



Financial strategy 2019-2021

The turnover in the students' movement results from its very nature. But there are some aspects of the management which require a longer perspective and strategic thinking. This is why ESU introduced a strategy for its finances. Resources are fundamental for any organisation to operate, and therefore sound and efficient management needs to be ensured. The strategy should become a three-year framework on how the management of ESU's finances is being conducted and how it is being improved. The Strategy will include concrete tasks which aim to make ESU a more transparent place, whilst ensuring a tracking procedure for the progress and improvement on how financial resources are being managed and enabling a mutual understanding of trust between the members, the staff and the elected representatives.

This document should also spark a discussion on how some old yet sometimes well functioning solutions are functioning. The recent years have been a time of prosperity in Europe, but the times of financial drop-out can come soon and we need to be ready to face them. The undergoing review of the EU's Multiannual Financial Framework, new regulations of the Erasmus+ and other supporting programmes, uncertain future of the Council of Europe, upcoming termination of the Europe 2020 Strategy and many other challenges are going to occur during the next three years. ESU needs to acknowledge and get ready for them.

Transparency, trust, and stability should be important values on which the management of the finances in ESU is based on.

Implementation

The EC should follow the political directions of this Strategy until 2021. In order to support the EC with implementation and understanding of the Strategy and ensure the stability and perspective of the members constituting it, the mandate of the currently existing Task Force on Finances should be prolonged until the end of the Strategy's mandate in 2021. This will allow the Task Force to closely follow-up the development and implementation of this strategy, by reporting to the Board twice a year, at each BM. Additionally, the task force will also be asked to work on specific tasks such as consultation, evaluation or support in cooperation with the EC.

Relations with members

It is the members' right and responsibility to be aware of the financial situation of ESU. This should be carried out by means of consultations, sessions on finances, the inclusion of the Task Force in the tasks outlined by the Strategy and by ensuring transparent accessibility to the financial documents of ESU.

The procedure of collection of the membership fees should be evaluated by EC and the Task Force in order to make it more clear, fair and understandable. The currently used TDI Guidelines fulfilled their task and made the TDI submission and membership fees collection procedure more fair and efficient, but taking into consideration the experiences from the recent years, the EC should be asked to re-evaluate them in collaboration with the Board and the Task Force.

The procedure itself is also a huge workload for ESU so we strongly suggest looking into adopting a less complicated procedure which requires less workload from both the EC and the unions. It needs to be ensured that the TDI definition is clearly understood by the members and guarantees a fair treatment to all of them. During the aforementioned re-evaluation, the solidarity funds (waving the membership fee and participation fees in the BMs also need to be reviewed.

To enhance transparency the EC should, in relation to the budget, provide information on how the expected revenue from membership fees for the upcoming year has been calculated.

ESU should also look into the possibility of sharing good practices on fundraising activities between the member unions and within the education sector.

Budgeting and reporting

Preparation of the budget and report should be prioritized by the Presidency, and the prepared documents need to be consulted with the Board before and during the BM. Budgeting should be based on the thoroughly estimated financial situation in order to balance income and expenses effectively.

Sessions on financial documents which are submitted to the BM should be conducted both online prior to the internal events as well as during the ESU internal events to make sure that the Board understands how the ESU finances are working. This will also ensure that the EC receives constant feedback from the Board, in order to constantly improve the situation. When possible financial documents should be supported with explanatory guidelines to ease its understanding by the Board.

Quality Assurance Experts' Pool

Since the QA pool is an important source of ESU's income, it should be prioritized in terms of administrative support. Part of the revenue should return to the Pool members as an

opportunity to develop their expertise on quality assurance. ESU should also map out the possibility to sign agreements with new agencies whilst ensuring that all agreements are based on equal opportunities for all pool members. It should also be ensured that all the income generated through such contracts includes a solidarity fee for ESU.

Internal events

Since the organisation of the ESU events is becoming a huge financial burden to members, evaluation of how they are organised needs to take place. ESU should look into how many events member unions can afford to organise and attend and lead a conversation with the members on the financial feasibility for member unions to host such internal events.

All the internal events should be organised in a sustainable and affordable way.

Therefore, the organisation, together with the members, must reflect on the standards which are needed to hold a proper and well-functioning Board meeting, while lowering the cost of these events.

Project management

ESU should ensure that the income being generated from projects does not depend on one organisation/programme only and can, therefore, maintain its diversity of income. All external projects should concern the plan of work, the strategic political priorities, and any other core ESU activities. As ESU receives many requests for joining different projects, and since these are not always relevant for ESU's work, every project needs to be thoroughly evaluated in terms of time allocation of staff members and elected representatives, and also ESU needs to be sure about who will be the project coordinator and rest of project partners. ESU's role in projects should be significant, focused on content work which develops the competencies of the ESU representatives and does not overburden the employed staff.

Good communication between the project managers and hacks needs to be established and maintained. The involvement of both is crucial for an organisation with such a turnover like ESU. A streamlined internal project reporting system should be established, in order to ensure that no information is lost when either the elected representatives or members of the secretariat leave the organisation.

Employed staff

The employed staff in ESU provides the stability that is crucial for the organisation. To maintain an attractive workplace where people want to work and staff members want to stay ESU needs to be a responsible employer. In order to achieve this, financial planning needs to support the professional stability and development of staff. Furthermore, measures should be put in place in order to ensure that important financial and project information is properly handed over from one mandate to the next. All internal procedures are to be reviewed and discussed with the CIA in order to improve them.

Hacks

ESU is an organisation which values the importance of having legal and fair procedures in place. For this reason, all procedures, and in particular those concerning the financial contributions to the hacks team, must be reviewed to ensure their legality.

The payments for hacks have been kept unaltered for years, despite the rise in the costs of living and the inflation that took place across Europe., We also have to bear in mind that ESU's budget also changed drastically over the years. The EC should, therefore, find ways to increase hacks' compensation so that the compensation is continuously assessed in accordance with the hacks' workload. As in the recent years the Board addressed the issue of working conditions of hacks, the possibilities to increase of them should be prioritized from the financial point of view.

Debts

Whilst the collection of payments is the responsibility of the EC, the payment of membership fees is the duty of the member unions. This is why the member unions need to be properly acquainted with the procedures and Guidelines, and should strive to submit all the relevant documents on time. If for some reason or another it is not possible for a member union to submit these on time, the presidency should be informed of the reasons leading to this as soon as possible.,If a union has an existing debt towards ESU, it should strive to agree on a payment plan with ESU which would respect the union's financial capability. If the debts are uncollectible, they should be written off. To prevent such cases, all the information concerning old debts needs to be stored.

A significant part of ESU's debts comes from private individuals. ESU should prevent debts from private individuals as much as possible.

Vision for the ESU finances in 2021

In the year 2021 ESU's income is diversified and continuously increasing. The total amount of debts to ESU has fallen significantly since the year 2018. ESU's office is efficient and well-managed, ESU has a staff development strategy to make sure employed staff are happy and the turn-over rate is modest in order to guarantee a recurring institutional memory and stability. ESU is a fair and transparent organisation in the year 2021. ESU has reviewed all procedures concerning their legality and efficiency. Projects are bringing additional value to ESU, both financially and content-wise. ESU is involved in projects which contribute to the plan of work and develop our representatives and staff. ESU maintains good communication on finances between the Board, staff and the representatives based on clear messages, trust, and mutual respect.