

70th FAI/IPC PLENARY MEETING, MOSCOW, RUSSIA, 25 – 26 JANUARY 2020

<b>Subject:</b>	<b>REPORT OF FINANCE WORKING GROUP</b>	<b>Annex No.</b>	<b>6</b>
<b>Author:</b>	<b>Gail Bradley, IPC Finance Secretary</b>	<b>Agenda Ref.</b>	<b>6</b>
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**FINANCE WORKING GROUP  
INTERNATIONAL PARACHUTING COMMISSION**

## Overview

This has been a year of consolidating processes, improving claims processing and enjoyment working with our people. Please note all figures within this report are dated 31 October 2019 and are subject to 31 December balancing with FAI.

IPC's income in 2019 was not as high as expected, but we have seen a great reduction in expenses. However, we are still not profitable. In 2019 therefore we further reduced our Special Reserve, our "savings" with FAI, by a small amount. I expect that to reverse in 2020 when we will become profitable again, then further changes must occur to prevent us running out of money by 2024.

I look forward to showing you my "Trends" presentation to examine IPC's future profitability. I hope you agree that this analysis will support two minor changes to "future-proof" the IPC and prevent us from running down our savings as much as we have in recent years. I look forward to providing you with some interesting financial statistics at the IPC Meeting in January in the snow of Moscow. Here is some further reading:

- Annexe FWG-A: Forecast and actual Budget for 2019.
- Annexe FWG-B: Projected Budget for 2020 and Draft Budget 2021.
- Annexe FWG-C: Discipline/Event financials.
- Annexe FWG-D: Proposal for a different way to fund Juries
- Annexe FWG-E: Proposal for future-proofing IPC finances.
- Annexe FWG-F: Proposal to amend Annex 4.

In summary, I am on a mission to preserve and protect our funds, as you will learn in this report when you read about my challenges with FAI. With this in mind, I am more than willing to stand for re-election as Finance Secretary to finish the job I have started, working with this excellent Bureau and President.

May I also thank all the wonderful claimants who got their claims to me accurately, accepted my rejections, understood my reasons, and allowed the playing field to be fairly managed. It cannot happen in such harmony without your good grace, and I am grateful to you. Thank you.

Finally, while I note Vice-President and former Finance Secretary Doris Merz and FWG member Patrice Girardin, I particularly thank Buzz Bennett who stands beside me when the going gets rough at FAI. Thank you all for your support and competence.

Gail Bradley  
IPC Finance Secretary  
31 October 2019

## 1. Challenges at FAI

My challenge this year has been coming to grips with how FAI does the accounting of our cash and our Special Reserve, our “savings”. While the cash is easy to understand because it mostly resides in a bank account, the Special Reserve is not so secure. Having said that, even the bank account does not accurately reflect all our ins and outs with IPC officials having been mysteriously paid from other sources in CHF. Frequent vigilance is required to make sure our claimants are paid timely and accurately.

I fear, with FAI now running at a considerable loss, that our savings exist on paper only. I fear they are not ring-fenced as promised. I have been endeavouring throughout the year to request our savings are placed wholly in our bank account where we can see and touch our Special Reserve, manage it and account for it properly. The FAI will not hand over our savings, instead describing all Commissions, the IPC and its financial management, present and past, in unflattering terms. At this date, a paper written in IPC’s defence and asking some pointed financial questions is about to be distributed to IPC Delegates prior to the FAI General Conference in December.

It is worth noting that our bank account is not “ours” either; it exists in the name of the legal entity, the FAI. They may do as they wish with it at any time, but morally we know it is ours, paid by our athletes, for our purposes and expenses. This point has yet to be conceded by FAI.

With a view to harmony, to build relationships and to reconcile our accounts, I visited Lausanne twice, having specifically taken up residence nearby in France. At the first appointment, confirmed weeks earlier, I was asked to leave without notice as a sudden FAI crisis meeting was called. I left in good grace as these things happen. On my second visit a week later I spent a profitable two hours gaining an understanding of how FAI views the Commissions’ finances, working with Paola, the new Accountant, to match IPC procedures and codes to hers to make year-end balancing more simple for all parties, and to meet the office staff. It was a positive visit and I learned much. While I had wanted to visit at my own expense, given the non-performance on visit #1 I was pressed by our President to make a claim for two ferry rides.

Since then, I have had excellent relationships with Paola and am confident our end of year balancing will be a simple thing as we both code our payments the same way. There is still a mess of ancient Application Fees, Deposits and Sanction Fees to be sorted out from 2016 forward, and Paola is not getting to this in a timely way. If she accepts my accounting for it, IPC stands to gain more cash.

## 2. Income

IPC’s financial situation is described in Annex FWG-A. It is based upon reasonable projections for income from the final Sanction Fees from the CP World Cup in South Africa in November minus reasonable guesses on the size of Judge and Jury claims to the end of the year.

On the Income side, while the 2019 forecast was **€106.750**, we appear to have earned **€108.396**. Do not praise my forecasting skills however. Our final income was supplemented with nearly €6.000 for medals and merchandise sales which had not been forecasted, plus two Protest Fees. Without those additional items, Sanction Fee income was not as high as projected, shown below by Discipline. Remember green is positive, red is “less positive”. Forecast is grey shaded, Actual is white.

2019 APPROVED BUDGET		INCOME:	ENTRIES	ACTUAL INCOME	ACTUAL ENTRIES
WC AE - Artistic Events 14%	Eloy *	€ 5,500	50	€ 3,927	36
WC CF - Canopy Formation	Romania	€ 8,800	80	€ 8,800	80
WC CP - Canopy Piloting (projected)	RSA	€ 11,000	100	€ 11,000	100
WC FS - Formation Skydiving 86%	Eloy *	€ 27,500	250	€ 24,123	219
WPC IS - Indoor Skydiving (@ €90)	France	€ 24,300	270	€ 28,620	318
WPC PS - Paraski (@ €90)	Czech Rep.	€ 7,200	80	€ 6,120	68
WC SP - Speed Skydiving	UK	€ 3,300	30	€ 3,190	29
WC ST & AL (@ €90)	Argentina	€ 13,500	150	€ 9,000	100
WC WS - Wingsuit Flying	Italy	€ 5,500	50	€ 7,700	70
<b>TOTALS</b>		<b>€ 106,600</b>		<b>€ 102,480</b>	

\* Ratio of FS:AE agreed with FAI Controller.

*I would like to review with the Discipline Committee Chairs their expected numbers for the Mondial and Indoor WC to ensure our 2020 and 2021 Budgets stay on track.*

### 3. Expenses

On the expense side, it was a good news story but we are not profitable yet.

I forecast total Expenses of **€141,094**, meaning we would have to take from our Special Reserve an amount of **-€34,344** to balance with our income. It happens nearly everyone, particularly the Judges and Bureau, “went on a diet” as requested. Thank you. Our projected end of year expenses, subject to last minute claims, will be around **€116,732**, meaning we went backwards only **-€8,335** as at date of publication. Here is a sample of expenditure with larger items mentioned.

The Judges reduced forecast expenses by ~€17,000 and the Bureau by ~€10,000. Sadly, we had overruns on the Juries despite them trying to minimise costs in all ways.

EXPENDITURE:	Forecast:	Actual
IPC Management	€ 22,719	€ 12,196
IPC Jury	€ 26,700	-€ 29,177
IPC Judges	€ 74,700	-€ 57,192

Other Expenditures were Records Processing with a whopping € 5,000, medals purchased for €3,000 offsetting the income they earned with a small profit and all other Committees spending as expected or not at all. Mid-year the Bureau voted a further, up to, €2.000 to the Judges Committee to investigate the possibility of “live judging” in line with our Strategy Workshop task.

## 4. The Future

I will say my surprises were the nice ones like making a profit on medals and Indoor Skydiving, and the less positive ones of the expensive Juries, Records Processing and not receiving the forecast income in most disciplines.

Our Budget for 2020 makes a tiny profit – see Annex FWG-B. After that, we go backwards by 2024 unless some changes are made. These are best demonstrated “live” at the IPC Meeting.

For our future benefit and cost management, I ask your support for three proposals which are the subject of other Annexes. These include:

1. Different approaches to funding Juries
2. Future-proofing our Sanction Fee
3. The IPC President’s proposal to reduce the costs of Records Processing.

## 5. Summary:

In total I processed 206 payments, the majority of which were Judge claims. I maintained my standard for a response within 48 hours, even when I was travelling, and an approval within five days of receiving a correctly completed claim. The FAI refunded most within 15 days of receipt of the approval, although there were two exceptions that took up to six weeks each.

I would like it if Chief Judges urged their selected Judges to promptly make claims when their journeys ended. I am at this time still awaiting some claims over two months old.

No claimant exceeded the maximum travel limit set in the Policy. On two occasions the Bureau managed exceptional situations, and did so to the benefit of the claimants.

All Deposits were received in a timely way and refunded within 30 days. Thank you FAI Controllers for your work.

We propose no changes to the Expense Reimbursement Policy which again has proven its worth and may become the FAI gold standard for other Commissions.

I look forward to our return to profitability in 2020, and robust, disciplined financial management in future.

*Note: Any Committees who wish to seek funding in 2020, please send your proposals to me now or before the Plenary. The BUDGET REQUEST TEMPLATE is available to you for requests over €1.000.*

Regards and blue skies,

GAIL

## Annex FWG-A: Forecast and Actual Budget for 2019.

BUDGET 2019				ACTUAL 2019	
	Plenary Meeting		Jan 2019	as at:	31/10/2019
Sanction Fee:	110 €			Green is positive	
		2019 BUDGET	ENTRIES	ACTUAL €	ACTUAL ENTRIES
<b>INCOME:</b>					
WC AE - Artistic Events	Eloy	€ 5,500	50	€ 3,927	36
WC CF - Canopy Formation	Romania	€ 8,800	80	€ 8,800	80
WC CP - Canopy Piloting	South Africa	€ 11,000	100	€ 11,000	100
WC FS - Formation Skydiving	Eloy	€ 27,500	250	€ 24,123	219
WPC IS - Indoor Skydiving (@ €90)	France	€ 24,300	270	€ 28,620	318
WPC PS - Paraski (@ €90)	Czech Rep.	€ 7,200	80	€ 6,120	68
WC SP - Speed Skydiving	UK	€ 3,300	30	€ 3,190	29
WC ST & AL (@ €90)	Argentina	€ 13,500	150	€ 9,000	100
WC WS - Wingsuit Flying	Italy	€ 5,500	50	€ 7,700	70
Sale of Merchandise		€ 0		€ 5,816	
Protest Fees		€ 150		€ 100	
<b>Total Income</b>		<b>€ 106,750</b>		<b>€ 108,396</b>	
Balancing item from ASC Reserve		<b>-€ 34,344</b>		<b>-€ 8,335</b>	
<b>BALANCE</b>		<b>€ 141,094</b>		<b>€ 116,732</b>	
<b>EXPENDITURE:</b>					
		2019 BUDGET		ACTUAL€	RESULT
FAI General Conference (2018 & 2019)		€ 1,000		-€ 861	€ 139
IPC Plenary 2019		€ 3,000		-€ 1,882	€ 1,118
Extended Bureau - Plenary 2019		€ 2,000		€ 0	€ 2,000
IPC Midyear Bureau Meeting		€ 500		-€ 153	€ 347
IPC Strategy Workshop		€ 8,219		-€ 8,012	€ 207
Officer Expenses		€ 1,000		-€ 100	€ 900
IPC Bureau Representation		€ 3,000		€ 0	€ 3,000
ASC and other IPC President		€ 4,000		-€ 1,189	€ 2,811
<b>Sub-Total Management</b>		<b>€ 22,719</b>			
<b>IPC Committees and WGs</b>					
- Artistic Events		€ 500		€ 0	€ 500
- Canopy Formation		€ 0		€ 0	€ 0
- Canopy Piloting		€ 0		€ 0	€ 0
- Dynamic		€ 500		€ 0	€ 500
- Finance WG		€ 0		€ 0	€ 0
- Formation Skydiving		€ 0		€ 0	€ 0
- Indoor Skydiving		€ 300		€ 0	€ 300
- Judges		€ 0		-€ 2,000	-€ 2,000
- Media & Promotions WG		€ 5,000		-€ 3,518	€ 1,482
- Para Ski		€ 450		€ 0	€ 450
- Rules & Regulations		€ 0		€ 0	€ 0
- Speed Skydiving		€ 0		€ 0	€ 0
- Style & Accuracy		€ 0		€ 0	€ 0
- Technical & Safety		€ 0		€ 0	€ 0
- Wingsuit Flying		€ 0		€ 0	€ 0
<b>Sub-Total Committees</b>		<b>€ 6,750</b>			
FAI for Comp'n Records Processing		€ 5,000	68	-€ 4,889	€ 111
World Games/WAG		DISCONTINUED		€ 0	€ 0
IPC Jury		€ 26,700		-€ 29,177	-€ 2,477

IPC Judges	€ 74,700	-€ 57,192	€ 17,508
Results Website development	€ 2,500	-€ 1,950	€ 550
Website Management (final)	€ 2,725	-€ 2,725	€ 0
Medals Purchased	€ 0	-€ 3,085	-€ 3,085
<b>Sub-Total Officials &amp; Other</b>	<b>€ 111,625</b>		
<b>Total Expense</b>	<b>-€ 141,094</b>	<b>-€ 116,732</b>	

## Annex FWG-B: DRAFT Budgets for 2020 and 2021

<b>BUDGET 2020</b>	<b>Moscow 2020 Plenary Meeting</b>	<b>31/10/2019</b>	
<b>Sanction Fee:</b>	<b>110 €</b>		
		<b>2020 BUDGET</b>	<b>ENTRIES</b>
<b>INCOME:</b>			
WPC AE - Artistic Events	Tanay	€ 6,600	60
WPC CF - Canopy Formation	Tanay	€ 11,000	100
WPC CP - Canopy Piloting	Tanay	€ 12,100	110
WPC FS - Formation Skydiving	Tanay	€ 29,700	270
WC IS - Indoor Skydiving	Belgium	€ 27,500	250
WPC SP - Speed Skydiving	Tanay	€ 3,850	35
WPC FS/AL - Style and Accuracy	Tanay	€ 28,600	260
WPC WS - Wingsuit Flying	Tanay	€ 8,800	80
Sale of Merchandise		€ 0	
Protest Fees		€ 100	
<b>Total Income</b>		<b>€ 128,250</b>	
Balancing item from ASC Reserve			
<b>BALANCE</b>		<b>Return to profit</b>	
		<b>€ 2,000</b>	
<b>EXPENDITURE:</b>			
FAI General Conference		€ 1,000	
IPC Plenary 2020		€ 3,000	
Extended Bureau - Plenary		€ 2,000	
IPC Midyear Bureau Meeting		€ 500	
Officer Expenses		€ 1,000	
IPC Bureau Representation		€ 3,000	
ASC and other IPC President		€ 6,000	
Wind Tunnel Conference *		€10,000	
<b>Sub-Total IPC</b>		<b>-€ 26,500</b>	
IPC Committees and WGs			
- Artistic Events			
- Canopy Formation			
- Canopy Piloting			
- Dynamic			
- Finance WG			
- Formation Skydiving			
- Indoor Skydiving			
- Judges		€ 5,000	
- Media & Promotions WG		€ 6,240	
- Para Ski			
- Rules & Regulations			
- Speed Skydiving			
- Style & Accuracy			
- Technical & Safety			

- Wingsuit Flying		
<b>Sub-Total Committees</b>		<b>-€ 11,740</b>
FAI for Comp'n Records Processing	€ 1,000	
IPC Jury	€ 13,610	
IPC Judges Travel	€ 68,900	
Technology Development	€ 5,000	
<b>Sub-Total Officials &amp; Other</b>		<b>-€ 88,510</b>
<b>Total Expense</b>		<b>-€ 126,250</b>

### Draft Budget for 2021

<b>BUDGET 2021 - DRAFT</b>	<b>2021</b>	<b>31/10/2019</b>	
	<b>Plenary Meeting</b>		
<b>Sanction Fee:</b>	<b>110 €</b>		
		<b>ENTRIES</b>	
<b>INCOME:</b>			
WPC AE - Artistic Events	Norway	€ 3,300	30
WPC CF - Canopy Formation		€ 7,700	70
WPC CP - Canopy Piloting		€ 11,000	100
WPC FS - Formation Skydiving	Norway	€ 24,200	220
WC IS - Indoor Skydiving	Belgium	€ 25,300	230
WPC SP - Speed Skydiving		€ 3,300	30
WPC FS/AL - Style and Accuracy	Czech Rep	€ 16,500	150
WPC WS - Wingsuit Flying		€ 7,700	70
Sale of Merchandise		€ 0	
Protest Fees		€ 0	
<b>Total Income</b>		<b>€ 99,000</b>	
Balancing item from ASC Reserve – <b>negative savings</b>		<b>-€ 36,300</b>	
<b>EXPENDITURE:</b>			
FAI General Conference	€ 1,200		
IPC Plenary 2020	€ 3,000		
Extended Bureau - Plenary	€ 2,500		
IPC Midyear Bureau Meeting	€ 500		
Officer Expenses	€ 1,500		
IPC Bureau Representation	€ 3,500		
ASC and other IPC President	€ 7,000		
Wind Tunnel Conference *	€ 10,000		
<b>Sub-Total IPC</b>		<b>-€ 29,200</b>	
IPC Committees and WGs			
- Artistic Events	€ 1,000		
- Canopy Formation			
- Canopy Piloting			
- Dynamic			
- Finance WG			
- Formation Skydiving	€ 1,000		
- Indoor Skydiving			



- Judges	€ 2,500	
- Media & Promotions WG	€ 8,000	
- Para Ski	€ 500	
- Rules & Regulations		
- Speed Skydiving		
- Style & Accuracy		
- Technical & Safety		
- Wingsuit Flying		
<b>Sub-Total Committees</b>		<b>-€ 13,000</b>
FAI for Comp'n Records Processing	€ 2,000	
IPC Jury Travel	€ 29,400	
IPC Judges Travel	€ 61,700	
Technology Development		
<b>Sub-Total Officials &amp; Other</b>		<b>-€ 93,100</b>
<b>Total Expense</b>		<b>-€ 135,300</b>

## Annex FWG-C: Discipline/Event Financials

<b>DISCIPLINE FINANCIALS</b>								
<b>2019</b>								
Location	Discipline	Sanction Fees	# Judges	Income	Cost JUDGES (Proportional if required)	Cost JURY (Proportional if required)	TOTAL COST	Profitable?
Czech Rep	Paraski (€90)	68	6	€ 6,120	€ 1,749	€ 0	€ 1,749	€ 4,371
France	Indoor (€90)	318	22	€ 28,620	€ 12,000	€ 2,796	€ 14,796	€ 13,824
Argentina	AC & ST (€90)	100	14	€ 9,000	€ 14,334	€ 4,853	€ 19,187	-€ 10,187
UK	SP (€110)	29	2	€ 3,190	€ 646	€ 4,491	€ 5,137	-€ 1,947
Romania	CF (€110)	80	6	€ 8,800	€ 3,309	€ 3,435	€ 6,744	€ 2,056
Italy	WS (€110)	70	7	€ 7,700	€ 6,333	€ 3,296	€ 9,629	-€ 1,929
USA 86% *	FS (€110)	219	7	€ 24,123	€ 5,355	€ 4,876	€ 10,231	€ 13,892
USA 14% *	AE (€110)	36	7	€ 3,927	€ 6,772	€ 794	€ 7,566	-€ 3,639
South Africa	CP (€110)	100	6	€ 11,000	€ 5,900	€ 4,950	€ 10,850	€150
<b>TOTALS</b>		<b>1020</b>	<b>77</b>	<b>€ 102,480</b>	<b>€ 56,398</b>	<b>€ 29,491</b>	<b>€ 85,889</b>	<b>€ 16,591</b>

\* USA Ratio FS:AE was 86:14 as agreed with FAI Controller

## Annex FWG-D: Proposal for a different way to fund Juries

As you will see from the previous Annexe, the Jury cost is out of proportion to the number of Sanction Fees received. If it continues that we fund Juries for travel, accommodation, food and (most of them) hire cars, we are paying high costs and sending ourselves financially backwards, when we have it in our power to change our Section 5 so this is not so.

This paper is not to comment on the validity or otherwise of Juries. I hear sometimes they are very onerous indeed, at least in thought if not hours of work. From my own (limited) experience, three super-qualified people spend 90% of their days doing their own work and enjoying fellowship with others. While some call it a paid holiday, it does not feel like a holiday. Our Jurors are hard-working and conscientious people who give their knowledge and precious time to IPC, but IPC maybe should not be paying for so many of them to sit around being mostly bored, or so I am told.

As their tasks are defined in our own rules, we can make them anything we like, and look at options for spending less on Juries. Our rules require us to have three on-site Jurors at every event, yet we are one of the few, if only, Commissions with this requirement. Other FAI ASCs use off-site Jurors, or combine tasks with other roles.

When I have canvassed opinions I've heard these comments:

*FAI Controller and Jury President do the same things!* (no, they don't actually)

*There are too many officials.* (yes, actually I think there are)

*We had more officials than competitors!* (no, they didn't actually)

*Jury is boring but I like the travel* (hmmm?)

*Why not ask the FAI Controller to be the third Jury member in need?* (not a bad idea actually)

*Why not have all off-site Jurors for a Protest, and only one on site as President?* (a step too far for now I think)

Trying to put all this together, I propose a graded scheme whereby the bigger the event or participants, the more we can financially justify a full Jury on site. A full Jury is cost-effective with 80+ Sanctions or more, sometimes depending on the country. Less than that, here is another scheme.

*Remember this doesn't have to happen until 2021 because the Mondial is already approved in 2020.*

Number of Sanctions	Number of Jurors	Comments
80+	3 appointed	All on site
50-79	2 appointed	President plus one Juror on site to manage work and records. Third Jury spot filled by FAI Controller or Chief Judge for Protests only, unless they are involved in the Protest. One offsite Juror appointed

		for Protests as backup.
0 – 49	1 President appointed	President on site. Second Jury spot filled by FAI Controller or Chief Judge for Protests only, unless they are involved in the Protest. One or two offsite Jurors appointed for Protests only.

I believe it is too black and white to say *every* event must have one less Juror, or *every* event must combine the FAI Controller tasks with the Jury tasks, although there is certainly some overlap. I think the R & R Committee is examining overlaps and removing the doubled-up tasks too. This is just an idea and open to discussion. It could save us around €10.000 pa.

Other ideas from my working Group state that if the number of entries moves, we have non-compliant Juries, although I think we can manage this scenario with rules. We could say something like, “the number of on-site Jury Members will be determined at least 90 days before the start of competition based on experience and previous analysis. This number is not grounds for a Protest.

An alternative is that single Events have a single Jury Member, two events have two Jury Members, and more events have three Jury Members on site. This is a valid idea too. It does not address the financial aspects. If the single event is FS, more than likely we can afford three Members on site. If the single event is Speed, or AE, we cannot. I would prefer to see the Sanction Fees covering the costs of the Juries.

## Annexe FWG-E: Proposal for future-proofing IPC funds.

### History of IPC Sanction Fee

- The furthest we have been able to research backwards was a US\$25 Sanction Fee approved in 1996.
- In 2004 it increased to US\$50 to cover IPC expenses.
- In 2006 when the currency changed to Euro it became €40 and in 2007 it was increased to €90 to cover Judges' travel.
- IPC increased it to €110 in 2019 to cover the cost of inflation.
- If we had increased it in line with 3% inflation from 2007, then we should have made it €110 back in 2014. By 2019 it should have been increased to €128 (rounded to €130).

While I do not propose we try to “catch up”, which would make the current generation of competitors suffer most, it makes sound financial sense to build into the Sanction Fee a regular increment at a regular intervals. I shall show this in my presentation too. Without it, we shall have no savings left in four years.

### Proposal to regularly increase the Sanction Fee

Increments to the Sanction Fee should be made at regular intervals to keep it in line with inflation.

With growth targeted by world economic authorities at 3%, this means our Sanction Fee should increase by €20 every five (5) years. Five years is also a good time for the next generation of competitors to be moving through. Here is the table of proposed increases.

S.Fee at CPI 3%	#	Year	Propose Increase every 5 years
€ 90	0	2012	€ 90 <i>Started in 2007 as €90 for Judge Travel</i>
€ 93	1	2013	
€ 95	2	2014	
€ 98	3	2015	
€ 101	4	2016	
€ 104	5	2017	
€ 107	6	2018	
€ 111	7	2019	€ 110 <i>Increase x €20</i>
€ 114	8	2020	
€ 117	9	2021	
€ 121	10	2022	
€ 125	11	2023	
€ 128	12	2024	€ 130 <i>Increase x €20</i>
€ 132	13	2025	
€ 136	14	2026	
€ 140	15	2027	
€ 144	16	2028	
€ 149	17	2029	€ 150 <i>Increase x €20</i>
€ 153	18	2030	

€ 158	<b>19</b>	<b>2031</b>	
€ 163	<b>20</b>	<b>2032</b>	
€ 167	<b>21</b>	<b>2033</b>	
€ 172	<b>22</b>	<b>2034</b>	€ 170 Increase x €20
€ 178	<b>23</b>	<b>2035</b>	

### Future-proofing our savings

In my presentation at the Plenary, I will show what our savings look like for the next 10 years, with or without the proposed Sanction Fee increases. I shall also be guided by the Plenary on what IPC thinks is a “safe amount” to hold in our Special Reserve.

## Annex FWG-F: FAI Controllers and change to Annex 4

In the past in 2018 the FWG found that six out of seven FAI Controllers did not perfectly complete the end of competition financial obligations. The FWG proposed to the Plenary that the end of competition financial settlement was done solely by the Finance Secretary, removing this burden. The Plenary agreed. We changed Annex 4, changed the FCEAD, removed the calculations and asked only that the FAI Controllers disclose the number of participants on whom Sanction had to be calculated.

In 2019 the majority of FAI Controllers were delighted. They had no sums to do and gave no banking instructions to Organisers. The form became easier to use too. Especially after my visit to FAI when I learned if we did not receive the cash, we may never see it again except as a paper-entry, this became important.

But we made the mistake of not specifically advising the FAI Controller NOT to do banking calculations for Organisers. Some still insisted on doing it the old way, offsetting the Application Fee themselves, demanding to perform the calculations or simply not understanding, consistent with our 2018 experience.

In addition, when Organisers pay in another currency, sometimes they accidentally may not pay the full amounts required in the rules due to exchange rates. At the final financial settlement, performed by the Bureau and Finance Secretary, these discrepancies can be rectified. It is confusing therefore, if the FAI Controller has promised an amount to an Organiser which does not eventuate. The communication of the final figure is best handled by the Finance Secretary.

For 2020 and going forward, we request further changes to Annex 4, the FCEAD and the FAI Controller Handbook so that FAI Controllers only have to oversee that payments are made, but not do anything other than working with Organiser and Finance Secretary to ensure:

1. The Application Fee was paid
2. The Deposit is paid more than 30 days before the competition starts
3. The Preliminary Sanction Fee is paid x €110 per verified participant
4. The Final Sanction Fee is paid x €110 per verified participant

The FWG discussed removing some of these payments. They exist for sound historical reasons; thus we concluded we are reluctant to remove any of them.

Therefore, while the Application Fee “may be” offset against Sanction Fees, *that offsetting will be done only by the IPC Finance Secretary*. This way the Organiser will receive back their Deposit and their Application Fee on the same date, offset for any difference in Sanction Fees.

To this end, we will work with the R&R Committee to remove all references, and submit a further modified Annex 4 again.