

Plea for Proper Accounting Pushed by Club Leaders

By HERB GRAFFIS

C CLUB OFFICIALS and department heads who have commented on the need of reform and uniformity in club accounting as set forth in March GOLFDOM heartily welcome a discussion of this important phase of golf business operation.

In the initial article of this series it was pointed out that blind man's buff, played with golf club bookkeeping, had been responsible for a good part of the avoidable misery from which the clubs are suffering. We took the viewpoint that the accounting deficiencies were the result of not knowing what was needed. This opinion has been criticized as too tender-hearted by some veterans in the golf business.

One of the caustic critics, an old-timer in private and fee course operation, made the following comment:

"Too many club bookkeeping systems of today were inaugurated at a time when golf was booming and there was great personal glory and distinction in being a golf club official. It was easy to get members. Assessments were considered the rule. There was no special need for foresight. Cliques bossed the clubs and saw to it that the books were kept so outsiders couldn't see the picture. Golf grew from a game into a business. When the club grew into something that called for expert business operation instead of glad-handing by the winners of popularity contests, the financial and membership situations had developed into serious problems.

"Wrong standards had been permitted to get established. The game was costing too much, mainly because of extravagances that would have been revealed and stopped by tell-tale accounting.

When Trouble Began

"Probably the wildest mistakes made in golf club accounting were in connection with restaurant operation. Chairmen and managers at some clubs made strong efforts to hide feeding losses, forgetting that commercial restaurants have a 40% to 50% annual mortality rate. Sinking funds and depreciation charges were the excep-

"Along in 1927 or 1928 there were so many new clubs built that competition for membership became keen and the former waiting lists started to dwindle or vanish. But many clubs continued to operate on the basis of having the membership roster full. There's really where much of today's problem of trying to pay the fiddler for yesterday's melody began.

"Clubs that were in the dark couldn't be warned by accurate comparisons with the far-sighted, knowing organizations because of the lack of uniform bookkeeping.

"You can put it right down on your little gray slate that if a tenth of the time spent on revising the standard golf ball had been spent in revising and standardizing golf club bookkeeping 4 or 5 years ago it would have increased the number of rounds of golf played in 1932."

Some of the foregoing bluntness undoubtedly is warranted, but post-mortems will get us nowhere today.

What is needed now is a standardization of the perplexing details of golf club accounting so clubs can see precisely where they stand and properly plan to better their conditions. Prior to writing the March initial installment of this series on club accounting we asked a number of golf club officials whether GOLFDOM'S proposal of a uniform accounting system for clubs would be practical if the system were worked out authoritatively and sponsored by the United States Golf Assn. It was mentioned that the national hotel organization sponsored a uniform accounting system that the majority of the leading hotels use and the practice is not unusual in other fields.

Some of the men questioned said, positively, "No. Club officials, managers and greenkeepers have their own methods and they won't change."

Standard Methods Wanted

Comment written to us since publication of the March article strongly indicates that the negative attitude does not prevail. Some of the managers of the country's outstanding clubs have supplied con-

structive comment and given evidence of wanting to have every possible bit of information on accounting that will help them check on every red cent of lost motion or material.

You'll admit that the ancient and honorable St. Andrews of these United States is an august and distinctive establishment and if you know something about clubs run properly in the distinguished manner, you will know that William A. Stone, who has been at St. Andrews for 7 years, 5 of them as manager, has to know what the score is every second to make the operation fit the St. Andrews scheme of things. Well, Stone, who has a food service record system that is the answer to many a manager's problem, is one of the big-leaguers who always is looking for a possible improvement.

Leading Clubs Watch Books Closely.

You must also admit that Brae Burn C. C. must be ranked among the proud and worthy clubs both in character and operation. R. V. E. Sherman is Brae Burn's manager, and no misleading evidence of his ability is reflected in the club showing a net operating profit of \$13,000 the first 6 months of its fiscal year—Sept. 1 to March 1. Sherman expresses keen interest in the GOLFDOM proposal of uniform accounting, saying: "Brae Burn feels that a uniform system of accounting for clubs would be most helpful to all clubs in a number of ways. In order to determine a uniform system we have given a number of clubs in our vicinity our reports in hope they, in turn, would offer constructive criticism helpful to us all."

St. Andrews and Brae Burn are of the "than whom there are no whomer" class and their statements that the accounting issue is one of the extremely important and timely matters before golf clubs today is typical of the interested attitude of clubs that some folks might have believed would be aloof.

Indicative of the interest these days in uniform accounting for clubs is the fact that no other article in GOLFDOM'S history brought so many favorable responses as did the March yarn on the need of club accounting reform.

Representative of these letters is one from R. L. Williams, asst. sec. of the Birmingham (Mich.) G. C. One thing about Williams' letter should be noted as general in the responses, and that is the definite offer of co-operation. When the proper authorities take up this matter of uniform

accounting, they'll get lots of valuable co-operation.

Mr Williams writes:

I am very much interested in your editorial in the March issue of "Golfdom," entitled, "Accounting Reform Needed to Put Clubs on a Business Basis."

Your remarks are certainly most timely, and I believe that the present financial condition of a great number of golf clubs is in part due to the lack of proper accounting systems.

To my mind, one of the most important committees in the golf club is the Finance committee, and it should have available, as should all other committees, detailed operating statements, which among other things, show currently whether or not all departments of the club are operating efficiently.

At Birmingham during the past year we have been using a monthly report, a copy of which is enclosed. The writer, with the help of Mr. George Heath, past chairman of the Finance committee, developed a system of monthly budgets and expense itemization which is brief, clear, concise, understandable and enables anyone interested to allocate specific items of expense or revenue at a moment's notice. A copy of this report is given to each member of the board of directors monthly.

In the final analysis, such extra expense as might be necessary to have complete detailed information is more than offset by the fact that it provides committee chairmen and department heads with a means to control every phase of their operation currently.

The USGA is the proper organization to initiate the formation of a uniform system for golf club accounting. Exchange of information between clubs would assist everyone, but the exchange is impossible until clubs adopt a uniform chart of accounts and use it as set up. If, as you say, "the variables of character, membership, location, etc.," are taken into consideration, then, one golf club is not any different than another, and, there is no reason why the USGA should not have condensed averages, such as are furnished the retail industries by the Harvard Bureau of Business Research. Anyone acquainted with the use of statistics knows the value of such averages.

The form of report which I have sent you is available for anyone to examine, but the actual figures set forth in the report I desire to have given as little publicity as pos-

sible, as I have not had permission for their publication.

I hope that some constructive work in the way of better accounting can be accomplished for golf clubs as a whole, and, if I can assist in any such program, do not hesitate to call upon me.

Very truly yours,

R. L. WILLIAMS,

Assistant Secretary.

Among the report forms mentioned by the Birmingham official there is an especially interesting restaurant report in which the following details appear: DAY & DATE & WEATHER; REGULAR MEALS (Adults—\$1.50—\$1.00—85c—65c; Children—75c—50c); SPECIAL EVENTS (No.—Rate); A LA CARTE; TOTAL MEALS; NO. OF EMPLOYEES' MEALS (Regular—Extra; Kitchen, Dining Room, House, Outside help); EMPLOYEES' MEALS (Breakfast, Lunch, Dinner); NUMBER OF PLAYERS.

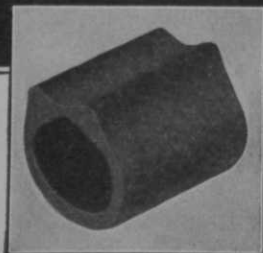
Some of the most interesting and significant items on any report are those of weather and number of players, but comparatively few of the reports have room for this data. Some of the best use of this information—so far as we know—is made by the officials and department heads at

St. Andrews. Manager Stone says with such records as a basis, the biggest problem that remains is to guess the weather. At St. Andrews the figures on play show number of players using course each month, the greatest number any one day of each month, the number of rounds played and the greatest number of rounds any one day each month, dates on which number of players exceeded 99 and actual number of players and rounds played on those dates, and Saturday, Sunday, Wednesday and holiday play. A separate report analyzes guest play in detail, and the total play by women, which is limited. The summary for 1931 shows some astounding differences from the guesses one would ordinarily make in the course of club operation; for instance, the total number of players in November fell only 32 short of the number playing the course during August. Close-up and accurate dope like this, kept generally, may have a tremendous effect on all phases of the golf business.

In succeeding issues we will go into details of the accounting systems of various clubs.

The subject, from all indications, is the hottest one GOLFDOM has hit and we

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earnestly recommend to the USGA officials that they consider the field for the organization's action in this matter of uniform club accounting. Those able business men and fine sportsmen who make up the official roster of the USGA could handle this urgent need without much of a dip into the association's funds and the outcome would be an achievement for the good of the game almost as epochal and valuable as the formation of the Green section. Money leaks that proper accounting would stop already have seriously handicapped the progress of the game. It's high time collective action be taken to discover and eliminate these losses.

Another Tax to Give Golf an Unplayable Lie

HOUSE OF Representatives has passed a 10% tax on golf playing equipment. It looks like the boys are still thinking back in those old days when golf was a "rich man's game." Their failure to cut their own pay shows lack of acquaintance with the changing times.

Now the tax matter is up to the Senate. The golf club members have been batted around plenty on taxation already and why the private club members or public course players should get an additional 10% rap, with chewing gum and radios (for instance), getting only 5%, is a mystery to the golfers.

Every pro and every other player is interested in this tax, and the good old act of squawking to your senator is strictly in order. You have a holler coming.

No one howls about the necessity of raising some money for the government. People are pretty patient about governmental extravagances and pork barrel raids and congressmen's yellow fever in the matter of considering revision of prohibition legislation to put a few billion dollars into legitimate channels.

But, honestly, this patience is being abused by fellows who act only when strong, organized effort is brought to bear. If you don't protest against this latest burden Congress puts on the most popular pastime in the country, and if your pleasure and profit suffers unduly, it's your own fault.

HOW ABOUT a home-coming event on the season's schedule? Earlington (Wash.) G. C. celebrates its 20th anniversary by inviting all former members to return for a day's party.

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