

# Board Brief



**CLUB MANAGEMENT ASSOCIATION OF AMERICA**

July/August 2024



## Research Trends



**CMAA 2023 Finance and Operations Report**  
Powered by Club Benchmarking



CLUB MANAGEMENT ASSOCIATION OF AMERICA



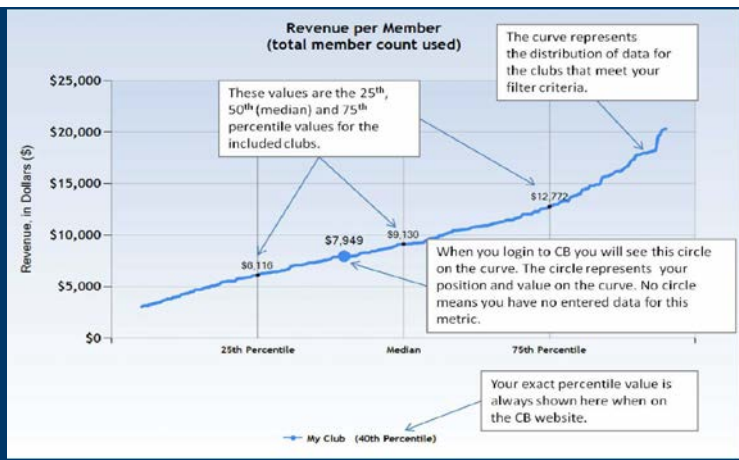
### Introducing the 2023 Finance and Operations Report

The 2023 CMAA Finance and Operations Report represents the results of the 2023 Club Finance and Operations Survey conducted in collaboration between Club Benchmarking (CB) and the Club Management Association of America (CMAA).

The data presented in the Report represents the aggregated results of private clubs' financials, specifically those closing their 2023 fiscal year between December 31, 2022, and December 31, 2023. The 1,028 clubs that participated are comprised of 840 clubs with golf and 188 clubs without golf.

The first section of the report presents the Strategic Financial Drivers and covers critical concepts fundamental to understanding the private club financial model. The concepts are presented alongside the results and associated Key Performance Indicators (KPIs) from the clubs that have submitted data. The second part of the report is organized by club department or function and comprises a significant number of department level metrics and KPIs.

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The report relies heavily on the concept of percentiles and quartiles. Percentiles and quartiles offer a practical view into the statistical distribution of a data set. Certain percentiles define quartile—the lower quartile is the grouping between 0 and the 25th percentile and the upper quartile is the grouping between the 75th and 100th percentile. Twenty-five percent of respondents fall in the lower quartile, 25 percent fall between the 25th percentile and the median (50th percentile), 25 percent fall between the median and the 75th percentile and 25 percent of all respondents fall in the upper quartile. Half of the respondents fall below the median while half lie above it.

The data in this report is organized by club size (for each of the four quartiles across the industry) and segregated into clubs with and without golf which is the main market segmentation. We will display answers to all survey questions in tables that list the Metric, Club Type (clubs with golf or clubs without golf), number of responses for each question by club type, and the median value of each quartile of Total Operating Revenue.

As shown in the example chart above, this club's Revenue per Member is \$7,949 and falls to the 40th percentile of the dataset. The 25th percentile of the dataset is \$6,116, the 50th percentile is \$9,130 and the 75th percentile is \$12,772. The CB platform also enables clubs to filter their data by multiple metrics to provide accurate apples-to-apples benchmarking.

CMAA research is a benefit of membership and all members can download and access the *2023 Finance and Operations Report* through CMAA. Contact **Amilcar Davy, Director, Research**, at 703-739-9500 for more information.



## Best Practices: The Framework for Club Governance

What are the key policy documents that comprise the framework for club governance?

*The Articles of Incorporation (Articles)* are the club's formation documents, written and filed according to state law. They contain basic information such as:

- The formal name of the club and its purpose.
- Its duration (almost always “perpetual”).
- Exemption requirements (to comply with IRS requirements).
- Dissolution (disposition of assets upon dissolution of the club).
- Membership (whether the organization will have members).
- Address (the physical address of the club).
- Registered agent (the name and address of the contact within the state).
- Incorporator (the person who completes, signs, and dates the Articles).

*The bylaws* of a private club are the members' agreement for how the organization and its membership shall be governed. Club bylaws serve as the policies/





directives from the owners/ members to the board. With rare exceptions, amendments to a club's bylaws require member approval. They combine with the Articles to form the legal structure of the organization. As with the Articles, the statutes governing the contents of bylaws vary from state to state.

*The Board Policies Manual (BPM)* is a compilation of all standing board policies. It represents the board's voice speaking to sound governance principles and best practices. Because the BPM is the voice of the entire board and not just the club president or a faction of the board, it has the stability to remain operative year-on-year, even as club leaders come and go.

The Operations Manual is developed by the CM/COO to manage club operations and addresses the various components of club operations, e.g., accounting and finance, human resources, marketing and communications, dress and decorum, IT protocols, etc.

Each of the documents in the framework plays an important role in club governance.

*Source: Private Club Governance: A Handbook of Principles and Best Practices, published by CMAA and the National Club Association, August 2023.*



## Legal, Legislative, & Regulatory Update

### OSHA Unveils Proposed Heat Stress Rule

The Occupational Safety and Health Administration (OSHA) has issued its proposed regulation for heat injury and illness prevention in outdoor and indoor work settings. Clubs with employees conducting indoor and outdoor work would be required to create a plan to evaluate and control heat hazards in the workplace. Exemptions would exist for employees who have limited heat exposure.

Clubs would be required to:

- Create and implement a work site heat injury and illness prevention plan with information specific to the club's location to evaluate and control heat hazard in the workplace.
- Identify heat hazards in both the club's outdoor and indoor workplaces.
- Create a heat emergency response plan and be prepared to take steps when an employee begins experiencing the signs and symptoms of a heat-related illness or heat emergency.
- Conduct annual training for supervisors, heat safety coordinators, and employees, as well as supplemental training as needed following changes in exposure or the occurrence of a heat injury/illness.
- Document and maintain records (electronic or written) of indoor monitoring data for a minimum of six months.
- Provide all of the required accommodation at no cost to the employee.

The proposed rule establishes two Heat Triggers with the Initial at a heat index of 80 degrees and the High at a heat index of 90 degrees. Each trigger requires its own set of mandated control measures by the club.

The proposed rule is now open for public comment.



## CMAA News & Announcements

### Nominate Your Club Management Professional for Club Executive of the Year

Annually, *Club Management* magazine recognizes excellence in club leadership with the Club Executive of the Year Award. Originally known as the Club Manager of the Year, this distinction was created in 1985 by *Club Management* magazine to honor an individual who by his or her achievements best represents the qualities found in hard-working, dedicated club management leaders. In 2008, the award was re-titled to mirror the evolution of the profession. Today, the distinction highlights

one club management professional annually who demonstrates mentoring, creates a supportive club culture, and sustains ongoing engagement with their local CMAA Chapter.

Help us honor an extraordinary club management professional who has truly raised the bar in club management and within the CMAA community. CMAA welcomes and encourages nominations from diverse backgrounds and work experiences.

Nominations must be received by September 10. Learn more about the nomination process and requirements at [cmaa.org/news/award-programs/](https://cmaa.org/news/award-programs/).

**The Board Brief** is a publication of the Club Management Association of America. Founded in 1927, CMAA is the largest professional association for managers of membership clubs with more than 7,800 members throughout the US and internationally. Our members contribute to the success of more than 2,600 country, golf, athletic, city, faculty, military, town, and yacht clubs. The objectives of the Association are to promote relationships between club management professionals and other similar professions; to encourage the education and advancement of members; and to provide the resources needed for efficient and successful club operations. Under the covenants of professionalism, education, leadership, and community, CMAA continues to extend its reach as the leader in the club management practice. CMAA is headquartered in Alexandria, VA, with 40 professional chapters and 40 student chapters and colonies. Learn more at [cmaa.org](https://cmaa.org).