

CDGA Directory Includes Concise Summary on Taxes

One of the most informative sections in the 13th edition of the Chicago District Golf Association's annual Directory, published in April, briefly reviews some of the tax problems that clubs have to contend with. They are as follows:

Lockers: Any charge to members for occupancy exceeding six days comes within the meaning of dues and is subject to the 20 per cent dues tax;

Green Fees: No tax;

Swimming Pool: No single admission tax, but a yearly dues charge is subject to tax;

Minimum House Accounts: These are considered dues and are subject to the 20 per cent tax regardless of whether the minimum is used or not. The tax also applies to the so-called "monthly guaranteed service charge";

Life Membership: Subject to an annual tax based on the tax paid on dues by a member having privileges comparable to those of life members. (There are certain exceptions that the Directory doesn't list);

Capital Improvements: Generally, assessments or initiation fees directed into a special fund for capital improvements, or to repay loans for such, aren't taxable;

Sales Tax: Rooms — no tax;

Golf Cars — Member- or club owned — no tax. Leased — Questionable as to whether club must pay a tax on part of the rental returned to the lessor;

Food and beverage — Generally 4 per cent. Some litigation is involved in this and is explained in the Directory.

Extensive Coverage

As in other years, the CDGA Directory extensively covers bar and dining room operations, maintenance department costs, golf car ownership, service charges and restrictions, Ladies Day activities, swimming pool operations and the assessment situation, and gives information on professionals, club managers and caddies. In a foreword, Stacy W. Osgood, CDGA president, says the association is presently trying to develop standard accounting pro-

cedures for clubs and hopes to report on them in next year's Directory.

The bar operation report continues to be the one which brings joy to the hearts of club officials. Gross profits for 1961 for 50 reporting clubs were the highest, from a percentage standpoint, that they had been in four years, amounting to 64.3. In 1960 they dipped to 61.8 per cent. Average income from the bar was in excess of \$77,000 in 1961, \$10,000 higher than it was in 1958 and up almost \$5,000 over the previous year.

Small Profit in Food

Sixty clubs reported that gross profit from food sales amounted to 52.3 per cent in 1961. Since it has been determined that costs should not exceed 48 per cent of sales for profitable operation, this means that the club restaurants showed a slight collective net for the year. In the four previous years, according to the CDGA report, the net loss ran from about 2 to 4 per cent. Average gross income for 1961 was \$113,000, about the same as it had been in the last four years except in 1958 when it was reported at \$119,000. However, only 39 clubs turned in reports in the latter year.

According to the grounds and greens roundup, the average hourly labor rate for Chicago clubs was about \$1.75. For out-of-area clubs it amounted to \$1.58. Supt. salaries at Chicago clubs came close to averaging \$9,500 and away from the city they ran around \$7,200. Total maintenance dept. expenses in the city amounted to about \$56,000 per club, and at the outside clubs they were about \$38,000. Labor at city clubs took very close to 50 per cent of the budget and about 43 per cent at out-of-area clubs. Work crews generally are made up of 10 men during the season and four in the off-season. Seventeen of 40 clubs reported that they employ outside counsel on green and course maintenance.

It's Electric, 10 to 1

Electric golf cars still outnumber gasoline models by a better than 10 to 1 ratio and their leasing is largely in the hands of the clubs. Professionals service cars at 40 per cent of the clubs and at quite a few locations they get a percentage of the rental fee for overseeing the car operation. As for restrictions on traffic, 50 per cent of the clubs try to keep the cars 30 or more feet from greens and three out of four clubs permit the vehicles to be driven on the fairways. Monthly service charges fall



Bill Mark photo

The real students of golf probably are the ones you find gathered around the practice fairway. At the Masters, jury seats are provided for these people, something you don't find at other tournaments.

almost exclusively into the \$10 to \$20 monthly range. The most common rental charge is \$8.00 per 18 holes, although rates at nearly 50 per cent of the clubs are below this figure.

Twenty-six Chicago clubs reported that the retainer salary paid pros averages around \$3,350 while 19 out-of-area reports listed the pro salary average as nearly \$3,500. Information on whether the pro or club pays the assistant pro is rather scanty but in two-thirds of the cases reported, the pro assumes this obligation. Lesson fees in Chicago were pegged at around \$4.25 per half hour and in the outlying areas at \$3.60. Club cleaning and storage fees average about \$17.50 in the city and \$14 at the out-of-area clubs.

Other information brought out in the Directory:

Eighty-four clubs reported that they had a total of 8,289 women playing golf. Thursday is the big day for women golfers, with an average of 91 playing at each club. An average of 75 women are seen on the course every day at the 84 clubs. More than 90 per cent of the clubs have lockers for the feminine swingers and the number of women who rent them actually exceeds the number of players.

Swimming pools are operated at a considerable loss. At West Side clubs, pool income was just under \$6,000 and expenses ran to about \$7,600. These figures are very

close to those reported by Northside and Southside clubs. Income at outlying club pools averaged \$2,850 and outgo was figured at \$6,430.

There is a fairly wide range in caddie fees. For Class A club carriers, the Chicago figure was about \$3.25 for 18, and \$2.70 at clubs beyond the city. Class B rates at all locations averaged slightly in excess of \$2.50. Monthly salaries for caddiemasters ran to an average of \$400 at Chicago Westside clubs but were \$310 at Southside clubs and about \$200 at outlying clubs. One of six clubs gives the caddiemaster year-around employment.

Forty of 67 clubs charged assessments in 1961 and 26 clubs plan to make them this year.

Club manager salaries at city clubs averaged very close to \$11,000 and \$9,800 at out-of-area clubs. Forty per cent of the clubs provided lodging for the manager and practically all provided meals. Twenty-one of 46 reporting clubs said that their manager receives a bonus in addition to salary.

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