



## UNIVERSITY GRANTS COMMISSION

### Finance Circular Letter No. 7/2011

1<sup>st</sup> August, 2011

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

#### **BUDGET ESTIMATES FOR 2012**

Section 15(ii) of the Universities Act No. 16 of 1978, empowers the University Grants Commission to prepare triennial budgets of the Higher Educational Institutions (HEIs), in consultation with the governing authorities of HEIs. Accordingly you are requested to submit the Recurrent and Development Budget of your Institution for the year 2012, as per the guide lines given in this circular.

#### **1. Recurrent Estimates**

##### **a. Personal emoluments**

- 1.1.1 Salaries & Wages payable for the year 2012, should be based on the Commission Circular No. 879 of 11<sup>th</sup> August, 2006.
- 1.1.2 Provision should be made for annual increments based on the existing salary structures.
- 1.1.3 The Cost of Living Allowance (COLA) & Special Salary Allowance (5%) payable for 2012 should be based on Commission Circular No. 943 of 17<sup>th</sup> January, 2011.
- 1.1.4 Payment of the Academic Allowance should be based on 31.25% of the salaries, in terms Commission Circular No. 945 of 2<sup>nd</sup> February, 2011.

- 1.1.5 Arrears payment for UPF,ETF contributions and Gratuity payment on Cost of living Allowance should be in terms of Commission Circular No. 955 of 28<sup>th</sup> April, 2011.
- 1.1.6 Estimates for Academic staff salaries & allowances **for existing staff only** and should be computed as per the Schedule 1 – (a). Total of the Schedule 1 – (a) should be transferred to Schedule 1.
- 1.1.7 Estimates for Non-Academic Staff (Administrative & Non-Administrative) salaries & allowances **for existing staff only** and should be computed as per Schedule 2 – (a). Total of the Schedule 2 – (a) should be transferred to Schedule 2.
- 1.1.8 The totals of Schedules 1 and 2 should be transferred to item 1 (Personal Emoluments) in Annex A.
- 1.1.9 Cost of filling vacancies, of **cadre positions already approved** by the Department of Management Services, should be shown in Schedule 3. The total of Schedule 3 should be transferred to item 2 (Filling of Vacancies) in Annex A.

**b. Other Expenses**

The Estimates for the following items of expenditure should be shown in items 3 - 7 respectively in Annex A.

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

The Recurrent Estimates should be computed based on academic & administrative activities scheduled for the year 2012. 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.

## **2. 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 Annex B.

## **3. External Funds**

External Funds receivable in 2012, from any source other than through the UGC, should be reported in Annex C.

## **4. Comparative Figures**

It is essential to show comparative figures for the year 2010 (Actual) and 2011 (Budget) in the relevant columns of Annexes A, B and Schedules 1 and 2.

## **5. Development Budget**

### **a. Rehabilitation & Improvements**

Estimates for Rehabilitation & Improvements to capital assets during the year 2012, should be computed as per the annexes D – I, D – II, D – III & D - IV (Please indicate all Rehabilitation & Improvements projects valued more than Rs. 1,000,000/- separately under each Faculty). Total of D – I to D – IV should be transferred to Annex D.

The Commission will not be in a position to allocate funds for rehabilitation & improvements of assets, unless the detail estimates are given as per annexes D – I, D – II, D – III & D – IV of this circular.

### **b. Acquisition of Fixed Assets**

Estimated expenditure for Acquisition of Fixed Assets should be computed as per Annex E – I, E – II, E – III & E – IV. Total of E – I to E – IV should be transferred to Annex E.

It is essential to give a brief description of the programmes which require furniture, office, laboratory & teaching equipment, in order to justify the expenditure to be incurred on Acquisition of Fixed Assets.

**c. Estimates for Ongoing Construction Projects**

Construction projects for which funds have been allocated up to 2011 are considered as continuation projects. Estimates for the continuation projects should be based on project cash flow as computed in Annex F. UGC will not be able to allocate funds for the continuation projects, unless complete information is provided in the Annex F.

**d. Estimates for New Construction Projects**

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 2012 and not for the full TEC (Total Estimated Cost) and priority will be given for the projects which are directly connected with National priorities. Estimates for New construction projects should be shown in Annex G.

**6. Corporate Plan**

Universities are requested to update their corporate plan for the year 2012 and projected data for year 2013 & 2014 should not be deviated from the Corporate Plan of the Universities.

**7. General**

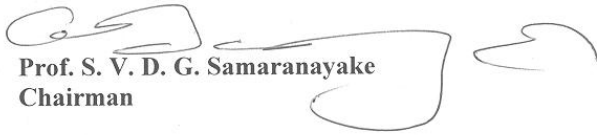
The Estimates for 2012 should reach the University Grants Commission *on or before 12<sup>th</sup> August, 2011.*

**All schedules and annexes 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](mailto:finance@ugc.ac.lk)). The UGC expect that you may not change the formats of the schedules and annexes 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 be accepting the Estimates submitted without the soft copies, or with amended formats.**

Universities are requested to prepare budget estimates based on their Action Plan scheduled for the year 2012 and discouraged additional funds from time to time.

Registrars / Bursar 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 annexes and schedules are available for download at [www.ugc.ac.lk](http://www.ugc.ac.lk).



**Prof. S. V. D. G. Samaranayake**  
**Chairman**

- Cc:
1. Chairman/UGC
  2. Vice-Chairman/UGC
  3. Secretary/UGC
  4. Chief Internal Auditor/UGC
  5. Accountant/UGC
  6. Registrars of Universities
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