



EMPLOYER INSIGHTS: Golf and Club

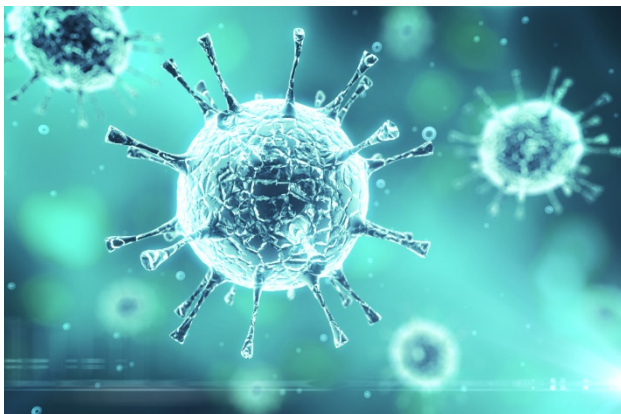
COVID-19



AssuredPartners

Introduction

AssuredPartners Golf and Club has compiled information through review of government programs and discussions with club management and club industry leaders to develop guidelines for clubs on how to best navigate through the COVID-19 crisis. We will continue to monitor the situation and provide as much useful information as possible for our clients.



**For up-to-date information, please visit
our Resource Center:**

<https://www.assuredpartners.com/Coronavirus-Resources>

Planning

It is recommended for clubs to evaluate circumstances in multiple time periods.

- Phase 1 - through mid-May
- Phase 2 - May through June 30
- Phase 3 - July 1 through the end of the year

The key is to not panic in the short term. Most of the issues arising through Phase One are operational and should not have much financial impact on a 12-month financial statement.

Phase Two is a time to monitor membership changes and to evaluate the short term and long-term strength of the club's membership. This is a great time to communicate with the membership and enforce the club's value to them as owners.

Phase Three is a time for long-term strategic planning - evaluating best financial practices, enhancement the membership experience, planning for strong capital income to drive the club forward financially.

Government Action and Programs Affecting Clubs

Phase 2

Families First Coronavirus Response Act (FFCRA) became law on March 18, 2020. As it pertains to clubs and other employers, this \$100 billion package includes provisions for paid sick leave, free coronavirus testing, additional unemployment benefits and more.

Details of the FFCRA on the U.S. Department of Labor website can be found [here](#).

Phase 3

Coronavirus Aid, Relief, and Economic Security Act or the ***"CARES Act"*** was signed into law March 27, 2020, and represents the largest stimulus bill in US history at \$2.2 trillion.

Paycheck Protection Program (PPP)

This program is available to small businesses, 501(c)(3) charities and 501(c)(19) veteran organizations that employ not more than 500 employees. 501 (c)(7) social clubs are not eligible for this program at this time but a section 277 club may qualify.

Although 501(c)(7) clubs are not eligible for the above PPP loans, they could be eligible for the below programs.

- Economic Injury Disaster Loans.
- Emergency EIDL Grant
- Employee Retention Payroll Tax Credits
- Deferred Employer Payroll Tax
- Unemployment Expansion

Key CARES Act benefits to the private club section provided by the National Club Association can be found [here](#).

Expected Future Government Action and Programs

As of the writing of this bulletin, plans to increase the \$350 billion available for loans through the PPP program are being considered but we are far from approved. It is also widely believed that outlines are already being debated for a Phase 4 coronavirus package which some are referring to as Cares 2.0. Private clubs and their members are encouraged to contact their representatives and senators to request inclusion in this package like other small business employers.

Employment Decisions

As clubs decide what is best for their employees and the clubs' members, there are options of how to handle.

- Some clubs have committed to pay all employees on payroll for six weeks or more regardless of their need or ability to work.
- Others have kept a majority or all of staff on payroll with a plan to get support from the membership for the cost of the continued payroll.
- Some clubs have furloughed employees where they keep the employer/employee relationship intact from a payroll and employee benefits perspective but the employee is technically laid off. We have heard that some clubs are requiring furloughed employees to utilize their accrued PTO before going to unemployment to help contain unemployment cost factors in the future.
- Others have had what they felt was no choice but to lay off majority of the staff upon the slowdown in their operations.
- Some clubs are utilizing member-supported grants to support employees in these difficult times. It is recommended that clubs consult a human resource professional, tax professional and/or attorney regarding the effective distribution of funds like this to avoid tax consequences and to avoid unemployment benefit issues and alike. Section 139 of the Internal Revenue Code (Disaster Relief Payments) can be reviewed with your consultants for effective use.

Although club management would more than likely prefer to have as many employees as possible stay on payroll because it may be the right thing to do, it gives the employees a sense of pride and being out of work is no joy. That said, programs mentioned above are excellent ways for clubs to give their employees, particularly lower salaried or hourly employees (with the addition of the \$600 additional weekly income) alternatives to not being on the payroll. Proper planning and understanding the resources available will help clubs make the right decision.

Member Communication (and Staff Communication)

There may be no better time than in a crisis like this for a club to strengthen its relationship with its members. Although listed below are many forms of communication, the club should be strategic and consistent in the delivery of its content.

Here is what we have seen from other clubs that seem to be effective:

- Weekly messages from the president updating the members on the boards planning. Consider a video from the president or general manager on the website.
- With board members and staff management receiving many of the same questions and hearing many of the same comments, a letter from the leadership with a FAQ section on topics such as expected re-opening, safety with regard to the virus, circumstances around staffing, how will insurance or the federal stimulus plans assist the club, cost containment, dues questions (and the answer should be no to a dues holiday), updates on finances, lines of credit and the services that are currently being offered by the club, etc.
- Is it a good time to enhance the club's social media platform? How about a virtual meeting with an affinity club within the club or creating one such as a virtual wine club?
- Daily or weekly delivery and To Go menus
- Updates from the chef, fitness instructors, golf professionals, camp coordinators on plans for the summer and things that members and families can do at home in the meantime.

Maybe it's a good time to look at the club's programming and the quality of the programming addressing the needs of the members. Virtual groups, fitness (live or recorded), golf clinics, fitness challenges, pickle ball basics, work from home tips, etc. It may be a good time to inform the membership that you plan to try a new service the season - [Member Text](#) is a member communication service that is catching on.

Consider a club-sponsored spring-cleaning donation drive to a local charity.

This is a great time to have members feel exactly like that - members and owners of the club - and although separation still hangs over our heads, there's an opportunity to strengthen the membership bond.

Likewise, with the staff - as they are also separated from the club at this time - with club's goal of bringing those employees back to the club when we get through this crisis, this could be a great time for club leadership to plan and prepare the staff through webinars, canned videos, staff training programs, etc. It is recommended that if employees are laid off or furloughed to consult with an HR specialist or labor attorney related to contact with employees.

Employee Safety

When determining how to respond to the coronavirus, employers should consider the local disease severity, impact on employees at a higher risk of adverse health conditions, an increased absenteeism plan to continue functions and coordination with local and state health officials. In addition, the CDC recommends the following strategies:

- Actively encouraging sick employees to stay home. Ensure that your sick leave policies are flexible and consistent with public health guidance and that employees are aware of these policies
- Separate sick employees
- Emphasize staying home with sick, respiratory etiquette and hand hygiene by all employees
- Perform routine environmental cleaning
- Advise employees before traveling to take certain steps such as checking the CDC's Traveler's Health Notices and notifying supervisors should they become sick while traveling

Insurance Claims

We know that there will be claims filed based on a variety of business implications over the course of the next few months. We recommend that in the event of a claim, you keep detailed records of events. Claims will be based on applicable policy wording and specific details driving the loss(es). The below outline will assist with information gathered to support claim substantiation. Every claim will be evaluated based on facts presented in conjunction with all applicable policy provisions and the law in the applicable jurisdiction.

- Develop a detailed narrative outlining the loss
- Details of impairments or direct damage at insured facilities
- Details that outline any Civil Actions or Ingress/Egress issues prohibiting access to insured locations and impairing operations
- To the best of your ability, details/specifics impairing suppliers/receivers. It's recognized this can be very difficult (at best) to achieve.
- Details (including civil actions) that are disrupting transit of materials, inventory, etc.
- Track all costs/losses in real time. If a claim is pursued, losses will have to be specifically reconciled and tied to the triggers noted above

What Club Management Can Do Today

- Collaborate – this is a great time to connect with your peers and your membership associations to share ideas. The club management industry is packed with experienced individuals who are always willing to share their experience and thoughts. The Club Management Association of America and the National Club Association and HFTP that have been informative webinars to help clubs navigate through this crisis.
- Communicate with members, staff and industry leaders
- Consider supporting local first responders and the hospital workers with meals. A new initiative was developed by club industry professionals in recent weeks – [Clubs HELP](#) to assist clubs in connecting with hospitals to provide a much-needed support network in fighting the COVID19 pandemic.
- Donate Personal Protective Equipment to local hospitals and emergency care workers
- Evaluate the government programs to see if one or more are fit for you
- Stay in contact with your accountants, attorneys, HR specialist, club consultants, insurance and employee benefits brokers
- Discuss with your insurance broker coverage surrounding COVID-19 crisis that may be available or if it is in your best interest to obtain a declination even though coverage may not be available
- Discuss with your broker / risk consultant on [ways best to prepare and a maintain the workplace](#) for employee and member safety
- Contact your senators and representatives to make sure that 501(C) (7) clubs, like other employers have voice at the table for future stimulus program options.
- Share a little bit of your club's information to gain a wealth of information in return. [Club Benchmarking](#) is offering a free service to clubs to help them navigate through this crisis and into the future. They are gathering data from clubs (that will be held confidential) to develop a report on the industry and clubs in your peer group, geographic territory, nationally, etc.

Planning for the Reopening

- Are we ready? If we have been shut down for a month including takeout food, should we utilize take out prior to the opening as a soft opening?
- Will we have more spacing tables in the dining room?
- Will we have less buffets?
- When the stay-at-home orders lift, will delivery or curb side pickup still be a viable service for our members who still may not be in a position or comfortable to visit club dining facilities?
- Is our maintenance equipment ready to go back to for golf course on full throttle?
- Are we ready for a seven day a week pool reopening or should we ease into that process (a few days a week)?
- Staffing – are you using out time to train, develop, recruit the best staff available to us in the marketplace?

The Future

We are all dealing with a crisis we have never seen or imagined before. That said, there is an opportunity for all of us, including clubs to gain from this disorder. This crisis has given us an opportunity to look at things, think of things or do things you could not have thought to have done before.

- Some are mentioned previously but here are some other things to think about:
- Will the dining experience be different as mentioned above? Is more self-service of food and beverage an option?
- Is curbside pick-up or delivery going to continue to be a winner for the club?
- When employees are not feeling well, will we strongly encourage them to stay at home where we may not have in the past.
- Can we do a better job in communicating affective hygiene standards for our staff and members?
- Has health insurance changed? Should we be speaking with our employee benefits consultant about telemedicine and other remote services.
- Will are members become more comfortable with remote fitness, training, coaching, events, etc.?

The following sources were cited in the development of this document:

Club Benchmarking, Ray Cronin
National Club Association, Webinars and Web Site
Club Managers Association of America, Webinars
Private Club Consultants, Brad Steele, J.D.
HFTP, Webinars
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