



From “the Clock” to a Salary — Things to Consider

By Chad Eberhardt

Golf course superintendents are responsible for maintaining and improving their golf courses, but this is only possible, to a large degree, by approval of a carefully prepared budget and subsequent funding by the approving authority.

As this nation faces the reality of economic hardships, golf course superintendents have to realize, more than ever, that they are dealing with discretionary money. Country clubs are not just made up of members with so much money that they don't know what to do with it all. Rather, many members are small business persons or people in the business world who, when times are tough, know what expenses are deemed unnecessary. One of the fastest ways to save money is to look at personal luxury expenses. You can bet that necessities, such as a furnace that's on its last leg or a leaky roof, will have a higher priority in the family budget than the family membership at the country club.

As you all know, the budgeting process is complex and requires you to thoroughly understand your operation. The largest category in golf course budgets is labor. In many cases it consumes 70 percent or more of the total budget. And accordingly, labor needs thoughtful consideration.

Have you ever considered changing the way you pay your assistant? It is an extremely interesting and involved topic. I took it up with Red Jagers of the State of Wisconsin Department of Employee Relations.

I gave Mr. Jagers a typical job description/responsibilities of an assistant golf course superintendent. To get the ball rolling I asked him if there are any laws regarding a person's form of remuneration. Mr. Jagers said that anybody can be paid a salary or an hourly wage. But, the U.S. Department of Labor has guidelines that are “strongly recommended.”

The form of payment that an employer uses is more of an economic than a legal

consideration. Along these lines, I requested Mr. Jager's assistance in recommending a sound economic way of paying a golf course assistant.

Firstly, there are two main categories: hourly wage, and salary. Hourly wage is reserved for physical or manual laborers. Non-manual employees should receive salary.

I reminded Mr. Jagers that the business of golf course maintenance is far from a stereotypical business. In other words, an assistant could be considered a manual laborer on one day and just the opposite the next.

Keeping the job description in mind, Mr. Jagers agreed that we have a unique situation here. But, he also pointed out that key words such as direct, supervise, instruct, and examine/check leave little doubt that an assistant golf course superintendent falls directly into the salary category.

The salary category is broken down further into nonexempt salary or exempt salary. Nonexempt employees are paid a salary and are entitled to an overtime payment. The most common form of O.T. for nonexempt is “half-rate.” (For example: Salary = \$500. Hours worked = 48 hrs. and 43 hrs. = 91 total hrs. Divide salary of \$500 by total hrs. of 91 = regular rate of pay of \$5.50. Divide \$5.50 by 2 = “half rate”. Apply half rate of \$2.75 to 11 O.T. hrs. = \$30.25 in addition to salary of \$500). As the hours of overtime increase the half rate decreases.

Exempt salary means the salaried employee is exempt from overtime provisions of the wage hour laws. But, this does not mean an exempt employee never receives overtime pay. It is a common practice for businesses to enter into an agreement with the employee and classify as exempt up to “x” number of hours during peak periods of business.

The determination of whether a particular kind of work is exempt or non-exempt is not difficult. The amount of time spent in the performance of the

managerial duties is a useful guide in determining whether management is the primary duty of an employee. In the ordinary case it may be taken as a good rule of thumb that primary duty means the major part, or over 50% of the employee's time.

If the majority of one's time is determined to be managerial or supervisory, that person is to be classified as exempt. Less than 50%, means nonexempt.

The main difference between exempt and nonexempt is that an employer is not required to pay an exempt employee any overtime. But, along with exempt status comes a higher salary. Mr. Jagers said that the whole idea behind the exempt status is to guarantee a set salary whether it's based on 45 hours of work or 35 hours of work.

Based on all of Red Jagers' recommendations, and with the assistance of my father, David Eberhardt, Operations Manager of Tecumseh Products, it is quite apparent that a superintendent can get greater control of the labor portion of his budget by offering his assistant a salary. A salary clearly allows you to do a better job of budgeting because it is fixed. Hourly wage, which involves overtime wage laws, is a variable figure that requires much greater attention to.

The most important thing to keep in mind in all of this is that one should never take advantage of an employee. Changing the form of remuneration should not be looked at as a way to come up with money to be used elsewhere. But, rather, it is a way to gain better control of this important area of one's budget.

These approaches to employee remuneration are used in any businesses and generally well understood by board members, especially those with a financial orientation. Therefore, as golf course superintendents, you should strongly consider finding out more information on this topic.

For more information, call Red Jagers (608) 266-6860.