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# CONTRACT AND COMPENSATION NEGOTIATIONS

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## Compensation, Benefits and Contracts

For many club managers, the final step in the job search process is the most difficult and least mastered. After the résumés have been mailed and the interview circuit has been successfully completed, the job search ends with a job offer. The offer is a positive result of what can seem like a never-ending cycle, but where do you go from here? Do you accept the offer? Do you make a counter offer? Do you ask for more money? More benefits? An employment contract? All of these questions come down to one thing – negotiations.

By the time you reach negotiations, you will most likely have an idea of what type of compensation and benefits package a club will offer you. The salary level, bonus potential and fringe benefits will probably be negotiable. If on the off-chance the salary level is not negotiable, there is most likely room for some sort of arrangements to be made with the benefits and/or bonus. Following is a section titled "Negotiating your Next Paycheck." This section offers suggestions on the appropriate strategies you can use when you are negotiating a new compensation and benefits package or re-negotiating an existing package. CMAA's Standard Club Manager Benefits Checklist is included to help you define what types of fringe benefits club management executives should be receiving.

Approximately 40 percent of all CMAA members currently have an employment contract or agreement. It is a great benefit to every club manager to have a contract if for no other reason than to spell out a severance package. You will find suggestions for where to begin your negotiations in the "Negotiating Your Contract" section. The two sample contracts included will serve as the most advantageous starting point for all parties involved in contract negotiations. It is in the best interest of the club and the manager to design an effective employment contract to avoid miscommunications and misunderstandings.

Negotiating a compensation and benefits package and an employment contract can be an intimidating task, but if you familiarize yourself with a few tips, it will be a smooth and easy process.



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## Negotiating Your Next Paycheck

Webster's New World Dictionary defines compensation as "a) anything given as an equivalent, or to make amends for a loss, damage, unemployment, etc.; b) payment for services; esp., wages or remuneration." The art of negotiating compensation is a process that is often misunderstood. Compensation is much more than just a base salary. In fact, if salary is the focus, it is possible to miss some of the potential for greater rewards such as retirement plans, clothing, car and meal allowances, medical insurance and CMAA membership packages. Whether the negotiation is for a starting salary, an increase or a severance package for yourself or a prospective or current employee, it is important to familiarize yourself with the following techniques for negotiating compensation packages.

- **Know your net worth:** Before you even begin a job search, you should determine what your net worth equals by calculating your desired salary range. Included in this equation should be education, past experience, skills and capabilities, awards and honors and your current salary. The salary range you are looking for will vary with every job because of club location, club type and position responsibilities. It is very important to ensure that a potential future employer shares the same perception of your worth. Typically, one should not leave one's current job for a new one unless it offers at least a 15 percent salary increase. If you are required to relocate, the cost of living may vary so greatly that you may be left wondering how much you should ask for. There are many "salary calculators" on the Internet that can help you determine the cost of living differential from one city to another and what salary range you should be requesting.

You must determine the worth of the position and the value you would bring to a particular club. It is possible to do this by researching the current job market and industry trends. Most importantly, you must be self-confident—attitude counts! Finally, be sure to learn the art of compromise.

- **When to talk money:** Timing is very important when engaging in compensation and benefits package negotiations with a prospective or new employer. First and foremost, you should attempt to wait until at least the second interview to discuss the particulars of compensation; the first interview is the appropriate time to ask about a salary range. At this point, the applicant knows that he/she has passed the initial screening and that the employer is interested. Ideally, an applicant will wait until the job has been offered to discuss the type of compensation package desired. You should not divulge past salaries prematurely; clubs can easily discount interested applicants because of their current earnings. If asked what salary range you are looking for, suggested answers include: "I would expect to be adequately compensated for my skills. I would feel more comfortable discussing salary and benefits at a later point in the interview process or if I am offered the position." If you do feel comfortable providing salary requirements and history, do not offer a single amount, but rather a range and a wide variety of benefits. Emphasize both financial security and an inclusive benefits package to cover a variety of needs and gain the best possibility for potential growth in a position.

- **Making the sale:** Before accepting a job offer, you should determine your "bottom line" and know how low you would be willing to go. This is important because, inevitably, a prospective employer will offer a salary below the desired amount. This amount should coincide with your qualifications, not your wants and needs. Negotiation should always be a "win/win" situation for the manager and the club. If possible, avoid carrying out negotiations on the phone since it is more difficult to read non-verbal reactions. If it is impossible to schedule a face-to-face interview, you should ask to postpone a phone interview to have more time to prepare. It is imperative that you feel comfortable about yourself and the environment during the negotiation process, even if this means rescheduling



or holding more than one session. If a certain salary level is important to you, stand firm and do not stray from this level. If you do not receive the desired salary, ask to be reviewed again in the near future (set a definite date) or for other, non-fixed benefits such as memberships, extra days off, etc. When the time comes for a final offer to be made, let the club make this offer; it is your role to find areas of mutual agreement and then accept or decline. It is acceptable to ask the prospective employer for some time to make a decision (few days/weeks), but it is not appropriate to accept a job and then back out if a better offer comes along. Never convey too much excitement or act apologetic when an offer is on the table.

- **Get it in writing:** Always ask for a written agreement from an employer on any salary or benefits (whether they are new or changing). Obtaining a written confirmation of terms is a standard practice and, in most cases, it can be a legally binding document. If an employer refuses to give a written confirmation, it is acceptable for you to draw up a letter with your understanding of the terms offered and send it to them. An employer may want you to sign a contract (employment agreement), and if so, you should be sure to read the entire document, especially the fine print, before signing it and making multiple copies for your own files.

- **CMAA can help:** CMAA offers services that can assist you when looking for an appropriate salary and benefits package that your club can offer employees or that you can request from a prospective employer. The *Compensation & Benefits Report* is updated every two years and is available free of charge to both members and non-members. This document provides insight on the average compensation of club managers across the country by region, gender, age, club type, etc., and is a general basis for comparison. The National Headquarters can also provide CMAA members with outdated copies of the Managerial Openings List (MOL) or a copy of the Standard Club Manager Benefits Checklist (see next page) for general information on what types of benefits clubs offer. Remember, one of the best sources of information regarding compensation and benefits is other CMAA members.





## STANDARD CLUB MANAGER BENEFITS CHECKLIST

This list is a guide of the most frequently offered benefits for club management personnel. Managers may wish to utilize this list as a guideline when applying for a new club management position or when reevaluating an existing compensation and benefits package. Clubs may wish to use this list when compiling a compensation and benefits package to offer a new candidate or when reevaluating the existing manager's benefits package. It is recommended that you use this checklist in concert with the *Compensation and Benefits Report* for best results.

**Health Insurance**

- Individual
- Family
- Deductible
- Low Co-Pay

**Dental Insurance**

- Individual
- Family
- Deductible
- Low Co-Pay

**Vision Insurance**

- Individual
- Family
- Deductible
- Low Co-Pay

**Hospitalization**

- Individual
- Family
- Deductible
- Low Co-Pay

**Prescription Plan**

- Individual
- Family

**Retirement Plan**

- Pension
- 401(k)
- Club contribution
- Golf Retirement Plus

**Life Insurance**

**Long-term Disability**

**Short-term Disability**

**Performance-based Annual Bonus**

**Holiday Bonus**

**Housing/Residence Allowance**

**Club Privileges**

- Individual
- Family



- CMAA (professional association) Dues**
  - National
  - Administrative fee
  - Chapter
  - Optional Subscriptions (i.e. MOL, Wine Society)
- Car Allowance/Club Car/Transportation/Insurance/Parking Costs**
- Clothing Allowance**
- Vacation/Annual Leave/Paid Holidays/Sick Leave**
- Spending/Expense Account**
- Meals**
  - Individual
  - Family
- Child Care**
- Stock Options**
- Loans, Investments, Financial Counseling**
- Legal Services**
- Home Computer/Home Office**

### **Continuing Education**

The manager of a private club is a unique individual required to possess extensive knowledge in all facets of business and club operations. The success of these individuals requires a personal commitment, as well as the club's commitment, to continued and progressive growth through professional development.

It is recommended that every club consider placing substantial dollars in the staff training and development budget and not view this as a compensation element. The health and welfare of the club relies heavily on the management team's knowledge and experience.

CMAA strongly suggests that club managers regularly attend the World Conference & Club Business Expo, chapter education programs and workshops and one or more of the Business Management Institute (BMI) programs. Clubs will benefit directly from the knowledge their management staff gains from these programs.

### **Relocation Allowance**

If applicable, an allowance should automatically be offered by clubs extending job offers to club managers who are required to relocate.



# Negotiating Your Employment Contract

When a club is prepared to offer an individual a management position, all parties should consider the benefits of implementing an employment contract. This document can be an extremely beneficial tool for all parties involved in an employment relationship. It is imperative to get all decisions in writing during compensation and benefit negotiations; when you obtain these written offers is an ideal time to begin the negotiations for a contract. Many clubs will offer you a contract from the beginning. If, however, you are offered a position by a club that does not typically offer an employment contract, you should broach the subject delicately, but firmly, by explaining the benefits to them.

## Where do I begin?

The best place to begin the process of contract negotiations is with a sample contract. An all-inclusive sample contract should be brought to the table, discussed and altered as needed until both parties are satisfied with the final product. It is important that an employment contract be equally beneficial for the club and the manager.

Similar to compensation and benefits negotiations, contract negotiations should be held in a neutral location, if possible. All parties involved should have the opportunity to comfortably voice their ideas and opinions about – and understanding of the – employment relationship.

As mentioned, an all-inclusive contract is the key to an effective employment contract. At the minimum, this document should specify the following information in detail:

- **Terms of Employment:** Specify the contract's ending date, renewal date or its open-ended nature.
- **Duties:** Outline the particular activities for which the employee is responsible. Specify the employee's boundaries of authority and designate who reports to this individual. You may refer to the job description for portions of this section, but be sure to include this reference in the body of the document and attach the job description to the final contract.
- **Termination:** (This is the most important section of a contract and the reason for its existence.) State the course of action that will be followed if the employee is involuntarily terminated. Specify the employee's responsibilities to the employer in the event that he/she voluntarily leaves the position. Severance should be spelled out in detail. (A general rule of thumb is one month of compensation, per each year of employment.)
- **Compensation:** Specify the employee's salary and pay period. Define any bonus program and, most importantly, outline the performance review system and schedule regardless of if it is already defined in the job description.
- **Benefits:** Define the benefits that will be provided to the employee. (A list of standard benefits provided to club management professionals can be found in this publication.)
- **Vacation:** Specify the amount of vacation leave that the employee will earn throughout his/her tenure in this position, whether there is a "carry-over" benefit and if unused vacation time is paid.





In addition to defining these all-important topics associated with employment and termination, you should be aware that your state may recognize the "at-will" employment policy. In at-will states, as a general rule, the employer or the employee may end or alter the employment relationship at any time for any reason unless there is a legally binding employment contract. Employment termination can occur in at-will states for any reason other than on the basis of age, race, sex, religion, national origin, disability or any other reason the Equal Employment Opportunity Commission (EEOC) considers discriminatory. At-will policies can provide protection to the employer, but only if it is conspicuous and understood by the employee.

Designing an employment contract can be a rewarding experience, if handled properly. Contracts work best when they are developed in the proper atmosphere, with the welfare of all parties in mind.

Employment contracts are vitally important to keep clubs and their managers from experiencing miscommunications with regards to the terms of employment, benefits and termination clauses. It is in the best interest of the club and its manager to have an employment contract. Contracts greatly reduce the potential for misunderstandings since all discussions of feelings and perceptions are spelled out on the front end and help to nurture long and healthy employer/employee relationships.



# SUGGESTED GENERAL MANAGER/CHIEF OPERATING OFFICER (COO) CONTRACT

The following wording should be used only as general guidelines. This contract is not designed to apply in all situations. No contract could be formulated to cover every detail of the business relationship between every club and every GM/COO. Alternative wording has been provided for some of the following terms of agreement. You and your counsel should specify all conditions of employment unique to your situation.

## Opening Statement:

This Employment Agreement made and entered into this day of \_\_\_\_\_, 20\_\_\_\_\_, by and between (name of club) of (city, county, state) hereinafter referred to as the Club and (name of manager), of (city, county, state) hereinafter referred to as the GM/COO.

a) The GM/COO is, at the time of this Agreement, employed as manager of the club and the parties wish to continue such relationship upon the terms and conditions hereinafter set forth.

or

b) All previous employment agreements between the parties are hereby revoked and superseded by this Agreement.

or

c) The parties desire to record the arrangements made for the employment of the GM/COO by the club.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

## Term:

The GM/COO's employment under this Agreement shall be for a period of \_\_\_\_\_ years, commencing on \_\_\_\_\_, 20\_\_\_\_\_, and ending on \_\_\_\_\_, 20\_\_\_\_\_, unless sooner terminated as provided herein.

## Compensation:

a) For all services rendered by the GM/COO under this Agreement, the club shall pay the GM/COO a salary of \$ \_\_\_\_\_ per year, payable in equal (monthly, weekly, etc.) installments at the end of each (week or month). The GM/COO shall also receive all other benefits that are generally available to other club employees including but not limited to expense accounts, medical benefits, life insurance, educational benefits and such additional salary and benefits as may be agreed upon from time to time between the club and the GM/COO.

b) (in cases where the term is indefinite) For all services rendered by the GM/COO under this Agreement, the club shall initially pay the GM/COO a salary at the annual rate of not less than \$ \_\_\_\_\_ per year, payable in equal (weekly, monthly, etc.) installments. Future compensation shall be at such rates, and payable at such times as shall be mutually agreed upon by the parties, but shall not be less than the compensation stated above. The GM/COO shall also receive all other benefits that are generally available to other club employees including but not limited to expense accounts, medical benefits, life insurance, educational benefits and such additional salary and benefits as may be agreed upon from time to time between the club and the GM/COO.

## Termination:

The Club may terminate this agreement at any time for cause upon thirty (30) days written notice and the GM/COO prior to the effective date of such termination should any of the following occur:

1) The GM/COO's commission of a felony, fraud, misappropriation or embezzlement, or

2) The GM/COO's material breach of his obligations as set forth in this agreement if the breach is not corrected within forty-five (45) days of the GM/COO reviewing written notice of the alleged breach, or

3) the GM/COO's becoming so disabled as to be unable to substantially perform GM/COO's duties on a full-time basis for a period of \_\_\_\_\_ (see paragraph entitled "Extended Illness") or more, and remains unable to substantially perform his duties at the expiration of this period. Such termination for cause shall be approved by a majority vote of the Board of Directors and shall be effective only after written notice setting out the cause for termination and after the GM/COO is provided forty-five (45) days opportunity from receipt of the notice to cure such cause for termination of employment. The Club shall pay the GM/COO the compensation provided in the Agreement plus all benefits through the effective date of such termination. The GM/COO may terminate this agreement at any time upon sixty (60) days written notice to the Club.

## Termination — Alternative Language:

The Club may terminate this agreement at any time with or without cause by giving thirty (30) days written notice to the GM/COO and by paying to the GM/COO an amount equal to either six month salary from the date of termination or one month's salary for each year of employment by the GM/COO with the Club up to a maximum of eighteen (18) months pay, plus full benefits during the severance period, including but not limited to, term life insurance, short and long term disability insurance, medical insurance and pension contributions.

## Responsibilities:

The GM/COO shall be responsible to the club's governing body for all actions concerning the club's operation and the presiding officer thereof in the event of conflict of interest or difference of opinion among the members thereof. The GM/COO shall use all reasonable efforts to ensure that regulations are observed by members of the club, and shall advise the governing body, or any member thereof, of any violations, abuses of privileges, or unbecoming conduct on the part of members.

## Retirement-Pension:

a) In addition to salary, the club agrees to contribute, at the rate of \$ \_\_\_\_\_ per annum for the duration of this Agreement and during any extension thereof, to the (name of plan) the GM/COO with such death and retirement benefits as are therein contemplated.

or

b) In addition to salary, the Club agrees to contribute, at the rate of \$ \_\_\_\_\_ per annum for the duration of this Agreement and during any extension thereof, to the (name of pension plan) currently in effect for the benefit of employees of the club, in order to provide the GM/COO with such death and retirement benefits as are therein contemplated.

or

c) In addition to salary, the Club agrees to contribute, at the rate of \$ \_\_\_\_\_ per annum for the duration of this Agreement and during any extension thereof, to a qualified pension plan for the GM/COO, who shall be consulted with regard to the apportionment between death and retirement benefits. Any such pension plan shall provide for full vesting of all benefits in the GM/COO by the expiration date of this Agreement.

## Insurance:

a) In addition to other compensation, the club at its own expense shall include the GM/COO in all insurance and hospitalization plans available to employees of the club as a group.

or

b) In addition to other compensation, the club at its own expense shall provide for the GM/COO's family health insurance coverage at least equivalent to the best available Blue Cross, Blue Shield and Major Medical coverage offered in the area.



# SUGGESTED GENERAL MANAGER/CHIEF OPERATING OFFICER (COO) CONTRACT (CON'T.)

## Extended Illness:

a) Should the GM/COO be unable to substantially perform his duties because of illness or other incapacity, he shall be retained at full compensation and other benefits for one month plus one week for each year of employment. At the expiration of this period if the GM/COO remains unable to substantially perform, this Agreement may be terminated by written notice to the GM/COO.

or

b) Should the GM/COO be unable to substantially perform because of illness or other incapacity, GM/COO shall be retained at full compensation and other benefits for one month plus one week for each full year of employment. At the expiration of this period, if the GM/COO remains unable to substantially perform, the Agreement may be terminated by written notice to the GM/COO. Upon such termination of this Agreement by the club, the club shall pay to the GM/COO the difference between the salary hereunder and the amount received by GM/COO under any applicable Workman's Compensation Act, Temporary Disability Insurance Act, or the Club's Sickness and Accident Insurance Plan, if any, for an additional period of (6 months, 1 year, etc.)

## Vacations:

After one full year of employment by the club, the GM/COO shall be entitled to an aggregate of fourteen days paid vacation per year. After (number ) full years of employment by the club, the GM/COO shall be entitled to an aggregate of (number) days paid vacation per year. All such vacations shall be taken at times mutually agreed upon between the GM/COO and the club. Neither leaves of absence to attend educational sessions or Club Managers Association of America Annual Conferences, nor time lost because of sickness or injury shall be deducted from vacation periods. Any vacation time not taken during the term of this Agreement shall accrue and be carried forward from year to year.

## Association Dues:

The club shall pay, on behalf of the GM/COO, all dues to professional associations to which GM/COO may belong in conjunction with GM/COO's club position, including the annual dues to the Club Managers Association of America.

## Education Expenses:

The club shall reimburse the GM/COO for all reasonable expenses incurred in attending the annual conferences of his professional association, educational courses sponsored by it, and meetings of the local chapter thereof, upon presentation of appropriate expense vouchers, in addition to attending the Annual Club Managers Association of America Conference. The GM/COO shall be entitled to attend \_\_\_\_\_ educational workshop(s) annually sponsored by the Club Managers Association of America.

It is further understood that the GM/COO shall, when reasonably possible, be accompanied by the GM/COO's spouse at the Annual Club Managers Association of America meeting, and at other conferences requested by the Board of Directors, which expenses will be reimbursed by the club.

## Automobile:

a) The GM/COO shall have the use of an automobile provided by the club. Ordinary service, repairs and insurance for the vehicle shall be performed and provided at the club's expense.

or

b) The GM/COO is expected to use the GM/COO's own automobile in the performance of his duties for the club for which the club shall reimburse the GM/COO at the rate of (either so much per mile, or so much per month, etc.).

## Food:

Meals for the GM/COO shall be provided by the club without charge, in the customary manner, on the club premises and for the convenience of the club.

## Club Privileges:

The GM/COO (and his/her spouse or family) shall be entitled to full club privileges without charge. The club shall furnish without charge suitable living quarters for the GM/COO and GM/COO's family, which they shall occupy as a condition of the GM/COO's employment and for the convenience of the club.

## Arbitration:

Any controversy or claim arising out of, or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Any decision rendered by the arbiter(s) shall be final, conclusive and binding upon the parties, and may be entered as judgment in any court having jurisdiction thereof. Notice of a demand for arbitration shall be sent in writing to all parties to this Agreement. The demand for arbitration shall be made within a reasonable time after the dispute has arisen.

## Inurement:

This Agreement shall be binding upon and shall inure to the benefit of the club and its successors and assigns, but shall not be assignable by the GM/COO.

## Notice:

Any notice required to be given by this Agreement shall be effective only if in writing, and delivered personally, or sent by first class mail, postage prepaid, if to the GM/COO, addressed to the GM/COO at the GM/COO's last known residence, and if to the club, addressed to its last known business address, or to such other address as either party shall have specified by notice given in the manner described above.

## Extension:

Unless either party to the Agreement gives written notice to the other prior to \_\_\_\_\_ days before the end of the term of this Agreement of an intention to terminate the Agreement, this Agreement is extended for an additional period of \_\_\_\_\_ year(s) beyond the period stated in this Agreement under the same conditions and terms as contained in this Agreement.

## Severability:

If any one or more of the provisions of this Agreement shall be held unenforceable or invalid, the enforceability and validity of all other provisions of this Agreement shall not be affected thereby.

## Waiver:

The waiver by either party to this Agreement of a breach of any term of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

## Entire Agreement:

This instrument contains the entire agreement between the parties and may not be amended in any way except by agreement in writing and signed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
By \_\_\_\_\_  
Title \_\_\_\_\_  
GM/COO \_\_\_\_\_

# EMPLOYMENT AGREEMENT PREAMBLE

This AGREEMENT, being entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and terminating (see note-1), 20\_\_\_\_, is by and between the \_\_\_\_\_, located at \_\_\_\_\_ (the "Club"), and \_\_\_\_\_, of (the Employee).  
(city/state) (city/state)

The club is organized under the laws of the State of \_\_\_\_\_ for the purpose generally to provide recreational activities for its members and promote friendship for all as a private (country) club, and desires the services of Employee in the management of its business, and to obtain the services of Employee, Club is willing to compensate Employee certain sums and benefits each year, as set forth herein.

Employee is willing to devote his/her entire time and abilities to the management of the business of the Club and to serve in the capacity of (General Manager) (Manager) of same under the terms and conditions as set forth herein.

In consideration of the contents herein, and the mutual benefits as to each of the parties, IT IS AGREED AS FOLLOWS:

## 1. Employment

1.1 Employee shall be appointed General Manager or Manager (Note: the remainder of the wording in this sample contract assumes the appointment of a General Manager) of the Club and shall have general charge and supervision over its business and employees with authority to make all authorized purchases, employ and discharge other employees, perform his/her duties as are set forth in the job description of General Manager, as may be amended from time to time by the Board of Directors (a copy of the current job description is attached hereto and incorporated herein by reference), and to do all authorized things necessary in the conduct of said business under the general supervision of the President of the Club and subject to and in accordance with the orders and directives given to him/her from time to time by the Board of Directors or its authorized subdivision thereof.

1.2 Employee agrees to perform the duties assigned to him/her faithfully and to the best of his/her abilities, to devote his/her full time to the transaction of the Club's business, to give the Club prompt, complete and accurate reports of his/her work, task completion generally and expenses, to remit to Club all funds of the Club collected by him/her or coming into his/her possession and not to engage or be engaged in any other business during the existence of this Agreement. Further, Employee agrees to willingly obey all rules, regulations, policies and special instructions and directives applicable to him/her, and he/she will constantly endeavor to improve his/her ability and knowledge of the business of the Club in an effort to increase the value of his/her services for the mutual benefit of the Club and him/herself.

## 2. Compensation and Benefits

2.1 The Club will compensate the Employee as follows:

- a. An annual salary agreed to by the Club and Employee, (the specific dollar amount is contained in the current FY budget documents) less standard deductions as required by law. The Club agrees that Employee will be considered, at time of annual review, for a merit increase in base salary. Such merit increase shall be no less than a cost of living increase. The cost of living increase will be determined by reference to The United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index.
- b. Participation in the Club major medical; dental, disability, group life and pension programs, if available, which benefits shall never fall below the previous year's level of benefits.
- c. Funding to support continuing membership in professional organizations which membership serves in the best interest of the Club and Employee, along with funding to attend local and national meetings of said organization, consistent with the budget; and funding to support continuing professional education, which may be provided by the professional association or civil universities/colleges, consistent with the budget.
- d. A bonus based on the overall performance of the employee shall be given in the month following his/her anniversary of hire, and shall be provided in addition to the annual increase in compensation. This bonus will represent a percentage of the gross annual salary, and be funded by monies made available in excess to the net operating budget. If such funds are not available, said bonus will not be offered, or an amount less than the agreed to percentage of gross wages will be offered. The offering of the bonus, shall in no way, substitute for any other compensation offered by the terms of this agreement. (See note-2)
- e. Any other such benefits given Employee of the Club or as the Board of Directors may deem appropriate. (Note: these benefits could include, laundry/dry cleaning expenses; clothing, automobile, and automobile insurance expense reimbursement up to a dollar limit; housing allowance; off-site club membership, Tax and/or Legal Services, Child Care, Bereavement Leave, etc.). (See Note-3)
- f. Vacation is authorized in accordance with current Club policy.

## 3. Public Relations

3.1 Employee acknowledges that positive public relations with all of the groups with whom the Club does business, including but not limited to officers and members of the Board of Directors, members, other employees and the public generally, is a primary function of the duties of the Employee. Employee agrees to use his/her best efforts to accomplish this objective.

## 4. Review

4.1 It is the intent of the parties to perform periodic employment evaluations of all employees of the Club. The purpose of these evaluations is to obtain improvement in areas which are in such need and to communicate any modifications of the day-to-day duties and responsibilities of the Employee. This review/evaluation will be consistent with established Club policies, a copy of which is attached to the Agreement. Said policy, may, from time to time be amended, to remain consistent with the directives of the Club.



**5. Non-Compete (See Note-4)**

5.1 In the event the Employee voluntarily terminates his/her employment with the Employer, the following restriction regarding subsequent employment is defined:

5.1a. Employee will not be employed as a General Manager or Club Manager in a private (See Note-5) within a radius of 75 miles (Insert name of Club) for a period of 18\* months. (\*Time should be determined by Employer.)

**6. Term; Termination; Payout**

6.1 This Agreement shall continue in full force and effect as established in PREAMBLE, or until terminated as set forth below:

- a. The Club shall have the right to terminate this Agreement "for cause" until the Agreement by its terms terminates. "For cause" terminations of the Employee include, dishonesty, intentional misconduct or grossly negligent conduct or omission of his/her duties or responsibilities, or insubordination. The termination must be ordered by a three-quarters (3/4) vote and written consent of the entire Board of Directors.
- b. Any termination by the club hereunder must be by notice in writing, and the Club may make the termination effective immediately or on any date it shall fix.
- c. Notwithstanding the above, in the event the Club gives notice of termination to Employee without cause, the Club shall continue to compensate Employee on a monthly pay schedule not to exceed, nor less than, the then current annual level of compensation and benefits paid at the year of termination for a period of (See Note-6) after the date of said notice of termination. (Note: you may desire to include providing outplacement costs, the wording of the severance letter, etc.).
- d. Any termination by Employee must be by notice in writing a minimum of thirty days prior to said termination.
- e. This Agreement shall terminate automatically in the event of Employee's death.
- f. In the event of Employee's disability whether through illness or otherwise, which affects Employee's ability to perform his/her duties under this Agreement, Employee's employment under this Agreement may be terminated, at the option of the Club, upon thirty (30) days written notice to Employee. (See Note 7).

**7. Assignment; Governing Law**

7

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This Agreement shall constitute the complete agreement and shall supercede any previous agreements as between parties. There shall be no modification to same without a unanimous vote of the entire Board of Directors and the written consent of both parties. The terms and conditions herein shall be binding on and inure to the benefit of the parties and their heirs, personal representatives, successors and assigns. This Agreement shall be governed by the laws of the State of \_\_\_\_\_.

\_\_\_\_\_  
(Typed Name)  
PRESIDENT

\_\_\_\_\_  
(Typed Name)  
EMPLOYEE

\_\_\_\_\_  
(Typed Name)  
WITNESS

\_\_\_\_\_  
(Typed Name)  
WITNESS



## **NOTE 1 OF EXPLANATION WITH REFERENCE TO “TERMINATING” AS SET FORTH IN THE PREAMBLE**

1. You may insert a specific date, i.e., 31 December 2020.

OR

2. You may desire to add the following language to the PREAMBLE to define the date of termination.

a. Insert "Refer to date below."

b. Immediately preceding the paragraph "The Club is organized ...." Insert the following:

"(Three/Four/Five) years from the date of entered into, indicated above. If there is no activity initiated by either the Club or Employee with reference to reducing the number of years stated hereto, this agreement shall continue in force (roll-over) for an additional twelve month period, thereby maintaining in tact the initial length of the Agreement. If, however, either the Club or the Employee, desires to reduce the initial years of this Agreement, the party desiring the change shall notify the other party, in writing, not later than one hundred and twenty (120) days prior to the anniversary of the date of this Agreement. It is further agreed that this Agreement will not be reduced more than the twelve months just completed. In the event both parties are unable to agree, the conditions set forth in paragraph 5.1c. shall be implemented."

## **NOTE 2 OF EXPLANATION WITH REFERENCE TO “ANNUAL BONUS”**

The inclusion of a "bonus" in this contract may require an annual review of the agreement, unless a percent of gross wages can be agreed to by separate document. Since the monies to fund the bonus result from an excess to the operating needs of the club and may not be available to fund the bonus, any specific requirement written into this agreement should be considered with great thought. A specific Bonus Plan Document should be prepared and be "stand alone" to your contract.

## **NOTE 3 OF EXPLANATION WITH REFERENCE TO “ADDITIONAL BENEFITS”**

Ensure that any additional benefit outlined in this paragraph is completely spelled out. You will also note a dollar value IS NOT inserted into the contract. Since monetary values are a function of the budget and should not be included in the contract, you must ensure all additional benefits are fully funded.

## **NOTE 4 OF EXPLANATION WITH REFERENCE TO “NON-COMPETE”**

Inserting this paragraph into the employment contract will cause the employee to think twice about departing his/her current employer for a like position in the community. It should cause prospective local employers to resist the temptation of "going after" your employee. The threat of impending litigation by you against your Employee is the only deterrent.

## **NOTE 5 OF EXPLANATION WITH REFERENCE TO “IDENTIFYING THE COMPETITION”**

To eliminate any misunderstanding regarding the type of private club you consider as a “prospective local employer,” and therefore a threat to your existing Club/Employee relationship, you MUST eliminate any potential ambiguity by specifically stating in exact terms what you mean. For example: (to be inserted in this space) Country Club, City Club, Faculty Club or Athletic Club. Do not identify any of these by name. A country club could be further defined as, “member-owned, with an 18-hole golf course, etc.”



**NOTE 6 OF EXPLANATION WITH REFERENCE TO TERMINATION  
“WITHOUT CAUSE”**

6.1c. In preparing your contract, one of the more significant parts is the length of time you will continue to receive benefits from your club. Generally, you will need the most when you have been employed the least, i.e., most "without cause" separations occur within the first two years and you will have not built much tenure. However, it must be understood that the "key leader" – and this is particularly true in the club management industry – is vulnerable to be capriciously dismissed within the first six (6) years of employment. Therefore, the severance should reflect this vulnerability thereby causing the board of directors to give much thought to the whimsical dismissal of their manager. For this reason, we recommend six months of severance pay for the first six years of employment. If this cannot be agreed to, then the following may assist in determining the period of time you will receive benefits:

Inserted at (See Note-6), "for the period indicated on the following schedule based on the calendar year in which the written notice of termination "without cause" is given by the club to the Employee:

<b>Calendar Year</b>	<b>Number of Months of Severance Benefits</b>	<b>Number of Years of Employment</b>
First Year	6	1
Second Year	6	2
Third Year	6	3
Fourth Year	6	4
Fifth Year	6	5
Sixth Year	6	6
Seventh Year	7	7
Eighth Year	8	8
Ninth Year	9	9
Tenth Year and Thereafter	12	12

**NOTE 7 OF EXPLANATION WITH REFERENCE TO “DISABILITY”**

If you are covered by disability insurance, the definition of your eligibility to receive payment results from the determination of your ability to perform any portion of your duties as required by the Employer. If not covered by insurance, you might seek professional advice before accepting termination under this paragraph.

Although not a part of the contract, you may want the following statement to be included in the **Bylaws** of your club:

"GENERAL MANAGER'S DUTIES (Note: If you are the CHIEF OPERATING OFFICER, the wording contained herein should reflect your actual title): The General Manager shall serve in the capacity of the Chief Operating Officer of the Club, and as such shall implement the policies established by the Board of Directors. He/she shall be completely responsible for all phases of management and accountable to the Directors for performance of all Club employees and for all operating results. He/she shall report directly to the President, and shall directly supervise all department heads, including the Clubhouse Manager, all Professionals, Golf Course Superintendent, and the Controller/Auditor. He/she shall develop operational procedures (policies) and be responsible for the creation and implementation of standard operating procedures for all areas of the Club's operation; shall advise the Board from time to time as to relevant provisions



of the Bylaws, pertinent items of the Club's fiscal policy, and other operating procedures and policies; and shall manage and control the Club's operations so as to meet the budgets adopted by the Board. The foregoing notwithstanding, the General Manager shall not have the power or authority to enter into or approve any contract or commitment which will be binding on the Club for a period of more than one (1) year, nor to enter into or approve any employment contract which is not cancelable by the Club at will, without the express, prior approval of the Board of Directors.

\*\*\*\*\*Disclaimer\*\*\*\*\*

This document is provided to individuals/clubs to serve as a guide in the preparation of a contract between the parties. It is reviewed and changed to offer realistic information. If it is used without change, as a minimum, it should be reviewed by competent legal authority.

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