



FREE TIPS ON CLEANING UP YOUR WARRANTY RECEIVABLES

*Do You Have Warranty Claims Over 30 Days Old?
Do You Find Your Warranty Claims Piling Up? Are Your
Warranty Receivables Going Unclaimed, Neglected, or Lost?*

*First Edition / 3-4-16
GM, Chrysler
Warranty Administrators*

Now is the ideal time to review and address rejected claims, route those that you are unable to authorize, or handle those claims that haven't even been submitted and are aging. No, we're not saying to just take the easy route. Writing off the entire outstanding dollar amount isn't the answer to a clean slate...

Cleaning up the schedule may take some time, but it is time well spent, to get your receivables in order. Find out why claims are still on the books and not paid. Sometimes it is just a matter of resubmitting claims or sometimes just doing a little research to track down outstanding credits and debits. And most importantly try to learn something from the process. Look for trends, what are the practices in the shop or Parts Department that cause these consistent problems. Then get together with your Service Manager and implement controls so that the problems are fixed for good.



Take It One Step At A Time

All open job cards should be accounted for, the warranty receivable schedule should be current (all transactions over 30 days should be fully supported and accounted for), training standards met, and all open parts tickets accounted for.

Step 1

Research claims eligible for payment and determine what should be written off. Before starting, there are two things you should always remember before cleaning up an accounting schedule:

Set an internal limit for write-offs. You shouldn't be spending your valuable time chasing a few dollars. A simple way to determine what the limit should be is to multiply 0.2 hours by your warranty labor rate. Write off all claims that are over one year old.

Step 2

Obtain a fresh copy of the warranty receivables schedule. Refer to any previous schedules containing notes in order to

assist you. Retrieve every job card listed on the schedule (except those listed in the "current" section). As you review the claims, determine the last action taken. If you think the claim may be eligible for payment, but you don't know what action to take, seek assistance.

While researching open job cards in the service department, enlist the parts manager's assistance with locating and closing open parts tickets. Once again, it can mean the difference between generating revenue and adding to the parts or service policy account. Ideally the warranty receivable schedule is being reviewed on a monthly, if not weekly, basis. If that is the case the schedule should be, for the most part, current. It will only require the transfer of notes from previous schedule reviews to the current schedule. Transactions that have a previous write off status noted on the schedule need to be written off to the appropriate department(s). There is no need to continue carrying them over onto new schedules.

Claims over 3 months (Chrysler), 6 months (GM) old may be eligible for payment. If you plan on submitting anything over 90 days old (Chrysler) or 180 days old (GM), call your



OEM Service Representative first and ask if your claims are eligible. Some do not accept over age claims. Be prepared to offer a reasonable explanation and assure your OEM representative that you are taking steps to get your claims under control.

Step 3

When you determine the appropriate action for each claim, note it on the schedule. If you find areas of concern, you must find the root of the problem. For example, if you discover a balance for a deductible amount, check the accounting copy to see if the customer has paid. If not, determine why it wasn't and take steps to collect your money.

No amount should be removed from the books without a General Journal Voucher (GJV). The service manager should first approve any write-offs. Some stores require the dealer principal to approve all write-offs. After all, it is their money.

Step 4

Complete a Warranty Receivables Report Card at jlwarranty.com; it should show you exactly where your warranty receivables are right now.

Step 5

The Part Returned Warranty Stamp helps ensure parts are being returned to the parts department.

While you are cleaning up the paperwork it may be a good time to enlist the technician's assistance in cleaning up the shop. Hopefully all warranty replaced parts have been returned to the parts department for scrapping purposes, or if requested by the WPC, returned for analysis. Full or partially full fluid containers should be cleared from the technicians work area and returned to the parts department.

Taking a little extra time now resolving over age and unaccounted for transaction and receivable issues will make the end of year process run that much more smoothly.

SIGN UP FOR THE WARRANTY ADMINISTRATION PROGRAM

ONLY AVAILABLE THROUGH JLWARRANTY

CONTACT INFORMATION

Name:
First Last

Job Title:
ie. Warranty Administrator, Service Manager, etc.

Phone:
(xxx) xxx-xxxx Secondary line (optional)

Email:

DEALERSHIP INFORMATION

Company Name:

Dealer Code:

Billing Address:
Street Address

City State Zip

Shipping Address:
Street Address
(if different)
City State Zip

OTHER INFORMATION

How did you hear about us?

OC800

Please take a second and let us know why you're interested in this program...