

APPROVED BY THE REPRESENTATIVE  
COUNCIL ON 22 SEPTEMBER 2022

# MEDIUM-TERM FINANCIAL PLAN 2021–2024



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*The Medium-term Financial Plan provides the policies based on which the Student Union's finances are steered in the operating years 2021–2024. This document is public and meant for all members of the Student Union. Based on a statement drafted by the Financial Committee, the Representative Council annually assesses the implementation of the Medium-term Financial Plan in connection with discussing the financial statement. Each Representative Council approves a medium-term financial plan once during its term.*

## **1. TERMS USED IN THE DOCUMENT**

*Budget framework:* A rough estimate of the following year's expenses and income drafted annually by the chief financial officer at the beginning of autumn. The framework, which includes the most significant financial items, is used as the basis for the preliminary discussion on the following year's budget.

*Membership fee:* The statutory right to collect a fee from HYY's members every academic year. The membership fees are used to finance the expenses of operating finances.

*Index:* A statistical quantity used to describe how a variable has changed during a base period (usually one year). Examples include the cost-of-living index, price index, wage index and rental index. Indices are expressed as percentages.

*The term, new term, upcoming term:* Unless otherwise specified in context, the entries in this document apply to the operating years 2021–2024.

*Contingency fund:* The 'piggy bank' of operating finances into which the distribution of profits from Ylva is directed and from which the difference between the expenses of operating finances and the income from membership fees is taken. Further information on the fund is available in chapter 6.

*Ownership Strategy:* A document approved by the Representative Council, setting out the values, duties, objectives and other financial principles of the Student Union's business operations.

*Financial Committee:* A 15-member administrative body operating under HYY's Board. The duties of the committee are determined in the Administrative Regulation.

*Operating finances:* The finances of HYY's student activity side, in contrast to HYY's property finances and the finances of its other business operations. The student activity side refers to operations managed by HYY's Central Office. This document only concerns HYY's operating finances.

*Actual membership fee:* Until 2020, the membership fee consisted of the actual membership fee and the FSHS fee collected in connection with the membership fee and transferred to the FSHS. From 2021 onwards, however, the collection of the FSHS fee has been handled by the Social Insurance Institution of Finland (Kela), which means that the membership fee and the actual membership fee are now the same thing.

*Distribution of profits:* The share of Ylva's profits that it distributes to fund the expenses of operating finances. The distributed profits are entered as income into the contingency fund, from which they are used by operating finances.

*Ylva:* The Student Union's business side. Ylva comprises HYY's property finances and the companies owned by it (e.g. Ylva Services Ltd). Ylva is involved in fields including rental and investment activities and accommodation and restaurant business.

## **2. THE STUDENT UNION'S FINANCES IN GENERAL**

The coronavirus pandemic has had a major impact on the Student Union's finances, which can be seen in Ylva's distribution of profits, for instance. Despite the financial challenges caused by the coronavirus pandemic, Ylva remains committed to an increase in income recognition to make it possible to realise the goal of having no membership fees. Regardless of the coronavirus, the budget of operating finances has fluctuated somewhat in recent years, but the trend has been rising, that is, expenses have been added. Costs are increased by a general increase in the level of costs, an increase in the amount of work as operations develop, and investments made in services, such as premises. The expenses are covered by the distribution of profits from Ylva and the Student Union's statutory membership fee. Around two thirds of the expenses of operating finances are covered by Ylva's distribution of profits and one third by membership fees. The relative share of the membership fees has a downward trend, as increases in expenses have been covered by recognition as income from the contingency fund without resorting to raising the membership fee.

In general, the Student Union's financial objective is to retain its stable financial situation, to take care of the assets accumulated throughout the years and to ensure that future members of the Student Union will also have a financially prosperous student union.

## **3. FINANCIAL PLANNING PROCESS**

According to the Student Union's Constitution, the duties of the Representative Council include deciding on the annual budget. Before this, the Administrative Regulation stipulates that the Board's Financial Committee must prepare its budget proposal for the Board, which processes it and then proposes it to the Representative Council.

The proposal made by the Financial Committee is based on a draft prepared by the chief financial officer, the secretary general and the chair of the Financial Committee. When preparing this draft, they take into account the budget framework, the Medium-term Financial Plan, the Student Union's finance director's projection of the distribution of profits as well as statements made by the personnel.

Before the whole process begins, the Representative Council is consulted in a preliminary discussion held on the topic. Special consideration should be given to the synchronisation of the preparatory processes for the budget and the Programme of Objectives as well as to taking the cost effects of the entries of the Programme of Objectives into account when making the budget.

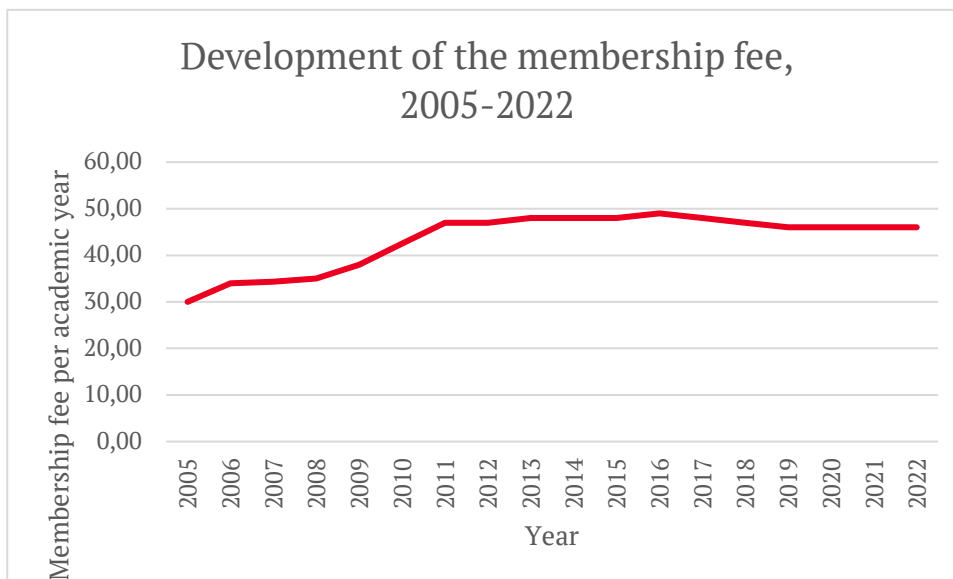
## 4. INCOME

### 4.1. Membership fee

The Student Union collects a membership fee from its members to conduct its statutory duties and to offer services to its members and to organisations operating under HYY.

The Representative Council annually decides on the size of the membership fee for the next calendar and academic year. The membership fees account for around one third of the Student Union’s income. Raising or lowering the fee should thus have good justifications.

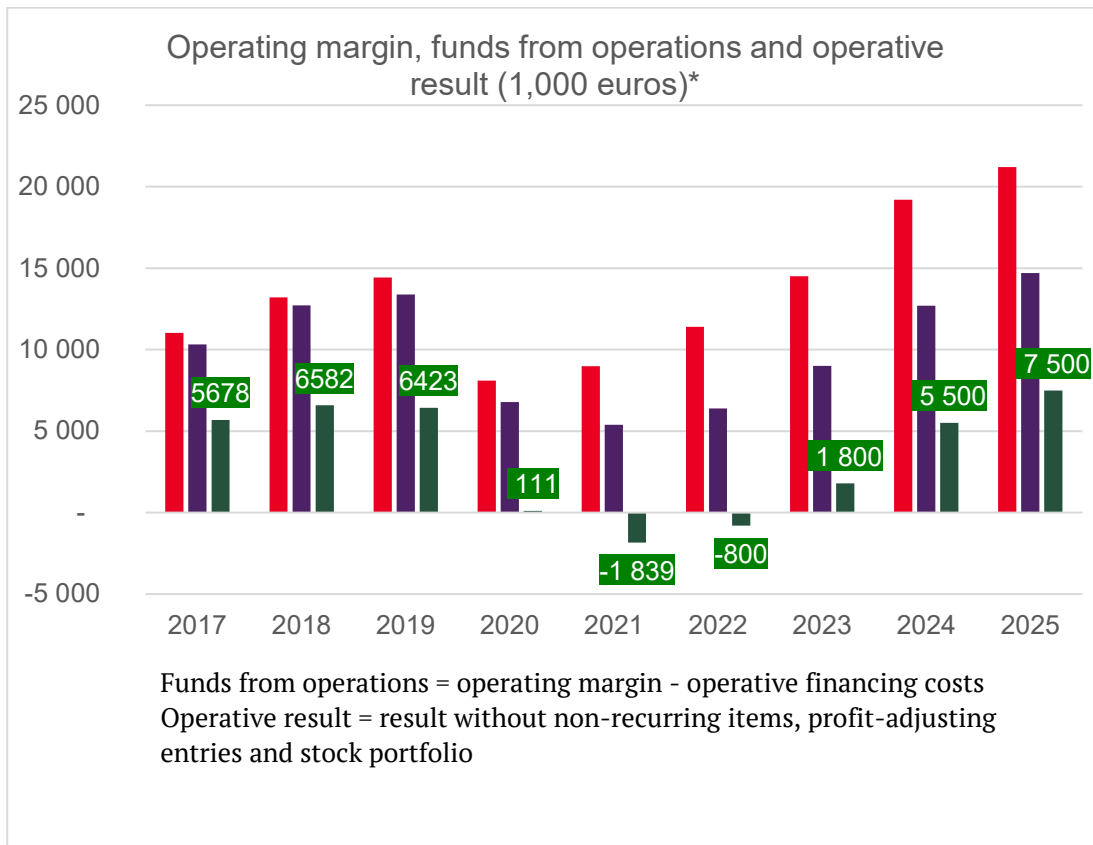
The Student Union is aiming to reach the objective of having no membership fees in 2025. This means that the intention is for the Student Union to have no membership fees in 2025. Despite the dips caused by the coronavirus pandemic, Ylva remains committed to an increase in income recognition to make it possible to realise the goal of having no membership fees. The goal of having no membership fee will be realised primarily by increasing the distribution of profits from Ylva and secondarily by moderately reducing the expenses of operating finances, if necessary. If the Student Union’s financial situation were to change drastically and Ylva would not be able to raise its profit distribution to the level required by the goal by 2025, a gradual progression towards the goal or postponing it by a couple of years may be considered. However, this should only be done if the planned development of the distribution of profits changes significantly. The Student Union’s membership fee has remained at the same level since 2018.



#### 4.2. Recognition as income from Ylva

The annual deficit of the Student Union's operating finances is covered by entering profits distributed by Ylva as income. The Ownership Strategy has more detailed stipulations on the profit targets for the distribution of profits.

In accordance with the Ownership Strategy, it is possible to gradually increase the amount entered as income to 4 million euros by the end of the new term. The original goal was to moderately increase the recognition of the distributed profits to ensure moderately lowering the membership fee at the end of the term and enable the growth of the contingency fund. The Student Union recognised 2.75 million euros as income from Ylva in 2020 and 2.8 million in 2021. Due to the effects of the coronavirus pandemic, however, Ylva's distribution of profits was halved in 2022, adding up to around 1.4 million euros.



#### 4.3. Overview of the profit targets

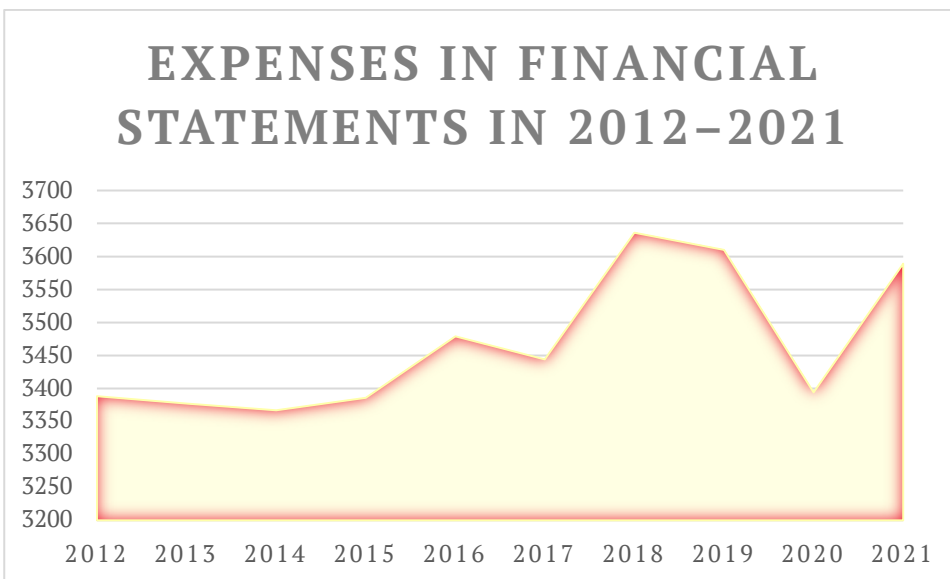
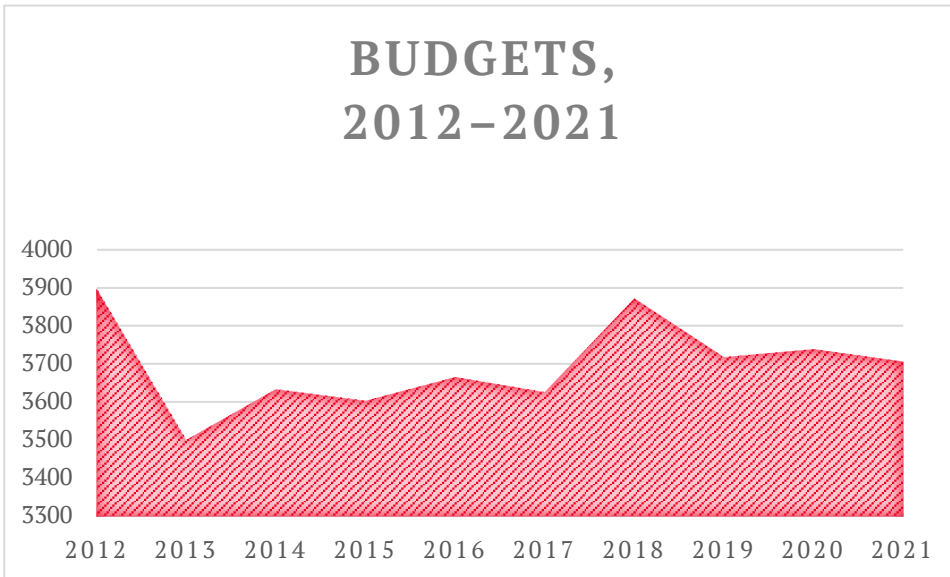
For this section, we have put together the Student Union's profit targets.

- The Student Union's finances are kept stable, and no expenses are added during the term.
- The Student Union's objective is to make it possible to have no membership fees in 2025.

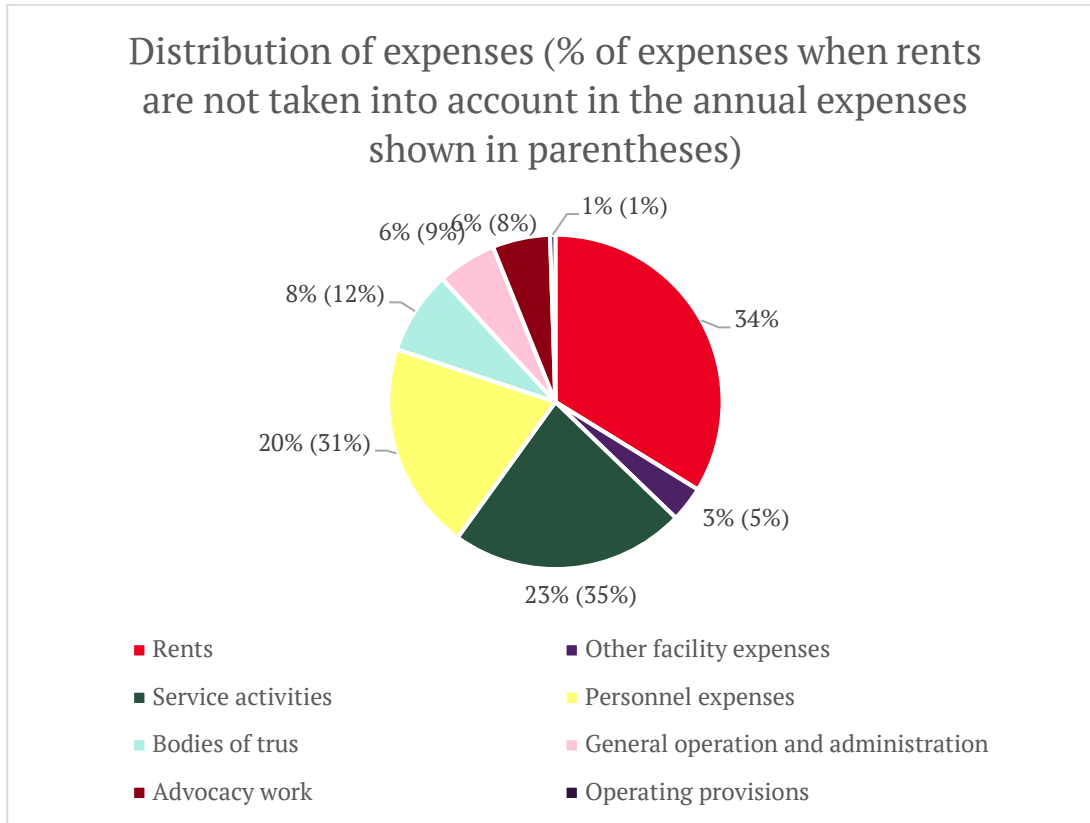
### 5. EXPENSES

The Student Union's expenses (in the budgets) are currently around 3.7 million euros a year. An exception to this was 2018 when the Student Union celebrated its 150th Anniversary and the expenses were higher,

around 3.9 million euros.



The Student Union's expenses can be divided in the following way:



The Student Union's largest cost item is facility costs, for which we annually use well over one million euros. The second largest cost item is service activities, for which we annually use around 850,000 euros and which consists of producing necessary services for our members and organisations. The third largest cost item is personnel costs, which covers the salaries of the personnel as well as other personnel costs.

To support HYY's and Ylva's objectives, the Student Union ensures that the expenses of operating finances do not increase disproportionately. The high quality of services is maintained.

### 5.1. Facilities

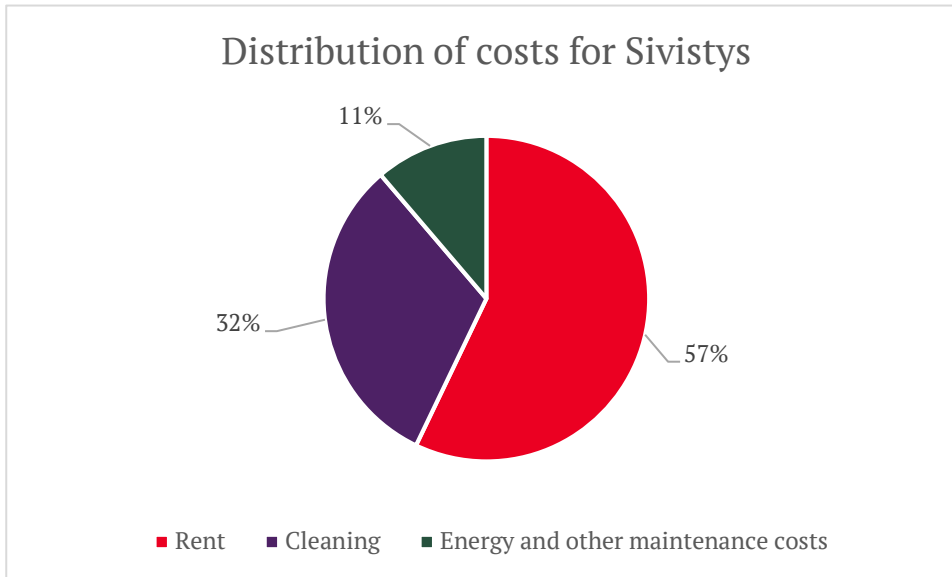
The Student Union rents facilities for organisational and service activities from Ylva. The prices per square metre for these facilities can be seen in the budget. The rents are tied to the index and increase by at least 1.5% twice a year, in accordance with the rental agreement. Both operating finances and Ylva are parts of the Student Union, which means that, in practice, the Student Union is currently renting the facilities used by operating finances from itself. Nonetheless, the rent paid for the facilities is of market value in order to keep the costs comparable to renting from an external party.





The Student Union has facilities in the New and Old Student Houses, Domus Gaudium and the Mechelininkatu 3D Hub. Besides these, it has storage space in the Domus area. In 2018, we abandoned the meeting and sauna facilities located in Staircase B of the New Student House and in Kaivotalo. For this reason, the Student Union has had less meeting and sauna facilities at its disposal since 2019. Our aim is to increase the utilisation rate of Sivistys by improving its standard of equipment, for instance. As it is currently the Student Union’s only accessible multipurpose facility, organisations’ costs for using Sivistys must be considerably reduced to make it accessible to all organisations.

The Student Union collects usage fees from organisations for using the Alina festive space and the Sivistys sauna and multipurpose facility. Otherwise, cluster and meeting facilities provided to organisations are free. In a normal operating year, the usage fees for Alina have brought in around 15,000 euros and those for Sivistys around 20,000 euros. However, the pandemic situation has had a major effect on the use of facilities.



Any changes to premises used by operating finances will be discussed well in advance with the Representative Council. A list of premises used by operating finances is appended to this document. Premises on the list may not be made unavailable to operating finances without consulting the Financial Committee.

The Student Union investigated the needs for premises among organisations and students, focusing especially on the need for new organisational, meeting, multipurpose and sauna facilities on the Viikki, Kumpula and Meilahti campuses. Based on this investigation, we launched a review of facilities in which we needed to consider regional coverage, accessibility, cost effects, enabling the use of premises not only to organisations but also to members as well as the sustainability and suitability of the proposed solutions. The reviews of facilities began from Viikki.

However, the review of facilities in Viikki showed a lack of facilities suitable to the needs of organisations available for rent in Viikki. The closest potentially suitable facilities were found in the Sörnäinen area. In practice, the rental level for premises of the required size would be around 72,000 euros + VAT of 24% per year, adding up to around 90,000 euros per year. In addition to this, any premises would likely require some renovation work to make them suitable for organisational use. The premises would also create other annual running costs. Considering the requirement of keeping the Student Union’s expenses at the same level, especially during these financially challenging years, renting the facilities is impossible at this time. Once the financial situation improves and distribution of profits from Ylva increases to the level required by the goal of having no membership fees, we will continue the reviews of facilities. The needs for premises in Viikki and Kumpula may be answered by supporting organisations’ independent facility projects.

## 5.2. Renovations

Any structural renovations to the Student Union’s facilities are made in cooperation with Ylva. Making the facilities as accessible as possible for everyone who needs it is ensured in connection with any renovations –

the facilities must be accessible to people with physical disabilities as well as those with hearing or visual impairments, for instance. The premises of Staircase A of the New Student House are made accessible with a lift added in connection with the Grand Hansa project, and an accessibility review is conducted in the premises after the lift has been completed. We must ensure that we are aware of all alteration work that needs to be done for accessibility reasons and is practical to make in connection with the lift renovation before starting the renovation. In connection with the lift renovation, the larger toilet premises in the Central Office are made accessible.

The condition of surfaces in the organisational and joint-use premises in the New Student House must be assessed. In some organisational premises, the surfaces are worn out and in need of renewal. As a cosmetic renovation of the facilities, considerably improved acoustic panelling and sound insulation may also be installed. Cosmetic renovations may be entered into the 'non-recurring investments in premises' item in the budget. In addition to renovations, the condition of the surfaces is also taken care of by regularly waxing the floors of organisational premises.

The situation of the Mechelininkatu 3D Hub as well as its function and potential renovation needs and accessibility measures are also charted during the term. These needs are charted in cooperation with the organisations that use the premises.

### 5.3. Personnel

At the end of 2021, the Student Union had 17 permanent employees. The personnel are one of the Student Union's most significant resources. At the same time, personnel costs are one of the Student Union's largest individual budget items.

The amount of work should generally be kept at a level corresponding to personnel resources. Personnel resources may be increased based on anticipated needs, if necessary. The personnel receive the training they need to take care of their duties. The job descriptions of the personnel should not be considered unchangeable – if needed, they should be changed to better correspond to the Student Union's needs. Trilingualism is taken into account in recruitments.

Our aim is to also prepare the hiring of project employees in an anticipatory and careful manner. The Student Union may hire more personnel to carry out tasks that are important for the Student Union's statutory duties as well as other possible tasks that the Representative Council has set for the Board.

During the 2021–2024 term, a review is conducted to chart the relationship between the Central Office's duties and the number of personnel. Wellbeing at work among the personnel and the Board is also measured in surveys on wellbeing at work conducted a couple of times a year. An assessment of the management system was conducted in the Student Union in 2021. The reformed management system took effect in September 2021.

At present, HYY has two specialists in social policy, two specialists in educational policy, a specialist in organisations, two communications specialists, an art director, a producer, an organisational services secretary, a document secretary, a member services secretary, a childminder, an archivist and a community specialist. In addition to this, the Student Union has a secretary general and a chief financial and service officer.

The English translation services required by the Central Office are carried out by the Student Union's own part-time translator. The Student Union has previously bought the required Swedish translations as a purchased service provided by Aalto University Student Union. In 2021, this agreement was abandoned, and a part-time Swedish translator was recruited for the Student Union. Separately bought Swedish and English simultaneous interpreting services are offered in Representative Council meetings to ensure trilingual accessibility to all members. Besides simultaneous interpretation in Swedish and English, Representative Council meetings must also have sign language interpretation available if needed. Resourcing for translation and interpretation services must correspond to the need for translation and interpretation services. The realisation of genuine trilingualism is ensured by having the required Swedish and English translation services realised by the Student Union's own translators in the future, too.

In financial planning, the needs for consulting services, the possible needs for financial training and guidance for the Board and the Representative Council and the needs for external supervision for the Board and the employees of the Central Office must be taken into account to the extent required by these needs.

#### 5.4. Service activities

HYY produces various services for its members and the organisations operating under it. Service activities are the cornerstone of the operations of the Student Union's operating finances.

The Student Union reaches its members through its organisations in particular. Organisations produce services for all members of the Student Union and make independent volunteer activities possible. The quality and coverage of services aimed at organisations and members are developed in a cost-efficient manner. HYY also strives to continuously strengthen its own selection of member services.

Little HYY is a day care service produced by the Student Union, operating in the University's premises. The service receives subsidies from the City of Helsinki for its operation. The Student Union's goal is to continue producing a similar day care service in the future, too.

The Student Union has a Services Office, used by the members and organisations of the Student Union. Its users' needs are taken into account in the opening hours and forms of service of the Services Office. Practices related to the reservation and keys of facilities that can be reserved have been developed. Due to a move to an electronic locking system, reserving and using the premises no longer requires physically visiting the Services Office in all situations.

In terms of keys, our goal is to achieve a situation where keys to the Student Union's premises are compatible with the University's facilities, even if the access control systems were separate. This would make it possible to use facilities such as the Student Union's organisational premises and the University's night-access premises with the same key. Multipurpose keys must include the possibility to grant temporary access rights remotely.

The student card is one of the most visible membership benefits in students' everyday life. As owning a smart device cannot be considered a prerequisite to enjoy this service, the Student Union must ensure that physical student cards remain as an alternative to electronic student cards in the future, too. If the acquisition of physical cards through our cooperation partners proves to be impossible within reasonable

limits, the Student Union will take care of producing the cards itself, if needed. During the upcoming term, the goals set for the student cards – both electronic and physical – must be assessed along with their realisation in the card solution provided by our current cooperation partner. When developing physical student cards, their compatibility with the access systems of the Student Union’s and the University’s premises is taken into account, if possible.

### 5.5. Seventh part of the Student Union’s history

The sixth part of the Student Union’s history (*Helsingin yliopiston ylioppilaskunnan historia*), titled *Eliitti, traditio, murros* (‘Elite, tradition, revolution’) covers the period 1960–1990. Should we wish the seventh part to cover a period of the same length, it would cover the years 1990–2020. The fifth and sixth parts of the history were written by a full-time historian employed by HYY. As the history is a significant investment, a report on the most suitable way to realise it is to be made and other possibly utilisable funding sources charted during the upcoming term.

### 5.6. Overview of the expense objectives

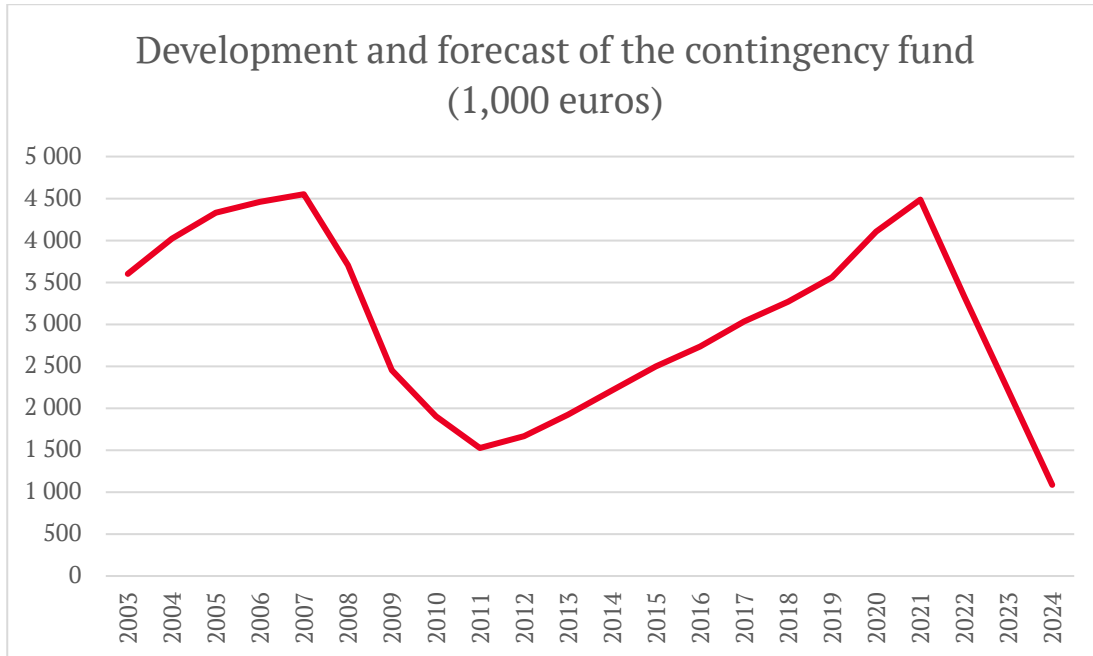
- The amount of work should generally be kept at a level corresponding to personnel resources.
- Our goal is to complete the lift for Staircase A in the New Student House by the 2023 allocation of premises.
- The condition of premises is maintained, with reports and feedback from users taken into account.
- The quality and coverage of services for organisations and members are developed in a cost-efficient manner.
- The opening hours and forms of service of the Services Office are developed based on our members’ needs, while also consulting the personnel of the Services Office itself.
- In terms of access systems, our goal is to have keys that are compatible with both the Student Union’s and the University’s premises.
- The future of physical student cards is secured by having the cards produced by the Student Union if necessary.
- During financially challenging years, any goals with significant cost effects are postponed.

## 6. CONTINGENCY FUND

The Student Union has a contingency fund into which the distribution of profits from Ylva is entered as income. The contingency fund is a way of storing any surplus from the Student Union’s budget. The fund also acts as the Student Union’s liquidity buffer. The membership fees are used in full to finance the Student Union’s activities, and the income recognition from Ylva’s distribution of profits is used to cover the rest of the operating finances’ budget.

In previous years, the contingency fund has been grown to even out the possible fluctuations in Ylva’s distribution of profits. The aim has been to accumulate funds corresponding to the Student Union’s annual expenses into the contingency fund. The idea has been to only use as much of the distributed profits entered into the fund as income as has been needed each year and leave any surplus for the future. During financially challenging years, the contingency fund safeguards the Student Union’s operation, but after the financial situation improves, we must get back to purposefully growing the contingency fund. The chart below shows the development and forecast of the contingency fund. The starting point for the forecast is

that the distribution of profits remains at 1.4 million euros until 2024.



## 6.1 Objectives for the contingency fund

- Funds accumulated into the contingency fund are used to safeguard the Student Union’s operation over financially challenging years. However, the Student Union’s expenses cannot be increased during these years to ensure that the contingency fund will be enough to cover them.

## 7. MONITORING

The Financial Committee of HYY’s Board monitors the Student Union’s finances on a monthly basis. Section 48 of HYY’s Administrative Regulation sets out the Financial Committee’s duties. The chair of the Financial Committee gives the Representative Council a report on the Student Union’s financial prospects once in the council’s first meeting of the autumn and at other times if needed. The chair of the Financial Committee also presents the financial statement in the spring meeting it is discussed in based on a statement made by the Financial Committee.

## 8. EXCEPTIONAL SITUATIONS

If exceptional situations with significant effects on the Student Union’s finances were to arise, our finances must be adapted to them. If needed, the contingency fund can be used to cover the deficit caused by losing the membership fees, but this is only a temporary solution. The long-term solution should be to trim our operations so that their costs correspond to Ylva’s profits. The coronavirus pandemic will affect our members long after the situation has calmed down. For this reason, the effects of the coronavirus pandemic on advocacy work and the student community are taken into effect in financial planning conducted during the term.

If Ylva is not able to produce the anticipated amount of profits to distribute, we should critically review the lowering of membership fees and the expenses of operating finances. If the financial situation develops towards a worse direction, the Student Union must discuss how to react to the new challenges.

## APPENDIX: PREMISES USED BY OPERATING FINANCES

Number	Description	
1055	M 5 car park storage	
4210	M 5 A Central Office	New Student House
4221	M 5 A Enäjärvi, Services Office	
4310	M 5 A 3rd floor Kannuklusteri	
4312	Alina Hall	
4313	M 5 A 3rd floor, lobby	
4410	M 5 A 4th floor, ESO, Nypolen and others	
4510	M 5 A 5th floor, Humanistiklusteri	
4512	Wilhelmsson hall	
4513	M 5 A 5th floor, lobby	
4610	M 5 A 6th floor, Savo-Vso	
4625	M 5 A 5th floor, storage	
5411	Ylioppilasteatteri	
5511	Ylioppilasteatteri's office	
C051	Yokamerat, office and darkroom	Domus, Leppäsuo
C104	Archives, office	
D004	Yokamerat, studio	
G011	Prologi, storage	
G060	storage	
G061	storage	
G062	storage	
G063	DG Alexander, student nations and others	
G064	DG, Ulrika	
G066	Archives	
G101	DG Gustavus Rex (Condu cluster)	
G102	DG Christina Regina (Matlu cluster)	
G104	DG meeting room Groudon	
G301	DG sauna facility Sivistys	
E100	Meclu 3D: meeting and organisational premises	