

FINANCE at AUS

Representative Council 2012
25.1.2012

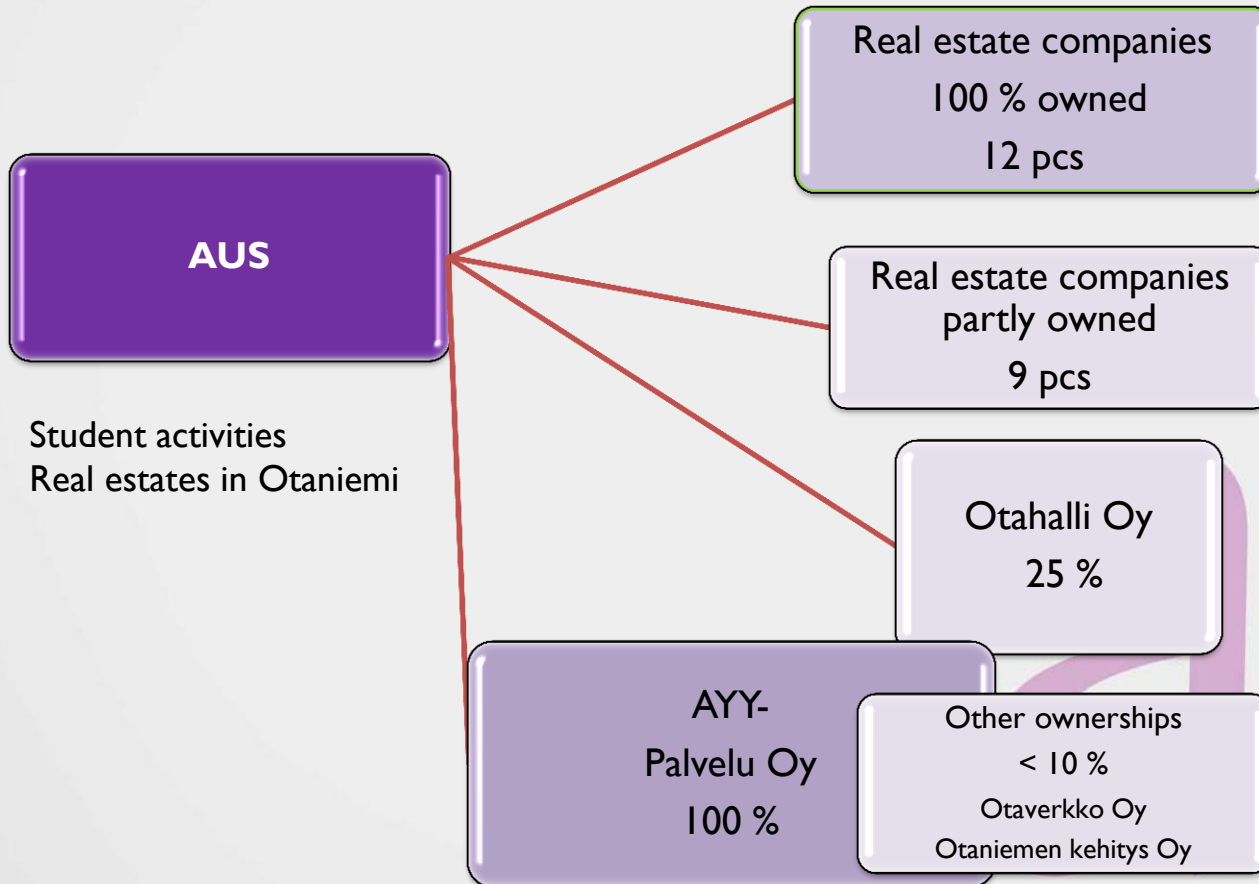


Contents

- AUS Group Structure
- Organisation
 - Financial Committee
 - Finance organisation and service teams
- Finance related rules and instructions
- Auditors in AUS
- Finance reporting
- Asset management
- Budget for 2012

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Group structure



Companies 100 %:

Kyltericampus
Vaasankatu 10
Kylterinranta
Kylterivuori
Kylterinkartano
Kylterivaara
Pohjavedenkatu
Tuhkimontie 2
Hiihtomäentie 22
Kirkonkyläntie 16
Jämeränjälki
Otakaari 11

Companies less than 100 %:

Ylioppilasasuntola ja Keilatalo
Turkismiehentie 8
Ida Aalbergintie 1
Artti

Arabian Palvelu Oy
Soittokunnanpolun pysäköinti
Kruunun pysäköinti

Malmintori
Ohrahuhdantie

Financial Committee 2012



Deputy managing director
Matti Carpén
Master of Science (Eng.)
chairman



Strategist
Kari Vatanen
Master of Science (Eng.)



CFO
Jukka Havia
Master of Science (Econ.)



CEO
Kari Inkinen
Master of Science (Eng.)



Director
Hanna Hiidenpalo
Master of Science (Econ.)



Kaisa Vuorio
Master of Science (Eng.)



Taneli
Hirvola

Ville
Sillanpää



Kalle-Heikki
Koskinen

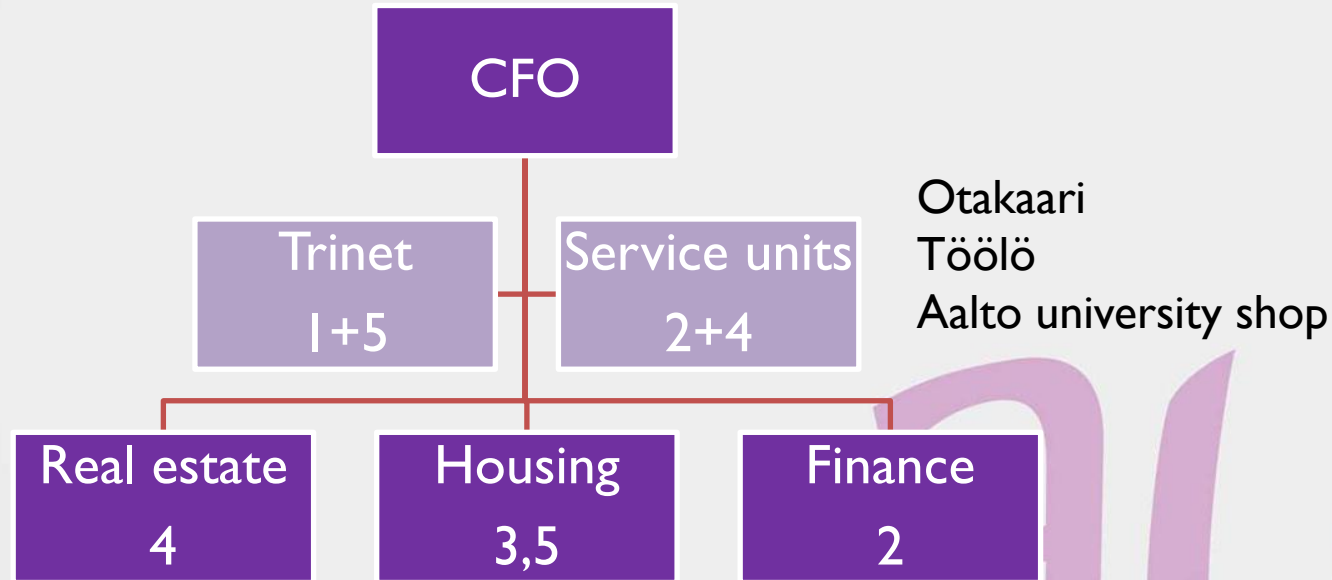


Jarno Lappalainen



Finance & Service organisation 1.1.2012

Financial committee



Restructuring 2010 - 2011

- Finance reporting build from separate backgrounds as a new group structure report
- Accounting system Netvisor in office use
 - Real estate companies' accounting outsourced
 - Salary accounting outsourced
- Basic finance rules and instructions published
- Tender process for asset management done 2010
 - Two asset managers Evli and Tapiola
- Tender process for insurances done 2011 – new partner Fennia
- Tender process for audit done 2011 – new auditors Ernst & Young
- AYY Palvelu Oy – enlarged activities
 - year 2011 publisher for a economics study book
 - Aalto University Shop started 2011
- Housing system application intergrated as a one harmonised system- Campus
- Saving projects done and going on
 - Office machines, mobile phones, operators
 - Bank account costs

Instructions and rules

AUS Constitution

- Significant financial decisions 38§

Other

- Rule of finance
- The policy of finance and asset management
- Instruction for purchasing

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Significant financial decisions

Constitution of Aalto University Student Union 38§

- To be proposed by Board, Financial Committee or Council
- Buying, selling or mortgaging real estate
- Starting new real estate projects
- Tying up AUS assets
- First to be handled by Financial Committee

Decisions made in Council

- JMT6 construction project (4,1 m€)



Rule of Finance

Background

- constitution of Aalto University Student Union 33§ requires the rules of procedure in the finance management

Purpose

- to specify the responsibilities and decisions in the finance matters
- to describe the finance processes

Contents of the rule of finance

- Responsibilities
- The asset management
- Budgeting process
- Approving the costs
- Financial statements



Rule of finance

Responsibilities

Representative Council

- Decide on the annual budgets
- Decide on the significant financial decisions
- Approve the financial statements
- Select the auditing firm

Board

- Prepares the annual budget and steers the organisation within that frame
- Sign the financial statements

Financial committee

- Acts as an advisory board to the AUS board
- Prepares the finance and asset management policy
- Accepts the frame for annual budget
- Accepts the costs of CFO

Finance director, CFO

- Is responsible to lead the finance activities within given policies
- Reports to financial committee
- Acts as a supervisor for finance and service personnel and decides their compensation terms with the chair of financial committee

The policy of finance and asset management

Common section of the policy includes

- the structure of assets
- main principles of the asset management – to be presented in next slides
- the main principles were approved by the Representative Council at spring 2010

Attachments are

- policy for financial investments
- policy for real estate investments



Principle I: Goals for securing the property

Main goal is to secure the financial requirements for student union non-profit activities.

The financial investments should be managed so that in the long run the investments will be secured and maintained.

- *Omaisuuuden säilyttäminen 'yli ajan'*



Principle 2: Goals for real estate

One of the most important tasks for student union is the ownership and solid management of residential real estate.

The goal for residential real estate operations is to offer a housing during a short waiting period to all the student members who are willing to have an AUS owned resident.

The goal set for the real estate property is to get a return on investment which secures an even rent level for students which is dependable of the renovations and investments needed.

The return on real estate investment will be kept inside the real estate property.

Principle 3: Financial solidity

Student Union's goal is to be free from debt.

Although, when financing the new housing properties or bigger renovations, it is acceptable to use outside financing as bank loans.

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Principle 4: Responsibility

Student Union is a responsible actor both in financial investments and in housing operations.

We have to respect the human rights and environment in asset management



The policy of financial investments

Contents

1. Structure of investments
2. Target for the return of investment
 - Real rate of return goal (net return after inflation) is 3,5 – 4%
3. Limitation of risks
4. Instruments
5. Restrictions
 - One investment fund max 20 %
 - One direct share max 5 %
 - Bank account max 50 %
6. Target allocation
7. Process for asset management
 - Regular tender process
 - At least two separate asset managers
 - Wellknown and solid asset manager companies

The policy of financial investments

Instruments, target allocation

Instruments	Target level	Range
Bonds	50 %	10 % - 80 %
Money market	15 %	10 % - 80 %
IG Investment Grade	30 %	0 % - 70 %
High Yield /EMD	5 %	0 % - 10 %
Share investments	50 %	20 % - 70 %
Shares, Finland	20 %	10 % - 30 %
Shares, other Europe	10 %	0 % - 20 %
Shares, USA	10 %	0 % - 20 %
Shares, other	10 %	0 % - 20 %
Alternative investments	0 %	0 % - 20 %

The policy of real estate

Contents

1. Real estate property
2. Goals for housing
3. Management of housing
4. Return on real estate properties

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Audit

Auditors in Student Union

- for the newcoming Student Union the first auditor selection was made year 2009
- the first AUS auditor for the year 2010 was audit company KPMG Ltd
- KHT Heidi Vierros has been as a responsible auditor
- for the year 2011 decision of audit was made at March 2011
- the same audit company was elected to continue

Audit 2012

- Audit was under tendering process
- New audit company was elected for 2012:
 - Ernst & Young
 - Auditor Anne Vainio



Finance reporting

- Finance report quarterly in the Council meetings
- Group figures: whole year forecast quarterly
- Cost reports of student activities:
 - reporting to the Board montly
 - when the whole year forecast exceeds the budget by 5 %, the Council will be informed and the exceed is subject for approval
 - other operational level whole year budget deviations > 10 t€ will be informed
 - so called new openings will be reported as an additional budgets for the Council
- Service operations – deviation report
- Investments – investment reprt quarterly
- Housing – exceptional deviations and total amounts to be reported

AUS main figures 2010

- Revenues year 2010 were about 16 m€
 - Real estate 11,0 m€
 - Membership fees 0,8 m€
 - Returns on investment 3,0 m€
 - Other fees in student activities 0,9 m€
- Balance sheet 31.12.2010 total 98 m€
 - Real estate 69 m€, 70 % balance sheet
 - Financial investments 20 m€
- Personnel
 - Average 56 employees 2010
 - Personnel costs 2,0 m€

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Reporting structure



Student activities

- Membership fees and sponsoring agreements
- Student service, administration



Finance and support

- Finance, real estate and housing service



Financial investments

- Real estate investments
- Financial investments



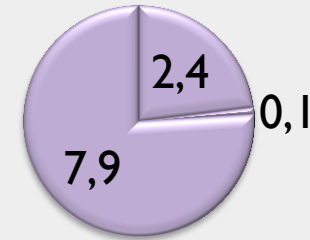
Real estate property

- Housing in Helsinki, Espoo
- Trinet it-costs

Finance investments 31.12.2011

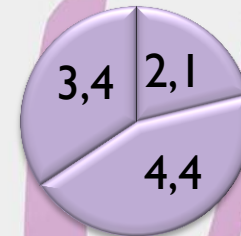
Tapiola Varainhoito

- Total amount 10,4 m€
 - Real estate companies 2,4 m€, 23%
 - AYY-palvelu Oy 0,1 m€, 1%
 - Student union 7,9 m€, 76%

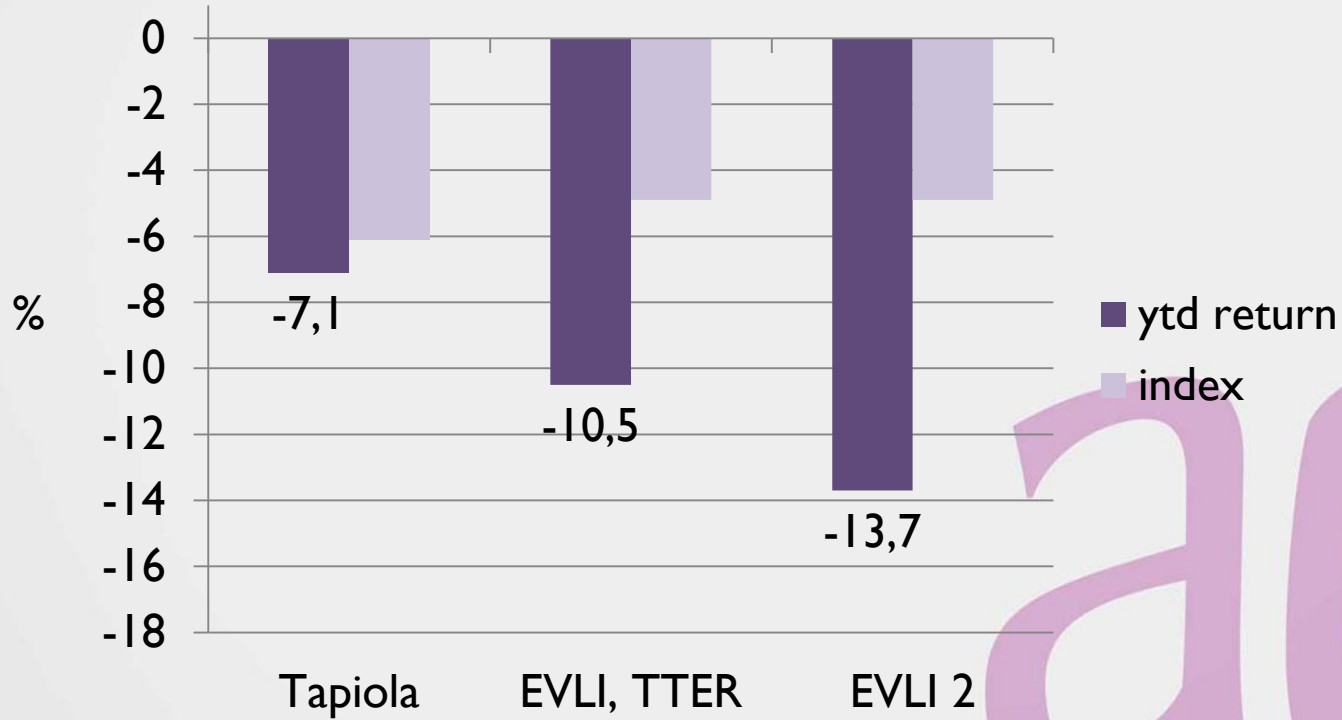


Evli Pankki Oyj

- Total amount 9,9 m€
 - Real estate companies 2,1 m€, 21%
 - TTER 4,4 m€, 45 %
 - Student union 3,4 m€, 34%



Returns YTD 01-12/11



Annual budget 2012

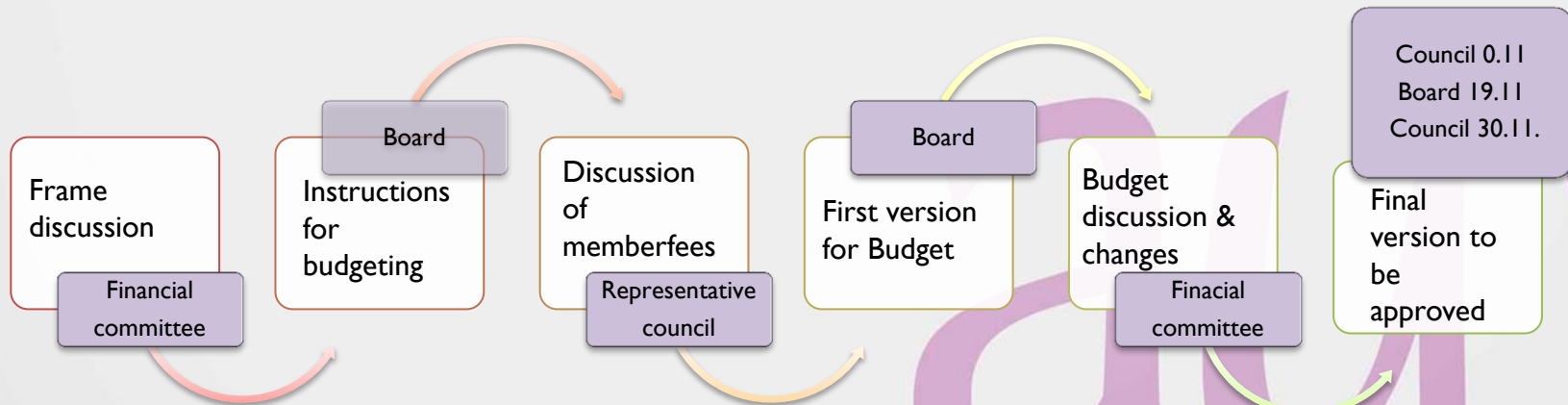
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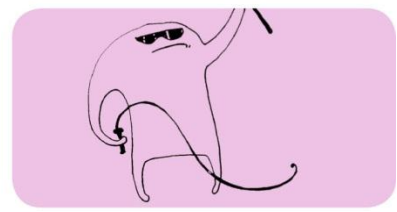
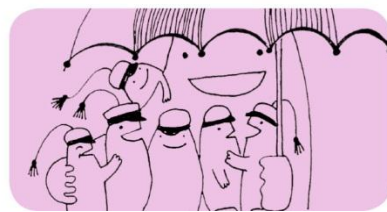
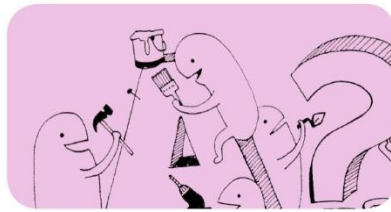


AALTO-YLIOPISTON YLIOPIILASKUNTA
AALTO-UNIVERSITETETS STUDENTKÄR
AALTO UNIVERSITY STUDENT UNION

www.ayy.fi

Process for annual budget





VAPAAEHTOISUUS

AALTO 2013

AYY TUTUKSI JA TUNNETUKSI

RAUTAKOURA

ASUMINEN

Asukastoimielimiin panostetaan ja ne tuodaan näkyväksi osaksi yhteisöä. Luodaan talosivut nettisivuille.

HALLINTO

Tavoitteellinen toiminnanohjaus vähentää kuormittavuutta

JÄRJESTÖ

Aavan järjestövastaavan roolin rakentaminen ja tukeminen

KOPO

Kopojoryn ja OPN:n roolien selkeyttäminen, vakiinnuttaminen sekä näihin panostaminen

KV

Kehitetään KV-vapaaehtoisenttä. Yhtenäistetään ja kehitetään kv-tutorointia ja ohjataan suurvisiirejä.

LIKUNTA

Kehitetään liikuntatutorointi huippuunsa.

PALVELUT

SOPO

Aavan UO-pumpulle mainio startti. Yhdenvertaisuussuunnitelman jalkauttaminen järjestöihin.

VIESTINTÄ

Luodaan kattava ja aktiivinen viestintätoimijaverkosto

YHTEISÖ

Kehitetään ennakkoluulottomasti Aavaa ja TJ:tä saumattomina kulttuuritoimijoina. Parannetaan vapaaehtoisten työnjakoa.

YRPPÄ

Auran toiminnan vakiinnuttaminen

Käynnistetään asumisen palveluiden uudistus kehitysprojektin merkeissä. Edistetään uusia rakennusprojekteja.

AYY vakiinnuttaa roolinsa kampusprojektin tärkeänä vaikuttajaryhmänä

Järjestötilojen tilanekartoitus. Uusia järjestötiloja uudisrakennuksiin.

Opetuksen laadun konkreettinen parantaminen ja opiskelijänäkökulman tuominen vahvasti kaikkeen Aallon toimintaan

Löydetään pysyvä ratkaisu hätämajoitukseen. Selvitetään mahdollisuudet saada kampukselle KV-kerhotila ja rukoushuone.

Kehitetään Otahallin UniSportin toimintaa. Toteutetaan 0-liikkujiin aktivointi -projekti YTHS:n ja UniSportin kanssa.

Luodaan kehityssuunnitelma palvelupisteille. Uudistetaan palveluja palvelukyselyn pohjalta.

Luodaan toimiva konsepti uusien opiskelijoiden vastaanottoon ja tutorointiin. Valmistetaan YTHS uuden kampuksen aikaan.

AYY-brändin kohottaminen

Luodaan joustavia ja näkyviä tapoja tukea syntyviä hankkeita ja ideoita. Tehdään uuden kampuksen näköisiä tapahtumia.

Nuorten suunnittelijoiden tuotteiden saaminen Aalto University Shopiin

Luodaan toimiva vuorovaikutteinen viestintäkanava asukkaille. Panostetaan oppaisiin ja nettisivuihin.

Järjestetään enemmän aikaa kummiyhdistyksille

AYY:n ja yhdistysten välisen vuorovaikutteisen viestinnän parantaminen

AYY:n toiminnan kattavuutta kasvatetaan parantamalla korkeakoulukohtaista edunvalvontatyötä

Toimitaan kolmikielisyysstrategian arvioinnin pohjalta. Edistetään KV-opiskelijoiden työllistymistä. Tiivistetään kv-kumppanuuksia.

Edistetään Aallon filiaalien opiskelijoiden liikuntamahdollisuuksia. Järjestetään SELL 2012-kisat.

Kartoitetaan palvelut ja luodaan selkeä palvelutarjotin

Onnistutaan näkyvässä ja AYY:n tuntuudessa kuntavaalikampanjassa

AYY:n tunnettuuden ja viestintäkanavien tavoitavuuden kartoitus ja tehdään peliliikkeitä

Kehitetään kulttuuritoimijoiden tunnettuutta, viestintää ja yhteisön mahdollisuuksia osallistua tapahtumatuotantoon.

Aalto Thinks. Uusien sopimusten solmiminen.

Selvitetään mahdollisuutta käyttää asuntotoiminnan tuloja kestäväällä tavalla aatteellisen toiminnan tukemiseen.

Strategian toimeenpano, rakenteellisten uudistusten suunnittelu

Hankitaan ja otetaan käyttöön yhdistystietokanta

Tavoitteellisuuden tuominen koulutuspoliittiseen edunvalvontaan

KV-opiskelijoiden toimintamahdollisuudet edustajistossa. Levitetään ja hyödynnetään lukukausimaksugradun tuloksia.

Hankitaan sähköinen tilavarausjärjestelmä.

Toteutetaan yhdenvertaisuussuunnitelma

Tehdään viestintästrategia ja kriisiviestinnän ohjeistukset

Tehostetaan tapahtumien kulupohjaa eikä tehdä tapahtumilla tappiota

AINOn mainosmyynti, solmittujen sopimusten toteuttaminen

Frame for budget 2012

The frame for net cost is 500 + 320 t€

- revenues in student activities are membership fees, other fees, revenues from sponsor agreements and revenues from Ashop, book selling
- the costs to be remained after revenues are netcosts to be financed by return on investments
- target level to this netcost is after five years 500 t€

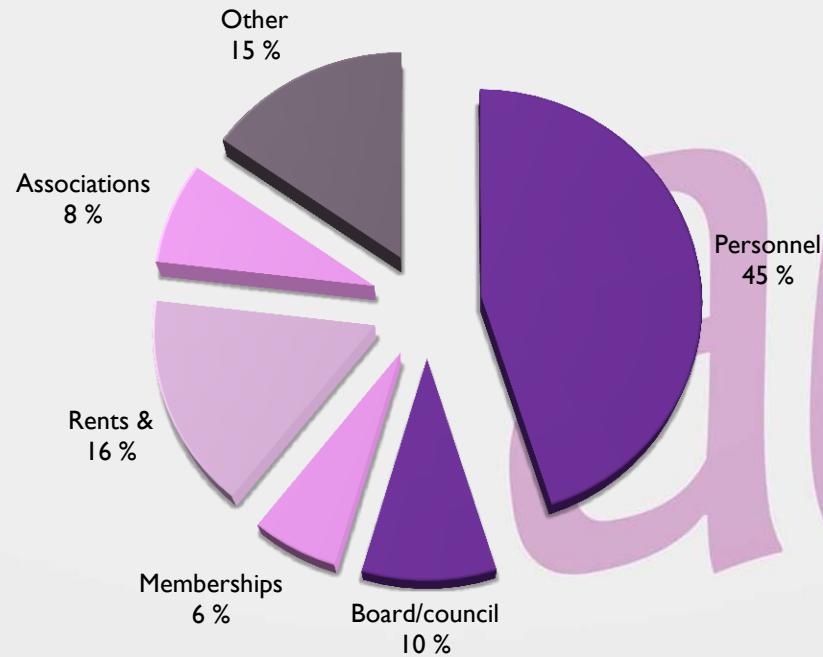
Student activities



Student Union activities

- Membership fees and sponsor agreements as revenue
- Costs of membership services, administration

Costs total 1,615 t€



Assets



Assets

- Real estate: Dipoli, Malmintori, Ohrauhdantie, Otakaari
- Financial investments

- Real estate property: most important is the ownership of Dipoli house – rental agreement with University
- For financial investments the annual budgeted return is 3,5 % calculated from the market price valid at the end of September 2011

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Dipoli -house

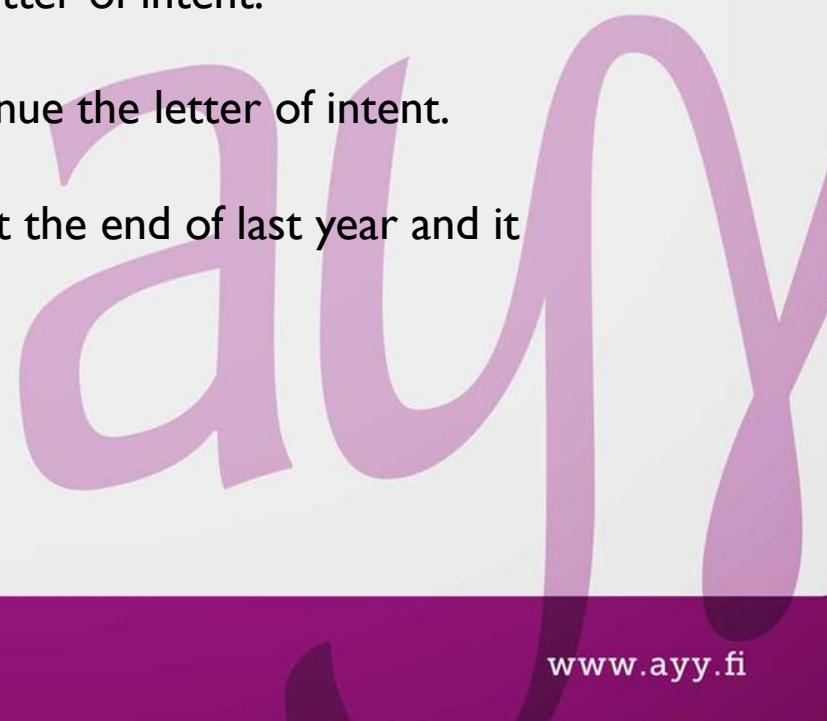
Background:

Representative council decided in the meeting at 16.12.2009 to sell the total amount of shares in KOY Jämeränjälki and the real estate owned by AUS at the price of total 10,5 m €

The board decided at 31.12.2009 of the letter of intent.

The board decided at 26.11.2010 to continue the letter of intent.

The letter of intent was again continued at the end of last year and it is valid to 31.12.2012.



Real estate activities



Real estate

Budgeting for housing is made according following rules:

- Houses located in Helsinki area have each it's own separate budget
- In Espoo area there are budget units as Vanha teekkarikylä, Otaranta, Ossin linna, Heinävaara, Kylterivaara
- Costs of IT infrastructure (Trinet) are allocated to real estate units

Rents 2012

Rents from 1.3.2012

- Helsinki 8,79 €- 20,00 €/sm
- Espoo 10,95 €-13,40 €/sm

