

Can A Country Club Afford Data Processing?



R. J. Kearns

Yes, says R. J. Kearns, head of Robert J. Kearns & Co., a public accounting firm located in Aurora, Ill. Kearns & Co. provides data processing service for nine country clubs in the Chicago area. This is a report on an interview with Mr. Kearns.

Q. Mr. Kearns, most people think of data processing as a tool of big corporations. How can a private club afford a system that obviously is designed and priced for these giants?

A. They can't, but they don't have to. Big companies have big problems, and the systems they use to solve them have captured the public imagination.

But smaller organizations use smaller systems. And organizations which cannot justify purchasing their own systems can buy service from processing specialists. We provide this service for many of our clients, including nine country clubs. We call it R/K Service.

Q. What does R/K Service consist of? What do you do for the individual country club?

A. We offer a complete service covering all phases of bookkeeping and accounting needs. We process and mail the members' monthly statements — compute

and write payrolls, government reports — maintain accounts payable and general account checks — post the general ledger and prepare monthly financial statements. Some clubs prefer to retain one or more of these functions. In such cases we do only part of the job and bill



A computer operator (above) processes a club payroll on an NCR 390 machine. Four magnetic strips on back of ledger card is read by the computer while record of employee's earnings is kept on the front. (Right) Adding machine operator lists guest checks. As she punches keyboard, identical information is recorded on paper tape. When tape is processed by a computer it prints members' statements and updates accounts receivable.



the club accordingly.

Q. What do you use as source material?

A. Once a week, the club sends us all its accumulated saleschecks, invoices and other transaction records. A girl in our office reads the pertinent information from the records and enters it in a tape-punching adding machine. When all the information is entered, the records are returned to the club and the punched tape is filed away. At the end of the month all of the tapes are processed on our NCR 390 computer to generate the desired reports and forms.

Peaks and Valleys

Q. What is the primary advantage of this arrangement to the country club?

A. A country club, particularly in the North, has extreme fluctuation in its accounting workload. One of our clubs has 30,000 transactions in July and only 500

in January. An accounting department capable of handling the peak wastes many manhours during the lull. R/K Service levels off accounting personnel requirements to one person on a year-around basis.

Q. Must this one person have any special qualifications?

A. Not necessarily. An accounting back-

ground might be helpful, but it isn't necessary.

Q. What are this person's functions?

A. He collects saleschecks from the various departments, checks department totals, verifies that a member number is on every ticket, sorts tickets into member number order and develops batch totals. He also opens the mail, processes cash received, checks extensions on all accounts payable invoices and, twice a month, collects payroll information from department heads. At the end of the month he makes any special journal entries that are necessary, such as assigning the costs of a kiddie party.

Q. How much time does this take?

A. At one of our larger clubs the man who does this job spends about six hours a day during the peak season. He spends less, of course, during the off season.

Service Is Impersonal

Q. Are there any other advantages to your system?

A. One is that the service we offer is almost completely impersonal. Because the operating group at a country club is usually a small group working together in pleasant surroundings, the employees almost invariably become very friendly. In this atmosphere, a manager just can't reach objective conclusions on work output and value of performance. On the other hand, if a processing center does not earn its money, the manager can simply switch to another service.

Q. Any more advantages, Mr. Kearns?

A. Yes, there are. Many clubs use a cycle billing system to level off the accounting workload during the peak season. This often causes complications when a member is unsure of his billing date and erroneously assumes that a particular day's charges will be applied against his minimum for another month. Under the data processing system all members are billed simultaneously as of the last day of the month.

When Are Statements Ready?

Q. How soon are monthly financial statements available to the clubs?

A. We have been getting them out between the 10th and 15th of the month following. In most cases our clubs had been receiving them at the end of the following month under their previous systems.

Q. Do you provide this same time advantage in mailing statements to the members?

A. We get the statements out by the end of the second working day after the end of the month all year round. Our clubs used to do as well during the winter months but invariably fell behind during the busy season.

Continuity Assured

Q. Usually, club officers change every year. Under this condition, wouldn't it be better for the board to have closer contact with accounting personnel than when using data processing methods?

A. No sir. I believe your point is that a new board, unfamiliar with the club's methods and procedures, should have a full time accountant available to assure continuity with the past. Accountants have a turnover rate, too, even if it is less frequent and less regular than that of club officers. And each accountant has his own techniques. On the other hand, in a data processing system the methods and procedures are locked into a computer and its program. The board can compare financial statements during the life of the system with complete assurance that all were derived on exactly the same basis. This is real continuity.

Q. One last question. Can data processing save money for my club?

A. It probably can. The cost of data processing is based directly on the amount of work done. Unless your club's accounting department has a very effective method of eliminating losses caused by the fluctuating workload, data processing will almost certainly reduce its costs. R/K Service saved one country club client \$10,000 a year.

Lucky International Lost Money

According to the sponsors of this year's Lucky International Open, played in San Francisco, the tournament showed a small loss even though attendance was greater than it had been in the two previous years the event was staged. Gross receipts amounted to \$92,584 while expenses and taxes totalled \$99,669. The prize fund amounted to more than \$56,000. However, the Easter Seal society in six counties surrounding San Francisco received \$10,000 in benefits. The money was donated to the society by Lucky Lager, the sponsoring organization.

**National Golf Day
May 25th**
