



A Message from Ned

Club Charge, Cash, or Credit Card?

Credit Cards

The most common question is whether the Club can accept credit card payments from members. The problem is that if you provide this option to your members, you are probably adding a \$50-\$150,000 line item expense to your Club due to the card processing fees. Not many Clubs can absorb that expense.

I am, however, in favor of a Club having the ability to accept credit cards. First, it can be an effective collection tool with delinquent members. Second, it is a useful and needed service to have for non-member functions.

Cash

A recent question I received from a Club was if the Club should change policy and allow members to pay cash for their cart rental in the pro shop. We are fortunate to work in an industry where there is very little cash handled. Outside of a cash bar at a non-member function, it should be non-existent. The question was raised because the member does not want others to know how much golf is being played. This is not the Club's problem. If a Club allows members to pay cash for cart rentals for this reason, next it will be allowing cash payments from members at the bar. Clearly, it is not a good idea.

If you have any specific questions or need any additional information, please call or email me.

See you at the Club,

Ned McCrory, CPA
Managing Partner & Principal
Private Club Practice Group
Batchelor, Frechette, McCrory, Michael & Co.

TAX TIPS:

- **Do not** allow members to pay cash - not for cart rentals, not for drinks at the bar and certainly do not allow members to stroll into the Business Office and pay their monthly bills in cash.
- **Do** have a credit card payment system in place for the convenience of cash bars at outside functions and to assist in collection efforts with delinquent members.
- **Do** check your state law as well as your agreement with the credit card processor before adding the amount of the processing charge to the members bill, as it might not be allowed.



**Ned McCrory with Beth Meister,
Executive Director of the Florida
Chapter of CMAA, at the CMAA World
Conference in San Diego.**



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Return Service Requested

Did you know?

- State laws or your agreement with the credit card company may prevent you from passing on the processing fee to your member.
- There are companies you can partner with that will charge your member the fee, so you do not have to get involved. Then the member can decide if the cost of obtaining the points is worth it.