

Preparing an Annual Budget

Budget preparation and presentation time is a critical period during the golf course superintendent's year. It sets the stage for the golf course maintenance programme for the year to come.

In planning the spending to be done to maintain and improve the course for which he is responsible, the superintendent should be realistic, tailor the budget to fit the needs of his course, and foresee as many expenses as possible. He should take into account the rising costs of labour, equipment and supplies. He must have adequate figures and they must be correct. He cannot estimate so cheaply that he is forced to do poor work.

The superintendent can learn from colleagues who have dealt successfully with budgets. For this reason, *THE GOLF SUPERINTENDENT* presents the following articles, which are based on the experiences of two superintendents, one of a private course and the other of a public course. In the final analysis, however, each superintendent needs to tailor his budget according (1) to his course's topography, climatic location and other local conditions, and (2) to the wishes of those who pay the bills.

I. For a Private Golf Course

by

Richard W. Malpass, Superintendent Riverside Golf and Country Club Portland, Oregon

The preparation of an annual operating budget can be approached with confidence, particularly if records of past years' operations are systematically available for reference.

Expenditure records

I have made it a practice to keep a record of monthly or quarterly expenditures, which are compiled into reports for the green committee. Purchase orders become records of the items purchased, date acquired, from whom purchased and the price. The purchases are then categorised as to whether they are administrative, course operations, supplies, etc.

The report given the green committee lists both the amount budgeted for each category for the year and the actual amounts spent to date for the budgeted items. If desired, percentage figures can also be given on the amounts spent or remaining for the year.

Labour cost records

Labour costs are derived from time cards kept in my office. A time clock is utilised to record days and hours worked by each employee. These cards are submitted twice monthly to the accounting office for determination of wages due.

For my own information, I request a further breakdown of labour by having each employee fill out a daily breakdown of hours spent at various jobs performed during the day. This sheet has enough space to list an entire month's labour record for each employee, thus eliminating the task of my having to transfer daily time records to a summary sheet. Totals on the monthly sheets can then be summarised in a report that lists the number of hours spent on all work performed on the golf course.

In an additional step, a cost analysis can be made on each task. Such an analysis can be particularly useful when involved in new construction. Costs of such construction can not only be made a matter of record for future reference, but it can also be separated from the cost of normal operation of the golf course. I do not feel that such new construction should be charged against a normal operating budget.

Foreseeing costs

With a good record of past operations on hand, drawing up a budget for the coming year becomes a relatively easy task. In preparing the budget, the superintendent proceeds on the premise that the degree of maintenance desired by the membership will be continued or improved. The budget will then reflect expected costs of operating the course for the new year.

The wise superintendent will also take into account the insidious effects of the inflation that has been taking place for a number of years. It is virtually certain that labour and materials costs will continue to rise. This is a trend of the times, and nothing that I can see would make it appear that there will be any change. Your green committee and board of directors should be made aware of this when examining the new budget.

My practice has been to submit a final report of previous years' expenditures along with a pro-

posed budget for the new fiscal year. Once it has familiarised itself with past operational costs, the green committee is in a position to make an intelligent appraisal of the proposed budget for the new year. A separate capital expenditures budget is submitted with costs of proposed acquisitions of equipment and justification for such purchases. After the budget has been adopted, with any changes, by the green committee, it goes to the board of directors for final action.

A final projection of expenditures with expected outlays for each coming month of the fiscal year is then prepared for the accountant and the board. Expenses are summarised in several general categories: labour, repairs, supplies, electricity (for irrigation and for removal of excess water from our course), gas, oil and sundry expenses. Thus the accountant may anticipate the amount of funds required each month for golf course maintenance. (See example below).

I once had a neighbour who repeatedly said, 'Good fences make good neighbours'. To paraphrase that old maxim: Good records make for a confident superintendent, a satisfied green committee and board of directors, and happy accountants and managers.

1970-71 Budget Projections and Actual Expenditures

OCTOBER			JANUARY		
	Projected	Actual		Projected	Actual
Labour	\$5000.00	\$4828.23	Labour	\$3800.00	\$3429.00
Gas, oil	150.00	294.00	Gas, oil	100.00	38.00
Heat	25.00	4.00	Heat	70.00	56.00
Elec.	200.00	199.00	Elec.	90.00	118.00
Supplies	500.00	457.00	Supplies	120.00	119.00
Tel.	25.00	30.00	Tel.	20.00	21.00
Repairs	220.00	458.00	Repairs	200.00	185.00
Sundry	200.00	164.00	Sundry	100.00	359.00
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	6320.00	6434.00		4500.00	4325.00
NOVEMBER			5-Month Period		
	Projected	Actual	Projected	Actual	
Labour	\$4500.00	\$4115.31	\$28,880.00	\$27,523.00	
Gas, oil	150.00	211.00			
Heat	35.00	32.00			
Elec.	100.00	168.00			
Supplies	300.00	260.00			
Tel.	25.00	21.00			
Repairs	200.00	255.00			
Sundry	100.00	43.00			
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	5410.00	5105.00			
DECEMBER			SEPTEMBER		
	Projected	Actual		Projected	Actual
Labour	\$4400.00	\$4018.00	Labour	\$5400.00	\$5182.00
Gas, oil	0.00	0.00	Gas, oil	100.00	215.00
Heat	35.00	49.00	Heat	15.00	4.00
Elec.	100.00	57.00	Elec.	350.00	302.00
Supplies	250.00	124.00	Supplies	1200.00	630.00
Tel.	25.00	21.00	Tel.	25.00	26.00
Repairs	200.00	299.00	Repairs	200.00	486.00
Sundry	100.00	172.00	Sundry	250.00	74.00
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	5110.00	4740.00		7540.00	6919.00

*Al's labour not included in these total figures.

Was not sure when this was prepared whether September was in this fiscal year, so I have included it for comparison. During the months of September through January, a total of \$3154.31 labour of my crew was performed on new construction and should not properly be charged to a maintenance budget.

With acknowledgements to the Golf Superintendent