some procedures are:

- All accidents should be reported, investigated and reviewed to standard procedures.
- Accident report forms, witness cards, and list of persons/telephone numbers to contact should be maintained in all owned vehicles.
- Initial investigation should be done by the immediate supervisor of employee involved.
- Accidents should be reviewed by designated person or accident review committee to determine preventability and to recommend control measures.
- Designated person should maintain a master accident report file and coordinate all investigations to ensure reports are completed.

Vehicle Maintenance

An effective vehicle maintenance program can reduce mechanical failures which could contribute to accidents. Some criteria for a maintenance program are:

- As minimum, enforce regular maintenance schedule which meets manufacturer suggested guidelines.
- Pre and post trip inspections of the vehicles.
- Priority scheduling for safety related deficiencies.
- Out of service criteria should be established.
- Scheduled and unscheduled review of vehicle exterior and interior conditions.
- Individual maintenance records in each owned vehicle.

Safety Motivation/Recognition

Safe driving deserves to be recognized by management to demonstrate their interest and commitment for safety. One way to accomplish this is an Awards or Incentive program for accident-free driving over a period of time. Some guidelines are:

- Administer fairly to all drivers of owned vehicles.
- Awards of money, merchandise or plaques or benefits (vacation day).
- Use accident review committee to determine driver’s eligibility.
- Drivers should have right to appeal decisions of awards.
Vehicle operating safety rules

Some safety rules to consider for your program should be:

- Do not take chances. To arrive safely is more important than to arrive on time.
- Do not drive faster than posted speed limits.
- Do not drive faster than road, traffic and weather conditions allow.
- Do not attempt to exercise the right-of-way. Let the other driver go first.
- Keep to right except when passing or getting into position to make left turn.
- Keep adequate distance when following vehicle to make a safe stop (Use 4-second distance rule).
- Turn signals must be used at all times to indicate turns and lane changes.
- Slow down for all school zones and watch for children in school zones.
- Driving under the influence of alcohol or drugs is prohibited.
- Drivers must have a valid drivers' license on their person at all times for type of vehicle they are operating.
- Driver's physical condition must enable them to operate vehicle safely.
- Vehicles are to be driven by authorized drivers only.
- Drivers must report all accidents immediately, or as required by law and company policy.
Service loaner guidelines

In the normal course of its business, a dealership may provide loaner or rental cars to its customers. When loaner or rental cars are provided, all customers should be required to sign an appropriate agreement (see following forms).

There are generally two overriding purposes in having the customer sign agreements of this type: (1) transferring the financial responsibility for potential loss arising out of the Vehicle use to the user, rather than retaining the responsibility in the dealership; and (2) indemnifying the dealership for any loss sustained to the vehicle while in the customer’s possession.

The Dealer should consider utilizing the Loan Vehicle Agreement, even if the customer uses a salesperson’s demo. Whether the loaner is provided by the dealership or by the sales force, the same type of risk faces the dealership and should be protected against.

Other considerations include:

- A “loaner or borrowed car” agreement or “rental contract” should be used.
- These agreements or contracts must transfer financial responsibility of loss (liability and property damage) to the customer.
- Agreements/contracts should indemnify and hold harmless the dealership of any type losses while vehicle is in care, custody, and control of customer.
- Authorized drivers should be limited to those persons signing the contract or agreement.
- Obtain a copy of valid drivers’ license with photo ID.
- Obtain evidence of insurance (insurance card/policy) and verify coverage is current by telephoning insurance agent/company.
- Limit the operation of the rental or loaner to a specified radius (e.g., 25 miles).
- Vehicles should not be rented or loaned to customers under 21 years of age.
- Inspect vehicles at time of rental or loan and upon return of vehicle for damages and mileage.

This form is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs as well as to ensure your compliance with all legal requirements.
Loan vehicle agreement

In consideration of the loan to me of the Vehicle hereinafter described by the dealer hereinafter named, I warrant and agree with such Dealer that:

1. I am licensed to operate a motor vehicle, Drivers License #: _____________, State of _______________.

2. If the Vehicle is involved in any accident, I will immediately furnish the dealer a full and complete written report thereof and thereafter make all reports required by law, and deliver a duplicate of each to the Dealer within 12 hours of such accident. I understand and agree my insurance applies to the Vehicle during the time it is lent to me.

3. I will pay, indemnify and hold the Dealer harmless from all expenses, claims, suits, demands, costs and attorney’s fees relating to any act or omission in which the Vehicle is involved before I deliver it to Dealer’s place of business, and all expense, costs and fees Dealer may incur to protect, enforce or both protect and enforce Dealer’s rights under this agreement.

4. On the occurrence of any damage to the Vehicle before I deliver it to Dealer’s place of business, I will immediately pay the Dealer all sums Dealer has incurred and will incur to obtain such deliver, and the reasonable value of repairing such damage.

5. I deliver the possession of and pledge to the Dealer my right, title and interest in all property in Dealer’s place of business to be held at my risk as security for the payment of all sums which may become due under the terms of this agreement. If I do not pay any such sum when due, at Dealer’s request I will endorse and deliver to Dealer all certificates and other evidence of registration and ownership, and convey title to Dealer, I wave demand, sale at public auction and notice of the time and place required for sale by pledgee, under execution or otherwise, and I authorize the sale of such property without any demand or notice whatsoever at private sale and the pledgee’s purchase of the pledged property at such sale.

6. I waive all liability of dealer and dealer’s employees for negligence relating to such Vehicle, except willful negligence.

7. I will deliver the Vehicle in its present condition to Dealer at Dealer’s place of business before close of business today, or before ______ AM/PM. on the _____ day of _______________, 20 _____, and until I do so:
   a. I will not permit such Vehicle outside this country or more than 25 miles from Dealer’s place of business.
   b. I will not use or permit the operation of such Vehicle by any other person, or negligently, or contrary to law; and I will preserve and protect it from any loss and damage.

This is the sole agreement between Dealer and myself relating to such Vehicle; no representation has been made by or on behalf of Dealer except those endorsed hereon; time is of the essence of this agreement and each of my obligations hereunder; and every breach of a provision hereof shall be deemed substantial and material.

This form is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs as well as to ensure your compliance with all legal requirements.
I acknowledge Dealer’s loan to me of the Vehicle described as ____________________, license number ________________, Vin #: __________________.(Year and Make)

I shall pay $ ____________ per day for its use, and ____________ cents per mile for each mile in excess of _______ miles per day.

Date Out: _______________, 20 _____, Time ______PM Mileage ____________

Date Returned ____________, 20 _____, Time _____ PM Mileage ____________

Borrowers Agent or Insurance Co. Phone Borrower

Policy No. Expiration Date Address Phone

Dealer Authorized By Title

(Note: Borrower is advised to contact his Insurance Agent or Broker to make certain that he/she is protected by his/her own insurance within the terms and conditions of this Agreement.)

This form is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs as well as to ensure your compliance with all legal requirements.
Assumption of liability

The undersigned hereby acknowledges receiving the following described motor vehicle (hereinafter, vehicle):

<table>
<thead>
<tr>
<th>Make</th>
<th>Year</th>
<th>Model</th>
<th>Serial #</th>
</tr>
</thead>
</table>

Stock Number | Engine Number | Plate Number |
from the | | |
__________________________, State of ____________, this ______ day of ________, 20 ___.

1. The undersigned has examined and inspected said vehicle and agrees that it is in good mechanical and physical condition;
2. That said vehicle shall be returned to Dealer at its place of business on the ______ day of ______, 20 ___, before ______ A.M./P.M., or prior thereto on Dealer’s demand, free of any liens or encumbrances not now against it, in as good mechanical and physical condition as when received by the undersigned, or to pay said Dealer immediately for all amounts necessary to restore said vehicle to said condition;
3. To pay Dealer immediately the full present retail value of the vehicle if undersigned fails for any reason whatsoever to return it;
4. That said vehicle is to, and shall, be driven and used exclusively by and for the accommodation of the undersigned and shall not be used for the transportation of persons or property for hire or otherwise;
5. That said vehicle shall not be operated contrary to or in violation of any law, Federal, State, or local, nor driven beyond a radius of 50 miles from Dealer’s place of business.
6. That in the event of any accident involving said vehicle, the undersigned shall, within 12 hours following such accident, furnish Dealer a full and complete report thereof, and report said accident to the proper authorities, in accordance with the law;
7. That said vehicle will be preserved and fully protected from all loss, injury or damage, and any loss, damage, injury and all expense of maintenance shall be borne by the undersigned and the undersigned hereby agrees to indemnify and hold harmless said Dealer for all such loss, damage, injury and/or expense, and for any claim or claims of personal injury or property damage to others or to the undersigned arising out of the use or operation of said vehicle;
8. That said Dealer shall have a lien upon and the right to retain the undersigned’s vehicle in Dealer’s possession pending payment of any amount incurred by the undersigned under this agreement;
9. That the undersigned will not authorize or incur expense of any nature for the repair of the Dealer’s vehicle;
10. That the undersigned does release Dealer from any claim that the undersigned might have for any alleged defect in the vehicle or in any manner arising out of the use of Dealer’s vehicle.

The undersigned represents that he/she is duly and legally licensed to operate a motor vehicle in the State of ________________ under license number ________________ and he/she has no physical conditions which could cause him/her to be unfit to drive said vehicle; that he/she now owns one ________________ motor vehicle, year ____________, model ________________, make ________________, serial number ________________, plate number ________________, which has been left with the Dealer for repairs or servicing, and upon which motor vehicle the undersigned now has in full force and effect and carries public liability, property damage and collision insurance, which is applicable to said Dealer’s vehicle as herein above described, and that in the event such insurance be ineffectual on the date of any accident, the undersigned assumes full liability for all loss, damage or injury to said Dealer’s vehicle, and also full liability which might arise out of or as a result of any accident or collision for damages or injuries to the person or property of others; that if Dealer’s vehicle is operated beyond the time specified for its return, the undersigned does so without permission of Dealer; that if Dealer’s vehicle is stolen, the undersigned shall immediately notify the Dealer. In the event the undersigned fails to fulfill any obligation hereunder, the undersigned does hereby agree to pay and otherwise be responsible for any and all cost, losses, damages, expenses and fees of whatsoever kind, including attorney’s fees, necessarily incurred by Dealer in enforcing the terms hereof.
This form is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs as well as to ensure your compliance with all legal requirements.
Rental agreement

I, ___________________________, the Customer, do hereby acknowledge that I am receiving the use of rental car at a charge of $___________ per ____________ (day/week) for the period beginning _____________________ and ending ____________________________________.

In consideration for the use of the rental car, I do hereby acknowledge that I have read and understand and fully agree with the following terms of this Rental Agreement which are listed in numbers 1 through 7 below. I make the following representations and agree to the following terms:

(1) I have motor vehicle insurance coverage on my own car. My automobile insurance policy information is as follows:
   (a) Name of Insurance Co. _______________________ Policy Number: ______________
   (b) Insurance Agent’s Name/Phone # __________________________________________

(2) Additional driver request (None permitted without dealer’s prior approval stated in this agreement)
   Approved:____
   (a) Name: _________________________________________________________________
   (b) Address: _________________________ City: _________ State: _______ Zip: ________

(3) I understand and agree that the rental charge does not include a charge for insurance protection by the dealer.

(4) I understand and agree that any insurance protection for the rental car during my use is to be provided under my own existing insurance policy and, if such policy fails for any reason to afford coverage, I will be solely responsible for any and all liability.

(5) I specifically decline insurance protection from the dealer for use of the rental car and understand that I am paying no charges for such insurance protection.

(6) I agree to contact my insurance company prior to use of the rental car to verify such that insurance coverage will be applicable to the rental car while in my use.

(7) I agree and represent that my own motor vehicle insurance will provide collision coverage for any damage to the rental car. I agree that to the extent my own collision coverage does not provide full coverage, I will personally be liable for collision damage up to One Thousand Dollars ($1,000.00) pursuant to statute (625 ILCS 5/6-305 (h)).

__________________________________ X_________________________________________
(Date) (Customer Signature)
Lease procedures

In the past few years, the automobile industry has seen a steady increase in long term vehicle leasing. This is the case in both corporate fleets and personal vehicles. Therefore, it is only prudent that we take the necessary steps to control the risk which is involved in leasing vehicles. Therefore, the following procedures should be adhered to in all lease transactions:

All those leasing vehicles from _____________________ will sign a “Lease”

(Name of Dealership)

A. Agreement (a sample lease agreement is attached).
B. In all cases, the insurance for this leased vehicle shall be provided by the Lessee.
C. The Lessor shall be named on the Lessee’s policy as an “Additional Insured - Lessor” for liability insurance and “Loss Payee” for physical damage insurance.
D. The Lessee must maintain minimum liability insurance, coverage must be provided in the amounts of $500,000 combined single limit and the Lessee’s policy should include physical damage coverage for comprehensive and collision losses.
E. Certificates of Insurance shall be required of the Lessee. These certificates must show the types of coverages, corresponding limits, and show lessor as an additional insured.
F. Individual files should be kept on each Lessee. These files shall contain pertinent information relative to the Lease Arrangement for a particular client.
G. These files shall be audited on a quarterly basis for insurance information update purposes.

This form is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs as well as to ensure your compliance with all legal requirements.
Lease vehicle information sheet

BEFORE TAKING DELIVERY OF YOUR NEW LEASED VEHICLE, IT IS IMPERATIVE THAT YOU ARRANGE FOR INSURANCE COVERAGE ON THE VEHICLE AT ONCE.

YOUR STRICT COMPLIANCE WITH THE FOLLOWING STEPS IS MANDATORY:

1. NOTIFY YOUR INSURANCE AGENT OF THE MAKE AND MODEL THAT YOU WILL BE DRIVING. THE AGENT WILL REQUIRE THE VEHICLE IDENTIFICATION NUMBER (VIN) OF THE AUTO.

2. [_____________________] REQUIRES THAT THE FOLLOWING LIABILITY LIMITS OF INSURANCE BE CARRIED ON YOUR LEASED VEHICLE. THESE LIMITS OF ARE THE MINIMUM AMOUNTS THAT ARE ACCEPTABLE.
   
   A. $500,000 COMBINED SINGLE LIMIT FOR BODILY INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY.
   
   B. PHYSICAL DAMAGE INSURANCE FOR COLLISION, COMPREHENSIVE LOSSES.
   
   C. UNINSURED MOTORIST LIMITS SATISFYING STATE REQUIREMENTS.

3. HAVE YOUR AGENT LIST [_____________________] AS THE ADDITIONAL INSURED-LESSOR FOR LIABILITY INSURANCE AND LOSS PAYEE FOR PHYSICAL DAMAGE COVERAGE IN THE EVENT OF ACCIDENT OR THEFT.

4. HAVE YOUR AGENT SEND [_____________________] A COPY OF THE CERTIFICATE OF INSURANCE WHICH DESCRIBES THE INSURED AUTO, LISTS THE COVERAGE LIMITS AND SHOWS THE POLICY DATE OF EXPIRATION.

SHOULD YOU HAVE ANY QUESTIONS, PLEASE DON’T HESITATE TO CONTACT OUR OFFICE.

SINCERELY,

OFFICE MANAGER/LEASE MANAGER

This form is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs as well as to ensure your compliance with all legal requirements.
Premises security

Vehicle theft, burglary, assault, pilferage and vandalism are significant problems for most dealerships. When employees, customers, vehicles and other property are at risk the importance of effective premises security can’t be overemphasized. All aspects of physical security must be assessed including lot protection, key control, vehicle security, inventory control, employee controls, building security, and intrusion detection alarms.

Lot Security

- Goal is to deny the thief access to your property.
- Install 6 foot chain link fence topped with 3 strands of barb wire to enclose property.
- Close or secure all but one entrance to channel traffic through a single point.
- Install 3 to 6 inch diameter posts 4 to 10 feet apart with chain or cable between posts.
- If aesthetics are a concern, try using landscaping and natural terrain - ditches and embankments - to enclose storage lots and display areas.
- Install reinforced gates with heavy duty padlocks.
- Consider installation of intrusion alarm systems on fences and gates.
- Exterior lighting should illuminate all areas leaving no shadows or dark areas.
- Hire a contract security service to patrol the facilities during non-working hours.
- Request the local police or sheriff’s departments to increase patrols of the premises.
- Consider installation of closed circuit surveillance cameras.
- Stop and question any person who enters restricted areas and assist them to the proper area. Confirm any story.

Key Control

- See Key control management section in this guidebook.

Vehicle Security

- Park vehicles closely together and bumper to bumper.
- Remove keys from all unattended vehicles, including customer cars in the service drive.
- When possible park target vehicles inside or within the most secure area available.
- Remove and store spare tires, wheels and wheel covers until the vehicle is delivered.
- Remove CD players, mobile phones, antennas and C/B equipment when not built in.
- Install wheel locks and sell them with the vehicle.
- Install vehicle marking, tracking or anti-theft systems and sell them as options.
- Keep gas tanks almost empty.

Inventory Control

- Account for every vehicle weekly or biweekly by conducting a “hands-on” inventory.
- Assign one trusted employee responsibility for inventory control and record keeping.
- Know your inventory and maintain constant display patterns, open spaces indicate missing vehicles.
- Maintain a demonstration log and make a copy of the customer’s driver license.

Employee Controls

- Require all prospective employees to fill out an employment application.
- Confirm information supplied by the applicant.
- Contact previous employers.
- Consider criminal background and credit checks for sensitive positions.
- See Hiring practices section of this guidebook for more information.

Building Security

- All exterior areas of the building illuminated.
- Exterior doors equipped with double-cylinder deadbolt locks.
- Pins on exterior doors are welded or otherwise secured to prevent removal.
- Install heavy metal doors and door frames.
- Exterior windows protected by wire or “burglar bars”.
- Skylights and other roof openings protected against forcible entry.
- Signs posted stating that the premises is protected by burglar alarms, surveillance cameras, etc.
- Consider installation of burglar alarms systems, monitored by a central stations monitoring service, in all buildings.
- Central station monitoring services approved by Underwriters Laboratories (UL) are preferred.
Wholesale and retail transactions

Deception, bad checks, false ID and bogus bank accounts. These are the tools of the con artist. They don’t stick a gun in your face, break the steering column or hot-wire the car, but the results are the same. They drive off with your inventory and a big piece of the dealership’s “bottom line.” Insurance may pay part of the loss, but other “uninsured” costs (loss of retail profit, deductibles, time spent reporting and investigating the loss, etc.) will be paid by you.

These people will use many different schemes to separate the vehicle from you or your employees. Wholesalers and brokers obtain vehicles using “site drafts”, held checks, handshake deals and disappearing ink. Sometimes a bankruptcy, revoked license or cash-flow problem for the wholesaler becomes your problem. The computer revolution, with high-tech software and sophisticated printers available to everyone, has made it easier to produce fraudulent identification. Authentic-looking driver’s licenses, social security cards, bank drafts and checks can be produced very easily. Some of these people are professionals and can spot any weakness in a dealership’s defenses.

In one instance a wholesaler purchased three vehicles from a dealer using checks that were later returned due to “non-sufficient funds.” Total loss: $58,000. In another case a dealer sold two cars to a first time customer who wrote a $35,000 check to pay for them. The customer asked the dealer to “hold” the check because he didn’t have the money in the bank at that time, but was expecting a large insurance settlement very soon. The account was closed before the dealership submitted the check for payment. In spite of the fact that both autos were later recovered, this loss was in excess of $24,000. In a third incident two vehicles were purchased at different dealerships by customers issuing “non-sufficient funds” checks. One of these vehicles was purchased on a Sunday when the dealership was unable to verify funds in the customer’s account.

Automotive manufacturers are constantly improving the anti-theft features they build into vehicles. After-market alarm and ignition interruption systems are also installed at the dealership. Professional thieves are driven toward extended theft, which is fast becoming the method of choice for stealing vehicles. Follow these suggestions and you’ll greatly reduce the possibility of someone disappearing with inventory and hard-earned profits. Listed below are guidelines for both retail and wholesale transactions.

Wholesale

- Establish written standard business practices for dealing with brokers and wholesalers.
- Know who you’re dealing with. Experienced dealers tell us this is the most reliable way to prevent wholesaler transaction losses.
- Obtain a copy of the wholesalers or brokers license.
- Check references of all brokers and wholesalers.
- Verify those you deal with are properly bonded and insured.
- Contact the broker/wholesaler’s banker and bonding company.
- Re-evaluate wholesalers who deviate from their typical business transaction, i.e. suddenly change from buying $2,000 cars to $10,000 cars.
- Don’t become complacent. The wholesaler or broker that you’ve done business with for many years can suddenly get into financial trouble.
- Purchase vehicles through auctions whenever possible since they guarantee titles and drafts.
- Verify funds before releasing the vehicle.
- Politely decline to “hold” checks and do not otherwise extend credit.
- Conduct credit checks of brokers and wholesalers on a regular basis.
- Do not accept MSO’s or titles that are not originals.
- Don’t release MSO’s or titles until the check clears the bank.

Retail

- The customer should fill out the entire credit application.
- Contact the customer’s present employer to verify employment and identification.
- Verify their permanent address and how long they have lived there.
- Require the customer to provide picture ID supported by other identification.
- Make a copy of their driver’s license.
- Verify the authenticity of driver’s licenses by checking:
  - the expiration date;
  - for the word “duplicate” on the license, someone else may have the original;
  - uneven or bumpy surfaces near the picture, which may be an indication of tampering;
  - closely for consistency of numbers and lettering;
  - for altered or missing state logos or seals;
- the back side of the license, counterfeiters are often meticulous with the front but sloppy with the less important reverse-side;
- thoroughly the overall appearance of the license by looking for pinholes, improperly cut or rough corners, inconsistent thickness, etc.

- Ensure that a salesperson accompanies all prospective customers on test drives.
- Do not deliver the vehicle until financing is finalized.
- Verify ownership of trade-ins by conducting a title search.
- Call the listed insurance agent, verify insurance coverage is current and request faxed verification.
- As with wholesale transactions, verify funds, politely decline to “hold” checks and do not extend credit.
- Train F&I Department and sales staff to identify “red flags” on credit applications and bureau reports.
- Sales staff should be cautious when taking checks from customers on Saturdays and Sundays.
Negligent entrustment

DUI (Driving Under the Influence), vehicular homicide, and intoxicated manslaughter. These are terms that should concern anyone allowing employees to operate vehicles or who provides them with “demos.” The behavior and actions of your employees can have a direct impact on you, and your business. You can be held legally and financially responsible for accidents and injuries caused by employees while operating your vehicles. The theory of “negligent entrustment” presumes that you have given or entrusted your vehicle to a person who is incompetent or cannot operate the vehicle safely.

Generally, as the owner of a business, you are not held to be responsible for the actions of an employee who is acting outside the course and scope of his/her employment with you. This usually applies to employees who are operating a company-owned vehicle (or one assigned for regular business use) after normal business hours. However, if negligent entrustment can be proven, you may be liable for whatever damages are awarded. This can include punitive damages, which may or may not be insurable in your particular jurisdiction. There are numerous circumstances which could lead to a claim of negligent entrustment. For example:

This has been the best sales month of the year. Employees in one department exceeded their goal by over 30% and the manager is taking the entire staff out for the evening as a reward. On the way home from the celebration, one of the employees hits and kills a small child.

Was this “outside the course and scope of his/her employment”? Was negligent entrustment involved? The answer depends. Was this “party” endorsed by management, even though company policy states that employees are not to drink alcoholic beverages and operate vehicles? Does this employee have past traffic violations or DUIs that were disregarded or excused because he or she was a “good” employee? Did the employee appear to be intoxicated the night of the party? Were others at the party aware that this particular employee was intoxicated? If the answer to any of these questions is “yes” or “possibly,” there may be grounds for negligent entrustment. These are steps that can be taken to help prevent a negligent entrustment situation.

Before employment:

1. Develop a comprehensive Employee Handbook that addresses substance abuse, use of company vehicles, driver safety, etc.
2. Have a written policy stating that operating company vehicles while under the influence of alcohol, controlled substances or other drugs that could affect safe performance, is prohibited.
3. In accordance with applicable laws, check employment references, criminal records and motor vehicle records.

After employment:

1. Annually review the driving records of employees who are allowed to use company vehicles.
2. Do not allow employees who have known or current substance abuse problems, or poor driving records, to operate company vehicles.
3. Verify that your policy concerning use of company vehicles is being followed.
Regulatory controls
OSHA record keeping requirements

Employers were required to comply with the new Occupational Safety and Health Administration (OSHA) record keeping rule as of January 1, 2002. OSHA made the change in order to improve how the government tracks occupational injuries and illnesses, increase employee involvement, create simpler forms, and give employers more flexibility to use computers to satisfy regulatory requirements.

Two aspects of the rule did not change. First, if you are an employer with 10 or fewer employees, you are not required to comply with the record keeping rule. Second, if you have more than one place of business or establishment, you are required to keep a separate log and summary (Form 300 or an equivalent) for each location. Let’s review the rules:

One significant change is in the required forms

- The OSHA Form 300 (Log of work-related injuries and illnesses) was simplified and printed on smaller, legal size paper.
- Posting requirements also changed. Under the new rule the summary only (not the log) must be posted for three months (from February 1 until April 30) instead of one month.
- The form 301 (injury and illness incident report) includes more data about how the injury or illness occurred.
- OSHA has created a new form (300A – Summary of work-related injuries and illnesses) to make it easier to post and calculate incidence rates.

Changes in definitions and other important provisions of the record keeping standard

- Clarifies the definition of work-relationship, limiting the recording of pre-existing cases and adding new exceptions for some categories of injury and illness.
- New definitions of medical treatment, first aid, and restricted work to simplify recording decisions.
- Requires a significant degree of aggravation before a preexisting injury or illness is considered work-related.
- Establishes one set of criteria for recording both work-related injuries and work-related illnesses (there were formally different standards).
- Simplified the counting of days away, restricted days, and job transfer.
- Eliminated the term “lost workdays” and required recording of days away from work or days restricted or days transferred to another job.
- Employers count calendar days instead of workdays.
- Clarifies the recording of “light duty” or restricted work cases. Requires employers to record cases when the injured or ill employee is restricted from “routine job functions,” which are defined as work activities the employee regularly performs at least once weekly.
- Improves employee involvement by requiring the employer to inform employees how to report an injury or illness, and to provide “limited access” to injury and illness records to employees and their representatives.
- Prohibits an employer from discriminating against employees who do report injuries or illnesses.
- Protects employee privacy by:
  1) Prohibiting employers from entering an individual’s name on Form 300 for certain types of sensitive injuries or illnesses (e.g. sexual assaults, HIV infections, mental illnesses, etc.);
  2) Allowing employers not to describe the nature of sensitive injuries where the employee’s identity would be known;
  3) Giving employee representative access only to the portion of the form 301 that contains no personal information; and
  4) Requiring employers to remove employees’ names before providing the data to persons not provided access rights under the rule.
- Requires certification of the summary by a company executive.

Summary and where to find help

Detailed information on the new record keeping standard is available at the OSHA website – http://osha.gov. One of the newest pages on OSHA’s website is an excellent source of materials (forms, questions and answers, etc.) that can be accessed directly at http://www.osha.gov/recordkeeping/index.html.
Asbestos exposure: servicing brake and clutch assemblies

Although asbestos has been removed from most automotive brake and clutch pads, it could still be an issue and you need to be well informed on how it should be dealt with. Exposure to asbestos fibers in automotive brake and clutch assemblies can result in severe health consequences. It is possible for employees who inhale or ingest asbestos to develop diseases such as:

Asbestosis - scarring of the lung tissue over long periods of time
Mesothelioma - cancer of the lining of the chest or abdominal cavity.
Lung cancer - potential greatly increases when combined with smoking.

This specific exposure is addressed by the Occupational Safety and Health Administration’s Code of Federal Regulations in 29 CFR 1910.1001 - Appendix F “work practices and engineering controls for automotive brake and clutch inspection, disassembly, repair and assembly - mandatory.” The standard clearly states that there are only two “preferred methods” for protecting employees from this exposure.

The first preferred method involves the use of a “negative pressure enclosure/HEPA vacuum system.” A large plastic enclosure surrounds the entire brake drum, rotor or clutch assembly and a high-efficiency vacuum cleaner removes dust and fibers from the enclosed area. The technician accesses the brake assembly through “impermeable” plastic sleeves. Full vacuum filters must be handled with care. They must be wetted with a fine mist of water before being removed, placed immediately into an impermeable container, labeled according to OSHA regulations and disposed of properly. These are the large “vacuum bag” systems that are very good at removing asbestos fibers, but are not very popular with the technicians. Common complaints are that they take too much time to use and get in the way.

The second and most popular method is the “low pressure/wet cleaning method.” This typically consists of a catch basin placed under the brake assembly with some attachment, usually a “wet brush,” to control the flow of solution. The organic solvent or other wetting agent is used to gently wet down the brake drum, brake support, wheel hub, etc. to suppress dust. The standard requires that the solution be allowed to flow between the brake drum and brake support before the drum is removed. After the drum is removed, all parts and components must be thoroughly washed prior to further disassembly. Dry brushing or use of compressed air is prohibited.

Although there are only two “preferred” methods, the standard does allow for “equivalent” methods. An equivalent method is described in the standard as “one which has sufficient written detail so that it can be reproduced and has been demonstrated that the exposures resulting from the equivalent method are equal to or less than the exposures which would result from the use of the method described in paragraph {A} (negative pressure enclosure/HEPA vacuum system) of this appendix.” If a decision is made to develop an equivalent method - beware. You have to be able to prove that employee exposure does not exceed 0.0016 fibers/cubic centimeter as measured by the OSHA reference method and as averaged over at least 18 personal samples.

Finally, if you operate a small shop and inspect, disassemble, reassemble and/or repair less than five pairs of brakes or five clutches per week, it is permissible to use the “wet method.” Brake and clutch parts are wetted using a spray bottle, hose nozzle, or other implement capable of delivering a fine mist of water or amended water or other delivery system capable of delivering water at low pressure. Brake and clutch components must then be wiped clean with a cloth. The cloth must be placed in an impermeable container, and then labeled and disposed of according to OSHA standards. As an alternative, the cloth can be laundered in a way to prevent the release of asbestos fibers in excess of 0.1 fibers per cubic centimeter of air. Spills of solvent or any asbestos containing waste material must be cleaned up immediately as specified by OSHA regulations. As with other methods, dry brushing or use of compressed air is prohibited.
Bloodborne pathogen program

The federal Occupational Safety and Health Administration (OSHA) established the bloodborne pathogen standard to ensure that employees are protected from the transmission of AIDS, hepatitis B, and other bloodborne pathogens. The standard can be found in 29 CFR 1910.1030.

You should recognize that it can be reasonable to anticipate that certain employees may be exposed to contact with blood and other infectious materials. You are responsible for protecting these employees. Likewise, employees are responsible for learning and abiding by the safety procedures developed by you.

Your program should include:

- General policy statement
- Assignment of responsibilities
- Covered employees
- Control methods
- HBV vaccinations
- Post exposure evaluation and follow-up
- Housekeeping practices
- Training records should include the dates, content of the training, program summary, trainer’s name and qualifications, and names and job titles of all persons attending the session.
- HBV and HIV exposure incidents should be recorded on the OSHA 200 log if the illness can be tracked back to an injury or other exposure incident.
Sample bloodborne pathogen program

Consult OSHA regulation CFR 1910.1030 prior to adoption or implementation.

General policy
It is the intent of ______________ to comply with the provisions of the bloodborne pathogens standard OSHA CFR 1910.1030. This program applies to all work operations in your business. We will train you on your duties and responsibilities under the bloodborne pathogens standards.

You will be notified of any change in the program or if your responsibilities change.

Responsibility
_______________ is responsible for seeing that all aspects of the program are being followed. _______________ will update the program as necessary to reflect changes in the law or to improve methods and procedures. Copies of the program should be available upon request for review by employees and other appropriate persons.

Covered employees
_______________ has identified the following job classification, tasks, and procedures where employees are reasonably anticipated to have occupational exposure to bloodborne pathogens.

- First aid/CPR responders. (It is optional for your business to provide first aid supplies and to have designated responders. If you have designated responders you must provide them with training, personal protective equipment and medical monitoring)
- Employees assigned to cleaning rest rooms or areas where they may be exposed to potentially infectious materials.

Control methods
All employees must use universal precautions if they encounter or will potentially encounter blood or other potentially infectious material (OPIM).

Universal precautions - All human blood and OPIM should be treated as if known to be infectious for HIV and HBV.

Work practice controls - Work practice controls are alterations in the manner in which a task is performed in an effort to reduce the likelihood of your exposure to blood or OPIM. Work practice controls that you should follow are:

1. Hands shall be washed after removing gloves or as soon as possible after contact with body fluids.
2. All personal protective equipment (PPE) should be removed immediately, or as soon as possible upon leaving the work area, and placed in an appropriately designated area or container for storage, washing, or disposal.
3. Employees must wash their hands or other skin with soap and water, or flush mucous membranes with water as soon as possible following an exposure incident. Employee eyewash stations should be located in all service departments.
4. Perform all procedures involving blood or OPIM in such a manner as to minimize splashing, spraying, spattering, and generation of droplets of these substances.
5. Equipment that may become contaminated with blood or OPIM must be examined and decontaminated before servicing.

Personal protective equipment
Personal protective equipment is specialized clothing or equipment used by you to protect yourself from direct exposure to blood or OPIM. The personal protective equipment that must be used by each of the two job classes are as follows:

First aid/CPR providers - Disposable gloves, disposable aprons; CPR mouth pieces and face shields.

Washroom attendant - Each washroom attendant will be provided with utility gloves that should be cleaned and disinfected before reuse, provided they show no signs of deterioration.
HBV vaccinations
We will offer hepatitis B vaccinations, at no cost, to all employees who perform any of the tasks identified by this program. Any employee who declines to have the vaccination, must do so in writing or be removed from performing the task. (The vaccination must be offered within 10 days of initial assignment to a job where exposure to blood or other infectious material can be reasonably anticipated. This requirement is effective July 6, 1992).

Post exposure evaluation and follow-up
Following a report of an exposure incident, we will take the following steps:

1. The employee will be offered a confidential medical evaluation and follow-up, if necessary.
2. A no-cost vaccination will be offered within 24 hours if medically required.
3. The incidents will be documented and the route of exposure determined.
4. The source patient of the incident shall be contacted and an attempt will be made to obtain consent to collect and test the source’s blood to determine the presence of HIV or HBV infection.
5. A repeat HIV test to exposed employees six weeks post-exposure and on a periodic basis (12 weeks and six months after exposure) will be offered. If you decline you must do so in writing.
6. Follow-up of the exposed worker will include counseling and medical evaluation that occurs with 12 weeks post-exposure, and use of safe and effective post-exposure measures according to recommendations for standard medical practice will be employed.

Housekeeping practices
___________ will assure that the work site is maintained in a clean and sanitary condition. Initial clean-up of blood or OPIM should use an approved hospital disinfectant chemical germicide that is tuberculocidal or a solution of 5.24 percent sodium hypochlorite (household bleach) diluted between 1:10 and 1:100 with water.

Training and education of employees
All employees regardless of job classification are required to participate in a training and education program. Each new employee will be trained prior to beginning their work assignment. The training program includes the following elements and will be repeated annually:

1. A general explanation of the epidemiology and symptoms of HBV and HIV.
2. An explanation of the modes of transmission of HBV and HIV.
3. An explanation of the infection control program.
4. An explanation of the control methods that may prevent or reduce exposure including universal precautions, work practices, and personal protective equipment.
5. Information on the HBV vaccine, including its effectiveness, safety, and the benefits of being vaccinated.
6. An explanation of the procedure to follow if an exposure incident occurs, method of reporting the incident, and the medical follow-up that will be made available.

Record keeping
Confidential medical records will be maintained on each covered employee. The records will be maintained for the duration of employment plus 30 years. The records will include:

1. Name
2. Social security number
3. HBV vaccination status
4. Exposure incidents and tracking documentation
Lock out/tag out

The accidental or unexpected starting of any machinery or electrical equipment can cause injury or death. OSHA regulation (CFR 1910.147) was developed to protect employees from the unexpected startup of machinery or equipment or the release of hazardous energy while performing service or maintenance.

Before any inspections or repairs are made on electrical equipment, power should be turned off at the switch box and the switch locked in the off position (locked-out). The switch or controls should be tagged to show that the equipment or circuits are being worked on (tagged-out).

Machinery being inspected or repaired must be isolated from all potentially hazardous energy sources, which must be locked-out and tagged out. The machinery must also be free from all residual or accumulated energy before employees may perform any servicing or maintenance activities.

Your program should include:

- Documented energy control procedures
- Employee training program
- Periodic inspections to insure use of the procedures.
Sample lock out/tag out program

Consult OSHA regulation CFR 1910.147 prior to adoption or implementation.

General policy
It is the intent of ______________ to comply with the provisions of the lock out/tag out standard OSHA CFR 1910.147. This program applies to all work operations in our business. We will train you on your duties and responsibilities under the lock out/tag out standards. You will be notified of any change in the program or if your responsibilities change.

Responsibility
_______________ is responsible for seeing that all aspects of the program are being followed. _______________ will update the program as necessary to reflect changes in the law or to improve methods and procedures. Copies of the program are available upon request for review by employees and other appropriate persons.

Only authorized employees may lock-out or tag-out machines or equipment.

It is the responsibility of management to approve all hazardous energy control procedures.

Energy control procedure
_______________ has identified the following equipment that is covered by this program:

(Listed are some examples of items that would be covered under the lock out/tag out standard. You should identify specific equipment at your business to ensure that all needed equipment is identified).

- Air compressors
- Automatic car wash machine
- Brake lathes
- Car lifts
- Steam cleaners
- Vehicles (in certain cases)
- Ventilation fans (fixed, portable, spray booths, flammable liquid rooms)
- HVAC equipment
- All electrical system modifications
- Frame alignment equipment

_______________ has developed a written procedure for the proper lock-out /tag out techniques for each of the above identified equipment. If there is equipment that you feel that a procedure should be developed for, please contact _______________.

The procedure for each piece of equipment should include the following:

- Preparing for shutdown
- Shutting down the equipment
- Isolation of the equipment from the energy
- Proper method of applying the log out/tag out devices
- Safely releasing stored or residual energy
- Verification of the isolation of the equipment prior to work being completed.
When maintenance and repairs have been completed, the following should be included in the procedure for each piece of equipment:

- Ensuring that the equipment is operationally intact
- Ensuring that employees are safely positioned or removed from the equipment
- Ensuring that lock out/tag out devices are removed by the employee who applied the device.

**Procedure - group**

Before the implementation of any group lock-out/tag-out, this procedure will be reviewed with all personnel affected or authorized by the group lock-out/tag-out event.

One authorized employee should coordinate the lock-out/tag-out procedure for all group lock-out/tag-out events.

Each employee should affix his or her lock or tag to the equipment being serviced or having maintenance.

No employee should be allowed to remove another employee’s lock or tag. Each employee will remove his or her own lock or tag when his or her part of the operation is completed.

When service or maintenance involves more than one shift, members of the off-going shift should remove their locks and tags as the members of the on-coming shift applies their locks and tags.

When equipment has room for only one lock, the coordinator of the procedure should place the lock on the equipment and place the key in a cabinet or box. Each employee should affix his or her lock to the cabinet or box.

**Outside service or contractor personnel**

Outside personnel or contractors who may be affected by the lock-out/tag-out procedures must submit their energy control procedures.

**Training**

All employees of _______________ regardless job classification are required to participate in a training and education program. Each new employee will be trained prior to beginning their work assignment.

The training program for affected employees includes the following elements and will be repeated annually:

1. Review of the requirements of control of hazardous energy (29 CFR 1910.147).
2. Lock out/tag out devices
3. Types and magnitudes of energy sources
4. The limitations of tag-out
5. Lock-out and/or procedure for the isolation of energy sources
6. Procedures for removing lock and/or tags
7. Procedure for restoring energy

(Affected employees are those who would be required to participate in a lock-out/tag-out procedures)

Other employees will be trained to:

1. Recognize when the control procedures are being implemented, and
2. Understand the purpose of the procedure and the importance of not attempting to use the equipment that has been locked out.

Retraining will be given whenever there is a change in job assignment, a change in equipment or processes that would create a new hazard, or whenever a change would occur in the hazardous energy control procedures.

A list of trained employees and the dates of their training will be maintained.
Hearing conservation

Hearing loss can occur as a result of infections, blows to the head, medication side effects, and general aging. However, both the risk and degree of hearing loss can be increased by excessive exposure to noise. Factors which will influence the incidence and magnitude of the hearing loss include duration of exposure, intensity of exposure, and frequency of the noise. For exposures below 80 dBA, the risk of noise induced hearing loss is minimal. As exposures increase above this level, the risk of noise induced hearing loss increases.

Historically, sound levels at automotive repair and service shops have not been found to exceed the "action level" established by the occupational safety and health administration. OSHA standards state that if employees are exposed to sound levels above the 85 dBA eight-hour, time-weighted average, "the employer shall administer an effective hearing protection program." A noise survey should be conducted if there is any reason to believe that sound levels in the work area are at or near the 85 dBA level.

Program elements
The risk of noise induced hearing loss can be reduced through the administration of an effective hearing conservation program. A hearing conservation program should include the following:

- Written procedures
- Monitoring of noise exposures - intensity, duration, frequency
- Audiometric testing
- Information and training
- Selection and use of hearing protection
- Controls to reduce noise exposures
- Record keeping
- Employee access to all records required by this standard

Note: Consult OSHA Regulation (29CFR1910.95).
Personal protective equipment

The personal protective equipment (PPE) standard is designed to prevent injuries to employees when engineering controls, and administrative controls cannot effectively protect the employee.

The standard requires that the employer conduct an in-depth evaluation of the hazards and the equipment required to protect the employee from the hazards. Personal protective equipment (PPE) is covered by several of the programs outlined in this guidebook. The use of PPE should follow this program as well as the other programs.

Training

Each employee should be provided training about PPE. The training should include:

I. When to use PPE
II. What type of PPE is needed based on the hazard.
III. How to properly put on, remove, adjust, and wear PPE
IV. The proper care, maintenance, and disposal of the PPE
V. Records should be maintained of training activities. Records should include employee name, date, subject and PPE issued.

Respiratory protection

I. See the Respiratory Protection Program in this guidebook

Head protection

I. Head protection must do two things, (1) resist penetration and (2) absorb the shock of the blow.
II. In general most automotive repair and service shops would only require a class C safety hat or cap.
III. The class C safety hat would only be required when there is a possibility of bumping the head against a fixed object.

Hearing protection

I. See the hearing protection program in this guidebook

Eye and face protection

I. Suitable eye and face protection should be provided where machine or operations present the hazard of flying objects, liquids, falling objects or a combination of hazards.
II. The eye and face protection should:
   A. Provide adequate protection for the hazard
   B. Be reasonably comfortable
   C. Fit properly and not interfere with the wearer
   D. Durable and easily cleaned and disinfected
III. Eye and face protection must always be used when working with grinders, buffing wheels, wire wheels, drills, chisels, Sanders, welding equipment, cutting equipment, impact tools or any other operation that may cause flying or falling particles.
IV. Persons required to wear corrective lenses should wear goggles or spectacles manufactured to safety eyewear standards.

Vendors may be able to assist in selection of proper eye and face protection for workplace hazards.

Note: Consult OSHA Regulation CFR 1910.132.
Respiratory protection program

Respirators are designed to help prevent the entry of harmful substances into the lungs. In a typical business, exposure to airborne contaminants may occur during these operations: spray painting; grinding; sanding; undercoating; clutch and brake repair; and cutting and welding. When effective engineering controls are not feasible for controlling these exposures, or while those controls are being installed, or during cleanup operations, appropriate respirators must be used.

The employer is responsible for developing and implementing an effective respiratory protection program. Employees are responsible for wearing the respirators and complying with the program. An effective respirator program must cover the following factors:

- Written standard operating procedures
- Program evaluation
- Selection
- Training
- Fit testing
- Inspection, cleaning, maintenance and storage
- Medical examinations
- Work area surveillance
- Air quality standards
- Approved respirators
- Employee signed form

Administrative respiratory protection program

The following was reprinted with permission from 3M occupational health & environmental safety division.
Administrative Respiratory Protection Program

General Procedures, Policy and Responsibility

General
The Occupational Safety and Health Administration (OSHA) General Industry standard for respiratory protection 29 CFR 1910.134 requires that a written respiratory protection program be established by an employer. The following procedures are based on the requirements established by OSHA.

Policy
It is the policy of this company to provide its employees with a safe and healthful work environment. The guidelines in this program are designed to help reduce employee exposure to occupational air contaminants and oxygen deficiency. The primary objective is to prevent excessive exposure to these contaminants. This is accomplished as far as feasible by accepted engineering and work practice control measures. When effective engineering controls are not feasible, or while they are being implemented or evaluated, respiratory protection may be required to achieve this goal. In these situations, respiratory protection is provided at no cost to the employees.

Responsibilities
1. Management
It is management’s responsibility to determine what specific applications require the use of respiratory protective equipment. Management must also provide proper respiratory protective equipment to meet the needs of each specific application. Employees must be provided with adequate training and instructions on all equipment.

2. Management/Supervisory
Superintendents of each area are responsible for ensuring that all personnel under their control are completely knowledgeable of the respiratory protection requirements for the areas in which they work. They are also responsible for ensuring that their subordinates comply with all facets of this respiratory protection program, including respirator inspection and maintenance. They are responsible for implementing disciplinary procedures for employees who do not comply with respirator requirements.

3. Employees
It is the responsibility of the employee to have an awareness of the respiratory protection requirements for their work areas (as explained by management). Employees are also responsible for wearing the appropriate respiratory protective equipment according to proper instructions and for maintaining the equipment in a clean and operable condition.

Program Administration
1. The following individual has total and complete responsibility for the administration of the respiratory protection program:
   Name: __________________________
   Title: __________________________
   Department: ____________________
   Signature: ______________________

   This individual has the authority to act on any and all matters relating to the operation and administration of the respiratory protection program. All employees, operating departments, and service departments will cooperate to the fullest extent. This person is referred to as the Respiratory Protection Program Administrator in this program.

   This individual is responsible for monitoring or conducting an exposure assessment of the respiratory hazard, developing standard operating procedures for this program, maintaining records, and conducting program evaluations.

2. The following individual is responsible for contaminant identification and measurement, including technical support, air sampling, and laboratory analysis.
   Name: __________________________
   Title: __________________________
   Department: ____________________
   Signature: ______________________
3. The following individual is responsible for evaluating the health of the company employees via a comprehensive medical and health program.

   Name: ____________________
   Title: ____________________
   Department: ________________
   Signature: ________________

4. The following individual is responsible for directing and coordinating engineering projects which are directly related to respiratory protection.

   Name: ____________________
   Title: ____________________
   Department: ________________
   Signature: ________________

5. The following individual is responsible for selection, issuance, training, and fit testing of all respirators used in this company, including record keeping.

   Name: ____________________
   Title: ____________________
   Department: ________________
   Signature: ________________

This program will be effective on ____________________________

Recommended Respiratory Protection Program

Medical Evaluation
Every employee who is being considered for inclusion in the Respiratory Protection Program must participate in a medical evaluation. A determination of the employee’s ability to wear a respirator while working is made initially before fit testing. Future evaluations are made when there is a change in workplace conditions or information indicating a need for re-evaluation.

(Describe procedures for medical evaluation and attach to this program. A mandatory medical evaluation questionnaire in 1910.134 must be used and reviewed by the company PLHCP.* If the PLHCP deems it necessary, the employee will receive an examination. The purpose of the medical evaluation is to assure that the employee is physically and psychologically able to perform the assigned work while wearing respiratory protective equipment. If the PLHCP denies approval, the employee will not be able to participate in the Respiratory Protection Program.)

(Copies of the medical evaluation and questionnaire must be kept in employee’s file in accordance with 29 CFR 1910.1020.)

Respirator Selection
1. Work Area Monitoring
Exposure assessment will be done to ensure proper respirator selection. In order to determine the exposure level, air samples of the workplace representative of the work period, exposure assessment based on analogous processes, or professional judgment will be used. Personal sampling equipment may be used in accordance with accepted industrial hygiene standards to sample each work area. Results of these samples will pinpoint areas where respiratory protection is required.

The exposure assessment will be performed prior to the task requiring respiratory protection. Periodically thereafter, as required by OSHA substance specific standards or at least every 12 months,** a review of the exposure assessment will be made to determine if respiratory protection is still required. If respiratory protection is still necessary, respirator selections will be reviewed to assure their continued suitability.

(Attach records of all exposure assessments to this program. A sample form is provided.)

2. Respirator Selection
Respirators are selected and approved for use by management. The selection is based upon the physical and chemical properties of the air contaminants and the concentration level likely to be encountered by the employee. The Respiratory Protection Program Administrator will make a respirator available immediately to each employee who is assigned to a job that requires respiratory protection. Replacement respirators/cartridges and filters will be made available as required.

The selection of the proper respirator type will be made following the procedures which are attached.

(Attach selection procedures. An example of a selection procedure may be found in the 3M Respirator Selection Guide.)

* PLHCP-Physician or other licensed healthcare professional.
** The program administrator can establish more frequent evaluations/assessments.
All respirators will be NIOSH approved. Respirators will be purchased from: ____________________________
_______________________________________________________________________________________
_______________________________________________________________________________________
Respirators currently approved for use are: ____________________________
_______________________________________________________________________________________
_______________________________________________________________________________________
(Attach documentation of respirator selection to this program. A sample form is provided.)

3. Use of Respirators
All tight-fitting respirators (both negative and positive pressure) shall not be used with beards or other facial hair or any other condition that prevents direct contact between the face and the edge of the respirator or interferes with valve function.

Employees will be required to immediately leave the contaminated area:
A. Upon malfunction of the respirator
B. Upon detection of leakage of contaminant into the respirator
C. If increased breathing resistance of the respirator is noted
D. If severe discomfort in wearing the respirator is detected
E. Upon illness of the respirator wearer, including: sensation of dizziness, nausea, weakness, breathing difficulty, coughing, sneezing, vomiting, fever and chills
F. To wash face to prevent skin irritation
G. To change filter/cartridge elements or replace respirators whenever they detect the warning properties of the contaminant or increased breathing resistance.

Respirator Training and Fitting
1. Training
Employees assigned to jobs requiring respirators will be instructed by their supervisor relative to their responsibilities in the respiratory protection program. They will also be instructed in the need, use, limitations, and care of their respirator.

Retraining is given at least every 12 months** after initial training. (Attach training documentation to this program.)

2. Fit Testing
Employees will be properly fitted and tested for a face seal prior to use of the respirator in a contaminated area. Qualitative fit testing will be the preferred method of fit testing.

(Attach fit test procedures to this program.)

Fit testing will be done initially upon employee assignment to an area where respirators are required. Fit testing will be repeated at least every 12 months** thereafter. All tight-fitting respirators (negative and positive pressure) will be fit tested. Positive pressure tight-fitting respirators will be fit tested in the negative pressure mode.

(Attach fit testing records to this program in the Fit Test Appendix. A sample Qualitative Fit Test Record is provided.)

Fit testing will not be done on employees with facial hair that passes between the respirator seal and the face or interferes with valve function. Such facial hair includes stubble, beards and long sideburns.

Note: If it is determined that an individual cannot obtain an adequate fit with any tight fitting respirator, a loose fitting powered air purifying or supplied air respirator may be required instead.

Respirator Inspection, Maintenance and Storage
Respirators must be properly maintained to retain their original effectiveness. The maintenance program will consist of periodic inspection, repair, cleaning and proper storage.

1. Inspection
The wearer of a respirator will inspect it daily whenever it is in use. ________________ will periodically spot check respirators for fit, usage, and condition. (Attach inspection procedures for the respirators in use to this program.) The use of defective respirators is not permitted. If a defective respirator is found during inspection, it must be returned to the following individual: ________________________________

2. Repair
During cleaning and maintenance, respirators that do not pass inspection will be removed from service and will be discarded or repaired. Repair of the respirator must be done with parts designed for the respirator in accordance with the manufacturer’s instructions before reuse. No attempt will be made to replace components or make adjustments, modifications or repairs beyond the manufacturer’s recommendation.

** The program administrator can establish more frequent evaluations/assessments.
3. Cleaning
Respirators not discarded after one shift use, except filtering facepiece type, will be cleaned on a daily basis (or after each use if not used daily), according to the manufacturer’s instructions, by the assigned employee or other person designated by the Respiratory Protection Program Administrator. Facilities and supplies for cleaning these respirators will be made available. (Attach detailed cleaning procedures to this program.)

4. Storage
Respirators not discarded after one shift use will be stored in a location where they are protected from sunlight, dust, heat, cold, moisture, and damaging chemicals. They shall be stored in a manner to prevent deformation of the facepiece and exhalation valve. Whenever feasible, respirators not discarded after one shift use will be marked and stored in such a manner to assure that they will be worn only by the assigned employee. If use by more than one employee is required, the respirator will be cleaned between uses.

5. Compressed Air Systems
Special precautions will be taken to assure breathing quality air when an air line respirator or SCBA is to be used. This air will meet the specifications for Grade D Air established in OSHA 1910.134(i). Cylinders of purchased breathing air must have a certificate of analysis from the supplier that the air meets Grade D requirements. The moisture content in the cylinder must not exceed a dewpoint of -50°F at 1 atmosphere pressure. For air from compressors, the moisture content must be minimized so that the dew point at 1 atmosphere pressure is at least 10°F below the ambient temperature. (Attach procedures and records for certifying the breathing air system to this program.)

Escape Only Respirators (optional)
Where escape only respirators are provided because of the potential for an emergency, personnel assigned to the area will be trained in their use. Escape only respirators shall be NIOSH certified for escape from the atmosphere in which they will be used. Personnel not assigned to a work area, including visitors, shall be briefed in their use. Emergency Use Respirators (optional) Self Contained Breathing Apparatus may be required for emergency use. This equipment will be used only by trained personnel when it is necessary to enter hazardous atmospheres.

1. Locations
Self Contained Breathing Apparatus (SCBA) are found in the following location(s):

2. Special Requirements
All potential users will be fully trained in the use of this equipment. They must also be medically qualified to wear the device. When the equipment is used, it will be tested in an uncontaminated atmosphere prior to entering the hazardous area.

An employee will not work with this apparatus in a hazardous atmosphere on an individual basis. At least one additional employee suitably equipped with a similar breathing apparatus must be in contact with the first employee and must be available to render assistance if necessary.

For interior structural fire fighting, additional requirements apply. (See 29 CFR 1910.134 and 1910.156.)

This equipment will be inspected monthly by trained department or group personnel. Inspection and maintenance information will be recorded. (Specify method, e.g. on inspection tag and/or log book.) (Attach contents of the SCBA training program and inspection procedures to this program.)

Program Evaluation
The workplace will be reviewed and evaluated at least every 12 months** to ensure that the written respiratory protection program is being properly implemented and to consult employees to ensure that they are using the respirators properly. (Attach audit criteria to this program.) A written report will be made of each evaluation, summarizing the findings. For each deficiency identified, corrective action taken will be noted. Copies of the summary reports shall be attached to this program.

** The program administrator can establish more frequent evaluations/assessments.
OSHA’s Requirements for a Respiratory Protection Program***

In any workplace where respirators are necessary to protect the health of the employee or whenever respirators are required by the employer, the employer shall establish and implement a written respiratory protection program with worksite-specific procedures. The program shall be updated as necessary to reflect those changes in workplace conditions that affect respirator use. The employer shall include in the program the following provisions of 1910.134, as applicable:

1. Procedures for selecting respirators for use in the workplace;
2. Medical evaluations of employees required to use respirators;
3. Fit testing procedures for tight-fitting respirators;
4. Procedures for proper use of respirators in routine and reasonably foreseeable emergency situations;
5. Procedures and schedules for cleaning, disinfecting, storing, inspecting, repairing, discarding, and otherwise maintaining respirators;
6. Procedures to ensure adequate air quality, quantity, and flow of breathing air for atmosphere-supplying respirators;
7. Training of employees in the respiratory hazards to which they are potentially exposed during routine and emergency situations;
8. Training of employees in the proper use of respirators, including putting on and removing them, any limitations on their use, and their maintenance; and
9. Procedures for regularly evaluating the effectiveness of the program.

The employer shall designate a program administrator who is qualified by appropriate training or experience that is commensurate with the complexity of the program to administer or oversee the respiratory protection program and conduct the required evaluations of program effectiveness.


Important Notice
The information contained within this brochure represents the key elements of a written respiratory protection program as stated in OSHA’s general industry standard for Respiratory Protection (29 CFR 1910.134). For more specific information concerning legal requirements in your area, contact your local OSHA office. The information stated is not intended to represent 3M’s complete written Respiratory Protection Program.
Sample Forms

Exposure Assessment Record

Respiratory Protection Program Administrator: ____________________________

Job: ________________________________________________________________

Date: __________ / __________ / __________

Location: ____________________________________________________________

I. Job Description: ( ) Routine ( ) Emergency

Describe work performed and length of time involved: _______________________

II. Contaminants:

<table>
<thead>
<tr>
<th>Concentration (Measured or Estimated)</th>
<th>Reference: (Report Number Survey, Sample)</th>
<th>OEL*</th>
<th>Hazard Ratio**</th>
</tr>
</thead>
</table>

* OEL — Occupational Exposure Limit: PEL, TLV, REL, WEEL or other company-specified occupational exposure limit.
** The Hazard Ratio is the quotient of the measured or estimated concentration divided by the appropriate occupational exposure limit. Respiratory protection is required if this value is greater than one and all feasible engineering and work practice controls have been implemented to reduce the concentration to as low as possible.

Note: For those contaminants for which respiratory protection is desired, the information from Part II above must be transferred to the Respiratory Selection Documentation form.

Respirator Selection Documentation

Step 1: Respiratory Hazard Identification

• Oxygen Concentration: __________________

• Contaminant(s): ____________________

• Physical State(s): _________________

• Concentration: ____________________

Step 2: Hazard Analysis

• Permissible Exposure Limit: ______________

• Protection Factor Needed: ______________

• Skin Absorption/Irritation: _____________

• Eye Irritation: ________________

• Warning Properties
  Odor Threshold: ________________
  Nose/Throat Irritation: _____________

• IDLH Concentration: ________________

• Lower Flammable Limit: ______________

• Service Life Information: ____________

• Chemical Cartridge Changeout Time: __________

Step 3: Respirator Type Required

• Minimum Acceptable: ________________

• Alternative (optional): ______________

Step 4: Specific Selections

• __________________

• __________________

• __________________
Sample Forms (cont.)

Qualitative Fit Test Record

Name: ____________________________________________
Date: ____________________________________________
Employee ID/SSN: __________________________________
Respirator: ________________________________________
Size: ______________________________________________
Respiratory Hazards Encountered: ______________________

<table>
<thead>
<tr>
<th>Sensitivity Test</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isoamyl Acetate (Banana Oil)</td>
<td>Pass ( ) Fail ( ) NA ( )</td>
</tr>
<tr>
<td>Saccharin #Squeezes:</td>
<td>Pass ( ) Fail ( ) NA ( )</td>
</tr>
<tr>
<td>10 ( ) 20 ( ) 30 ( )</td>
<td></td>
</tr>
<tr>
<td>Bitter Aerosol #Squeezes:</td>
<td>Pass ( ) Fail ( ) NA ( )</td>
</tr>
<tr>
<td>10 ( ) 20 ( ) 30 ( )</td>
<td></td>
</tr>
<tr>
<td>Irritant Smoke</td>
<td>Pass ( ) Fail ( ) NA ( )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fit Test Agent:</th>
<th>Filter/Cartridge:</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isoamyl Acetate</td>
<td>Organic Vapor Cartridge</td>
<td>Pass ( ) Fail ( ) NA ( )</td>
</tr>
<tr>
<td>Saccharin</td>
<td>Particulate Filter</td>
<td>Pass ( ) Fail ( ) NA ( )</td>
</tr>
<tr>
<td>Bitter Aerosol</td>
<td>Particulate Filter</td>
<td>Pass ( ) Fail ( ) NA ( )</td>
</tr>
<tr>
<td>Irritant Smoke</td>
<td>100 Level Particulate Filter</td>
<td>Pass ( ) Fail ( ) NA ( )</td>
</tr>
</tbody>
</table>

Comments: ________________________________________

Fit Test Repeated Before: ______________________________
Test Conductor: ______________________________________
Employee Signature: ________________________________

For more information, please contact:

3M Occupational Health and Environmental Safety Division (OH&ESD)

In the U.S., contact:
Sales Assistance
1-800-896-4223
Technical Assistance
1-800-243-4630
Fax On Demand
1-800-846-1655
Internet
http://www.3M.com/occsafety
For other 3M products
1-800-3M HELPS

In Canada, contact:
3M Canada Company, OH&ESD
P.O. Box 5757
London, Ontario N6A 4T1
Sales Assistance
1-800-265-1840, ext. 6137
Technical Assistance (Canada only)
1-800-267-4414
Fax On Demand
1-800-846-1655
Internet
http://www.3M.com/CA/occsafety

Technical Assistance In Mexico
01-800-712-0646
5270-2255, 5270-2119 (Mexico City only)
Technical Assistance In Brazil
0800-132333
Fax On Demand O.U.S. Locations
1-651-732-6330

3M Occupational Health and Environmental Safety Division
3M Center, Building 235-2W-70
St. Paul, MN 55144-1000
Hazard communication standard

In 1983, OSHA issued a rule called "hazard communication" to respond to the education of employers and employees about the hazards of chemicals in the workplace. While the original rule included only manufacturers, OSHA expanded the scope of the hazard communication standard on May 24, 1988 to all employers engaged in a business where chemicals are either used or distributed. To date, citations issued on the hazard communication standard remain the most frequent.

The hazard communication standard requires employers to develop, implement, and maintain a written program. The written program should include:

- List of hazardous chemicals
- Material safety data sheets (MSDS)
- Labeling
- Non routine tasks
- Training
- Transfer of information to contractor employees

To be effective, the program must clearly identify the person(s) responsible for implementing the program.
Sample hazard communication program

Consult OSHA regulation CFR 1910.1200 prior to adoption or implementation.

General policy
The purpose of this program is to inform you that our business is complying with the OSHA hazard communication standard, title 29 code of federal regulations 1910.1200, by compiling a hazardous chemical list, by using material safety data sheets (MSDSs), by ensuring that containers are labeled, and by providing employees with training.

This program applies to all work operations in our business where you may be exposed to hazardous substances under normal working conditions or during an emergency situation.

Under this program, you will be informed of the contents of the hazard communication standard, the hazardous properties of chemicals with which you work, safe handling procedures, and measures to take to protect yourselves from these chemicals. You will also be informed of the hazards associated with non-routine tasks and the hazards associated with chemicals in unlabeled pipes.

_____________________ has overall responsibility for the program, to include, review and update as necessary. Copies of the written program may be obtained from ____________ located in the ___________department.

List of hazardous chemicals
_________________ will make a list of all hazardous chemicals and related work practices used in the business and will update the list as necessary. Our list of chemicals identifies all of the chemicals used in our work areas. A separate list is available for each work area and is posted there. Each list also identifies the corresponding MSDS for each chemical. A master list of these chemicals will be maintained by ________________, and is available from ________________ in the ___________department.

Material safety data sheets (MSDS)
MSDS’s provide you with specific information on the chemicals you use. ________________ will maintain a binder in his/her office with an MSDS on every substance on the list of hazardous chemicals. The MSDS will be a fully completed OSHA Form 174 or equivalent. ________________ will ensure that each department maintains an MSDS for hazardous materials in that area. MSDSs will be made readily available to you at your work station during your shifts.

_________________ is responsible for acquiring and updating MSDSs. He/she will contact the chemical manufacturer or vendor if additional research is necessary or if an MSDS has not been supplied with an initial shipment. All new procurements of chemicals for the business must be cleared by ________________. A master list MSDS is available from ____________ located in the ___________department.

Labels and other forms or warning
_________________ will ensure that all hazardous chemicals in the business are properly labeled and updated as necessary. Labels should list at least the chemical identity, appropriate hazard warnings, and the name/address of the manufacturer, importer or other responsible party. ________________ will refer to the corresponding MSDS to assist you in verifying label information. Containers that are shipped from the business will be checked by shipping/receiving to make sure all containers are properly labeled.

If there are a number of stationary containers within a work area that have similar contents and hazards, signs will be posted on them to convey the hazard information. These written materials will be made readily available to you during your work shift.

If you transfer chemicals from a labeled container to a portable container that is intended only for your immediate use, no labels are required on the portable container. Pipes or piping systems will not be labeled, but their contents will be described in the training sessions.
Non-routine tasks
When you are required to perform hazardous non-routine tasks (e.g. cleaning tanks, entering confined spaces, etc.), a special training session will be conducted to inform you regarding the hazardous chemicals to which you might be exposed and the proper precautions to take to reduce or avoid exposure.

Training
Everyone who works with or is potentially exposed to hazardous chemicals will receive initial training on the hazard communication standard and the safe use of those hazardous chemicals by________________. A program that uses both audiovisual materials and classroom training has been prepared for this purpose. Whenever a new hazard is introduced, additional training will be provided. Regular safety meetings will also be used to review the information presented in the initial training. Department managers and other supervisors will be extensively trained regarding hazards and appropriate protective measures so they will be available to answer questions from employees and provide daily monitoring of safe work practices.

The training plan will emphasize the following items:

- Summary of the standard and this written program.
- Chemical and physical properties of hazardous materials (e.g., flash point, reactivity) and methods that can be used to detect the presence or release of chemicals (including chemicals in unlabeled pipes).
- Physical hazards of chemicals (e.g., potential for fire, explosion, etc.).
- Health hazards, including signs and symptoms of exposure, associated with exposure to chemicals and any medical condition known to be aggravated by exposure to the chemical.
- Procedures to protect against hazards (e.g., personal protective equipment required, proper use, and maintenance; work practices or methods to assure proper use and handling of chemicals; and procedures for emergency response).
- Work procedures to follow to assure protection when cleaning hazardous chemical spills and leaks.
- Where MSDSs are located, how to read and interpret the information on both labels and MSDSs and how employees may obtain additional hazard information.

____________________will review our employee training program and advise the general manager on training and retraining needs. Retraining is required when the hazard changes or when a new hazard is introduced into the workplace, but it will be policy to provide training regularly in safety meetings to ensure the effectiveness of the program. As part of the assessment of the training program, _________________ will obtain input from employees regarding the training they have received, and their suggestions for improving it.

Contractor employees
____________________ upon notification by the responsible department manager, will advise outside contractors in person of any chemical hazards that may be encountered in the normal course of their work on the premises, the labeling system in use, the protective measures to be taken, and the safe handling procedures to be used. In addition, _________________ will notify these individuals of the location and availability of MSDSs. Each contractor bringing chemicals on-site must provide the business with the appropriate hazard information on these substances, including the labels used and the precautionary measures to be taken in working with these chemicals.

Additional information
All employees can obtain further information on this written program, the hazard communication standard, applicable MSDSs and chemical information lists from ___________________located in the _________________ department.
<table>
<thead>
<tr>
<th>Hazardous chemicals</th>
<th>Operation/area used (optional)</th>
<th>MSDSs on file</th>
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<tbody>
<tr>
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</table>
Material safety data sheet checklist

You must ensure that each MSDS contains the following information:

1. Product or chemical identity used on the label.
2. Manufacturer’s name and address.
3. Chemical and common names of each hazardous ingredient.
4. Name, address, and phone number for hazard and emergency information.
5. Preparation or revision date.
6. The hazardous chemical’s physical and chemical characteristics, such as vapor pressure and flashpoint.
7. Physical hazards, including the potential for fire, explosion, and reactivity.
8. Known health hazards.
9. OSHA permissible exposure limit (PEL), ACGIH threshold limit value (TLV) or other exposure limits.
11. Whether OSHA, NTP or IARC lists the ingredient as a carcinogen.
12. Precautions for safe handling and use.
13. Control measures such as engineering controls, work practices, hygienic practices or personal protective equipment required.
14. Primary routes of entry.
15. Procedures for spills, leaks, and clean-up.
Training checklist - hazard communication

1. Established a thorough training program. _________ __________
2. Identified employees who need training. _________ __________
3. Training program ensures that new employees are trained before their first assignment. _________ __________
4. Informed employees of the specific information and training requirements of the hazard communication standard. _________ __________
5. Informed employees of the requirements of the standard, and their rights under the law. _________ __________
6. Informed employees of our written program and training requirements. _________ __________
7. Informed employees of the different types of chemicals and the hazards associated with them. _________ __________
8. Informed employees of specific hazards of the chemicals and processes they work with and their proper use and handling. _________ __________
9. Informed employees of the hazards associated with performing non-routine tasks. _________ __________
10. Informed employees how to detect the presence or release of hazardous chemicals in the workplace. _________ __________
11. Trained employees in the use of proper work practices, personal protective equipment and clothing and other controls to reduce or eliminate their exposure to the chemicals in their work areas. _________ __________
12. Trained employees in emergency and first-aid procedures and signs of overexposure. _________ __________
13. Listed all the hazardous chemicals in our workplace. _________ __________
14. Explain to employees when and how to update our hazardous chemical list. _________ __________
15. Obtained or developed a material safety data sheet for each hazardous chemical in the workplace. _________ __________
16. Explained how to use an MSDS. _________ __________
17. Informed employees of the list of hazardous chemicals and MSDS’s and where they are located. _________ __________
18. Explained labels and their warnings to employees. _________ __________
19. Developed a system to ensure that all incoming hazardous chemicals are checked for proper labels and data sheets. _________ __________
20. Established procedures to ensure proper labeling or warning signs for containers that hold hazardous chemicals. _________ __________
21. Developed a way to identify and inform employees of new hazardous chemicals before they are introduced into a work area. _________ __________
22. Established a way to inform employees of new hazards associated with the chemicals they already use. _________ __________
23. Developed a way to evaluate the effectiveness of the training program and to keep track of who has received training. _________ __________
Emergency/disaster planning

Emergencies can include but are not limited to fire, flood, tornado, hurricane, earthquake, bomb threats and riot or civil commotion. The main objective of any plan should be to provide safety to all employees and maximize property protection. The local police, fire and emergency preparedness departments should be invited to assist in the development of all emergency plans.

Pre-emergency planning

- Designate an authorized person(s) as emergency coordinator. Responsibilities to be outlined by top management at each facility. A committee may be established to develop emergency plans for each particular business.
- Provide written plans or various types of emergencies and specific actions to be taken and persons responsible. This is an area where the local fire department may provide assistance.
- Have one person and a back-up designated as notifier to proper emergency units such as police, fire department, etc. The primary person can be emergency coordinator or other designated person.
- Back up copies of all computer records should be secured at an off site facility. Back ups should be completed daily, removed from the main facility and secured. Examples would be accounts payable, receivables, inventory, and employee records.
- Maintain a complete inventory of all stock and equipment. Back up copies of these records should also be kept off site.
- Select or make arrangements for alternate facility/building to establish critical operations essential to conducting daily business.
- Train employees on action required of them during the various types of emergencies. Drills can be held to check emergency preparedness.
- Routine maintenance and testing of fire protection systems such as alarms and sprinklers should be conducted to insure they will work when needed.
- Train employees in basic fire fighting such as fire extinguisher use. Document any training provided.
- Designate safe areas in building for various emergencies as applicable. The local fire department can assist in this area.
- Obtain flood maps or plans for specific area from Army Corp of Engineers.
- Compile and distribute all emergency phone numbers to key personnel. Also post in conspicuous areas.
- Obtain the source of temporary personnel to assist the business in carrying out the emergency plans

Impending fire emergency

Prompt notification to the fire department.

- Emergency coordinator to insure that previously rehearsed, proper actions are taken by designated employees.
- Check to see that alarms and emergency equipment have activated as designed.
- No heroes. First responsibility is safety of all employees and safe evacuation of facility.

Tornado

- In a tornado watch situation emergency coordinator listens to local radio, television, etc. for information and advice. Prompt communication to employees is necessary.
- If tornado warning is issued shelter should be taken immediately. Monitoring of public communication should be done until danger has passed.

Flooding

- Emergency coordinator to listen to public communication for advice.
- Move all critical equipment such as computers and records to higher levels or if time permits to off site safe areas.
- Move inventory as time permits to high ground or off site facilities, perishable and high value high profit items should be the first items moved.
- Emergency coordinator to make the call with top management consultation for complete evacuation of facility.
- Sand bagging is possible if time allows to minimize damage.

Hurricane

- Emergency coordinator to listen to weather issued by National Weather Service.
- Recommendations of local authorities should be strictly followed.
• As time allows boarding up of windows, doors, etc.
• Move inventory to sheltered areas as time allows.

Earthquakes
• Since earthquakes occur without warning, pre-planning is of utmost importance.
• Employees should go to designated safe areas. Safe areas can include under tables, desks, benches, supported doorways or along an inside wall. Your local fire department can assist you in safe area designation.

Bomb threats
• Treat any bomb threat as real.
• Emergency coordinator to call police and follow their instructions.
• Remove all employees from building to a safe distance.
• Instruct employees not to handle suspicious packages.

Riot or civil commotion
• Notify local authorities immediately.
• Make utilities and fire protection equipment as secure as possible.
• Shut down the facility and lock up all vital information, keys, etc.

Post-disaster plan
• Protect the salvage until help arrives
• Report the loss to the insurance company immediately
• Allocate adequate personnel to assist the claims adjuster to move, protect, and repair damage to prevent further deterioration
Storing and transporting hazardous materials

What are hazardous wastes?
As defined by the Resource Conservation and Recovery Act (RCRA), a hazardous waste is a discarded (land-disposed, incinerated, burned, recycled or stored) substance that is:

I. ignitable
II. corrosive
III. reactive
IV. toxic

Some substances are exempt and totally excluded from the federal regulations. For example, household refuse, demolition debris, and unusable paper, cardboard, and plastic scrap. Scrap metal, used lead-acid batteries, and used oil that will be sent off-site for recycling and reclamation are also exempt. Be aware that some states have enacted regulations that are more strict than the federal regulations. There are a total of four lists comprised of more than 400 substances in Subpart D of the federal RCRA regulations. Review these lists and state regulations if you have questions about substances in your facility.

Definition of "generators"
The following are compliance requirements for "generator" categories as defined in the federal regulations (RCRA). Many states have different definitions and more strict requirements, refer to your individual state regulations for more information.

Conditionally exempt small quantity generator - generates between 0 and 100 kg of hazardous waste each month. Must comply with the following:

I. Fully identify all hazardous waste they generate.
II. Send waste to a licensed or permitted facility.
III. Never accumulate more than 1,000 kg of hazardous waste at one time.
   * Complete RCRA rules should be reviewed - 40 CFR 261.5.

Small quantity generator - generates between 100 and 1,000 kg of hazardous waste each month. These generators must:

I. Identify all hazardous waste they generate.
II. Obtain a US EPA identification number.
III. Send waste to a state or RCRA authorized facility.
IV. Use a hazardous waste manifest form when shipping waste off-site.
V. Offer waste only to a hazardous waste transporter with a US EPA Transporter Identification Number.
VI. Comply with DOT requirements for shipping wastes off-site.
VII. Accumulate waste on-site for no more than 180 days, or 270 days if the waste is being shipped more than 200 miles (unless a hazardous waste storage permit is obtained).
VIII. Never accumulate more than 6,000 kg of hazardous waste at any one time.
IX. Comply with emergency preparedness requirements.
   * Complete regulations should be reviewed in 40 CFR 262.34(d)(e)(f) and 262.44.
Large quantity generator - generates more than 1,000 kg of hazardous waste each month. In addition to the requirements above, these generators must:

I. Certify on the manifest form that there is a program in place to minimize the volume and toxicity of hazardous waste.
II. Accumulate waste on-site form not more than 90 days, unless a hazardous waste storage permit is obtained.
III. File a biennial report with the EPA and an annual report with the state environmental agency, if applicable.
IV. Comply with annual RCRA training requirements.
V. Develop and maintain a preparedness and prevention plan and an emergency response “contingency plan.”

* Complete regulations should be reviewed in 40 CFR 262.

Waste storage
In most communities the storage of hazardous chemicals is regulated by local fire codes and building regulations. There are only three principle compliance concerns under the RCRA, they are:

I. Time limits for storing hazardous wastes.
II. Quantity limits for storing wastes.
III. Container and area management standards.

Most of the container and area management standards are considered to be commonsense rules to protect the environment. This is a partial listing of rules for managing waste containers:

I. Each container should be marked with the words “hazardous waste,” the accumulation start date, and a description of the waste.
II. Maintain containers in good condition.
III. Store wastes in containers designed for this purpose without rupturing, leaking, or corroding.
IV. Handle containers carefully.
V. Replace leaking containers or drums promptly.
VI. Containers should be kept closed except when transferring waste into or out of the container.
VII. Containers should be inspected for leaks or corrosion each week.
VIII. Maintain adequate aisle space between drums to ensure easy access and inspection.
IX. Store ignitable or reactive wastes away from sources of ignition and store them at a safe distance from each other and from property lines.
X. Post “no smoking” signs conspicuously wherever ignitable or reactive wastes are stored.

Hazardous waste storage in tanks calls for compliance with very stringent requirements. It should be noted that aboveground and underground storage tanks are regulated by the federal and state governments through completely different sets of laws. All applicable laws should be obtained and reviewed to determine your legal requirements for storing waste. Some of the federal regulations include:

I. Tanks must be of double-wall construction, use external liners, or concrete vaults to provide secondary containment.
II. Tanks should be kept covered or provided with at least two feet of space at the top of the tank in uncovered tanks.
III. Utilize waste feed cutoff or bypass systems where waste flows into tanks continuously.
IV. Tanks should be equipped with leak detection systems.
V. Monitoring or gauging systems should be inspected daily.
VI. Tanks should comply with National Fire Protection Association codes.
Used lead-acid batteries also require special care when stored on-site. The following guidelines will help ensure proper battery storage:

I. Batteries should be stored on asphalt or acid-resistant coated floor.
II. Store batteries in their own separate room, place a curbing or berm between the batteries and other wastes, or store in a durable acid-resistant tub.
III. Store the batteries in an area without a floor drain.
IV. Inspect the batteries every week.
V. Cracked and leaking batteries should be placed in leak-resistant containers.
VI. Ship at least 75 % of all batteries off-site each calendar year.

*Note:* Storage of any hazardous waste requires you to assign at least one person responsibility as an "emergency coordinator." This person must be on-site or on call at all times. Emergency numbers (including the emergency coordinator’s telephone number) must be posted next to the telephone and employees must be familiarized with emergency response procedures.

**Transportation**

The DOT’s Hazardous Materials Regulations (49 CFR 172, hazardous materials table, special provisions, hazardous materials communications, emergency response information, and training requirements) are supposed to ensure that hazardous materials are adequately packaged and maintained for transportation. They also help ensure that the hazards associated with the material are communicated to those who handle it or to those responding to an emergency.

Preparing wastes for shipment is a six step process. In order to comply with DOT regulations these six steps should be addressed:

I. Hazardous waste determination
II. DOT shipping name
III. Hazard class
IV. UN/NA number
V. Labels
VI. Placards

I. **Hazardous waste determination**

Although you may have already identified the waste under the RCRA definitions, a determination must now be made under the DOT definitions. The DOT hazardous materials table (subpart B of 49 CFR 172) will specify the hazard class to which the material belongs, the shipping name, packaging, labeling, and any special requirements.

II. **DOT shipping name**

The DOT shipping name can be found in the hazardous materials table (49 CFR part 172) where the chemicals are listed in alphabetical order. The table will list how the material must be labeled in addition to providing the shipping name. Note: the regulations state that “If the word “waste” is not included in the hazardous material description in column 2 of the table, the proper shipping name for a hazardous waste..., shall include the word “waste” preceding the proper shipping name of the material. For example: waste acetone.”

III. **Hazard class**

The hazard classes range from class 1: explosives, divisions 1.1 - 1.6 through class 9: miscellaneous hazardous materials. Some hazard classes are further divided into divisions (as noted for class 1). Some typical examples are: mineral spirits, paint thinners, enamels, epoxy paint, and lacquers - Class 3: flammable liquids; and sulfuric acid (used lead-acid batteries) - class 8: corrosive materials.
IV. UN/NA number
The United Nations/North America numbers are identification numbers that must be included with the shipping name, markings, and on the placard (in some cases). Both of these numbers are listed in the hazardous materials table. The UN number can be used on all shipments while the NA number applies only to those shipped within the United States and Canada.

V. Labels
DOT defines "labels" as graphic representations of the hazard associated with a particular material. Complete details for labeling hazardous materials can be found in 49 CFR 172, subpart E - labeling. Section 172.407 - label specifications, details requirements for label durability, design, size, and color. Graphic illustrations for the various hazard classes and divisions are found in following sections. The hazardous materials table (in column 6) will specify whether or not labels are required and provide the appropriate wording.

In general, the labels are diamond shaped with a centralized illustration to communicate the hazard of the material. The proper label is determined by the hazard class, which must also be printed at the bottom of the label. Be aware that labeling is the sole responsibility of the waste generator.

VI. Placards
Placarding is also the sole responsibility of the generator. The generator must provide the appropriate placards to the transporter, which must be displayed on the sides and ends of the motor vehicles, railcars or freight containers. The transporter usually has the appropriate placards, but the generator should have them available and ensure the transporter uses them. The purpose of these placards is to communicate the hazards of the materials to emergency responders.

Placards may not be required when transporting small quantities of hazardous materials. When transporting 454 kilograms (1,001 pounds, which equals approximately two and one-half 55-gallon drums) or less of hazardous materials, placarding is not required unless the materials fall into one of these categories:

- Explosives, divisions 1.1 - 1.3
- Poison gas, division 2.3
- Dangerous when wet materials, division 4.3
- Poison materials, division 6.1, packing group I
- Radioactive materials, yellow III labels only

Summary
The purpose of this section is to provide a basic outline of the DOT regulations for storing and transporting hazardous materials. Many states and local governments have enacted legislation that is even more stringent than the federal regulations. These regulations are quite extensive and vary widely from state to state, therefore it is impossible to cover every conceivable circumstance. If you have questions regarding any of these issues refer to the Resource Conservation and Recovery Act (RCRA) and department of transportation 49 CFR Parts 100 to 177. You can also contact your own state environmental agencies, and/or the regional EPA office (there are ten regions covering the continental US; Alaska; Guam and Hawaii; and Puerto Rico and the Virgin Islands) responsible for your area.
Environmental protection

Each business, no matter what the size should evaluate their need for a environmental hazard control program. Depending on the exposures, you should have a well organized, documented program that is continuously monitored.

Using and disposing of antifreeze

Any facility that performs vehicle repair, whether on their own or other vehicles, will encounter waste antifreeze or engine coolant. Vehicle coolants can contain several hazardous substances. Waste coolant will also contain metal contaminants, because the heat of the engine causes some metals to dissolve into the coolant. The disposal of waste coolant is an environmental concern primarily because of the metal contaminants that may be found in it.

There is also a growing trend toward processing or recycling used coolant. In this instance, the antifreeze would be drained from the vehicle, filtered, recharged and the recycled coolant would be reintroduced into the vehicle.

The following is a checklist for using and disposing of antifreeze:

- Do you have a material safety data sheet (MSDS) on file for each antifreeze used?
- Have you determined whether the antifreeze can be rendered non-hazardous by recycling?
- Have you assessed which disposal method best fits your operation?
- Are your disposal practices documented as part of your operating policies?
- Are your employees trained and knowledgeable with your system?
- Do you have procedures to ensure that coolant is never mixed with other liquids, such as used oil?
- Is every antifreeze storage container properly labeled?
- Have you assessed the feasibility of recycling your coolant?
- Have you got the proper spill cleanup supplies in the vicinity where the antifreeze is stored?
- Do you use dedicated collection equipment, including collection funnels, transfer buckets, and proper labeled storage drums or tanks ("used antifreeze only")?
- Do you allow the use of chlorinated solvents to clean antifreeze collection equipment or containers?
- Have you checked with state and local agencies for additional requirements?

Recycling, storing, and disposing of used batteries

Used vehicle batteries are hazardous because they contain highly corrosive sulfuric acid, lead and other toxic metals. Used lead-acid batteries are one of the most environmentally-unfriendly portions of a car or truck, but fortunately they are in most cases successfully being recycled. It has been estimated that as many as 95% of all spent batteries are being recycled.

Disposal of batteries is regulated by federal and state regulations. It is generally prohibited in landfills and most states have strong battery recycling laws. Set up a recycling system with a reputable battery distributor.

The following is a checklist for recycling, storing and disposing:

- Your policy should ensure that batteries are never disposed of in landfills, incinerators or in solid waste.
- If you are not reclaiming or recycling batteries, they must be treated as hazardous waste.
- You must have company policies for battery purchase, storage, and disposal and all employees must be trained on these policies and procedures.
- Batteries should be stored indoors in a protected area clearly marked for battery storage.
- Equipment must be provided to catch small drips/spills of battery acid. Spill control materials for larger leaks/spills of battery acid should be immediately available.
- A non-smoking policy must be enforced in charging areas. Use wall markings to state “no smoking.”
- Personal protective equipment (PPE) should be provided to employees servicing batteries and the use of this equipment must be enforced.
Spray painting

The paints, solvents, thinners, and other chemicals used in vehicle painting are all hazardous chemicals. The process of painting presents its own hazards, as well. When spray painting occurs, several safety and environmental factors must be considered. These include:

- Workers’ personal protective equipment (PPE),
- Federal and state EPA requirements for disposal of paint residue and filters,
- Requirements under the Clean Air Act.

The following is a brief checklist for spray painting vehicles:

- Have you assessed your workers’ PPE needs, provided the required equipment, and strictly enforced the use of it?
- Have you had your paint residue and paint booth filters tested to identify whether or not they are hazardous waste?
- Have you implemented a no-smoking policy in the painting vicinity and posted signs accordingly?

Used oil

EPA issued a final rule on May 20, 1992 that waste oil (used oil) destined for disposal will not be specifically listed as a hazardous waste. The decision was made, based on the fact that all used oils do not always meet the technical criteria for being listed as a hazardous waste.

September 10, 1992 saw the issuance of the EPA’s used oil management standards which became effective on March 8, 1993. Used oil intended for recycling continues to be considered as a non-hazardous waste. Tracking the used oil from "cradle to grave" is the transporter’s job, but as the "generator" you have to be sure the company is a licensed transporter. Transporters must use an EPA ID number.

A generator is any business which produces used oil through commercial and industrial operations, collects it through commercial or industrial operations or collects it from such operations or private households. Generators should take advantage of the used-oil companies that recycle, reuse or distribute used oil for a fee. In addition, generators must:

- Not dispose of used oil in drains, waste dumpsters, sewers or on the ground.
- Keep storage tanks/containers in good condition.
- Label storage tanks "used oil."
- Clean up any used oil spills or leaks with absorbents and properly dispose of.
- Never mix other liquids such as gasoline, antifreeze or hazardous waste with used oil.
- Use a transporter with an EPA ID number.
- Keep records of used oil sent to burners.

For regulatory purposes, EPA distinguishes between used oil intended for disposal, which can trigger hazardous waste controls, and used oil intended for recycling, which is basically exempt from hazardous waste controls.

The final used oil management standards retained the exemption allowing energy recovery of used oil in space heaters. Resource Conservation Recovery Act (RCRA) section 1004(37) specifically includes burning for energy recovery within the definition of recycling. If waste oil is tested properly for toxicity, it can be burned in waste oil heater.

Keep in mind that individual states have the option of creating used oil regulations that are more stringent than the federal or that imposes additional management controls.
Used oil filters

In the same May 20, 1992 ruling, EPA indicated that it would not regulate used oil filters as hazardous waste, as long as all free-flowing oil has been removed from them. 40 CFR 261.4(b)(13) specifically exempted non-terne-plated used oil filters which have been gravity hot-drained using one of the following methods:

- Puncturing the filter anti-drain back valve or the filter dome and hot-draining.
- Hot-draining and crushing.
- Dismantling and hot-draining.
- Any other equivalent hot-draining method which will remove used oil from the filter.

(A minimum of 12 hours drain time is the general industry standard.)

(Reprinted with permission from Safety Kleen’s “Introduction to Regulatory Compliance.”)
Violence in the workplace

“Former employee shoots and kills supervisor and two co-workers.”

“Business owner killed in late-night robbery.”

Workplace violence is on the rise, it’s in the newspapers and on TV. Workplace injury statistics clearly reflect this trend. Did you know that the number one cause of death for women at work is homicide? Or that studies conducted by the National Institute for Occupational Safety and Health (NIOSH) show that homicide is the third leading cause of occupational death overall? How about the fact that the Occupational Safety and Health Administration (OSHA) have published “recommendations for workplace violence prevention programs in late-night retail establishments?” Bottom line, this is a problem that must be taken seriously by each and every employer.

Understanding the problem
The state of California identified three types of workplace violence “events” in the CA/OSHA publication titled “Guidelines for Workplace Security.” They are:

Type I  The agent (attacker) has no relationship to the workplace, usually on premises only to commit a robbery or other criminal act.

Type II  The agent is either the recipient or the object of a service provided by the affected workplace or the victim. This is a current or former client, customer, patient or passenger.

Type III  The agent has an employment-related involvement with the workplace-employee. The attacker may also be a spouse, lover, relative, friend or other person who has a dispute with an employee.

It becomes evident that the threat can come from outside the company, or from within. The goal is to have a plan in place, train and be prepared for each type.

Are you at risk?
NIOSH has identified some common risk factors in retail establishments. Among those:

- Contact with the public
- Exchange of money
- Working late night or early morning hours
- Working in high-crime areas

Anything sound familiar? Is your dealership subject to any of these conditions? If the answer is yes, then your company may be at increased risk for workplace violence.

Prevention measures

Hiring policies
- Hiring the best people available is a good long-term investment.
- Conduct criminal/civil background investigations, check references and drug screen all job applicants. Note: This information must be kept confidential.
- Termination policies should be well defined, clearly understood by employees and adhered to by management.
- Implement an Employee Assistance Program (EAP). There are many vendors available that will provide this service to employees.
- The EAP should include a “1-800” telephone number for employees to seek assistance with harassment, substance abuse, domestic violence or other issues.
Physical security
- Improve visibility from inside and outside the dealership. Large windows unobstructed by shrubs, trees or signs will allow employees to see outside activity and the local police to see inside.
- Exterior lighting is important. A well-lit building makes it difficult for a perpetrator to enter or leave undetected during the work day or after-hours.
- Install video surveillance equipment and post signs announcing that it is in use. A closed-circuit TV monitoring the cash register area should be installed.
- If your dealership does a large volume of cash transactions, install a drop safe and post signs stating that cash on hand is limited to a small amount.
- Use door detectors that will announce to employees that someone is entering the dealership.
- Put height markers on exit doors to help employees and other witnesses provide a better description of perpetrators.
- Keep all doors used for deliveries, taking out trash, etc. locked when not in use. Public doors should be kept locked until business hours begin and immediately after closing.

Management issues
- Implement a zero tolerance program for workplace violence. The definition of workplace violence should include acts of assault, aggression, threats and intimidation.
- Develop and implement a crisis response plan. It should include procedures for dealing with the three types of workplace violence “events” described above.
- Train employees and management to identify, be alert to, and promptly report warning signs of potential violence.
- Obtain area crime reports from the local police department to monitor crime trends.
- Increased staffing during late-night hours may be necessary in high-crime areas.
- Violence prevention activities should become part of everyday work. Employees and management should check exterior lights, closed-circuit surveillance equipment, locks, doors and windows on a regular basis.
- Don’t forget to train parts drivers, sales staff who conduct test rides, couriers and other delivery personnel about threats, safety precautions and response procedures specific to their duties.

OSHA’s “general duty clause” states that the employer is responsible for providing a safe workplace. Violence prevention in the workplace isn’t just a moral obligation, it is a legal one. Take a proactive approach to this problem before your business becomes “front page news.”
Commercial driver's license

The Commercial Motor Vehicle Safety Act of 1986 requires drivers who operate a commercial motor vehicle to have a Commercial Drivers License (CDL). Prior to this law licensing standards for drivers were lax in many States, and few required drivers of even large commercial vehicles to demonstrate their competency in operating the equipment. The purpose of the CDL is to help reduce or prevent truck accidents, fatalities and injuries by requiring drivers to have a single commercial motor vehicle license and by disqualifying drivers who operate commercial motor vehicles in an unsafe manner.

A commercial motor vehicle is defined as a motor vehicle or combination of motor vehicles that:

- Has a gross vehicle weight rating (GVWR) greater than 26,000 pounds; or
- Has a gross combination weight rating greater than 26,000 pounds inclusive of a towed unit with a GVWR of more than 10,000 pounds; or
- Is designed to transport 16 or more passengers (including the driver); or
- Is used in the transportation of hazardous materials in a quantity requiring placarding under the department of transportation’s hazardous materials regulations.

If any of the above describes your vehicles, then this regulation applies to you and your drivers must have a commercial driver’s license.

This act also requires that regulations be issued establishing minimum standards for testing and licensing of CMV operators. It is important to note that the federal highway administration established the minimum requirements for the CDL, however, individual states are responsible for the implementation and administration of the CDL program.

States can enact requirements which are more stringent than the Federal minimums and you should refer to your state manuals for specific requirements.

The highlights of the CDL program are as follows:

- Drivers can have only one license.
- Drivers must notify their employer and state of domicile of certain convictions.
- Drivers must provide previous employment history when applying for employment.
- An employer cannot allow a person with a suspended license to operate a CMV.
- Establishes periods of disqualification and penalties for persons convicted of criminal and other offenses and serious traffic violations, or subject to any suspensions, revocations or cancellations of certain driving privileges.
- Establishes testing and licensing requirements for CMV operators.
- States give knowledge and skills tests to applicants which meet the federal standard.
- Establishes commercial motor vehicle groups and endorsements.
- Establishes knowledge and skills test requirements of motor vehicle groups and endorsements.
- Establishes the federal standards for procedure, methods, and minimum passing scores for states and others to use in testing and licensing CMV operators.
- Establishes requirements for state issued commercial license documentation.

Drivers applying for a CDL must pass a knowledge test and a driving/skills test (using a representative vehicle in the test). They must test in a representative vehicle for the commercial motor vehicle group they want - combination vehicle (group A); heavy straight vehicle (group B); or small vehicle (group C). The prospective driver must also agree to a blood alcohol content test and have a satisfactory driving record. The drivers must demonstrate competency in the following areas to pass the basic knowledge portion of the test:

- Safe operating regulations
- Safe vehicle control
- Relation of cargo to vehicle control
- Hazardous materials
- Vehicle safety control systems
- Air brake knowledge
Vehicle inspections
Combination vehicle specifics

The driver applicant must correctly answer a minimum of 80 percent of the questions on each knowledge test to achieve a passing score.

The skills test requires the driver applicant to demonstrate that they can successfully perform all of the applicable skills:

- Basic vehicle control
- Air brakes
- Driving skills
- Safe driving
- Pre-trip inspections

Drivers can be disqualified and penalized for a number of offenses including driving under the influence of alcohol or a controlled substance; leaving the scene of an accident; and use of a vehicle in a felony. Penalties range from a sixty day suspension to a lifetime disqualification.

***** DOT update *****

Effective January 1, 1996 employers who have drivers that are required to maintain a commercial driver’s license (CDL) must implement an alcohol testing program. Requirements for drug testing were already in place, and now testing for alcohol is required as follows:

Pre-employment - test must be completed prior to driving or performing other functions as defined by the DOT
Post accident - test must be completed after accidents on employees whose performance could have contributed to the accident
Reasonable suspicion - when a trained supervisor observes behavior or appearance characteristic of alcohol misuse
Random - unannounced random test before, during or after driving or performing other functions as defined by the DOT
Return-to-duty and follow-up - testing is required after a person has violated the alcohol conduct standards.

The DOT specifies that:

- The employer is responsible for conducting the tests. The employer must do breath testing using evidential breath testing devices (EBT) approved by the national highway traffic safety administration (NHTSA). Specific procedures must be followed on any "negative" test of 0.02 alcohol concentration or greater.
- Employees who engage in prohibited alcohol conduct must be removed from driving and driving related functions and cannot return until they have been evaluated by a substance abuse professional.
- Employers must provide detailed information to employees about alcohol misuse, substance abuse policy, testing requirements and how and where employees can obtain help for alcohol and substance abuse.
- The DOT will conduct inspections or audits of your program. You will be required to keep detailed records of all aspects of your substance abuse program.

For specific information and copies of the alcohol and drug rules contact:

Alcohol and Drug Testing Procedures
Office of the Secretary
Drug Enforcement and Program Compliance
400 7th Street, S.W.
Washington, DC 20590
(202) 366-3784

If you have questions about whether or not these rules apply to you, or how they affect you, contact the nearest state or local office responsible for issuing CDLs (this varies from state to state) for assistance.
Department of Transportation regulations

Federal Motor Carrier Safety Regulations (FMCSR) promulgated by the Federal Highway Administration (FHWA) office of motor carrier standards can have a significant impact on your business. The intent of these regulations is to reduce fatalities, injuries and property losses caused by commercial motor vehicles.

The next question is: "Do these regulations apply to me?" The answer is yes (per part 390 general) if your company operates "commercial motor vehicles," which are defined as any vehicle used to transport passengers or property, when:

- The vehicle has a gross vehicle weight rating or gross combination weight rating of 10,001 or more pounds.

  or

- The vehicle is designed to transport more than 15 passengers.

  or

- The vehicle is used in the transportation of hazardous materials in a quantity requiring placarding.

The minimum safety standards mandated by the FMCSR must be met by companies involved in "interstate commerce" and some states have enacted many of these same safety regulations for their intrastate operations. Requirements for CDLs (commercial driver's license) may also apply to your business and will be addressed in a later section of this manual.

The sections of the code of federal regulations, title 49 - transportation, parts 350 through 399 that will most often apply to equipment dealers are:

- Part 390 general
- Part 391 qualifications of drivers
- Part 392 driving of motor vehicles
- Part 393 parts and accessories necessary for safe operation
- Part 395 hours of service of drivers
- Part 396 inspection, repair and maintenance
A brief overview of each section and a partial listing of the components of these sections follow:

**Part 390 general**
This part describes specifically who the regulations apply to (as outlined above) and who is exempt. The second section listed below provides definitions of an “accident” and “disabling damage,” and requires motor carriers to maintain a register of accidents meeting their definition. This record must include in part: date of the accident; location; state; driver’s name; number of persons injured; number of fatalities; and whether hazardous materials were released. Copies of accident reports required to be filed by the authorities or insurers must also be retained for one year after the date of the accident.

390.3 General applicability

390.5&15 Accident definition and register

**Part 391 qualifications of drivers**
Describes general requirements that must be met in order to operate a motor vehicle, and who is exempt from these requirements. The general requirements include: minimum age of 21 years old; ability to read and speak the English language; experience or training to safely operate the vehicle; ability to load and secure the cargo on the vehicle; meets physical qualifications; have a valid operator's license; provided employer with 12 month MVR (motor vehicle record); successful completion of a road test; has completed an employment application; and finally, is not disqualified under any rule as defined in Part 391.15. Disqualification can result from a revoked driver’s license; a conviction for driving under the influence of alcohol or illegal drugs; is involved in with the transportation, possession or use of illegal drugs while on duty; leaving the scene of an accident; committing a felony involving the use of a motor vehicle, etc.

Other sections detail what must be included in the employment application form, and require employers to obtain an MVR and an employment record for the previous three years. Prospective drivers must also pass a road test issue a certificate that must be added to the driver’s qualification file. The road test must measure the driver’s skill at performing the following operations:

- Pretrip inspection required in the FMCSR
- Coupling and uncoupling of combination units when required
- Placing the vehicle in operation
- Use of the vehicles controls and emergency equipment
- Operating the vehicle in traffic and while passing other vehicles
- Turning the vehicle
- Braking and slowing the vehicle by means other than braking
- Backing and parking the vehicle

Drivers must be in good physical and mental condition with the medical examination being performed by a licensed medical examiner. The medical examiner’s certificate must be maintained in the driver’s qualification file, the driver must be reexamined and certified at least once every 24 months. A driver qualification file must be maintained for each driver, the requirements for those employed on or after 1/1/71 include:

- A copy of the medical examiner's certificate and waiver letter if applicable
- Annual MVR review
- Completed employment application form
- Responses from state agencies and past employers concerning the driver's driving and employment record
- A copy of the certificate of road test or copy of the driver’s license
The medial examiner’s certificate and waiver letter (if applicable) and the annual review of the driver’s violation record must be removed from the qualification file after three years from the date of execution.

391.11 General requirements
391.15 Disqualification of drivers
391.21 Application for employment
391.23 Investigation and inquiries
391.25&27 Record of violations
391.31&33 Road test
391.41 Physical qualifications for drivers
391.43 Medical examination
391.45 Reexamination
391.51 Driver qualification file

***** DOT update *****

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- **Random** - unannounced random test before, during or after driving or performing other functions as defined by the DOT
- **Return-to-duty and follow-up** - testing is required after a person has violated the alcohol conduct standards.

The DOT specifies that:

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- Employers must provide detailed information to employees about alcohol misuse, substance abuse policy, testing requirements and how and where employees can obtain help for alcohol and substance abuse.
- The DOT will conduct inspections or audits of your program. You will be required to keep detailed records of all aspects of your substance abuse program.

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Part 392 driving of motor vehicles

The operating rules require that motor vehicles be operated in accordance with the laws of the jurisdiction in which it is operated, unless the federal regulations are stricter, and then they must be followed. The next sections specify that drivers may not drive when ill or fatigued (except under grave circumstances); or if they are under the influence of a schedule 1 drug or other substance identified in the FMCSR, narcotics, amphetamines or other substances that renders the driver incapable of safely operating a motor vehicle. Drivers are not permitted to consume an intoxicating beverage, regardless of its alcohol content, while on duty or within four hours of on going on duty.

The section on speed limits merely state that trips cannot be scheduled so that the driver is required to exceed the speed limit during the route traveled. Inspections of critical components prior to operating the vehicle is required, including the service brakes, parking brake, steering mechanism, lighting devices, tires, horn, windshield wipers, mirrors, coupling devices, and emergency equipment. Cargo must also be properly distributed and adequately secured and then examined again with the first twenty-five miles of the trip; whenever the driver makes a change in duty status; after driving the vehicle for three hours; or after the vehicle has been driven 150 miles, whichever comes first.

Vehicles approaching railroad crossings must be driven slowly enough to be stopped before reaching the nearest rail, and only proceed when the driver has determined that it is safe to cross. Drivers must also exercise extreme caution when hazardous conditions (snow, ice, sleet, fog, mist, rain, dust or smoke) and stop if conditions become too hazardous.

The remaining sections address safety issues such seat belt use, proper use of turn signals and emergency signals, and fueling procedures.

392.2 Operating rules
392.3 Ill or fatigued drivers
392.4 Drugs
392.5 Intoxicating beverage
392.6 Speed limit
392.7&8 Equipment - inspection and use
392.9 Safe loading
392.10&11 Railroad grade crossings
392.14 Hazardous conditions
392.15 Turn signals
392.16 Seat belts
392.20 Unattended vehicles
392.22 Emergency signals - stopped vehicles
392.42 Notification of license revocation
392.50 Prevention of fuel ignition

Part 393 parts and accessories necessary for safe operation

This section provides detailed specifications for parts and accessories deemed to be necessary for safe operation of the vehicle. It identifies items that must be present, such as rear-view mirrors and portable fire extinguishers, and those which are prohibited, such as radar detectors and televisions. Other equipment and procedures covered include:

- Lighting devices, reflectors and electrical equipment
- Brakes
- Glazing and window construction
- Fuel systems
- Coupling devices and towing methods
- Emergency equipment
- Protection against shifting or falling cargo
- Frames, cab and body components, wheels, steering and suspension systems
Part 395 hours of service of drivers

This section is important because it provides definitions for determining when a driver is "on-duty" or "out of service." It also establishes maximum driving times, and the how, why, when, and who regarding the "driver's record of duty status" (driver's log).

395.1 Scope
395.2 Definitions
395.3 Maximum driving & on duty time
395.8 Driver's record of duty status
395.15 Automatic on-board recording devices
395.13 Drivers declared "out of service"

Part 396 inspection, repair and maintenance

The purpose of this section is to insure that vehicles are maintained in safe operating condition. Records must be maintained where the vehicle is either housed or maintained, for a period of one year (or six months after the vehicle leaves the motor carrier's control). These records should include: the identification of the vehicle, if so marked; the nature and due date of various inspection and maintenance operations; record of inspection, repairs, and maintenance indicating their date and nature; and a record of tests on push-out windows and emergency doors.

Drivers are required to prepare a written vehicle inspection report at the completion of each day's work, for each vehicle operated listing any defect or deficiency discovered by or reported to the driver. The report must cover at least the following: service brakes, including trailer brake connections; parking brake; steering mechanism; lighting devices and reflectors; tires; horn; windshield wipers; rear vision mirrors; coupling devices; wheels and rims; and emergency equipment. These inspection reports must be signed by the driver and retained for at least three months from the date of the report.

Annual inspections of every commercial motor vehicle are mandatory. This includes each vehicle in a combination vehicle (tractor semi trailer, full trailer combination, etc.). The inspections must be properly documented. Inspection requirements can be met by mandatory state inspection programs or by a self inspection by the motor carrier or other qualified business acting as the carrier's agent. Documentation should include the date of the inspection, name and address of the motor carrier or other entity where the inspection report is maintained, information uniquely identifying the vehicle inspected, and a certification that the vehicle has passed the required inspection. Inspections must be conducted by a "qualified" inspector.

396.3 Inspection, repair & maintenance
396.5 Lubrication
396.7 Unsafe operations forbidden
396.9 Inspection of motor vehicles in operation
396.11 Driver vehicle inspection report
396.13 Driver inspection
396.15 Driveaway-towaway Inspections
396.17 Periodic inspection
396.19 Inspector qualifications
396.21 Periodic inspection recordkeeping requirements
396.25 Qualification of brake inspectors

If these standards apply to you, contact your local DOT office with any questions or to obtain a copy of the current federal motor carrier safety regulations.
EPA/OSHA internet sites

The EPA has developed a site on the Internet that contains helpful information. The site is located at http://www.epa.gov/. There is information on:

- EPA regions, offices and laboratories
- EPA programs and initiatives
- Finding EPA information
- EPA publications
- EPA data systems and software
- Environmental test methods and guidelines
- Environmental rules, regulations, and legislation

The OSHA site is located at http://www.osha.gov/. There is information on:

- OSHA regulations and interpretations
- Statistics on violations and penalties
- Programs and services
- Compliance assistance
- New developments
Common hazards
General liability exposure: subcontractors

A leak develops in the roof above the business office and must be repaired immediately.

Typically the general manager looks in the phone book and calls the first roofer in the book, in this case AA Roofing Repair, to fix the leak. The contractor shows up quickly, but before any repairs are made, one of his employees falls off a defective ladder and is severely injured. If this contractor doesn’t carry his own workers’ compensation insurance, the result may be a workers’ compensation or general liability claim against your company. The best time to establish a program for hiring contractors and vendors is prior to an emergency, when there is ample time to evaluate qualifications and obtain certificates of insurance.

The exposure created by using off-premises contractors can be equally significant. Anytime contractors are hired to service, customize, change or modify vehicles or other mobile equipment, you could be held liable for claims arising out of their completed work. Many of these companies come and go (out of business) so it is important to choose contractors wisely.

Landscaping crews, window washers, plumbers, heating/AC contractors and other assorted vendors visit your dealership every day. The fact is you can be held liable for injuries to their employees or injuries to others that were caused by their employees. If the contractor is not properly insured, you could also end up paying for damage to your (or your customer’s) property for which the contractor or vendor should be held accountable. Implementing appropriate procedures will help ensure the risk associated with the use of vendors and contractors will be retained by their companies, where it belongs. These guidelines can reduce the exposure created by hiring contractors and subcontractors, or inviting vendors onto your property:

- Contractors/vendors should provide certificates of insurance as evidence of the following coverages:
  1) Workers’ compensation
  2) Commercial general liability
  3) Automobile liability
  4) Umbrella liability

- Certificates should be mailed directly from the insuring company or agency to you.
- The “rule of thumb” is that their limits should be at least as high as yours.
- Conversion vendors may need higher limits of liability because the possibility of catastrophic loss is higher, they often modify the vehicle chassis, seats and other safety equipment.
- Review the effective and expiration dates and update the certificates as necessary.
- Have your company added as an “additional insured” on their general liability policy.
- Require the contractor/vendor to sign an “indemnification and hold harmless agreement.”
- Develop an “approved vendor list” and make sure only vendors with certificates of insurance are included on the list. Having an approved vendor list in place will provide guidance to employees under ordinary circumstances and during emergencies.
- Select a contractor based on experience and expertise, not exclusively on price.
- Request and check references of unfamiliar contractors.
- Do not lend tools or equipment to contractors; injuries caused by defective equipment may be grounds for litigation.
- Contractors should be prepared to protect their jobsite or work area from the public.
Office and computer safety

Office areas are not immune to accident and injuries. Office accidents and injuries are typically slip and fall type injuries and repetitive motion type injuries. You should take the necessary precautions to prevent these accidents from occurring.

The following are guidelines to assist you in preventing accidents.

- Aisles should be kept clear at all times.
- Do not block doors or stairwells.
- Clean up spills immediately.
- Mark wet areas with floor signs or barriers.
- Trash should be removed daily and not allowed to accumulate.
- Machines and equipment should be maintained and properly grounded.
- File drawers should be kept closed.
- Proper lifting techniques should be used. Do not lift any load greater than 40 lbs.
- Do not use chair as a ladder.
- Follow the hazard communication program when handling chemicals such as toner or other materials.

Computer safety

Computer terminals, if not properly adjusted to the employee can cause stress to the employee that could result in expensive cumulative trauma injuries. The information provided below should help to reduce the stress to the employee.

Chair

- Adjust the chair so that the thighs are horizontal and the feet are flat on the floor. The hands and arm should be comfortable on the keyboard in this position.
- If the chair is too high, it should be lowered or use a footrest.

Display

- Position the screen to minimize glare from lights, windows or other light sources. An anti glare screen may be required if the glare sources cannot be minimized.
- The top of the screen should be below slightly below eye level when sitting at the keyboard.

Lighting

- Reduce lighting levels around displays. Use local lighting such as adjustable desk lamps to avoid glare.

Document holder

- Position document holder close to the screen and at the same eye level to prevent constant refocusing and neck and head movement.

Posture

- The head should be straight and balanced over the spine while looking at the screen.
- Elbows should be bent at 90 degrees when hands are on the keyboard.
- Wrists should be in a neutral position
- Utilize back support for the lumbar area.
- Take frequent breaks and vary work activities to prevent cumulative stress.
Slip and fall hazards

One of the greatest workers compensation and liability exposures confronting businesses across the country is slip and fall incidents. A fall can result in the loss of a valued employee or the filing of a third-party lawsuit. In either case, the business often suffers an incalculable loss. Many of these incidents can be prevented.

Two of the most common causes of slips and falls are a slippery walking surface (either by design - a waxed tile floor; or by contamination - ice, oil, grease, etc.); and an uneven walking surface (cracks, holes, stairs, etc.). If these conditions can be avoided or controlled, many slips and falls can be prevented.

High traffic areas for employees and customers should be evaluated closely for unsafe walking conditions. These areas include the customer service drive, customer waiting areas, restrooms and service bays. All identified hazards should be taken care of immediately.

For detailed information on recommended guidelines for stairs, handrails, ramps and other related topics refer to the National Fire Protection Association 101 life safety code.

Snow & ice removal

Be prepared in advance for snow and ice.
A snow and ice removal program should be developed and implemented. A single person should be assigned responsibility for monitoring and coordinating the effort.
Assign a coordinator to coordinate in-house snow removal efforts and/or those of professional snow removal contractors.
Have appropriate equipment, tools and supplies ready for use by internal personnel.
Professional snow removal companies should be contracted/retained in advance of cold weather.
This service should include regular checks on location, 24 hour and on-call capabilities.
Record pertinent data on a snow/ice removal log.
Allow sufficient time for treatment to take full effect.
High piles of snow can reduce visibility in vehicle traffic areas, especially at corners.
Injured persons should be attended to immediately, show compassion but never admit fault.
Accident/incident investigations should be conducted immediately.
Protection of data processing equipment and media

Planning for emergencies is crucial to the survival of your business. Remember the old expression “businesses don’t plan to fail, they fail to plan.” Your dealership can flourish in a post-disaster environment if you are ready and able to accommodate customers, because many of your competitors will not be. An emergency preparedness plan will provide you and your employees with instructions and guidance on what to do before, during and after an emergency. Information on emergency preparedness can be found in the “emergency/disaster planning” chapter of this guidebook.

Computers and electronic media (diskettes, tapes, zip drives, etc.) are a critical part of dealership operations and merit special attention. They track inventory, produce financial reports, store information and communicate with financial institutions and credit agencies. It would be impossible for any business to continue operating efficiently for very long without computer support. In the event of an emergency, preservation and protection of equipment and stored data become a top priority.

- All computer systems should be backed-up daily and the copies moved off-site for storage.
- Important data stored on personal computers should also be backed-up and stored off-premises.
- Identify critical data files, both paper and electronic media, for relocation during an emergency.
- Install power surge protection on all sensitive electronic equipment.
- Conduct annual inspections of ground wiring and connections.
- Reserve storage space prior to an emergency for protection of equipment, documents and data files.
- Contract in advance with a vendor to supply power generators and computer equipment immediately following a disaster.
- Ensure that someone in the company is trained on how to properly and safely move computer equipment (secure hard drives, back-up operating systems, etc.).
- Equipment that cannot be relocated should be moved as high above floor-level as possible, moved to a central interior location and covered with plastic to protect against wind and water.
- Dealerships in hurricane prone areas should have materials on hand and be prepared to tape windows and close blinds.
- Unplug everything including telephones, fax machines, printers, postage machines, copy machines and all other electric equipment.
Material handling and lifting

Did you know that nearly half of all occupational injuries involve overexertion? Overexertion injuries include strains, sprains, pulled muscles and repetitive motion injuries. Soft tissue back injuries in particular are some of the most expensive and debilitating types of injuries that occur in the workplace today. Rising medical costs will only add to the outlay in the coming years.

Aftermarket industry employees are especially susceptible to these types of injuries as a result of the tasks that they perform at work. A body man’s day is spent bending over, crouching, sanding, pushing and pulling sheet metal. Service technicians lean over engine compartments, repairing and removing transmissions and engine parts daily. Other employees receive, move and stock transmissions, batteries, engines, and other heavy parts regularly.

Material handling guidelines

- Provide necessary material handling equipment including transmission jacks, engine hoists, floor jacks, car pushers, pallet jacks and forklift trucks.
- Train technicians on how to use shop equipment and conduct periodic performance checks to ensure that they are following company procedures.
- Maintain equipment in safe operating condition.
- Provide employee training on safe lifting and material handling. Integrate training into actual work situations to be most effective.
- Floors should be kept clean, dry and free of oil.
- Arrange tools, materials and equipment in close proximity to the technicians.
- Provide conveyors to move parts up to second floor storage areas to eliminate lifting and carrying injuries.

Proper lifting techniques for employee training

- Think before you lift!
- Assess what you are about to lift and know where you’re going to put it down.
- Don’t lift the object if it is too heavy; get help.
- Bend at the knees, not your waist.
- Firm up your stomach muscles.
- Hug the object you are lifting; get it as close to your body as possible.
- Lift with your leg muscles.

These lifting techniques are generally accepted guidelines, but they can’t overcome an individual employee’s physical limitations.

Taking the time to educate your employees on material handling and safe lifting techniques will protect their health and physical well-being as well as reduce your loss exposure for costly workers compensation claims.
Machine guarding

Although you may not have extensive machine shops and therefore limited need for machine guarding information, some exposures do exist. The occupational safety and health administration has issued strict regulations for equipment commonly found in the automotive service and repair business.

Bench & pedestal grinders

- Abrasive wheel safety guards should cover the spindle end, nut, and flange projections.
- Wheel safety guards should not expose the grinding wheel periphery for more than 65 degrees above the horizontal plane of the wheel spindle.
- The protecting member should be adjustable for variations in wheel size.
- The tongue guard should be adjusted to within one-quarter inch of the grinding wheel.
- An adjustable work rest of rigid construction should be used to support the work on offhand grinding machines.
- Work rests should be kept adjusted closely to the wheel with a maximum clearance of one-eighth of an inch.
- All machines designed for a fixed location must be securely anchored to prevent walking or moving.

Air compressors

- Guarding should be provided to protect employees from hazards such as those created by point of operation, nip points, rotation parts, flying chips and sparks.
- These guards should be such that they do not create a hazard themselves.
- All belts, pulleys, sprockets and chains, flywheels, shafting and shaft projections, gears, and couplings, or other rotating or reciprocating parts, or any portion thereof, within seven feet of the floor or working platform should be effectively guarded.
- Guards for power transmission equipment should be made of metal or other suitable material.

Cooling fans

- If the periphery of the blades of a fan is less than seven feet above the floor or working level, the blades should be guarded.
- The guard should have openings no larger than one-half inch in their least dimension.
- Use material that is sufficiently strong with one-half inch openings to modify existing substandard guards is acceptable.

Other equipment - drill press, brake and engine lathes

- Guards should be attached to the machine if possible.
- All fixed machines should be secured to prevent movement.
- All belts, pulleys, chains, sprockets and gears should be effectively guarded.
- "V" belts and chain drives should be completely enclosed.
Electrical safety

Accidents and injuries in working with electricity have resulted from use of unsafe equipment and or improper installation; unsafe work environments and unsafe work practices. The primary hazards of electricity and its use are: shock, burns, arc-blast, explosions and fires.

General safe practices:

- Do not use electrical power equipment or tools which you have not been trained.
- Keep power cords away from path of drills, lathes, grinders and saws.
- Do not carry plugged in equipment or tools with your finger on the switch.
- Turn the tool or equipment off before plugging in or unplugging.
- Do not leave tools that are "on" unattended.
- Do not handle or operate electrical tools or equipment when your hands are wet or when you are standing on wet floors.
- Do not operate spark inducing tools or equipment, such as grinders or drills near containers labeled “flammable” or in an explosive atmosphere such as a paint spray booth.
- Turn off electrical tools/equipment and disconnect the power source from the outlet before attempting repairs or service work. Tag the tool/equipment "out of service."
- Do not use extension cords or other grounded three pronged power that have the ground prong removed or broken off.
- Do not use an adapter that eliminates the ground such as a cheater plug.
- Do not connect multiple electrical tools into a single outlet.
- Do not stand in water or on wet surfaces when operating power hand tools or portable electrical appliances.
- Do not use a power hand tools while wearing wet cotton or leather gloves.
- Do not operate power hand tools/equipment if the ground pin from the three pronged power plug is missing or has been removed.
- Do not operate power hand tools/equipment with a two-pronged adapter or a two-conductor extension cord.
- Ensure all portable hand tools/equipment are grounded or of the double insulated type, such as vacuum cleaners, grinders, polishers/buffers.
- Exposed wiring and cords that are frayed, cut, kinked or have deteriorated insulation should be repaired or taken out of service and replaced.
- Electrical enclosures, such as switches, receptacles, junction boxes, etc. should be provided with tight fitting covers (plates, doors). Covers should be closed at all times when enclosure not in use.
- Before any repair work or inspection of a piece of electrical equipment is begun by an authorized person, the current should be turned off at the switch box, and the switch padlocked in the off position.

Electrical installation, service and repair should be in accordance with national electrical code standards and be performed by a qualified and licensed electrician.
Forklift/powered industrial truck safety

Forklift trucks are being used at an increasing number of dealerships. They can lift engine blocks and move pallet loads of parts with ease, and they are extremely dangerous in the hands of an inexperienced driver. The Occupational Safety and Health Administration has issued regulations specifying general requirements for “powered industrial trucks” (forklift trucks) safety and training - 29 CFR 1910.178. These regulations should be reviewed to ensure that you are in compliance.

A written forklift safety and training program should be developed. Driver training is the key to preventing forklift accidents. The manufacturer or the vendor who supplies the equipment should be contacted for additional safety information. They may also be able to provide driver training programs and materials for use at your dealership.

As of January 1999 the Occupational Safety and Health Administration (OSHA) standard for powered industrial trucks has been amended, the old standard had not changed since it was adopted in 1971. Operator training is the focus of the revised standard. The original version did not specify what training was required or how it was to be conducted, it merely stated that “only trained and authorized operators are permitted to operate powered industrial trucks...and training methods shall be devised by the employer.” It was evident more guidance and detail was necessary.

The revised standard includes more stringent requirements for operator selection and training. Some of the training requirements included in the new standard are:

- The employer must ensure that each powered industrial truck operator is competent to operate a powered industrial truck safely, as demonstrated by the successful completion of the training and evaluation specified in the standard.
- Trainees may operate a powered industrial truck only under the direct supervision of persons who have the knowledge, training, and experience to train operators and evaluate their competence and where such operation does not endanger the trainee or other employees.
- Training must consist of a combination of formal instruction (e.g., lecture, discussion, interactive computer learning, video tape, written material), practical training (demonstrations performed by the trainer and practical exercises performed by the trainee), and evaluation of the operator’s performance in the workplace.
- All operator training and evaluation must be conducted by persons who have the knowledge, training, and experience to train powered industrial truck operators and evaluate their competence.
- The training program must include the following topics:
  - Operating instructions, warnings, and precautions for the types of truck the operator will be authorized to operate.
  - Differences between the truck and the automobile.
  - Truck controls and instrumentation: where they are located, what they do, and how they work.
  - Engine or motor operation.
  - Steering and maneuvering.
  - Visibility (including restrictions due to loading).
  - Fork and attachment adaptation, operation, and use limitations.
  - Vehicle capacity and stability.
  - Vehicle inspection and maintenance that the operator will be required to perform.
  - Refueling and/or charging and recharging of batteries.
  - Operating limitations.
  - Surface conditions where the vehicle will be operated.
  - Composition of loads to be carried.
  - Load manipulation, stacking and unstacking.
  - Pedestrian traffic in the operating area.
  - Refresher training and evaluation when the operator; has been observed operating the vehicle in an unsafe manner; has been involved in an accident or near-miss incident; has received an evaluation that reveals that the operator is not operating the truck safely; is assigned to drive a different type of truck; or a condition in the workplace changes in a manner that could affect safe operation of the truck.
- An evaluation of each powered industrial truck operator's performance conducted at least once every three years.
- Certification that each operator has been trained and evaluated as required, the certification will include the name of the operator, the date of the training, the date of the evaluation, and the identity of the person(s) performing the training or evaluation.
Compressed gases

Any material that is under pressure can be dangerous if it is not handled properly. If the material is compressed gas it may be flammable, explosive, reactive, toxic or a combination of these. Compressed gas cylinders can have pressures in excess of 2000 psi. It is important to know what you’re working with, what its hazardous properties are and how to safely handle the compressed gas cylinder.

All compressed gases require special treatment. These are the compressed gases that you will typically find in your business.

Oxygen:
While not flammable itself, oxygen increases the tendency of things around it to burn or explode. Keep oxygen cylinders away from combustible or flammable materials and fire hazards, including oil or grease on your hands, clothes and work area. Oxygen should not be used in place of compressed air.

Helium:
Inert gas under high pressure could cause asphyxiation if used in a confined space.

Acetylene and hydrogen:
These are both highly explosive gases that must be handled with extreme caution. Hydrogen escapes easily from threaded fittings that are not completely tight, and such leaks can ignite spontaneously from the friction of the escaping gas. Hydrogen has no odor to warn of a leak.

- Keep fuel gas cylinders well away from oxygen cylinders. OSHA regulations require that oxygen cylinders in storage be separated from fuel gas cylinders and combustible materials by at least 20ft.
- Always chain gas cylinders upright to a wall, welding cart, cylinder rack or post. This is especially important when the cylinder is in use because the regulator is on the cylinder valve and the cap is not in place.
- Always replace the cylinder cap when the cylinder is not in use and when it is being moved.
- Never place cylinders in exitways or work areas where they could be hit by forklift trucks or struck by falling objects.
- Never hammer, pry or wedge a stuck or frozen cylinder valve to loosen it, and never use a wrench. If a valve will not open by hand, call the gas distributor.
- Do not drop a cylinder.
- Do not allow grease, oil or other combustible materials to touch any part of a cylinder. This is especially important when oxygen cylinders are involved. Grease or oil that oxidizes very slowly in air will burst into flame in pure oxygen.
- Never use a cylinder unless the gas it contains is marked with a decal. Altering or defacing the name, numbers or other markings on a gas cylinder is illegal and hazardous.
- Return any unidentifiable cylinders to the supplier.
- Keep cylinders away from electrical circuits and excessive heat. Cylinders are made of steel and therefore they will conduct electricity.
- Never strike an arc or tap a welding electrode on a cylinder.
- Keep cylinders away from the sparks, hot slag of molten metal that result from welding, cutting, machining operations. Using or storing cylinders where they may get hotter than 130 degrees F violates DOT regulations. Keep cylinders out of direct sunlight. Gases expand when heated. The hotter a cylinder gets, the higher the gas pressure will become.
- Always check the regulator before attaching it to a cylinder. If the connections do not fit together readily, the wrong regulator is being used.
- Always use a cylinder wrench or other tightly fitting wrench to tighten the regulator nut and hose connections.
- Never hang tools, gloves or spark lighters on top of the cylinder. They may interfere with the operation of the valve and prevent the gas from being shut off quickly in an emergency.
- Do not use a fuel gas for any purpose other than that for which it was intended.
- Keep unauthorized persons away from the cylinder storage areas. Use a lock or fence if necessary.
- Never try to refill cylinders or to mix gases in a cylinder.
- Place conspicuous "no smoking" signs around fuel gas and oxygen storage areas.
- Use soapy water to check for leaks. Where there are bubbles, there is a leak.

Note: Consult OSHA regulation CFR 1910.252.
Smoking and fire safety

Smoking in the workplace has become a significant issue to employers and employees for a number of reasons. Passive and involuntary exposure to smoke was recently identified as a cause of disease in healthy nonsmokers. It has always been a serious fire hazard in businesses where flammable liquids are found throughout the facilities. For these and other reasons, most businesses have adopted nonsmoking policies.

Legal issues

Beginning in 1970 an increasing number of public and private institutions have opted to protect individuals from environmental tobacco smoke by restriction of smoking. Many states, counties, cities and municipalities have enacted laws regulating smoking. A survey by the National Affairs and American Society for Personnel Administration of 700 employers indicated that 36% have taken action and established smoking policies.

The following are guidelines for developing a smoking policy for your business:

- Survey the types of policies prevalent.
- Determine if any local or state laws mandate no-smoking areas.
- Gain top management’s support and assign a program coordinator.
- Develop a needs assessment or employee survey.
- Set up an employee committee of smokers and nonsmokers to advise on policy design.
- Draw up a formal written smoking policy and review the policy with management.
- After approval, send each employee a copy of the new policy before the effective date.
- Have managers review the policy at staff meetings.
- Evaluate and reassess after the policy has been in-force for a few months.

Fire safety

Smoking must also be evaluated in light of its potential for causing a fire, and putting you out of business. Gasoline, brake cleaner, flammable paints and thinners are present in large quantities throughout the business. The fire hazard created by cigarettes, matches and other smoking materials must be controlled. Workplace controls for smoking should include:

- Prohibit smoking in hazardous areas including: paint mixing room, spray paint booths, oil storage areas, waste oil storage, parts warehouse areas, and battery charging stations.
- Post “no smoking” signs in all hazardous areas.
- Provide proper receptacles at the entrances to these areas.
- Establish safe smoking areas.
- Provide proper receptacles in areas where smoking is allowed.
- Educate employees and strictly enforce all established rules.
Servicing fuel tanks

Service work on fuel tanks is an operation which can result in significant property damage and employee injury if proper procedures and equipment are not used. In one recent incident, a technician was working on a fuel tank when fuel splashed out. In an effort to avoid the splash, he dropped the conventional trouble light he was using. The light bulb broke when it hit the ground and ignited the fuel, resulting in a burn injury and $100,000 in property damage.

The vapors given off by fuel are highly volatile and extreme care should be used when conducting work on fuel tanks. The following guidelines should be considered when working on fuel tanks.

- The work should only be performed by employees with sufficient skill and training to carry out the operation in a safe manner.
- Prior to the start of repair work on fuel tanks, the contents should be drained from the tank.
- The preferred location for draining fuel tanks is outside of the building. If this isn't feasible, an Underwriters Laboratory listed or factory mutual approved portable pump equipped with a storage tank should be used.
- Non-approved pumps should never be used, siphoning by mouth should also be strictly prohibited.
- Fuel drained from vehicle tanks should be stored in approved containers or returned to standard underground storage tanks.
- If fuel is to be disposed of, it should be stored in drums or tanks suitable for such purpose, outside of the building until hauled off by a registered disposal company.
- Control of ignition sources in the vicinity of tank work should include: "no smoking" signs posted and enforced; welding or other hot work prohibited within 20 feet of tank repair or service areas; and an adequate number of approved and operable multi-purpose fire extinguishers in the immediate work area.
- Replace ordinary or conventional trouble lights with those incorporating safety features such as an enclosed fluorescent bulb. They are less likely to ignite flammable vapors, burn the technician's arm, or damage the customer's car.
- If hot work (welding or cutting) must be completed on a tank, proper inserting or cleaning and testing procedures should be followed. Consult with tank manufacturers for proper procedure recommendations.
- When tanks are being refilled with fuel after the repair work is complete, only approved/listed devices or equipment should be used.

Significant employee injuries or property damage can have an impact on the overall profitability of a business. By implementing the above recommended guidelines, the potential for losses resulting from fuel tank repair can be reduced.
Flammable/combustible liquids

Flammable liquids are only a partially accurate term. The vapor that begins to form when the material is above its flash point is flammable. The flammable vapor is why it is important to store the product in proper containers and that proper handling, transfer, and use is critical to prevent fire and explosions.

Flammable liquid is any liquid having a flash point below 100º F (37.8º C).

Combustible liquid is a liquid having a flash point at or above 100º F (37.8º C).

- Only approved containers listed or approved should be used for the storage and handling of flammable liquids.
- Flammable liquids containers should be kept closed when not in use.
- Only safety cans should be used for the dispensing of flammable or combustible liquids.
- All containers containing a flammable or combustible liquids should be labeled as to the contents and should conform to your hazard communication program.
- All spills should be cleaned up promptly. Clean up procedures should be completed according to the manufacturer’s recommendations as shown in the MSDS.
- Signs should be posted prohibiting smoking and warnings as recommended by the manufacturer.
- Aerosols should be stored on metal shelves in the upright position. Aerosols should not be stored on the top shelf.
- Leaking containers should be placed in the flammable liquids room or transferred to an outside area, then properly transferred to an undamaged container.
- All flammable and combustible liquid waste should be stored in fire resistant containers designed to store flammable liquids.
- Grounding and bonding should be used prior to dispensing or transferring flammable liquids.
- Fire extinguishers appropriate for the hazard should be adjacent to flammable liquid and storage areas.
- Flammable liquid storage cans, drums and tanks should be vented to prevent vacuum or pressure as a result of filling or emptying.
- You should not store more than 25 gallons or beyond the stated capacity of the cabinet.
- Limit the amount of flammable to the smallest amount needed for your operations based on your supplier’s ability to deliver the needed products to you.
- Periodic training of employees on the proper use, transfer and storage of flammable liquids should be conducted.
- Regular inspection of flammable liquid storage, use, handling and labeling should be conducted to insure that that proper procedures are followed.

Flammable liquids storage room

(Paint mixing rooms)

When the quantity of flammable or combustible liquids stored or handled within a building exceeds the allowable limit within either storage cabinets or the building area based on the requirements of the national fire protection association, a flammable liquid storage and dispensing room should be provided. These are the major points which should be incorporated in a flammable liquids room.

Flammable liquids storage and dispensing room

- "No smoking" sign prominently posted. This may be located either inside or outside the storage room.
- Provide electrical equipment suitable for class I, division I occupancies. Refer to the national electrical code (NFPA 70 Article 500) for specific details.
- Electrical switches for lights and ventilation should be on separate circuits.
- Ventilation should be continuous and uninterruptible.
- Provide positive continuous exhaust ventilation of at least 1 cfm/sq. ft. of floor area in rooms used for dispensing of class I, II and IIIA liquids. Take suction at or near floor level. For class IIIB liquids, natural ventilation is adequate.
- Positive suction motors and fan blades should be non-sparking and appropriately grounded.
- Automatic sprinklers (installed in accordance with NFPA standard no. 13 and having design requirements based on NFPA 30).
- At least one 20 lb. B:C fire extinguisher should be located outside of, but not more than 10 ft. from the entrance to the flammable liquids room.
- Flammable liquid room floors should pitch toward the drains at a rate of at least 1" in 10 ft. Floors should be liquid tight except for drains.
- Provide a drainage system to promptly remove any spilled or burning liquid with the discharge from sprinklers and/or hose streams. Floor drains, scuppers or trench drains are all satisfactory types of drainage methods. Discharge of liquids should be safely diverted away from installations outside the building and should be prevented from re-entering. Consult local codes for permitted methods of discharge.
- For containment to prevent liquid from entering into building areas, the doorway of the flammable liquid room should be provided with either a grate-covered trench connected to the room drainage system, or a four-inch raised sill with double ramp to allow ease of liquid movement.
- The degree of containment depends on the amount of liquid in storage or use and local codes requirements.
- Not more than 120 gallons of flammable and/or combustible liquids may be stored in a storage cabinet. Of this total, not more than 60 gallons may be of class I and/or class II liquids. Cabinets should be manufactured to UL or FM standards
- Not more than three (3) cabinets may be located in a single fire division unless separated from other cabinets or group of cabinets (3 cabinets in a group) by at least 100 feet.
- Doors should be kept closed at all times.
- Vents should be covered.
- Containers should be kept in cabinet when not in use.
- Fire protection system could be sprinklers, carbon dioxide, dry chemical or other approved systems.
- For specific details on construction and components necessary for the fire resistive rating, consult the underwriters laboratory fire resistance directory.
- Walls and roof should be of two hour rated construction
- Openings in interior walls of flammable liquid rooms should be provided with normally closed, listed 1-1/2 hr. fire doors. Where interior walls are required to have greater than 2 hr. fire resistance rating, the door should be compatible with the wall rating.
- Drums used for one-end dispensing of class I flammable liquids should be provided with UL/FM drum pumps with flash arrestors
- Dispensing of liquids should be handled with UL/FM safety cans.
- Drums which are being dispensed from should be appropriately grounded and bonded to eliminate static electricity for class I flammable liquids. The drums should be grounded to a #4 copper conductor that goes to a cold water pipe ground (or an equivalent). Drums in storage only do not require a grounding method.
- Containers used for dispensing of class I flammable liquids should be bonded by use of bonding cables or by use of conductive hoses with metal hose nozzles
- The preferred method of heating storage and dispensing rooms is by steam or hot air.

Note: Consult the National Fire Protection Association Flammable and Combustible Code No. 30 for specific requirements on construction, protection and ventilation. Requirements vary depending on room location (e.g., basements, attachments) and the degree type and amount of flammable liquid usage.
Spray booth construction, arrangement and protection

Construction
Interior surfaces should be smooth, designed to prevent pocketing of residues and facilitate ventilation and cleaning. Minimum of one hour fire resistance rating.

Non-combustible floor.

Non-combustible baffle plates that can be easily removed for cleaning with spark-proof tools. Filter pads or rolls may be used instead of plates. Air pollution regulations may create special requirements.

Baffle plates mounted about 6" from rear wall.

Fire protection
Spray booth, exhaust ducts and the area behind the filters should be protected with an approved automatic fire extinguishing system.

Automatic fire extinguishing system could be a sprinkler system, dry chemical, carbon dioxide, or other approved method. The system should be installed and maintained to the standards as described by the National Fire Protection Association.

The booth interior should have one sprinkler head per 90 sq. ft. If automatic sprinklers are used in a non-sprinklered building, the water may be furnished from the domestic supply, providing the installation meets the provisions of NFPA 13, installation of automatic sprinklers.

Ventilation
Exhaust duct opening in booth’s rear wall or ceiling requires an average air flow velocity of 100 ft./min.

Exhaust duct clean-out and inspection doors should allow access to sprinklers and fan blades.

Enclosed fan blade belt drive.

Exhaust fan with non-sparking, nonferrous blades that is solidly mounted.

Electric motor. Explosion-proof, class I or II, division 2 wiring required. Located outside of the booth or exhaust duct.

Steel exhaust ducts should be as straight as possible and should be well supported. There should be an 18" clearance between the duct and combustible construction, unless heat shields are installed. If there is sprinkler protection inside duct, only a 6" combustible clearance is needed.

Air velocity gauge should be installed to indicate the condition of the filters.

Electrical
Enclosed vapor tight electric light fixture installed flush with the booth ceiling and provided with impact resistant glass. class I or II, division 2 wiring is required.

Portable lights are not permitted inside the booth unless approved for class I or II, division 1 locations. The electrical wiring and equipment should also be class I or II, division 2.

All electrical switches should be outside of the booth unless they meet the requirements of NFPA 70.

All metal parts of spray booth, exhaust duct and piping should be grounded.

Electrical interlock between spraying equipment and ventilation system to ensure against operator use when ventilation is shut down.

Proper cleaning & maintenance of paint spray booths

Cleaning and maintenance are important and necessary requirements for the safe operation of paint spraying booths. Statistics indicate many spray booth fires occur because of poor maintenance. The following maintenance procedures are considered essential to the safe operation of paint spray booths.

Frequent cleaning
All surfaces of spraying areas, including protective devices, should be kept as free from combustible over-spray deposits and residues as practical. This can be accomplished with weekly cleaning, or as necessary based on the volume of painting done. The use of "strippable coatings" on interior booth walls will also simplify the cleaning of over-spray accumulation.

Non-sparking tools
All tools and devices, such as scrapers used in the cleaning process, must be of non-sparking material (plastic, brass, etc.) to prevent the ignition of combustible residues which may be present.

Cleaning solvents
Solvents used for cleaning purposes should preferably be restricted to those having a flash point over 100 F. The ventilation system should be kept in operation while cleaning with solvents. Safety cans must be used when handling any such solvents. Precautions outlined in the MSDS should be followed when using cleaning solvents.

Ventilating ducts
When excessive accumulations of residue (greater than 1/8 in.) are noted in ducts or duct discharge points, all spraying operations should be discontinued until conditions are corrected.

Safety containers
UL/FM approved metal waste containers must be provided wherever rags or waste are impregnated with finishing material. The contents of the waste containers should be properly disposed of at the end of each work shift or at least daily. (See oily or solvent soaked rags section in this guidebook.)

Maintain clean filters
Filters should be changed frequently. Filter gauges, if installed, should be arranged to shut down the paint spray gun in the event the filters fail to meet minimum air passage requirements. Filters must be disposed as recommended by the manufacturer and should be treated as you would oily rags.

Residue disposal
Scrapings and sweepings should never be left in piles on the floor or in uncovered containers. They should be wet down and removed from the premises at the end of each shift. This residue may be subject to spontaneous combustion.

Safe distances
Maintain a clear space of at least three feet from combustible walls, storage or other booths to prevent fire from spreading either into the spray booth, or away from the spraying operation. Combustibles should not be allowed to accumulate in the spray booth.

No smoking
“No smoking” signs in large letters should be conspicuously posted in the vicinity of the paint spraying operation and near flammable storage areas.

Sprinkler head maintenance
Sprinkler heads exposed to over-spray should be protected by lightweight paper or plastic bags. This ensures reliable operation in the event of fire. All painted sprinkler heads must be replaced, not cleaned, since cleaning can have an effect on operation.
Welding and cutting

Cutting and welding have resulted in a significant number of major fires and explosions. Most of these incidents can be attributed to a lack of fire safety precautions. Welding and cutting consistently cause 5 to 10% of fires in commercial and industrial occupancies.

- Do not cut or weld around gasoline tanks or attempt to weld or cut a container that has stored a flammable or combustible liquid.
- Remove flammable or combustible materials from the area.
- A suitable fire extinguisher should be readily available when welding, cutting or heating operations are being conducted.
- A fire watch should be used during welding and cutting operations.
- The area should be inspected after the work is done to ensure there are no hot spots.
- Ventilation should be provided whenever welding, cutting or heating is performed. Welding and cutting should not be done in confined spaces.
- Arc welding and cutting operations should be shielded by non-combustible or flameproof shields to protect employees from direct rays.
- Always clear the area below cutting or welding operations so hot slag will not drop on hoses, cables, flammables, combustibles or employees.
- When electrode holders are left unattended, electrodes should be removed and holder will be placed or protected so it cannot make electrical contact. All arc welding and cutting cables will be completely insulated.
- Always wear required eye protection to guard against slag while chipping, grinding and dressing of welds. Always wear a welding hood to protect eyes from flash burn.
- Proper clothing should be used during welding and cutting operations.
- Inspect hoses daily and replace if defective.
- Always store cylinders properly on a welding cart or secured to a wall with a chain.
- Be sure to turn off all valves when not using the equipment.
- Do not operate welding or cutting equipment unless you have been properly trained.

Sprinkler systems
Sprinkler systems are a critical part of the fire protection of your facility. The sprinkler system should be inspected and maintained on a regular basis to ensure it’s in operational condition.

If your facility is not currently equipped with sprinkler protection, consideration should be given to the installation of such a system. The proven effectiveness of sprinkler protection in protecting your assets from fire is unequaled. The costs of such systems pay for themselves many times in, piece of mind, loss reduction and potential insurance premium reductions.

Various components of the sprinkler system should be visually inspected on a monthly basis as part of your self inspection program.

OS&Y & PIV valves (control valves)
Should be locked in the open position with a substantial chain and lock or electronically monitored by a central station alarm system.

Gauges
Should be in proper working order to ensure adequate water and/or air pressure.

Fire department connection
Should be inspected to insure no foreign objects are in the connection and that protective caps are in place.

2" main drain test
The main drain should be opened on a monthly basis to ensure water flow and no blockage of supply water lines.

Sprinkler heads
Sprinkler heads in spray booths must be free of paint accumulation. Light weight plastic bags or paper bags should be used to protect the heads from over spray. The bags should be changed when the filters are changed or when the accumulation reaches 1/16" of an inch.

Spare sprinklers & wrench
Spare sprinklers should be maintained on site in the event of a fire or mechanical failure to insure that the system can be return to service a quickly as possible. Sprinkler heads in spray booths should be protected from overspray.

Alarm test
This test insures that the alarms are working properly. The local, central station and water flow alarms should be check to insure they are in working order.

On an annual basis the system should be inspected by a qualified person or outside contractor to perform the following:

TRIP test
A trip test should be conducted using the "inspectors test connection" This test determines if the whole system is functioning properly. The test simulates the operation of a sprinkler head and tests all components of the sprinkler system.

Antifreeze systems
The antifreeze loops should be checked each year prior to a freeze.

Note: Consult National Fire Protection Association 13 "standard for the installation of sprinkler systems."
Sample sprinkler systems checklist

Fire safety self-inspections are an integral part of a comprehensive Loss Prevention program. As no one form can be designed to fit all conditions, we urge you to use this sample as a guide in developing your own form, adding and deleting items as necessary.

Sprinkler system control valve check and water flow alarm test

<table>
<thead>
<tr>
<th>Number</th>
<th>Valve location</th>
<th>Control valves</th>
<th>Alarm test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Open</td>
<td>Shut</td>
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<td>1</td>
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<td>15</td>
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</tr>
</tbody>
</table>

Note: Control valves with standard padlocks should be inspected at least monthly. Valves secured by “breakaway” locks, seals, or central station supervision should be inspected weekly. Waterflow alarms should be tested monthly. Frequencies are recommended minimums. Some situations will call for more frequent inspections.

Inspector’s name
Fire extinguishers

Portable fire extinguishers can be considered the first line of defense if a fire occurs. Fire extinguishers can prevent a small incident from becoming a catastrophe.

Fire extinguishers should be placed based on the type of fires anticipated in the area that the fire extinguisher is located.

Classes of fires

Class A  Fires in ordinary combustible materials (wood, paper, cloth etc.)

Class B  Fires in flammable liquids, gases and greases.

Class C  Fires which involve energized electrical equipment.

Class D  Fires in combustible metals.

In general, at least one fire extinguisher should be provided for every 3,000 square feet of area. The travel distance to a fire extinguisher from any point in your building should not exceed 75 feet. In some instances the travel distance must be less than 75 feet based on the hazard. Consult the National Fire Protection Association "standard for portable fire extinguishers" for those requirements.

One or more (number required is based on hazard, travel distance, and size of your building) fire extinguishers should be provided for each floor. In multi-story buildings at least one fire extinguisher should be posted adjacent to the stairway. Fire extinguishers should be conspicuously located and readily accessible at all times. They should be inspected and maintained annually in operating condition.

Each employee should be trained in the proper use of fire extinguishers. Training should include:

- What the fire extinguisher can and cannot do.
  - How to use it.
  - How to maintain it.
  - Knowledge of classes or types of fires.
  - What class or classes of fire the extinguisher is capable of extinguishing.

Many times your local fire extinguisher vendor can assist you in determining the type, size, number, placement, inspection and the training of your employees.

Oil- or solvent-soaked rags

Rags, wiping cloths and waste saturated with oils, solvents, paints or other hazardous materials are subject to spontaneous combustion. Disposal of this material takes special precautions. Storage of these materials in the proper waste cans is one of the most effective methods to reduce the fire hazards associated with this problem.

These materials are also subject to ignition from outside sources if they are not stored in the waste cans. They can be ignited by welding sparks, trouble lights, or smoking materials.

Housekeeping

Good housekeeping is essential to fire safety. Waste cans should be provided at key locations to minimize potential fires. Inspection should be done at the end of each shift to insure that all oil soaked rags are properly stored. The waste cans should also be kept in an area that minimizes the potential for ignition of adjacent material.

Waste cans

The oily waste cans should be:

- Equipped with a self-closing lid.
- Substantial metal construction.
- Elevated from the floor to prevent ignition of the floor or combustibles under the can.
- Labeled by a recognized testing laboratory such as underwriters laboratories or factory mutual. The label insures that the product has been constructed to existing standards for design, safety, and quality.

Disposal

The preferred method of disposal is to have a vendor provide clean rags and remove the soiled rags. The vendor should pick up soiled rags on a regular basis to prevent accumulation.
Auto dealer self-inspection checklist
Self-inspection – Management

Dealer location: ____________________________________________________________

Inspected by: ________________________________ Date: ______________

Note: All "No" answers indicate corrections are necessary.

A. Auto liability & collision

1. Hiring procedures includes:
   a. Initial MVR check in accordance with local, state and federal laws. ___ ___
   b. Drug screen in accordance with local, state and federal laws. ___ ___
   c. Reference and prior employment checks in accordance with local, state and federal laws. ___ ___
   d. Criminal background investigation in accordance with local, state and federal laws. ___ ___
   e. Post-offer physical examinations for positions with job descriptions in accordance with local, state and federal laws. ___ ___

2. Active MVR program in place that includes annual checks of employee records in accordance with local, state and federal laws. ___ ___

3. No one under 21 years of age assigned to drive company vehicles ___ ___

4. Anyone with previous license suspension or revocation kept from driving. ___ ___

5. Written demonstrator agreement signed by all employees furnished company vehicles. ___ ___

6. Demonstrator agreement includes a policy against the operation of company vehicles after drinking alcoholic beverages. ___ ___

7. Written policy addressing use by non-family and family members. ___ ___

B. Customer test drives

1. Sales person required to ride with customer. ___ ___

2. Copy of driver’s license obtained prior to test drive. ___ ___

3. Designated or recommended routes established for test drives. ___ ___

C. Extended theft

1. Requirements established for “spot deliveries” and they include:
   a. Copy of driver’s license. ___ ___
   b. Verification of full insurance coverage. ___ ___
c. Credit bureau reports.  

  

d. Approval by general manager or sales manager.  

  

D. Customer rentals or loaners

1. Customers referred to a commercial, third party rental company.  

2. Rentals or loaners provided to service customers.  

3. Approved rental contracts used.  

4. Copy of driver’s license obtained.  

5. Established minimum age requirements (i.e. 25 years or older) for customer loaners.  

E. Safety management

1. Written safety policy statement communicated to employees.  

2. Formal safety program in use.  

3. “Designated person” assigned responsibility for loss prevention at each facility.  

4. Accidents/losses investigated to determine cause.  

5. Formal Hazard Communication Program in place.  

6. Formal Hazard Communication training conducted.  

7. Self Inspection Program established.  

8. OSHA 200 logs maintained.  

F. Discrimination and harassment

1. A formal discrimination/harassment policy is in place.  

2. Has been distributed to all employees.  

3. Training programs for supervisors and managers in place.  

G. Wrongful termination

1. Well defined discipline and termination procedure.  

2. Training for management staff provided and documented

H. Employee dishonesty

1. Internal audit procedures established.  

2. External audit procedures.
3. Monthly internal physical inventory taken.  
4. Annual external physical inventory.  
5. Separation of duties between employees handling cash transactions, and those completing deposits and journal entries.  
6. Cash receipts, checks and currency kept in a locked safe.  

### I. Products and completed ops

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Adherence to manufacturer’s predelivery checklist procedures and specifications.</td>
<td></td>
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</tr>
<tr>
<td>2.</td>
<td>Service and repair orders signed by customer.</td>
<td></td>
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<tr>
<td>3.</td>
<td>Inspection and test drive by a third party (service writer or manager) required upon completion of major service work.</td>
<td></td>
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</tbody>
</table>

### J. Inventory - theft & vandalism

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Control of keys delegated to responsible employees.</td>
<td></td>
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<tr>
<td>2.</td>
<td>Keys retained in a secured cabinet out of the public view and locked when unattended.</td>
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<tr>
<td>3.</td>
<td>Permanent log maintained for checking keys out and in. (Log should include columns for date, name, vehicle identification, time out and time in.)</td>
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<tr>
<td>4.</td>
<td>Only one set of keys kept on the keyboard, second set of keys kept in the office with related vehicle documents.</td>
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<tr>
<td>5.</td>
<td>Keys accounted for at the end of each shift including those in the office.</td>
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<tr>
<td>6.</td>
<td>Keys removed from unattended vehicles and all doors locked.</td>
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<tr>
<td>7.</td>
<td>Access to key cutting apparatus limited to one or two people who keep a log to clearly identify a serial number of a vehicle and a person for whom keys are made.</td>
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<tr>
<td>8.</td>
<td>No keys cut for employees without management approval.</td>
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<tr>
<td>9.</td>
<td>Key numbers not placed on sales personnel inventory cards or sheets.</td>
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<tr>
<td>10.</td>
<td>Use of key lock boxes attached to the vehicle is avoided.</td>
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<tr>
<td>11.</td>
<td>Lots enclosed with chain link fence: minimum height of 6 feet topped with barbed wire.</td>
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<tr>
<td>12.</td>
<td>Reinforced gates with heavy duty padlocks installed 3” to 6” diameter posts installed 4” to 10’ apart with chain between posts.</td>
<td></td>
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</tbody>
</table>
| 13. | Landscaping and natural terrain, such as ditches and embankments, used to  
enclose display and storage areas where fencing or posts are not permitted. |     |    |
| 14. | Exits blocked at night.                                                                         |     |    |
| 15. | Exterior lighting provides adequate security at night.                                           |     |    |
| 16. | Increased police patrols have been requested.                                                    |     |    |
| 17. | Watchman or security service employed.                                                          |     |    |
18. Burglar Alarm system installed in building.

19. Exterior doors have, as a minimum, double cylinder dead bolt locks.

20. Overhead doors have a case hardened padlock on the inside track.

21. Side and rear windows not visible from the street fitted with iron bars or screens fastened security to the building.

22. Specialty wheel covers removed from all vehicles and stored.


24. Simulated video, internal.

25. Continuous video surveillance
Self-inspection – Showroom

Dealer location: ____________________________________________________________

Inspected by: ____________________________________________  Date: _____________

Note:  All “no” answers indicate corrections are necessary.

A. Work environment:

1. Entrances/exits
   a. Doors & door handles/hinges operate freely, without binding/jamming.____ ____
   b. Doors latch securely into framing members.____ ____
   c. No broken door handles, hinges, other door hardware.____ ____
   d. Glass members in good condition, no cracks, breaks.____ ____
   e. Clear glass doors and side panels clearly defined with logo or other markings.____ ____

2. Emergency exits
   a. “Emergency exit” doors marked with overhead signs.____ ____
   b. Doors unobstructed.____ ____
   c. “Emergency exit” doors equipped with panic hardware.____ ____
   d. “Emergency exit” doors unlocked during business hours & sign posted.____ ____
   e. Aisles to “emergency exits” unblocked.____ ____
   f. Emergency lighting provided in all exit paths.____ ____
   g. Emergency lighting tested on a monthly basis.____ ____

3. Floor surfaces
   a. Level, no open holes, no unmarked elevation changes.____ ____
   b. Elevation changes marked or easily identified. (Contrasting colors, signs, lighting, etc.)____ ____
   c. Floor coverings secure; no worn, curled, frayed areas.____ ____
   d. Aisles to offices and waiting rooms clear & passable.____ ____
   e. No cords, wiring, piping across aisle/floor surfaces.____ ____
4. Stairs (where applicable)  
   a. Treads firm, level, no worn edges.  
   b. Handrails secure, no protruding fasteners, sharp edges.  
   c. Steps and landings free of stored material and debris.  
   d. Lighting adequate.  
   e. Handrails for steps with 4 or more risers.

5. Balcony railings (where applicable)  
   a. Railing top 30” to 40” above floor surface.  
   b. Toe boards provided where required.  
   c. Railing components secure, no loose or missing parts.  
   d. No protruding fasteners or sharp edges.

6. Furniture  
   a. Furniture in good condition, no missing components, worn/loose structural parts, no sharp objects.  
   b. Chair components operable and adjusted correctly.  
   c. Fire cabinets, shelving, desks not overloaded, all materials within boundaries of furniture.  
   d. File cabinets secure, bolted together or connected to wall structure.  
   e. Office equipment & power supply cords arranged to limit trip/fall exposure.  
   f. Ladders, step stools OSHA approved, all labeling & instructions in readable condition, adequate height for anticipated needs.

7. Showroom area  
   a. Keys removed from displayed vehicles.  
   b. Displayed vehicles electrical systems disconnected.  
   c. Helium cylinders secured to wall, building structure, in the upright position, unused cylinders capped and secured.  
   d. Advertising media secured to fixtures, walls, etc.  
   e. Cooking devices meet UL standards (see label), no storage of LPG or propane gases in showroom.  
   f. Showroom glass in good condition, no cracks or broken panels.
### B. Electrical:

1. Electrical equipment closet/room
   - a. Closet/Room posted **“electrical equipment room.”**  
   - b. No storage of combustible material/debris within room.

2. Transformer(s)
   - a. 3’ clear space around transformer(s).
   - b. Area posted **“maintain 3’ clearance.”**
   - c. Ventilation slots unblocked.

3. Circuit breaker control panel
   - a. 3’ clear space around circuit breaker panel(s).
   - b. Panel doors in place and closed.
   - c. Circuit breakers labeled.

4. Wiring
   - a. Electrical outlets 3-pronged.
   - b. Outlet covers, switch covers in place.
   - c. No overloading (octopus connections) of outlet boxes.
   - d. No temporary wiring (extension cords) used as permanent power supply cords.
   - e. No frayed power supply cords.
   - f. Light switches operate properly
   - g. Lighting fixtures secure.
   - h. Bulbs in working order.

### C. Electronic data processing:

1. Emergency procedures and shut-off.
2. Back up programs - off site storage.
3. Alternate use arrangements.
4. Located ground floor or above.
5. Cutoff with 1HR fire partitions.
6. Dedicated electrical line.
7. Separate media storage room. 

8. Climate control separate from main system. 


10. Smoke detector(s) and testing. 

11. Carbon Dioxide or other approved extinguisher & inspection. 

12. Maintenance & inspection auto extinguishing system. 


D. Rest rooms:

1. Fixtures
   1. Fixture components operate properly. 
   2. No leaking or clogged fixtures. 
   3. Floor surfaces level, no water accumulation. 
   4. Dispensing fixtures (i.e. towel, soap) securely fastened to walls, no sharp edges, broken locks. 
   5. No broken mirrors or glass. 
   6. Clean & regularly maintain. 
   7. Required fixtures securely fastened to walls, floors, etc. 

E. Theft protection:

1. Perimeter security
   a. Perimeter door locks operable. 
   b. Alarm systems functional (where applicable). 
   c. Closed-circuit TV units operable, cover intended areas (where applicable). 

2. Cashier’s area
   a. Cashier’s area separate from general public area. 
   b. Door to cashier’s area locked, electronic release operable. 
   c. Hold-up procedures available. 
   d. Cash and other securities locked in safes or other secured equipment. 
   e. Safe bolted to floor or otherwise secured in place.
f. Checks stamped “for deposit only.”

F. Fire protection:

1. Fire extinguishers hung on wall and accessible.

2. Fire extinguishers have current inspection tags (one year from date of last inspection).

3. Flammable liquids stored in marked areas, secured from falling.

4. Smoking controlled (permitted only in designated areas).
**Self-inspection – Parts department**

Dealer location: ________________________________________________________________

Inspected by: ____________________________________________ Date: _______________

Note: All “no” answers indicate corrections are necessary.

### A. Work environment:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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</table>

#### 1. Entrances/Exits

<table>
<thead>
<tr>
<th>a. Doors operate freely, without binding/jamming.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Doors latch securely in frame, no broken door handles.</td>
<td></td>
</tr>
<tr>
<td>c. “Emergency exit” doors marked with overhead exit signs.</td>
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<tr>
<td>d. Doors unobstructed.</td>
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<tr>
<td>e. Doors posted as an “emergency exit” equipped with panic hardware.</td>
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<tr>
<td>f. “Emergency exit” doors unlocked during working hours and sign posted.</td>
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<tr>
<td>g. Emergency lighting provided in all exit paths.</td>
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<tr>
<td>h. Emergency lighting tested on a monthly basis.</td>
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</tbody>
</table>

#### 2. Floor surfaces

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>

| a. Level, no open holes, no deterioration. |   |
| b. Floor coverings secure, no worn areas, no frayed edges. |   |
| c. Floor elevation change identified (contrasting colors, signs, etc.) |   |
| d. Aisle width clear, passable. |   |
| e. Inventory on shelving, in racks, bins. |   |
| f. Floor surfaces free of cords, wiring or piping. |   |

#### 3. Stairs

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| a. Treads firm, level, edges not worn. |   |
| b. Handrails secured, no protruding fasteners, sharp edges. |   |
| c. Treads and landings free of stock and debris. |   |
| d. Lighting adequate. |   |

#### 4. Storage fixtures

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
a. Racks/shelves secured to each other or building structure.  

b. Fixtures or support structures in good condition?  
c. Storage fixtures properly loaded (i.e. heavy stock on lower shelves).  

5. Stock storage areas/arrangement  
a. Ladders, step stools in good condition.  
b. Stock a minimum of 18" from sprinkler heads.  
c. Pressurized gas cylinders capped, secured and separated.  
d. Dock edges painted for contrast.  
e. Adequate clearance to light fixtures.  

B. Theft protection:  

1. Security  
a. Exterior entrance locks operable.  
b. Roof hatches and windows secured.  
c. Alarm systems functional.  
d. TV units functioning.  
e. Employee parking located away from building.  
f. Non-department employees restricted.  
g. Stock inventory performed and recorded on a regular basis.  

C. Fire protection:  

1. Fire extinguishers hung on wall and accessible.  

2. Fire extinguishers with current inspection (one year from date of last inspection).  

3. Flammable liquid stored in appropriate marked area, secured from falling.  

4. Smoking controlled (only in designated areas, no evidence of cigarette residue in storage areas).  

5. Battery storage and charging properly arranged and accomplished.  


# Self-inspection – Service department

Dealer location: _______________________________________________________________

Inspected by: ____________________________________________  Date: _______________

Note: All “no” answers indicate corrections are necessary.

## A. Work environment:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Entrances/exits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Doors operate freely, without binding/jamming.</td>
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<tr>
<td>b. Doors latch securely in frame, no broken door handles.</td>
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<td>c. “Emergency exit” doors marked with overhead exit signs.</td>
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<tr>
<td>d. Doors unobstructed (minimum door width clearance).</td>
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<td>e. Doors posted as an “emergency exit” equipped with panic hardware.</td>
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<td>f. “Emergency exit” doors unlocked during working hours.</td>
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<td>g. Emergency lighting provided in all exit paths.</td>
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<td>h. Emergency lighting tested on a monthly basis.</td>
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<thead>
<tr>
<th></th>
<th>Yes</th>
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<tbody>
<tr>
<td>2. Floor surfaces</td>
<td></td>
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<tr>
<td>a. Level, no deterioration of floor surfaces/coverings.</td>
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<tr>
<td>b. Grates, lift and manhole covers in place.</td>
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<tr>
<td>c. Floor elevation change identified (contrasting colors, signs, etc.)</td>
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<tr>
<td>d. Floor surface free of cords, wiring, piping.</td>
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<tr>
<td>e. Oil, water, etc. contamination controlled with oil dry, drainage, etc.</td>
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<td>f. Service drive has non-slip coating that is in good condition.</td>
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<td>g. “Caution Wet Floor” signs available and posted when necessary.</td>
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<thead>
<tr>
<th></th>
<th>Yes</th>
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<tr>
<td>3. Lighting</td>
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<tr>
<td>a. Lighting adequate.</td>
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<tr>
<td>b. Permanent lighting fixtures in good condition.</td>
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<tr>
<td>c. Bulbs in place and in operational condition.</td>
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<tr>
<td>d. Light switches in operable condition.</td>
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</tbody>
</table>
4. Storage fixtures
   a. Racks/shelves secured to each other or building structural members. __ __
   b. Portable power tools and equipment stored in a designated area. __ __
   c. Locker room equipment in operable condition; no damage to lockers, plumbing fixtures, etc. __ __
   d. Pressurized gas cylinders capped, secured and separated in an upright condition. __ __

5. Housekeeping
   a. Adequate number of trash receptacles available. __ __
   b. Oily rags and other material contaminated with flammable/combustible liquids stored in labeled, covered metal containers. __ __
   c. Waste collection containers/vessels identified, located to avoid mechanical damage from vehicles, powered equipment. __ __
   d. Floor areas under benches, tool boxes, fixed equipment maintained in an orderly, debris-free condition. __ __

B. Electrical: Yes No

1. Transformer(s)
   a. 3’ clear space around transformer(s). __ __
   b. Area posted “maintain 3’ clearance.” __ __
   c. Ventilation slots unblocked. __ __
   d. Transformer(s) free of dirt, oil or other contamination. __ __

2. Circuit breaker control panels
   a. 3’ clear space around circuit breaker control boxes. __ __
   b. Panel doors in place and closed. __ __
   c. Circuit breakers labeled. __ __

3. Wiring/Fixtures/Equipment
   a. Wiring permanent rather than temporary. __ __
   b. Temporary wiring (extension cords/light cords) used for temporary situations only. __ __
   c. Temporary wiring in good condition, no exposed wiring or repaired sections. __ __
   d. Junction boxes covered, socket and switch cover plates in place. __ __
   e. Wiring in good condition; no broken or sagging conduit or wiring. __ __
f. Outlet receptacles 3-pronged/grounded. ____ ____
g. Electrical outlet receptacles not overloaded (octopus connections). ____ ____

C. Tools and equipment: Yes No

1. Compressors, compressor area, air handling components
   a. 3’ clearance maintained around all compressors. ____ ____
   b. No storage of oils, automotive fluids, greases, flammable/combustible liquids in compressor area/room. ____ ____
   c. Compressors on preventative maintenance schedule (see manufacturer’s recommendations for maintenance schedule and areas/components, and servicing instructions). ____ ____
   d. Compressors free of spilled/leaking oils or other fluids. ____ ____
   e. Air handling piping secured to building’s structural members, no damaged or sagging sections. ____ ____
   f. Air connections and hoses in working condition; no damaged or loose fitting connections, hoses not worn. ____ ____

2. Fixed/portable tools and equipment
   a. Manufacturer supplied guards (point of operation and power transmission) in place, not damaged or altered. ____ ____
   b. Warning signs, instructions, supplied illumination in place, in understandable/usable condition. ____ ____
   c. Power supply cords/hoses of adequate sizing (no undersize temporary wiring/hosing utilized), no worn areas, no exposed wiring, no repairs. ____ ____
   d. Equipment clean, no excessive build-up of cuttings, oils or other contaminants. ____ ____
   e. Operational switches in good condition, control functions clearly identified. ____ ____
   f. Electronically powered hand tools double insulated or properly grounded. ____ ____
   g. Hydraulic and pneumatic lines and connections inspected for deterioration, leakage or other damage. ____ ____
   h. Creepers stored properly when not in use. ____ ____

3. Hoists
   a. Hoists maintained on a preventative maintenance schedule; hoists and related equipment should be maintained according to manufacturer’s instructions and schedules. Records of all inspections/maintenance should be kept on file. ____ ____
   b. Hoist load capacity posted and in readable condition. ____ ____
c. Safety devices and equipment on hoist, no alteration or bypassing of devices/equipment noted, all in operational condition.  

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d. Operational instructions posted and readable.  

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e. Operational switches functional and clearly identified.  

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D. Personal protective equipment:  

Yes  No  

1. Eye protection  

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a. Employees engaged in work which involves grinding, chipping, fluid removal, hammering, wearing approved eye protection. (Approved eye protection includes eyewear which meet current ANSI standards adopted by OSHA.)  

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b. Eye wash stations available, identified, maintained in an orderly arrangement, accessible to employees.  

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c. Signs posted, “eye protection required beyond this point.”  

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2. Other protection  

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a. Respirators available to employees where required.  

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b. Respirator training provided to affected employees.  

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c. Hearing protection available to employees in areas with high noise levels.  

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d. “Right-to-Know” materials available; material safety data sheets available to all employees.  

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e. Employees required to wear work shoes with oil-resistant soles.  

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f. Air pressure reduced to less than 30 PSI at orifice on manually operated air hoses.  

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E. Fire protection:  

Yes  No  

1. Fire extinguishers  

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a. Extinguishers available for use, no blocking by material storage, debris, fixed/portable equipment.  

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b. Extinguishers adequately charged; gauge reads fully charged.  

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2. Flammable/combustible liquids  

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a. Flammable/combustible liquids identified; stored in original containers or labeled safety cans.  

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b. Liquids stored in orderly fashion, lids/caps in place.  

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c. No storage of gasoline within service area.  

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d. Shop is equipped with UL or FM approved gas caddy or equivalent for transferring gasoline into or out of automotive tanks.  

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</table>
e. Parts washers equipped with self-closing lid, actuated by fusible link. ____  ____

3. Smoking
   a. Smoking controlled (only in designated areas, no evidence of cigarette residue in storage or restricted areas). ____  ____
   b. Flammable liquid storage areas posted as “no smoking” areas. ____  ____

F. Customer vehicle security  
   1. Control of keys delegated to responsible employee(s). ____  ____
   2. Keys retained in a secure location and out of public view. ____  ____
   3. Keys removed from all unattended vehicles while parked in service drive. ____  ____
   4. Customer vehicles locked when unattended. ____  ____
   5. Technicians have been instructed to remove key from ignition while vehicle is in service stall. ____  ____
   6. Verification of customer’s identity is made before the vehicle is released to the customer. ____  ____
### Self-inspection – Body shop

Dealer location: _______________________________________________________________

Inspected by: ____________________________________________  Date: _______________

Note: All “no” answers indicate corrections are necessary.

#### A. Work environment:

<table>
<thead>
<tr>
<th>Item</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td><strong>1. Entrances/exits</strong></td>
<td></td>
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<tr>
<td>a. Doors operate freely, without binding/jamming.</td>
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<tr>
<td>b. Doors latch securely in frame, no broken door handles.</td>
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<td>c. &quot;Emergency exit&quot; doors marked with overhead exit signs.</td>
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<tr>
<td>d. Doors unobstructed (minimum door width clearance).</td>
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<tr>
<td>e. Doors posted as an “emergency exit” equipped with panic hardware.</td>
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<tr>
<td>f. “Emergency exit” doors unlocked during working hours and sign posted.</td>
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<tr>
<td>g. Emergency lighting provided in all exit paths.</td>
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<tr>
<td>h. Emergency lighting tested on a monthly basis.</td>
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<tr>
<td><strong>2. Floor surfaces</strong></td>
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<tr>
<td>a. Level, no deterioration of floor surfaces/coverings.</td>
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<tr>
<td>b. Grates, lift and manhole covers in place.</td>
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<tr>
<td>c. Floor elevation change identified (contrasting colors, signs, etc.)</td>
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<tr>
<td>d. Floor surface free of cords, wiring, piping.</td>
<td></td>
<td></td>
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<tr>
<td>e. Oil, water, etc. contamination controlled with oil dry, drainage, etc.</td>
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<tr>
<td><strong>3. Lighting</strong></td>
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<tr>
<td>a. Light adequate.</td>
<td></td>
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<tr>
<td>b. Permanent lighting fixtures in good condition.</td>
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<td></td>
</tr>
<tr>
<td>c. Bulbs in place and in operational condition.</td>
<td></td>
<td></td>
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<tr>
<td>d. Light switches in operable condition.</td>
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<tr>
<td><strong>4. Storage Fixtures</strong></td>
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<tr>
<td>a. Racks/shelves secured to each other or building structural members.</td>
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</tbody>
</table>
b. Portable power tools and equipment stored in a designated area, out of aisles, work space areas, etc.  

   [Blank]  [Blank]

c. Locker room equipment in operable condition; no damage to lockers, plumbing fixtures, etc.  

   [Blank]  [Blank]

d. Pressurized gas cylinders capped, secured and separated in an upright condition.  

   [Blank]  [Blank]

e. Oxygen and fuel gas cylinders separated by 20 feet.  

   [Blank]  [Blank]

5. Housekeeping

   a. Adequate number of trash receptacles available.  

      [Blank]  [Blank]

   b. Waste collection containers/vessels identified, located to avoid mechanical damage from vehicles, powered equipment.  

      [Blank]  [Blank]

   c. Floor areas under benches, tool boxes, fixed equipment maintained in an orderly, debris free condition.  

      [Blank]  [Blank]

   d. Soiled shop rags stored in metal containers that are vented at bottom with self closing lid.  

      [Blank]  [Blank]

B. Electrical:  

   Yes  No

1. Transformer(s)

   a. 3’ clear space around transformer(s).  

      [Blank]  [Blank]

   b. Area posted “maintain 3’ clearance.”  

      [Blank]  [Blank]

   c. Ventilation slots unblocked.  

      [Blank]  [Blank]

   d. Transformer(s) free of dirt, oil or other contamination.  

      [Blank]  [Blank]

2. Circuit breaker control panels

   a. 3’ clear space around circuit breaker control boxes.  

      [Blank]  [Blank]

   b. Panel doors in place and closed.  

      [Blank]  [Blank]

   c. Circuit breakers labeled.  

      [Blank]  [Blank]

3. Wiring/fixtures/equipment

   a. Wiring permanent rather than temporary.  

      [Blank]  [Blank]

   b. Temporary wiring (extension cords/light cords) used for temporary situations only.  

      [Blank]  [Blank]

   c. Temporary wiring in good condition, no exposed wiring or repaired sections.  

      [Blank]  [Blank]

   d. Junction boxes covered, socket and switch cover plates in place.  

      [Blank]  [Blank]

   e. Wiring in good condition; no broken or sagging conduit or wiring.  

      [Blank]  [Blank]
f. Outlet receptacles 3-pronged/grounded.  

g. Electrical outlet receptacles not overloaded (octopus connections).

C. Tools and equipment:  

1. Compressors, compressor area, air handling components  

   a. 3’ clearance maintained around all compressors.  

   b. No storage of oils, automotive fluids, greases, flammable/combustible liquids in compressor area/room.  

   c. Compressors on preventative maintenance schedule (see manufacturer’s recommendations for maintenance schedule and areas/components, and servicing instructions).  

   d. Compressors free of spilled/leaking oils or other fluids.  

   e. Air handling piping secured to building’s structural members, no damaged or sagging sections.  

   f. Air connections and hoses in working condition; no damaged or loose fitting connections, hoses not worn.  

   g. Electric powered equipment and tools double-insulated or properly grounded.  

2. Fixed/portable tools and equipment  

   a. Manufacturer supplied guards (point of operation and power transmission) in place, not damaged or altered.  

   b. Warning signs, instructions, supplied illumination in place, in understandable/usable condition.  

   c. Power supply cords/hoses of adequate size (no undersize temporary wiring/hosing utilized), no worn areas, no exposed wiring and no repairs.  

   d. Equipment clean, no excessive build-up of cuttings, oils or other contaminants.  

   e. Operational switches in good condition, control functions clearly identified.  

   f. Creepers stored properly when not in use.  

3. Hoists  

   a. Hoists maintained on a preventative maintenance schedule; hoists and related equipment should be maintained according to manufacturer’s instructions and schedules. Records of all inspections/maintenance should be kept on file.  

   b. Hoist load capacity posted and in readable condition.  

   c. Safety devices and equipment on hoist, no alteration or bypassing of devices/equipment noted, all in operational condition.  

   d. Operational instructions posted and readable.
e. Operational switches functional and clearly identified. 

D. Personal protective equipment:  
1. Eye protection  
   a. Employees engaged in work which involves grinding, chipping, fluid removal, hammering, wearing approved eye protection. 
   b. Eye wash stations available, identified, maintained in an orderly arrangement and accessible to employees. 
   c. Signs posted, “eye protection required beyond this point.” 

2. Other protection  
   a. Respirators available to employees where required. 
   b. Respiratory training provided to affected employees. 
   c. Hearing protection available to employees in areas with high noise levels. (High noise levels are those areas where normal conversation cannot be heard over the background noise.) 
   d. “Right-to-Know” materials available; material safety data sheets available to all employees. 
   e. Air pressure reduced to less than 30 PSI at orifice on manually-operated air hoses. 

E. Fire protection:  
1. Fire extinguishers  
   a. Extinguishers available for use, no blocking by material storage, debris, fixed/porable equipment. 
   b. Extinguishers adequately charged; gauge reads fully charged. 

2. Flammable/combustible liquids  
   a. Flammable/combustible liquids identified; stored in original containers or labeled safety cans. 
   b. Liquids stored in orderly fashion, lids/caps in place. 
   c. No storage of gasoline within service area. 

3. Smoking  
   a. Smoking controlled (only in designated areas, no evidence of cigarette residue in storage or restricted areas). 
   b. Flammable liquid storage and paint mixing rooms posted as “no smoking” areas.
# Flammable liquid control

This sheet to be utilized with flammable liquid storage room

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<tr>
<th>Room:</th>
<th>Yes</th>
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<tbody>
<tr>
<td>1. Entrance door closes automatically, not blocked open.</td>
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<td>2. Entrance door operates freely, no binding.</td>
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<td>3. Entrance door latches securely in frame.</td>
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<td>4. No open holes within walls or ceiling.</td>
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<td>5. Walls/ceiling not contaminated with paint residue.</td>
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<td>6. Ventilation fan operates, no binding/squealing – vent located 12” from floor.</td>
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<td>7. Internal lighting fixtures covered with shielding.</td>
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<td>8. Internal lighting operable.</td>
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<td>9. Wall and ceiling construction is steel, concrete, masonry or other noncombustible material.</td>
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<tr>
<td>10. Room design to contain a flammable liquid spill.</td>
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<td>11. The room is equipped with an automatic extinguishing system.</td>
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</tr>
<tr>
<td>12. Electrical wiring, lighting and utilization equipment is approved for class I, division 2 locations.</td>
<td>___</td>
<td>___</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Flammable liquids:</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Contents of containers clearly marked.</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>2. Containers capped, no open containers.</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>3. Containers stored in orderly manner.</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>4. Drums bonded and grounded.</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>5. Storage shelving, racking, etc. in good condition.</td>
<td>___</td>
<td>___</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housekeeping:</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Contaminated rags, towels contained within UL listed cans.</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>2. No accumulation of combustible debris within room.</td>
<td>___</td>
<td>___</td>
</tr>
</tbody>
</table>
# Flammable liquid control

This sheet to be used with all other types of storage arrangements.

## Storage cabinets:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cabinets labeled “flammable liquids”.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Cabinets UL/FM approved.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Cabinet doors closed, latches operable.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>No storage of materials/liquids on cabinet top.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Cabinets ventilated to outside of building. (NYC only)</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>“No smoking” signs posted.</td>
<td></td>
</tr>
</tbody>
</table>

## Other storage arrangements:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Flammable liquids stored within non-labeled (UL/FM) cabinets.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Flammable liquids stored on open benches.</td>
<td></td>
</tr>
</tbody>
</table>

## Flammable liquids:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Contents of containers clearly marked.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Containers capped, no open containers.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Containers stored in orderly manner.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Drums bonded and grounded.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Storage shelving, racking, etc. in good condition.</td>
<td></td>
</tr>
</tbody>
</table>

## Housekeeping:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Contaminated rags, towels contained within UL listed cans.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>No accumulation of combustible debris within room.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>No smoking posted, no evidence of smoking.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>No storage of non-painting related equipment.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Storage neat and orderly, no tripping hazards.</td>
<td></td>
</tr>
</tbody>
</table>
# Spray painting operations

## Spray painting booth:

<table>
<thead>
<tr>
<th>Condition:</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Booth in good condition, no broken structural members.</td>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td>2. No open holes in booth walls or ceiling.</td>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td>3. Doors latch securely into frames.</td>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td>4. No missing light shields or globes.</td>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td>5. Spray booth filters cleaned and/or changed regularly.</td>
<td>_____</td>
<td>_____</td>
</tr>
</tbody>
</table>

## Automatic sprinkler system protection (if necessary):

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

1. Booth protected by automatic sprinkler system.  

2. Heads protected from paint contamination. (General method is to place light paper or plastic bags over heads.)  

## Spray guns:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

1. Operation of spray gun tied into booth’s ventilation system.  

2. Spray gun of proper PSI (latest OSHA requirement).  

3. Spray gun in good condition, no leaking of air or liquids.  

4. Spray guns UL/FM approved.  

## Housekeeping:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

1. 3’ clearance maintained on all sides of booth, including top and sides.  

2. Filters installed within booth, no missing filters.  

3. Booth’s interior shows no excessive over-spray on walls or floors.  

4. No build-up of combustible waste or debris within booth.  

5. All spray painting performed in designated areas only.  

## Electrical:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

1. Electrical wiring and equipment is class I or II, division 2 extending 3 feet in all directions from any openings in the booth.  

2. Portable electrical lamps not used in any spray area during spraying operations.  

3. Electrical wiring and equipment conforms to provisions of NFPA 70-National Electrical Code.

4. Enclosed vapor-tight electric light fixture installed flush with the booth ceiling and provided with impact-resistant glass.