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

# The Financial Strategy of TYY

## Introduction

This document deals with the central objectives, principles and procedures of the finances of the Student Union. The document also categorises the areas of responsibility in financial management, specifying what has eventually been stated in other documents.

The finances of the Student Union cover three distinct sections: organisational finances, investments and business activities (hereafter Universtas)

## Objectives

**Safeguarding the activities.** The finances of the Student Union shall safeguard now and in the future the realisation of the activities of the Student Union. Reckless financial management or too large risks in business activities or investments shall not be allowed to risk the finances of the Student Union.

**Supporting the objectives of the Student Union.** The resources brought forward by the Student Union finances aim at continuously and better supporting the realisation of the activities of the Student Union.

## Principles

**Law and ethics.** Ethics and sustainability shall be observed in investments and business activities.

**Membership fees are not a primary method for collecting funds.** The organisational finances are not intended to produce surplus. If the finances end up in difficulties, such surplus can still be pursued with a decision of the Student Union Council.

**Sustainability and long-term perspective.** The finances of the Student Union shall be managed with a long-term perspective, supposing that the activities last endlessly, taking into account the threat of the abolition of the automatic membership. Organisational finances shall not permanently spend the investment possessions but only on a one-time nature based on a decision made by the Student Union Council. Dividends shall not be drawn from Universtas Oy for the time being. Possessions are continuously increased in order to be able to develop the activities of the Student Union in the future.

## Central procedures

### Management

The key decisions related to the finances of the Student Union shall be made by the Student Union Council. The Executive Board is responsible for the organisational finances and the Financial Board is responsible for owner management and investments. The Financial Board is an expert organ in all decisions concerning finances. The Student Union Council appoints six members and a Chair in the Financial Board for the duration of the council's term. The Chair elected by the Student Union Council shall be responsible for the Financial Board, and in case prevented, the Vice-Chair elected by the Financial Board is responsible. The meetings of the Financial Board shall be attended also 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 required to thoroughly familiarise themselves with the finances and business activities of the Student Union.



In developing the financial management of the Student Union, the Chair of the Financial Board is responsible, supported by the Financial Board and the Financial Secretary.

## **Organisational finances**

**The Executive Board, together with the Financial Secretary and the Secretary General, are responsible for the organisational finances.** They are responsible for making the organisational finances in line with what has been stated in this or other documents approved by the Student Union Council. The Executive Board is responsible for reporting to the Student Union Council on organisational finances.

**Special attention is paid on the grounds of budgeting in organisational finances.** In budgeting, funds for unexpected situations shall be observed, but they shall not constitute a ground for significant over-budgeting. Supplementary budget shall not be avoided as a measure to react to the changes in circumstances. The principle of caution shall be followed both with expenses and income.

**Medium-Term Financial Plan (KTS) is the main instrument in financial planning.** KTS shall be updated before preparing the Budget, and it shall function as the basis for the Budget. KTS is intended to predict the financial development and to balance the differences for different years. KTS shall support the strategic management and three-year planning of the Student Union.

## **Investments**

**Investment activities.** More detailed practices of investment activities shall be defined by the Student Union Council in its guidance for investment activities. The surpluses of the organisational finances shall be productively invested. Investments mean investing for a better Student Union in the future. The management of the investments is not the responsibility of the Financial Board, but only the definition of objectives and principles. The investment possessions may be used to provide loans or capital for the business activities of the Student Union, if considered optimal. The decision concerning the provision of loans or capital shall be made by the Student Union Council.

## **Business activities**

*The Student Union Council shall define the details of owner management in the guidance for owner management, which shall specify the realisation of owner management for the Financial Board and Universtas.*

**The Financial Board, supported by the Secretary General, shall be responsible for the owner management.** In the meetings of the Executive Board of Universtas Oy, the Chairs of the Student Union Council, of the Financial Board and of the Executive Board, as well as the Secretary General and one member elected among the Financial Board members shall have the right of attendance and the right to speak.

**All business activities shall be centralised under the group company Universtas Oy.** Universtas Oy manages all the business activities of the Student Union. The management group of Universtas shall ensure sufficient risk management in the group. Company restructuring may be employed to create competition advantage and manage risks.



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**Business activities are a measure to ensure the continuity of the activities of the Student Union and to develop the activities in the long term.** Business activities shall be continuously developed, aiming at growth.

**The management groups of the companies shall familiarise themselves with the objectives of the owner.** Owner management shall extensively observe the objectives of the Student Union. The Executive Board and other managing bodies shall have a sufficient understanding of the activities, principles and finances of the Student Union.