



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 1/2006

10th January, 2006

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

ADOPTION OF GOVERNMENT CIRCULARS AUTHORIZATION OF EXPENDITURE 2006

National Budget Circular No. 125 dated 29th December, 2005 is sent herewith for the information of all Higher Educational Institutions. Please note for compliance the following paragraphs of the circular.

- Paragraph 2 - Expenditure management.
- Paragraph 3(b) - Payment of Distress Loans based on the salary applicable on 30th November, 2004, excluding allowances.
- Paragraph 3(f) - Payment of Distress Loans to officers appointed on or after 1st December, 2004, to be based on the salary which would have been applicable as at 30th November, 2004.


Prof. B.N. Mendis
BDS(Hons.)Ph.D.(Bristol),F/SRCS(Eng.& Edin),FFDRCS(I)
Chairman

W. 01. 2006

- Cc. 1. Chairman/UGC
2. Vice-Chairman/UGC
3. Secretary/UGC
4. Financial Controller
5. Director/IDD/UGC
6. Registrars of Universities
7. Bursars of Universities
8. SAR/AR of Institutes/Campuses
9. SAB/AB of of Institutes/Campuses
10. Accountant/UGC
11. Chief Internal Auditor/UGC
12. Snr. Asst. Accountant/UGC
13. Snr. Asst. Secretary/Supplies & Administration/UGC
14. Auditor General
15. Govt. Audit Superintendent/UGC
16. Govt. Audit Superintendent of Universities


National Budget Circular No: 125

BDA/965/1/465
Department of National Budget
General Treasury
Colombo 01.
29 .12.2005

All Secretaries of Ministries
Chief Secretaries of Provincial Councils,
Heads of Departments,
Chairmen of Corporations and Statutory Boards.

Authorization of Expenditure – 2006 Budget

1. **Authority to incur expenditure:**

Hon. Minister of Finance & Planning has signed the warrants in terms of Article 150 (1) of the Constitution to incur expenditure during the year 2006 in terms of the Appropriation Act No. 39 of 2005 which has been approved by Parliament on 22.12.2005.

2. **Expenditure Management**

It is observed that Spending Agencies used to request additional allocations without adhering to the proper expenditure management systems to manage the institutions within the funds authorized by Parliament. Therefore, you are requested to adopt suitable control measures to manage your expenditure within the approved provision. No additional allocation will be provided from Treasury Votes.

Transfers under F.R.66 to 69 will be allowed only under exceptional circumstances with the prior approval of the Treasury. Heads of Spending Agencies are required to take this fact into cognizance when planning annual expenditure.

3. **Public Officers' Advance Accounts**

(a) Maximum Limits of Expenditure – No request will be considered for revision of this Limit.

Therefore, advances should be given in the following order of priority.

- i. Festival Advances
- ii. Special Advances
- iii. Distress Loans
- iv. 2nd and 3rd installments of a Property Loan for construction of a house for which the loan has been approved and 1st installment has been paid during the year of 2004 or before.

Contd. 2/

- ✓ (b) Distress Loans for year 2006 will be paid on the basis of last drawing salary on 30th November 2004, excluding allowances.
- ✗ (c) New vehicle loans (Motor vehicles and Motor bicycles) will be granted through banks during the year 2006. Any vehicle loan approved prior to 01.01.2006 also directed to banks. New circular will be issued by the Ministry of Public Administration and Home affairs in this regard.
- (d) As per Public Administration Circular No. 08 / 2005 Property Loans are granted through banks during the year 2006 also. As per budget proposals 2006, an amended circular in this regard will be issued shortly.
- (e) Revision of Minimum Limit of Receipts and Maximum Limit of Debit Balances will be considered if the request is reasonable.
- (f) Officers who are appointed on or after 01.12. 2004 are paid distress loan on the basis of converted present salary on 30th November, 2004.

4. **Commercial Advance Account Activities**

The Maximum Limit of Expenditure will not be revised. However, the Minimum Limit of Receipts and the Maximum Limit of Debit Balance will be considered for revision, if adequate justification for same is furnished.

5. **The Authority to be quoted**

The authorities to be quoted on payment vouchers and other documents will be as follows;

- a. General Warrant No. 01 of 2006 in the case of General Services
- b. Special Law Authority No. 01 of 2006 in the case of Special Law items
- c. Advance Warrant No. 01 of 2006 in respect of Advance Accounts activities



S.B. Divaratne
Deputy Secretary to the Treasury

- Copies to**
1. Auditor General - for information
 2. Director General - State Accounts - for necessary action
 3. Director General - Treasury Operations - for necessary action