



VAASAN YLIOPISTON
YLIOPPILASKUNTA

The medium-term financial plan

for 2026–2028

The Finnish original of this financial plan was drafted by Secretary General Lauri Tuohiniemi, and the document was approved in the Representative Council meeting 11/2024–2025. The distribution of the membership fee has been updated according to the approved budget in November 2025.

This is an unofficial translation for informative purposes. Translation by Communications Specialist Aino Hyyryläinen in May 2026.

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INTRODUCTION

This medium-term financial plan provides guidelines that steer the Student Union's finances in the operational years 2026–2028. This document is public and intended for the entire membership base of the Student Union. The purpose of the medium-term financial plan is to provide an overview about where we want to take decision-making about the Student Union's finances in the upcoming years. The medium-term financial plan is a document guiding the planning of the Student Union's finances and is used e.g. in drafting the Student Union's budget.

1. TERMINOLOGY

- **Membership fee:** The Student Union's statutory right to collect a fee from VYY members each academic year. The membership fees are used to fund the operational budget. The amount of the membership fee is determined by the Student Union's Representative Council.
- **Index:** The statistic that specifies how a variable has changed during the base period (usually one year). Examples include the cost-of-living index, the price index, and the rent index. An index is expressed as a percentage.
- **Period, upcoming period:** If nothing else is specified, this document refers to the operative years 2026–2028.
- **The development fund:** A fund maintained by the Student Union. It functions as the Student Union's financial buffer, and its reserves can be released for various bigger projects, such as renovations, large purchases, and investments, according to the Student Union's investment strategy.
- **Operational budget:** The finances of VYY, as opposed to the development fund and business.
- **Actual membership fee:** Until 2020, the membership fee comprised the actual membership fee and the FSHS fee, which was transmitted to the FSHS. Starting from 2021, the Social Insurance Institution of Finland is responsible for collecting the student healthcare fee. Therefore, the membership fee and actual membership fee now mean the same thing.

2. THE SECRETARY GENERAL'S OVERVIEW OF STUDENT UNION FINANCES IN THE UPCOMING PERIOD

Selling the student house Domus Bothnica has significantly impacted the Student Union's finances.

In recent years, the operational budget has varied somewhat, but the trend has been to slowly invest more in organizations and member services and in developing financial administration. The Student Union is currently developing its chart of accounts, which will enable us to more clearly follow our finances.

Operational expenses increase due to rising cost levels, and as operations develop, so do the costs associated with more work. Additionally, investments in various services, like facilities, increase expenditure. Specific court decisions demand that student unions develop their administrative operations, which in turn will increase expenses in administration.

Our expenses are covered by income from e.g. events, property and venue rentals, investments, and the statutory Student Union membership fee. About 75 % of the expenses in our operational budget are covered with membership fees and the rest with other income. Over a longer period of time, comprising several medium-term periods, we must strive to cover the expenses in our operational budget with other income besides membership fees.

In general, the financial goal of the Student Union in the upcoming period is to maintain the stability of our financial situation and to tend to the assets that we have acquired in previous years. Further, we must ensure that Student Union members in the future can also enjoy a financially stable Student Union.

After the major write-offs and decisions regarding assets made in the previous years, the Student Union's finances are stable and create a strong basis for the upcoming period. The Student Union's wealth is no longer tied to entities that are difficult to realize, such as venues and real estate. Currently our finances are administered otherwise, and in a crisis, they could be realized into capital.

Lauri Tuohiniemi, Secretary General

3. THE PROCESS OF FINANCIAL PLANNING

According to the Student Union's rules, the Representative Council decides on the annual budget. Before this, the Secretary General drafts a proposal for the Executive Board, and after their consideration, the Executive Board presents the budget to the Representative Council.

The drafting process can utilize so-called budget negotiations, where members of the Representative Council groups can discuss the contents of the budget. In drafting the budget, the Secretary General considers the medium-term financial plan, the revenue forecast for the Student Union's investments, and staff statements.

Before the Executive Board presents the final draft of the budget to the Representative Council for approval, the Representative Council undergoes preliminary budget discussions, where they go through the budget draft from the Secretary General.

This is an overview of the current process of financial planning in the Student Union. Planning can always be improved and different practices added. The key is not to change the planning process unnecessarily every year. Each Student Union member can influence the development of financial planning by e.g. making a member initiative.

4. INCOME

The Student Union receives income from various sources. The biggest, most significant source of income is membership fees. Currently, they comprise three quarters of all Student Union income. Other central sources of income are e.g. venue and facility rentals, product sales, and events. Additionally, the Student Union has investments, which follow a separate investment strategy approved by the Representative Council.

In general, the Student Union's income (Financial statement 2024) is distributed as follows:

Tuottojakauma

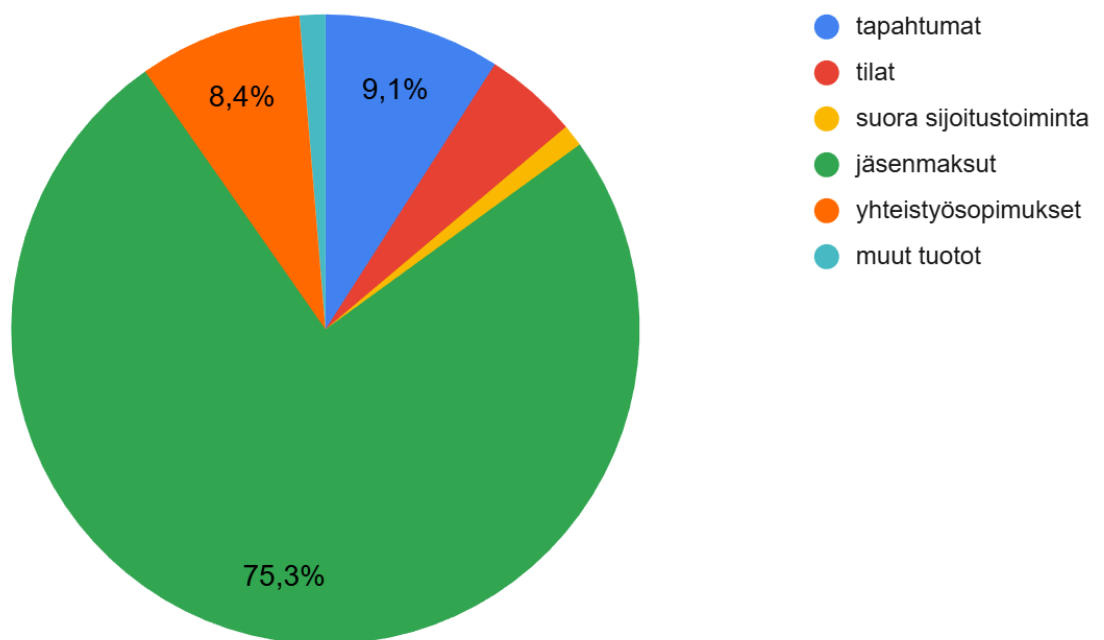


Figure: Distribution of income
 Events
 Facilities
 Direct investments
 Membership fees
 Collaboration agreements
 Other income

It should be noted that the Student Union has other income e.g. in funds that do not show in the annual income statement. However, they accumulate the Student Union's general wealth, and they will show in the balance sheet upon realization.

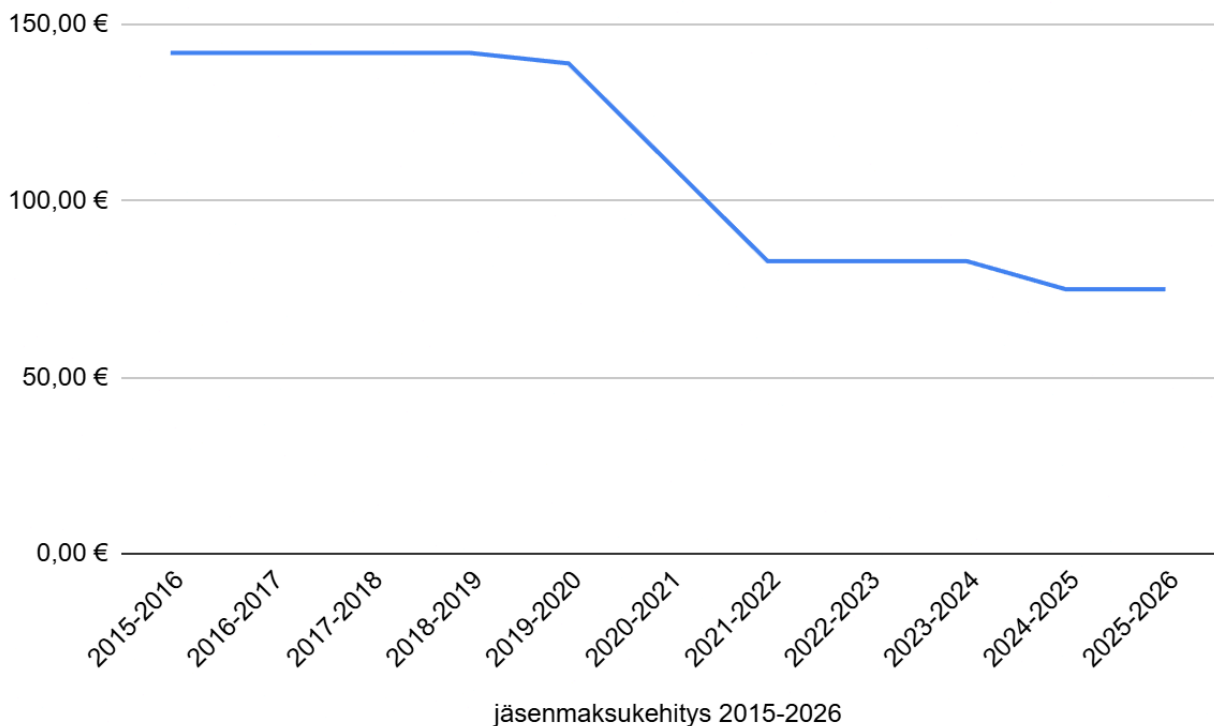
4.1 Membership fees

Expenses from fulfilling the Student Union's purpose and obligations are covered with income from the Student Union's property, operations, and membership fees, which the Student Union has the right to collect from Student Union members (Universities Act 2009/558 § 46).

Currently, around 3.3 % of membership fees are transferred to the Student Union's development fund, which is used to develop the Student Union's operations and services.

In previous years, the development fund has been used to financially support VYY Holding Oy, which has covered the building costs and debt from the student house Domus Bothnica. The Student Union sold the building in 2023, so the development fund can now be used for other operations with discretion.

The membership fee has decreased in amount, all the while maintaining its status as the most central source of income for the Student Union's operations. The graph below indicates the downward trend of the membership fee in the past ten years.





We have strived to lower the membership fee without risking the Student Union's operational budget. The membership fee is the most significant source of income for the Student Union, producing around 75 % of all income. Other sources of income include events, product sales, and venue income, as well as investments. The share of investments in our income must be raised in the upcoming period.

In our current situation (based on the financial statement from 2024), the Student Union's membership fee is thus distributed:

Jäsenmaksun jakautuminen

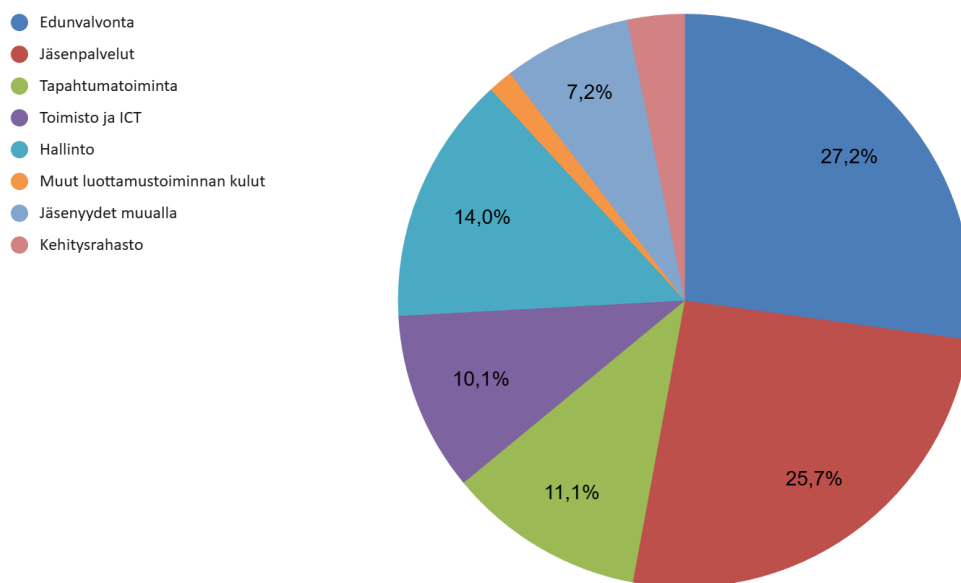


Figure: Distribution of Student Union membership fee

Advocacy

Member services

Events

Office and ICT

Administration

Other expenses from voluntary work

Memberships elsewhere

Development fund

Around 65.4 % of the membership fee goes directly to activities and services we offer members. When considering the service members receive through collaboration agreements and national union memberships, a total of 73 % of the fee goes to advocate for and support students. Running our operations takes about 24 % of the membership fee, and about 3.3 % goes to the development fund, which is used to finance the development of the Student Union's operations and services.

The Representative Council approves the membership fee according to the Universities Act, and it is then annually approved by the Rector. Until the end of 2020, the FSHS healthcare fee was collected simultaneously with VYY's membership fee. Starting in 2021, the student healthcare fee has been paid directly to Kela, and it has not impacted the fee paid upon registering for the academic year.

During this planned period, the Student Union must aim to further lower the membership fee. Simultaneously, we must strive to diminish its role in Student Union income, so that more income comes from other sources. This must be done without risking the operational budget or leading to reducing or downsizing operations.

Our long-term goal should be to keep membership fees at a maximum of 50 % of all Student Union income.

In the upcoming period, the portion of income from membership fees will increase as the number of student admissions increases. Reducing the significance of the membership fee in percentages is not possible in the upcoming period without risking the operational budget. This financial plan recommends that in the upcoming period, we investigate ways to increase income from other sources, so that the significance of the membership fee in our total income decreases.

4.2 Income from other sources

Income outside the membership fee comes from merchandise sales, investments, rental properties, and collaboration agreements with the University of Vaasa and other instances.

The key methods for increasing income from other sources are 1) increasing the supply and demand of merchandise, 2) acquiring more venues and properties for letting, 3) raising the amount of investments, and 4) investing more in the production and development of events. However, we must note the possible risks that come with increasing income. Further, investments in event development or possible acquisition of property must not in any situation risk the Student Union's operational budget.

The simplest and, in the long term, the most profitable methods for raising income outside the membership fee in terms of risk-reward profile are investments into leasable spaces, especially apartments, and making investments into funds and shares. These investments should consider the period for expected return, the Student Union's investment strategy, and the potential of realizing assets into capital fast in crisis situations.

4.3 Overview of income goals



This chapter summarizes the Student Union's goals for income.

- The Student Union's finances remain stable, and no investments are made during the financial plan period that could endanger that stability. When making investments, we follow the Student Union's investment strategy and listen to investment advisors.
- During this period, the Student Union researches methods for lowering the significance of the membership fee in our operational budget.
- We seek controlled growth for income outside membership fees.

5. EXPENDITURE

The Student Union's expenses total around half a million euros annually. Annual expenses are affected by indexation, pay rises, other needs, and inflation.

The Student Union's operations include e.g. administration, advocacy, organizational and community activities, and events.

The biggest expense for the Student Union is staff expenses, which take up around 47 % of annual expenses. Staff expenses include the wages of staff, project workers, and voluntary workers, and they in turn enable maintaining member services, events, advocacy, organizational activity, and tutoring. However, staff expenses should be kept at a maximum of 55 % of all operational costs. In practice, the Student Union's operations are dependent on staff-related expenses, so it is natural that it is the biggest expense. On a national level, student union staff expenses vary greatly. Currently, the relation of VYY's staff expenses to other expenses is one of the smallest among the student unions. Were these expenses increased to 55 % of total expenditure, VYY would be close to the national average or slightly below it.

Other expenses for the Student Union include expenses related to devices and information systems. The Student Union is a public administrative organization, which means it has certain statutory duties that require using appropriate systems. Other expenses include e.g. facilities and maintenance for rental spaces, as well as expenses used to support organizations. Expenses in member services, like tutoring, are pivotal expenses for our operations.

This financial plan recommends that the expenditure in our operational budget does not grow uncontrollably without justification, and that operations related to member services and advocacy are especially protected, should any adjustments become necessary. Expenses must be kept at a balance with income, or slightly lower than income.

5.1 Facilities

The Student Union rents office space from the University of Vaasa in the Konttori building at an agreed-upon market rate. Additionally, the Student Union rents the Leipsis sauna facilities from VOAS that it then subleases to students, companies, and other actors. The Student Union also lets out a studio apartment that it owns. We pay the charge for housing-company expenditure monthly for this apartment.

Should any changes to the facilities available to the Student Union occur, they must be discussed well in advance with the Representative Council.

5.2 Staff

In 2025, the Student Union employed five full-time employees. Staff is one of the major resources of the Student Union and also the single biggest expense in our budget. If staff expenses are distributed among other expense categories based on the staff's work descriptions, our biggest expense categories are services and advocacy.

The amount of work must match the level of our staff resources. Staff resources may be raised if it becomes necessary. Staff receive necessary training to fulfill their tasks. The staff's job descriptions are not stationary, and they are changed to match the Student Union's needs. Recruitments take into consideration the candidates' motivation, language skills, understanding of Student Union operations, and knowledge acquired elsewhere.

Hiring project workers is planned carefully. The Student Union may hire additional staff to fulfill its statutory obligations and other project-like entities.

Currently, the Student Union employs one Advocacy Specialist, one Communications Specialist, one Finance and Administration Specialist, and a Member Services Assistant. In addition to these, the Student Union has a Secretary General.

5.3 Services

VYY produces various services for its members and organizations within its scope. Services are a cornerstone of the Student Union's operational budget.

The Student Union reaches its members mainly through organizations. Organizations produce services for the entire Student Union membership base and enable voluntary activities. We develop the quality and scope of the services aimed at members and organizations cost-effectively.

VYY continues to strengthen its own selection of member services. The Student Union has a Service Office, which is used by both Student Union members and organizations alike. User needs are considered in terms of opening hours and forms of service, and the reasonableness of the opening hours should be monitored and measured during the upcoming period.

One of the most visible benefits of VYY membership is the student card. Because owning a smart device cannot be a prerequisite for this service, the Student Union must ensure that the physical student card remains an option alongside the digital one. If acquiring physical student cards through partners is not possible, the Student Union will produce the cards ourselves.



In the upcoming period, we must evaluate the need to develop member services and map out cost-effective solutions for increasing and growing member services.

5.4 Overview of the goals for expenses

- The amount of work must be in balance with our human resources.
- Staff expenses should be kept at a maximum of 55 % of total expenses from operations.
- We will maintain the good upkeep of facilities we own and rent.
- The scope and quality of services offered to organizations and members are developed in a manner that is cost-effective and considers the needs of our members.
- Service Office opening hours and types of service are developed based on members' needs and opinions of the Service Office staff.
- When investigating potential adjustments to finances, the expenses related to member services will be protected.
- During financially challenging years, the goals that may have significant cost impacts will be pushed forward. These include goals like acquiring facilities or renovating.

6. THE DEVELOPMENT FUND

The Student Union has a development fund, which is gathered alongside the membership fee. The development fund also works as the Student Union's financial bumper. Currently, around 3 % of the membership fee is transferred to the development fund.

In previous years, the percentage going to the development fund has been larger, and it has been used to pay debt and renovation expenses from the student house owned by the Student Union's subsidiary company. The student house was sold with approval from the Representative Council in 2023, and after that the development fund has been used e.g. to renovate the Leipsis sauna facilities. After selling the student house, the Student Union is no longer in debt.

The development fund should be maintained as the Student Union's investment fund and financial bumper, which is used in the future to make investments that are responsible and that increase the Student Union's wealth. With approval from the Representative Council, assets from the development fund may be liquidated for various projects like VYY's 60th anniversary, renovations, and purchases. Otherwise, the assets in the development fund are used in investments according to the Representative Council's decision. When planning investments, we utilize outside expertise, like investment advisors.

7. MONITORING

The Student Union's Secretary General and Finance and Administration Specialist regularly monitor the Student Union's finances. In the upcoming period, finances will be reported to the Executive Board at least monthly. Reporting is based on the currency of the books at the moment of the report. The Secretary General or the Finance and Administration Specialist will present financial prospects to the Representative Council at least once a year or more where necessary.



8. EXCEPTIONS AND EMERGENCIES

In case of an emergency that would have a significant impact on the Student Union's finances, finances must be adjusted accordingly. Where necessary, the development fund may be used to cover the deficit caused by the elimination of the membership fee, but it is only a temporary solution. A long-term solution should be increasing income from other sources and lessening our dependence on membership fees, so that a decrease in membership fee income does not significantly weaken fulfilling the Student Union's responsibilities.

If any legislative changes occur, which may elementally impact the Student Union's finances, the Student Union must remake its medium-term financial plan to account for these changes and the necessary changes in financial planning.

9. ACTIONS TO BE CONSIDERED DURING THIS PERIOD

In this chapter, the Secretary General raises issues that we should investigate and decide on future action in order to find more efficient solutions for optimizing our operational budget and sustaining our assets.

9.1 Registering for value added tax (VAT)

The Student Union has a precedent from the Tax Administration on which activities are liable for VAT, were the Student Union to register for it. In practice, event tickets and Leipsis sauna rentals would fall under the general VAT rate 25.5. %.

One benefit of registering for VAT is that the Student Union can then deduct all paid VATs from its own purchases related to events and the Leipsis sauna facilities. Additionally, the Student Union could deduct a portion of the VATs from all other purchases based on how they have been used for operations liable for VAT. In this period, it is worthwhile to research whether registering for VAT brings savings in the form of deductions, and what the effects of the VAT on events and rental income are. It could either save money or increase costs. A risk of registering for VAT is that profit from events and facility rentals decrease, which is why the matter should be carefully considered before making a decision.

9.2 Acquiring property

Where possible, the Student Union should consider acquiring new property in the upcoming period. In this context, property mainly means apartments we lease to university students. Acquiring property must be done with care and thorough consideration of the spaces' rentability. It should be understood that investments and properties always come with risks. Properties should be a part of our investments and focus on acquisitions that can be expected to bring in cash flow and profit to the Student Union through rents.

If the Student Union were to consider buying property for something other than letting out, we must have a clear plan for financing the purchase and maintaining the property before making the decision to buy. This way, building does not jeopardize the operational budget and other Student Union operations, eventually leading to increasing the membership fee.

9.3 Projects

In the upcoming period, it is worthwhile to research whether the Student Union could partner in projects or develop its operations through project finance. Projects often receive funding that would enable developing and expanding member

services. They would bring in funding, which we could use to save in the operational budget by covering facility or staff expenses with project finance.

However, projects cannot be the Student Union's main activity. It should be noted that the Student Union often does not meet the criteria for organizations to receive project finance. For this reason, an investigation must be carried out first before wasting working hours on potentially pointless project applications.

9.4 VYY's 60th anniversary

In 2028, the Student Union turns sixty, and we will celebrate this anniversary with bigger events than the traditional Annual Ball. Accomplishing these celebrations also requires separate investment in the budget. Because producing anniversary week events is a significant investment, we must ensure sufficient funding for organizing the 60th anniversary, as well as secure enough personnel, and investigate other possible sources of financing.