

NEWS BULLETIN

Maine Automobile Dealers Association

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DISTRIBUTION

- General Manager
- Office Manager
- Parts Manager
- Sales Manager
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2008-1

THE NEW YEAR

Calendar Year 2008 has begun. A new year brings a new beginning, presents new challenges, and offers fresh opportunities in all aspects of one's life. Your Association thanks you for your cooperation and participation in past MADA activities. It has been our privilege and our pleasure to address your questions, concerns and needs over the past year. We look forward to working with you into the future as we, together, meet the challenges and opportunities of 2008. Good luck and best wishes for a happy, healthy and prosperous New Year.

NADA'S 2008 SAN FRANCISCO CONVENTION

Beginning February 8, franchised automobile dealers will gather in San Francisco to attend workshops, hear prominent speakers, participate in factory make meetings, visit dealership vendors on the exhibit floor, and enjoy social gatherings. MADA will be holding a breakfast for Maine dealers, managers and spouses/guests on Sunday, February 10. Invitations were mailed to those registered with NADA. If you are attending the NADA convention, and have **NOT** received an invitation, please contact your Association office.

MAINE LAW RE: SEXUAL HARASSMENT IN THE WORKPLACE

In 1991, the Maine Legislature enacted a law requiring Sexual Harassment Education and Training in the Workplace. All employers, and thus all MADA members, must do two things at their business. First, they must "post in a prominent and accessible location in the workplace" a notice about the law. Second, they "shall provide annually all employees with individual written notice" concerning the provisions of the law as well as where to obtain assistance.

The poster required by the law is included in the laminated poster containing required employee notices, which poster MADA makes available to its members. An annual notice to all employees is included with this bulletin. Your obligation is to provide a copy to all employees, whether full or part-time. To ensure that all employees receive such notice, it is suggested that distribution be included with payroll. If you employ 15 or more, your business is also required to "conduct an education and training program" for all employees, as well as additional training for supervisory and managerial employees. Should you have questions about your obligations under this Maine law, please feel free to contact your Association office.

VACATION SCHEDULES

Please find enclosed a vacation schedule for your use in 2008. If you need an additional supply, please contact your Association office.

CASH REPORTING RULE

Any business that received more than \$10,000 as a payment for goods is required to report that payment to the IRS by filing Form 8300. You are not required to tell the buyer at the time of purchase that the form will be filed. However, you are required to obtain the information necessary to complete the form including the buyer's birth date and social security number.

IMPORTANT: If you filed any Form 8300s during calendar year 2007, YOU ARE REQUIRED BY FEDERAL LAW to advise your customers in writing by January 31, 2008 that the form was filed. The instructions to the form say that a written statement must be provided to each person named in Form 8300 on or before January 31 of the year following the calendar year in which the cash is received. The statement must show the name and address of the business, the total amount of reportable cash received, and that the information was furnished to the IRS. Keep a copy for your records. Remember, the law requires written notification. Merely informing the customer at the time of sale that you will be filing a Form 8300 is not sufficient.

This written notification requirement could be fulfilled by sending your customer a letter on your dealership letterhead. As stated above, this notification can be provided at any time following the transaction, or as late as January 31 of the next calendar year. The following represents sample wording for the statement:

Dear (customer):

We are required by the Internal Revenue Service to report all transactions involving more than \$10,000 in cash or monetary instrument (cashier's check, bank draft, travelers check, or money order) as defined in 26 U.S.C. 60501.

(name and address of dealership) filed Form 8300 with the IRS on (date) indicating you gave us (amount) in connection with your purchase of _____.

Sincerely,

(your name)

MADA suggests you check your files, and if you haven't already given a "written notice" to any customer who has paid you more than \$10,000 cash in 2007, you should do so immediately. If you are audited by the IRS, there are penalties for failure to file the Form 8300 and for failure to provide written notification.

Based on recent audits conducted by IRS at Maine dealerships as well as those in other states, the following are a few tips to help your audit experience:

- 1) Keep a separate file for 8300s, in chronological order by date of sale;
- 2) Keep a copy of 8300, and a copy of the notification letter, in each customer's deal jacket;
- 3) File 8300 on transactions with an even \$10,000 cash even though the law says "more than \$10,000".

SEXUAL HARASSMENT IS ILLEGAL

SEXUAL HARASSMENT IS A FORM OF EMPLOYMENT DISCRIMINATION AND IS ILLEGAL UNDER MAINE LAW.

Sexual Harassment is defined as: Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- c) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Section 3.061 1, Maine Human Rights Regulations.

Examples of sexual harassment include, but are not limited to:

- * Display of sexually suggestive objects or pictures.
- * Flirtations, propositions and comments which are unwelcome and unsolicited.
- * Comments about appearance, clothing, anatomy which are graphic or degrading.
- * Sexual jokes and gestures.
- * Physical contact which is unwanted and inappropriate such as touching, hugging, kissing or fondling.
- * Retaliation for complaining about sexual harassment.

If you believe you are being sexually harassed you should notify your immediate supervisor, or if you cannot notify your immediate supervisor notify the person in your company designated to handle personnel or human resources problems.

If you believe you are being sexually harassed, Maine law allows you to file a complaint with the Human Rights Commission, within 6 months of the unlawful act or unlawful discrimination. The Human Rights Commission shall provide an opportunity to resolve the matter. If the matter cannot be resolved, the Human Rights Commission will investigate to determine whether there are reasonable grounds to believe that unlawful discrimination has occurred. If the Commission finds reasonable grounds to believe that unlawful discrimination has occurred it will try to eliminate the discrimination by informal means. If informal means of resolving the matter have not succeeded the Human Rights Commission will file a complaint with the Superior Court.

You may contact the Commission at its office in Hallowell or by telephone at 624-6050.

Your employer cannot discharge or otherwise punish or penalize you because of any action you have taken to assert your rights under the Maine Human Rights Act or because you assisted in the enforcement of the Act.

This notice is provided to you pursuant to P. L. 1991 CH.474. January 1, 1992.

**Report of Cash Payments Over \$10,000
 Received in a Trade or Business**

▶ See instructions for definition of cash.
 ▶ Use this form for transactions occurring after December 31, 2004. Do not use prior versions after this date.
 For Privacy Act and Paperwork Reduction Act Notice, see page 5.

1 Check appropriate box(es) if: a Amends prior report; b Suspicious transaction.

Part I Identity of Individual From Whom the Cash Was Received

2 If more than one individual is involved, check here and see instructions

3 Last name 4 First name 5 M.I. 6 Taxpayer identification number

7 Address (number, street, and apt. or suite no.) 8 Date of birth (see instructions) M M D D Y Y Y Y

9 City 10 State 11 ZIP code 12 Country (if not U.S.) 13 Occupation, profession, or business

14 Identifying document (ID) a Describe ID c Number b Issued by

Part II Person on Whose Behalf This Transaction Was Conducted

15 If this transaction was conducted on behalf of more than one person, check here and see instructions

16 Individual's last name or Organization's name 17 First name 18 M.I. 19 Taxpayer identification number

20 Doing business as (DBA) name (see instructions) Employer identification number

21 Address (number, street, and apt. or suite no.) 22 Occupation, profession, or business

23 City 24 State 25 ZIP code 26 Country (if not U.S.)

27 Alien identification (ID) a Describe ID c Number b Issued by

Part III Description of Transaction and Method of Payment

28 Date cash received M M D D Y Y Y Y 29 Total cash received \$.00 30 If cash was received in more than one payment, check here 31 Total price if different from item 29 \$.00

32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):
 a U.S. currency \$.00 (Amount in \$100 bills or higher \$.00)
 b Foreign currency \$.00 (Country)
 c Cashier's check(s) \$.00 } Issuer's name(s) and serial number(s) of the monetary instrument(s)
 d Money order(s) \$.00 }
 e Bank draft(s) \$.00 }
 f Traveler's check(s) \$.00 }

33 Type of transaction a Personal property purchased b Real property purchased c Personal services provided d Business services provided e Intangible property purchased f Debt obligations paid g Exchange of cash h Escrow or trust funds i Bail received by court clerks j Other (specify in item 34)
 34 Specific description of property or service shown in 33. Give serial or registration number, address, docket number, etc.

Part IV Business That Received Cash

35 Name of business that received cash 36 Employer identification number

37 Address (number, street, and apt. or suite no.) Social security number

38 City 39 State 40 ZIP code 41 Nature of your business

42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.

Signature _____ Title _____
 Authorized official

43 Date of signature M M D D Y Y Y Y 44 Type or print name of contact person 45 Contact telephone number ()

Multiple Parties

(Complete applicable parts below if box 2 or 15 on page 1 is checked)

Part I Continued—Complete if box 2 on page 1 is checked

Form section for Part I, entry 1. Includes fields for Last name, First name, M.I., Taxpayer identification number, Address, Date of birth, City, State, ZIP code, Country, Occupation, Identifying document (ID), Describe ID, and Issued by.

Form section for Part I, entry 2. Includes fields for Last name, First name, M.I., Taxpayer identification number, Address, Date of birth, City, State, ZIP code, Country, Occupation, Identifying document (ID), Describe ID, and Issued by.

Part II Continued—Complete if box 15 on page 1 is checked

Form section for Part II, entry 1. Includes fields for Individual's last name or Organization's name, First name, M.I., Taxpayer identification number, Doing business as (DBA) name, Employer identification number, Address, Occupation, City, State, ZIP code, Country, Alien identification (ID), Describe ID, and Issued by.

Form section for Part II, entry 2. Includes fields for Individual's last name or Organization's name, First name, M.I., Taxpayer identification number, Doing business as (DBA) name, Employer identification number, Address, Occupation, City, State, ZIP code, Country, Alien identification (ID), Describe ID, and Issued by.

Comments - Please use the lines provided below to comment on or clarify any information you entered on any line in Parts I, II, III, and IV