

## Notice about the IGC Finances

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For more than 20 years IGC is responsible to finance his own operations, in other words: IGC needs to create the necessary income to cover the complete working cost.

Taking a look at the in/out of an average year:

- On the expenses side we have as main cost items:
  - the cost for organizing/holding meetings e.g. room/equipment rent, coffee breaks
  - the reimbursement of travel expenses of the Bureau members(only reimbursement for the president, secretary and treasurer)
  - the cost for the set up and maintenance and managing the websites like for the SGP
  - the cost of the medals for the Cat. 1 events
  - the cost for our officials at Cat. 1 events (Jury President and Chief Steward)
  - the development, maintenance and management of the Ranking List
  - the cost for testing and approval of flight recorders (limited)
  
- On the income side, the options are rather restricted, we have only two main income items:
  - the sanction fees for the Cat. 1 events
  - the sanction fees for the Ranking List
 and in addition
  - the sanction fees for the approval of flight recorders (limited)
  - occasionally some advertising.

In 2019 the decision was taken to invest in IGC trackers. An investment spread over 2020 and 2021 for a total amount of 35 946,52 €.

As a result of the success of the Ranking List, this initiative was further developed. During the last 10 years, 76 612,83 € was invested for development, maintenance (approx.. 5 000,- €/year) and management (average of approx.. 3 000,- €/year). During the whole existence, the RL has brought us a surplus of an average of 9 000,- € per year.

As you may have noticed in the annual figures, since 2019 we have – the above mentioned investments included - more expenses than income:

2019: - 24 346,10 €  
 2020: - 17 830,91 €  
 2021: - 25 106,95 € .

These annual shortfalls are covered by our reserves that were build up over nearly 20 years (see attachment). We can not continue this way and a fundamental revue of our financial situation is necessary.

At the Bureau meetings in October, November and January, this subject was discussed at length and it was decided to come forward with a plan to be presented at Plenum Meeting of March 2022. Of course, 2020 and 2021 were no 'normal' working years due to the Covid-pandemic, but there is a close relation between the items that are related with the championships.

During the review, the following items were tabled:

On the income-side:

- As mentioned before, the sanction fees are the far most important income source.
- These fees were introduced 20 years ago and were not changed, even without any indexation.
- Some championships are exempted from fees like the Junior EGC and WGC, the 13,5 m although the full service is provided.
- The SGP is up to now self-supporting.
- The test of the first 'Virtual SGP' was very successful. After further investigation the goal is to set up besides a 'Virtual SGP', also IGC-World Virtual Championships. The participating pilots will contribute with a fee to cover the operational cost and will also support the IGC work in global.

- Also the start-up of "e-Glide" (electric powered sailplanes) championships might bring extra income. This is still under further investigation.

On the expenses-side:

- The concept of the existing websites – FAI / SGP / Ranking List – is under review with the goal to improve the quality and lower the cost.
- The number of physical meetings is low, and due to the Covid-pandemic we got used to video-conferencing. Nevertheless having an annual plenum meeting in person is important. It is also important to have at least one mid-year/authem bureau meeting
- The total amount of reimbursement of our officials at the several Cat. 1 events is now higher than the received sanction fees. A review of the fee-system is necessary.
- The goal - approved and supported by the Plenum - to guarantee and to improve the quality of our Cat. 1 events is based on the engagement and devotion of a group of volunteers. The less we can offer these persons for their time and effort provided, is the reimbursement of the travel, lodging cost and an allowance for meals. (By checking the claims, all volunteers are playing the game nicely and according the rules.)
- An agreement with LX Nav to take care of the maintenance and storage of the trackers and transport up to 2 000,- €/year.

Overall, when we are looking at these figures, we are working very 'lean' which means that there are no real cost cutting options without tackling the real IGC-work.

In general, the IGC needs approx. 15 000,- € as an annual working budget. In the case we decide to invest in future in systems, equipment, ... we have to increase this amount with 3 to 5 000,- €. This means an annual budget of 20 000,- € as target.

Looking to the income options, we should manage that

- the sanction fee system for the Cat. 1 events cover the related cost (medals, officials) and bring us a surplus of at least 7 500,- €
- the fees for the Ranking List also cover the cost and also brings us a profit of 7 500,- €
- the fees for future events - 'Virtual SGP' and 'e-Glide' events – will cover their cost and will bring also a profit of 5 000,- €

Options for sponsorship are very limited and unstable. As an organisation we can not rely on sponsorship to cover the expenses for the basic operations.

According a first calculation model, the sanction fee structure should be changed as follows:

- |                                    |           |                 |
|------------------------------------|-----------|-----------------|
| ▪ Flat fee for every championship: |           |                 |
| - WGC and CC:                      | 2 500,- € | (now 1 500,-)   |
| - Woman WGC and PanAm CC:          | 1 750,- € | (now 1 500,-)   |
| - Juniors / 13,5m :                | 1 000,- € | (no fee before) |
| ▪ A pilot fee:                     | 115,- €   | (now 75,- €)    |
| except for the Juniors:            | 50,- €    | (no fee before) |

The implementation should be spread over 3 to 5 years.

In the case that we do not undertake any action, the downdraft goes on. Also the draft budget for 2022 and 2023 have shortfalls. (approx.. 25 000,- €)

The Bureau will request the Plenum for approval of the following approach:

- An immediate increase of the pilot sanction fee with 25,- € as from the championships in 2022; (no change for the Juniors)
- The developing an overall long term financial plan during 2022 for approval/implementation as from 2023.

Please see the Bureau proposal in a separate document.

Evolution IGC Reserves per 31/12

