

Board Brief



CLUB MANAGEMENT ASSOCIATION OF AMERICA

September/October 2023

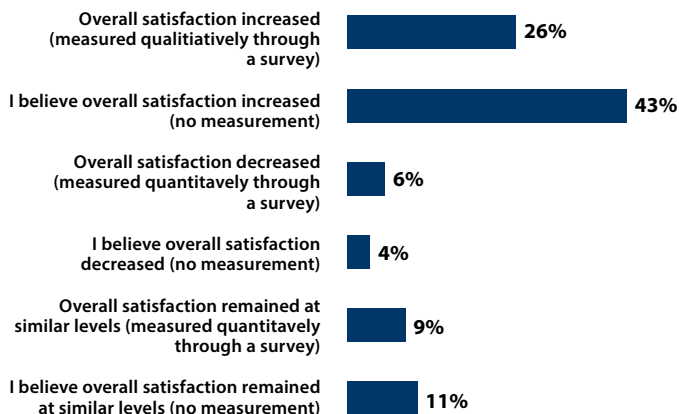


By the Numbers: Membership Experience Trends

This year, GGA Partners has again teamed up with the CMAA Research Committee to administer a research survey for members of the Association. The survey – A Club Leader’s Perspective: Emerging Trends & Challenges – serves as a contemporary update on the pressing needs of CMAA managers and looks at emerging trends and challenges from the perspective of those in club management.

This report was designed to gauge the impact of the coronavirus pandemic on club operations and its ripple effects into 2023 and beyond, and the research results will help club managers and their boards better prepare for the next normal. We’ll look at data regarding club membership experience trends in this edition – but you can find more data in the full report.

Impact on Member Satisfaction



Baby Boomers Remain Difficult to Satisfy

According to surveyed clubs, the most significant increase in club usage was seen from Generation X (aged 42-57), while Baby Boomers continued to be the most difficult to satisfy, down from 41 percent to 38 percent support in 2022.

Gen X exhibited the greatest increase in utilization over the past year. GGA encourages club leaders to be conscious of this fact because Gen X represents the target age group for most incoming club members. Sixty-four percent of clubs surveyed indicated that their new members were younger than previous trends. No club indicated that an “older than average” incoming class of members joined in 2022.

continued on next page



New Technology Adoption Continues

The adoption of new technology within clubs continues to improve gradually according to those surveyed. Security, service automation, golf tech integration, and building/facility intelligence were areas that saw significant growth.

“Thirteen percent of club leaders [surveyed] indicated that they have implemented virtual reality (VR), while 26 percent of respondents indicated that their membership had shown ‘some interest’ in a VR offering, with common areas of virtual interest including golf simulators and virtual fitness classes.”

Overall, city clubs lead the way in terms of the highest level of VR interest.

Source: GGA Partners 2022/2023 Club Leaders’ Perspective Report. Access at <https://ggapartners.com/2023/02/a-club-leaders-perspective-2022-2023/>.

Best Practices: Understanding the Tenets of Private Club Status

Private club status refers to a designation that is granted to certain types of social and recreational organizations, such as country clubs and fraternal organizations. Private clubs are exempt from certain anti-discrimination laws, such as the Civil Rights Act of 1964, as long as they meet certain requirements, such as being genuinely private and not engaging in commercial activities.

Tax-exempt status is defined by the Internal Revenue Service (IRS), while private club status has been established through the Courts and various cases. In its evaluation, the Courts have examined the following factors:

The club has a longstanding mission of serving a social and non-business purpose.

- The club maintains and adheres to selective and exclusive membership criteria.
- The club limits its activities and access to its facilities to members, their families, and accompanied guests.
- The club is controlled and governed by its members.
- The club is limited in size and scope.
- The club operates as a non-profit organization.

The core principle of a private club is a “social and non-business purpose.” In other words, a club must

have a central organizing principle like a shared interest in sports, recreation, discourse, culture, or tradition that would impose some limit on membership. Additionally, the club must be exclusive. Thus, a large club with a large, national membership and open membership policies may not be considered truly private. Generally, a club that is open to the public, such as being available for events which are not sponsored by a member, would not be considered private based on the previous Court rulings.

Private Club Status should not be confused with tax-exempt status. While both offer certain benefits to clubs, they are distinct designations with different legal requirements and implications. The IRS requirements for tax-exempt clubs were covered in the July/August edition.

Disclaimer: This information is provided for informational purposes only. The contents are presented with no warranty, either expressed or implied the Club Management Association of America. No legal responsibility is assumed for the outcome of decisions, commitments, or obligations made on the basis of this information. If your club is faced with a question concerning legal issues, you should contact the club’s legal counsel for the specific application of the law to your situation.



Legal, Legislative, & Regulatory Update

OSHA Finalizes Changes to Injury & Illness Recordkeeping Regulation

The Occupational Safety and Health Administration (OSHA) has issued its final changes to the requirements for employers to submit their injury and illness data annually electronically. The final rule retains the existing requirement applicable to employers with 250 or more employees, including clubs, to electronically submit information from their Form 300A to OSHA annually. Additionally, to improve data quality, employers are required to include their legal company name when making electronic submissions to OSHA. Learn more at [public-inspection.federalregister.gov/2023-15091.pdf](https://www.federalregister.gov/2023-15091.pdf).

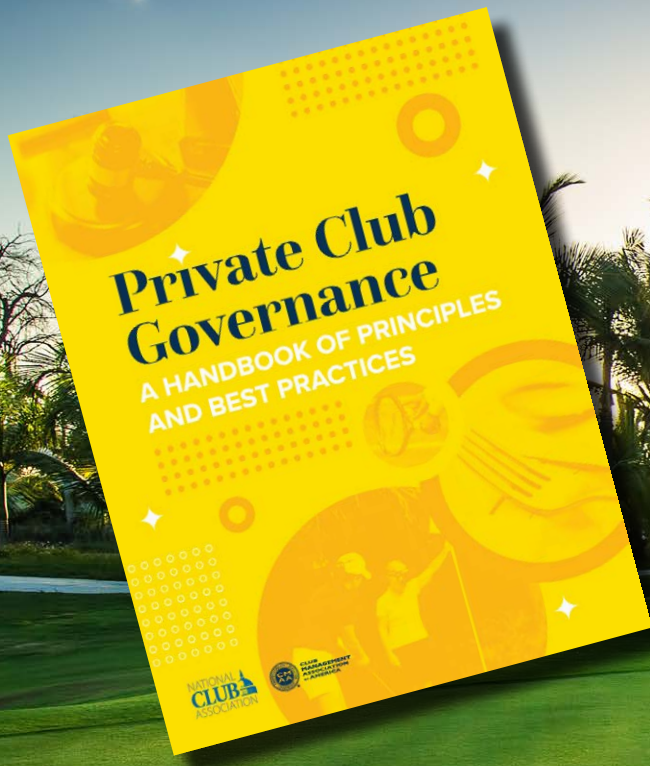
Waters Advocacy Coalition Calls for Thorough WOTUS Rewrite by EPA and Army Corps

As part of the Waters Advocacy Coalition (WAC), CMAA has urged the Environmental Protection Agency

(EPA) and the US Army Corps of Engineers to carefully reconsider key interpretations in the 2023 Waters of the United States (WOTUS) rule as the agencies revise the rule to align with the Supreme Court's opinion in *Sackett v. EPA*.

In its letter on Monday, July 24, WAC wrote, "EPA and the Corps have stated that they intend to issue a final rule by September 1, 2023, that amends the Biden WOTUS Rule to ensure consistency with the decision in *Sackett*. Based on this truncated rulemaking timeline, it appears that the Agencies will forego public comment and simply strike language from the rule related to the significant nexus test as well as the definition of 'adjacent,' while reinforcing the Agencies' interpretation of the 'relatively permanent' test set forth in the preamble. That is not a defensible response to *Sackett* or an appropriate approach to this rulemaking."

The letter outlines the coalition's key recommendations for the agencies as they revise the 2023 WOTUS rule. Learn more at watersadvocacy.org.



CMAA News & Announcements

New Resource: *Private Club Governance: A Handbook of Principles and Best Practices*, Published for Leaders of Private Clubs

The National Club Association (NCA) and Club Management Association of America (CMAA) have released *Private Club Governance: A Handbook of Principles and Best Practices*. Written by a joint committee of experts from the associations, the new publication is a definitive guide to governance of private clubs, designed to be a framework of best practices for clubs at any place on the spectrum of effective governance.

The handbook is a comprehensive guide on establishing and maintaining good governance and covers everything from bylaws and articles of

incorporation to board policies, committee structure and roles to evaluations and improvement. It also includes a chapter of sample documents every club board should have.

The handbook was developed by a joint committee of experts from both associations in a partnership structured to benefit the entire private club community. NCA and CMAA will offer continuing education based on it for club presidents, boards, and CEOs/general managers, including at CMAA's 2023 Leadership/Legislative Conference, and during a joint, online symposium on Monday, September 25.

CMAA members can access the new resource through the [CMAA Connect Library](#).

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 7,000 members throughout the US and internationally. Our members contribute to the success of more than 2,500 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 more than 40 student chapters and colonies. Learn more at cmaa.org.