

GCCMA



MEMBERSHIP SUBSCRIPTIONS - INSTALMENTS



Membership subscription fees are an integral part of any golf club business, as usually, they provide the majority of a club's income. Records of payments and monies outstanding are usually monitored through your membership software system, which will also provide invoices for members. Increasingly, members are able to make payments online through their membership app. These will appear on a report from your software provider for reconciliation.

An increasing number of members are choosing to pay their subscriptions in instalments, and you currently have two options how you collect these payments, by law:



1) Use a third party who is regulated, who your members will need to sign an agreement with. The company will usually add a percentage fee onto the annual subscription, for using their service, and the club should be paid the total annual fee up front. If there are any issues with payment, this will then be between the third party and your member, although you may be asked to assist in resolving the matter. There are well known providers in the marketplace, with the most commonly used being our GCMA partner, Fairway Credit, who are FCA approved and regulated. We would recommend their services for subscription collection. Before engaging any other party in this process, you should complete due diligence and ensure they are fully approved by the FCA for their activities.



2) Complete the collection yourself, which may, or may not, include an administration fee. In order to do this, you are required to become an FCA approved company. There is an annual fee to pay for this, and regular administration on the account will be necessary, especially around changes in directors and approved persons. Becoming approved initially requires some time and administration investment, as there a number of forms to complete, some of which require a reasonable amount of information. A person at the club will be required to become registered as the designated person who will oversee al approved activity. In addition to this, each time a director or approved person is changed, you will need to complete an online form through the FCA website to remove them, and another to submit the new person. For the new director, you will ideally need to complete the form with them, as there are a significant number of personal questions asked. It is helpful if they have already been approved by the FCA as an individual for other purposes, if they can have their FCA details passed to the person completing the form. There is currently a fee for each of the director removal or addition forms to be processed, which can add up if you are changing several directors at a time, ad need to be considered as part of your ongoing, annual costs.

It is very important to consider your options carefully and decide what is right for the club.

To help you in this decision, you may wish to discuss the matter with your accountant or legal advisors, as well as the FCA. Their contact details can be found at:

<https://www.handbook.fca.org.uk/contact-us>

If you decide to progress with becoming authorised by the FCA, or just want a clearer outline of the process of becoming authorised, this can be found here:

<https://www.fca.org.uk/firms/authorisation>

If you wish to find out more about the BACS scheme for collecting payments, click here:

<https://www.bacs.co.uk/services/bacs-schemes/direct-debit/>