

# Sanction fees review

## CIMA Bureau Sanction fees review

- Nearly all of CIMA's income is derived from Sanction fees. This is a fee charged to Organizers of FAI Category 1 Microlight or Paramotor Championships for the right to operate the championships under the authority of FAI.
- CIMA Sanction fees are charged to an organizer at the rate of 10% of entry fees.
- CIMA is unique amongst FAI Commissions in charging this way, all others do it on either a fixed fee per championship, or a fixed fee per competitor basis. See the [sanction fees survey](#)
- CIMA maintains its accounts in CHF.
- CIMA currently includes FAI medals for 'free' as part of the sanction fee, but some commissions charge organizers for them at cost; See the [sanction fees survey](#)

## Budgeting and planning

In terms of budgeting and planning for CIMA's future there are several problems with the way CIMA charges sanction fees:

- **Difficult to calculate 1:** Since organizers often offer discounts (with the blessing of CIMA, eg AL1) the final calculation relies entirely on the organizer to declare honestly what entry fees he has actually received, CIMA never sees how this is actually calculated.
- **Difficult to calculate 2:** When other costs are included in the sum an organizer charges, eg Hotels and/or meals (eg WPC 2007) then it becomes difficult, or even fictitious to divide the sum an organizer is requesting pilots and team leaders pay into an 'entry fee', from which the sanction fee is calculated, and the rest.
- **Unreasonable:** If an organizer has especially good support from a government or a sponsor then CIMA encourages that organizer to reduce the entry fee. CIMA therefore receives less of a sanction fee even though the organizer has good funding and CIMA's costs are the same.
- **Currency fluctuations:** Since entry fees are by convention charged in Euros then the vast majority of CIMA's income is in Euros, it seems ridiculous to convert it to CHF just to bank it. Many FAI commissions maintain their accounts in Euros, CIMA should do the same.

## Bureau / Treasurer proposals at 2010 Plenary

### Proposal 1; Convert to Euros.

That CIMA assets are converted to Euros, and CIMA accounts are maintained in Euros.

### Proposal 2; Sanction fees.

That Category 1 championship sanction fees shall be charged at a fixed rate per competitor or team leader.

#### Option 2a

CIMA alters its sanction fee structure to be EUR 40 [CHF 62] per competitor or team leader.

#### Option 2b

CIMA charges FAI medals at cost directly to championship organizer;  
CIMA alters its sanction fee structure to be EUR 29 [CHF 45] per competitor or team leader.

*Note: The CHF figure is to be taken if Proposal 1 fails and CIMA chooses to stay with CHF*

### Proposal 3; Implementation.

#### Option 3a

That what the Plenary agrees ref. Proposals 1 and 2, is implemented on 1 Jan 2011.

#### Option 3b

That what the Plenary agrees ref. Proposals 1 and 2, is implemented on 1 Jan 2012.

## Justification

With either sanction fees option the intention is there should be **no greater or lesser total charge to the Organizer** than there is now. It is of course not easy to make a conversion from one to the other, but these figures are based on a calculation contained in the [sanction fees](#) spreadsheet. This looks at the sanction fees CIMA has received in the period 2001 - 2009, the amount it spent on medals in the same period, and then divides it up on the basis of an entry fee which is commonly charged.

## Advantages

- Since accounts are in Euros, what CIMA receives is no longer subject to currency fluctuations.
- More transparent, and much easier to calculate.
- Not subject to complications, like when hotels are included in entry fees (eg WPC 2007) or organizer finds a good sponsor and offers reduced entry fees
- 'Special offers' can be made controllably and directly by CIMA, eg it might decide to ask for no sanction fee for class AL1.

## Documents

Name	Size	Creator	Creation Date	Comment
 FAI commissions sanction fee survey...	7 kB	Richard Meredith-Hardy	29 Oct, 2010 12:06	Summary of FAI commissions sanction fees for Cat1 championships
 sanction fees v2b.xls	37 kB	Richard Meredith-Hardy	03 Nov, 2010 08:49	Sanction fees calculation