

We hope that you find this brief newsletter of interest and that it provides you with useful and meaningful information.

If you have any questions about any of the topics or issues, please do not hesitate to give me a call.



Club Tax Book Issues

Recent IRS Audits of Club - What has the IRS been asking about when a Club receives notice that they are going to be audited and what issues have they found this past month?

Requesting: Typical accounting and tax records; File of signed parties of more than 8 forms; Tell us about your 501(c)(7) nontraditional income; Are you approaching the 15% nonmember limitation? For a taxable Club, are you reporting Membership transfer gains and capital assessments as being taxable; and is your regular tax, AMT and ACE Section 277 expense carryover schedules accurate?

Finding: Failure to maintain required parties of more than 8 forms, even when the CPA tells the Club every year about this requirement; Failure to obtain required signatures of Members on parties of more than 8 forms even though CPA warns about this annually; Failure to report GM's clothing and dry cleaning allowance in employees' W-2; Failure to report GM's personal use of Club auto in employees' W-2; Failure to report total Golf Professionals compensation on employees' W-2; Failure to issue annual Form 1099's to individuals and partnerships for services rendered to the Club; 501(c)(7) Club receiving a significant amount of Member income from Thanksgiving turkey and Christmas ham dinners to go, cases of wine sold to Members to be consumed off premises and parties catered at Members personal residences. (Club Controller's will find documented tax law in **Club Tax Book** that address these issues.)

Pro's Pros by Joel Zuckerman

“Extraordinary Club Professionals Making Golf Great!”

Could there be a book that transforms the Private Golf Club Industry? I think I have found it. If Clubs could find the next “**Pro's Pro**”, there would not be a lack of Members. Consider my absolute favorite “**Pro's Pro**” working in Fargo, North Dakota, starting on page 43. (Do they have a summer up there, other than the 4th of July?)

John Dahl – Oxbow Country Club

Dahl has a reputation as a “tough-love” type of teacher, making a point of telling his students not what they want to hear, but what they need to hear. The technique is remarkably effective, as fully half of the 300 members at his Fargo club maintain single-digit handicaps.”

“Dahl estimates his younger students have earned in excess of a million dollars in college scholarships.”

“I usually only teach three lessons a day, but I do plenty of five or ten minute fixes also, in the shop, in the grill room, wherever I'm asked.”

“I promise that new member, that 25-handicapper, if he is willing to jump in the cage with me, and work on his game in the manner prescribed, he will drop to an 18 that first year, then down to 12 the next season, and then single digits after that. I make the promise because I've never been wrong, and the member invariably gains confidence immediately, because they know positive results are in the offering, and their skills are bound to improve.”

This book is absolutely full of great info about some of the best Club Pro's in the country, providing “Tips for fellow golfers” and “Tips for fellow golf professionals”. Your Club's Golf Chairperson would really enjoy this book, seeing

what could be done to upgrade your athletic offerings at your Private Club.

The Enchanted Kingdom by Karen Sherman-Lavin

A children's book you need to purchase for that special lady in your life; your wife, daughter, granddaughter, all. Yes, this is a children's book. It has nothing to do with Clubs but the author has a Club relationship. It is an easy read guys, as it is only 37 pages long. I highly recommend this purchase as it is a special story told by a very special person, a current PGA Professional. Yes, Karen Sherman-Lavin is the Co-Director of Golf at **Addison Reserve** in Delray Beach, FL.

I am not going to tell you anything about the story other than to say it brought tears to my eyes and I want the story shared with everybody I know. If only the world could be transformed like The Enchanted Kingdom.

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