Nine Eagles does very little pro shop business. Some equipment is out for display, but Nielsen stays with balls, gloves, and hats.

Down on the farm
A dairy farmer who grew tired of milking his cows, C. K. Blankenship built Bright Leaf Golf Course in 1963. His 18-hole facility in Harrodsburg, Ky., is a semi-private operation with a 12-month season. The course is part of a privately owned recreation area that includes three fishing lakes and a 36-unit motel.

Blankenship, 71, is a 22-year member of the Kentucky PGA section and a 25-year member of the Kentuckiana Golf Course Superintendents Association. He has had extensive experience in course construction with several built in California and more than 35 in Kentucky. "I really love working with turf," said the Kentucky native, "Guess I'll always be a greenskeeper."

Like most other daily fee operations, Bright Leaf relies on its customers to spread the word. Golf outings are a big part of the overall gross, some 20 percent. Blankenship is happy with the real estate tax situation in Kentucky and says the assessments are manageable. His biggest problem seems to be with golf cars. "You are always working to maintain them and keep the paths in shape."

Merchandising in the pro shop is not his forte. The shop sells enough to get by, but the inventory is not too large. "I've seen a lot of the private club golf professionals lose money around here. They carry way too much inventory," Blankenship commented. Even with that philosophy, Bright Leaf does a good effort in hard-goods, but stays away from softgoods, since Blankenship contends his customers aren't interested in this aspect of golf.

Below the Mason-Dixon line
Ten miles from Huntsville, Ala., in the small town of Toney is Bermuda Oaks Golf Course, a 9-hole facility with a 10-month season. Although Robert Prozan is the owner, Carol Waller, a 47-year-old former military man is the operator.

An executive with the Lockheed Corp. in Huntsville, Prozan, 42, purchased Bermuda Oaks nearly 5 years ago as an investment. The course is a full-time job for Waller. Promotion is a key for profit. Since Huntsville is a relatively small television market, Bermuda Oaks has been able to get its message across through commercial spots during PGA Tour events. The 30-second spots cost $100 each.

To supplement that, some ads are placed in local newspapers. Through local tournaments at the course, Waller is able to keep the course name in the news through the sports pages. Bermuda Oaks has been involved in sponsoring an event where the proceeds would go directly to the local chapter of the American Cancer Society. Along with this effort, junior golf is an important priority. Waller allows two local high school teams to regularly compete there.

"Most courses are not financially well off enough to have three management people."

"Like a lot of daily fee operations, we are going after the working man. A guy with a family usually can't afford to belong to a private club, and we are the alternative," Waller told GOLF BUSINESS.

With more than 2 years in the industry under his belt, Waller admits he loves his job. "I've played for quite a while. I enjoy running the shop and I work well with our course superintendent." Competition from two 18-hole courses in Huntsville do not hurt rounds much at Bermuda Oaks. Waller does think that the daily fee owner subsidizing his own competition with his own tax dollar is a "rotten business."

Real estate taxes in Alabama have to be some of the lowest in the nation, according to Waller. There is very little hardship for the property owner. Still, there has been talk about greenbelt legislation, but little action.

If anything has played havoc with the course so far this year, it has to be the terrible weather that plagued the south over the winter. Waller said that the frost line was as deep as 24 inches and Bermuda Oaks greens were just coming around in May, after the unseasonably cold weather.

As far as the pro shop is concerned at the Alabama course, sales are primarily in hardgoods, some 70 percent of the total gross sales. Waller is hesitant to handle softgoods, saying the investment in inventory is too great for him to handle. "We don't really merchandise as much as we should, but I try to set up attractive displays. I have relied a lot on the various golf equipment salesman that call on me," Waller added.

Following his 15th year as a PGA professional, Rob Landham finally had enough money to buy into a golf course. Along with his two partners, Jerry Lindy and David Brown, Landham took over Bigby Hollow Golf Course, Columbia, Tenn., early in 1977. Prior to the sale, Landham had been involved in a lease agreement for the 18-hole facility, situated some 40 miles south of Nashville.

As part of the overall plan, the course is surrounded by a residential development. Land is being subdivided around the 12-year-old course for homes. For its location, the facility gets a lot of play, more than 20,000 rounds last year. Increases in rounds continue steadily each year.

Landham, 35, is a vice president in the Tennessee PGA section and is convinced that promotion can pay off for the daily fee golf course. He works extensively to get more juniors involved in the game. Bigby Hollow is interested in attracting the player from Nashville. Landham has utilized the daily newspaper there to promote the course's special events.

"The business is changing as far as the professional is concerned," said Landham. "Professionals must be more business-oriented. In my view, most clubs and courses are not financially well off enough to have three management people. Pros must know all areas and meet the challenge."

Courses in Tennessee face competition from state-owned facilities. There are eight such facilities in all. In a way, these courses do take some rounds away from the daily fees,
but Landham thinks most owners are holding their own.

There has been some controversy in the past over the way the state operates the pro shops at their courses. The Tennessee PGA has been aggressive in attempting to convince state officials these jobs should also be made available to PGA professionals. So far, the state has not changed its position. Many of the people that do run these state shops are novices in the trade.

Taxes in Tennessee are getting higher. Landham says that assessments for Bigby Hollow have doubled in recent years. “Greenbelt would be nice, but there would have to be a constitutional amendment and I doubt that would happen,” Landham noted. Tennessee has no personal income tax, so it relies heavily on real estate taxes for revenues.

Discount golf houses have cut into Landham’s shop business somewhat and he is critical. “These places serve a price purpose, but service and the salesperson’s knowledge of equipment is nonexistent. The game is tough enough for the golfer, without getting inept help at the point of purchase.”

With a 12-month season, Landham tries to maintain a $30,000 inventory at Bigby Hollow. He sees his shop as added bonus for daily fee golfers. Fees at the course are $5 for 18 holes with a $9 charge for a car during the same amount of play. There is also a year-round fee a golfer can pay: $185 for a single person and $250 for a couple.

After all his experience in the industry, Landham’s biggest criticism is how those in management tend to hire based on how much an individual will cost, as opposed to how qualified the individual is. “It seems they look for who will take the least amount of money,” the Tennessee native commented.

Some happy, some not

Located in northeast Indiana is Hidden Valley Golf Course at Angola. Don Colbert is the owner and builder of the 10-year-old facility and admits he is looking to get out of the business. He told GOLF BUSINESS he was in the process of selling.

Even though his business has been good in the past, Colbert said he was running Hidden Valley at about 50 percent efficiency. Angola is primarily a tourist area and Colbert relies on the transient trade to supply most of his business. After Labor Day, though, he practically puts the course to bed for the season.

Listing his problems, Colbert insists getting and keeping good help was his primary trouble. Cost of equipment is also rising. “In general, I think a lot of things have gone downhill in the last 10 years. The attitude of the public is bad. People do not appreciate a golf course anymore. I’ve had trouble with vandalism. That has been enough to make me think twice.” He related the story of how when he first opened the facility in 1967, he only had a storm door at the entrance to his pro shop. Today, he has been forced to get into alarm systems and heavy locks.

Like other daily fee operators, Colbert shuns softgoods, stays away from a big club inventory, and sticks with the basics. For him, the inventory is just another headache to handle. The best thing in Don Colbert’s mind right now would be to get a buyer for his 9-hole executive course and move to Florida.

Way up in northern Wisconsin, some 230 miles from Milwaukee is Maple Birch Golf Course, Tomahawk. At 58, William Ball has had the 9-holer for more than 20 years. Built in 1928, Maple Birch is a family course that also relies on tourist play to make ends meet. Ball estimates that approximately 35 percent of his play is tourist-related.

“We really don’t promote the place much,” Ball said. “There is some league play and local tournaments, but most of the folks up here know our course.” Competition from municipal courses is light. Taxes seem to be the biggest dilemma for Ball. In the last 5 years, increases in assessments have gone up at least 10 percent.

Maple Birch has no real pro shop to speak of. There are six sets of different club models in the small “shop” area. Two of those sets are women’s. If somebody wants something, Ball orders out of a catalog. They have tried softgoods at Maple Birch without much success. “I’ve seen a lot of local pros take a bath on softgoods,” Ball added. “I’d like to see the companies offer more merchandise on consignment for the daily fee operator. They might get more business from us if they adopted this attitude.”

West of Maple Birch in the Twin Cities metro area is Country View Golf Course, St. Paul, Minn. Judy Mogren is the manager of two 9-hole par-3 courses on the facility grounds. She has been involved as a part-owner in Country View for the past 8 years, along with three other investors. One of the courses is 12 years old; the other, 8 years old.

Utilizing a season that usually lasts 7 months, Country View plays well. Mogren estimates there are 350 rounds on the weekday and 450 or more on the weekend days.

“We don’t really do too much promotion. Business is steady,” Mogren said. Country View does have an ad in the yellow pages and suburban newspapers distributed north of St. Paul, but nothing extensive.

If you asked Mogran what type of clientele they are trying to get at Country View, she would say that the average golfer would be its most frequent customer. The facility also includes a driving range. Some golf outings are held at the course, but almost always on the weekdays.

St. Paul has two 18-hole municipals, neither of which hurt the play at Country View. Pro shop sales are based on balls, gloves, and other miscellaneous items. Mogren has dropped golf equipment all together.

Since 1962, Ben Brubaker has been owner-operator at Hillcrest Golf Center, Washington, Ill. Approximately 10 miles outside Peoria, Hillcrest is an 18-hole executive course with a season stretching from mid-March to mid-November. In 1976, there were nearly 30,000 rounds, a marked increase from '75.
Again, there is no real promotion effort much like many other daily fee operations. Brubaker relies on the yellow pages, general newspaper advertising, and some special events advertising, for example, on Mother's Day and Father's Day. “We also like to attract juniors and work very hard to get these kids out on the course,” Brubaker mentioned. Hillcrest has a season ticket plan. Charges are $70 for a single and $120 for a couple.

Though he has no formal agronomy experience, Brubaker realizes having someone around that does is essential. He has hired, over the years, several horticulture graduates from a nearby junior college.

W. G. Stevely, 64, is no stranger to the golf business. He took his farm in Salem, Ore., in 1962 and built his first nine holes. Nine years later, he took a little more of that ground and built nine more, finalizing his Battle Creek Golf Course at its present 18 holes.

With a season falling somewhere between 10 and 11 months, Stevely does his own bookkeeping and over-sees an operation that includes a regular 44-seat restaurant plus a lounge. These two features produced more than $125,000 in sales in '76.

With the nearest municipal course 50 miles away in Portland, Battle Creek has no worry here. Stevely is concerned about the skyrocketing taxes in Oregon, even with greenbelt. “If these taxes get any higher, I'll tear the course out and plant spinach,” he says. “After 16 years, I enjoy the business. To be honest, though, I wondered why I got into it at first.”

GOLF BUSINESS PROFILE

Promotion and perseverance pay off for daily fee owner

by Marino Parascenzo

It's not a big creek, but you can't cross it without a bridge.

You cross the one-lane bridge — about 50 feet of wooden planking set on steel girders anchored to concrete abutments, their bulky shoulders holding everything about 5 feet above the clean water bubbling through an archway of trees — to get to Lindenwood Golf Course, a daily fee course near Canonsburg, in southwestern Pennsylvania. The bridge also, symbolically, carries you to Russ Wylie's way of thinking.

“We had to build that bridge,” said Wylie, not in complaint, but in pain, “and we have to pay taxes on it, too.”

In that one statement, Wylie wraps up the plight of the daily fee course owner: he's on his own, all the way.

Wylie, an activist among the nation's fee course men, owns Lindenwood, across that little bridge, and Rolling Green, another 18-holer about 6 miles away in the bumpy woodlands south of Pittsburgh. But owner for how long?

Two pressing factors raise that same question for fee course owners all over the nation, Wylie says. Those factors are real estate taxes, a common enemy, and the municipal course, a blood brother so favored by the parent government as to be a downright prodigal son.

“These are not just Pennsylvania problems,” Wylie said. “These are national problems.” They are, he says, a threat to the very existence of fee courses.

His is not the cry of a solitary wandering soul whose wallet has been injured. At last fall's meeting of the fledgling National Association of Public Golf Courses near Chicago, Steve Alberg of the National Club Association issued a frightening report (GOLF BUSINESS, February 1977) — that 22 percent of the nation's clubs and courses are on the verge of liquidation due to the tax load.

Real estate taxes and municipal courses. At first glance, they may not seem to be related. But as Russ Wylie sees it, each has a hand at the throat of the daily fee course. The taxes squeeze from one direction. The fee operator could loosen that grip by raising his green fees. But the nearby municipal course, with its government-subsidized ability to charge lower fees and its freedom from those same real estate taxes, is squeezing from the other.

Wylie is doing more than wringing his hands. Eight years ago he helped form the Pennsylvania Golf Course Owners, Inc., of which he is a past owner.

Russ Wylie ponders the plight of the daily fee owner-operator. In the background is the clubhouse of his Lindenwood Golf Course.
president. He is now director of the Northeast Region of the National Association of Public Golf Courses. The two organizations, though independent of each other, have the same goals — among other things, easing those grips.

"We're seeing these problems," Wylie said, "in San Jose, Pompano Beach, Chicago, all over." On the subject of real estate taxes, Wylie has an unexpected and articulate ally in the renowned Alistair Cooke, television broadcaster, newspaperman, and author.

In his witty and wide-ranging foreword to the inspired The World Atlas of Golf (Random House, 1976), Cooke issued this forecast of doom:

"For the rest of us, this colossal book comes along, none too soon, to review the history of great golf architecture from its invention by Willie Park Jr. just before the turn of one century to its likely demise just before the end of the next. For in the United States at any rate, an amendment to the federal tax law, allowing the states to reassess land taxes according to the doctrine of 'best possible use,' could soon tax golf courses at either the real estate or public rate and doom once and for all the private playground."

Cooke is speaking of stately country clubs. But if you interpret "private playground" to mean the golf courses of the nation's some 5.5 million daily fee golfers, the grim message is the same.

The inequities of taxation

What Wylie sees as the inequities of the real estate tax structure are brought into sharp focus just outside his front door. Not far from his Lindenwood course lies Valley Brook Country Club. Both are in Washington County, just south of Pittsburgh.

"Now, I have no dispute with Valley Brook," Wylie said. "But just use it for comparison purposes because this is not uncommon. Many of our association members (PGCO) are facing with the same problem."

Valley Brook spreads over some 300 acres, of which about 285 are used for its 27 golf holes, Wylie pointed out. Lindenwood has 258 acre, but only some 120 are used for its 18 holes. The rest stands principally in woodlands.

Both are taxed under the "best use" doctrine. "We are assessed at $250 an acre, even for about 138 acres of woods, and Valley Brook is assessed at $290 an acre. Yet there is no comparison," Wylie said. "Lindenwood is a fine fee course, but there is no way in the world you can compare us with a fine country club like Valley Brook. Still, the tax rate is nearly the same."

The suggestion, of course, is not that Valley Brook be taxed more for its lusher properties, but that both Valley Brook and Lindenwood be taxed less for their value to the people. In urban areas, Wylie argues, golf courses are among the last open green spaces that are becoming increasingly more important to the leisure and well-being of man in an industrialized, technological society.

A small ray of hope

Wylie draws hope for future tax relief from the fact that he did win one tax break, albeit a small one, 3 years ago. His Rolling Green course, also in Washington County but not in the same township as Lindenwood, was under a 10 percent amusement tax, an option of township governments.

"As I see it, an amusement is something you sit and enjoy, like a movie or a ball game," Wylie said. "Golf is not the same thing. It is something you do, a particular sport." One could argue with his logic, but not with the results.

"It was a one-year campaign," Wylie said. "We went to the township supervisors. Look, we said, business is not all that good to begin with. And now inflation is hurting us, costs are rising. Not only that, courses in other townships don't have an amusement tax. We finally persuaded them. The alternative? Well, to raise prices — and eventually price myself out of the market."

Wylie knows his golf market. Over the past 20 years he has ridden the golf market. "As I see it, an amusement is something you sit and enjoy, like a movie or a ball game," Wylie said. "Golf is not the same thing. It is something you do, a particular sport." One could argue with his logic, but not with the results.

"It was a one-year campaign," Wylie said. "We went to the township supervisors. Look, we said, business is not all that good to begin with. And now inflation is hurting us, costs are rising. Not only that, courses in other townships don't have an amusement tax. We finally persuaded them. The alternative? Well, to raise prices — and eventually price myself out of the market."

Wylie knows his golf market. Over the past 20 years he has ridden the golf boom from a tentative, speculative start to solid success, seen it grow, flourish, and now take its lumps.

A graduate of Grove City (Pa.) College, Wylie was in the retail dairy business when, as he put it, "I saw golf coming, saw the need for courses." In 1956 he started with Rolling Green's first nine holes, "... the first 9-hole course south of Pittsburgh," he recalls.

Today there are 100 daily fee courses in Western Pennsylvania. "But only about 60 belong to our own association," he said, with a trace of exasperation. "We're like all other organizations — you just don't get 100 percent cooperation. And I don't know why. I preach it all the time."

Unfair competition

If the tax problem is heavy, the problem of municipal course is no lighter. But it is more vexing because the muni courses have a strength far out of proportion to their number, like a small, powerful magnet in a sea of paper clips. They exert a restraining force on the market, Wylie says. The public golfer, like every buyer, usually goes for the best price. And the muni courses, because of their tax support, can charge the best price.

In the Pittsburgh area, the two major attractions are Allegheny County's 18-hole North Park Course and the 27-hole South Park Course, each set in vast parklands offering such other features as picnic grounds and boating.

Wylie, although looking for higher incomes, fears that his golfers may merely shrug and go a few miles up the road to South Park if he doesn't keep Lindenwood's prices competitive.

"The municipal course is one of the fee course's toughest competitors," Wylie said. "To begin with, they don't pay real estate taxes. They are supported by tax money. And take labor, for example. We're lucky to be able to put four or five guys to work on a green. At South Park, they can put 25 or 30 on if they have to. Some of them may be brought over from the picnic groves or somewhere else."

It is of some consolation to Wylie that green fees are now up at the two Allegheny County courses, to $4.50 on weekdays and $6 on Saturdays, Sundays, and holidays. "Still not realistic," he insists, "but an improvement."

Wylie charges $5 and $6 at Lindenwood. At his other course, Rolling Green, the fees are lower at $4 and $5 because it is hillier than Lindenwood and about 10 shots easier to the good golfer.

Wylie's postulation that muni courses govern the marketplace is, to some extent, borne out about 50 miles north of Pittsburgh. At New Castle,
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Nothing ventured, nothing gained

The challenge to real estate taxes might be met on a broader basis, even a national one, and that's where the National Association of Public Golf Courses comes in.

"We have attorneys doing investigative work on the possibility of tax reform," Russ Wylie said. "Something along the line of preserving open spaces. The only way for us here in Pennsylvania is to go before the state legislators with a bill on 'green and open spaces,' to try to preserve them for public use. You know, someday courses like mine here at Lindenwood might be a green space within a metropolis."

A quick tour of Lindenwood shows what Wylie means. Lindenwood's 18 holes roll gently, almost flat, through lush woodlands. It is clean, quiet land, still except for the songs of birds. At the northern edge, just through the trees, you can make out the top of a water tower in the distance. It's the only sign of civilization.

Yet perhaps only a half-mile away are housing developments and multi-story apartments. A four-lane highway sweeps north and south less than a mile away, as the robin flies. The fringes of Pittsburgh's southern suburbs creep ever closer, claiming verdant open spaces with housing and shopping centers. It's a scene repeated throughout the nation.

"We need tax reform before fees force owners to sell to high rise developments and housing developments," Wylie said. "Very few owners want to sell. They love the golf business and they enjoy it, like I do, and they want to stay in it. As long as they can make a profit."

The problems of real estate taxes and municipal courses rest principally with the joint efforts of the fee course owners. Meanwhile, Wylie is doing something about his own personal business—promoting golf vigorously, on all fronts.

Wylie is a key force in the PGO—the Pennsylvania Golf Open, now in its fifth year. This is a better-ball-of-two tournament sponsored by the Pennsylvania Golf Course Owners, complete with qualifiers at some 20 participating courses throughout the state. At a cost of about $300 each to the courses, the PGO put up a purse of a healthy $8,000 in merchandise for prizes last year.

"We’re hoping to build the PGO, and even to get a national tournament," Wylie said.

More ambitious and riskier is the "sweepstakes" promotion of the Western Pennsylvania courses, a no-strings-attached drawing for a whopping $25,000 in prizes.

It is designed to attract golfers in September, October, and November. "This is the best time to play," Wylie said. "The weather is ideal and the courses are in the best shape."

The job was formidable—merely win golfers away from the Pittsburgh Pirates as they battled down the National League stretch drive, from the Pittsburgh Steelers as they fought unsuccessfully toward a third straight Super Bowl, and from the University of Pittsburgh and Tony Dorsett as they marched toward the national collegiate football championship.

The plan was simple and effective. Anyone dropping in at a participating course could pick up a free drawing ticket. Nothing to buy, no golf to play. Half of the ticket went into the hopper for the drawing.

The idea was splendid. Unfortunately, the weather was not. Golfers came out in flocks, picked up their free tickets, but rain kept them off the courses.

First prize was a 1977 Dodge; second, a golf trip for two to the Bahamas; and third, a trip for two to Bermuda. Then came a parade of color television sets, pro line clubs and bags, and a landslide of green fee books.

For credibility, copies of the winning tickets—pages of them—are still posted at Wylie's two courses.

The cost was about $1,000 for each of 19 participating courses. The sweepstakes is on again this year, although Wylie senses a certain disaffection in some corners. It seems the rainy weather of the fall of '76 dampened the enthusiasm of some owners.

"But I think it was worthwhile," Wylie insists. "Yes, I will go along with it again."

Wylie promotes his own courses just as intently. He encourages women's play by not restricting them to special hours, by forming ladies' leagues, and by staging a Ladies' Invitational tournament. And kids are more than welcome.

The huge Western Pennsylvania high school league, numbering about 100 teams, needs courses, private and public. Wylie wanted the fee course owners to offer their courses free.

"But some said no; we pay school taxes, so let them pay," he said.

"Years ago I gave my Rolling Green course free to five different schools. Then the other courses began to take teams. Now I have one team at each of my courses. Remember, these are our future golfers."

All of it—the fight against real estate taxes, the challenge of municipal courses, the promotions—are one man's campaign to make the fee course go. It's his own daily bread.

"I don't pretend to have the answers," Russ Wylie said. "But somebody's got to do something."
We are all aware of the need to maintain adequate accounting records for preparation of tax returns. In fact, the required maintenance of these records has been legislated by almost every governmental body to whom a company must pay taxes. Therefore, no matter how much drudgery it seems, we must keep the records.

Since there can be little, if any, argument that the records must be maintained, why not make them as useful as possible?

**Accounting records useful?**
They certainly can be! If they are properly designed and maintained, they can provide golf course financial managers with relevant material for decision-making.

The days of “hip pocket” operations are rapidly drawing to a close. Most successful businesses now require sophisticated financial accounting systems to remind them of where they’ve been financially and, after careful reflection on current economic conditions and trends, where they can reasonably expect to go. “That’s fine for the corporate giants,” you say, “but it really wouldn’t be applicable to my small operation.” That’s simply not true.

There should be no reason why a golf club can’t have a scaled-down version of an effective financial reporting system, to provide as much financial efficiency as possible. An efficiently operating accounting and reporting system can make you aware of opportunities to invest idle cash in interest-bearing accounts. It can provide additional assurance that legitimate tax deductions are not being overlooked. An efficient financial reporting system can make you aware of

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noncompliance with governmental regulations which may affect a club's future.
For instance, if you are a tax-exempt club, you are probably aware that under Internal Revenue Service Regulations your club's nonmember gross receipts now cannot exceed a general standard of 15 percent of total receipts for the year or it may jeopardize its tax exempt status. Although this new legislation may provide private clubs with some relief, the requirement to maintain records of those receipts has not changed. Does your accounting system show you the amount of nonmember gross receipts you've received for the year to date? If it doesn't, change it.

Budgeting and cash forecasting is also a part of financial reporting and recordkeeping. Typically, club budgets and forecasts, when they're prepared, are put together haphazardly and placed on a shelf until the end of the year. Then at year end, they're taken out, dusted off, and compared to the actual results of the club in an effort to "see how close we came." If this is the attitude with which budgeting and forecasting is approached, it might as well not be done.

Why budget?
The purpose of budgeting is to control expenditures. The budget is the yardstick by which you measure your success in controlling the club's expenditures or identify problem areas that need attention and corrective action. Accordingly, budgets should be made annually but broken down into monthly segments. To serve their purpose, budgets must be used.

Cash flow forecasting is another form of budgeting. By forecasting a club's receipts, you will know where the funds should come from to meet the club's obligations. Even more importantly, you will be able to identify periods in which the club will have surplus cash for investment purposes. Consult the club's banker or investment counsellor for ways to maximize interest income on the club's surplus cash.

Cash flow forecasting can also aid in identifying slow turnover in the club's accounts receivable. When the receivables are allowed to build up excessively, the members are using the club's funds to finance their purchases without paying interest. It just doesn't seem fair to allow a few members to tie up the club's resources at the expense of the majority of the membership. The club might consider a service charge for all accounts receivable not paid within a month. The funds generated from this service charge will replace interest lost in the club's investment activities and might also offset some of the administrative costs of repeated collection attempts for slow-paying members.

The club's accounting records should provide operating information by department. For instance, if a club has a restaurant, its reporting system should be able to generate financial information relating to the restaurant only. This can be particularly important when a club's restaurant

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facilities are operating at a loss. If the condition causing the operation to be less than desirable can be identified, then appropriate corrective action can be taken. This action may take the form of increasing prices on the menu or a requirement that members must use or be assessed a minimum monthly charge for the restaurant facilities. Particularly with respect to setting a budget for restaurant facilities, it may be desirable to use a general standard of comparison, say Robert Morris and Associates statistics, to measure the performance of the club’s restaurant.

If your accounting system can’t provide you with all the above information, it’s time to change it. There is no single system which can be universally used by all clubs, or any business for that matter. Each accounting and financial reporting system must be tailored to meet the individual needs of the users.

Things you should do
Call your accountant and discuss modernizing your accounting records and reporting formats with him. Have your accountant develop a system for you which minimizes wasted motion in recordkeeping and provides your club with the necessary tools for streamlined financial management. Ask him to assist you in developing monthly and annual operating budgets, including cash flow projections. Encourage your accountant to attend financial committee meetings to assist in the analysis of variations in the budget and explore with him the most practical solutions for solving the club’s financial problems.

Consult your accountant regarding the club’s capital needs and alternatives for providing necessary funds. Ask that he review the club’s credit policies, employee compensation plans and pricing of the club’s services. In addition to having your accountant prepare your income tax returns, ask him about tax planning services and consult him regarding any transaction which may have significant tax consequences — before you finalize the transaction.

With respect to tax planning, I have been surprised at the number of owner-operators and clubs which are unaware of the refund available to them of Federal gasoline taxes (and possibly in some states, refund of State gasoline taxes) when gasoline and motor oils are used off the highway. The application for refund of these taxes is really quite a simple procedure.

Your accountant should be an integral part of the club’s financial management team. If you ask him to provide all these services, expect him to spend quite a bit of time in the initial set-up and employee-training phase of system installation. After this initial phase, his major role will be that of a consultant on an “as needed” basis.

The successful operation of golf club facilities depends to a great degree upon attention to details. There simply isn’t a single change which can result in a windfall to a club’s operation. Accordingly, efficient financial management will not cure all the club’s problems. However, this improved efficiency will assist the club in identifying its problems on a more timely basis and provide the club’s financial committee with additional time to select the best course of action from alternative solutions which are available.

An efficient accounting and reporting system can’t reduce spiraling fertilizer costs. But it can aid in identifying periods in a club’s financial cycle where bulk purchases, at reduced prices, might be made to the club’s advantage. An efficient accounting and reporting system can’t lower rising labor costs. It can, however, in identifying situations where the club may not be meeting the industry’s most efficient operating norms and, therefore, enable the club to take corrective action.

Golf business
The operation of a golf club is, after all, a business. As a business, it requires sound financial administration to enable it to be as successful as its potential will permit. You can provide your club with this additional opportunity for success by adopting proven financial techniques. By so doing, you will enhance the desirability of membership in your club by providing the members with the services and facilities they require — at their lowest possible cost.