



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 5/2014

30th June, 2014

Vice-Chancellors of Universities,
Directors of Institutes,
Rectors of Campuses

BUDGET CALL 2015

Sri Lanka's future in the global knowledge economy of the 21st century depends critically on the country's intellectual and human capital. In this context, Sri Lanka needs a higher education system that can produce skilled and enterprising graduates.

Accordingly, Universities/HEIs are requested to prepare their Budget Estimate and Annual Action Plan with specific reference to strategic objectives (*Format VIII & IX*) of the Universities/HEIs in order to address the following key areas identified by the Ministry of Higher Education/University Grants Commission as per the guide line given in this circular.

- Student centered learning
- Strengthening research
- Accelerated capital development projects
- Improving quality of academic and administrative staff
- Enhance ICT usage to improve the efficiency

1. Development/Capital Expenditure Estimates

Universities/HEIs are advised to submit their budget estimates for the Capital Expenditure under the following development activities planned for 2015.

a) **Human Capital Development Projects**

The objective of “Human Capital Development Projects” is to enhance the soft skills and talents of the university community and to improve the institutional capacity in order to achieve overall objective of the Higher Education.

	Projects	Format for preparation of Annual Action Plan
1	Community Based projects to address Socio-Economic Problems	<i>Please prepare Annual Action Plan for each project as per the specimen format VII.</i>
2	SEWN Bridge project on Social Harmony & Inter-Cultural Activities	
3	Development of Sports Skills	
4	Postgraduate/Doctoral projects	
5	ICT Development	
6	Student Centered Learning	
7	Entrepreneurship Skills Development	
8	Business Consultancy Units/Cells in Universities	
9	SIIP – Solutions, Ideas, Inventions, Innovations & Products	
10	Competency Building & Capacity Enhancement	
11	Leadership Development	

Universities/HEIs may develop their own projects to address “human capital development” in addition to the projects listed above.

b) **Infrastructure Development/Improvement Projects**

	Projects	Format for preparation of Annual Action Plan
1	Rehabilitation and Improvement of Fixed Assets	<i>Please prepare Annual Action Plan for each project as per the specimen format VII.</i>
2	Acquisition of Fixed Assets	
3	Project 1 - Ongoing construction projects (construction projects for which funds allocated up to 2014)	
4	Project 2 – New construction projects (Note 1)	

Note -1

New construction projects should be included in the estimates, ONLY if they have been approved by the Department of National Planning and Cabinet of Ministers and it should be in accordance with the Comprehensive Medium Term Programme submitted by each university. Budgetary provisions should be sought only for the Project Cash Outflow during the year 2015 and not for the full TEC (Total Estimated Cost) and priority will be given for the projects which are directly connected with student recreation, accommodation and academic activities.

c) Strengthening Research

Universities/HEIs are requested to increase the allocation of funds for research activities up to 10% of the total university budget in order to strengthen the research activities.

Following projects have been approved under the strengthening of research activities for 2015.

	Project	Format preparation of Estimates
1	International Conferences, Symposium, Research & Publication	<i>Please prepare Annual Action Plan for each project as per the specimen format VII.</i>
2	Research for national development & resolving the burning social issues	

The research projects more than Rs.20Mn should be submitted in ERD format (www.erd.gov.lk – project concept paper format) to the UGC in order to obtain the approval of National Planning Department.

d) Advancement of Six Universities to the International Level

University of Peradeniya, University of Colombo, University of Sri Jayewardenepura, University of Kelaniya, University of Moratuwa and University of Ruhuna are requested to develop their own strategies to achieve the objectives of this project.

e) University Township Project (UTP)

The objective of township project is to provide/expand the infrastructure facilities of the universities and thereby integrate the community and create university towns in the tradition of great universities of the ancient world or even as several successful universities in the modern world.

Universities are requested to submit the expenditure plan for the year 2015 for the ongoing township projects and for new township projects. Universities are requested to submit Township Development Proposals to the University Township Steering Committee of the MoHE/UGC for consideration.

3. Recurrent Expenditure Estimates

3.1 Personal emoluments

- 3.1.1 Salaries & Wages payable for the year 2015, should be based on the Commission Circular No. 975 dated, 13th January, 2012, 985 dated, 15th May, 2012, 03/2013 dated 7th March 2013, 03/2013-(i) dated 12th June 2013 and 03/2013-(ii) dated 27th June 2013.
- 3.1.2 Provision should be made for annual increments based on the existing salary structures.
- 3.1.3 Cost of Living Allowance (COLA), Special Salary Allowance of 20% and Entertainment Allowance payable for 2015 should be based on Establishment Circular No. 6/2014 dated 26th March 2014, Commission Circular No. 973 and 999 of 04th January, 2013 and Commission Circular No.02/2014 dated 8th January 2014.
- 3.1.4 Payment of the Academic and Research Allowance should be based on the Commission Circular No. 01/2014 dated 7th January 2014 and Establishment Circular No. 05/2014 dated 28th May 2014.
- 3.1.5 Estimates for Academic and Non-Academic (Administrative & Non-Administrative) staff salaries & allowances (**only for existing staff**) should be computed as per the Format V for Note 5.1.
- 3.1.6 Total of Format V should be transferred to item 5.1 (Personal Emoluments) in Note 5 to Format III.
- 3.1.7 Cost of filling vacancies, of **cadre positions already approved** by the Department of Management Services, should be shown in Format VI.

3.2 Other Recurrent Expenses

The Estimates for the following items of expenditure should be shown in items 5.3 – 5.7 respectively in Note 5 to Format III.

- Travelling
- Supplies
- Maintenance
- Contractual Services
- Other Recurrent

The Recurrent Estimates should be computed based on academic & administrative activities scheduled for the year 2015. Expenditure on Contractual Services such as Security Services, Cleaning Services, Vehicle Hiring Charges, and Rent on Hostels & Other Buildings should be rationally analyzed & estimated by the Universities. All financial officers are requested to re-visit the above expenditure incurred under contractual services which has become a heavy burden on Universities' Budget.

4. Internal Income

Universities are encouraged to generate Internal Income to improve the academic environment of the universities. Internal Income from Postgraduate Courses, Extension Projects, Interest Income, Tuition fees, Examination fees etc. should be estimated in Format II.

5. Other Grants (Foreign and Local Grants)

External Funds receivable in 2015, from any source other than through the UGC, should be reported in Format II.

6. Cost per Student

Estimated Recurrent & Capital expenditure per student should be reported in Format X and it will help universities to justify their Budget Estimates for the year 2015.

7. Comparative Figures

It is essential to show comparative figures for the year 2013 (Actual) and 2014 (Budget) in the relevant columns of formats where applicable.

8. Action Plan

Universities/HEIs are requested to prepare the Annual Action Plan for the year 2015 in line with the Strategic objectives of the University/HEI.

09. General

Universities/HEIs are advised to prepare realistic estimates by taking into account the actual requirement and previous year budgetary allocations.

Budget estimates should be prepared based on the Action Plan for the year 2015 and discourage additional fund requests from time to time.

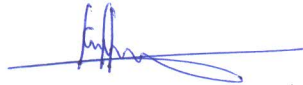
The Estimates for 2015 should reach the University Grants Commission *on or before 31st July, 2014.*

All formats should be in Excel worksheets, and a hard copy should be submitted with soft copies (either in a CD or e-mailed to finance@ugc.ac.lk). The formats should not be changed under any circumstances. Any rows or columns which are not relevant or which are left blank should be given zero value, instead of being deleted. UGC will not accept the Estimates submitted without the soft copies or with amended formats.

Bursars are requested to bring the contents of this circular, to the NOTICE of **all Deans and Heads of Departments** of their respective universities.

This circular together with all formats are available for download at www.ugc.ac.lk.

If you need any clarifications in this regard please contact the Senior Assistant Accountant/Budget & Finance on 011 – 2669652 / finance@ugc.ac.lk.



Prof. Kshanika Hirimburegama
Chairperson

- Cc:
1. Secretary/Ministry of Higher Education
 2. Chairperson/UGC
 3. Vice-Chairman/UGC
 4. Secretary/UGC
 5. Accountant/UGC
 6. Registrars of Universities/SAR/AR/ of Institutes/Campuses
 7. Bursars of Universities/SAB/AB/ of Institutes/Campuses
 8. Engineer/IDD/UGC
 9. Snr. Asst. Accountant/UGC
 10. Internal Auditor/UGC
 11. Auditor General
 12. Govt. Audit Superintendent/UGC
 13. Govt. Audit Superintendent/Universities