



# FAI General Aviation Commission (GAC)

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Report submitted by FAI Secretary General  
Markus Haggene

21.11.2020 (MHA)



## FAI REPORT

FAI Report 2020

## TOPICS

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



**AUDIT  
FINANCIAL YEAR  
2019**



## **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



## SPECIAL RESERVES

## AIR SPORT COMMISSIONS

FAI Finances

# GAC 'SPECIAL RESERVES' (AS AUDITED)

CHF-currency	Opening (01.01.)	Changes	Closing (31.12.)
<b>2019</b>	67'234	6'999	<b>74'232</b>
2018	64'494	2'740	67'234
2017	58'538	5'956	64'494
2016	57'292	1'246	58'538
2015	60'104	(2'812)	57'292
2014	55'206	4'898	60'104

FAI finances are audited each year and the reporting currency is in CHF.

Changes in a year are converted at the exchange rate when the transactions are recorded.



## BUDGET PROCESS 2021



## **„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



**BUDGET 2021**

## **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



**BUDGET 2021**  
**FAI TOTAL**  
**(PROPOSAL**  
**13.11.2020)**



**FAI BUDGET 2021 - proposed budget for the General Conference**

Date: 13 November 2020

(assuming GC approval of subscription changes)

Legal Account	Description	ACTUAL 2019 (FAI total)	BUDGET 2020 (FAI total) (EB 29.01.2020)	BUDGET 2021 (FAI total)
	<b>INCOME</b>	<b>2.815.954</b>	<b>1.649.389</b>	<b>1.440.605</b>
30	INCOME FROM MEMBERS	995.765	1.046.613	961.103
32	COMMERCIAL REVENUES	353.206	58.283	49.000
33	COMPETITIONS REVENUES	1.233.141	424.654	368.502
36	OTHER REVENUES	199.656	103.840	62.000
	<b>EXPENSES</b>	<b>-3.176.680</b>	<b>-1.739.534</b>	<b>-1.550.468</b>
4	DIRECT EXPENSES	-184.712	-147.645	-254.559
40	EXPENSES FOR PRODUCTION	0	0	0
42	EXPENSES MERCHANDISING & OTHER	-16.243	-4.598	-5.268
46	EXPENSES FOR SERVICES	-168.469	-143.047	-249.292
48	INVENTORY CHANGE LOSS OF MATERIAL	0	0	0
5	PERSONNEL COSTS	-1.472.763	-825.875	-716.875
54	WAGE COSTS	-1.014.848	-800.000	-568.000
57	SOCIAL INSURANCE COSTS	-158.208	0	-122.000
58	OTHER PERSONNEL COSTS	-115.931	0	0
59	EXTERNAL SERVICES	-183.776	-25.875	-26.875
6	OTHER OPERATING EXPENSES / DEPRECIATION AND AMORTISATION / FINANCIAL PI	-1.238.588	-766.015	-578.711
60	HOUSING COSTS	-9.881	-38.814	-53.628
61	MAINTENANCE, REPAIR, REPLACEMENT AND LEASING OF TANGIBLE ASSETS	0	0	0
62	VEHICLE AND TRANSPORTATION EXPENSES	0	0	0
63	INSURANCE	-46.114	-42.000	-17.500
64	ENERGY, WASTE	-4.021	-7.500	-4.020
65	ADMINISTRATION AND INFORMATION TECHNOLOGY EXPENSES	-696.409	-488.391	-281.571
66	MARKETING AND PR EXPENSES	-243.538	-15.500	-31.952
67	OTHER OPERATING EXPENSES	-54.094	-61.580	-59.825
68	DEPRECIATION AND AMORTISATION ON FIXED ASSETS	-133.332	-85.000	-100.000
69	FINANCIAL EXPENSES AND FINANCIAL INCOMES	-51.200	-27.230	-30.215
7	OPERATIONAL ANCILLARY RESULTS	0	0	0
8	EXTRAORDINARY AND NON-OPERATING EXPENSES, TAX	-280.617	0	-323
	<b>NET RESULT ASCs ((+)Allocation/(-)Dissolution of Special Reserves)</b>	<b>-46.323</b>	<b>-74.944</b>	<b>-126.606</b>
	<b>NET RESULT (FAI Total)</b>	<b>-314.403</b>	<b>-15.201</b>	<b>16.744</b>



**FAI Budget 2021**

**Introduction, Considerations & Scenarios**

Budget for FAI Membership, Administration, Overheads, Secretariat  
Budget for FAI Air Sport Commission Activities

Submitted to the

**FAI General Conference 2020**

To be held

**02 – 05 December 2020**

Status 13 November 2020

Version 1.0

Figures & Narrative provided  
through eGC-cloud

FAI GC discussion on 04 Dec  
2020



**FAI GENERAL  
CONFERENCE**

**02-05 DEC 2020**



**FAI GENERAL  
CONFERENCE  
2020**

**(ELECTRONIC  
FORMAT)**

FAI Report 2020

## **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

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

## FAI GENERAL CONFERENCE 2020

FAI Report 2020



## FINANCES PROJECT



EVALUATION  
&  
SELECTION

## RUN MY ACCOUNTS – A SWISS COMPANY

Background  
slide

- Online accounting firm
  - 2 PoC: Online Accountant, Mandate Manager (Fiduciary)
  - Workflows supported via cloud/emails
- 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](http://www.runmyaccounts.ch)





**ACHIEVED**

## 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

Background slide  
On time – On budget

Timeline 2020	Q1	Q2	Q3	Q4
	Jan / Feb / Mar	Apr / May / Jun	July / Aug / Sep	Oct / Nov / Dec
SmartFidu/Abacus	✓ ✓ ✓	✓ ✓ -	- - -	- - -
RMA (retroactive data entry from 01.01.2020 onwards)	- - -	- ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
Cost Centre structure (identify and agree to budgeting/reporting needs: EB <u>and</u> ASCs)		- ✓ ✓	✓ ✓ ✓	- - -
Reporting to EB 'new format'			✓ ✓ ✓	✓ ✓ ✓
Budget process for 2021 (EB / ASC)			- ✓ ✓	✓ ✓ -
Reporting to ASCs 'new format' (phased roll-out)			- ✓	✓ ✓ ✓
Start identifying best practice in FAI (jointly EB/ASC/office) (workflows ASC-office, sanction fees, ASC services and fees for LOC)				- - ✓



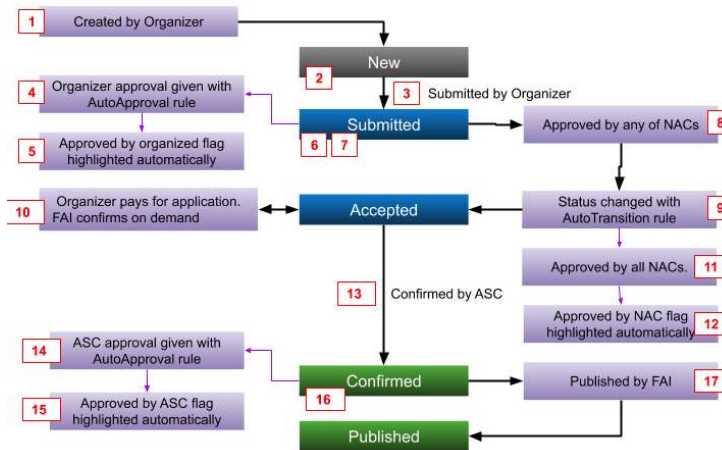


# FAI APPLICATION MANAGEMENT SYSTEM (AMS)

Background  
slide

## Full integration of the FAI AMS system ,Launch Customers' CIVL & CIAM

CONNECT  
EXISTING  
APPLICATIONS



Cat 2-event registrations <https://ams.fai.org/site/static?type=workflow>



# AMS APPLICATION MANAGEMENT SYSTEM

Background slide

ACHIEVEMENTS

IMPROVING WORKFLOWS

FORBES FLATLANDS HANG GLIDING CHAMPIONSHIP 2021

INFO ORGANIZERS NACS & COMMISSION DOCUMENTS

Confirmed Application confirmed at Oct 20, 2020 14:57

Validate Confirmed Cancel Update on Calendar

Disciplines and classes

Payment

Sanction Fee €315.00

Paid €315.00

Invoice

FAI ID 14722 Published

Serial number 1st

Serial year n/a

Summary Experience the thrill of competitive hang gliding, enhance your flying skills and enjoy the great camaraderie of hang gliding.

Category Second Category Event

Classification Other

Sport Hang Gliding

Entry Fee €210.00 Entry fee

AMS-10417(CLOSED)

Payments

Payment connection	Date*	Exchange r...	Amount*
1040 - PayPal	20/10/2021	1.0887	315.00

Total: EUR 315.00

Book

Invoice

Date: 20/10/2020  
 Invoiced to: Brett Coupland  
 Customer no.: AMS-10417  
 Customer no.: FAI-462

Hang Gliding Federation of Australia  
 Brett Coupland  
 21/54 Commercial Place  
 3033 Kolor East  
 Australia

Description	Amount	Unit	EUR price	EUR amount
CAT. Category 2 Event	1		315.00	315.00
EUR sub total				315.00
VAT 0.00 % on 315.00				0.00
EUR invoice amount				315.00

Thank you for remitting the payment within 10 days on or before 30/10/2020.

Sincerely,  
 Fédération Aéronautique Internationale

APPLICATION MANAGEMENT SYSTEM

The result of online payment

INVOICE: AMS-10417  
 INVOICE TOTAL: €315.00  
 DATE: 2020-10-20 03:10:29  
 GENERATED FOR: Brett Coupland  
 INTERNAL TRANSACTION NUMBER: xJpCQIWVLPqpOPCSNfwwYZ9-6ptPjkh  
 TRANSACTION ID IN THE PAYMENT SYSTEM: 4DT33490WF553603E  
 DATE AND TIME OF TRANSACTION STATUS CHANGE: 2020-10-20 03:11:10  
 THE STATUS OF THE TRANSACTION IN THE PAYMENT SYSTEM: Completed

INVOICE ITEMS:

Item: Application Forbes Flatlands Hang Gliding Championship 2021  
 Location: Australia, Forbes  
 Disciplines:  
 Cross country

Best wishes,  
 FAI Application Management System

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<https://ams.fai.org>

19 Jan - 26 Jan 2021 1st Forbes Flatlands Hang Gliding Championship 2021 Forbes, AUS

Information Event organiser FAI Member of the Organising Country

Event ID	Event classification	Type of event	Sport	Disciplines / Task Styles	Place	Date(s)	Documents/Links
14722	Other upcoming FAI-Sanctioned events (CAT.2)	Second Category Event	Hang Gliding	<ul style="list-style-type: none"> <li>class 1 - Cross country</li> <li>Sport Class - Cross Country</li> </ul>	Forbes, AUS	19 Jan - 26 Jan 2021	Organiser website

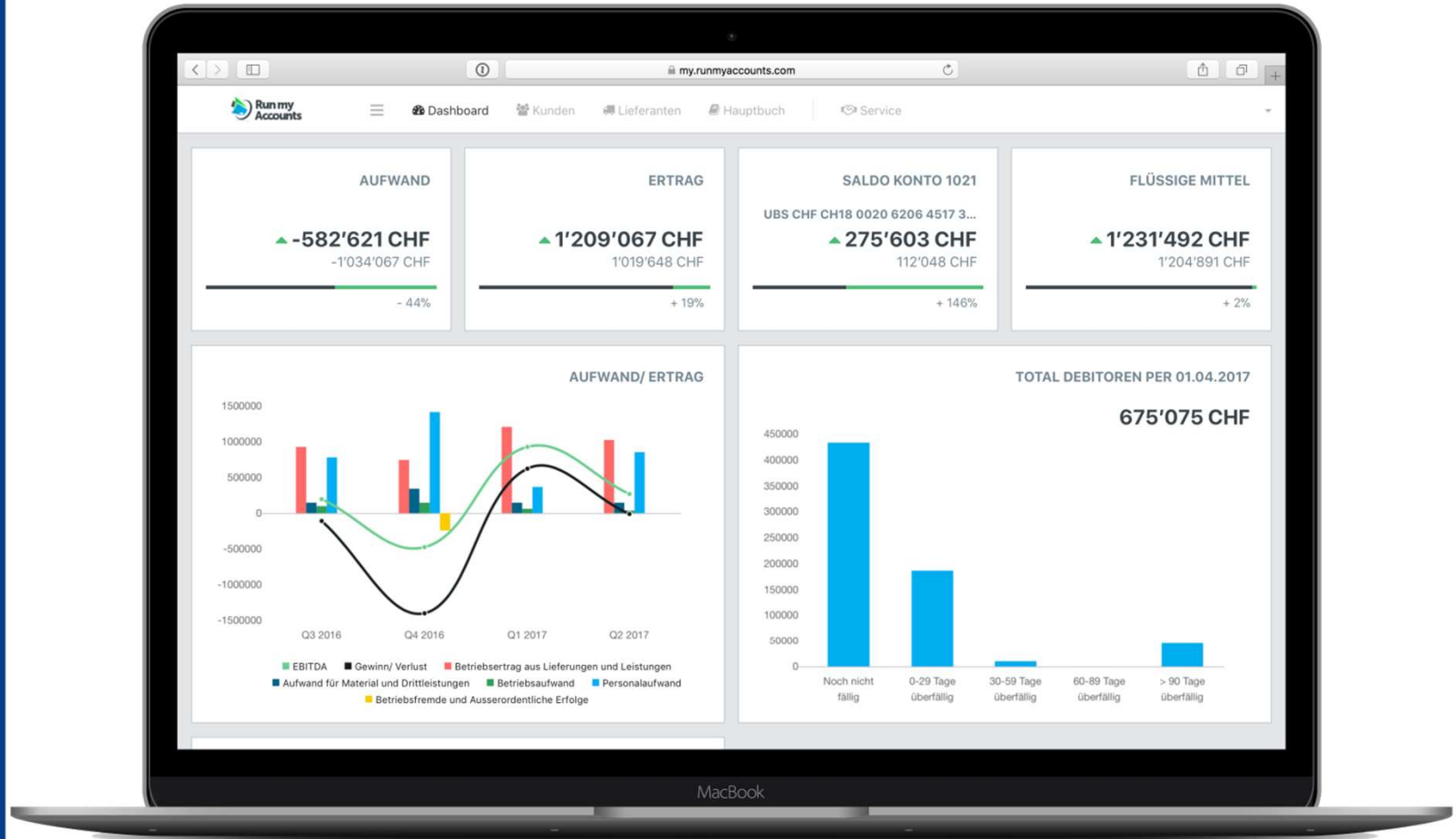
1. Application Management system [link]
2. AMS systems message
3. Accounting Run my Accounts) [link]
4. FAI calendar [link]



# DASHBOARD (24/7) FOR FAI, AUDITOR

Background slide

AVAILABLE FEATURES





**Different  
objectives**

FAI's accounts  
table tries to  
achieve both =>  
manual work to  
report

## THE PURPOSES OF ACCOUNTING

### 1. LEGAL accounting requirements

- Swiss Law & Accounting Obligations
- Annual Audit -> Members -> Discharge of EB
- Tax authority

### 2. MANAGING the Federation

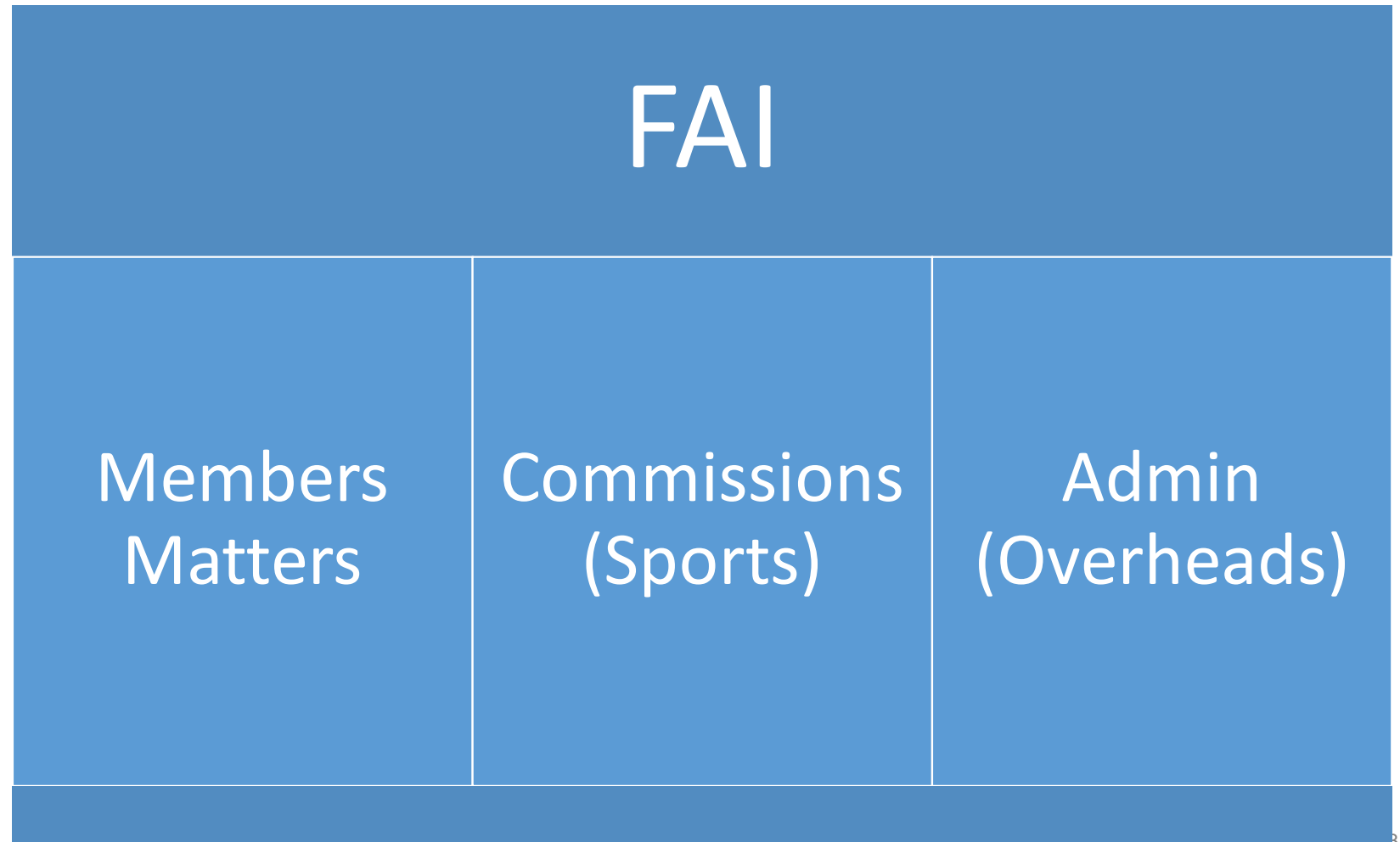
- Reflecting FAI's view on activities & responsibilities
  - Cost Centres
  - Projects
- FAI stakeholders
  - Executive Board
  - Commissions
  - Members



# MAIN PERSPECTIVES ON FAI

Background  
slide

FINANCES  
CONCEPT





# PROFIT & LOSS STATEMENT

Background  
slide

## 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

FINANCES  
CONCEPT





# SCHEMATIC: ACCOUTING/REPORTING

Background slide

Accounts	Cost Centre	Total across all projects	Project 1	Project 2	Project n...	Project-types
number 123 number 456 number 789 number etc ..... ....	CIA, CIAM, ...ISC Members Admin	Σ projects				Overheads
		Σ projects				Investments
		Σ projects				Sanctioned Events
		Σ projects				
		Σ projects				
Σ Audit	Σ Cost Centres	Σ FAI budget	Σ Project 1	Σ Project 2	Σ Project n	all figures converted to CHF



## FINANCE PROJECT

FAI Finances

# 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



**FAI OFFICE**



## HUMAN RESOURCES

### „COVID-19“

Budget 2021

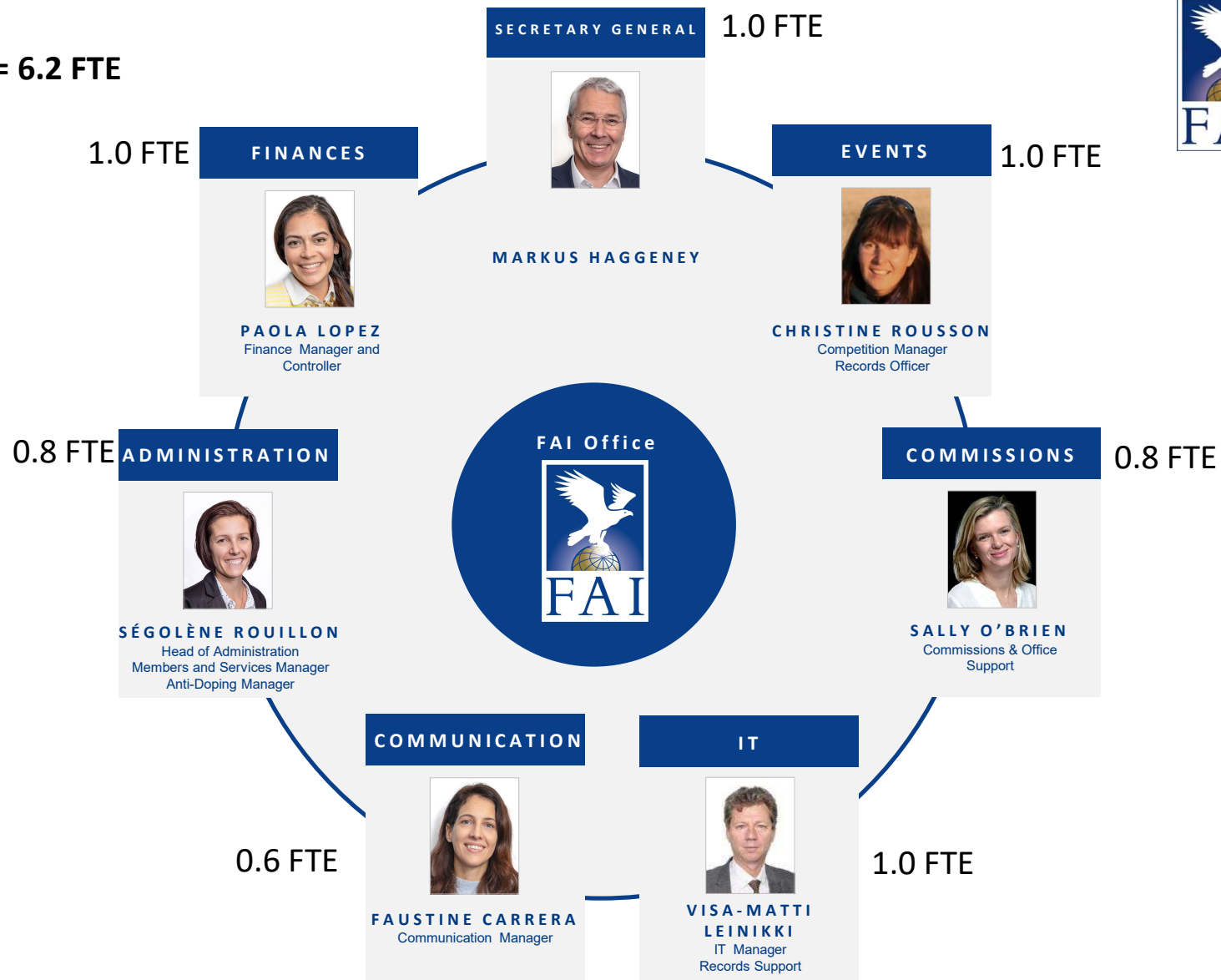
## OFFICE STAFF / SECRETARIAT

- 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)

FAI  
Secretariat  
Lausanne  
SUI

February 2020

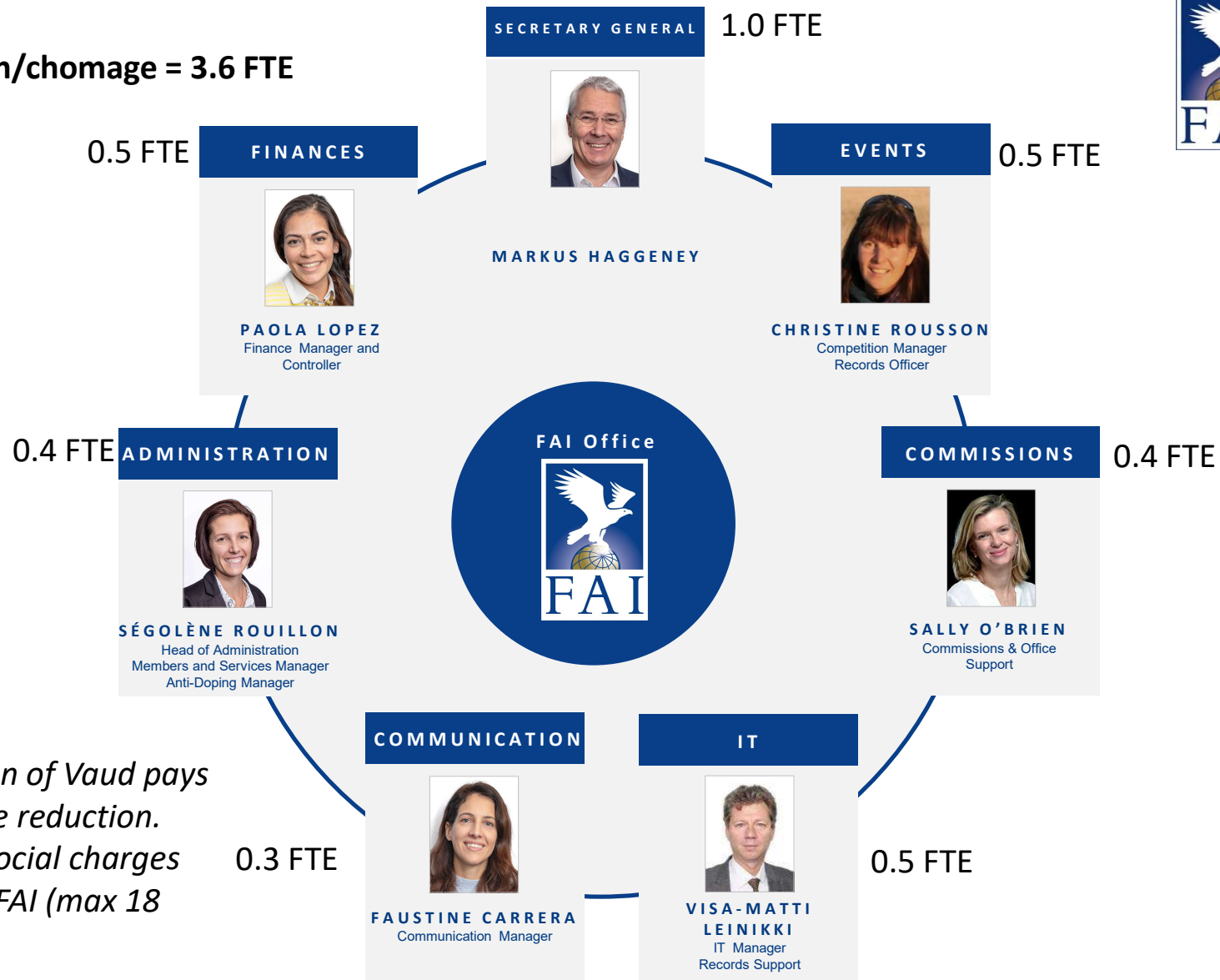
Staffing  
nominal = 6.2 FTE



FAI  
Secretariat  
Lausanne  
SUI

April – December 2020

**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)*



**THANK YOU!**

**QUESTIONS &  
FEEDBACK TO**

**[SEC.GEN@FAI.ORG](mailto:SEC.GEN@FAI.ORG)**