

THE USGA HANDICAP SYSTEM™

Licensing Program for Clubs Application

The United States Golf Association® began a licensing program in 2005 that requires every golf club that wishes to utilize the USGA Handicap System™ in the United States to be licensed by the USGA®.

Any group desiring to be licensed must contact an authorized golf association in its area to begin the licensing process. (See the Handicap page of the USGA Web site at www.usga.org for a listing of authorized golf associations or call the USGA Handicap Department at (908)234-2300). The authorized golf association shall review the application and confirm that the golf club is following the appropriate revision schedule and the season/posting schedule.

After the application has been completed and signed by the authorized golf association it should be mailed to the United States Golf Association – Attention Handicap Department, P.O. Box 708, Far Hills, NJ 07931.

The USGA Handicap Department will review the golf club's application and will notify the golf club and the golf association in the club's jurisdiction regarding the status of the application.

Eligibility Requirements

In order to complete the licensing process, each club must first meet the definition of a “golf club.”

A golf club is an organization of at least ten individual members that operates under by laws with committees (including a Handicap Committee) to supervise golf activities, provide peer review, and maintain the integrity of the USGA Handicap System™ (see Compliance Checklist, Section 8-2m and Decision 2/7). A golf club must be licensed by the USGA to issue a Handicap Index® to its members. A club can obtain a license agreement directly from the USGA® or through its membership in an authorized golf association that is already licensed by the USGA and that has jurisdiction in the geographic area that includes the principal location of the golf club.

Members of a golf club must have a reasonable and regular opportunity to play golf with each other. They must be able to return scores personally. These scores must be readily available for inspection by others, including, but not limited to, fellow members and the club’s Handicap Committee.

Each golf club must determine its own type. A golf club is one of three (3) types:

1. It is located at a single specific golf course with a valid USGA Course Rating and Slope Rating where a majority of the club’s events are played and where the club’s scoring records reside; or
2. Its members are affiliated or known to one another via a business, fraternal, ethnic or social organization. The majority of the club members had an affiliation prior to organizing the club; or
3. The members had no prior affiliation and a majority of the recruiting and sign-up of the membership is done by solicitation to the general public (e.g., Internet, newspaper).

Club Compliance Checklist

Does your golf club comply as follows:

- Meet the USGA® definition of a golf club as defined?
- Have a Handicap Committee composed mostly of members and chaired by a member? (Section 8-1)
- Make it possible for players to record the correct USGA Course Rating™ and USGA Slope Rating® with each posted score from every set of tees? (Sections 5-2 and 8-2b and c)
- Require the posting of all scores made at home and away? (Section 5-1)
- Require use of USGA procedures to adjust hole scores before posting? (Section 4)
- Require that nine-hole scores be combined and posted for handicap purposes? (Section 5-2c and d)
- Insist that the principles of *The Rules of Golf* be followed? (Section 5-1)
- Follow the revision schedule and posting season of the authorized golf association having jurisdiction in the region? (Section 8-3a and c)
- Ensure that all acceptable scores are entered correctly? (Section 5-2)
- Perform computations and adjustments in accordance with the USGA Handicap Formula? (Sections 8-4 and 10)
- Make current scoring records and the Handicap Index® of the members readily available for inspection by others? (Section 6-3)
- Reduce or increase a player’s Handicap Index whose handicap does not reflect the player’s potential ability? (Section 8-4b)
- Notify an authorized golf association when permanent changes have been made to the golf course so that the association can issue a new USGA Course Rating™ and USGA Slope Rating®? (Section 14-5b)
- Include the letter “L” after local handicaps which exceed the USGA maximum limits of 36.4 for men and 40.4 for women? (Section 3-4)
- Utilize the current USGA Course Rating and Slope Rating issued by an authorized golf association? (Section 14)
- Participation by a representative from the golf club in a USGA Handicap Seminar (whether conducted by the USGA or an authorized golf association) including passing a test exhibiting knowledge about the system?
- Have a signed license agreement in place with a local authorized golf association or the USGA prior to club issuing a USGA Handicap Index? (See Terms of the Agreement)

If the answer to all questions is “yes,” the golf club is following the USGA Handicap System™, and may issue a USGA Handicap Index to each of its members.

If any answers are “no,” contact the authorized golf association or the USGA to determine necessary action to achieve compliance.

The USGA will provide updated information and training via its Web site located at www.usga.org. It is recommended that the golf club take advantage of this information as often as necessary.

Once approved, the USGA will have an updated listing of licensed golf clubs on the USGA Web site, www.usga.org. A golf club must be licensed in order to utilize the USGA Handicap System™. Annually, the USGA Handicap Department will conduct a random audit of a number of golf clubs to ensure that they meet the requirements of the USGA Handicap System. If at any time a golf club is found to non-comply, it will then lose its privilege to issue a USGA Handicap Index and must apply for reinstatement.

Enforcement Procedure

The USGA® will ask an authorized golf association in the area to contact the club about compliance. If neither that association nor the USGA is able to get the golf club to comply, the USGA will advise the club in writing that the club may not issue a USGA Handicap Index® to any of its members, may not use any part of

the USGA Handicap System, and may not use USGA trademarks in any manner.

The club will be withdrawn from the Authorized Golf Club list. The USGA reserves the right to inform others that the club's right to utilize the USGA Handicap System has been withdrawn.

Golf Club Audit Procedure

The USGA has initiated an audit program for golf clubs to ensure the integrity of the USGA Handicap System. All licensed golf clubs are subject to an audit by the USGA, regardless of whether there is a compliance item in question or not.

Any licensed golf club that is reported to the USGA in writing as having a potential compliance issue is immediately subject to being audited.

If an audited golf club does not satisfy the audit process, the USGA will send a letter stating the non-conforming issues and impose a time limit for the club to cure its deficiencies or run the risk of being dropped from the Authorized Golf Club list located on www.usga.org and lose its ability to utilize the USGA Handicap System.

Appeal Process

If a golf club is dissatisfied with the initial decision, it may appeal to the Handicap Committee by sending written notice to the USGA within 30 days after being notified of the loss of its ability to issue a USGA Handicap Index to its members. If the golf club elects to appeal, its representative shall be given reasonable notice of that Committee's next meeting at which the matter may be

heard, and shall be entitled to present its case. The staff shall submit to the Committee all information provided by the golf club together with staff's findings and recommendation, and the USGA Handicap Committee shall issue a final decision on the matter.

Reinstatement Policy and Procedure

A golf club that has lost the privilege to issue a USGA Handicap Index will have to apply for reinstatement of that privilege and resubmit an application for a license agreement. Upon receipt of the completed application, the USGA will provide a list of requirements that need to be satisfied in order for the application to be considered. Upon the golf club satisfying the USGA that these

requirements have been met, the USGA will notify the golf club and all parties that were previously notified of the club's non-compliance that the club is again eligible to issue a USGA Handicap Index. However, the reinstated golf club is subject to the audit process during each of the next two years.

Terms of the Agreement

All golf clubs wishing to become authorized to utilize the USGA Handicap System™ for its members must complete the application process and all parties must agree to the following:

1) The Golf Club acknowledges that the USGA is the owner of the trademarks and service marks listed in the USGA Handicap System Manual, including but not limited to "USGA," "Handicap Index," "Index," "SLOPE," "Slope System" and "USGA Handicap System" (the "Marks"), as well as the handicap formulas and single decimal handicap system (hereinafter collectively referred to as the "Handicap System"). As the owner of these well established Marks and Handicap System, the USGA has the right to authorize their use by others, and has the corresponding duty to ensure that those who are authorized to use such Marks and Handicap System do so in a manner which preserves the integrity and reliability which the public associates with the USGA and its Marks and Handicap System. Subject to the terms and conditions set forth below, the USGA grants the Golf Club the non-exclusive, non-transferable right to use the Marks and the Handicap System but not the USGA logo during the term of this Agreement.

2) The Golf Club agrees that:

(a) nothing herein shall give the club any right, title, or interest in the Marks or the Handicap System (except the limited rights granted to the club pursuant to and in accordance with this Agreement);

(b) each of the Marks and the Handicap System are the sole property of the USGA;

(c) any and all prior and future use of the Marks and the Handicap System by the club shall inure to the benefit of the USGA;

(d) the club will not use any name, logo, design or handicap system that is identical with or confusingly similar to the Marks, the Handicap System, or any other USGA Mark or USGA logo, or any design advertised with the Marks or the Handicap System and

(e) the club will not file or maintain any application for any service mark or trademark, or obtain, maintain, or attempt to obtain any ownership of any service mark or trademark in any country of the world which refers to, or is confusingly similar to, the Marks or any other trademark, service mark or logo of the USGA.

3) A USGA Handicap must be called "Handicap Index" and "USGA Handicap Index." In addition, all references to the USGA Handicap System must use the phrase "USGA Handicap System."

4) The Golf Club must indemnify, defend and hold the USGA harmless from and against all claims, liabilities, losses, damages and expenses (including reasonable attorneys' fees) arising out of, relating to, or in connection with any breach by the Golf Club of its obligations hereunder, including but not limited to any actions taken by the golf club, in breach of the USGA Handicap System.

5) Any lawsuit filed arising out of or concerning this Agreement shall be filed in the federal or state court in New Jersey, USA; the Golf Club consents to the jurisdiction and venue of these courts, and agrees not to contest the same or seek to transfer any lawsuit filed there to another court.

6) The license supersedes all previous license agreements and authorizations for use of the USGA Handicap System.