



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No 10/2014

08th December 2014

Vice – Chancellors of Universities
Directors of Institutes
Rectors of Campuses

Annual Allocation – 2015

Head No. 214 University Grants Commission

University Grants Commission with the intension of achieving the vision of Higher Education in Sri Lanka has prepared the strategic plan in line with the strategic plan of the Ministry of Higher Education.

Accordingly, University Grants Commission has identified six strategic goals to be financed by the budget 2015 as listed below.

- Widen participation and equitable access to higher education
- Improve quality and relevance of academic programs
- Strengthening research, innovation, entrepreneurship
- Improve physical and aesthetic environment and stakeholder satisfaction
- Improve financial management and sustainability enhanced good governance and capacity
- Increased international cooperation and competitiveness

Universities/HEIs are requested to prepare their Annual Budget and relevant Action Plan with specific reference to strategic goals in order to address the above areas as per the specimen given in Formats V, VI & VII.

As approved by the Parliament of Sri Lanka on 24th November 2014, National Budget Department has released the approved budget for the year 2015 as mentioned below.

Approved Budget 2015 (Rs. Million)

Category / Object Title	Approved Budget 2014	Approved Budget 2015
Recurrent Grants	20,491.39	21,872.00
Capital /Development Grants – General	10,945.00	8,860.00
Total Grants	31,436.39	30,732.00
Internal Income	2,981.98	4,243.00
Total Expenditure	34,418.37	34,975.00

1) Research Grants – 2015

Funds of Rs.750Mn have been proposed to allocate to the University Grants Commission in order to enhance research and development activities to selected Universities as stated below.

University	Research Area
University of Colombo	Cancer
University of Peradeniya Rajarata University of Sri Lanka	Kidney diseases
University of Ruhuna	Diabetes

The above universities are requested to submit the research proposals to the Chairperson/UGC as instructed by the letter dated 1st December 2014. (Letter reference UGC/AC/PGSR/Gen)

2) Technological Stream

Allocation of Rs. 25Mn per university has been included under the 2015 budget allocated to universities to provide preliminary infrastructure facilities under the Technological Stream to the relevant universities (PDN, CMB, SJP, KLN, UJA, RUH, EUSL, SEUSL, RUSL, SUSL, WUSL, UWU & Vavuniya Campus).

3) Allocation of Recurrent and Capital grants

Recurrent and Capital grants to the Universities/HEIs for 2015 are allocated as Recurrent Block Grant (RBG) and Capital Block Grant (CBG) based on the funding policy approved by the UGC. Universities and HEIs are encouraged to prepare the program budget considering development priorities proposed by the University Grants Commission and approved by the National Budget Department under the Head No 214 University Grants Commission.

University wise RBG and CBG is given in Annex – I and Annex – II for the information of the Universities/HEIs

4) Funding Policy - Allocation of Recurrent Grants (RG)

4.1) As approved by the UGC at its 793rd meeting held on 7th July 2009 allocation of recurrent grants for the Universities and Undergraduate HEIs have been based on following funding formula.

$$\text{RECURRENT GRANTS} = \text{Modified Cost per Student (MCPS)} \times \text{Student Enrolment (SE)}$$

4.2) Modified Cost per Student (MCPS) was computed considering following policy factors;

- Annual salary increments for the employees per student
- 8% inflation on other recurrent cost
- 10% Capacity expansion on other recurrent cost
- Increase of CPS (Cost Per Student)

4.3) Recurrent Grants for the Postgraduate Institutes and Open University of Sri Lanka (OUSL) have been allocated based on following funding policy.

- OUSL - 2/3 of the total Recurrent Grant has been financed by the UGC
- Postgraduate Institutes (PGIs) - Postgraduate Institutes are encouraged to generate funds internally to finance their annual budget. Therefore government grants are only to bridge the shortfall.

4.4) Bursary/Mahapola – Treasury Contribution

Funds for the payment of Mahapola-treasury contribution and Bursary have been allocated to the UGC on the basis of estimated Mahapola/Bursary recipients plus value of the existing scholarship installment.

If you need further clarifications in this regard please contact Mr. M.P Bandara – Senior Assistant Accountant /UGC on 011-2694299.

5) Funding Policy - Allocation of Capital Grants (CG)

5.1) Priority-based funding

As recommended by the Project Monitoring and Evaluation Committee (PEMC), following five criteria have been considered for the allocation of capital grants according to the priority based funding policy.

- i. Ongoing Construction Projects
- ii. Projects approved under the Ten Year Medium Term Program
- iii. Postgraduate Institutes and all other HEIs are funded based on needs and priority factors of the HEIs as approved by the PEMC.
- iv. Special grants received by Universities – Kuwait grant to SEUSL

5.2) Performance based Funding

It is proposed to conduct two progress review meetings by 2nd Quarter (June 2015) and 4th Quarter (October 2015) to evaluate the performance of utilization of capital grants.

Additional funds will be reallocated/ allocated among the Universities/HEIs based on their performance. UGC will not be in a position to consider any request for additional funds without evaluating the progress of the allocated funds.

6) Proposed degree programs under Technological stream have been considered when allocating funds to Universities in 2015 budget.

7) All requests for additional funds should be approved by the finance committee of respective university/HEIs and reference to the finance committee should be quoted in every project proposal. UGC will not be in a position to consider any request for additional funds without proper approval of the finance committee.

8) The allocation for the year 2015 authorizes expenditure only on programmes, project, and expenditure items which have been already sanctioned by the Treasury.

9) In terms the section 8 (2) (b) of the Finance Act. No. 38 of 1971 the approval of the Hon Minister in charge of the subject of finance and the concurrence of the Line Minister should be obtained before incurring capital expenditure in excess of Rs.500,000/- . Therefore Universities/HEIS are requested submit their capital expenditure program to the UGC in order to obtain approval of the Hon. Minister of Finance in this regard.

10) Please e-mail (finance@ugc.ac.lk) a **soft copy of the Budget and Action Plan** for each development project for the year 2015, in formats I, II, III, IV, V, VI and VII on or before 19th December 2014.

You are requested to submit hard copy of the Budget with the action plan for each capital project on or before 19th December 2014 with a copy to the Director General, Department of National Budget, General Treasury.

11) Please note that standard formats should not be changed by the Universities/HEIs for whatever reason.

12) This Circular together with all annexes is available for down load at www.ugc.ac.lk

13) If you need any clarification in this regard please contact *Accountant /UGC on 011-2685021 or e-mail:-finance@ugc.ac.lk. or Senior Assistant Accountant/Budget & Finance on 011-2669652.*



Prof. (Mrs.) Kshanika Hirimburegama
Chairperson

- 1 Secretary/MOHE
- 2 Vice-Chairman/UGC
- 3 Secretary/UGC
- 4 Accountant/UGC
- 5 Registrars of Universities
- 6 Bursars of Universities
- 7 Snr. Asst./Asst. Registrars of Institutes/Campuses
- 8 Snr. Asst./Asst. Bursars of Institutes/Campuses
- 9 Internal Auditor/UGC
- 10 Engineer/UGC
- 11 Snr. Asst Accountant/UGC
- 12 Auditor General
- 13 Govt. Audit Superintendent/UGC
- 14 Govt. Audit Superintendent/Universities

Annex I

Head No. 214 - University Grants Commission
Allocation of Government Grants to the Higher Educational Institutions
Recurrent Grant Ceiling - 2015

	University / Institute	Rs. '000
1	University of Peradeniya	3,400,000
2	University of Colombo / Sri Palee Campus	2,100,000
3	University of Sri Jayewardenepura	2,000,000
4	University of Kelaniya	1,900,000
5	University of Moratuwa	1,400,000
6	University of Ruhuna	1,650,000
7	University of Jaffna / Vavuniya Campus	1,415,000
8	Open University of Sri Lanka	1,000,000
9	Eastern University of Sri Lanka	700,000
10	Rajarata University of Sri Lanka	915,000
11	Sabaragamuwa University of Sri Lanka	770,000
12	South Eastern University of Sri Lanka	642,000
13	Wayamba University of Sri Lanka	750,000
14	University of Visual & Performing Arts	600,000
15	Uva Wellassa University	450,000
16	Trincomalee Campus	160,000
17	Postgraduate Institute of Agriculture	19,000
18	Postgraduate Institute of Archaeology	45,000
19	Postgraduate Institute of Science	12,000
20	Postgraduate Institute of Pali & Buddhist Studies	12,000
21	Postgraduate Institute of English	12,000
22	Postgraduate Institute of Medicine	55,000
23	Institute of Indigenous Medicine	190,000
24	Institute of Human Resource Advancement	30,000
25	University of Colombo School of Computing	110,000
26	Gampaha Wickramarachchi Ayurveda Institute	170,000
27	Institute of Technology, University of Moratuwa	127,000
28	National Institute of Library & Information Sciences	15,000
29	Institute of Biochemistry, Molecular Biology & Biotechnology	55,000
30	Swami Vipulananda Institute of Aesthetic Studies	80,000
31	The National Centre for Advanced Studies in Humanities & Social Sciences	18,000
32	Institute for Agro - Technology & Rural Sciences	25,000
33	University Grants Commission	1,045,000
	Total	21,872,000

Head No. 214 - University Grants Commission
Allocation of Government Grants to the Higher Educational Institutions
Capital Grant Ceiling - 2015

	University / Institute	Rs. '000	Rs. '000
1	University of Peradeniya Capital/Development Grant - General Establishment of Advanced Medical Faculty	700,000 100,000	800,000
2	University of Colombo / Sri Pale e Campus		600,000
3	University of Sri Jayewardene pura Capital/Development Grant - General University Township Project Establishment of an Engineering & Technology Faculty	550,000 75,000 100,000	725,000
4	University of Kelaniya Capital/Development Grant - General Establishment of an Information Technology Centre	600,000 100,000	700,000
5	University of Moratuwa Capital/Development Grant - General University Township Project Establishment of an Electronics, Petroleum & Aeronautical Engineering Faculty	350,000 45,000 100,000	495,000
6	University of Ruhuna Capital/Development Grant - General University Township Project	500,000 25,000	525,000
7	University of Jaffna / Vavuniya Campus		600,000
8	Open University of Sri Lanka		80,000
9	Eastern University of Sri Lanka		470,000
10	Rajarata University of Sri Lanka		460,000
11	Sabaragamuwa University of Sri Lanka		385,000
12	South Eastern University of Sri Lanka		260,000
13	Wayamba University of Sri Lanka		260,000
14	University of Visual & Performing Arts		260,000
15	Uva Wellassa University		260,000
16	Trincomalee Campus		210,000

	University / Institute	Rs. '000	Rs. '000
17	Postgraduate Institute of Agriculture		10,000
19	Postgraduate Institute of Archaeology		10,000
20	Postgraduate Institute of Science		10,000
21	Postgraduate Institute of Pali & Buddhist Studies		5,000
22	Postgraduate Institute of English		50,000
18	Postgraduate Institute of Medicine Capital/Development Grant - General Development of Postgraduate Institute of Medicine	25,000 650,000	675,000
23	Institute of Indigenous Medicine		70,000
24	Institute of Human Resource Advancement		10,000
25	University of Colombo School of Computing		15,000
26	Gampaha Wickramarachchi Ayurveda Institute		120,000
27	Institute of Technology, University of Moratuwa		10,000
28	National Institute of Library & Information Sciences		5,000
29	Institute of Biochemistry, Molecular Biology & Biotechnology		20,000
30	Swami Vipulananda Institute of Aesthetic Studies		50,000
31	The National Centre for Advanced Studies in Humanities & Social Sciences		100,000
32	Institute for Agro - Technology & Rural Sciences		75,000
33	University Grants Commission Capital/Development Grant - General Agriculture Research & Laboratory facilities in Universities Expansion of new faculties and quality improvement	335,000 100,000 100,000	535,000
	Total		8,860,000