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Memo: Use of the INTERSPEECH Risk Fund (IRF)

Contracts between Future INTERSPEECH Organizers and ISCA usually fix a target registration fee for full, student and retired registrations which is based on a financial break-even point of the conference, as well as a contribution to ISCA for each registered participant. In addition, each contract contains a standard clause related to the financial risk sharing. In this clause, it is commonly stated that

- if the approved financial statement to be provided by the organizers after the conference shows a surplus, this surplus will remain the property of the Organizer.
- if the approved financial statement shows a deficit not covered by insurance, this deficit will be shared equally between the Organizer and ISCA, where the maximum deficit ISCA may incur is limited to the total sum of the ISCA contribution. The remainder of the deficit will entirely be the financial responsibility of the Organizer.

In addition to the standard financial risk sharing, an addendum concerning an extended risk sharing scheme can be signed; this has to be declared by the future Organizer upon signature of the contract.

The extended financial risk sharing scheme is based on the IRF. It has the target of reducing the registration fees for each class of registrations by reducing the financial responsibility of the Organizer at the same time. To achieve this target, it includes a mechanism to motivate lower registration fees by covering a higher risk than foreseen in the standard financial risk sharing. Such a mechanism can e.g. be based on a second, higher break-even point. The financial liability of ISCA would then be extended to cover the additional loss which can be calculated from the difference between the two break-even points, up to a cap which is defined in the contract. In return for the extended risk sharing team, the addendum would then require that any surplus of the conference would also be shared equally between the Organizer and ISCA, up to the same cap value from which onwards the additional surplus goes entirely to the organizer. The mechanism could also extend the number of travel grants covered by the conference budget.