

January — 1962

Tax Guide for the Pro

Stresses Advantage of Keeping T & E Expense Records

Your chances of breaking even with Internal Revenue Service are improved if you can justify those deductible items

By RALPH W. BERON

With each passing year travel and entertainment expense deductions come more and more under fire of the Internal Revenue Service. At times it is quite difficult for the taxpayer to arbitrate with a revenue agent although records justifying his expenses are complete. But it is even more difficult where no records or inadequate records are kept. Therefore, the taxpayer should make every effort to maintain a day-book listing this indispensable information — date, nature of expense (travel or entertainment), names of people and places where cost was incurred, and most important of all — the business purpose served. Wherever practicable, acquire paid receipts to support day-book entries. The lack of complete records can be costly both in terms of time and money.

The home professionals can best serve his billfold and his tax adviser by spending a few minutes daily in listing the incidents of that day and their cost. In this way every possible expense can be considered at the end of the year in relation to income tax deductibility.

Generally speaking, the home professional has much the same type of expense as any other business man: tele-

phone and telegraph, postage, advertising, office supplies, depreciation on clubs, auto and office furnishings, and travel and entertainment expenses. This latter group is important and necessary to all business and, therefore, this article is devoted for the most part to T & E expenses.

Some common questions about taxes are: — What are allowable expenses? How much can be safely spent? What is deductible and who can be entertained? The general rule for an expense to be deductible is that it is ordinary or usual and necessary in a particular business.

The home pro can deduct all amounts spent in fostering goodwill at his club, (including sales of pro shop goods and lessons) if the expenses are reasonable in relation to the business purpose served. Usually, the amount spent will not be questioned as long as it was incurred for a valid business purpose and was necessary to produce some benefit for the business.

However, the fair value of the taxpayer's portion of entertainment expenses will be questioned and disallowed unless it can be proved that the amount in question would not have been spent at all except to promote business. Therefore,

if theater tickets, sport events, club shows, dinners and drinks, dues and expenses of social clubs, etc., include your wife as well as yourself and guests, the fair value of the cost of you and your wife will be disallowed unless you can show that you had a business reason whereby it was necessary that you and your wife attend and that you otherwise would not have spent the amount in question.

Tournament Expenses

Entertainment expenses while the pro is away from home playing in tournaments, etc. are also fully deductible, but in this case the portion of expenses attributable to the pro will not usually be disallowed if a business reason for the trip can be shown. The Internal Revenue Service allows its own employees 12 cents per mile automobile expenses and \$15.00 per day meals and lodging while away from home overnight. As an arbitrary figure, it allows taxpayers who are reimbursed by their employers 125 per cent of what the Service allows its own employees as auto and overnight expenses.

Therefore, if the pro turns in accounts to his home club for expenses incurred at other country clubs, or in tournament play, he would list his actual auto expenses, but not in excess of 15 cents per mile, and his actual meals and lodging, but not in excess of \$20.00 per day on overnight trips. This would keep him within the limits permitted by the IRS.

Where the pro is not reimbursed for expenses, he deducts his actual costs of auto and meals and lodging irrespective of the above-mentioned rule of thumb limitations. Note, however, that entertainment costs are fully deductible and aren't a part of the \$20 daily travel cost allowance.

Pleasure or Business?

In attending or playing in tournaments or other country clubs, if more days than necessary are spent away from home, and especially if the pro's wife accompanies him, the whole trip may be subject to complete income tax disallowance on the grounds that it was primarily a pleasure trip. But if the trip is actually for golf business reasons, and if the pro's wife also attends, he can deduct all expenses other than those incurred for her.

The golf pro should keep a list of the total days spent away from home on



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business, a total of money spent away from home for meals and lodging, and a total of incidental expenses such as tips, telephone, taxi, steno service, etc.

Use of Home "Office"

An expense often overlooked is the use of the taxpayer's home for business purposes. Some pros use space in their homes for handling all their bookwork, mailing, billing and advertising. In such case all expenses attributable to this room are deductible. The fair value of meals and drinks consumed in home entertainment are allowable deductions, but if the wives of your guests also attended such deductions are not allowable unless the taxpayer can prove the "necessary" business purpose of their attendance.

The use of your automobile for business always is subject to scrutiny and possible adjustment by the Internal Revenue Service. This is because the percentage of use of your car for business purposes can at best be estimated and thus can't be wholly proved. This usually prompts a revenue agent to question your figures and many times results in an adjustment. The average person usually does not differentiate in terms of total yearly mileage what portion is for business and what is for personal use. But where this is

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the NEW



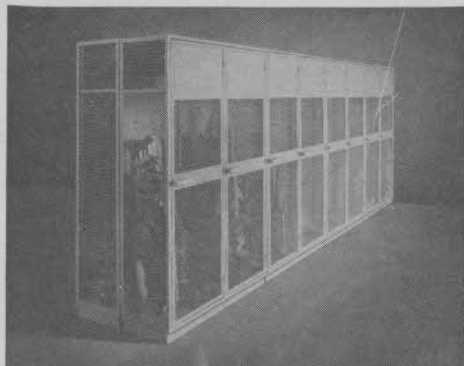
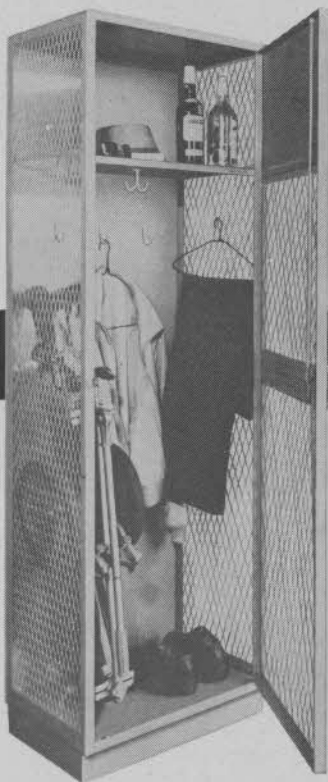
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Golfer's Paradise!

*The Grand Bahama Hotel boasts
it has the closest thing to it*

*Beauty, wonderful weather, excellent turf and relaxed golf
are among the lures this resort course has to offer*

Golf is moving swiftly to the front in helping attract tourists to the burgeoning Bahamas. The latest addition in courses is the championship layout at the Jac Tar Grand Bahama Hotel.

Located only 55 miles east of Palm Beach and Florida's Gold Coast, the Hotel property covers 2,000 acres with nine miles of private beach.

In addition to the beautiful course, the Hotel has a marina capable of berthing 100 yachts up to 125 feet, some of the finest fishing in the world, a trap and skeet range, a \$50,000 bowling lane, the largest swimming pool in the Western Hemisphere, measuring 185 feet by 95 feet, skin diving in translucent waters, tennis courts and practically every other form of entertainment operated by Billy Butlin, an English resort man. Since then the Tar interests have spent more than \$5,000,000 in improvements.

Supplies Shipped In

Under the direction of Ed C. Leach pres., the go-ahead on the golf course was given on May 29, 1959. Mark Mahannah was the architect. Construction work was done under the supervision of Watt Clark.

Built on a base of coral and limestone rock, the course is a work of ingenuity and taxing logistics. Every ounce of

supplies that went into it, from bolts and nuts to fertilizer, had to be shipped in by boat or air.

If a piece of machinery broke down it meant a delay of untold hours. On the other hand nature lent an unexpected and helping hand. It was found that the limestone rock, when blasted from the yacht basin and crushed, was amazingly rich in the basic elements needed to grow grass. Mixed with rich top soil, it has produced excellent turf.

Happy About This

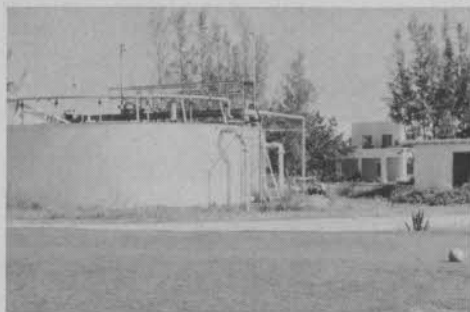
"We were both amazed and delighted with this development," says Ed Hunt, managing director, who along with Leach was instrumental in pushing the work from the start. Formerly manager of the Jack Tar Harrison in Clearwater, Hunt has many friends among top flight golfers and maintenance men who were very helpful in offering long distance advice.

Drawing on his experience in designing money outstanding Florida courses, Mahannah dug in and work progressed rapidly. The first nine was opened Sept. 12, 1960, and the second nine put into play the following February.

With the even climate, an average of 78 degrees year round, and water no problem, the Tifton 328 Bermuda grass took



There's water, water everywhere at the Grand Bahama Hotel course as the golfer encounters seven Lakes in making the 18-hole round.



(Above) Reconversion plant filters 50,000 to 75,000 gals. of water a day, feeds it to lakes on the fifth and sixth holes. (Right) This is one of three traps at the eighth green. Clubhouse in background resembles Tara Hall of "Gone With the Wind" fame.



Persons who have seen No. 2 fairway and green say the scene reminds them of Pebble Beach's 17th.



root and grew at an amazing rate of speed.

Besides two nature-made lake reservoirs there is a reconversion plant producing between 50,000 and 75,000 gals. a day. The reconverted water pours into lakes at the 5th and 6th holes. The other lakes offer approximately the same amount of water daily.

The rainy seasons run from Mar. through June and from Sept. through Oct. The average rainfall at Grand Bahama is 50 ins. a year. On many Bahama islands water is brackish. On some islands drinking water must be shipped in. At Grand Bahama the supply is unlimited.

Average length of tees is 50 yds. Greens range from 10,000 to 15,000 square feet. From back tees the course will play longer than 6,900 yds. Ordinary island courses do not offer such expansiveness due to lack of land. But with unlimited acreage at his disposal, Mahannah took full advantage of the potentialities and a course with plenty of elbow room is the result.

Pirates and Astronauts

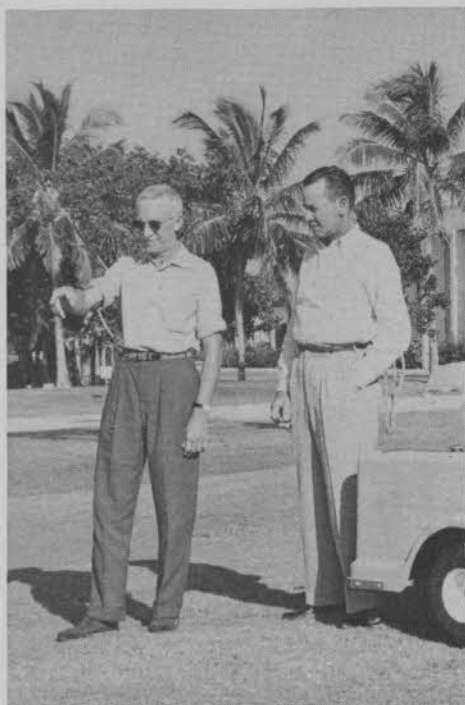
Grand Bahama Island is approximately 93 miles long and 15 miles wide at its widest. It is rich in legend. First came pirates such as Blackbeard, Henry Morgan and Black Caesar. Then came blockade runners such as the fictional Rhett Butler of Civil War days. In the '20's the Capone and other gangs made Grand Bahama their rum running headquarters. In recent years the astronauts, Shepard and Grissom, have appeared.

The Jack Tar properties occupy the extreme and narrow west end of the island. The Grand Bahama Hotel course is on the south and Gulf Stream side of the immediate Hotel property. The second hole borders the Gulf Stream and is reminiscent of Pebble Beach's famed 17th hole. The second at Grand Bahama drops into the deep purple of the Gulf Stream.

Although the land generally is flat, several holes have undulating fairways as a result of earth moving. These holes offer a wide variety of fairway shots as do the immense greens on which pins can be placed at several strategic spots on different levels.

Seven Lakes

There are seven lakes in the playing area. The second nine circles well fields containing more than 100 shallow wells that bring an unlimited supply of water from the water basin protected by limestone rock. There is no problem with pH because of the underlying ledges of lime-



Dale Weitzel, Grand Bahama supt. (1) points out an interesting feature to Mark Mahannah, who designed Hotel course.

stone rock, which gives an alkaline reaction. In the States courses buy carloads of crushed limestone to spread on fairways. At Grand Bahama it is to be had for the asking.

Faced with the problem of rock in roughs, construction crews crushed and pulverized the native limestone by walking the tracks of a 27-ton rock plow.

In the States regularly maintained 18-hole course turf areas average 92 acres. At Grand Bahama, 115 acres are maintained. With the well field and planting between fairways taken into consideration the course covers approximately 165 acres.

Weitzel Is Greenmaster

Dale Weitzel, Supt., has a crew of 18 native workers on his payroll. Little more than two years ago these men were simple fishermen and small scale farmers. But they caught on fast to the way things are done in the States. They take extreme pride in their work and under Weitzel's direction have become a well-knit crew.

A native of Detroit, Weitzel returned to the Forest Lake CC, Bloomfield Hills, Mich., after serving overseas with the
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On the Professional Side

**Tiger Tones Are Warming Up!
Hot Pinks Are Cooling Off!**

By **JACK LUST**

Sales Manager, Di Fini Originals, Inc.

Fashion experts at the leading mills almost unanimously agree that in 1962 there will be increasing interest in Tiger tones (light orange, burnt orange, tangerine), in more blue (British, Aztec, Tahoe, Gardarne and Turquoise, and in off-white ivory tones. The hot pink is cooling off. Golf fashions, of course, will reflect the new trends.

Pros will have this working in their favor: Male players will dress better than they did last year, and 1961 was a year to remember because men generally looked smarter and sharper playing golf than they ever had before. Let's say they suddenly became aware of the fact that proper golf garb is important.

That Feminine Influence

Probably that was due to the strong influence that normally well dressed women players have on the game.

The taste of many golfers reflects the Continental flair with narrow lines but not the extreme "drain-pipe" model slacks that restrict freedom of motion. At DiFini we have found a happy compromise in one-pleat "Trim Golfer" slack that has received wide acceptance. More muscular

players, however, still prefer the traditional two-pleat, but it has been tapered down by most manufacturers.

As for the ladies, coordinated styles were the thing in 1961. Bermuda shorts with blouses or shirts to match were tremendously popular. There probably won't be too much of a deviation from this trend this year and so it behooves pros to keep the matching styles in mind when ordering women's sportswear.

The coordinated style for men also is going to have some impact. Probably not to the extent that it does for women, but, nevertheless, it is something to think about. We are going on a limited program of coordinating slacks with our new Playpar shorts — not exact



Semi-tapered women's slacks are coordinated with a cotton roll-up sleeve style blouse. The male model's slacks are coordinated with a cotton knit shirt.

matches but color blends about two tones apart. Advance customer interest dictates this.

There's another trend, too, that has become apparent in the last year or two. Sportswear is becoming such an important seller in pro shops that more and more manufacturers are aiming directly, sometimes exclusively, at the pro department.

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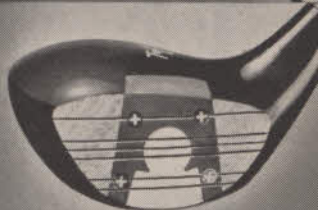
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Seventh Home Pro Award Goes to Don Padgett

Don Padgett of Green Hills G&CC, Selma, Ind., named the PGA's home pro-of-the-year for 1961, has been in the golf business for only a little more than a decade but in that time has distinguished himself on several counts. His Junior program is considered one of the finest in Indiana, or the entire country, for that matter, and he has played a very active role in Boy's Club work in and around his home city. He is a member of the local Cancer Fund committee and having a good sense of public relations,



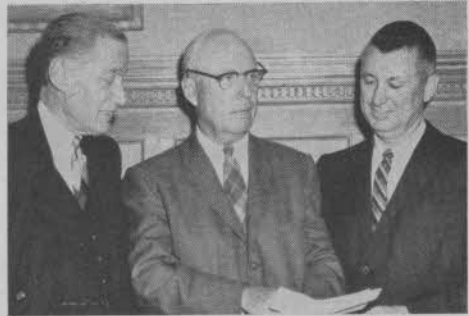
Don Padgett

he cooperated last year with Jerry Fennell, sports editor of the neighboring Muncie Evening News, in preparing a brochure containing biographical sketches of all the Indiana professionals. Padgett was picked for the home pro award after a committee of prominent anonymous amateur golfers had screened a list of 23 PGA section nominees before making its final selection. Six other pros have been similarly honored in recent years, the latest of them being Warren Orlick, Tam O'Shanter CC, Orchard Lake, Mich., who was named home pro for 1960.

Served in Navy

The 36-year old Padgett was born in New Castle, Ind. After serving in the Navy he worked at the American Legion GC in his home city for about four years and then moved to Green Hills. Don has been a Class A member of the PGA since 1955 and in recent years has served on its national hole-in-one, rules and special awards committees. From 1958 until 1961 he was pres. of the Indiana section of the PGA. At one time he doubled as pro-supt. at Green Hills when he was breaking into the game.

Padgett and his wife, Joan, are the parents of a son, Don II, a 12-year old who is one of the outstanding players among the 100 or more youngsters enrolled in the Junior golf program at Green Hills.



Chick Evans (center), the ageless amateur, accepts a \$2,600 contribution to the caddie scholarship fund named in his honor from Mark Cox (r), representing the Brunswick Foundation. At left is James M. Royer, retiring pres. of Western Golf Assn., which administers the Evans fund.

PGA to Play Its Richest Spring-Summer Schedule

Touring professionals will play for more than \$1 million on the 1962 spring and summer circuit. Starting with the Greater Greensboro Open in mid-April and continuing through the Dallas Open, scheduled for Aug. 31-Sept. 3, the pros will get a crack at the most money ever offered during the warm weather months. The most notable addition to the schedule is the Thunderbird Classic which will be staged at Upper Montclair (N.J.) CC, June 7-10, a week before the USGA Open. It is being sponsored by the Newark Dist. Ford dealers assn. The purse of \$100,000 is the largest offered for any 72-hole event since the 1957 World Championship, and the \$25,000 first prize tops all others since that tournament.

Nineteen of the 22 tournaments were on the spring-summer schedule in 1961. The \$35,000 Oklahoma City Open and the \$35,000 Motor City Open are back on the PGA card after an absence of one year. Five tournaments, the Greensboro Open, Tournament of Champions, Western Open, Houston Classic and Memphis Invitational have increased the prize ante for 1962. There will be prize money of \$50,000 or more in eight tourneys.

This year's National Open is being held June 14-16 at Oakmont in Pittsburgh, and the PGA Championship also will have a Pennsylvania setting, being played at Aronimink, near Philadelphia.

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