Budget Studies Reveal Need of Foresight in Spending

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(Continuation of M. A. C.-GOLFDOM Maintenance Cost Research Analysis)

OF THE 208 questionnaires returned from GOLFDOM's canvass for information concerning the distribution of labor on golf courses, 35 furnished additional data from which studies could be made regarding maintenance expenditures other than labor. While it is fully recognized that reports from only 35 clubs should not be regarded as a sufficient number from which to draw definite conclusions, there is enough similarity in the reports to cause comment and discussion.

TABLE I.

Table Showing How 1930 Budget Was Expended.

28—18-hole courses, 7—27-hole courses.

	18-hole.	*27-hole.*
Labor	71.0%	71.0%
Upkeep material	12.4	12.3
Machinery operation	7.0	7.0
Water systems and drainage	2.8	4.3
New equipment	3.8	3.8
Miscellaneous	3.0	1.6
	100.0%	100.0%

The range of total expenditures was from $9,000 to $34,000 for the 18-hole courses and from $21,000 to $35,000 for the 27-hole courses. Unfortunately, no 9-hole courses reported a sufficient number of items to be included in the above averages. However, it appears that the only varying items would be a decrease in water systems, with a corresponding increase in labor.

Detailed analysis of these reports showed two distinct groups in the percentage of the budget expended for the various items. One group contained what appeared to be normal annual expenditures; the other, unusually large percentages due to the fact that a piece of major equipment was purchased, or the fertilizer program had been more extensive than normal.

Stabilize Equipment Budget

From the above table it is quite obvious that a club that does not carry over the maintenance appropriation or budget from year to year, finds itself obliged to spend in one year from 5% to 15% of its total budget for some pieces of major equipment. Also, if repairs are not kept at normal, this item appears very large for one year. Suppose that a club finds it necessary to purchase a new tractor and mowing equipment costing 10% of the budget. The effect on the course maintenance is an obviously lowered maintenance standard unless a special levy is made for the equipment.

From Table III it appears that major equipment bought without a machinery fund that carries over from year to year, costs about 5.5% of the budget or approxi-

TABLE II

Items Included in Classifications Reported in Table I.

Material. Upkeep	*Machinery Operation.*	*Water System and Drainage.*	*New Equipment.*
Fertilizers	Gasoline	Repairs	Major equipment
Chemicals	Oil	Tile	Small tools
Soil	Repairs	Power	
Seed		Light	
Stolons		Water	
Sand		Pumps	

TABLE III

Variation Between Average Annual Expenditures and Unusual Expenditures. Showing Percentage of Total Expenditures.

	Normal maintenance.		*Unusual expenditures*		*Diff. betw. unusual*
	Av.	*Range.*	*Av.*	*Range.*	*and normal.*
Seed	1.8%	0.5-3.5	5.0%	4.8- 5.2	3.2%
Fertilizers	3.3	0.5-5.0	8.5	7.5-11.0	5.2
Chemicals	2.6	0.5-5.0	..	.....	..
Gas and oil	3.5	1.5-6.0	..	.....	..
Machinery repairs	2.7	1.0-5.0	8.0	6.0- 9.0	5.3
New large equipment	1.8	0.5-4.0	7.3	4.5-17.0	5.5

mately 1.1% annually over five years. If the normal annual equipment expenditure is 1.8%, why not budget annually 2.9% for new equipment and carry any unexpended balance over, thus having available sufficient funds to purchase the equipment without lowering the standard of maintenance?

From the studies made, a $15,000 budget should be divided approximately as follows, if the expenditures and maintenance standards are average:

The above budget should not be considered as the correct distribution for a $15,000 budget. It is the way a $15,000 budget would be broken up if the club was spending as the average reporting 18-hole golf club does.

There remains an opportunity for much more study of the normal expenditures. Such a study can be made possible if golf clubs will send in their distribution of expenditures. The value of such studies will be great, as it will furnish a practical guide for the apportionment of maintenance funds.

TABLE IV

Approximate Division of $15,000 Budget, Assuming Average Expenditures and Maintenance Standards.

Labor		71.0%		$10,650
Upkeep Material		12.4		
Seed	1.7%		$262.50	
Fertilizer	4.4		660.00	
Chemicals	2.6		390.00	
Balance	3.7		547.50	1,860
Machinery Operation		7.0		
Gas and oil	3.5		$525.00	
Repairs*	3.5		525.00	1,050
Water System and Drainage		2.8		420
New Equipment		3.8		
Major*	2.9		$435.00	
Small	0.9		135.00	570
Miscellaneous		3.0		450
		100.0%		$15,000

*Includes a sinking fund to carry over each year in the case of repairs and major equipment, and a 1.1% increase over normal fertilizer expenditures to make "big fertilizer years" unnecessary.

THE AMOUNT of water to use and the frequency of application can be determined only by careful observation of each green from day to day. Drainage, soil-character and turf thickness are rarely exactly the same on any two greens; consequently, the amount of water required is different.