

# Prompt Billing

## IS BASIS OF SATISFACTORY

# Club Financing

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THERE is no other single duty performed by the club office which so clearly demonstrates to the members the efficiency (or inefficiency) of the management—so readily creates a favorable impression for the Club Manager—so definitely facilitates financial operations—so easily "clears the desks" for getting out the monthly financial statements—as the prompt mailing of members' monthly bills *which are correct*.

That the importance of early mailing and correct bills is not clearly appreciated is indicated by the habitual late mailings of numerous clubs—and by the numerous errors resulting in many corrections and adjustments. When club managers generally realize the outstanding importance of prompt, early, mailing of correct bills, the relation of such action to their own personal interests, and the ready adaptability of ordinary commercial billing and collection procedures to this work, club bills will be in the mails as promptly as those of any well managed commercial house.

Because social and sports clubs are essentially non-commercial in character, and because the best clubs socially are invariably those in whose operations commercialism is least apparent, it does not follow that such vital activities as billing and collecting the moneys due from members, shall be governed by any less than the best business methods, and as promptly and efficiently as similar activities of commercial business.

Further, the members' estimate of the management must take into account such external activities as getting in the money—and this is all the more reason for making the best possible showing.

The one and only certain contact between the manager and each and every member is the monthly bill. In many clubs the manager has this contact twelve times per year—twelve opportunities an-

nually to clearly demonstrate to each member the club manager's efficiency in this business relation, and by inference, his efficiency in the club's general business affairs. When the bills are prompt and regular the members are impressed with the promptness and regularity of the business administration. If the bills are correct (if the bookkeeping has been accurately done) another mark is scored for the management—accuracy. If the tickets subsequently delivered to the members are in order and check with the bills rendered, the member is impressed with the efficiency of the clerical work, and lastly, if the errors are detected and adjusted before the member detects them, naturally the members' confidence is increased by such alertness.

It is clearly to the manager's personal advantage to get his bills out promptly and correctly.

Again, promptness and firmness in following collections and getting in the money—may occasionally—here and there meet with some objections from laggard debtors; nevertheless, the delinquent member who is firmly kept in line is the member with the greatest respect for the management.

Prompt billing clears the decks for the monthly financial statements. Nothing outside of profits satisfies the directorate so much as prompt financial statements. And nothing contributes so much to prompt reports as prompt billing which gets this onerous duty out of the way, leaving the office free to concentrate on that monthly bugbear, reports.

### Relation to Finances

The amount of working capital needed by any club is controlled by two factors (among others),—first, the payment habits of the club and second, the promptness of billing and the extent of the follow-up.

All well managed clubs discount their bills or pay according to terms where no discount is allowed. Many clubs, especially those near large business centers, are able to arrange for payment of their supplies bills, less the cash discount, on the 10th, 15th or even the 20th of the month following purchase. Sometimes the arrangement is for discount on the 10th and 25th.

To meet any of these arrangements the members' accounts must be paid promptly, and as no club administration is apt to provide, or leave unspent, any considerable volume of working funds the treasurer's or manager's ability to meet purchase terms and obtain all available discounts will be partly, if not wholly, controlled by the promptness of billing and the effectiveness of the subsequent collection effort. This will generally hold true even when bank credit is utilized to carry the peak load of accounts and inventories.

It is very apparent that the club manager who regards prompt payment of the club's obligations as fundamental, will get his bills to his members first.

Many members may not pay all of their bills every month. The club bill is competing for payment with the "butcher, baker, and candlestick maker"; and that the bills paid by such members are those first presented and best pressed for payment. It is doubly important that bills to this large class of members be first in the hands of the member, and first followed up.

Theoretically club bills are to be paid immediately, or within some short period of presentation. Practically this does not work out; directors are loathe to enforce the penalties prescribed in the by-laws, and it is up to the manager and treasurer to press the delinquent members for payment.

With prompt and accurate billing, and a consistent follow-up, the collection work is greatly simplified. A good example of the effects of the policy of promptness herein outlined is a club where it had been the custom for years to send out the members' bills anywhere from the 12th to the 20th, rarely earlier than the 15th. (Incidentally it may be stated that under this system the club mentioned did *not* discount its bills.) A long list of delinquents was always left over to post the following month.

The volume of accounts receivable carried was too high.

When the billing was advanced to the 1st through changes in clerical procedure (never later than the 2nd, and occasionally securing mailing on the evening of the closing date), with a statement card to all unpaid accounts going out on the 15th, and with a second notice on the 22nd, accompanied by telephone calls and letters from the Treasurer, the monthly posting list was abandoned because the improvement in collections made posting unnecessary; of course, at the same time, the volume of accounts receivable was materially reduced and a fine cash income derived in time to insure discounting of supplies bills.

"The early bird gets the worm." And the Club Manager who bills early and follows up promptly and consistently discounts his bills, clears the way for prompt monthly financial reports, earns the respect of his members for his fairness, firmness and promptness, and earns an enviable reputation for his business efficiency.

It behooves every Club Manager whose billing is delayed to correct this situation, for his own personal benefit and to the advantage of his Club.

(To Be Continued in June GOLFDOM)

IN A small city it is difficult to get good cooks, and after you get them, it is almost impossible to make them stay. Therefore, it is more essential for small-town golf clubs to have features that please the staff than it is for clubs near the larger cities. Shower baths and lockers are essential.



Lockers recessed in a wall space have helped to solve one club's problem of how to supply enough locker facilities in close quarters.