

FINANCIAL REGULATIONS OF THE UNIVERSITY OF THE ARTS HELSINKI

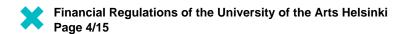
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Version	Approved	Most significant changes
2	University board 13	Extensive updates, incorporation of changes made in the
	December 2023	University Regulations
1	University board 11	Financial Regulations are approved
	March 2013	



1 General

The financial management of the University of the Arts Helsinki (Uniarts Helsinki) is steered by the university's strategy, objectives and collectively approved policies. Financial management is steered by objectives concerning the transparency of operations and predictability of finances, in particular. Uniarts Helsinki's Financial Regulations create a framework for managing the university's finances. The university's financial management must comply with legislation, these Financial Regulations, as well as policies and guidelines approved by the university board and the rector.

2 Operating principles

The university's financial activities are steered by the following principles:

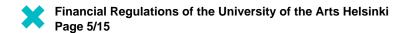
- the university follows good management and administrative practices,
- the university's special national mission is fulfilled,
- the operational and financial objectives set by the university board are met,
- the university's financial management is proactive and sustained,
- responsibilities for operations and finances are clear,
- the university's internal monitoring and risk management support overall management,
- payment transactions, financing activities and investment activities are carried out in a safe, sustainable and economical manner,
- the capital structure in the balance sheet remains in balance.
- financial reporting has been arranged in an appropriate and up-to-date manner, it is sufficiently detailed and transparent, and the university's finances are in balance for each performance agreement period.

3 Financial administration of the university

3.1 Financial management and monitoring within the university

The **university board** is responsible for ensuring that the university's operations are arranged in an appropriate manner. The board approves the university's investment policy. The board is also responsible for arranging the supervision of accounting and asset management and arranging the university's internal audit. The board is tasked with deciding on the university's operating and financial plans and budget and preparing the financial statements.

The university's rector is responsible for the economical, efficient and effective discharge of the university's missions in accordance with the orders and guidelines provided by the board. The rector makes a proposal on the operational and financial plan of the university and presents it to the board. The rector also decides how resources are allocated to the academies and to the university's joint academic units and joint services in accordance with the operational plan and budget confirmed by the board. The rector is also responsible for the lawfulness of the university's accounting practices and the reliable arrangement of asset management and compliance with the investment policy (section 17 in the Universities Act, section 18 in the University Regulations). The



rector decides on the structure and responsibilities of the shared services. The unit of shared services reports to the rector.

The **finance director** is responsible for the execution of decisions related to the university's finances and for the practical arrangements of the financial administration and services.

The **dean** makes a proposal to the rector concerning the operational plan and budget for the academy and, after hearing the academy board, decides on the division of resources within the academy in accordance with the operational plan and budget confirmed by the university board. The dean is responsible for the execution of decisions related to the academy's finances and for the implementation of the budget in accordance with the rector's decision (section 29 in the University Regulations).

The **university collegium** selects the university's financial auditors, confirms the university's financial statements and annual report and decides on the discharge of liability of the board members and the rector (section 21 in the University Regulations).

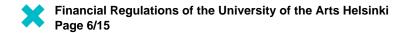
3.2 Disqualification in decision-making

Provisions on disqualification in section 28 in the Administrative Procedure Act (434/2003) apply to all university activities (section 30 in the Universities Act). Provisions on disqualification concern the activities of members of the university's administrative or other bodies as well as individual university employees as regards preparing of matters, all decision-making and expert duties. (Universities Act, section 44, subsection 3)

A member in an administrative or other body or an individual university employee is not allowed to participate in the processing of a matter concerning an agreement or some other legal transaction between them and the university. A member in an administrative or other body or an individual university employee is also not allowed to participate in the processing of a matter concerning a legal transaction between the university and a third party if the member or the employee is expected to experience a particular gain or if the member or the employee may be considered to have other interest in the matter.

The university has guidelines for identifying disqualification and policies that are applied when disqualification is observed.

Uniarts Helsinki's board approves the university's practices concerning conflicts of interests or other commitments of related parties. The practices define who the university's related parties are and enable the monitoring of these related parties' activities, and the aim of the practices is to prevent any actions by related parties that violate established conduct. Collective trust in the independence and impartiality of the Uniarts Helsinki upper management's activities is secured, for example, by obligating the university's related parties to report their conflicts of interests and other commitments and by having the financial unit monitor the impartiality on an annual basis.



3.3 Meticulousness and economic efficiency when performing the university's duties

The members of all university bodies and university employees must perform their duties with meticulousness and economic efficiency.

Uniarts Helsinki has a channel for reporting misconduct. The channel for reporting misconduct and the report processing procedures are based on an EU directive and the Act on the Protection of Persons Reporting Infringements of European Union and National Law (so-called Whistleblower Act). The document explaining the report processing procedures states the designated persons in charge of looking into the grounds for the report.

Whistleblower protection is granted to whistleblowers who have reported misconduct using the channel for reporting misconduct if the matter concerns an observation made in connection with work as referred to in the Whistleblower Act or suspected misconduct related to activities that conflict with the general interest in areas of law specified in the Act.

Other suspected finance-related misconduct than cases referred to in the Whistleblower Act (20.12.2022/1171) are reported to the finance director or the rector. They are handled in confidence, but it is not possible to report or process suspected misconduct anonymously. Making false statements intentionally is prohibited and may lead to legal consequences. The university reports of an offence to the police or takes legal action if there are grounds to do so.

The authority to report an offence to the police or to take legal action lies with the rector or a person authorised by the rector, or the chair of the university board, if the matter falls within the authority of the board.

3.4 Presentation and signature process related to decisions and agreements

The principle of two signatories (approver and presenting official) is followed in Uniarts Helsinki's decisions and agreements. When the aforementioned practice is followed, the documentation of the decision and agreement records not only the decision-maker but also the preparing officer.

The preparing officer is responsible for identifying the contracting party and making sure that the partner is appropriate (e.g. financial reliability, sanctions legislation). The presenter of the decision and agreement has the responsibility to enforce and archive the decision and agreement. If no other documentation or agreement exists, a separate proposal document is compiled.

Agreements and commitments are signed by using the digital signature service that is in use at the university. If the contracting party so requires, a physical version of the agreement is signed. If accepted by the contracting party, the signed agreement can be sent digitally as a pdf copy, in which case each digital copy will be as valid as the original. In situations where the funding organisation so requires, the commitment or agreement can also be signed in the funding organisation's digital service. In any case, an archive copy must be delivered to the Uniarts Helsinki Archive.

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3.5 Providing of additional guidelines

The university board may lay down also other special regulations that govern the university's finances besides these Financial Regulations. The rector or finance director of the university provides more detailed guidelines concerning compliance with these Financial Regulations and practical arrangements for financial management.

4 Financial authority

Decision-making power in matters with financial implications, such as approval of tenders, acquisitions, agreements and expenses, requires delegation in writing with definitions on tasks and euro limits for financial authority.

The rector may delegate their own authority to the vice rectors, deans and university directors, who, in turn, may decide to delegate tasks to their own subordinates. Decisions on the university taking out a loan or going into debt etc. are always made by the board. The value, exclusive of value-added tax, of the call for tenders, tender, agreement or acquisition determines the level of financial authority that is being delegated. The delegation limits have been stated in the appendix to the Financial Regulations. The unit of financial services maintains an up-to-date register of delegation decisions.

Decisions that exceed one's authority must be passed on to the person with sufficient authority, ultimately to the board. Agreements of major importance or fundamental consequence for the university must be approved by the board, regardless of their value in euros.

The decision-maker is responsible for operating within their authority and making decisions based on sufficient information. Financial authority is also always restricted by the approved budget of the university and the unit. The decision-maker is also responsible for making sure not to be disqualified in the matter.

5 Accounting and financial statements

5.1 Accounting principles

The university's accounting is organised in accordance with the Accounting Act and Decree and the generally accepted accounting principles. The university also complies with other provisions that steer the university's activities as well as guidelines laid down by the Ministry of Education and Culture concerning the universities' financial management.

5.2 Financial statements and annual board report

The university's financial year is the calendar year. The board is responsible for compiling financial statements by 31 March of the year after the financial year and provides them for the auditors'

review. The financial statements consist of profit and loss account, balance sheet, cash flow statement and the related required notes.

The financial auditors provide the auditors' report by the end of April. The university collegium confirms the financial statements and decides on the discharge of liability of the board members and the rector by the end of June following the financial year. The board puts forward a proposal for the handling of the profit or loss of the financial period and if necessary, for measures for balancing the finances. The financial statements are signed by the board members and the rector.

In addition to this, the university also compiles an annual board report in accordance with the Accounting Act on a yearly basis, and the report is enclosed with the university's financial statements and its content is the responsibility of the board. The annual board report presents information that affects the university's financial position and finance-related key figures.

6 Financial planning

6.1 Operational plan and budget

On the proposal of the rector, the university board confirms the operational plan, which is based on the university's strategic objectives, as well as the university's budget. Based on a board-confirmed budget, the rector makes a funding decision concerning the universities' units for each budget year.

The budget is compiled annually and updated with sufficient detail for the following four years. The university's academies, shared academic units and shared service units prepare their budgets in accordance with the budget framework and guidelines provided by the rector.

The academy deans hold the academy's internal performance and goal-setting discussions, based on which the deans confirm the academy's operational plan and budget after hearing the academy board. The academy deans are responsible for resource allocation within their respective academies in accordance with the operational plan confirmed by the board and the funding decision made by the rector. Vice rectors and service area directors are responsible for compiling an operational plan and allocating resources within their respective areas of responsibility.

A collective operational model for the whole university is followed in the planning of the university's operations and finances. The university's operational plan and budget cover all operations of the university.

6.2 Performance agreement with the Ministry of Education and Culture

The university signs an agreement with the Ministry of Education and Culture in accordance with section 48 in the Universities Act. The university board lays down the university's proposal for the next agreement period's objectives to be presented to the Ministry of Education and Culture. The rector is responsible for preparing an agreement proposal on the basis of the university's strategy, operational plan and financial plan.

The university board approves the agreement that is signed with the Ministry of Education and Culture. On the part of the university, the agreement is signed by the chairperson of the board and the rector.

6.3 Budget monitoring

The university board receives a report of the budget outturn forecast three times per year. The report must also state the monthly cash flow and the university's liquidity. The budget outcome and the university's cash flow are reported regularly to the executive group of the university.

Information on budget deviations that are significant to the university's activities or expected deviations from the budget must be reported to the board immediately when the information becomes available. If necessary, the board decides on measures that will be taken due to a significant deviation from the budget. The board also makes a decision on drawing up potential supplementary budgets and approves them.

The rector may provide further instructions on budget monitoring.

7 University assets

7.1 General principles for managing the university assets

The university's assets, in so far as they are not directly used for fulfilling the university's mission, must be invested in a safe and profitable manner. All of the university's assets are used and managed in a meticulous and economical manner that complies with the existing legislation, the university's internal regulations and provisions and possible asset-specific restrictions.

7.2 Investment activities

The university board approves the investment policy, which defines the target return and management of the risk level, among other matters. In the investment policy, the board also lays down a responsibility target for investment activities, which is binding on the investment committee. The university has an advisory investment committee in accordance with the board's rules of procedure, and it is tasked with supporting the rector in investment activities and preparing the university's investment policy.

The university rector is responsible for ensuring that the university's asset management has been arranged in a reliable manner. A sufficient portion of the assets must be invested in sufficiently liquid assets to secure the university's liquidity. The university's investment decisions are made based on a presentation procedure, in which the rector's decisions are presented by the finance director or a person who has been designated by the finance director, while the board's decisions are presented by the rector.

7.3 Fixed assets accounting

Records must be kept of all of the university's fixed assets, other than those of negligible value (the limit is 5,000 euros). Inventories of fixed assets are taken if necessary.

7.4 Banking relationships

The board approves new service agreements, credit limits and possible credit to be agreed with financial institutions. The university secures the continued access to banking services by maintaining service agreements with a minimum of two banks. The university's daily payment transactions are centralised to a primary bank selected by the board.

The finance director ensures that the rights to use an account and the signed service agreements are up-to-date and appropriate for their purposes.

In principle, the university does not have petty cash funds. However, in exceptional cases there may be a need to establish a petty cash fund for a fixed period. The finance director decides on when this should be arranged and for how long and what the maximum amount of cash available should be.

7.5 Waiver of recoveries

Decisions on renouncing debt collection actions and recording credit losses are made within the procurement limits approved by the university (cf. 7.2 below). Day-to-day accounting arrangements are the responsibility of the finance director or a person authorised by the finance director.

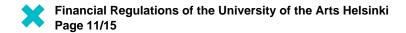
7.6 Handing over of property

The handing over of the university's property refers to the selling, scrapping and donating of property. The university's property may not be handed over at a lower price than the fair market value, unless the handover is economically justified and appropriate in terms of the interests of the university.

The university's assets can be donated only in exceptional cases. The donation is always a decision of the rector or the board. More detailed approval limits are stated in a delegation table concerning financial authority, provided as an appendix to the Financial Regulations.

A decision on selling or scrapping the university's property is made by the rector, dean, finance director or a person authorised by them. The decision is made based on a presentation procedure. More detailed approval limits are presented in a delegation table, included in an appendix to the Financial Regulations.

8 Procurement and expenses



8.1 General provisions on procurement

Procurement refers to the ordering, purchasing or renting of goods or services or similar activities. Procurement must be arranged in an economical, appropriate and responsible manner in accordance with legislation concerning public procurement and the university's procurement guidelines.

Procurement must be approved before calls to tender and orders. Procurement decisions are made and approved within the frameworks of the valid budgetary authorities and competences (cf. sections 3.1 and 7.2., and section a) in the appendix).

More detailed guidelines concerning procurement and procurement processes are provided in separate procurement guidelines that are approved by the finance director.

8.2 Receiving goods and services and approving and paying invoices

When verifying an invoice, the verifier must confirm that the goods or services corresponding to the expense have been delivered and received in accordance with the order and that the business trip, for example, has been duly carried out. If the invoice or delivery does not correspond to the agreed procurement, a compensation claim must be filed with the supplier. The verifier ensures that the invoice has the correct invoice identifiers (account, cost centre, project, order). The verifier also checks that the price corresponds to what has been agreed. The verification is completed by a person who is aware of or responsible for the procurement in question.

The approver of the invoice confirms that the content of the invoice is appropriate and that the invoice is correctly addressed to Uniarts Helsinki and to their unit. The approver is responsible for ensuring that the invoice is eligible for payment. Only an approved invoice can be ordered to be paid. Payment takes place in accordance with the prudent practices of the field.

Approving an invoice requires that the person is authorised to have such financial authority. The finance director is responsible for ensuring that delegation limits are applied as the approval limits of the systems in accordance with the decisions made.

The verifier and the approver of the invoice must be different persons. A person cannot approve their own expenses. A subordinate cannot approve their supervisor's expenses, with the exception of the rector, whose expenses are approved by the finance director. Each year, the finance director compiles a written summary of the rector's expenses and presents it to the chair of the board. HR administration ensures that the required information concerning reimbursement of costs to be paid to individuals is provided to the national Incomes Register.

8.3 Charge and customer loyalty cards

The university may use charge cards for the university's expenses. More detailed guidelines concerning credit and charge cards are provided in separate guidelines that are approved by the finance director. Cards must be stored and used in accordance with due diligence requirements.

Customer loyalty points from work-related trips or benefits thanks to other customer loyalty cards should primarily be used for paying for trips of the university and to the benefit of the university. If a person, however, uses them privately, the person in question is obligated to report taxable income equal to the value of the benefit to the Finnish Tax Administration.

8.4 Travelling and representation

Uniarts Helsinki's employees travel in accordance with the travel policy that is valid at Uniarts Helsinki at any given time.

Travel plans are authorised in the same way as expenditure decisions. The dean's travel plans are approved by the rector. The rector's travel plans are approved by the finance director. Each year, the finance director compiles a written summary of the rector's work-related travel expenses and presents it to the chair of the board. Travel invoices are authorised in the same way as travel plans. More detailed guidelines concerning travel expenditure are provided in the travel policy, which is approved by the finance director.

The university's assets can be used for representation and to show regular hospitality or courtesy to the university's stakeholders. Costs of representation are authorised in the same way as travel invoices. More detailed guidelines concerning representation are provided in separate guidelines that are approved by the finance director.

8.5 Receiving hospitality

Before receiving invitations, benefits and gifts from persons outside of the university, the recommendation is to discuss the matter with the supervisor first. A benefit, an act of hospitality or a gift may be received from a person outside of the university only if it is ordinary in nature and of negligible value and there is no intention to influence the receiver when giving the benefit. The benefit must not be recurring.

A person must reject a benefit or an act of hospitality if receiving it jeopardises the fairness, impartiality or independence of Uniarts Helsinki or its representative.

8.6 Maintaining liquidity

The university's liquidity is managed through liquidity planning. The university's finance director is responsible for liquidity planning by making sure that the university's expenses are paid on time, that extra assets are invested in a profitable manner and that the need for loan financing as a way to secure liquidity is minimised.

The university's liquidity and forecast is reported to the board in accordance with a reporting schedule. Information on operationally significant factors affecting the university's liquidity must be reported to the board immediately when the information becomes available.

9 Sales and income

9.1 Sales invoice

A sales invoice is based on a receipt or document that must comply with the Accounting Act and Decree and the generally accepted accounting principles.

9.2 Pricing and invoicing

Pricing of goods and services under public law follows the regulations concerning pricing of the university's goods and services.

The price of the university's goods and services must cover all direct costs required for producing them in full; a minimum of an average percentage is applied for facility expenses and overhead expenses. If possible, the price takes the percentage of cover into consideration. The rector approves the pricing guidelines, and deviations from the document can only be approved by the rector or the finance director. The director (a member of the executive group) of the unit selling the goods or services approves the prices based on a calculation and confirms the price list within the framework of their delegated authority. As for business activities, the director of the unit is responsible for the profitability of the activities.

Sales are invoiced without delay in accordance with the signed agreement, commitment or delivery. The seller unit creates an invoice in accordance with the financial unit's guidelines and the financial unit manages the invoicing and lodgements of claims.

9.3 Debt recovery

The university monitors debt recovery and may turn to a collection agency to have its debts collected.

9.4 External funding and cooperation agreements

Tenders, funding applications, commitments and agreements related to external funding are approved by the rector, vice rector or unit director or a person authorised by them. The decision is made based on a presentation procedure. More detailed approval limits are presented in a delegation table, included in an appendix to the Financial Regulations.

The value of the agreement refers to the total costs of the portion that Uniarts Helsinki is responsible for, i.e. the total sum comprising the funding that is being applied for and the possible self-financed share of the university. By following the rule of two signatories, Uniarts Helsinki ensures that the preparing officer and the decision-maker are both evident in the commitment or agreement.

Uniarts Helsinki does not take on the accounting responsibilities associated with expenditure grants of under 10,000 euros that are related to personal working grants awarded by Finnish foundations.

10 Donations and fundraising

The university has the right to accept bequests and other donations and to increase its assets in accordance with legislation. The task of accepting donations is delegated based on the donation's value in euros, in accordance with the appendix to the Financial Regulations.

The decision on accepting a donation that entails specific terms and conditions is made by the rector, or when the terms and conditions are exceptional or particularly significant for the university's activities, by the board.

In its fundraising, the university follows the valid legislation, a high ethical code of conduct and the guidelines laid down by the board for the university.

11 Risk management

The university board steers and monitors risk management. The rector has the overall responsibility for the university's operational activities. Each employee and person holding a position of trust within the university is responsible for the university's risk management in accordance with the university's regulations and guidelines within the framework of their individual task.

The board approves the university's risk management policy, which the university uses to assess and report on its risks. It is the rector's responsibility to look for ways to manage likely risks that would have high impact. However, information on significant changes in risks that affect the university's activities must always be immediately shared with the board.

The university establishes methods to look into the backgrounds of foreign partners with sufficient degree of reliability and with consideration of valid legislation and guidelines set by authorities.

12 Internal audit

Each year, the university board selects a subject matter and an auditor for the university's internal audit. The internal audit may also be carried out as a purchased service. The internal audit is organised directly under the authority of the university board and reports to the board. The board may delegate the task of monitoring the audit measures in practice to the university rector or the finance director. The internal auditor has the right to focus on any of the university's operational areas in the audit. The internal auditor has the right to be granted access to all university documents if needed and to inspect all assets, as well as the right to demand any of the university employees to provide information deemed essential to the task by the auditor.

Internal audits are part of risk management, and annual audits may also involve risk assessment. One of the aims of an internal audit may also be to secure the university's data protection and information security.

The internal audit is organised in accordance with proficient audit procedures and the good practices of the field. In addition to the annually selected audit target, the internal auditor may carry out special audits, if needed, in accordance with the orders of the rector or the board.

13 Auditing

The university collegium selects the university's financial auditors. Financial auditors must be provided all essential information and supplementary material that they deem to be necessary in the audit in order to create a proper and sufficient picture of the university's activities and financial status.

14 Complementary regulations

14.1 Amendments to the Financial Regulations

The Financial Regulations are maintained by the university's finance director, and decisions on amendments to the Regulations are made by the university board.

14.2 Validity of the Financial Regulations

The Financial Regulations are valid until further notice until new financial regulations are approved. A list of previous versions of the document is included at the beginning of the document.

APPENDIX: Table with financial authority limits (requires login to the university's intranet Artsi)