

IS YOUR ACCOUNTING DEPARTMENT MECHANIZED?

By JACK
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SOMETIMES I think it is too bad club officers and board members are not forced to pitch in each month and help out the accounting department. If they did, they'd soon come to a proper appreciation of the tremendous job to be done not only monthly, not only weekly, but daily in the routine handling of members' charge tickets, vendors' invoices, payrolls and pay checks, cash receipts and incidental accounting work.

The officers would quickly realize that the club's accounting department deserves all possible mechanical help in the way of calculating and bookkeeping machines to eliminate the factor of human error and to speed up amazingly the time needed to complete the department's work.

Old Fashioned Ways Persist

As matters stand today, all too many country clubs are getting along in their accounting departments with a check-protector, a hand-operated adding machine, and little else in the way of mechanical equipment, depending on the brains, pencil, fountain pen and writing arms of the employees for the rest of the work. Many a good sized business establishment, with far less volume of detail accounting work, is careful to use machine accounting to the utmost.

A recent survey of the accounting work at a representative country club has just been completed by the Burroughs Adding Machine Co., and the findings are so interesting and point so accurately the value of mechanical equipment in this work that GOLFDOM reprints the findings in part. The highlights:

"The detail work necessary in the proper handling of the club's accounts includes the auditing and bookkeeping work in connection with approximately 27,000 charge tickets per month; the checking and paying of hundreds of invoices from vendors, which are included in approximately 150 vouchers paid each month; the work incidental to the checking and compiling of payrolls and the issuing of 125 employee pay checks twice monthly; handling of cash received, involving 350 monthly entries; and incidental accounting work such

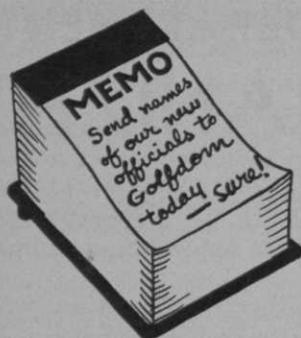
as computing monthly inventory and verifying extensions on food and supply requisitions."

All of these jobs are now performed by mental calculation and pen-and-ink bookkeeping entries, assisted by one small hand-operated adding machine.

Involved Method Slows Up Final Figures

"Biggest accounting job in the club," says the survey, "is the handling of members' accounts and involves the auditing and bookkeeping for 280 members who sign 27,000 charge tickets a month. The present routine in connection with these tickets is as follows: (1) tickets assembled by departments and checked for missing numbers; (2) each class of ticket added to arrive at daily control totals for each department; (3) tickets then sorted alphabetically; (4) tickets next sorted by members' names and placed in members' envelopes; (5) two or three times during month, tickets are removed from envelope and listed by departments on adding machine; these department totals are posted to members' ledger cards; (6) at end of month, 10% service charge and 3% sales tax are computed and posted to the members' ledger cards; (7) members' statements are then written in long-hand from ledger cards."

This method requires the adding of 27,000 tickets *twice* on an adding machine and innumerable hand postings and mental calculations. The proposed method is to use an electric calculating machine to accumulate daily totals by departments and also to accumulate members' totals. After members' totals by departments have been prepared in the above manner, it is proposed to post the members' statement and ledger in one operation on a typewriter bookkeeping machine. This work is to be done daily and proven daily so the accounts will be in balance and ready to



mail immediately after the close of the month's business.

The same two machines handle the accounts payable. The club's present method involves seven distinct operations: (1) vendors' invoices when received are mentally verified for correctness of prices and extensions; (2) invoices are checked to vendors' statements; (3) an accounts payable voucher is then written in long hand for each vendor; (4) voucher entered in register in ink, being distributed to 20 primary accounts and 10 sub accounts and then added for account totals; (5) amount of voucher posted on a vendor's ledger card to provide record of payments; (6) check is written in long-hand, protected and proofread; (7) check entered in check register.

How Voucher Check Saves Time

In place of this complicated procedure, the survey recommends "the use of a voucher check which would be made in triplicate. Original serves as remittance advice and as check. Duplicate is filed numerically as audit record. Triplicate is filed alphabetically by vendors.

"The bookkeeping machine writes the voucher check and also makes final distribution to the primary and sub accounts in one continuous operation, with daily proof of the work. Four manual operations are performed in one machine operation.

"When the lower half of the voucher, the check proper, is filled out, the check register is written in the same operation."

Machine auditing and bookkeeping shows its greatest efficiency in the handling of payroll routine, particularly in simplifying compliance with Social Security requirements. This law makes it necessary to add the allowance for meals and lodging to the amount of money paid the em-

ployee to arrive at the federal tax, and then make deductions of the meal and lodging amounts to arrive at net pay.

At the club surveyed, not only were 125 regular employees paid twice monthly, but an equal number of transient employees (used on peak-load days) were in the picture. In handling these pay-checks, the club's present routine entailed eight operations. The survey lists them:

"(1) Payroll written in long-hand from time cards; (2) payroll footed and cross-balanced on adding machine; (3) pay-check written in ink; (4) check stub filled out to show earnings, tax and net amount paid; (5) check run through protector; (6) check proof-read for accuracy; (7) amount of employee's earnings and tax, including allowance for board and lodging, posted to Social Security record; (8) postings on this record proven.

One Operation Instead of Eight

"By use of the bookkeeping machine, these eight operations can be handled in one operation. All of the various records are placed on the machine and written, footed and cross-balanced and the check properly protected at once. This will be a big factor in reducing the amount of work your accounting department has been called on to do in connection with social security work."

The report concludes: "We are of the opinion that the time which will be saved by the use of these two machines can be used to very good advantage in securing better control of liquor and food. Because of the physical layout of the club, it does not seem practical to check every item of food out of the kitchen and all drinks out of the bar with a food-checker; however, better control can be secured on these two important items. Your auditor will have less demands on his time and can devote more time to keeping a check on liquor and food and to working out averages from past experience which will assist in control."

The bookkeeping machine and the electric calculator will necessarily cost a lot of money in any club's language. However, as the survey points out, such machines are precision instruments and built for years of service, so that it is only necessary to spread the cost over a period of ten years to appreciate the economy obtainable. Just compare, say, a \$200 annual cost with the wages of even one extra clerk, and the economy picture becomes clear.