

9/12/2016



SPHM
HOSPITALITY

MEMBER OF ACCOUNTING S.O.P



By: | Agustinus Agus Purwanto, SE MM



Series 6500

Member of Accounting

Subject: Member Billing

A-6501

- A. Policy. It is the policy of the club that monthly billing statements for member accounts be prepared and sent to members by the Accounting Office.
- B. Discussion
 - 1. Member statements reflecting each member's activity for the previous month and charging dues for the coming month are prepared and sent out monthly on a schedule determined by the club.
 - 2. Dues and charges are due and payable upon receipt by members and become delinquent 30 days from the statement date. Past due bills will accrue a one and one-half percent finance charge per month from the date of the statement until paid in full.
 - 3. Member statements are prepared through the club's accounting software and printed out on member statement forms.
 - 4. Member statements will be mailed according to the schedule established by the club.
 - 5. The accounting software allows for a four-line, 75 character per line, message to be placed on the member statement. Such message will be changed monthly to provide information to members. The Controller will request message changes from the General Manager.
 - 6. Member statements may be used as a means to distribute information to members. Any department wishing to distribute such information with the monthly statements must present it to the General Manager for approval.
 - a. Such information must be prepared, printed or copied, and folded to fit in a letter size envelope. It is the responsibility of the department to properly prepare information for mailing.
 - b. The deadline for providing the information to the Accounting Office is no later than 2 working days before statement preparation.

Subject: Disputed Member Charges

A-6502

A. Policy. It is the policy of the club that disputed member charges brought to the attention of the Accounting Office be handled according to the following procedures.

B. Discussion

1. Periodically members will call the Accounting Office to question or dispute charges appearing on their monthly statement.
2. It is important that these questions or disputes be handled quickly, efficiently, and courteously.

C. Procedures

1. “Not my charge”

- a. Many questions or disputes regarding member charges will center around the claim that the charge does not belong to that specific member.
- b. The Accounting Office should locate the charge slip.
 - (1) If the charge slip clearly supports the charge with the name and signature of the member or immediate family, the Accounting Office should inform the member. If the member is still not satisfied, we should offer to fax or mail a copy of the charge slip to the member for verification. Club rules clearly state that members are responsible for all the charges of their immediate family and guests.
 - (2) Should we not have the charge slip or the name and signature is illegible, the Accounting Office will confer with the department head, make the adjustment to the member account, and offer an apology for our error.

2. “Product or service unsatisfactory”

- a. Should the member claim that the product or service was unsatisfactory:
 - (1) for all items other than retail items, cheerfully make the adjustment, but gather as many details as possible about the member's unsatisfactory experience and apologize on behalf of the club.
 - (2) for retail items, ask that the member return the item to the retail outlet from which it was purchased.
3. Because adjustments for disputed charges and unsatisfactory service can be costly to the club, it is imperative that we learn from our mistakes, spot operational deficiencies, and/or identify members who repeatedly seek adjustments.

- a. Accounting staff who make adjustments must fill out a Member Adjustment, [SPHM Form 215], for each adjustment made. Provide as much information as possible to help management identify operational problems.
- b. All completed Member Adjustments will be forwarded to the General Manager for review.
- c. The Controller will maintain summary records on a monthly basis of all adjustments made to member accounts and prepare a monthly report for review by all department heads. Such a review will help identify problems so that they can be corrected. By tracking month to month statistics of adjustments, the Controller can verify progress toward eliminating costly errors by staff. See [Benchmarks – Accounting] for more information.

Subject: Delinquent Member Accounts

A-6503

A. Policy. It is the policy of the club that delinquent members be handled according to the following procedures.

B. Discussion

1. After preparation of the [Aged Accounts Receivable Report], the Accounting Office will prepare delinquency letters for past due accounts.
2. The club's accounting software is capable of including a reminder message for past due accounts on members' statements. The Controller will prepare and use a reminder message for accounts that are over 30 days past due. The content of the reminder message will be approved in advance by the General Manager.
3. Standard delinquency letters will be prepared by the Controller for accounts over 30 and 60 days past due. Letters to accounts 90 days past due are prepared by the Membership Director. Sample letters are included on the next page, but in any case the content of delinquency letters will be approved in advance by the General Manager.

C. Procedures

1. Standard delinquency letters will be addressed to each delinquent member and printed on club letterhead.
2. 30-day delinquency letters will be signed by the Controller.
3. 60-day delinquency letters will be signed by the General Manager. If the account is not brought current within 10 calendar days, the Controller will prepare a suspension letter for signature by the General Manager.
4. 90-day delinquency letters place the member's membership in resignation and are prepared, signed, and mailed by the Membership Director. At this point, the member's club privileges are suspended.
5. The Controller will prepare delinquency letters by the 15th of each month. 30-day letters will be signed by the Controller. The signed 30-day letters and the unsigned 60-day letters will be forwarded to the General Manager.
6. After the 60-day letters are signed, all letters will be returned to the Accounting Office to be folded, stuffed in envelopes, and mailed.

C. Sample Delinquency

Letters 1. 30-Day Letter

Date

Name

Address

Dear :

Just a reminder that your account is past due in the amount of \$_____, which includes a 1.5% late fee. I am certain this is just an oversight, and expect it will be settled upon receipt of this letter.

If you believe these charges are in error, or would like to discuss them, feel free to call me at xxx-xxx-xxxx ext. xxx. Thank you for your prompt attention to this matter.

Sincerely,

Controller

cc: Membership Director

2. 60-Day Letter

Date

Name

Address

Dear :

It has been brought to my attention that your account is over 60 days past due in the amount of \$_____. If you believe these charges are in error, or would like to discuss them, please call me at xxx-xxx-xxxx, ext. xxx.

Club by-laws require suspension of membership privileges on accounts over 60 days in arrears. We do not wish to deny you and your family access to club facilities. So please send us your payment of \$____ by____ to bring your account up to date. I urge you to clear this up as soon as possible as member accounts placed on suspension are terminated in 30 days if not paid in full.

60 days past due: \$

30 days past due: \$

Total past due: \$

Thank you for your prompt attention to this matter.

Sincerely,

General Manager

cc: Membership Director

3. 90-Day Letter

Date

Name

Address

Dear :

It has been brought to my attention that your account is over 90 days past due in the amount of \$_____. If you believe these charges are in error, or would like to discuss them, please call me at 704-799-7300 ext.242.

Club by-laws require suspension of membership privileges on accounts over 60 days in arrears. **Your account was suspended on _____ which denies access to all club facilities.** Payment of \$____ was not received by _____ to bring your account up to date. Member accounts placed on suspension are terminated if not paid in full. If payment of \$_____ is not received by _____ your membership will be placed on the resignation list.

90 days past due:

60 days past due:

30 days past due:

Total past due: \$

Thank you for your prompt attention to this matter.

Sincerely,

Membership Director

cc: General Manager

Subject: Finance Charges on Delinquent Accounts

A-6504

A. Policy. It is the policy of the club that a finance charge of 1½% per month be assessed on all past due accounts.

B. Discussion

1. The accounting software will automatically add the finance charge on outstanding balances on accounts over 30 days old.

2. Waiving of Finance Charges:

a. When requested by the member, finance charges may be waived when full payment on outstanding balances over 30 days are received within 5 working days of the due date. Finance charges may not be waived for payment on accounts beyond this grace period.

b. When requested by the member, finance charges of \$1.00 or less may be waived.

c. In cases of waived finance charges, the Controller will credit the member's account in the amount of the waived charge.

d. Other requests for waiving the finance charge must be referred to the General Manager for approval.

3. All collected finance charges will be credited to the Late Payment Charge Account on the General and Administrative Schedule.

Subject: Initiation Fees

A-6505

- A. Policy. It is the policy of the club that member initiation fees be processed according to established procedures.
- B. Discussion
 - 1. Initiation fees are normally paid by the new member to the Membership office.
 - 2. Either the Membership Director or Membership Coordinator prepares a deposit slip summary of initiation fees collected.
 - 3. The deposit slip summary and checks are forwarded to the Accounting Office.
 - 4. The Controller endorses the checks, prepares a deposit for the initiation fee account, and makes a weekly bank deposit.
 - 5. It is the responsibility of the Controller to update the accounting software with the member's personal and financial information.
 - 6. The Membership Department prepares a weekly and monthly membership report which provides membership numbers by category, total initiation fees collected, projected membership dues, new and resigned memberships, and membership statistics.
 - 7. The Controller will provide a copy of the monthly Membership Report to the General Manager.
 - 8. The Controller reviews the monthly Membership Report and compares it with member numbers by category and initiation fees paid and due. Any variances or anomalies will be researched and reconciled.

Subject: Member Dues

A-6506

- A. Policy. It is the policy of the club to bill dues monthly in advance as per the most recent dues schedule.
- B. Discussion
 - 1. Dues are billed monthly in advance.
 - 2. Dues will be charged according to the current monthly dues schedule.
 - 3. Dues are usually increased at the beginning of each fiscal year after a written announcement to all members from the General Manager.

Subject: Food Minimums

A-6507

A. Policy. It is the policy of the club that, at the discretion of the Board, a quarterly food minimums applies to all members.

B. Discussion

1. When applicable, the quarterly food minimum is established by the General Manager.
2. The food minimum applies to all food sales in any of the food service outlets, including the Dining Room, catered functions, the Turn House, the Pool Snack Bar, and the Beverage Cart.
3. Alcoholic beverage sales do not count toward the food minimum.
4. The club will determine the best way to bill members for unspent minimums. One way would be to bill one-third of the membership for unspent food minimums each month as in the following example:
 - a. January, April, July, October – Members whose names begin with the letters – P through Z.
 - b. February, May, August, November – Members whose names begin with the letters – A through G.
 - c. March, June, September, December – Members whose names begin with the letters – H through O.
5. If a member does not spend the minimum amount on food during a given quarter, they will be charged for their unspent minimum on their statement.

Subject: Deferred Dues

A-6508

A. Policy. It is the policy of the club that under some membership plans members residing at a distance from the club may be allowed to qualify for the Deferred Payment Program.

B. Discussion

1. Some membership plans allow for a Deferred Payment Program.
2. The club must carefully review its membership plan and develop appropriate policies, procedures, and training to effectively implement a Deferred Payment Program.

C. Sample. The following are policies for a sample Deferred Payment Program:

1. A member who will not occupy a residence within specified distance of the facility within a year of the date of application for membership, is eligible for the Deferred Payment Program.
2. The Membership Director must approve each members' eligibility for the Deferred Payment Program.
3. Once approved, members are not required to pay any dues, fees, dining minimums, or other charges established by the facility as long as they do not use facilities more than three times per quarter during the deferred period.
4. After one year in the Deferred Payment Program, members are required to pay one-third (1/3) of all monthly dues.
5. The Controller will monitor activity posted to members in the Deferred Payment Program. If deferred members are found to use the club more than three times per quarter, the Membership Director will be notified and the members' deferred status will be terminated.
6. The deferred payment period will automatically terminate on the date the member establishes residency within the community or within one hundred miles of the club. It will also terminate in five years.
7. Upon termination of the deferred payment period, the member will be required to pay all dues, fees, dining minimums, assessments, and other charges established by the club.
8. The club may modify or terminate the Deferred Payment Program at any time at its discretion.

Subject: Reciprocal Agreements

A-6509

- A. Policy. It is the policy of the club that Reciprocal Agreements may be established with other comparable clubs at the discretion of the General Manager with the approval of the Board of Directors.
- B. Discussion. The following is an example of reciprocal privileges. It may be used for other reciprocal agreements or may be modified to fit the needs of other clubs. Modifications must be approved by the Board of Directors.
 - 1. A Reciprocal Agreement means that members of each club participating in the agreement are eligible to use the facilities at the other club, corresponding with their home club privileges. For example, golf members are able to make tee times on a restricted basis at the other facilities.
 - 2. Eligible members: Specified membership categories from each club.
 - 3. Golf access is limited to weekday play with a two day sign-up for advance tee times.
 - a. All tee times must be arranged through the Golf Shop at the member's home club.
 - b. To ensure the reciprocal club's financial responsibility, the golf staff must provide the member's account number in order to make the tee time reservation.
 - 4. Members have dining privileges and can arrange to dine at other clubs by making advance reservations at the reciprocating club.
 - 5. Members may sponsor social functions at other clubs on an as available basis.
 - 6. Food charges from the reciprocating club do not count toward the home club's food minimums.
 - 7. The reciprocal agreement will be reviewed and renewed annually pending approval of each participating club.

C. Fees

- 1. Green fees and cart fees must be established in the reciprocal agreement.
- 2. Members must accompany any guests and are subject to the guest restriction of the home club. Reciprocating members would have to pay the full guest fee for all guests. As always, members are responsible for the conduct of their guests.

D. Restrictions

1. Reciprocal use is limited to Tuesday through Friday only.
2. Reciprocal members may call for tee times two days in advance.
3. Reciprocal use does not apply during membership social functions, i.e., New Years Eve, Mother's Day, Thanksgiving, etc., but may apply to catered functions.
4. Reservations are required for dining and all members are required to show their membership card and sign all charge tickets.

E. Charging Reciprocal Members

1. Ring up charge on point of sale system using an account number established by the Controller.
2. Reciprocal members must always sign and write their home club member number on the charge ticket.

Subject: Member Relations

A-6510

A. Policy. It is the policy of the club that department heads are authorized to purchase food and beverages for members subject to certain guidelines.

B. Discussion

1. Department heads are designated in [Club Organization].
2. There are many ways for management to further good member relations. One way is to periodically purchase food or beverages for members.
3. Because the club and services are for the enjoyment of all members, department heads must be cognizant of issues of fairness. In other words, department heads must avoid repeated purchases for favored members.
4. Typically, department heads will buy food or drink for a member who has done the club a good turn, helped out in a difficult situation such as a double-booked tee time, or who provides strong support to the club through his or her continued patronage.
5. Food and beverage purchases for member relation purposes will be charged to the Member Relations Account.
6. Department heads will notify servers at the beginning of the food or drink purchase that the charges will be applied to the Member Relations Account. When signing the charge ticket, the department head will note that the meal(s) were for member relation purposes.
7. All member relation purchases will be reviewed by the General Manager.
8. Exclusions. The Member Relations Account will not be used for the following:
 - a. For personal use. In this case, department heads should use their personal charge account. See [Charge Accounts for Department Heads] for more information.
 - b. For business entertaining purposes. In this case, department heads should use the [Travel and Entertainment].
 - c. To adjust members' accounts for poor quality food and/or service. In this case, follow the procedures found in [Adjustments].
 - d. For quality assurance purposes. See [Quality Assurance - Sampling] for more information.

Subject: Gift Certificates

A-6511

A. Policy. It is the policy of the club that departments may institute a gift certificate program in their retail shops.

B. Discussion

1. Gift certificates are a convenient way for members to purchase gifts for family and friends.
2. Departments that offer gift certificates must establish the necessary accounting procedures with the Controller to properly account for gift certificates and the subsequent redemption of those certificates.

C. Procedures

1. Since gift certificates have value, they must be pre-numbered, safeguarded, and all "sold" certificates must be accounted for by means of a gift certificate log.
2. When a gift certificate is purchased, the sale of the pre-numbered certificate must be entered in the gift certificate log showing the amount of the certificate and the purchaser's name and member number. The value of the certificate must also be written on the certificate.
3. When the certificate is redeemed, the gift certificate is attached to the sales ticket and sent to the Accounting Office with the daily closing packet.
4. If the redeemer does not use the full value of the certificate, the retail shop will issue another gift certificate indicating the remaining amount.
5. The Controller balances the outstanding gift certificate balance each month, that is, the retail shop report of outstanding gift certificates must match the General Ledger balance.
6. Gift Certificates to members may also be issued in the form of store credits on the point-of-sale system, which must be similarly accounted for and reconciled.