



# 1 Medium-term financial plan 2019–2022

2 *The medium-term financial plan provides the policies based on which the Student*  
3 *Union's finances are steered in the financial years 2019–2022. This document is public*  
4 *and meant for all members of the Student Union. Based on a statement drafted by the*  
5 *Financial Committee, the Representative Council assesses the implementation of the*  
6 *medium-term financial plan annually in connection with discussing the financial*  
7 *statement. Each Representative Council approves a medium-term financial plan once*  
8 *during its term.*

## 9 Terms used in the document

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

13 HYY Group: The Student union's business side. HYY Group comprises HYY's real estate business and the  
14 companies owned by it (e.g. Oy HYY-Yhtiöt Ab). The Group does business in the fields of rental, investment,  
15 accommodation and restaurant activities, for instance.

16 Membership fee: Statutory right to collect a fee from HYY's members every academic year. A portion of the fee  
17 is delivered to the FSHS as the healthcare fee. The membership fees are used to finance the expenses of the  
18 operating finances.

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

22 Contingency fund: The 'piggy bank' of operating finances into which the distribution of profits from the Group  
23 is directed. The decision on the amount of funds taken from the contingency fund to cover the rest of the  
24 expenses of the operating finances is made in connection with discussing the budget, as the income from the  
25 membership fees does not cover all expenses. The aim of the contingency fund is to only use as much of the  
26 distributed profits as is necessary each year and to leave any possible surplus for the future. This ensures  
27 funding for operating finances in future years, too, regardless of the fluctuations in the earning power of  
28 business activities.

29 Ownership Strategy: HYY's document laying out the values, duties, objectives and other financial principles of  
30 the Student Union's business activities.

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



33 Operating finances: Finances of HYY's student activities side, in contrast to the finances of HYY's real estate  
34 and other business activities. The student activities side refers to the activities controlled by HYY's Central  
35 Office. This document only concerns HYY's operating finances.

36 Actual membership fee: The portion of the membership fee that remains with HYY.

37 Distribution of profits: HYY Group is a for-profit company, which distributes a part of its distributable income  
38 to operating finances. In other words, the Group funds operating finances.

## 39 **1. General information on the Student Union's finances**

40 The Student Union's financial situation is stable. The size of the operating finances' budget has varied between  
41 3.4 and 3.9 million euros in the last 5 years. The higher end of this range includes the HYY150 Anniversary  
42 year of 2018, and the general size of the budget has thus been around 3.6 million. During previous terms, costs  
43 have increased due to the general increase in the level of costs and an increase in the amount of work. The  
44 expenses are covered by the distribution of profits from HYY Group and the Student Union's statutory  
45 membership fee. In 2013–2017, the membership fees have covered around one third and the distribution of  
46 profits from HYY Group around two thirds of the expenses.

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

## 50 **2. Financial planning process**

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

55  
56 The basis for the proposal worked on by the Financial Committee is a draft prepared by the chief financial  
57 officer, the secretary general and the chair of the Financial Committee. When preparing this draft, they take  
58 into consideration the budget framework, the medium-term financial plan, the Student Union's finance  
59 director's projection of the distribution of profits and statements made by personnel.

60  
61 Before the whole process is begun, the Representative Council is heard in a preliminary discussion held on the  
62 topic. Special consideration should be given to the synchronisation of the preparatory processes of the budget  
63 and the programme of objectives.

64

65



## 66 Income

### 67 1. Membership fee

68 The Student Union collects a membership fee from its members to conduct its statutory tasks and to offer  
69 services to its members and to organisations operating within HYY. A portion of the membership fee is  
70 delivered to the FSHS as the healthcare fee. In 2018, the FSHS fee was 54 euros and HYY's membership fee 46  
71 euros.

72 The Representative Council annually decides on the size of the membership fee for the following calendar  
73 year. The membership fees account for around one third of the Student Union's income. Raising the  
74 membership fee should have good justifications.

75 The Student union is aiming to reach the objective of having no membership fees in 2025 in the case of the  
76 actual membership fee. This means that in 2025 the Student Union could have no membership fees, with the  
77 exception of the FSHS's share, should it wish to. The development of the Student Union's membership fee is  
78 shown in the figure below.



79 The actual membership fee may be decreased from the 2018 level moderately at the most for it to be possible  
80 for HYY to have no membership fees in 2025. In this case, we would have no need for supplementary  
81 distribution of profits from HYY Group, and the result could be used for crucial investments instead.

82



## 83 2. Recognition as income from HY Y Group

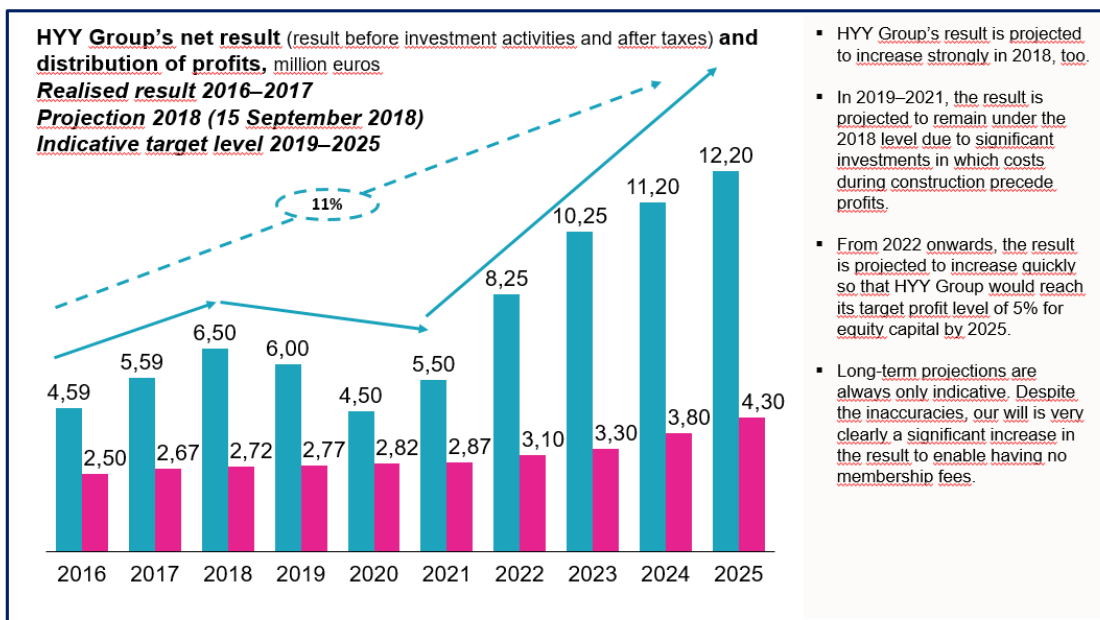
84 The annual deficit of the Student Union's operating finances is covered by the distribution of profits from HY Y Group. The Ownership Strategy has more detailed stipulations on the profit targets for the distributed profits.

86 The objective of increasing the distribution of profits to 3.3 million euros by 2022 has been set in the  
87 Ownership Strategy. In 2018, the Student Union is recognising 2.67 million euros as income from HY Y Group.  
88 In practice, the distribution of profits is moderately increased for us to be able to moderately lower the actual  
89 membership fee from the 2018 level and enable the growth of the contingency fund.

### ATTACHMENT: KEY FIGURES TO PROVIDE BACKGROUND FOR THE OWNERSHIP STRATEGY

## Goal of having no membership fees by 2025 is pursued through increased result

Net result  
Distribution of profits  
Average annual increase in result  
11%



Source: HY Y Group's financial statements 2016–2017, HY Y Group's management's estimate.

HY Y Yhtymä

90

## 91 3. Overview of the income objectives

92 In this paragraph, we have collected the Student Union's income targets into one place.

- 93 • The Student Union's finances are kept stable.
- 94 • The Student Union's membership fee is decreased from the 2018 level moderately at the most.
- 95 • The Student Union's objective is to enable having no membership fees in 2025.
- 96 • Recognition as income from HY Y Group is increased to cover the lowering of the membership fee,  
97 while taking the Ownership Strategy into account.

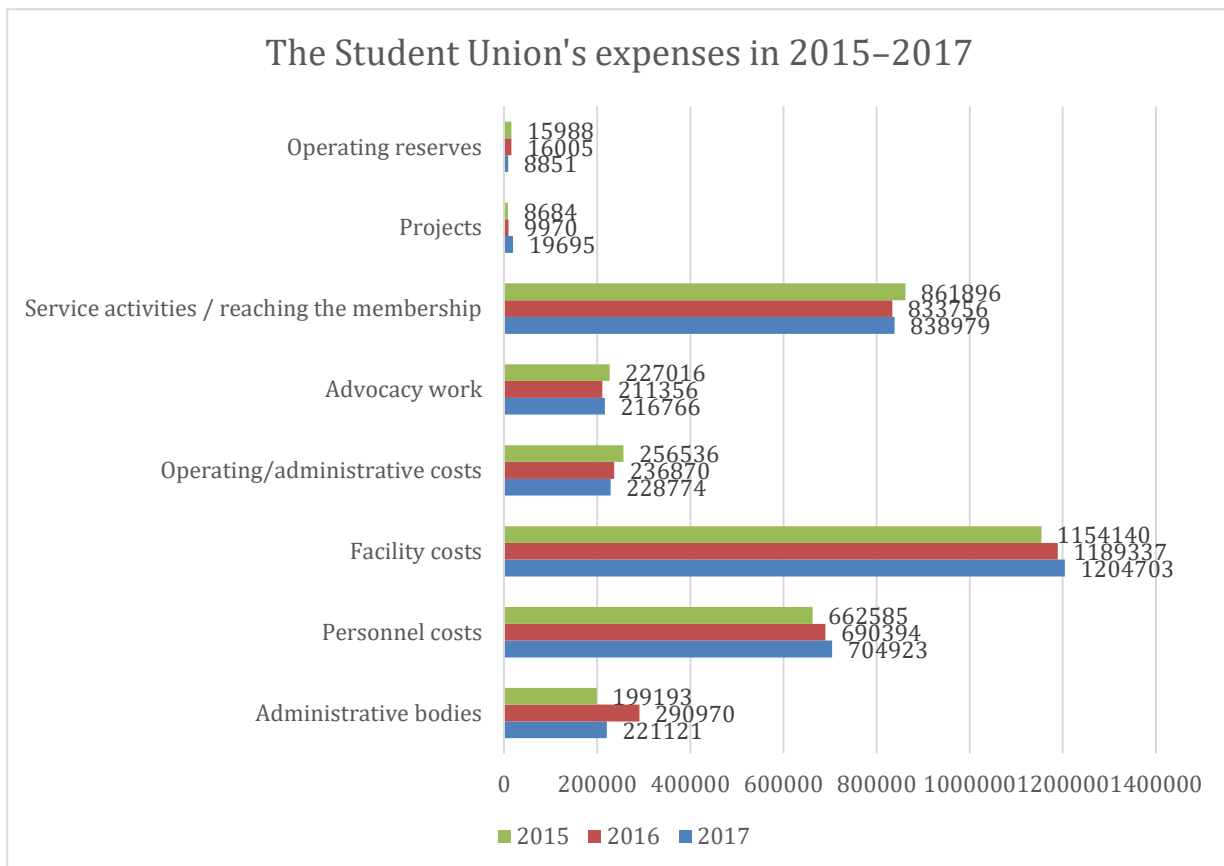
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## 99 Expenses

100 The Student Union's expenses have generally been around 3.6 million euros in the last five years, excluding  
101 2018, when the Student Union celebrated its 150th Anniversary and had estimated expenses of around 3.9  
102 million euros.

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



104

105 The Student Union's largest cost item is facility costs, for which we annually use over one million euros. The  
106 second largest cost item is service activities, for which we annually use over 800,000 euros and which is used  
107 to produce services necessary to our members and organisations. The third largest cost item is personnel  
108 costs, which here includes the salaries of the personnel and other personnel costs.

109 To support the objectives of HYY and HYY Group, the Student Union ensures that the expenses of operating  
110 finances do not increase disproportionately. The high level of services is maintained.

### 111 1. Facilities

112 The Student Union rents facilities for organisational and service activities from HYY Real Estate. The prices per  
113 square metre for these facilities can be seen in the budget. The rents are tied to the index and increase in any  
114 case by at least 1.5% twice a year according to the rental agreement.



115 The Student Union has facilities in the New and Old Student Houses, Domus Gaudium and the Mechelininkatu  
116 3D Hub. Besides this, we have storage space in the Domus area. In 2018, we abandoned the meeting and sauna  
117 facilities located in Staircase B of the New Student House and in Kaivotalo. For this reason, the Student Union  
118 has less meeting and sauna facilities at its disposal starting in 2019. The Student Union should, if possible, rent  
119 more facilities for organisations for meeting, multipurpose and sauna use. In the financial years 2019–2022,  
120 the Student Union should also investigate possibilities of acquiring organisational premises near the City  
121 Centre campus and especially the Kumpula, Meilahti and Viikki campuses.

## 122 **2. Renovations**

123 Structural renovations to the Student Union’s facilities are made in cooperation with HYY Group. Making the  
124 facilities as accessible as possible is to be ensured in connection with any renovations.

125 In the operating period 2019–2022, the facilities of Domus Gaudium will undergo an assessment of their  
126 condition. Based on this assessment, the required renovation plans and repairs are made to the facilities so  
127 that they will remain in good condition.

128 In the upcoming period, the condition of the surfaces of the New Student House’s organisational premises is  
129 charted. In some organisational premises, the surfaces are worn out and in need of renewal. As a cosmetic  
130 renovation of the facilities, considerably better acoustic panelling and sound insulation than at present may  
131 also be installed. Cosmetic renovations may be entered in the ‘non-recurring investments’ item in the budget.

132 The situation and possible future renovation needs of the Mechelininkatu 3D Hub are also charted during the  
133 period. However, we will only know more about the situation after organisations have spent some time in the  
134 facilities.

## 135 **3. Personnel**

136 The Student Union currently has 16 permanent employees. The personnel are one of the Student Union’s  
137 significant resources. At the same time, personnel costs are one of the Student Union’s largest individual  
138 budget items.

139 The number of personnel should be kept at a level corresponding to the amount of work, and it should be  
140 ensured that the personnel get the training they need in order to conduct their tasks. The job descriptions of  
141 the personnel should not be considered unchangeable – they should be changed to better correspond to the  
142 Student Union’s needs if needed. Trilingualism is taken into account in recruitments.

143 The Student Union should assess the amount of work that the personnel and the Board have and aim to move  
144 tasks related to continuing operations from the Board to the specialists or other staff members. Continuing  
145 operations cannot be increased repeatedly, as this would erode the Student Union’s resource base. The  
146 Student Union may hire more personnel to realise tasks that are important for the Student Union’s statutory  
147 duties and to realise other possible tasks the Representative Council has set for the Board.

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



#### 152 **4. Service activities**

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

155 The Student Union reaches its members through its organisations in particular. Organisations produce  
156 services for all members of the Student Union and enable independent volunteer activities. The quality and  
157 coverage of services aimed at organisations and members are developed cost-efficiently. In 2019,  
158 organisational services provided by HYY are reformulated based on the organisational services survey, which  
159 will probably have cost effects.

160 Little HYY should be critically reviewed during the operating periods 2019–2022. Little HYY is a child care  
161 service produced by the Student Union, with the City of Helsinki paying a share of its costs. The Student  
162 Union's objective is to have the City produce a similar service, and if this objective is achieved, Little HYY  
163 would become redundant. In this case, it is probable that the city would no longer support its activities.

164 The Student Union has a Services Office, used by both the members and organisations of the Student Union.  
165 Our desire is for the opening hours of the Services Office to be changed so that its services could also be used  
166 after 4 pm at least once a week.

#### 167 **5. Overview of the expense objectives**

- 168 • The number of personnel should be kept at a level corresponding to the amount of work.
- 169 • During the operating period 2019–2022, an assessment of Domus Gaudium's condition is conducted  
170 and the need for renovating the surfaces of the New Student House's organisational premises is  
171 charted.
- 172 • The quality and coverage of services aimed at organisations and members are developed cost-  
173 efficiently.
- 174 • Little HYY should be critically reviewed if the City begins to produce a similar service.
- 175 • Our goal is to change the opening hours of the Services Office based on the needs of our members.

#### 176 **Contingency fund, surplus and its usage if necessary**

177 The Student Union has a contingency fund into which the profits from HYY Group are distributed. The  
178 contingency fund is a way of storing the surplus annually made by the Student Union. The contingency fund  
179 also acts as a bumper when the Student Union is paying large invoices. The membership fees are used in their  
180 entirety to finance the Student Union's activities, and the distribution of profits from HYY Group is used to  
181 cover the part not covered by the membership fees.

182 The contingency fund has been growing since 2012, although it has exceptionally not been budgeted to grow  
183 in 2018.

184 The contingency fund should be grown annually to level out the possible fluctuations in HYY Group's  
185 distribution of profits. The aim is to accumulate funds corresponding to the Student Union's annual expenses  
186 into the contingency fund.



## THE STUDENT UNION OF UNIVERSITY OF HELSINKI

## THE STUDENT UNION'S FINANCES

Development of the contingency fund in 2007-2018 (1000€)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
												TA	estimate	estimate	estimate	estimate
Accural 1 January	4 459	4 551	3 704	2 452	1 903	1 525	1 667	1 922	2 212	2 500	2 735	3 033	3 033	3 311	3 551	3 771
Distribution of profits from HYY Group	2 000	1 800	1 800	2 000	2 000	2 200	2 300	2 360	2 400	2 425	2 500	2 670	2 720	2 770	2 820	2 870
<b>Entry as income from the contingency fund</b>	<b>-1 909</b>	<b>-2 647</b>	<b>-3 052</b>	<b>-2 549</b>	<b>-2 378</b>	<b>-2 057</b>	<b>-2 046</b>	<b>-2 070</b>	<b>-2 112</b>	<b>-2 190</b>	<b>-2 202</b>	<b>-2 670</b>	<b>-2 442</b>	<b>-2 530</b>	<b>-2 600</b>	<b>-2 590</b>
Change from the previous year %	2 %	39 %	15 %	-16 %	-7 %	-13 %	-1 %	1 %	2 %	4 %	1 %	21 %	-8,54 %	3,60 %	2,77 %	-0,38 %
Accural 31 December	<b>4 551</b>	<b>3 704</b>	<b>2 452</b>	<b>1 903</b>	<b>1 525</b>	<b>1 667</b>	<b>1 922</b>	<b>2 212</b>	<b>2 500</b>	<b>2 735</b>	<b>3 033</b>	<b>3 033</b>	<b>3 311</b>	<b>3 551</b>	<b>3 771</b>	<b>4 051</b>
For informative purposes																
Total expenses of operating finances	3 261	3 919	4 343	3 803	3 738	3 380	3 375	3 366	3 390	3 500	3 626	3 872	3 615	3 700	3 750	3 800

187 **Objectives for the contingency fund:**

- 188       • A minimum of around four million euros is accumulated into the contingency fund by 2022. This  
189       corresponds approximately to one year's budget.

190 **Monitoring**

191 The Financial Committee of HYY's Board monitors the Student Union's finances on a monthly basis. Section 48  
192 of HYY's Administrative Regulation stipulates the Financial Committee's tasks. The Chair of the Financial  
193 Committee reports on the prospects of the Student Union's finances to the Representative Council in the first  
194 meeting of the autumn and, if necessary, at other times. The Chair of the Financial Committee also presents the  
195 financial statement in the spring meeting it is discussed in based on a statement made by the Financial  
196 Committee.

197 **Exceptional situations**

198 If automatic membership is abandoned before 2025, we should begin to critically review the Student Union's  
199 budget. If necessary, the contingency fund may be used to cover the deficit caused by the membership fees  
200 disappearing, but this is only a temporary solution. The long-term solution should be adjusting the activities to  
201 HYY Group's profits.

202 If HYY Group is not able to produce the predicted amount of profits to distribute, we should critically review  
203 the lowering of membership fees and the costs of the operating finances.