



*Updated in a meeting of the Student Union
Council on 25 March 2015.*

TYY Financial Strategy

Introduction

This document describes the key objectives, principles and measures of the finances of the Student Union. The document also divides areas of responsibility of finances, specifying what may have been possibly stated in other documents.

The finances of the Student Union include three separate areas: organisational finances, investments and business (hereafter referred to as Universtas).

Objectives

Safeguarding of the activities. The finances of the Student Union will safeguard now and in the future the realisation of the tasks of the Student Union. Irresponsible financial management or too large a risk in the business or investments must not jeopardise the finances of the Student Union.

Supporting the objectives of the Student Union. The resources brought by the finances of the Student Union will aim at better supporting the realisation of the tasks of the Student Union, whenever possible.

Principles

Legality and ethics. Ethics and sustainability will be considered in investments and business activities.

As a rule, membership fees are not a manner to gather wealth. Organisational finances are not meant to produce surplus. In financial problems, this can take place if decided by the Student Union Council.

Sustainability and long-term basis. The finances of the Student Union are managed on a long-term basis, expecting the activities of the Student Union being eternal, considering the risk of the abolishment of the automatic membership. Organisational finances must not permanently consume investment funds but only on a one-time basis with a decision of the Student Union Council. No dividends will be paid from Universtas Oy for the time being. Wealth will be increased constantly in order for the activities of the Student Union to be developed in the future.

Key measures

Management

The key decisions of the finances of the Student Union are made by the Student Union Council. The Executive Board is responsible for organisational finances, and the Financial Board is responsible for corporate governance and investments. The Financial Board is an expert institution in all decisions concerning finances. For its term, the Student Union Council appoints the Chair and six members of the Financial Board. The Chair elected by the Student Union Council is responsible for the Financial Board and when they are prevented, the Vice-Chair elected by the Financial Board among its members. The meetings of the Financial Board are also attended by the Secretary General, the Financial Secretary, the Chair of the Student Union Council and the Chair of the Executive Board. The Chair of the Financial Board and the Secretary General are expected to thoroughly acquaint themselves with the finances and business activities of the Student Union. The responsibility for the development of the financial management of the Student Union lies at the Chair of the Financial Board, supported by the Financial Board and the Financial Secretary.



Organisational finances

The Executive Board is responsible for organisational finances together with the Financial Secretary and the Secretary General. They are responsible for the organisational finances being aligned with what has been stated in this or other documents approved by the Student Union Council. The Executive Board is liable for organisational finances for the Student Union Council.

The organisational finances pay special attention to the basics of budgeting. The budgeting must consider a reserve for unexpected situations, but it is not a basis for continuously significant over-budgeting. Additional budget must not be feared as a tool to react to changed circumstances. The principle of caution will be followed for both expenses and income.

The medium-term economic plan (KTS) is the key tool of financial planning. KTS will be updated before preparing the budget and it serves as a basis for the preparation of the budget. KTS aims at forecasting the development of the finances and balancing its movements for different years. KTS supports the strategic management and three-year planning of the Student Union.

Investments

Investment activities More detailed practices of investment activities are determined by the Student Union Council in the instructions for investment activities. The surpluses of the organisational finances are invested in a profitable manner. Investments are made for a better Student Union in the future. The management of investments is not at the responsibility of the Financial Board, but only the determination of objectives and principles. Investment funds can provide loans or capitalise the business activities of the Student Union, if it is deemed optimal. The decision on the capitalisation or lending money to business activities will be made by the Student Union Council.

Business activities

The details of the corporate governance are determined by the Student Union Council in its instructions on corporate governance clarifying the conduct of corporate governance for the Financial Board and Universtas.

The Financial Board supported by the Secretary General is responsible for corporate governance. In the meetings of Universtas Oy, the Chair of the Student Union Council, the Chair of the Financial Board, the Chair of the Executive Board, the Secretary General and one member elected by the Financial Board among its members have the right of attendance and the right to speak.

All business activities are concentrated under group company Universtas Oy. Universtas Oy steers all business activities of the Student Union. The leadership of Universtas must ensure sufficient risk management in the group. Corporate transactions can be used to create competitive advantage and manage risks.

Business activities are a manner to ensure the continuity of the activities of the Student Union and to develop the activities of the Student Union in a long term. The business activities are constantly developed, seeking growth.

The leadership of the companies are acquainted with the objectives of the owner. The corporate governance considers the objectives of the Student Union in a comprehensive manner. The Boards and other leadership must have sufficient understanding of the activities, principles and finances of the Student Union.