

LOPOLITO HOSPITALITY CONSULTANTS, CORP.

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Case Study



Rye Country Club-A Municipality Owned Private Golf/Pool Club

A \$6.5 Million Revenue Private Municipality Country Club was experiencing a deficit of over \$200 thousand per year for five years running.

Significant Concerns

- Insufficient management controls occurring.
- Accounting principles were vague and GL Codes had unrelated disparities in postings, as well as, other budget discrepancies.
- Large money transfers between key managers had no log or receipt accountability.
- RFP procedures were not followed and excessive contractor expenses were evident.
- Fraud by the senior manager was uncovered creating challenges to retain current or build new memberships.
- A costly broken underground water line was not discovered.
- The “Clubhouse” lost all staff due to the fraud situation and the food and beverage business was closed.

Development Actions

- LHC adjusted accounting practices, created new GL Codes, and created an ongoing build from the bottom up budget process.
- LHC initiated a clear path of internal and external accounting for A/R and A/P.
- LHC reestablished the RFP process and wrote new RFP’s and secured new contracts for; food vendors, pool lifeguards, fire suppression systems, and exterminating services.
- LHC located a broken underground water line that was previously undetected, costing Club over \$110,000 over two years in water bills.
- LHC hired a new chef and culinary team, created new menus and reopened the Clubhouse for food and beverage service within two months.

Outcome

- Upon final assessment of the work LHC provided the Club achieved a \$400,000 profit.