FAI General Aviation Commission (GAC)

Report submitted by FAI Secretary General
Markus Haggeney

21.11.2020 (MHA)
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
GAC 'SPECIAL RESERVES‘ (AS AUDITED)

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

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.
„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

**Date:** 13 November 2020

(assuming GC approval of subscription changes)

<table>
<thead>
<tr>
<th>Legal Account</th>
<th>Description</th>
<th>ACTUAL 2019</th>
<th>BUDGET 2020</th>
<th>BUDGET 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(FIA total)</td>
<td>(FIA total)</td>
<td>(FIA total)</td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>INCOME FROM MEMBERS</td>
<td>995,765</td>
<td>1,046,613</td>
<td>961,103</td>
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<tr>
<td>32</td>
<td>COMMERCIAL REVENUES</td>
<td>353,206</td>
<td>58,283</td>
<td>49,000</td>
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<tr>
<td>33</td>
<td>COMPETITIONS REVENUES</td>
<td>1,238,141</td>
<td>426,654</td>
<td>368,502</td>
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<tr>
<td>36</td>
<td>OTHER REVENUES</td>
<td>199,656</td>
<td>101,840</td>
<td>62,000</td>
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<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>DIRECT EXPENSES</td>
<td>-184,712</td>
<td>-147,545</td>
<td>-254,599</td>
</tr>
<tr>
<td>40</td>
<td>EXPENSES FOR PRODUCTION</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>42</td>
<td>EXPENSES MERCHANDISING &amp; OTHER</td>
<td>-16,243</td>
<td>-5,598</td>
<td>-5,268</td>
</tr>
<tr>
<td>46</td>
<td>EXPENSES FOR SERVICES</td>
<td>-168,469</td>
<td>-141,047</td>
<td>-249,292</td>
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<tr>
<td>48</td>
<td>INVENTORY CHANGE LOSS OF MATERIAL</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>5</td>
<td>PERSONNEL COSTS</td>
<td>-1,472,763</td>
<td>-825,875</td>
<td>-716,875</td>
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<tr>
<td>54</td>
<td>WAGE COSTS</td>
<td>-1,014,848</td>
<td>-800,000</td>
<td>-568,000</td>
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<tr>
<td>57</td>
<td>SOCIAL INSURANCE COSTS</td>
<td>-156,208</td>
<td>0</td>
<td>-122,000</td>
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<tr>
<td>58</td>
<td>OTHER PERSONNEL COSTS</td>
<td>-115,931</td>
<td>0</td>
<td>0</td>
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<tr>
<td>59</td>
<td>EXTERNAL SERVICES</td>
<td>-183,776</td>
<td>-25,875</td>
<td>-26,875</td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>OTHER OPERATING EXPENSES / DEPRECIATION AND AMORTISATION / FINANCIAL PI</td>
<td>-1,238,588</td>
<td>-766,015</td>
<td>-578,713</td>
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<tr>
<td>60</td>
<td>HOUSING COSTS</td>
<td>-9,881</td>
<td>-38,814</td>
<td>-53,628</td>
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<tr>
<td>61</td>
<td>MAINTENANCE, REPAIR, REPLACEMENT AND LEASING OF TANGIBLE ASSETS</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>62</td>
<td>VEHICLE AND TRANSPORTATION EXPENSES</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>63</td>
<td>INSURANCE</td>
<td>-46,114</td>
<td>-42,000</td>
<td>-17,500</td>
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<tr>
<td>64</td>
<td>ENERGY, WASTE</td>
<td>-4,021</td>
<td>-7,500</td>
<td>-4,020</td>
</tr>
<tr>
<td>65</td>
<td>ADMINISTRATION AND INFORMATION TECHNOLOGY EXPENSES</td>
<td>-696,409</td>
<td>-488,391</td>
<td>-231,571</td>
</tr>
<tr>
<td>66</td>
<td>MARKETING AND PR EXPENSES</td>
<td>-243,538</td>
<td>-15,550</td>
<td>-31,952</td>
</tr>
<tr>
<td>67</td>
<td>OTHER OPERATING EXPENSES</td>
<td>-54,094</td>
<td>-61,580</td>
<td>-59,825</td>
</tr>
<tr>
<td>68</td>
<td>DEPRECIATION AND AMORTISATION ON FIXED ASSETS</td>
<td>-133,332</td>
<td>-85,000</td>
<td>-100,000</td>
</tr>
<tr>
<td>69</td>
<td>FINANCIAL EXPENSES AND FINANCIAL INCOMES</td>
<td>-51,200</td>
<td>-27,230</td>
<td>-30,215</td>
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<tr>
<td><strong>7</strong></td>
<td>OPERATIONAL ANCILLARY RESULTS</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>EXTRAORDINARY AND NON-OPERATING EXPENSES, TAX</td>
<td>-280,617</td>
<td>0</td>
<td>-323</td>
</tr>
</tbody>
</table>

|               | NET RESULT ASCs (+) Allocation (-) Dissolution of Special Reserves | -46,323      | -74,944      | -126,606     |
|               | NET RESULT (FIA Total)                                      | -314,043    | -13,201      | 16,741       |
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>Day</th>
<th>Session A 1200 – 1430 UTC</th>
<th>Session B 1900 – 2100 UTC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday</td>
<td>Opening&lt;br&gt;Statutes changes with immediate effect&lt;br&gt;Report FAI President&lt;br&gt;Report FAI Secretary General&lt;br&gt;Finances 2019&lt;br&gt;Discharge FAI Executive Board</td>
<td>Awards Ceremony&lt;br&gt;1900 – 2000&lt;br&gt;Backup Session&lt;br&gt;2000 – 2100</td>
</tr>
<tr>
<td>02 Dec 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thursday</td>
<td>Statutes Changes&lt;br&gt;FAI membership&lt;br&gt;Election CASI members *)&lt;br&gt;Election Vice-Presidents</td>
<td>Backup Session&lt;br&gt;1900 – 2000</td>
</tr>
<tr>
<td>03 Dec 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friday</td>
<td>Finances 2020 year-to-date&lt;br&gt;FAI Budget 2021</td>
<td>Backup Session&lt;br&gt;1900 – 2000</td>
</tr>
<tr>
<td>04 Dec 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saturday</td>
<td>Companions of Honour (appointment)&lt;br&gt;FAI President&lt;br&gt; - nomination, presentation, election&lt;br&gt;FAI Executive Board&lt;br&gt; - presentation, election&lt;br&gt;Future FAI General Conferences&lt;br&gt;Closing</td>
<td>CASI Plenary Meeting (Bureau election) *)&lt;br&gt;1900 – 2000&lt;br&gt;1900 – 2000&lt;br&gt;Reserve&lt;br&gt;2000 – 2100</td>
</tr>
<tr>
<td>05 Dec 2020</td>
<td></td>
<td></td>
</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

FAI Finance Project 2020
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

**Timeline 2020**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</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</td>
<td>- - -</td>
<td>- ✅ ✅ ✅</td>
<td>✅ ✅ ✅</td>
<td>- - -</td>
</tr>
<tr>
<td>(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>
</tr>
<tr>
<td>Reporting to ASCs ‘new format’ (phased roll-out)</td>
<td>- ✅ ✅ ✅</td>
<td></td>
<td></td>
<td>✅ ✅ ✅</td>
</tr>
<tr>
<td>Start identifying best practice in FAI (jointly EB/ASC/office)</td>
<td></td>
<td></td>
<td></td>
<td>- - ✅</td>
</tr>
<tr>
<td>(workflows ASC-office, sanction fees, ASC services and fees for LOC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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)
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
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

FAI

Members Matters

Commissions (Sports)

Admin (Overheads)
## Profit & Loss Statement

### Cost & Revenue

<table>
<thead>
<tr>
<th>Legal Accounts</th>
<th>Cost Centre</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUI obligations (as few as necessary)</td>
<td>Department (FAI’s internal structure) for - Decisions - Reports - Budgets</td>
<td>FAI activities: Cat1, Cat2, dedicated projects, single-year, multi-year, cross-commission, member specific, regional focus, FAI total</td>
</tr>
</tbody>
</table>

The level of detail for DEPRECIATION has to be decided.
### SCHEMATIC: ACCOUNTING/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>CIA, CIAM, ...ISC</td>
<td>Σ projects</td>
<td></td>
<td></td>
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<td>Overheads</td>
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<tr>
<td>number 456</td>
<td>Members Admin</td>
<td>Σ projects</td>
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<td></td>
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<td>Investments</td>
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<tr>
<td>number 789</td>
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<td>Σ projects</td>
<td></td>
<td></td>
<td></td>
<td>Sanctioned Events</td>
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<tr>
<td>number etc</td>
<td></td>
<td>Σ projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>....</td>
<td></td>
<td>Σ projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>....</td>
<td></td>
<td>Σ projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</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></td>
</tr>
</tbody>
</table>

all figures converted to CHF
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)
FAI Secretariat
Lausanne SUI

February 2020

Staffing nominal = 6.2 FTE

SECRETARY GENERAL 1.0 FTE

MARKUS HAGGENEY

FINANCES 1.0 FTE

PAOLA LOPEZ
Finance Manager and Controller

EVENTS 1.0 FTE

CHRISTINE ROUSSON
Competition Manager
Records Officer

ADMINISTRATION 0.8 FTE

SÉGOLÈNE ROUILLOON
Head of Administration
Members and Services Manager
Anti-Doping Manager

COMMISSIONS 0.8 FTE

SALLY O’BRIEN
Commissions & Office Support

COMMUNICATION 0.6 FTE

FAUSTINE CARRERA
Communication Manager

FAI Office

IT 1.0 FTE

VISA-MATTI LEINIKKI
IT Manager
Records Support
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