

Basic Package at World and European Championships

Dear Skat friends,

Many have criticized the cost of the basic package at World and European championships. The executive board of ISPA World takes constructive criticism very seriously and would like to shed some light on the matter.

Revenue of ISPA World

ISPA World has only two major sources of funding, membership dues and bump money at tournaments.

Membership Dues

There are currently 20 sections in ISPA World. Of those, Germany with 1,800 members and Poland with 1,500 members are the biggest. We receive € 7,000 in membership dues annually. As you may know, this revenue is declining since worldwide membership is also decreasing. Demographic changes and especially the fact that for years now, Skat is also available online, are most likely to blame.

Bump Money

The amount of bump money depends on the number of participants and varies greatly from year to year. Depending on the number of participants at World / European Championships bump money has been between € 4,000 and € 12,000. In addition we receive bump money from the Grömitz Skat Days in the amount of € 4,500 and every two years € 1,400 from the Champions League. Bump money is taxed with 19% in Germany. This comes out to an average annual revenue of about € 22,000.

ISPA World Expenses

In fixed costs we have

- The Skat Magazine, as required per the bylaws of the organization, in the amount of € 10,000 (incl. setting, print and worldwide shipping)
- Around € 5,000 expenses for the annual executive board meeting (incl. travel, lodging, expenses and meeting room rent)
- Expenses for one section president's meeting (always coincides with a World / European championship), in the amount of € 1,500
- Legal and consulting expenses in tax and contractual matters, annually averaging about € 4,000
- Subsidies for participating ISPA teams in the Champions League in the amount of about € 6,500
- On average about € 3,000 expenses for the two judges of the international Skat court as well as possible training of referees
- Expenses for the final 16 round of about € 1,500
- Accounting expenses of € 1,200 annually

On average this results in total annual expenses of € 32,700.

This does not yet include expenses for all of the volunteers at tournaments (Champions League, Grömitz Skat Days, World or European Championship). At a World or European Championship, we need between 10 and 15 volunteers (IT, referees, officials, list receivers, etc.). We hope that no one expects these volunteers to pay for their own expenses. This results in substantial expenses for travel, lodging and meals. Assuming that lodging in a ½ double is between € 60 and € 80 you can estimate this cost (Example: 12 volunteers with 10 nights at € 70 / night = € 8,400). If you add in meals and travel expenses you quickly get to total expenses in the middle 5 digit range.

The Basic Package for a World or European Championship (WM/EM)

First of all we would like to note that the ISPA World executive board always strives to put together a total package that allows as many players as possible to participate in the championship. The location of a World / European Championship is always awarded according to the following criteria:

Every section can apply for a WM/EM. The application has to be tendered at least 3 years in advance. If there are more than 2 applications in a given year, then the section presidents meeting narrows the selection down to 2. Each applicant presents their proposed location. The section presidents then vote which 2 locations stay in the running. This is necessary because the tournament management / board (maximum 2 people) has to visit the proposed locations to determine if the location is suitable for a WM/EM and to ensure that the cost will be reasonable. In visiting the sites and evaluating the general conditions, travel and lodging expenses are incurred. Depending on the location, these can be substantial.

In the section presidents meeting 2 years before the WM/EM the two sections / applicants present their concepts and the tournament management presents their evaluation of the site and general conditions. The sections presidents then vote to decide which location will be awarded the championship.

In general, big play halls cost a lot of money (sometimes up to high 5 figures), which is why we typically try to create a total package incl. hotel reservations. This helps reduce the cost of play hall cost. This only works if we can guarantee a certain number of rooms. This is why we generally also offer hotel packages. Normally we are able to offer room packages that are less expensive than if everyone tried to make their own reservations. Of course many of you are able to find less expensive lodging offers at most tournament sites so that they prefer to make their own reservations rather than booking through ISPA World. This is where the problem starts. First we have to estimate how many people will come to a given WM/EM. Then we have to estimate how many of those will book their room through ISPA World. We run the risk of considerable cost, if we do not meet our contractual obligations. Of course, we also try to find sponsors to help carry some of that risk. I am sure that many of you know that this has unfortunately become increasingly difficult in the recent past.

I hope this gives some insight into the difficulties we have to overcome in order to put together an attractive World or European Championship. Below is a short list of the items we consider when putting together a basic package.

- a. Cost of evaluating the tournament sites
- b. Organizational expenses in preparation of the WM/EM
- c. Playing materials, trophies, medals, etc.
- d. Travel cost, lodging and expenses for support staff
- e. Cost of the play hall
- f. Cost of one excursion
- g. Cost of a risk analysis and currency fluctuations

In addition, we have to mention that we have to pay value added taxes of currently 19% on the basic package in Germany. This means that if we calculate the basic package to be € 200, than you have to pay € 38 on top. This is something most Skat players are probably not aware of.

Lets do a sample calculation for a WM/EM in a European country. Assume that 250 Skat players will participate:

- a. Cost for evaluating the tournament sites (2 days incl. travel) about € 2,500
- b. Organizational expenses in preparation of the WM/EM about € 1,500
- c. Playing material, trophies, medals, etc. about € 7,000
- d. Travel, lodging and expenses for support staff about € 20,000
- e. Cost of the play hall up to about € 50,000
- f. Cost of the excursion about € 12,500
- g. Cost of the Gala event about € 20,000
- h. Cost of the risk evaluation and currency fluctuation about € 10,000
- i. Welcome presents about € 3,750

In Total: about € 127,250

Basic package / person = € 127,250 / 250 players = € 509 plus € 97 tax = € 606.

At both the Champions League as well as the Grömitzer Skat Days there are no separate organizational charges. All of the collected money, incl. the basic package, are used solely for the purposes of being able to continue to

hold such championships. We hope we have been able to give you some insight and promise that we will continue to do everything possible so that as many players as possible are able to participate in WM/EMs and that expenses are held as low as possible.

The managing board of ISPA World