



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 01/2018

20th July 2018

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

BUDGET CALL 2019

In terms of section 15(ii) of the Universities Act No 16 of 1978, empowers University Grants Commission (UGC) to prepare triennial budget for the Higher Education Institutions in consultation with the governing authorities of the HEIs.

The Budget -2019 mainly focuses to achieve sustainable development goals (SDGs) by - 2030. The Sustainable Development Goals aim to end poverty, hunger and inequality, improve access to health and education, build peace, justice and strong institutions etc. Accordingly, the SDG no 04- Quality Education is directly linked with the universities /HEIs. Four major policy areas have been identified and proposed to be financed by the Budget -2019

- Access to Higher Education
- Quality and relevance of Higher Education
- Sufficiency in Management Systems
- Research, innovation and knowledge transferring

The Universities/HEIs are requested to prepare their annual budget estimates 2019 to address the above areas as per the guidelines given in this circular and develop Performance Indicators to measure the performance of the University/HEI.

1. Development/Capital Expenditure Estimates

Universities/HEIs are advised to submit their budget estimates for Capital Expenditure under the following development Projects

a) Human Capital and Other Development Projects

University Grants Commission proposed eight (8) development projects to address four policy areas of “Higher Education” in the year 2019.

Therefore Higher Education Institutes are encouraged to prepare their estimates considering the objective of the following projects proposed by the UGC. Further Universities/HEIs are requested to include new project proposals of the universities/HEIs to address the following policy areas. (Format VIII)

	Projects	Responsibility for the preparation of estimates
1	Postgraduate training of teachers (Phd, MD, Mphil & Other Masters) and continuous professional development (CPP) for university Executive officers	UGC
2	Diversification of existing degree program in Social Sciences and Humanities to create national and regionally relevant degree programs <ul style="list-style-type: none"> • Workshops for curricular revision with the participation of International and National Experts • Establishment of IT departments/ strengthening existing Departments 	UGC/ Universities
3	Increase Access at least by 10% in the Academic year 2018/19 <ul style="list-style-type: none"> • Increase Access in Faculties of Science and Management in universities through new or existing degree program based on market needs • Increase Access in Faculties of Medicine and Engineering in universities. 	UGC/ Universities
4	Gender Equity and Equality, Sexual and Gender based violence and ragging <ul style="list-style-type: none"> • Awareness workshops in 15 Universities • Printed Material – Hand Books 	UGC
5	Quality Assurance and Accreditation <ul style="list-style-type: none"> • Strengthen the existing Quality Assurance Unit of UGC • Proposal for Establishment of independent Quality Assurance and Accreditation Institute 	UGC/ Universities/HEIs
6	Staff Development Projects; <ul style="list-style-type: none"> • Pedagogical training for Academics • Training for Academic Administrators • Training for Administrative, Financial Officers and all other staff 	UGC/Universities

7	Career Guidance of the undergraduates	UGC/Universities /HEIs
8	Establishment of Management Information System	UGC

b) Infrastructure Development/Improvement Projects

	Projects	Format Reference
1	Rehabilitation and Improvement of Capital Assets	Format IV
2	Acquisition of Fixed Assets	Format V
3	Project 1 – Construction projects - Continuation (Should be aligned with the PIP 2018-2021)	Format VI
4	Project 2 – Construction projects -New (Should be aligned with the PIP 2018-2021)	Format VII

i. Rehabilitation and Improvement of Fixed Assets

Universities/HEIs are required to prepare 3 year plan to ensure the preventive maintenance of existing physical resources.

ii. Acquisition of Fixed Assets

Universities/HEIs are requested to prepare the Procurement Plan for the acquisition of fixed assets and submit the budget estimates accordingly.

iii. Construction Projects

All the construction projects as given in Format VI and VII should be in agreement with the Public Investment Programme (PIP) 2018-2021 submitted by the universities/HEIs and finalized at the meeting held on 05th June 2018. The PIP 2018-2021 of universities has already been submitted to the National Budget Department and National Planning Department.

*UGC has observed that financial commitment of the ongoing construction projects of several universities has exceeded the average annual capital grant ceiling of the university. Therefore universities are requested not to commence **new construction** projects without obtaining concurrence of the UGC on sufficient allocation of funds.*

c) Strengthening Research

It is proposed to allocate Rs.1.2 Bn under the strengthening of research projects. Research Block Grant (ReBG) is allocated to the Universities/HEIs based on the number of academic staff. The proposed ReBG will be granted to finance ongoing as well as new research projects.

Project proposals should be submitted under the following categories to consider allocation of funds for the year 2019. (Format IX)

Projects
<ol style="list-style-type: none"> 1. Nationally relevant research <ol style="list-style-type: none"> a) Chronic Kidney Diseases (CKD) b) Dengue 2. Scientific, Engineering and Information Technology related innovative research 3. Research into Demographic, Socio-cultural and Economic issues 4. Research relevant to industrial & Technological development and university industry linkage leading to innovative technological solutions 5. Organization of International Conferences, Symposia and Research and Publications.

The research projects more than Rs.20Mn should be approved by the National Planning Department in order to consider allocation of funds.

d) Budget proposals

The projects implemented under the budget proposals should be included in the Format -X with the budget estimates 2019. The estimates should be in agreement with the PIP -2018-2021.

2. Recurrent Expenditure Estimates

2.1 Personal Emoluments -PE

- 2.1.1 Universities/HEIs should estimate the PE for 2019 based on the actual carder as at 30th June 2018. (Annexure –I & II)
- 2.1.2 Universities/HEIs should estimate the PE for the planned recruitments for the year 2019 (Annexure III & IV)
- 2.1.3 PE payable for the year 2019, should be based on the Commission Circulars issued up to 30th June 2018.

2.2 Other Recurrent Expenses

2.2.1 Fuel Cost

Fuel cost should be estimated based on the relevant circulars, the number of pool vehicles, running hours, etc. with due consideration being given to the levels of fuel consumption. A detailed estimation should be submitted as per the Annex V

2.2.2 Rent and Local Taxes

Detailed cost estimation for rent and local taxes should also be provided with justification of the requirement as per the Annex VI

2.2.3 Other Recurrent Cost

The Other Recurrent estimates should be computed based on academic & administrative activities scheduled for the year 2019. 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/HEIs.

The Estimates for the other recurrent expenditure should be given as per the Format III.

3. Internal Income

Universities/HEIs are encouraged to generate income to improve the academic environment of the universities/HEIs subject to provision of the Commission Circular 04/2016. Internal Income from Postgraduate Courses, Extension Projects, Interest Income, Tuition fees, Examination fees etc. should be estimated in Format II.

4. Empower Differently able people

The Cabinet of Ministers has already directed to implement the Sri Lanka National Action Plan on disability which has prepared based on national policy on disability. Accordingly, universities are requested to prepare the project proposal for facilitate to achieve outcomes of the national action plan for disability. The extract of the action plan related to the higher education is given in Annexure VII.

5. Other Grants (Foreign and Local Grants)

External Funds receivable in 2019, from any source other than through the UGC, should be reported in Format II.

6. Fund Allocation

a) Universities/Undergraduate HEIs

Recurrent and Capital Budget of the Universities/Undergraduate Institutes are financed by the UGC as approved by the National Budget Department.

b) Postgraduate Institutes

Postgraduate Institutes are expected to finance their operational budget by the generated income of the Institute. Seeds money for the construction projects may be considered based on the national contribution of the institute. If any Postgraduate institute is not in a position to generate funds to manage their operational expenditure, it is proposed to review the reasons as to why the institute is not in a position to manage their operational expenditure.

c) Open University of Sri Lanka

Funds for the OUSL are allocated to finance approximately 60% of the recurrent expenditure of their estimated budget during last three years. Capital funds for the OUSL are allocated only for the projects approved by UGC.

7. Performance Measurement

The Key Performance Indicators are given below and should be computed at the University/Faculty level and submitted as per Format-XII

Key Performance Indicators

- Number of Publications in National/International peer reviewed journals
- Number of PhD/MPhil/MD/Masters holders for the year
- Number of Patent registered during the year
- Total expenditure in relation to the graduate output (Cost per graduate output)
- Number of National/International Rewards/Recognition/Accreditation
- Student intake

8. Comparative Figures

It is essential to show Budget 2018 and actuals for the six months period ending on 30.06.2018 in the relevant columns of formats where applicable.

9. Action Plan

Universities/HEIs are requested to prepare the Annual Action Plan for the year 2019 in line with the Strategic objectives of the University/HEI as an internal management tool. Universities are requested to submit Action Plan -2019 subject to the approved budget on or before 31st December 2018.

10. Procurement Plan

All estimates on procurement of goods & services should be supported by well thought-out procurement plan prepared in terms of Procurement Guidelines. No provisions should be included in the Budget unless procurement plans have been finalized.

11. Vehicle Information

All the Universities/HEIs are required to provide updated information on vehicles as at 30.06.2018 according to the format XIII.

12. 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 2019 and discourage additional funds requests from time to time.

The Estimates for 2019 should reach the University Grants Commission on or before 26th July 2018.

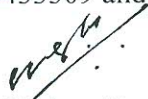
All formats should be in Excel worksheets, and a hard copy should be submitted with soft copies (either in a CD or e-mailed to budget@ugc.ac.lk). The formats should not be changed under any circumstances. Any rows or columns which are not relevant or which are left blank should be given zero value, instead 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 Head of Departments of their respective universities.

National Budget Circular No 04/2018 on Budget Call -2019 has been released on 17th July 2018 by the National Budget Department.

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

If any clarifications required in this regard please contact the Accountant on 071-4433309 and Senior Assistant Accountant on 077-5103884


Prof. Mohan De Silva
Chairman

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