

COLLABORATE

www.proponent-group.com

Summit Golf Brands to Provide Outstanding Apparel Discounts for Proponent Members

Summit Golf Brands, which encompasses Fairway & Greene, EP Pro and Zero Restriction brands, has stepped up to provide Proponent Group members with a very generous Personal



Use Discount program. The program was rolled out at the PGA Merchandise Show and the early response has been so positive that Summit has now signed a new three year agreement to be Proponent Group's exclusive apparel supplier.

Proponent Group members will be able to purchase any item in any of the company's three brand catalogs at **50 percent off regular wholesale** with the brand logo and **30 percent off regular wholesale** without the brand logo.

In addition, free product can be earned by submitting a one- to three-minute instructional video filmed while wearing product from any of our brands. The videos will be used on the Summit Golf Brands websites and Facebook pages. Proponent Group members are allowed to submit one video each season – one for Spring (January through June) and one for Fall (July through December). Each video will be approved for content and upon approval you will receive two shirts and one layering piece of your choice from current product lines. All videos should be submitted via email to media@summitgolfbrands.com.

Summit Golf Brands also will have a rep at our upcoming Annual Summit at Cog Hill in October who will have the line available to review and to take orders. We expect to have a similar trunk show at the 2013 PGA Merchandise Show. To place an order call 800-926-8010 and ask for the Proponent Group account.



Proponent Group members can order PUD from EP Pro, Fairway & Greene and Zero Restriction.

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Member Milestones

PROPONENT NEWS

Insurance Guide, Teaching Building Survey, Vision54 Webinar and Swingbyte Now on Board

Upcoming Webinar: Lynn Marriott and Pia Nilsson On Golf Instruction's Missing Ingredient

Two of the most forward-thinking coaches in the game today are the Proponent Group members Lynn Marriott and Pia Nilsson. In this new webinar—their first presentation exclusively for Proponent



Group members—Lynn and Pia explore the reality of a golf experience and what truly influences how golfers play and perform, along with the factors that matter most to their enjoyment level.

Titled: Golf Instruction's Missing Ingredient: Enhance Your Coaching Skills to Complement Your Technical Knowledge, the webinar will cover important skills to integrate into your teaching and coaching—skills that complement your technical knowledge of the swing and make you more effective in improving your students' games.

If you haven't heard Lynn and Pia before, do not miss this opportunity to learn about their approach.

The webinar goes live at 5 pm EDT on Tuesday, September 11. The link for the webinar will be sent in advance to all members.

New Member Benefit: Teaching Building Survey Updated with Twice as Much Data

We are always getting questions from members about the specifics involved in building a teaching building. In August, Proponent Group completed a



significant upgrade to our original Teaching Building Survey from four years ago. The new survey include more than twice as much data from twice as many buildings.

It is available through the link below or by logging on to proponent-group.com, then click on the Business Guides menu.

New Member Benefit: Instructor Insurance Guide Now Available

Do yourself a big favor and read our exclusive eight-page Instructor Insurance Guide which was released in August and is written specifically to cover the insurance and business-risk issues facing Proponent Group members. If you find that you aren't sure if your coverages are appropriate for your situation, contact your insurance agent.



Or, better yet, talk to the guide's author, Byron Shultz, a Proponent Group member who was a full-time instructor for many years before entering the insurance business where he now specializes in golf industry insurance issues.

Don't jeopardize all of your hard work – and possibly your career – by not having adequate protections.

To access the guide, log in to proponent-group.com, then click on the Business Guides menu and scroll down to the Instructor Insurance Guide.

New Proponent Partner swingbyte Brings Real-time Swing Data to Your Students Swings

Proponent Group is proud to have **swingbyte** as our newest partner com-



pany. Swingbyte was one of the most talked about new product at this year's PGA Show. Weighing less than an ounce, it attaches to any golf club and captures club data in real time – including clubhead speed and acceleration at all points through the swing, angle of attack, tempo and club plane from address to impact – and sends the data via Bluetooth to a mobile device.

It can be used to gather data during lessons or it can be resold to students for use during their practice sessions. Wholesale is \$99 and retail is \$149. You will have a chance to try the Swingbyte when the company participates in our demo day at the upcoming Proponent Group Annual Summit in Chicago.

YOUR BUSINESS

Memo to Instructors: You're Overpaying for Credit Card Processing

By Niles Crum, PayPros

As a golf instructor, you've got a long list of business priorities. Way toward the bottom of the list would be costs associated with credit card processing. Most teaching professionals rely on their local bank to protect their interests in the use of these services. You assume the bank is obtaining proper service for you at a reasonable price. It adds up to a recipe for lower profits. Let me cite just two examples from my experience in reviewing merchant accounts within the golf industry:

- One golf instructor was using his local bank for credit-card processing and in the process that bank was charging him a rental fee of \$175 every month for his processing equipment. He could have purchased the equipment brand-new for \$350!
- Another member was using an outside vendor who was charging him a \$40-per-month processing fee for an account that had been inactive for over two years.

The credit card processing industry is complex, with several parties making money on each transaction your business generates. On a very simplified level, you pay three sets of fees:

1. An Interchange Fee. This is the fee set by the credit card associations (Visa, MasterCard, Discover) for each credit-card type. It is earned by the card-issuing bank. The exact percentage of the transaction varies according to a wide range of specific criteria such as what type of credit card was used, what is being purchased, the timing of the settlement, and many other factors. This is why you must be careful when someone quotes you a rate without an in-depth evaluation of your business. There is no "one rate". Interchange rates vary from 5 basis points plus \$.22 to 3.25% plus \$.10 and are adjusted twice yearly.

2. Card Brand Assessments. This is the revenue earned by the card brands (Visa, MasterCard, Discover).

Essentially, they earn 11 basis points plus 2 cents per transaction. They also have several additional fees that come into play based on how you process the transaction.

3. Processor Fee. These are fees charged by your merchant service provider. The processor "marks up" interchange in a variety of ways and can tack on many "additional fees" at its discretion including bloated application fees, batching fees, authorization fees, annual fees and on and on.

When our company comes in and evaluates your monthly merchant statements, we provide a written analysis listing all of these fees from your current supplier and comparing them to our fees for the same service. That's the only way to know for sure if you are getting the lowest possible price.

For an evaluation to be thorough and meaningful, it must compare all fees the processor charges, not just the discount rates. Moreover, you must be sure to compare their written quote with the actual legal pricing disclosure you will be asked to sign. Often we find they don't agree.

Finally, find out whether the processor allows you to use your existing bank or whether it requires you to set up a merchant account with its bank. Processors are willing to deposit funds to any bank, if you make your preference clear.

NOTE: A portion of PayPros proceeds from Proponent Group member accounts is returned to Proponent Group to support our educational events throughout the year.



Our Proponent Partners:



JC VIDEO
MOTION ANALYSIS



A complete analysis
of your game™



Fix your game.



zeroRESTRICTION

MAXIMIZE YOUR MEMBERSHIP

PG's Allied Consultants: Top Specialists For Your Individual Business Needs

By Lorin Anderson, Proponent Group President

When you hear the word “consultant” you probably think of “a suit” at a conference table poring over reams of data or options and trying to distill it all down to his or her client’s needs. I was in the corporate world and sat in plenty of these meetings. The reality is that some consultants are incredibly helpful and save you lots of money and time and others are not so helpful. The other reality is that as a golf instructor you probably haven’t thought much about using consultants.

But over the past year I’ve been helping Mike Bender as he has been going through the process of building a new academy. Mike and I relied on more than a dozen consultants throughout the process. We’ve had consultants in construction permits, audio and video system wiring, fitness equipment, agronomy, security systems, site work, electrical transformers and many others help Mike through the maze of options, costs and maintenance issues that every decision will affect. Without any doubt, these consultants saved Mike tens of thousands of dollars in mistakes we otherwise would have made.

What I’ve come to realize as Mike and I have zig-zagged through this arduous process is that all of us are specialists and when we venture out of our comfort zone and our area of expertise, it becomes very easy to make big mistakes. While I’m not suggesting you seek a second opinion before making every business decision, I am strongly suggesting that from time to time, paying a consultant to find out all of your options can lower your expenses, save you time and offer you peace of mind.

My goal every day is to make your membership more valuable so that you can run your business as efficiently as possible. As Proponent Group moves forward we are now launching our own select group of Allied Consultants. Before adding anyone to our Allied Consultant list, they will have demonstrated deep knowledge of the golf instruction industry so you can be assured they understand your business needs. Each will offer members a free initial evaluation and consultation. Depending upon the scope of the work involved, additional fees may be involved for additional one-on-one consulting.

To kick off the program I would like to introduce our first three Allied Consultants: Matt Brown, Bob Mulcahy and Niles Crum. A brief background on each is included here. For additional details on the services they can provide and contact information, visit the Allied Consultants page on the members website. More to come soon.

Matt Brown

Golf Academy Development and Strategic Planning



Since 1998, Matt Brown has worked within the golf instruction industry as a Director of Instruction, a Biomechanist, an Elite Junior Swing Coach, and a Director of Golf Instructor Training. In addition to those roles, Matt has been heavily involved in the management of the ‘business’ of a golf academy while overseeing the operations, logistics, finances, and staffing. He has worked

with IMG Academies and the David Leadbetter Golf Academy and was part of the management team building the Gary Gilchrist Golf Academy from inception.

Matt has an MBA from the University of Central Florida with a specialization in Entrepreneurship. Matt exhibits a unique understanding of what it takes to plan, build, and sustain a successful golf academy in today’s economic climate. For a complete list of Matt’s services, visit the Allied Consultants page on the members’ website.

Bob Mulcahy

Career Counseling and Contract Negotiations



Most of you know Bob Mulcahy as the CEO of Golf Business Network. Proponent Group has retained Bob to help our members with their contract negotiations and for career counseling when you are considering making a change in your employment.

Over the past decade, Bob has helped hundreds of golf professionals and golf instructors understand the negotiations process and how to best structure their compensation and benefits packages in a difficult economy. Bob’s one-on-one consulting is included in your membership.

Niles Crum

Credit Card Processing



Niles Crum is a long-time friend of Proponent Group and has helped some of our members save more than \$1,000 annually on their credit card processing fees. Niles is a competitive amateur golfer and a great example of his expertise can be found in the article on page 3. He is available to provide a comprehensive review of your current processing fees at no charge.



Summit 2012

Cog Hill G.&C.C., Lemont, IL Sept. 30-Oct. 2

What's the Big Idea?

Businesses flourish when they have access to the bold-est and brightest ideas. This Fall Proponent Group brings together more of these important ideas for your business than ever before. Many of the game's top teachers will share their Big Ideas for what's next in golf instruction. Come for the networking. Come for the Ryder Cup. Come to try the new teaching technologies and training aids at Demo Day. And, most of all, come for the Big Ideas that will absolutely, positively grow your business.

Host Site: Cog Hill G.&C.C., one of the world's premier public golf facilities and long time host of the Western Open, is conveniently located 35 minutes from Chicago O'Hare International airport.

PGA/LPGA Education Credits: Agenda will be submitted to the PGA and LPGA for continuing education for association members. Approximately 13 hours of education will be included in the summit.

Lodging: Proponent has a special summit rate at the Marriott - Burr Ridge for only \$129 per night SINGLE OR DOUBLE occupancy. Contact the Marriott directly at 630-986-4100 to reserve a room. Room block will likely sell out, so book your room early.

Cost: Includes all meals and all sessions for *only* \$445 for our full members. Associate members are welcome to attend for \$495. Optional golf on Cog Hill #4 is an additional \$50 (tee times are limited and will be filled first-come, first-served).

Registration: The summit is currently full, but we are keeping a waiting list. If you'd like to add your name to the wait list, login to www.proponent-group.com and on the Education Events page you will find the Summit Registration link.

2012 Proponent Group Partners:



Summit 2012 Line-up

Sunday, September 30

11am-5:00 pm Check-in at Marriott - Burr Ridge

11:00-5:00 Ryder Cup Viewing party at Marriott - Burr Ridge

1pm Optional Golf on Cog Hill #4

7:00 pm Cocktail party at Marriott - Burr Ridge

Monday, October 1

7:30-8:30 am Breakfast

8:30-8:50 What's the Big Idea?

8:50-9:10 Keys to More Renewals/Referrals

9:10-9:30 Lesson Language: Why It Matters

9:30-9:50 Prescriptions for Motor Learning

9:50-10:10 How to Dominate Your Market

10:10-10:30 The Perfect Lesson Experience

10:30-10:45 BREAK

10:45-11:05 Use Games to Speed Learning

11:05-11:25 Why You Must Teach a Method

11:25-11:45 The New Competitive Golfer

11:45-Noon Sponsor Spotlight

Noon-1:00 pm Lunch

1:00-2:15 pm Putting (Kevin Weeks)

2:15-3:30 pm The Art of Teaching (Dr. Jim Suttie)

3:30-5:45 pm Demo Day

6:00-8:00 pm Dinner at Cog Hill clubhouse

Tuesday, October 2

7:30-8:30 am Breakfast

8:30-8:50 The Power of 6 & Under

8:50-9:10 Training Aids: From Idea to Market

9:10-9:30 Valuing a Great Teaching Program

8:50-9:50 Flip Your Classroom

9:50-10:10 Computer-based Lessons

10:10-10:30 Why You Need an Advisory Board

10:30-10:45 BREAK

10:45-11:45 Q&A with all "Big Idea" Presenters

11:45-Noon Sponsor Spotlight

12:00-1:00 pm Lunch

1:00- 3:00 pm How to Utilize New Ball-flight and Golf Swing Science to Improve your Teaching (Brian Manzella)

What I've Learned: Jeff Ritter

Social Media Innovator, Phoenix, AZ

Interview by Paul Ramee, Jr.



Proponent member Jeff Ritter teaches at Raven Golf Club Phoenix, an OB Sports property and the headquarters of Jeff Ritter Golf. Known for his high-energy teaching style and multi-media skills, Jeff has reached a wide golf audience through appearances on outlets like ESPN, Golf Channel and Sirius XM Radio. Golf Digest voted Ritter one of its Best

Young Teachers in America. Meanwhile, his self-produced YouTube video content has yielded unsurpassed exposure for him in that medium. The slickly produced Jeff Ritter Golf iPhone app is one example among many of the initiatives Jeff has undertaken to build his teaching brand. This article continues our one-on-one interview series featuring a diversity of insights from accomplished Proponent Group members.

We often start by asking the interviewee what drew them to the golf profession. In this case it's simple, you're a second-generation PGA member, correct?

That's right. My dad, Doug Ritter, was a club professional at Meadia Heights Golf Club in Lancaster, Penn. In 1997 he won the Bill Strausbaugh Award on the national level, which I remember very well.

You must have spent plenty of time at Meadia Heights.

I was around the club all the time. Looking back, I can see that I was into figuring out golf swings from a very early age. By the time I was 16, I had members asking me to look at their swings and get them straightened out. I was always watching golf swings on video—old VHS cassette tapes. I guess I fell in love with teaching at an early age. The guys on my high school team would come to me as well, and I'd give them golf lessons.

Along with your father, who has influenced your style of teaching?

After college, I worked for Dave Pelz and learned a great deal being around him. I also took lessons from Mike LaBauve and he ended up becoming a mentor to me. As I went forward in my career and ran into challenges, I would generally ask, "What would Mike do?" He's been an important person to me and a big supporter of my career.

Why do you love teaching and did you ever consider the traditional club pro direction like your father?

Once you get established in this field and attain some success, to me what you come to love are your actual students—and those moments when you're able to problem-solve successfully as you work with them. That's what really motivates me, the daily problem-solving aspect of teaching. People come to you with a problem or with certain goals and you have to help them resolve the problem or else chart a course to accomplish their goals.

Explain how you built a global audience for yourself?

I realized that plenty of golfers live outside populated areas and don't have much access to golf professionals, so I decided that I was going to try to push my message. About seven years ago, I began taking my message to the masses through the Internet.

It sounds logical enough now but even seven years ago there was much less precedent for this kind of distribution of services by someone in a profession.

Exactly how to go about it wasn't clear, but in general I did realize that the only thing holding me back was myself. I knew I had something of value. I also knew that I wanted to make it as big as possible and I wanted to get started. Once you switch your mental attitude and realize you have something of value you need to get it in front of people.

"The industry is definitely hurting, but not for everyone. If you insist on sticking to old ways of doing things, there isn't much opportunity or upside. The way I see it, there are enough golfers for all of us, as long as you know how to leverage them."

- Jeff Ritter



How did you do that?

In 2007 I posted a clip of my golf instruction. In one day it had 112 views. I was pleasantly surprised. It was at that point that I challenged myself to get more content posted.

How did you build on that initial audience of 112 viewers?

I started producing more short clips. When there was time between lessons I would get the camera out and tape segments. I stuck with that belief, that if you've got something of value the people will watch it. What I notice is that golf professionals are pretty reluctant to give anything away for free, but video and the Internet are a medium and a platform you can't ignore. Since

2007 I have had over four-and-a-half million viewers on my YouTube channel and a large portion of that audience came from outside the United States.

How has that audience and that response translated to business activity for you?

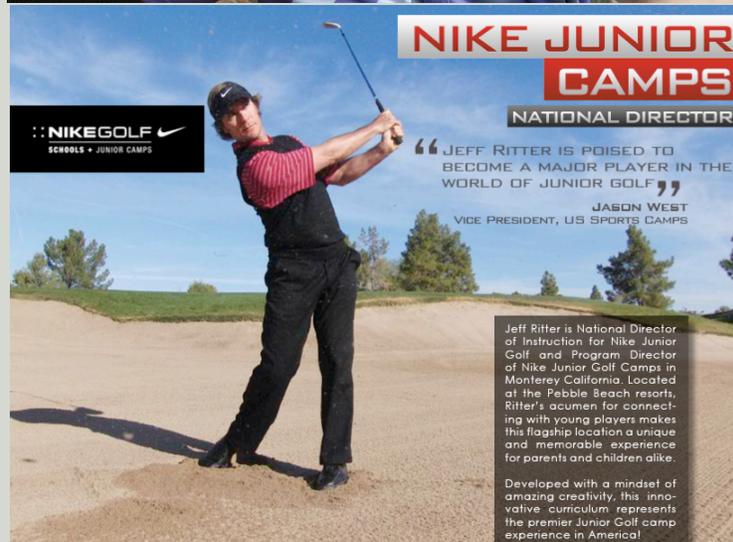
The viewers have driven so much business to me, it's hard to measure. I have touring professionals from Australia coming to take lessons. Recently I had three amateur golfers show up as new students—they each took a daily lesson from me over 30 days. Even more amazing, they had flown in from Korea! When I ask people how they heard of me, 100 percent of them say it was through YouTube.

As you assess production values and the quality of the content, how have your YouTube videos evolved since you started doing them?

Obviously, they have gotten better, mainly because I have done them more frequently. In general I've become more comfortable and articulate in front of the camera. Not long ago a production crew came to me. They were shooting footage for a golf instruction show that was going to air on television. Turns out I was one of four instructors they had selected to provide content. The other three had done their taping before me and each of them took a full day to capture their content. When it was my turn, we wrapped it up in one hour. That was a matter of experience and how much more comfortable I was in front of the camera than the other three instructors. Now every time they need some content that crew calls me exclusively.

What do you think of the current state of the golf industry?

The industry is definitely hurt-



ing, but not for everyone. If you insist on sticking to old ways of doing things, there isn't much opportunity or upside. The way I see it, there are enough golfers for all of us, as long as you know how to leverage them. You need to have passion and inspire people. You need to learn how to create content and you need to learn the power of branding yourself. We have to switch our mental attitude and absolutely not apologize for promoting ourselves.

What mistakes did you make in the beginning with respect to content?

I was pretty typical in that I didn't have the entrepreneur's mindset. I only saw the money going out, not the potential for money to come in. It takes an investment of time and money to create content. I had the mistaken idea that I couldn't afford to do that. It was actually the opposite: I couldn't afford not to create content.

What do you think the consumer is looking for?

Obviously, they are looking for value and if your message looks and feels like it is quality, then they will come back and view other content. Our consumer is very smart and has a lot of options. By using a diverse social media offering I have learned how to leverage a larger clientele, through an eBook, through an I-Phone App which returns me income on a daily basis. That platform has created "passive revenue" for me.

What advice would you have for young instructors?

Visit and watch as many of the great teachers as possible. Watch the really skilled instructors and don't concentrate on those that just create a high volume of students. Put yourself in a position to teach and look for positions that are part of an ingrained "learning environment."

PARTNER SPOTLIGHT: GURU TRAINING SYSTEMS

Innovation Grows Your Business

Golf Routine. Muscle Memory. But what if your students are practicing incorrectly?

Your goal: to make your students better golfers. Each lesson, each day.

Their goal: to become a better golfer. Each lesson, each day?

The feedback from Golf Professionals is always the same: “My students do not have time to practice between lessons.” Or even worse: “My students are practicing—by repeating 150 swings incorrectly which produces poor outcomes.”

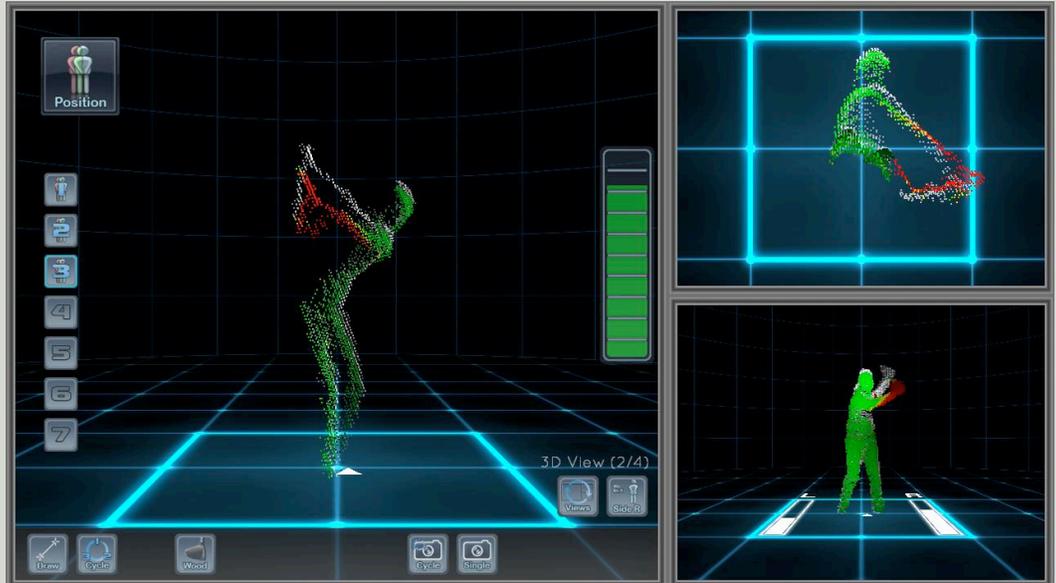
This conclusion has inspired Guru Training Systems, a Belgium-based company now partnered with the Proponent Group, to deploy the latest gesture-recognition technology available on the market. The result is a new tool within the software called: The ‘Position’ feature.

Already available for golf professionals since the 2012 PGA Merchandise Show, the ‘Position’ feature is a one-of-a-kind tool of Swinguru Pro. Swinguru Pro is a swing-analysis software system using a single 3D depth-sensing camera. This technology records and analyzes the golfer’s body motion in 3D and real time, without any markers. Swinguru Pro also offers a 3D swing record and replay features with automatic visual indicators, a video exporter, a library and other features.

The concept of the ‘Position’ feature works like this: An Instructor may decide to “break down” and record up to 7 key ‘positions’ or ‘poses’ of the student. Those poses are real three-dimensional figures of the student and are recorded in his personalized profile. Each student is able to work on his swing sequence in order to reach his perfect swing appropriate to his own technique and morphology.

Sébastien Wulf, the company’s CEO, calls this technology a natural execution of Swinguru Pro’s mission. “Our goal is to bring unique tools and features to Golf Instructors,” says Wulf. “It is important for us to offer a variety of tools to let the Instructors use their own teaching methods and personalize each lesson. I have already heard of many different ways to use the ‘Position’ feature. Some instructors ask their student to start each lesson with 10 minutes of Position Matching. This allows them to intuitively get back into the ideal swing positions their Pro recorded and saved for them. Many Instructors record seven positions from start to finish of the swing while other Pros focus on three positions: address-top-impact.”

It’s also important to mention that with this single camera, you are able to switch up to five views: front view, top view, side view (back or follow thru), video or even balance plate.



Swinguru Pro is a swing-analysis software system using a single 3D depth-sensing camera.

The Belgian company offers what it calls the “Cycle Mode.” After the ‘Position’ poses are recorded, the student moves into these saved positions one after another. When the user matches one position perfectly, depending on the selected level of difficulty (easy-medium-hard), the system automatically goes to the next recorded position. This feature is not only visually interactive but also gives audio feedback. This feature means the student can potentially practice with his eyes closed and work on his game without the golf instructor present.

PGA Master Golf Professional Roel Timmermans has seen the technology produce highly impressive practice sessions. “With the ‘Position’ feature,” says Timmermans, “the student is sure that he is repeating and practicing the proper method. The system is versatile, meaning teaching professionals can leave it in their work area or rent out the system to members so they can come and work the right way.”

Sebastien Wulf outlines what will come next: “Because 3D cameras are slowly entering the consumer market,” Wulf notes, “our goal is to create a full teaching and learning experience that can be taken home. The concept is simple: After a lesson with a Swinguru Pro, the Instructor will be able to send 3D files with recommended skills and drills to each student. The student will eventually be able to practice at home in front of the computer or television using the Swinguru Home version. This creates a completely new and revolutionizing experience for golf learning and teaching. Innovation and new technologies are, without any doubt, the way to differentiate yourself versus other instructors.”

To discover this new teaching and learning experience you can download your free demo version of Swinguru Pro on www.swinguru.com.

Proponent Members and the IRS: Erika Larkin's Cautionary Tale

By David Gould, Staff Editor

This story—which has a reasonably happy ending—is one that Erika Larkin is eager to share. Her motivation is to help fellow instructors better grasp how tax authorities currently view the teaching profession. Bottom line: They don't understand your day-to-day business activities. Diligence in record-keeping is therefore essential, along with clear designations of how expenses and income are being recorded and categorized.

"I file jointly with my husband, whose income, like mine, is not based on standard paychecks from a single employer, although he does get a W-2 form," explains Larkin. "Last summer we got a letter from the IRS saying we were being audited for the tax years 2009 and '10—two consecutive filings, which apparently was rare in the past but may be happening more."

It was during that period that Larkin had moved up to Gainesville, Virginia to handle director-of-instruction duties at Stonewall Golf Club, a high-end daily fee with an emphasis on teaching and player development. Larkin's compensation was and is based on one of the common self-employment scenarios for teaching pros—paying rent and keeping 100 percent of lesson revenue. Obviously, that setup requires plenty of admin and bookkeeping, which Larkin liked to do in the quiet of her home office.

"Home-office deductions were a big flag for my husband and me," she says. "He had one and I had one. To the IRS, it looked like too much square footage—that just happened to be the rooms in our home that we chose to use as office space." It greatly helped that, upon inspection, neither room contained beds or den-style furnishings. Likewise, the money the Larkins had spent on paint, office equipment and basic decor like carpet were kept separate from expenditures on other areas of the house. "If you hire a painter to work in your house, get him to itemize the rooms, name the rooms and even specify paint color," Larkin advises. "The IRS auditor

came to our house and checked the paint on the walls against the painter's invoice."

This next part would sound odd to any self-employed person who hasn't been audited, but Larkin actually wrote a two-page memorandum to the IRS explaining why a golf instructor needs a home office—and other facts of the teaching life. "They didn't understand what I did for a living," she says flatly. "They thought maybe I was playing tournaments all the time." Her library of golf instruction books, for example, looked to the auditor like recreational reading—prompting another explanation of how a teaching professional operates.

Larkin's longest conversation with the auditor was about home-office deductions because, in her case, a much redder red-flag did not arise.

Yes, we are talking about unreported income. The Larkins ended up owing about \$3,000 to the IRS, plus some interest, but the verdict was that Erika had defined certain expenditures as business-related only to find that the tax code defined them differently. "In effect, we had to give back refund money that we had received," Larkin says. "I classified golf shirts, sunglasses and other items like that as business ex-

penses, and the auditor disallowed them. Still that's much different than if they think you are hiding income."

In essence, Erika should have been stricter with herself, understanding that expensive sunglasses to protect one's eyes on the lesson tee can be worn anywhere, at any time of day, and therefore can't be restricted to the category of professional gear. She had also reported screen-printed shirts and mugs used as camp favors for the groups of juniors she works with each summer. It was fortunate that Larkin is a habitual photo-taker, as her gallery of images contained pictures of junior golfers receiving their screen-printed items.

"The photos helped, of course, but I would tell fellow teachers that the invoice for the merchandise has to have as clear a notation as possible of what is printed on the items, what it's for—go overboard with detail on any pa-



perwork like that,” she says. Any tax filer who uses a paid preparer, especially a CPA, might guess that the preparer serves as a strict filter or firewall to keep out expenditures that aren’t going to pass muster. As a golf instructor, you again must realize that the work you do is misunderstood perhaps even by a CPA whom you’ve come to know well—even one you’ve given golf lessons.

Especially given that two tax years were investigated, the money the Larkins had to pay was fairly modest—although they also had to pay their CPA for long hours of research leading up to the audit. Going forward, greater precautions are the order of the day for Erika, including:

- Skipping the whole idea of “going paperless” and printing out documents like bank statements and cancelled checks. “Eventually the bank’s online archive won’t have them, and you’ll spend hours at the branch pleading for hard copies,” says Larkin. “That’s a nightmare.”
- Documenting travel expenditures with an “overkill” approach, in which the destination and purpose of the trip is noted repeatedly on all relevant itineraries and receipts.
- Paying for services in cash as seldom as possible. “Our cleaning service payments can be deducted on a percentage equal to the square feet of home-office space we use,” Larkin says. “But if we don’t have a cancelled check there is little chance of reporting that item.”

Above all, accept the fact that IRS auditors confront the full and complete array of occupations as they pore through tax returns in search of misdeeds, misinterpretations or miscalculations. They don’t consider it their responsibility to understand how your profession gets practiced and the nitty-gritty of how your business is run—so be ready to politely educate them.

And hey, when the audit is complete, you may even wind up with a new student.

Is Golf Instruction a Cash Business? You’re Better Off If It Isn’t

To augment Erika Larkin’s tax-audit tale, we consulted Jim Clements for expert advice on the part of your working life that involves paper currency. A principal in Clements CPA Group, of Lake Mary, Florida, Jim has lengthy consulting and tax-preparation experience covering many self-employment occupations, including golf instruction.

The view he takes of students paying golf teachers in cash is straightforward: It’s a potential problem with no real upside. “Picture the golf teacher at the end of the day, with six personal checks for \$100 and a hundred-dollar bill,” says Clements. “Will that teaching pro make a \$600 deposit and spend the \$100 in cash at the supermarket? The IRS is pretty sure that’s what’ll happen.”



Erika Larkin working with one of her students in Gainesville, Virginia.

As a result, during a tax audit the agent will be verifying that total Schedule C revenues exceed total deposits in your business checking account. The difference in the two figures consists of cash amounts you spent before they ever made it into your bookkeeping system—which right there is a case of income going unreported.

Clements suggests that you discourage students from paying in cash, but in the event they do you immediately deposit the cash and record that you’ve done so. If you should be the subject of an audit, you will be stating emphatically that this is your practice and showing documentation to prove it.

Methods of detecting unreported income are multiple in the IRS playbook, according to Clements. “One trigger is a 1098 Form that shows the size of your residential mortgage,” he says. “The computers hold that up against your reported income, to determine if it seems too small to support that big a home purchase. They’ll look at the car you drive and trips you’ve taken.” After seeing so many cases of hidden income producing an outsized lifestyle, the government has developed reliable radar for new instances of it. That’s radar you don’t want to show up on. – D.G.

MEMBER MILESTONES

Welcome August's New Proponent Group Members

Tyler Christensen, Expert Golf Instruction, Scottsdale, AZ – Full Member

Richard Franklin, Circle Systems Golf, Lake Forest, IL – Full Member

Jess Hansen, Jess Hansen Golf, Independence, MO – Full Member

Ian Hughes, GolfTEC - Naperville, Naperville, IL – Full Member

Branden Locke, GolfTEC - Wisconsin, Wauwatosa, WI - Full Member

Tom Mackey, Hay Harbor Club, Fishers Island, NY – Full Member

C.J. Meyer, Woodhill C.C., Wayzata, MN – Associate Member

Liam Mucklow, The Golf Lab, Vaughan, Ontario – Full Member

Michael Breed Named PGA's 2012 National Teacher of the Year

Proponent Group member **Michael Breed**, Head Professional at Sunningdale C.C. in Scarsdale, NY has been named the 2012 PGA of America's National Teacher of the Year. Well known for his hosting of The Golf Channel's The Golf Fix show every week, he has been a club professional for nearly 25 years including stints at Augusta National and Deepdale before landing at Sunningdale in 2000. Breed is author of two instruction books and is a prolific speaker having presented to 15 PGA Sections and at Canadian PGA events.



This was the fifth year in a row in which a Proponent Group member was chosen for the PGA National Teacher of the Year award. Breed follows **Todd Anderson**, **Mike Bender**, **Martin Hall** and **Mike Malaska** as the most recent honorees.

Proponent Group Associate Memberships

We're Looking for a Few Young Teachers to Become Associate Members

Proponent Group membership primarily serves teaching professionals with at least 10 years of full-time experience and we have no plans to grow larger than our originally stated plan to have 350 of these full memberships. Where we would like to grow the organization and help grow the next generation of top teachers is through our Associate Member option for younger, less-experienced teachers who show great promise as future leaders in the golf instruction industry.

These Associate-level memberships – also limited in number (currently we only have 35) – are for teachers with less than 10 years of professional experience but who show strong promise as instructors. Associate Members receive access to all of our educational archives on the members-only website, access to our events on a space-available basis and access to job postings as well as our newsletter articles.

Associate Membership in Proponent Group is \$295 per year and we are planning to grow this membership class to about 100 instructors over the next few months. We're looking for "diamonds in the rough" and if you know of a young teacher who would benefit from our resources and network, please pass along their name and we will gladly invite them to join.

These Associate Memberships have *no* bearing on our ability to service our Full Members as Associate Members do not have access to one-on-one consulting with our staff or personalized compensation or operations information.

Referrals may be emailed to landerson@proponent-group.com or call the office at 407-878-1235. Thank you for your assistance in helping us help the next generation of great teachers.

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The Premier Network of Golf Instructors

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