FAI General Air Sports Commission (CASI)

Report submitted by FAI Secretary General
Markus Haggeney

28.11.2020 (MHA)

TOPICS

• Audit Financial Year 2019
• Budget Process 2021
• Timeline 2020 eGC
• FAI finance project (new finance systems)
• FAI Secretariat
TIMELINE

14.08.2020 BDO (auditors): final report
13/14.08.2020 EB meeting for review of findings
09.09.2020 Audit shared with FAI stakeholders
09.10.2020 FAI replied to auditor’s comments

13.11.2020: FAI shared audit report/comments
• FAI explanatory note
• BDO-signed documents
• FAI Management letter (replies)

02.12.2020: Report at FAI General Conference
“FIELD OF PLAY“ - 3 MAIN CHALLENGES

- Subscriptions (Membership Fees)
  - Members paying late or defaulting to pay

- Pandemic will continue to reduce FAI activities
  - Probability of postponements/cancellations
  - Cat1 more affected than Cat2

- Workflows
  - Opportunities can be identified by reviewing today’s ways of working
FIGURES & NARRATIVE

• Membership Fees (so called 'Subscriptions')
  • 2020 invoiced = 1'046'050
  • Unpaid as of 20.11.2020 = 134'000
  • Members not in good standing lose rights at FAI General Conference. Risk of suspension 01.01.2021

• Requested class changes for GC
  • Effect minus 80'000 CHF for 2021
  • Will GC approve?
  • Further shortfalls in 2021?

• 13 Nov 2020: Budget proposal 2021 submitted
  • 'narrative' and 'figures' published
  • Shared with FAI stakeholders (eGC cloud)

RELEVANCE OF MEETINGS & TRAVEL

• No in-person meetings (all held in electronic format)
  • Commissions
  • Executiveboard
  • NAC Presidents
  • General Conference

• 2021 will be a „minimalistic year“
  • Even if the pandemic should allow travel
  • Still run 2021 minimalistic with no FAI-paid travel
    • Message:
      • Recover FAI finances
      • Assist stakeholders to recover
2021 PROGRAM: IDENTIFY BEST PRACTICE

- Sanction Fees/Bonds/Performance (see xls)
- Organizer Agreement (electronic)
- Medals/Diploma
- FAI calendar/ranking lists/payments/accounts
- Records process
- Expense claims handling
- Financial reports
- Currencies CHF and EUR

FAI BUDGET 2021 - proposed budget for the General Conference

FAI BUDGET 2021
Introduction, Considerations & Scenarios
Budget for FAI Membership, Administration, Overheads, Seminars
Budget for FAI Air Sports Commission Activities

Figures & Narrative provided through eGC-cloud
FAI GC discussion on 04 Dec 2020

FAI General Conference 2020

(02 – 05 December 2020)

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TIMELINE (MAIN DEADLINES)

- 20.10. Commission Presidents & FAI President
- 01.11. Final Agenda
- 13.11. eGC Test Event
  - Dress Rehearsal, presenting the tools
- 17.11. 'Meet the Executive Board Candidates'
  - Online Presentation of 15 candidates
- 02-05.12. FAI General Conference
  - Concept: daily sessions à 2 hours/daily 'reserve slot'
  - Big topics:
    - FAI Actuals 2019
    - FAI Budget 2020
    - Election FAI President
    - Election FAI Executive Board
## Schedule of Working Sessions

<table>
<thead>
<tr>
<th>Wednesday 02 Dec 2020</th>
<th>Session A 1200 – 1430 UTC</th>
<th>Session B 1900 – 2100 UTC</th>
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</thead>
<tbody>
<tr>
<td>Opening</td>
<td>Awards Ceremony</td>
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<tr>
<td>Statutes changes with immediate effect</td>
<td>1900 – 2000</td>
<td></td>
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<tr>
<td>Report FAI President</td>
<td>Backup Session</td>
<td></td>
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<tr>
<td>Report FAI Secretary General</td>
<td>2000 – 2100</td>
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<tr>
<td>Finances 2019</td>
<td></td>
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<tr>
<td>Discharge FAI Executive Board</td>
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<tr>
<td>Thursday 03 Dec 2020</td>
<td>Statutes Changes</td>
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<td></td>
<td>FAI membership</td>
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<td></td>
<td>Election CASI members *)</td>
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<tr>
<td></td>
<td>Election Vice-Presidents</td>
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<tr>
<td>Friday 04 Dec 2020</td>
<td>Finances 2020 year-to-date</td>
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<tr>
<td></td>
<td>FAI Budget 2021</td>
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<tr>
<td></td>
<td>Backup Session</td>
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<tr>
<td>Saturday 05 Dec 2020</td>
<td>Companions of Honour (appointment)</td>
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<tr>
<td></td>
<td>FAI President - nomination, presentation, election</td>
<td></td>
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<tr>
<td></td>
<td>FAI Executive Board - presentation, election</td>
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<td></td>
<td>Future FAI General Conferences</td>
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<tr>
<td></td>
<td>Closing</td>
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<td></td>
<td>CASI Plenary Meeting (Bureau election) *)</td>
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<td></td>
<td>Reserve</td>
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<td>1900 – 2000</td>
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<tr>
<td></td>
<td>2000 – 2100</td>
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</tr>
</tbody>
</table>
RUN MY ACCOUNTS – A SWISS COMPANY

- Online accounting firm
  - 2 PoC: Online Accountant, Mandate Manager (Fiduciary)
  - Workflows supported via cloud/mails
- Functions
  - Payables, Receivables, Expense Claims, Payroll, Banking, Taxes incl VAT
- Services
  - Invoice creation, FAI-Interfaces, Bank access
  - Menu/reports/accounts table in ENG
- Cost
  - Fixed per month + Variable per booking
  - Additional services charged by the hour
  - www.runmyaccounts.ch

MILESTONES

- Connecting all FAI bank accounts
  - Read/Uploading. Payments release will remain FAI task
- Payables/Receivables since 01.01.2020
- Human Resources cloud-based
  - Payroll/Social Charges „Swiss Salary“ (since August)
  - Work hours/vacation „EasyRapport“ (Q4)
- FAI AMS Integration
  - application management system/FAI calendar/650 Cat2)
  - AMS for Cat2 events / calendar entry / SF invoices
- VAT declaration
  - Operational ,electronic interfaces‘ to tax authorities (new)
- Cooperation with past Accounting Firm
  - Terminated. System (Abacus) remains for Q3 2020
### PROJECT TIMELINE

<table>
<thead>
<tr>
<th>Timeline 2020</th>
<th>Q1 (Jan/Feb/Mar)</th>
<th>Q2 (Apr/May/June)</th>
<th>Q3 (July/Aug/Sept)</th>
<th>Q4 (Oct/Nov/Dec)</th>
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</thead>
<tbody>
<tr>
<td>SmartFidu/Abacus</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
</tr>
<tr>
<td>RMA (retroactive data entry from 01.01.2020 onwards)</td>
<td>- - -</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
</tr>
<tr>
<td>Cost Centre structure (identify and agree to budgeting/reporting needs: EB and ASCs)</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>- - -</td>
</tr>
<tr>
<td>Reporting to EB ‘new format’</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
</tr>
<tr>
<td>Budget process for 2021 (EB / ASC)</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
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<tr>
<td>Reporting to ASCs ‘new format’ (phased roll-out)</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
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<tr>
<td>Start identifying best practice in FAI (jointly EB/ASC/office) (workflows ASC, office, sanction fees, ASC services and fees for LOC)</td>
<td>✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
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<td>✔ ✔ ✔</td>
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</tbody>
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### FAI APPLICATION MANAGEMENT SYSTEM (AMS)

Full integration of the FAI AMS system, ‘Launch Customers’ CIVL & CIAM

Cat 2-event registrations [https://ams.fai.org/site/static?type=workflow](https://ams.fai.org/site/static?type=workflow)
AMS APPLICATION MANAGEMENT SYSTEM

ACHIEVEMENTS

1. Application Management system [link]
2. AMS systems message
3. Accounting Run my Accounts) [link]
4. FAI calendar [link]

DASHBOARD (24/7) FOR FAI, AUDITOR

AVAILABLE FEATURES
THE PURPOSES OF ACCOUNTING

1. LEGAL accounting requirements
   - Swiss Law & Accounting Obligations
   - Annual Audit -> Members -> Discharge of EB
   - Tax authority

2. MANAGING the Federation
   - Reflecting FAI’s view on activities & responsibilities
     - Cost Centres
     - Projects
   - FAI stakeholders
     - Executive Board
     - Commissions
     - Members

MAIN PERSPECTIVES ON FAI

<table>
<thead>
<tr>
<th>FAI</th>
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<tbody>
<tr>
<td>Members</td>
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<tr>
<td>Matters</td>
</tr>
<tr>
<td>Commissions</td>
</tr>
<tr>
<td>(Sports)</td>
</tr>
<tr>
<td>Admin</td>
</tr>
<tr>
<td>(Overheads)</td>
</tr>
</tbody>
</table>
PROFIT & LOSS STATEMENT

Cost & Revenue

Legal Accounts
SUI obligations (as few as necessary)

Cost Centre
Department (FAI’s internal structure) for
- Decisions
- Reports
- Budgets

Project
FAI activities: Cat1, Cat2, dedicated projects, single-year, multi-year, cross-commission, member specific, regional focus, FAI total

The level of detail for DEPRECIATION has to be decided

SCHEMATIC: ACCOUTING/REPORTING

<table>
<thead>
<tr>
<th>Accounts</th>
<th>Cost Centre</th>
<th>Total across all projects</th>
<th>Project 1</th>
<th>Project 2</th>
<th>Project n...</th>
<th>Project-types</th>
</tr>
</thead>
<tbody>
<tr>
<td>number 123</td>
<td>OA, C/AM, ...ISC Members Admin</td>
<td>Σ projects</td>
<td>Σ projects</td>
<td>Σ projects</td>
<td>Σ projects</td>
<td>- Overheads</td>
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<tr>
<td>number 456</td>
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<td>Σ projects</td>
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<td>- Sanctioned Events</td>
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<tr>
<td>number etc</td>
<td></td>
<td>Σ projects</td>
<td></td>
<td></td>
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<td></td>
<td>Σ projects</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Σ Audit</td>
<td>Σ Cost Centres</td>
<td>Σ FAI budget</td>
<td>Σ Project 1</td>
<td>Σ Project 2</td>
<td>Σ Project n</td>
<td>all figures converted to CHF</td>
</tr>
</tbody>
</table>
SUMMARY

• Finance System
  • Abacus & SmartFidu terminated 07/2020
  • Run my Accounts 01/2020 (retrospectively)
  • Cost savings on yearly basis (2019 basis) minus 50%
    • Bookkeeping: 55’000 CHF (2019) to 25’000 CHF (2021)
    • Audit (BDO): 31’000 CHF (FY2019) to 12’000 CHF (FY2020)

• Integrated workflows
  • Banks connected electronically
  • Invoicing module
  • FAI calendar, Application management system (AMS)
  • VAT declarations electronically (replacing paper)

• In progress of implementation
  • Liquidity forecasting (interfaced/API) with RmA
  • Budgeting (interfaced/API) with RmA
OFFICE STAFF / SECRETARIAT

- Since 11.03.2020 ‘Covid-19 scenario’
  - Home office with almost daily zoom calls
  - August-October 1/2 day Tuesday’s in the office for all
- Short-term working / Chomage
  - Canton (the state) subsidizes 80% of the reduction
  - FAI continues to pay 100% of the social charges
  - Staff continues to receive 100% of their nominal salary
- Liquidity effect (cash-in FAI with 2 month delay)
  - Approx 12’000 CHF/month (statistics to be provided)
  - Max 18 months (renewed application requested)
Staffing shortterm/chomage = 3.6 FTE

The Canton of Vaud pays 80% of the reduction. 100% of social charges stay with FAI (max 18 months)