

DESIGNATING ENTRY FEES

Q): Is there any thought to allow participants in Sweepstakes to designate nomination fees to a certain discipline?

A): The Breeder's Sweepstakes was founded on the premise that any horse enrolled in the program could win in any division for the life of the horse. Designating the nomination fees to different disciplines would violate this basic tenet. So, no, the Sweepstakes Commission has not considered designating fees.

NOMINATING UNBORN FOALS AFTER DEADLINE

Q): Just wondering why there is no way to back into the Futurity/Sweepstakes programs for unborn foals. I understand the necessity of deadlines, etc., but couldn't some provision be made for purchases of mares in foal (or foals in utero, for that matter) that haven't been nominated by the breeder for these programs? Couldn't the buyer pay a penalty payment that would enable them to participate in these programs? (I realize that you can 'back' into the Sweepstakes program, but the difference in cost between an unborn foal entry and a backed in entry is quite considerable.)

A): The basis of the Sweepstakes program is the nomination of unborn foals. It has always been the policy of the Sweepstakes Commission that foals must be nominated in the year prior to their birth.

ARABIAN VS. HALF-ARABIAN PAYOUT

Q): Since AHA is researching ways to encourage more member participation, both in the national horse shows and the Breeders Sweepstakes, I suggest that the subject of parity of Sweepstakes payouts between purebreds and Half-Arabians needs reconsideration. The Breeding Entry fee is the same for Half Arabians as for purebreds. Certainly the entry/office/stall fees at the regional & national shows are the same. And it costs no less to raise a Half-Arabian and send it to a trainer to prepare it for the show ring than it does a purebred. Yet the Sweepstakes prize money for Half Arabians is generally one half of that for purebreds. This makes no sense!

A): Arabian entries into the Sweepstakes program have always helped subsidize the Half-Arabian payout. Thirty percent of the Sweepstakes money available for payout is for Half-Arabians, while only 20% of revenue is Half-Arabian generated. For instance in 1999, \$2,731,275 was available for purebred Arabians and \$1,159,600 was available for Half-Arabians. Arabian entries generated \$2,060,950 in income while Half-Arabians accounted for \$533,350. 1999 is very representative, as these are the percentages we have traditionally seen. As you can see, if payout was based solely on what is equitable, Half-Arabians would have to be reduced. So while you are correct that it costs just as much to raise, train, and show a Half-Arabian, they are already receiving a disproportionate amount of the Sweepstakes prize money.

REGIONAL PAYOUTS

Q): When is AHA going to award full money to the Hunter Pleasure AAOTR class splits at the regional level?

A): In 1996, the two age divisions for Arabian Hunter Pleasure AAOTR were added to the regional shows. 1997 saw the addition of these classes to the U.S. National Show, and in 1998 they were added to the Canadian National Show. The Breeder's Sweepstakes prize money has always been split between the two age divisions. In May 1998, the IAHA Breeder's Sweepstakes Commission clarified the split payout in AAOTR classes by stating "if the prize money is split into two adult age divisions, the prize money allocations will be divided equally between the two adult age divisions AAOTR 18-39 and AAOTR 40 & Over."

Every year the Commission reviews participation levels for all classes offered at the regional and national levels. It is the tracking of the numbers and the trends that they indicate that help us determine which classes might warrant additional funding.

It is up to the Breeder's Sweepstakes Commission to determine if the Arabian Hunter Pleasure AAOTR division will be paid fully in both age splits, and this is reviewed annually. Once again it will be considered this year. Please keep in mind that other factors, like how much money is paid into the program annually and how much money is available for payout, play a significant part in the determination of which classes are paid and if any additional classes will be added.

USE OF SWEEPSTAKES INTEREST

Q): Recently the question has been asked as to where the interest earned by the Sweepstakes Fund gets credited. Does the interest earned get credited to the Sweepstakes Program funds, or does the interest earned get credited to the AHA General Fund? Also, if the interest earned is credited to the AHA General Fund, was this specified when the program was originally established?

A): The interest income from the Breeder's Sweepstakes program has always been credited to the general fund of AHA, after the cost of administering the program is taken out. The original Sweepstakes Trust agreement, which was signed by IAHA President John Wheeler on May 1, 1984, states that "the income of the Trust shall be applied or expended to the payment of the administrative expenses of the Trust, and the balance of the income shall be paid to the Settlor (AHA) to be used as directed by the Board of Directors of AHA."

It seems that every few years a group of similar questions about the Sweepstakes program comes up. The same misunderstandings arise in a repeating cycle, usually led by the interest income issue. By utilizing Ask the Execs and developing an archive of questions and answers, we can make this information readily available to our members.

For more information, visit the IAHA website at www.iaha.com or call (303) 696-4500. □