

# GUIDANCE NOTE

## Finance FAQs and useful info

### 1. What do I need to do after I've joined the LET?

Firstly, it is recommended that you have a Euro bank account. If you haven't already got one, you'll need to open one up. This should be fairly straight-forward, but if you experience any problems, seek assistance from a reputable financial adviser.

Secondly, through the Members' Area of the website, you will need to provide the LET with:

- i) Your bank account details (i.e. the bank's name, account name, account number and sort code).
- ii) Your credit card details.

These will be needed to enable the LET to make and receive payments as all money paid to you or received from you will be transferred electronically.

### 2. How are entry fees paid?

When you enter an event, the Tournament Operations Department will take the appropriate amount using the credit card details you entered in the Members' Area. They will only take the amount once you are confirmed as being in the field and the payment will be taken on the closing date for entries.

If for some reason the credit card payment is declined, you will be contacted by e-mail.

### 3. If I don't get into the event, do I get the entry fee back?

Yes, the full amount will be refunded to your credit card.

### 4. Do I get anything if I miss the cut?

No - the prize-money for the event will be split between those who make the cut.

### 5. When will I know how much I've won?

The prize-money breakdown will be calculated by the Tournament Director immediately after the event has finished and the gross amount will be posted on the website.

It's important to point out that the amount that appears on the website is not the amount you will receive due to withholding tax and the levy (see below).

### 6. Why is there a difference between the gross amount shown on the website and the amount I'll receive?

There are two reasons for this:

#### i) **Withholding tax**

In most countries, there is a requirement for income tax to be paid to the government. Therefore, the Promoter will need to calculate the total amount of tax to be paid and will retain that amount of money from the prize fund to pay to the government on behalf of the players. This is called the 'withheld tax'. The tax rate for the country will be applied to, and then deducted from your winnings, leaving you a net amount.

#### ii) **The levy**

As is normally the case in professional sport, after the withheld tax has been deducted, the LET then applies a levy to the net amount (for the LET, this is 7%). This is essentially a management fee that contributes to the costs incurred by the LET when running the events.

## **7. When and how will I receive my prize-money?**

The LET aims to pay the prize-money to the players within 5 days of the event.

Sometimes payments can be delayed for the following reasons:

- i) The prize fund has not been received prior to the event (which may be the case with co-sanctioned events)
- ii) There are administrative procedures within the host country that delay the process.
- iii) Players' bank details have changed and the Tournament Operations team hasn't been informed.

## **8. If I incur a fine for something, how is this handled?**

Hopefully, you will never incur a fine, but if it happens, the Tournament Operations Department will inform you by e-mail.

Fines are handled as a separate payment. Normally, once the fine has been issued as per the members' regulations, the payment is taken from your credit card.

## **9. What happens at the end of the year?**

During the year, you are able to download information about your earnings from the Members' Area after each event. These records continue to be updated through the year. At the end of the year, you can download a breakdown of the gross amount you won at each event, the amount of withheld tax, the levy amount and the amount you actually received. This document will be required by your accountant as it will help them to determine whether you have paid the right amount of tax in your own country. In some cases, you might be able to claim a refund.

## **10. Should I use an accountant?**

You will almost certainly need an accountant to help you to manage your financial affairs. Unlike some of your friends who are in full-time paid employment, you will not have a regular monthly salary. You may have several different sources of income (e.g. prize money, sponsors, etc.) and you will probably need some advice when it comes to calculating the amount of tax you need to pay.

## **11. How can I keep the accountant's fees as low as possible?**

The more you do for yourself, the less the accountant will need to do and, therefore, the lower their fees will be.

It is essential that you keep detailed records of your income and expenditure. You might find the spreadsheets provided by the LET helpful and make sure you keep all of your receipts in a folder.

Don't wait until the end of the year to sort out your finances – it's much easier to do it as you go along.