



Handbook of Civic Activity

A Practical Guide to Associations and the Third Sector in Finland

Introduction: Civic Activity in Finland

The third sector in Finland consists of civil society organisations such as associations, foundations and NGOs that operate on a non-profit basis for the common good. It exists between the public sector (government and municipalities) and the private sector (companies). The third sector emerges from people's desire to participate, influence and take responsibility for their communities.

Activities include culture, sports, social support, environmental protection, advocacy, peer support and volunteering. In Finland civic participation is high and most people have some connection to organisations as members, volunteers or service users.

Organisations complement public services and bring a human perspective to them. Volunteers organise meeting places, food aid, cultural activities and peer support. Their role is especially important for vulnerable groups such as older people, young people, immigrants and people with long-term illnesses.

Civic activity strengthens democracy from the grassroots level by teaching participation, responsibility and critical thinking. The third sector also plays an economic role by employing people, offering training placements and cooperating with businesses and the public sector.

The Third Sector in Päijät-Häme

In the Päijät-Häme region the third sector is present in everyday life through village associations, sports clubs, parent associations, patient organisations and cultural actors.

Hundreds of registered associations and many informal networks operate in the region. Rural areas emphasise village activity and maintaining local services, while urban areas highlight culture, multiculturalism and social innovation.

Partnerships between municipalities, wellbeing services counties and organisations are common. Cooperation strengthens community life and helps prevent social exclusion. Volunteers play a crucial role in activities such as food aid, events and peer support.

Civic Activity and Public Benefit

Most associations in Finland operate for the public good. Public-benefit organisations do not aim to generate profit for members but instead promote shared wellbeing.

According to the Finnish Tax Administration, a public-benefit organisation:

- Works solely for the common good
- Does not provide financial benefit to its members
- Does not restrict membership based on wealth or social status

Associations enable participation and civic influence. They offer opportunities for people to work together for causes they consider important, such as culture, wellbeing, environmental protection or community development.

Although non-profit organisations do not aim for profit, they may employ staff, run projects and manage finances. Income may come from grants, membership fees, donations or fundraising activities.

Chapter 1 – Establishing an Association

Creating an association gives civic activity an official and sustainable structure. A registered association becomes a legal entity that can make contracts, own property, open a bank account and apply for funding.

Members are not personally liable for the association's debts. Responsibility lies with the organisation itself, while the board manages operations and ensures that activities follow the law and the association's rules.

How to Start an Association

An association is a group of people working together for a shared purpose. It may organise events, support a community or advocate for a cause.

Requirements:

- At least three adults
- Founders must live in Finland (citizenship is not required)

Steps:

1. Define the purpose and target group of the association
2. Hold a founding meeting
3. Approve the association rules
4. Elect a board
5. Register the association with the Finnish Patent and Registration Office (PRH)

Association Rules

The rules are the most important document of an association. They define:

- Name and domicile
- Purpose and activities
- Membership conditions
- Decision-making procedures
- Governance structure
- Financial management
- Procedures for dissolution

The Board

The board leads and manages the association. Typical roles include:

- Chairperson
- Vice-chairperson
- Secretary
- Treasurer
- Additional board members

The board plans activities, manages finances, convenes meetings and ensures the implementation of decisions.

Meetings

The annual meeting is the association's most important decision-making event. During the meeting members:

- Approve the action plan and budget
- Elect the board
- Confirm the financial statements

Minutes must always be recorded to document decisions.

Communication and Participation

Communication is essential for association activities. It keeps members informed, attracts partners and invites new participants.

Effective communication is:

- Clear
- Timely
- Accessible
- Tailored to the audience

Channels may include email, social media, websites, events and printed materials.

Participation means that members and volunteers can influence activities by sharing ideas, taking responsibility and contributing to planning.

Association Finances

Financial management should be transparent and well planned. Income may include:

- Membership fees
- Grants and subsidies
- Donations
- Fundraising events

Expenses may include rent, materials, communication costs and small compensations.

All financial transactions must be recorded in accounting. At the end of each financial year the association prepares financial statements.

Developing Activities

Associations remain active and sustainable through continuous evaluation and development. This may involve:

- Gathering feedback
- Holding development discussions
- Piloting new activities

Continuity is strengthened by welcoming new members, sharing knowledge and creating clear plans.

Taxes and Responsibilities

Associations may qualify as public-benefit organisations in taxation, meaning they are exempt from many taxes. However, taxation depends on the nature of income.

Generally:

- Membership fees and occasional fundraising are not taxable.
- Advertising income, rental income or continuous commercial activities may be taxable.
- If commercial activity exceeds certain thresholds, VAT registration may be required.

Associations must maintain proper accounting, submit necessary reports and follow legal obligations such as maintaining a membership register and complying with GDPR.

Annual Calendar for Associations

Typical yearly tasks include:

- Preparing financial statements and annual reports
- Holding the annual meeting

- Submitting registry updates to authorities
- Applying for grants
- Planning activities and budgets
- Organising events and maintaining accounting throughout the year

Event Organizer Checklist

Before the event:

- Define the goal and target audience
- Prepare a budget and schedule
- Book the venue and programme
- Ensure safety and permits
- Plan communication and marketing

During the event:

- Check equipment and facilities
- Guide participants and speakers
- Maintain schedule and safety

After the event:

- Collect feedback
 - Review outcomes with organisers
 - Prepare financial report
 - Thank volunteers and partners
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Do you need more information or help with setting up an association?

Make an appointment with our Association Support and we will help you with the establishment as well as with other association matters.

Association support is a free service.

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