

# Reconditioning Cost Control Worksheet



The control of reconditioning costs is an essential part of the used car manager's role. Without constant monitoring these costs can easily exceed budget figures, which will adversely affect profitability.

Complete the following worksheet by answering either yes or no to the questions. By doing this you will be considering some of the basic elements which influence reconditioning costs.

Cost Health Check	Yes	No
Are reconditioning costs reconciled back to appraisal?		
Are goodwill costs authorised by the used car manager in writing?		
Are preparation costs controlled and within budget constraints?		
Are reconditioning costs reflected in the budget?		
Are goodwill costs reflected in the budget?		
Are internal work requests documented?		
Are estimates and actual costs reconciled prior to posting to the accounts?		
Are sub-contact costs authorised by the used car manager?		
Are paintwork costs agreed prior to work commencing?		
Are workshop reports always obtained prior to work commencing?		
Do you trend goodwill costs by sales person to identify individual weaknesses?		
Are accessory costs accurately coded to ensure profit and costs are accounted for and not given away?		
Do you allow parts to be booked out by sales staff?		
Are late costs reconciled to ensure management authority?		
Are sub contractors issued with purchase orders signed by a manager?		
Are purchase order numbers recorded and reconciled by the accounts department?		
Does a manager control fuel issues?		

Set policies and procedures as a result of your own review to ensure costs management disciplines are in line with up-to-date best practice policies.