Rules for Financial Management

1 § General

In addition to what is stated in the Associations Act, the association's rules, and other regulations and working orders, the financial management of the Turku School of Economics Students' Association (Turun kauppatieteiden ylioppilaat ry) follows the provisions of these financial management rules.

2 § Overall Finances of the Association

The overall finances of the association include all financial resources of the association, consisting of income received, expenses incurred, and assets such as real estate, securities, and other properties owned by the association. The core financial activities refer to economic operations conducted in the association's name.

3 § Responsibility for Financial Management

The association's financial management is the responsibility of the board, the chairperson of the finance committee, and financial officers.

4 § Association-Owned Enterprises

The association's meeting determines the financial guidelines for the association and its owned enterprises. The chairperson of the finance committee oversees the owner’s interests in the association's enterprises.

5 § Contracts

Contracts and other documents are signed by people authorized under section 30 of the association's rules. A binding signature for the association must include the full name of Turku School of Economics Students' Association and handwritten signatures of the signatories.

01 Accounting Structure

6 § Registration and Utilization Functions

The accounting structure is divided into registration and utilization functions, which further consist of different types of calculations.

Registration functions include bookkeeping, payroll accounting, and asset accounting.

Utilization functions include strategic and operational planning calculations, such as investment and pricing calculations, long-term financial planning, annual budgets with supplementary budgets, and project-based financial plans.

Monitoring calculations involve budget implementation calculations, interim financial statements, and project-specific budget tracking.

Informative calculations include financial analysis reports and income distribution calculations.

02 Budgeting

7 § Budget and Supplementary Budget

The association's board or the chairperson of the finance committee prepares budgets covering the association’s revenue and expenses and presents them for approval in accordance with the association's rules. If necessary, financing plans, including loans and repayments, are also presented.

A supplementary budget must be prepared if unforeseen financial changes occur. The procedure follows that of the original budget.

The association's budget period is the calendar year, which is also its financial year.

8 § Budget Preparation

Financial officers and trustees prepare the budget based on the principle of prudence, including only confirmed revenues while allowing for unforeseen expenses.

9 § Cost Centers and Accounts

The budget is divided into eight cost centers: organizational activities, KY-Club, general administration, Parkinkatu 6, grants and scholarships, financial operations, fundraising, and miscellaneous items. Each cost center includes the necessary accounts for revenue and expenditure breakdowns.

10 § Budget Overruns

The board may approve an individual budget item overrun by up to one-third. Larger overruns require approval by the association's meeting.

03 Financial Supervision

11 § Financial Supervision

The chairperson of the finance committee, supported by the committee, oversees financial management. The chairperson is elected and can be dismissed by the association's meeting.

Committee members are appointed based on the chairperson’s recommendation, and changes may be made mid-term if necessary.

The finance committee must be consulted on financial matters outside the budget, such as investments, and their opinion must be reported to the association’s meeting.

12 § Cash Flow Management

Before processing any payment, it must be verified for date accuracy, correctness of calculations, and proper authorization. Payments must be signed and dated upon execution.

13 § Invoice Approval

Invoices and payment obligations are approved by the board chairperson or executive director, excluding personal invoices.

14 § Payments

Payments are made from bank accounts or cash registers, with receipts attached to original invoices or supporting documents.

15 § Receipt of Payments

Income must be directed to bank accounts or cash registers with proper documentation explaining the nature of the revenue.

16 § Document Retention

Receipts, bank statements, and financial documents must be stored in compliance with prevailing legislation.

04 Accounting

17 § Organization of Accounting

The association maintains double entry bookkeeping according to applicable accounting laws and regulations.

18 § Asset Accounting

Asset registers must include real estate, liabilities, movable assets, securities, insurances, and inventories.

19 § Accounting and Account System

The chart of accounts follows the budget structure, with separate accounts for revenue and expense allocations.

20 § Accounting Entries

All entries must be based on dated and numbered receipts that verify the transaction.

21 § Receivables

A register must be maintained for the association's receivables, debts, and loans.

05 Financial Statements

22 § Financial Statements

Annual financial statements must be prepared according to accounting laws and submitted to auditors one month before the association's spring meeting.

23 § Approval of Financial Statements

The board, finance committee chairperson, financial officers, and executive director sign the financial statements after approval.

06 Auditing

24 § Auditors

One or two auditors are appointed as per the association's rules, following the auditing regulations. Auditors must be independent and qualified to serve as auditors.

25 § Required Documentation

The board must provide auditors with all necessary financial and administrative documents for review, including accounting records, financial reports, insurance and debt certificates, minutes of meetings, membership lists, annual reports, correspondence, contracts, and other relevant documents.

26 § Auditor's Duties

Auditors must:

1. Verify that the association complies with the Associations Act, its own rules, and relevant regulations.
2. Review the minutes of the association, board, and committees to ensure decisions have been implemented and properly signed.
3. Confirm that the association's finances have been managed diligently and in accordance with these financial regulations.
4. Ensure that accounting follows legal standards, that opening balances correspond to approved financial statements, and that all transactions are properly documented.
5. Verify that all relevant individuals have signed the financial statements in the balance sheet book.

Additionally, auditors must record their findings in the financial statements.

27 § Interim Audit

An interim audit is conducted before the board finalizes the financial statements and annual report for submission to auditors.

28 § Audit Report

Auditors must submit a report on their audit to the board at least two weeks before the spring meeting. The report must include an assessment of the association’s governance, financial statements, and financial position. It should also state the auditors' opinion on approving the financial statements and granting discharge from liability.

07 Club Operations

30 § Club Operations

Club activities are managed by the club master.

31 § Club Operations Supervision

The board and financial officers oversee club activities, with the right to inspect finances and operational compliance.

32 § Club Profitability

Club activities are monitored as a separate financial unit.

Miscellaneous Provisions

33 § Amendments

Amendments to these financial rules require a simple majority in the association's meeting.

34 § Entry into Force

These financial management rules were approved in the association's meeting on July 15, 2020.