



## ANNUAL SUBSCRIPTIONS

Ray Burniston looks at ways of reviewing and setting the annual subscription.

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### Annual Subscriptions

Every year the club secretary/manager has the difficult job of advising the committee/board about the level of subscriptions for the next year. Some secretaries/managers steer clear of getting involved in this yearly battle by leaving it to the treasurer/finance person and the sub-committee. In many ways I think this is a mistake. If you want to manage then it is vital that you have your finger on the pulse and remembering that subscriptions can account for as much as 80% or more of the total income of the club it is important to be involved. Every club has the member(s) who will state that “the subscriptions are far too low and should be double or more”. They are usually the first ones to complain and sign a petition when the committee takes them at face value and does that very thing.

A golf club, especially one that has been in place many years, will have developed a membership, which reflects its current subscription levels. Any massive increase will invariably lead to a loss of members and cause serious financial problems. If the club is in a situation in which it can buy the golf course then members may well accept a levy spread over a number of years providing they can see the end of the road. A levy of £200 per member over five years on a playing membership of 500 members will produce £100K per annum. Over five years this will provide a sum of around £500K, which might well go a long way to paying off the amount raised to purchase the golf course.

Major clubhouse alterations or even building a new clubhouse can often be funded or partly funded in this way. There is always a risk that the committee will leave this amount on but if it is set up correctly they may well be only able to do this if the membership agrees.

Before finalising the budget the secretary/manager should have carried out a detailed look at the club finances over the past year to see if any savings can be made on expenditure and whether there are areas in which income could be increased. Apart from subscriptions the other areas of looking for additional income are mainly green fees, both casual and societies, bar and catering and possible fund raising events for specific purposes.

### Subscriptions

I am often asked the question, “what is the norm for playing members within an 18 hole golf course?” There is no specific answer because clubs will vary in the use of the course by their members. Some clubs with a high proportion of retired members may well be crowded most

weekdays but quieter at weekends. Another club with a large proportion of members working in the week may be relatively empty during the week and full most weekends.

As the secretary/manager you should be one of the persons who will know the likely spread of play over the course along with the professional. If you have been at your club for some years you will have a good idea of which members play several times a week and those who appear very infrequently. Some clubs deliberately have a policy of a lower than average playing members and this may be reflected in high subscriptions or often in a high turnover in visitors.

Any increase in membership needs to be very carefully monitored and remember if you do not have a waiting list, it may take several years to achieve your objective. In some clubs the actual membership numbers are set out in the club rules and constitution and in this case can only be altered by changing the rules at a meeting. Most new members take the place of a member who is deceased or has not played much for several years and the newcomer having paid a substantial entrance fee as well will usually play regularly.

Although many clubs have done away with five or six day members in the past there can be a good case in some clubs to introduce a five day membership at possibly 75% of the full subscription. The argument against this is that these members play a lot more golf. In many cases they do but if they use the clubhouse and its facilities then that also contributes to the overall income.

Another category of membership that can be extended mainly in golf courses that are in holiday areas around the coast or even inland is the country member. Again this will depend on each club but can be a useful source of subscription income.

Many private members clubs would do well to study successful proprietary clubs in their area who have in some cases developed the family membership very successfully. If the whole family is encouraged to play golf then often this leads to them supporting the clubhouse facilities and instead of the husband tearing home after his morning round of golf he may play with his spouse or partner in the afternoon. You will invariably find in these clubs the proportion between male and female members is vastly different from that of the traditional members club. Unfortunately in many cases it is the Ladies Committee at many clubs which puts a block on increasing the membership of the Ladies section and not the mainly Male Club Committee.

In many cases it is a good idea for the secretary/manager to spend some time every few years reviewing the membership numbers within the club along with the different categories and in some instances making sensible recommendations to the committee. If you have been at the club a few years you should know around 90% of the members and can estimate in many cases how often they play. Time spent on this type of survey at the club can be a very important tool of management. The use of swipe cards can assist this further as it will tell you who is at the club and if they spend money in the clubhouse.

All the above things should be carried out at a club from time to time if you consider them necessary. It is always important to know the subscriptions of clubs within your area although

your subscription has to reflect what members want from their club. If club A has a rent of £60k per annum to pay and club B owns its golf course and has paid it off over the years, then it is likely there will be a substantial difference in the subscription even if the membership numbers of both clubs are roughly equal and there are no great differences in green fee income. You need as the secretary/manager to know any variations in clubs in the area, which is why attending local meetings is an important part of your job. All this information is vitally important in enabling you to advise your committee.

Increasing subscriptions much above the 4% - 5% levels without a very good reason becomes very difficult. So all avenues have to be looked at, not only for controlling costs but also increasing other levels of income.

To sum up you need to constantly see that all expenditure is controlled within the club, all areas of income need to be reviewed on a regular basis and look for possible means of increasing it. Membership levels need to be reviewed at certain intervals to see if there are any additional categories that could be introduced. If your club rules do not give the committee/board the authority to increase the subscriptions then you will have to either call an Extraordinary/Special Meeting or pass the necessary resolutions at the AGM. If it is a large increase then you will need to make a presentation to the membership to obtain their approval. Usually the Treasurer or Finance Director will make the presentation but they will most likely rely on you to provide all the background information.

Good preparation is usually the key even if in many cases you will not need it at the time. The saying “if you fail to prepare, you prepare to fail” is very true. The use of audiovisuals to support the committee in obtaining permission for a project can be of great value if done properly. Any major project needs to have a budget for presentation to the members.