

Budgets Cut Golf Cost

By H. M. WADE and E. S. MOORSS

BUDGETING, in some form or another, is generally displacing the trial and error method of golf club operation. Although a properly prepared budget is not the easiest thing in the world to set up, many clubs find that it warrants its existence by its influence in making committee activities thoughtfully and thoroughly planned instead of allowing committee errors to make their first bold public appearance along with the annual deficit.

The budget system at the Charlotte (N. C.) Country club has brought the club from a deficit basis to a self-supporting status. The history of the Charlotte budget and its method of working is described by H. M. Wade, president of the club, who says:

"On account of the fact that committees of business and professional men who are chosen to manage the affairs of a country club are busy men, it is very difficult for the finances of a country club to be economically expended. Hence the wisdom in preparing at the year's beginning a budget covering every possible expense of a golf course and a budget covering every possible expense of a club house, and then having this budget thoroughly approved by the Board of Governors.

"The Charlotte Country Club for three years has been operating under a budget system and it has proven to be a money saving institution and each committee lives within the budget prepared at the beginning of the year.

"The budget for the upkeep of the golf course and grounds of the country club is prepared with the greatest possible care, each item of expense being gone into and a definite sum set up to cover that item for the year. When each item of expense has been thoroughly covered by an item in the budget then the total budget is prepared and submitted to the Board of Governors for their approval, rejection or modification, all depending upon the prospective revenue of the club. When this budget has been approved finally by the Board of Governors, the committee in charge of the golf course and grounds is instructed that they are to spend such money as wisely and economically as possible and that, under no

circumstances, are they to exceed the amount set forth in the budget for the year to cover the maintenance and upkeep of the golf course.

"Each of the three years since this budget system has been in operation in our club the committee in charge of the golf course and grounds has been able to save a considerable percentage of the budget as a surplus during the year.

Course Pays Own Way

"As a result of this budget system during the past two or three years the upkeep and maintenance of the golf course and grounds has been taken care of from the golf fees almost entirely so that the regular membership dues can be applied to the expenses of the club house and other incidental features of club life.

"In other words, under the budget system our golf course and grounds have become self-supporting and we believe in a few years we shall be able from the income from golf fees alone, not only to maintain a good golf course, but to do whatever construction work is necessary from time to time in changing certain features of the course.

"Under this budget system our club has been able to keep out of debt, has been able to pay off practically all of its current indebtedness and has been able to retire quite a considerable number of its outstanding bonds.

"We would not attempt to consider the operation of our club except under a budget system, wisely thought out and wisely prepared at the beginning of the year as we have found that it is the only business-like way to handle the financial affairs of the club. It is an easy matter for a Board of Governors to appropriate funds for every miscellaneous purpose that may be submitted to it because no one has given previous thought to such objects.

"We are now contemplating the employment of a club manager who shall have complete charge of the grounds, golf course and all exterior activities of the club property and place this capable person in charge of the work under a definitely provided budget at the beginning of the year and we believe by this progressive plan that we will be able to save

several thousand dollars over our present expenses."

At Minneapolis they also have found that the budget is a great promoter of businesslike interest in club operation on the part of committee affairs. The Golden Valley Golf club has been using the budget system in cutting the cost of golf. The club adds to its budget system as an operating control factor a logical line-up of the organization's directorate. E. S. Moorss, president of Golden Valley, tells the story:

"A few years ago, when some of the officers of the Golden Valley Golf Club commenced to consider whether a private golf club could be run on a budget and be run successfully, they were confronted by the statement from a great many who had had more or less experience in handling the affairs of private golf clubs, that it could not be done. The golf club was so constituted that a budget could not be adhered to, and, if it could, there would be no advantage derived, critics claimed. Nevertheless, the officers, after careful consideration, decided that they would try it out, and since that time the Golden Valley Golf club has been run on a budget and run successfully.

History Rules Budget

"In the first place, in preparing a budget, it is necessary to estimate as accurately as is possible the income that may reasonably be expected for the year, and naturally past experience must be considered in arriving at these figures. It is obviously foolish for any club, individual or business, to spend more money than is being received from incomes. If this is done, there is but one alternative for a club to pursue, and that is either raise the dues for more income, make an assessment or borrow the money. If the latter, it must be reckoned with at some subsequent date, and, if either of the former are resorted to, it, to say the least, has unfavorable comment from the members of the club.

"After arriving at the probable income of the club, it was thought advisable to divide the club into departments under the various committees. All golf clubs have their greens committee, golf committee, house committee, the games and pastime committee and so-forth. Besides that there is the administrative expense, other fixed charges or expense. It is obvious that each of these different departments are entitled to a part of the income from

the club compared with their respective requirements, and again by comparing past experience a reasonable amount was arrived at. It, of course, was necessary to confer with the chairmen of these various departments or committees, as you please, in arriving at the amount that they would require for their particular departments and the officers who put this budget into operation were very much surprised with the interest that these various chairmen of departments showed in trying to give the maximum service for the minimum of expense and keep within the budget allotted them, so much so that the club feels that after the few years of this operation it has delivered better golf and better service for considerably less money than was obtained previously. Naturally it is necessary for the chairman of each department to know what expenditures are being made in his particular department and keep a check on them in order to see that the budget allotted him is not exceeded.

"Golden Valley has been fortunate in having business men willing to spend some of their time looking after these details, and it probably is not more fortunate than any other private golf club in this respect. Somebody capable must be at the head of the different departments as well as the whole operation, and someone must be responsible for expenditures as well as conduct of the departments. Naturally these things take someone's time, and without efficient men on the Board of Governors to manage the affairs of the club and efficient workers on the various committees looking after the details in their particular department, there will be a lack of interest from the employes in each department, and this in turn will result in lack of efficiency and waste of funds.

"It has been found that appointing the chairman of the various committees from among the members of the Board of Governors, wherever it was possible or at least having a member of the Board of Governors on each of the committees handling the operation of the club other than the president, who is ex-officio member of all such committees, has greatly added to the efficiency as the committee is then in close touch with the Board of Governors and the Board of Governors are equally in close touch with the work of the committee.