

Richard L. Denny (l), treasurer, and Robert J. Anderson, president, collaborated in writing this article describing how income and expenditures are accounted for at Wampanoag CC, West Hartford, Conn. Large photo shows practice green, which is adjacent to the clubhouse terrace. The 18-hole club, one of Connecticut's finest was founded in 1927 and has about 500 members.

Accounting at Wampanoag

Machine Gives Tight Control of Revenue, Expense

By **ROBERT J. ANDERSON** (President)
& **RICHARD L. DENNEY** (Treasurer)
Wampanoag CC, West Hartford, Mass.

Although country clubs have become big business, officers and directors, due to personal commitments, have been forced to limit their supervision over day-to-day operations. Yet, they are ultimately responsible for the clubs' successful management.

To compensate for lack of daily supervision, the Wampanoag CC in West Hartford, Conn., exerts tight control over revenues and their sources.

Our system, which features a Burroughs F503 Sensimatic accounting machine, is a one-step operation with built-in proofs and balances. This plan tells us what our daily income is and where it comes from.

For example, revenues are broken down into eight different accounts. In this way we know how much of our daily business comes from green fees, the bar and the restaurant. Restaurant charges are further divided into lunches and dinners.

Thus, we pinpoint the most active income areas, determining which are the chief contributors and spotting potential revenue problems. Machine reports could indicate, for instance, that lunches are not bringing in as much as expected. Then, it would be up to the board to decide to do something about stimulating business, restricting restaurant service, raising prices or adopting some other measure. However, this particular failure has not been a factor at Wampanoag. Ours is one country club which makes a profit from its restaurant.

Double Check on Income

The detailed income breakdown is a product of a daily audit journal, which is automatically proved by the accounting machine. We know that the individual and overall income totals are correct.

In the process of arriving at revenue figures, the accounting machine proves the addition of each charge ticket written that day. That means an average of 500 (700



on peak days) tabs are audited daily. This is of particular benefit to club members who sign chits without adding the individual charges.

Club employees are only human and there will be times, especially in the restaurant, when busy workers make mistakes in addition and members neglect to check their bills before signing them. Our system is designed to catch such errors and make adjustments without penalizing the members of the club.

Importance of Income Source

How important is it to know the sources of your income? Obviously, when a private club with a limited membership fails at least to make expenses, it must result in a dues increase and/or assessments.

The daily audit is nothing new at Wampanoag. But, the fact that it is accomplished in a simple machine operation instead of four to five different manual steps saves considerable time. A corresponding number of opportunities for error are also eliminated.

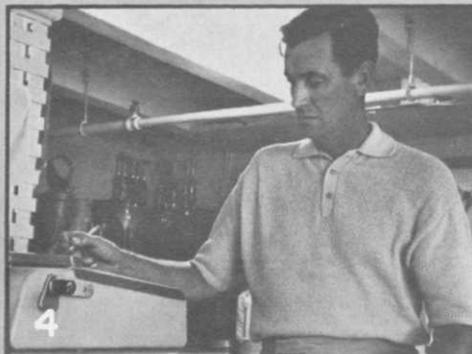
Wampanoag's new system has enabled the club to use a cycle billing plan. Monthly statements are now sent to 125 different members each week. As a result, payments are received regularly throughout the month, providing a steady flow of cash. This puts the club on a much sounder financial basis.

Quick Billing Possible

A complete cycle, including posting and proving, is now done in 2½ to 3½ hours. Cycles are closed on Saturday. Saturday's charge tickets are posted on Monday and statements are mailed on Tuesday.

Under our former manual system, statements were prepared and mailed to the club's 500 members at one time. The necessary manual work delayed the mailing from three to seven days, slowing receipts by at least that long. In addition, tickets were posted to member accounts daily and this took two to three hours each day. Now they are posted at billing time only.

In conjunction with billing, the accounting machine automatically creates a trial



In photo panel: (1) Members' charge tickets are posted on various accounts on Sensimatic accounting machine. (2) Ledger and history card on each member, filed alphabetically by cycle, with charge chits, are removed for billing. (3) Closeup of indexing shows charges posted to statement. Totals are automatically posted to the ledger card. (4) Pro Bob McKay rings up shop sale. He bills members separately with aid of his own accounting machine.

balance for each cycle. We see what is owed the club by cycle, and how much is overdue. The board then has an opportunity to take follow-up steps when necessary. The Sensimatic also gives us control over individual overdue payments, calculating and printing the exact amounts on member ledger cards. They are available for board scrutiny at any time.

Use of Machine Justified

With an annual budget of \$400,000, it was only logical for Wampanoag to mechanize its accounting procedures. Obviously, you cannot run an operation of that size efficiently with small business practices, particularly when responsible officials can only devote a minimum of their time to overseeing finances. We installed the machine at the beginning of 1961.

Charge tickets are received daily in the office from all departments. They are separated into cycles by revenue accounts. The figures are indexed into the F503 which automatically records the income and its source and proves the addition of each ticket.

At the end of each cycle, the machine automatically calculates and prints the totals for each major income source (bar, lunches, etc.) column and the grand total.

The same procedure continues for each cycle and revenue account until all items are accounted for. Then, a total of the day's business is reported by the machine.

The tickets are then filed by cycles in a tray containing each member's ledger card and history card. The charges and payment vouchers are placed between the ledger and history card.

Posting Operation

In the posting operation the statement and ledger are put into the accounting machine side by side and each charge is posted to the statement. Payments are also recorded along with any previous balance shown.

On instruction from the operator, the machine prints a closing date on the statement and calculates and prints a new balance. Then, the machine automatically moves to the member's ledger card and prints just the totals for each major revenue column, and automatically calculates and prints the exact amount past due on the ledger. When the cycle is completed, the machine automatically produces a trial balance.

The statements and tickets are mailed to members. The ledger cards are returned to the file.



Chick Harbert (l), Port St. Lucie CC golf director, made such a hit as a speaker at the Chicago District GA banquet last winter that the CDGA recently dispatched John Chovanec to Florida to give Harbert a plaque in appreciation. John, who is the CDGA tourney director, was so immersed in schedule making for the new season that he was reluctant to leave Chicago's subfreezing weather to make the St. Lucie junket. But persuasion finally won out.

In addition to receivables and revenue accounting, the machine processes the payroll for 50 to 60 employees. It writes checks, stubs, and posts to the payroll ledger cards of each worker in 1 to 1½ hours. Quarterly 941A reports for the government, which used to take one to two days to compile, are now completed in 90 minutes.

Soon we expect to add the club's accounts payable to the machine's duties. When we do, the monthly financial reports will be in board members' hands 10 days before their regular meeting, giving them a full week more for review. They now get the report three days before the meeting.

Obviously, we operate Wampanoag CC on a sound financial basis. To us, it is big business and we try to manage it accordingly. For this reason, modern business machines are as important as they would be for any enterprise of comparable size.

A Summary of How It's Done

- Between 500 and 700 charge tickets are sent to the Wampanoag office every day from the club's various departments

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others complete them within a season or two. The lesson learned in modernization is that long range planning is necessary to avoid the phenomenon, often observed, of a chairman eliminating or adding a feature one season only to have his successor put it back or eliminate it the next.

A major observation can be drawn about any large golf construction project with or without a profit motive. Courage and determination are required on the part of many men to bring it to a successful conclusion. Money, too, helps.

Machine Gives Tight Control of Revenue, Expenses

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(pro shop, restaurant, bar, etc.).

- The tickets, of which 98 to 99 per cent are charges, are separated by billing cycles and revenue accounts (greens fees, dinner, lunch, bar, etc.).

- The tabs are given to the operator of the F503 Sensimatic accounting machine who prepares the daily audit journal sheet.

- This is done by indexing the total of each check and distributing the various amounts making up the total. For instance, under lunch and dinner, separate entries are necessary for tax and gratuities.

- The machine automatically prints each entry and the indexed total. If the addition on the tab is correct, the machine prints two zeros in the last column. If it is incorrect, the difference is printed. This provides an automatic proof of waitress' addition of all checks.

- The club also accepts cash, though this only accounts for one to two per cent of the checks. These are broken down into revenue accounts and marked "cash."

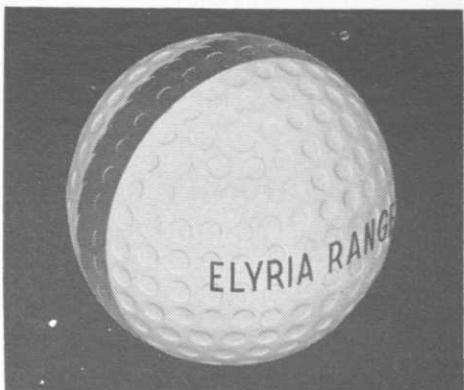
- At the end of each cycle, the club obtains a total number of tickets and total revenue. Totals for each revenue account, which are posted to individual revenue ledgers, are also produced.

- The tickets are then sorted by cycle and placed between the appropriate history card and ledger in a tray file. The member ledger cards contain monthly totals on balance, dues, charges, payments, miscellaneous, greens fees and past due. The card contains sufficient room for four years entries.

- On the Tuesday following each Saturday, Wampanoag bills a cycle of 125 different members for the month. Satur-

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day charges are processed on Monday and billing for the entire month is completed in 2½ to 3½ hours on Tuesday.

- The operator removes the tickets and ledger from the tray. Ledger and statement are inserted into the carriage of the accounting machine with the statement on the left and the ledger on the right.

- Reading from the ledger card, the operator indexes the previous balance into the keyboard and then proceeds to key in the monthly dues, restaurant and bar charges, payments, miscellaneous charges and greens fees. The charges are copied from the checks put in the file during the month.

- The machine, on instructions from the operator, then prints the closing date, previously stored in the machine, and calculates and prints the new balance.

- The carriage then automatically moves to the right and prints only totals on the member ledger card, plus any amount past due. If the member is paid up, the machine prints two zeros in the past due column.

Trial Balance Automatic

- At the end of the cycle, the machine prints a trial balance automatically.

- When all the posting is completed, the statements and tickets are put in window envelopes for mailing to members, who have 30 days to pay. If payment is still not received, the treasurer mails another statement, giving the delinquents another 10 days before being denied club privileges.

- It is unnecessary with our present system to compare the charge tickets with the statements, since the Sensimatic verifies their accuracy. The operator only checks signatures to see that the charges have been made against the proper members.

- On completion of the cycle posting and statement mailing, the ledger cards are returned to the file with a new statement form. The former practice of transferring the ledger balance to the statement has been eliminated since this is done by the machine at the next billing period.

Heads Northeast GCSA

Lawrence Mattei of Gloversville, N. Y. is in his fourth year as president of the Northeast GCSA. Jim Thomson is vp, Paul O'Leary, sec., and John Espey, treas.