

## Golf foundation tied to RSA: Big bucks, skimpy giving

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*Gov. Robert Bentley poses with this can of Barbasol shaving cream after the firm agreed to sponsor a PGA golf tournament in conjunction with the Robert Trent Jones Golf Trail Foundation. (supplied photo)*

A non-profit established 18 years ago to lure high-profile golf tournaments to Alabama and give the proceeds to charity isn't that charitable after all.

The Robert Trent Jones Golf Trail Foundation, which has landed such big-ticket golfing events such as PGA Tour Barbasol Championship and the Airbus LPGA Classic, donated less than one percent of the money it raised to charity from 2010 to 2013, according to an Al.com analysis of tax forms.

Financial documents show the foundation raised about \$20.3 million in those years, but it donated just \$161,872 to charity. Foundation officials say that figure is under representative because it does not include small gifts of under \$5,000 each.

The charity is associated with SunBelt Golf Corporation, the firm that runs the prestigious Robert Trent Jones Golf Trail on behalf of the Retirement Systems of Alabama.

Its mission statement is clear: "To sponsor professional golf tournaments and related events to be held at any one or more of the golf courses proceeds shall be donated to charity."

Doug White, the director of Columbia University's fundraising management master's program, said non-profits should spend up to 80 percent of all revenue on charity programming in his opinion. Spending significantly less than that is "not really in the spirit" of the tax designation.

"What's being said is being accomplished is not happening," White said. "The point I would make is why are you doing this at all? Why are you shrouding yourself in the charity?"

Sunbelt Golf Corporation president John Cannon, who made \$214,273 in 2013 running the golf courses, is the charity foundation's president. Steven Williams, Sunbelt Corporation's chief financial officer, is the vice-president. He made \$188,273 two years ago in his role with the golf courses.

One of the pension system's non-traditional investments, the Robert Trent Jones Golf Trail features a collection of 468 championship holes spread out over 26 golf courses at 11 sites in Alabama.

The golf courses are the brainchild of Retirement Systems of Alabama CEO David Bronner,

who has prioritized spending pension money on Alabama businesses and real estate. The thought is that a healthy state will create a healthy pension system.

"With that in mind, and borrowing a page from the movie, Field of Dreams, Bronner decided to 'build it and they will come' — not to a baseball diamond in a cornfield, but to a dazzling collection of public golf courses in the state of Alabama," according to the Robert Trent Jones Golf Trail website.

The facilities, which first opened 23 years ago, represent about \$202 million of the Retirement System of Alabama's \$36 billion in assets. An underperformer, the golf courses averaged a 1.59 percent return rate during the past three years. That's far short of the RSA's stated goal of eight percent returns.

Bronner told Golf Digest in 2012 that the pension system receives about \$3.6 million a year from the courses, which he said was "not a return that anybody in my profession would be proud of" despite the overall positive gain.

"I always expected the Trail to be a loss leader," Bronner told Golf Digest. "In order to pull you into the hotels that make money, or the spas that make money, or the bars that make money, I had to have a vehicle.

"I could have the best hotels in the world, but if I didn't have great golf, there's no reason to come here. Unless you're old and want to just sit around, there's no reason to go to a hotel."

Elsewhere in the United States, golf is in decline.

A report published earlier this year by international golfing organization R&A shows that the United States has experienced a "gradual, but steady, market correction due to an oversupply of golf courses." There are currently 15,372 golf courses in the United States, down from a peak of 16,052.

Nevertheless, the Robert Trent Jones Golf Trail Foundation has had success in bringing international golf events to Alabama.

Prior to this year, an LPGA classic was held at the RTJ's Crossings Course in Mobile, but it was canceled after the sponsor Airbus pulled out. Prattville's Yokohama Tire LPGA Classic was held in August at the Capitol Hill Golf Club

One of the foundation's largest successes was negotiating a four-year contract last year with the PGA and event sponsor Barbasol to host a tournament at the RTJ's Grand National near Opelika. Scott Piercy won the event this year.

The latest available financial records for the foundation are from 2013. That year, the foundation spent \$1.2 million on golf tournament prize money; \$195,000 on management; \$1,777,963 on miscellaneous operations expenses; \$149,575 on advertising and promotions; \$114,525 on food and beverage; and \$104,156 on parties and gifts, money spent on the player gift package and a dinner for the tournaments' sponsors.

Records also show the foundation raised \$1 million from tournament sponsors, \$407,000 from professional-amateur tournaments, \$194,239 in public ticket sales, \$71,100 from its skybox sponsor and \$31,500 from pairing sheet ads. It also relied on more than \$650,000 from government grants.

Meanwhile, the foundation gave \$7,500 to the Little Sisters of the Poor in Mobile, \$7,500 to the Wilmer's Hall Children's Home in Mobile, and \$21,063 for Hope for the Warriors in Arrandale, Virginia.

According to Williams, the foundation's vice-president, said the organization's charitable donations are underreported since the tax form only requires donations more than \$5,000 to be reported.

He pegged the foundation's 2013 donations at \$71,000 – about 2.9 percent of the \$2.4 million raised that year.

Overall, the foundation has donated more than \$850,000 to charities, which "would not have been available if the Foundation did not have these events," Williams said.

For comparison sake, that's about 2.1 percent of all the money the foundation has raised from 2001 to 2013. The percent that was donated is likely even smaller given donations that were made to the charity in the past two years and from 1997 to 2000. Financial information from those years is unavailable.

In emailed statements, Williams stressed the golf tournaments' net effect.

"We try to raise money for charities with the extra benefit of presenting the State and the local communities to the world thru the golf channel, helping the economy with sold out hotels and restaurants and out of town individuals purchasing fuel and other retail items," he said.

So if the non-profit isn't spending that much on charity, why register with the federal government as a one?

Williams wrote in an email that it's a matter of practicality.

"The Professional Tours prefer to work with Foundations," he wrote.

But White, the fundraising expert from Columbia University, guessed that charity designation serves an aesthetic purpose.

"Don't ever underestimate the value of public relations and charity," White said. "A lot of it is they want to borrow the glitter and the cache and authenticity of what a charitable organization is.

When you say 'I give my money to charity or I've established a charity,' that's a million dollars in public relations."