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## **Purpose**

The purpose of this policy is to:

- a. Define the Furlough Committee;
  - b. Define the criteria of the Furlough program; and
  - c. Outline the procedure of the Furlough program.
1. Furlough Committee
    - a. The Furlough Committee shall consist of: The General Manager (non-voting), The Chief Financial Officer (non-voting) and the Club President, Vice President, Treasurer and Secretary.
  2. Criteria
    - b. All individuals involved in the Furlough program should be aware that:
      - i. Example Country Club takes great value in its membership. The Furlough program has been designed to support members through difficult and unusual times.
      - ii. The Furlough program offers members the opportunity to retain their membership while focusing on improving their financial circumstances or dealing with short-term changes in their circumstances.
      - iii. In the event a member approved for the Furlough program becomes past due, the staff of ECC is empowered to pursue collections of past due receivables.
      - iv. The Furlough program is granted one time only per member.
      - v. Resident, Pre-Resident, Intermediate, Social and Pre-Social members may be considered for the Furlough program at the discretion of the Furlough Committee.

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### 3. Procedure

- a. A member pursuing Furlough will compose a formal and detailed letter in writing to the Furlough Committee outlining the circumstances for the request. Additionally, a Furlough applicant is required to submit a repayment plan and schedule to the Club's Chief Financial Officer. These documents should be mailed to the Club; attention to "Director of Membership."
- b. Upon receipt of a letter, the Club's Director of Membership will contact the member and make arrangements for an interview with the General Manager and CFO.
- c. Pre-Screening:
  - i. If deemed appropriate by the General Manager and CFO, the Furlough Committee will meet a potential Furlough candidate at a scheduled meeting time.
  - ii. The CFO will coordinate with the Director of Membership to manage a detailed list of all Furloughed members, Furlough approval dates, Furlough extension requests and approval dates, and past due balances.
  - iii. The Furlough Committee will review a monthly status report of all Furloughed members and will provide the Board of Directors with a monthly summary report.
  - iv. There will be a maximum of 10 Membership Furloughs at any one time, however the Furlough committee is not required to grant up to that number of Furlough requests. The Board of Directors may increase the cap in its discretion.
  - v. There will be no Furlough waiting list. The Director of Membership will keep a chronological list of inquiries.
- d. Furloughed Members will sign an agreement (see attachment A) based on the following terms:
  - i. The duration of a member's Furlough shall be one year. A Furloughed member must submit a letter to the Furlough Committee requesting an extension of the Furlough agreement, which if approved, will only be

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extended for an additional year. The Furlough Committee has no obligation to extend such agreement. A maximum of two years in the Furlough program shall be enforced.

- ii. A Resident member must surrender his or her certificate upon approval of Furlough by the Board of Directors and such Furloughed member must forfeit all Club lockers and bag storage.
- iii. A member who accepts the terms of the Furlough program, as approved by the Furlough Committee, may visit the Club once per month for dining only, but only as the guest of an active member in good standing and/or to attend a private member function (i.e., wedding, business seminar, anniversary party, etc.). Any other use of the Club facilities during Furlough constitutes a breach of the Furlough agreement and may result in forfeiture of all membership rights.
- iv. Furloughed members are required to establish with the CFO and Finance Chairman a monthly payment schedule to settle/pay any outstanding balance within 12 months of their beginning Furlough date.
- v. A reinstatement fee, in an amount to be set by the Furlough Committee, is required to re-establish an active membership. All Furloughed members will be reinstated in their membership category at the discretion of the Furlough Committee. Upon return to active membership, the value of such member's certificate (if any) will be reinstated at the value at the time of surrender, and upon payment of any assessments that were added to certificate values during the Furlough period, such member's certificate value will also be increased.
- vi. If a wait list is in place at the time a Furloughed member chooses to return, he or she will be placed on the list in the order the request was received.
- vii. The Club reserves the right to resell any Furloughed membership.
- viii. Furloughed members will be responsible for any assessment imposed, and any installment payment of the initiation fee otherwise payable, during the Furlough period upon reinstatement. All annual fees will be prorated upon reinstatement.

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- e. The Accounting Department shall implement procedures to insure each Furloughed member:
  - i. Continues to receive a normal monthly bill indicating the balance due; and
  - ii. Receives a reminder sixty (60) days prior to the final payment due date.
- f. In the event a Furloughed member has not made full payment by the due date:
  - i. The President and the Finance Chairman shall be immediately notified;
  - ii. The Accounting Department shall issue a special notice to the Furloughed member that his or her Furlough cannot be extended and he or she is now subject to standard collection procedures (see Attachment B); and,
  - iii. The Accounting Department shall commence collection procedures in accordance with the standard membership receivables policy.
- g. Furloughed members shall not be charged dues or other fees during the Furlough period. They will be responsible for any assessment imposed during the Furlough period, upon reinstatement. All annual fees will be prorated upon reinstatement.
- h. If the account balance for a Furloughed member is not paid in full within the first year of the program, there will be no extension allowed. Members with an unpaid balance at the end of one year in the Furlough program will be required to pay the remaining amount in full or resign their membership.
- i. Confidentiality will be respected by the Furlough Committee and the Board of Directors. These terms and conditions are subject to change in the future and all changes will apply to current Furloughed members.

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**Attachment A— Example Country Club  
Terms of Membership Furlough Program**

1. The duration of Furlough shall be one year. A Furloughed member must submit a letter to the Furlough Committee requesting an extension of the Furlough agreement, which, if approved, will only be extended for an additional year. The Furlough Committee has no obligation to extend such agreement. A maximum of two years in the Furlough program shall be enforced.
2. A Resident member must surrender his certificate upon approval of Furlough by the Board of Directors and any Furloughed member must forfeit all Club lockers and bag storage.
3. A member, who accepts the terms of the Furlough program, as approved by the Furlough Committee, may visit the Club once per month for dining only, but only as the guest of an active member in good standing, and/or to attend a private member function (i.e. wedding, business seminar, anniversary party, etc.). Any other use of the Club facilities during Furlough constitutes a breach of the Furlough agreement and may result in forfeiture of all membership rights.
4. Furloughed Members are required to establish with the CFO and Finance Chairman a monthly payment schedule to settle/pay any outstanding balance within 12 months of their beginning Furlough date.
5. A reinstatement fee, in an amount to be set by the Furlough Committee, is required to re-establish an active membership. All Furloughed members will be reinstated in their membership category at the discretion of the Furlough Committee. Upon return to active membership, the value of such member's certificate (if any) will be reinstated at the value at the time of surrender, and upon payment of any assessments that were added to certificate values during the Furlough period, such member's certificate value will also be increased.
6. If a wait list is in place at the time the Furloughed member chooses to return, he or she will be placed on the list in the order the request was received.

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7. The Club reserves the right to resell any Furloughed membership.
  
8. Furloughed members will be responsible for any assessment imposed, and any installment payment of the initiation fee otherwise payable, during the Furlough period upon reinstatement. All annual fees will be prorated upon reinstatement.

\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Club Representative Signature

\_\_\_\_\_  
Date

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**Attachment B – Furloughed Member with Past Due Balance**

[Date]

Mr. xxxxxxxxxxxx  
xxxxxxxxxxx Street  
City, ST XXXXX

Dear Mr. xxxxx:

Based upon your Furlough approval by the Example Country Club Furlough Committee and Board of Directors, I have been given the directive to manage the balance on your membership account. Our records indicate you had a balance of \$\_\_ in [Date] at the onset of your Furlough. NO payments have been made to date on this balance.

A requirement of the Furlough Policy is that, within twelve months, a member must fully pay off any remaining balance.

The Furlough program is considered a discretionary “*privilege*” provided by the Board to accommodate special needs for a limited period of time. It is expected that the receiving member honor their financial commitments to the Club. Additionally, Furloughs will not be extended if the member is not current on their balance. Finally, for your information, all accounts past due by more than [60] days will be reviewed monthly by the Chairman of the Finance Committee for discussion with the Furlough Committee.

Therefore, please contact me immediately. I can be reached at CFO@ExampleCC.org or (555) 555-5555. I will need to give the Chairman of the Finance Committee an update on your situation.

Yours truly,  
Example Country Club

Jane Doe, CPA  
Chief Financial Officer