



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 06/2025

5th December 2025

Vice-Chancellors of Universities
Rectors of Campuses
Directors of Institutes

Annual Allocation - 2026

HEAD No. 214 – University Grants Commission (UGC)

The Budget Estimates - 2026 have been prepared in consultation with the Universities/Higher Educational Institutes and submitted to the Department of National Budget (NBD) as approved by the University Grants Commission at its 1154th meeting held on 3rd September 2025.

The NBD recommended the Capital Block Grant (CBG) and Recurrent Block Grant (RBG) for the year 2026 under the Head No.214 and it was passed by the Parliament of Sri Lanka on 25th November 2025.

Summary of Annual Allocation – 2026 (Rs. Mn)

Category/Object title	Revised Budget 2025	Actual Expenditure up to 31st October 2025	Estimates Approved by NBD - 2026
Recurrent Grants	75,342	61,334 (81.4%)	83,000
Capital Grants	10,500	6,013 (57.3%)	10,500
Total	85,842	67,347	93,500

The University wise allocation - 2026 is given in Recurrent Grants (Annex -1) and Capital Grants (Annex-II)

1. Preparation of Annual Budget

The Annual Budget for the year 2026 shall be prepared in compliance with the Public Financial Management Act No.44 of 2024 and the medium-term expenditure framework 2026-2028.

Accordingly, Universities/HEIs are requested to prepare Annual Budget, Annual Action Plan and Annual Procurement Plan as per the approved allocation for the year 2026. The guidelines and specimen formats I – XVII are given in this circular.

2. Capital Block Grant (CBG)

In line with government policy objectives, UGC identified five key priority areas to be addressed by CBG of the University/HEI. Vice-Chancellors of universities, Rectors of campuses and Directors of HEIs are requested to prepare the 2026 Budget in accordance with policy priorities listed in item number (a) to (e) as recommended by the UGC.

- a) Completion of ongoing projects
- b) Improve accessibility and facilities required for students with disabilities – Rs.25Mn -50Mn or more depending on requirements of the University/HEIs
- c) Renovation of hostels and improvement of common facilities such as canteens, common learning areas for students
- d) Provide facilities in line with the Supreme Court Judgment – Commission Circular 07/2025
- e) Strengthening Research and Publications activities

3. Establishment of Faculties of Technology – Funds are allocated only for the ongoing construction projects of technology faculties in universities – Rs. 318 Mn.

4. Recurrent Expenditure Block Grant (RBG)

Recurrent expenditure block grant for the year 2026 has been allocated by the NBD based on the estimates submitted by the Universities/HEIs. Funds for Personnel Emoluments have been allocated including provisions for filling of vacancies based on requests made by the Universities/HEIs.

5. Payment for Students Bursaries and Mahapola – Treasury Contribution

Funds for the payment of students Bursaries and Mahapola Scholarships are allocated based on existing circular provisions, and payment should be made in line with guidelines given by the UGC.

6. Funds for the Postgraduate Institutes and Other Higher Educational Institutes

- a) Funds for the Postgraduate Institutes (PGIs) and Other Higher Educational Institutes (OHEIs) are allocated based on need analysis of respective Institutes as discussed at the Budget meeting held on 24.07.2025.

- b) Postgraduate Institutes (PGIs) and Other Higher Educational Institutes (OHEIs) which offer fee levying courses are requested to operate as a financially independent institute and prepare the Strategic Plan 2026 – 2030 accordingly.

7. The Detailed Annual Procurement Plan

Universities/HEIs are required to prepare a detailed Annual Procurement Plan in accordance with the Procurement Guideline 4.1.3 (Annexure III & V of Chapter 04 of Procurement Manual), and it should be submitted with the Annual Budget - 2026.

8. Strategic Plan and Annual Action Plan

Universities/HEIs are required to prepare the Action Plan- 2026 in accordance with the Corporate Governance for State Owned Enterprises issued by the Finance Circular No.08/2023. The Action Plan for Capital Expenditure (government grant and internal revenue) required to prepare as per the Format XIII and funds for the capital projects will be released by the General Treasury based on the progress of each project:

9. Project Monitoring and Evaluation

Universities/HEIs are requested to monitor the progress of utilization of allocated budget as per the provisions given by the Section 44 of the Public Financial Act No.44 of 2024. Monthly Progress Report should be reviewed under a special agenda item by the Governing Authority of Universities/HEIs. The Capital Project Monitoring Committee of the Universities/HEIs is required to review the progress of capital projects biweekly. The quarterly progress of Capital Projects will be reviewed by the University Grants Commission/Ministry of Education.

It is required to submit a monthly progress report on Capital Budget to the UGC as per the Format XV & XVI and quarterly progress reports on Ongoing Construction Projects as per the Format XVII.

10. Resource utilization and sharing

Universities/HEIs are requested to ensure fully utilization of available resources and develop mechanisms for sharing common facilities such as lecture halls, examination halls and auditorium etc. among faculties. The Vice-Chancellor of the University/Director of HEI as the Accounting Officer is responsible for ensuring maximum utilization of resources available at the University/HEIs.

As directed by the Cabinet decision dated 28.04.2025, it is required to carry out a Space Audit on the existing buildings of the universities prior to submitting new proposals for the construction of buildings.

11. Projects financed by Head No. 126 - Ministry of Education, Higher Education and Vocational Education

As recommended by the National Planning Department nineteen (19) new projects have been listed in the Public Investment Programme 2026-2030. Funds for the implementation of said projects have been allocated under the Head No.126 – Ministry of Education, Higher Education and Vocational Education. The list of projects with allocation is given in Annex III. The Vice-Chancellors/Directors of HEIs and Rectors of the Campuses have already been informed by the Secretary, Ministry of Education, Higher Education and Vocational Education to commence the procurement process of the new projects.

12. General Guidelines

- a) In terms of 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 to submit their capital expenditure program to the UGC to obtain approval of the Hon. Minister of Finance in this regard.
- b) Please e-mail (budget@ugc.ac.lk) a soft copy of the Budget prepared as per the Format I to XII, the Detailed Annual Procurement Plan and the Action Plan for the year 2026 on or before **10th December 2025** with a copy to the National Budget Department (rajaguru.rmsm@nbd.treasury.gov.lk).
- c) This circular together with all annexes are available for download at www.ugc.ac.lk
- d) If further clarifications are required in this regard, please contact Accountant on 011-2685021 or e-mail - finance@ugc.ac.lk. or Deputy Accountant/Budget & Finance on 011-2123490.



Senior Professor Kapila Seneviratne
Chairman

- Cc:
1. Secretary/Ministry of Education, Higher Education and Vocational Education
 2. Director General- National Budget Department
 3. Vice-Chairman/UGC
 4. Secretary/UGC
 5. Registrars of Universities/DR/SAR/AR of Institutes/Campuses
 6. Accountant/UGC
 7. Bursars of Universities/DB/SAB/AB/ of Institutes/Campuses
 8. Internal Auditor/UGC
 9. Engineer/IDD/UGC
 10. Deputy Accountant/UGC
 11. Auditor General

Allocation - 2026
Head No. 214 - University Grants Commission
Summary - Recurrent Grant

Rs. '000

	University/Institute	Personal Emoluments	Other Recurrent	Total Recurrent
1	University Grants Commission	400,000	400,000	800,000
	Payment of Mahapola	-	2,550,000	2,550,000
	Payment of Bursary	-	2,450,000	2,450,000
2	University of Peradeniya	9,105,000	1,000,000	10,105,000
3	University of Colombo	6,735,000	750,000	7,485,000
4	University of Sri Jayewardenepura	6,895,000	975,000	7,870,000
5	University of Kelaniya	6,115,000	700,000	6,815,000
6	University of Moratuwa	3,965,000	725,000	4,690,000
7	University of Jaffna	4,910,000	725,000	5,635,000
8	University of Ruhuna	5,295,000	825,000	6,120,000
9	The Open University of Sri Lanka	3,977,000	-	3,977,000
10	Eastern University, Sri Lanka	2,105,000	500,000	2,605,000
11	South Eastern University of Sri Lanka	2,185,000	440,000	2,625,000
12	Rajarata University of Sri Lanka	2,675,000	675,000	3,350,000
13	Sabaragamuwa University of Sri Lanka	2,975,000	700,000	3,675,000
14	Wayamba University of Sri Lanka	2,360,000	600,000	2,960,000
15	Uva Wellassa University	1,380,000	675,000	2,055,000
16	University of the Visual & Performing Arts	1,435,000	325,000	1,760,000
17	Gampaha Wickramarachchi University of Indigenous Medicine	715,000	250,000	965,000
18	University of Vavuniya	775,000	275,000	1,050,000
19	Trincomalee Campus	520,000	250,000	770,000
20	Postgraduate Institute of Agriculture	-	-	-
21	Postgraduate Institute of Archaeology	112,000	2,000	114,000
22	Postgraduate Institute of Science	-	-	-
23	Postgraduate Institute of Pali & Buddhist Studies	80,000	-	80,000
24	Postgraduate Institute of English	38,000	-	38,000
25	Postgraduate Institute of Humanities & Social Sciences	-	-	-
26	Postgraduate Institute of Indigenous Medicine	28,000	3,000	31,000
27	Postgraduate Institute of Medical Sciences	15,000	2,000	17,000
28	Institute of Human Resource Advancement	100,000	-	100,000
29	University of Colombo School of Computing	510,000	30,000	540,000
30	Institute of Technology University of Moratuwa	535,000	250,000	785,000
31	National Institute of Library and Information Sciences	32,000	-	32,000
32	Institute of Biochemistry, Molecular Biology and Biotechnology	133,000	-	133,000
33	Swami Vipulananda Institute of Aesthetic Studies	420,000	120,000	540,000
34	National Centre for Advanced Studies in Humanities & Social Sciences	27,000	20,000	47,000
35	University of Colombo, Institute for Agro-Technology and Rural Sciences	141,000	10,000	151,000
36	Institute of Allergology and Immunology	30,000	50,000	80,000
37	Postgraduate Institute of Medicine	-	-	-
38	Postgraduate Institute of Management	-	-	-
	TOTAL	66,723,000	16,277,000	83,000,000

Allocation - 2026
Universities & HEIs
Summary - Capital Grant - Head No.214 and Head No.126

Rs. '000				
	University/Institute	Head 214 - UGC	Head 126 - MoE	Total Capital Grant
1	University Grants Commission	300,000	-	300,000
2	University of Peradeniya	850,000	620,000	1,470,000
3	University of Colombo	650,000	720,000	1,370,000
4	University of Sri Jayewardenepura	700,000	800,000	1,500,000
5	University of Kelaniya	700,000	100,000	800,000
6	University of Moratuwa	650,000	1,240,000	1,890,000
7	University of Jaffna	900,000	88,000	988,000
8	University of Ruhuna	500,000	3,075,000	3,575,000
9	The Open University of Sri Lanka	100,000	-	100,000
10	Eastern University, Sri Lanka	250,000	2,316,000	2,566,000
11	South Eastern University of Sri Lanka	350,000	-	350,000
12	Rajarata University of Sri Lanka	700,000	-	700,000
13	Sabaragamuwa University of Sri Lanka	600,000	6,421,000	7,021,000
14	Wayamba University of Sri Lanka	400,000	1,224,000	1,624,000
15	Uva Wellassa University	500,000	660,000	1,160,000
16	University of the Visual & Performing Arts	300,000	-	300,000
17	Gampaha Wickramarachchi University of Indigenous Medicine	300,000	-	300,000
18	University of Vavuniya	400,000	309,000	709,000
19	Trincomalee Campus	425,000	-	425,000
20	Postgraduate Institute of Agriculture	-	-	-
21	Postgraduate Institute of Archaeology	10,000	-	10,000
22	Postgraduate Institute of Science	-	-	-
23	Postgraduate Institute of Pali & Buddhist Studies	-	-	-
24	Postgraduate Institute of English	-	-	-
25	Postgraduate Institute of Humanities & Social Sciences	-	-	-
26	Postgraduate Institute of Indigenous Medicine	10,000	-	10,000
27	Postgraduate Institute of Medical Sciences	2,000	-	2,000
28	Institute of Human Resource Advancement	-	-	-
29	University of Colombo School of Computing	-	-	-
30	Institute of Technology University of Moratuwa	50,000	-	50,000
31	National Institute of Library and Information Sciences	-	-	-
32	Institute of Biochemistry, Molecular Biology and Biotechnology	10,000	-	10,000
33	Swami Vipulananda Institute of Aesthetic Studies	150,000	300,000	450,000
34	National Centre for Advanced Studies in Humanities & Social Sciences	75,000	-	75,000
35	University of Colombo, Institute for Agro-Technology and Rural Sciences	-	-	-
36	Institute of Allergology and Immunology	300,000	-	300,000
37	Postgraduate Institute of Medicine	-	-	-
38	Postgraduate Institute of Management	-	-	-
	Establishment of Technology Faculty of the Universities	318,000	-	318,000
	Providing Hostel Facilities for University Students	-	1,500,000	1,500,000
	TOTAL	10,500,000	19,373,000	29,873,000

**Projects Financed by Head No. 126 - Ministry of Education, Higher Education and Vocational
Education - 2026**

Rs. '000

	University/Institute	Funding Agency	Head 126 -MoE
1	Providing Hostel Facilities for University Students	GOSL-MOE	1,500,000
2	University of Peradeniya		
	Renovation of Hostels	GOSL-MOE	400,000
	Extension of Student Canteen Complex, Faculty of Dental Sciences	GOSL-MOE	100,000
	Establishment of a Laboratory Complex for Faculty of Allied Health Sciences	GOSL-MOE	120,000
3	University of Colombo		
	Local Bank loan obtained to establish 17 storied building, Faculty of Medicine	GOSL-MOE	720,000
4	University of Sri Jayewardenepura		
	Construction of a Building - Faculty of Allied Health Sciences & Faculty of Dental Sciences	GOSL-MOE	800,000
5	University of Kelaniya		
	Digital Transformation of the University of Kelaniya	GOSL-MOE	100,000
6	University of Moratuwa		
	Establishment of Medical Faculty	GOSL/Kuwait	300,000
	Construction of a Professorial Unit	GOSL-MOE	640,000
	Construction of a Building for the Faculty of Business	GOSL-MOE	300,000
7	University of Jaffna		
	Research & Education Capacity Improvement in Dry Zone Agriculture	GOSL/JICA	88,000
8	University of Ruhuna		
	12 Storied Building for the Faculty of Medicine	GOSL-MOE	1,005,000
	Establishment of a Professorial unit at Karapitiya Hospital	GOSL-MOE	935,000
	Establishment of a Centre of Naval Studies & Shipping	GOSL-MOE	35,000
	Development of Faculty of Allied Health Science	GOSL-MOE	100,000
	Establishment of a Laboratory Complex at Faculty of Agriculture	GOSL-MOE	600,000
	Extension of the Department of Civil & Environmental Engineering Building to provide Laboratory facilities	GOSL-MOE	400,000
9	Eastern University, Sri Lanka		
	Building Complex for the Faculty of Health Care Science	GOSL/Kuwait	2,016,000
	Establishment of a Professorial unit at Teaching Hospital Batticaloa	GOSL-MOE	300,000
10	Sabaragamuwa University of Sri Lanka		
	Establishment of Faculty of Medicine - Phase II	GOSL/Saudi	6,421,000
11	Wayamba University of Sri Lanka		
	Township Development Project	GOSL/Saudi	1,224,000
12	Uva Wellasa University		
	Establishment of Faculty of Medicine, Phase I	GOSL-MOE	600,000
	Construction of a Building with Laboratory facilities for the Faculty of Technology Studies	GOSL-MOE	60,000
13	University of Vavuniya		
	Construction of Sewerage Treatment Plant for Hostels	GOSL-MOE	100,000
	Upgrade the Canteen, Faculty of Applied Sciences	GOSL-MOE	64,000
	Construction of Health Center	GOSL-MOE	45,000
	Construction of two storied building for student service center	GOSL-MOE	100,000
14	Swami Vipulananda Institute of Aesthetic Studies		
	Construction of Building	GOSL/India	300,000
	TOTAL		19,373,000