

THS EKONOMIC POLICY

1 Background

1.1 Summary

This policy contains a distribution of responsibilities regarding THS economy work, economic standpoints regarding THS various sub-activities and guidelines for THS financial management.

1.2 Purpose

The purpose of this policy is to provide guidelines in THS economy work and to serve as a support in the drafting process of the budget. The policy is written as something to strive for, not as the basis of the current situation.

1.3 History

- Draft produced by Emma Fogelström and Kim Westin and established in accordance with decision 1314 KF-05

2 Division of Responsibilities

2.1 The Student Union Council:

- determines, and decides on changes in, the economic policy
- establishes an overall budget and revising it if necessary
- follows annually, by reviewing the financial statements, up the financial management

2.2 The Student Union Board:

- ensures that the financial work is done according to the Economic Policy
- adopts an annual detailed budget and revise it if necessary
- determines attestation rights
- reports to the Student Union Council once a year (half-year report) on the economic situation
- responsible for annually reviewing the policy and that it is updated as needed

2.3 Vice President:

- establishes financial procedures
- prepares the budget for the student union board
- with THS chief executive, decides on borrowing within the budgeted framework
- report to the student union six times a year on the economic situation

3 Net Profit Economy

The purpose of any profits is reinvestment in the business and THS should therefore draft the annual budget for a zero net profit result. Exceptions can be made if the purpose of a positive net profit is to allow greater spending in the foreseeable future.

Net profit for different activities should, besides direct profit/loss, also be expressed in terms of full cost-performance, i.e. including administrative costs and costs for use of the THS premises. The following statements are based on the full cost-related income.

3.1 Operations which surplus will fund other activities

These activities share that they have good conditions for raising revenue, and should therefore be expected to do so. Student utility should be the focus of these activities, but *some* compromise can be made to ensure the payment of other student-serving businesses.

These activities include;

- THS Armada
- THS Future
- THS Event

3.2 Activities that should bear their own costs

These activities are considered to have the potential to bring in sufficient revenue to bear its own costs. It is not justifiable that these activities are funded by other sources of revenue.

These activities include:

- THS Restaurant
- Projects, for example the Students Nobel Night Cap

3.3 Activities funded by the rest surpluses

These activities share that they are perceived to contribute such a large student utility that they should be conducted even though the costs are higher than revenues.

- Educational Affairs
- Governing bodies. For example the Student Union Council, the Board and the Presidials
- Communication activities
- International activities
- Study-Social activities, for example sports activities, reception, JML-work
- Osqvik
- Osqledaren

4 Financial Management

4.1 Liquidity management

THS liquid assets consist of cash, bank, assets that can be converted within three banking days and unused loan commitment. These will be managed in such a way so that adequate funds (at least 30 days payment) is maintained at all times. This is ensured by continuous reports and forecasts and adjusting of investments and liabilities maturities along it. Non-temporary excess liquidity will partly be used to pay down debt and partly placed so that good returns are obtained without compromising economic stability.

4.2 Debt management

Borrowing may be made for long-term investments or to secure a short-term liquidity, borrowing whose sole purpose is the investment with interest earnings is not allowed.

Funding will be made at the lowest possible cost with regard to risk.

4.3 Ethical considerations

Ethical considerations shall be considered in all placements. THS carries no investments in companies that violate the conventions signed by Sweden concerning for example human rights, environment and labor.

THS should avoid investments in companies in which part of the turnover comes from the production of tobacco, alcohol, pornography or armaments.

Since the THS is a religiously and politically independent association, no financial investment or support shall be directed at religious or political parties.