



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 08/2015

21st December 2015

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

Annual Allocation 2016

HEAD No. 214 – University Grants Commission (UGC)

The Budget Estimates 2016 have been prepared in consultation with the Universities/HEIs to achieve eight strategic goals of the UGC. The Parliament of Sri Lanka on 19th December 2015 has approved the Annual allocation for the year 2016 as recommended by the National Budget Department under the Head No 214 University Grants Commission.

Summary of the Proposed Allocation – 2016 (Rs. Million)

Category/Object Title	Revised Budget 2015	Draft Budget Estimates 2016	Approved Budget 2016	Increase/ (decrease) as a % of 2015 allocation
Recurrent Grants	25,898	29,444	28,981	12%
Capital Grants	8,860	22,848	15,942	80%
Total Govt. grants	34,758	52,292	44,923	29%

The University wise allocation - 2016 is given in Annex -I (Recurrent Grants) and Annex-II (Capital Grants)

Universities/HEIs are requested to submit their Annual Budget with the Summary Action Plan in line with the following eight strategic goals of the UGC as per the specimen given in Formats **I – IX**

Key performance indicators (KPIs) should be developed by the Universities/HEIs to ensure effective and efficient utilization of funds.

- Widen participation and equitable access to higher education
- Improve quality and relevance of academic programs
- Strengthening research, innovation, entrepreneurship
- Increased role of HEIs as strategic partners in socio economic development and peace & reconciliation
- Increased international cooperation and competitiveness
- Improved physical and aesthetic environment and stakeholder satisfaction
- Improved financial management and sustainability
- Enhanced good governance

1. Capital Block Grant (CBG)

CBG has been allocated to the Universities/HEIs considering the progress of utilization of funds and Three Year Financial plan on construction projects. Accordingly universities/HEIs are requested to allocate funds for capital projects within the approved allocation.

- a) Construction Projects - On-going construction projects and projects approved by the Cabinet of Minister and listed in “Three Year Financial Plan” on construction projects. New projects **should not be** financed during the year without the concurrence of the UGC.
- b) Rehabilitation and Improvement of Fixed Assets and Acquisition Fixed Asset.
- c) Grants for strengthening research and Postgraduate/Doctoral project are financed by the UGC/NCAS and Universities/HEIs should not allocate funds from their CBG for this purpose.
- d) Human Capital Development projects and On-going Township projects (UTP) should be managed by the Universities/HEIs within the approved CBG.

2. Funding for Research – Rs.400Mn

University/HEIs are requested to submit their proposals under the following categories to consider allocation of funds for the year 2016

- a) Nationally relevant research
 - Chronic Kidney Diseases (CKD)
 - Dengue
- b) Scientific, Engineering and Information Technology related innovative research
- c) Research into Demographic, Socio-cultural and Economic issues
- d) Research relevant to industrial & Technological development and university industry linkage leading to innovative technological solutions
- e) Organization of International Conferences, Symposia and Research and Publications.

If you need any clarifications in this regard please contact; Ms Gayani Wickramaarachchi - Assistance Secretary of the Vice-Chairman office on 011-3092449.

3. Strengthen the Faculties of Engineering – Rs.950Mn

To achieve the requirement of Washington Accord funds have been allocated to the Faculties of Engineering of the University of Moratuwa – Rs.500Mn (already allocated with CBG), University of Peradeniya – Rs.200 Mn, University of Ruhuna – Rs.150Mn and South Eastern University - Rs.100 Mn.

Funds for this project have been allocated to University of Moratuwa with CBG and other universities are requested to submit their brief concept paper with the Action Plan to UGC on or before 31st January 2016 in order to allocate funds.

4. Funding for Postgraduate Training – Rs.600Mn

Funds have been allocated for postgraduate training to be implemented by the UGC/NCAS to enhance the quality of undergraduate and postgraduate degree programs.

5. Budget Proposals - Rs.6,000 Mn

As per the budget speech delivered by the Hon. Minister of Finance funds have been allocated to execute following budget proposals. Universities are requested to submit brief project proposals to UGC/NBD to consider allocation of funds.

- a. To provide human resources and infrastructure facilities for the Technology Stream.
- b. To provide housing and hostel facilities for academic staff and students by 2018.

- c. To provide necessary infrastructure facilities for the introduction of new courses (Data Science, Actuarial Science, Bio Informatics, Business Analytics, Quantity Surveying etc).
- d. To link University – Industry to enhance research culture and attract top notch academics to universities.
- e. Financial assistance to take necessary initiatives to attract foreign students, specially to the postgraduates courses offered by the Universities.
- f. Establishment of the Faculty of Engineering and Faculty of Agriculture in Kilinochchi and Vavuniya.
- g. To gear up and focus the university degree courses to suit the present day employment market requirements.

6. Budget Proposal - Rs. 300 Mn

It has been proposed to allocate funds to provide laptops for university students on interest free three-year loan basis and to provide free wi-fi zone. UGC has already informed the universities/HEIs on proposed program to implement this Budget proposal.

7. Budget Proposal – Rs.500 Mn

Funds have been allocated to provide necessary infrastructure and a new building to the Postgraduate Institute of Pali and Buddhist Studies. UGC has already requested PGIPBS to submit an Action Plan with brief project proposals to allocate funds.

8. Recurrent Expenditure Block Grant (RBG)

Recurrent Expenditure Block Grant for the year 2016 has been allocated by the NBD based on the estimates submitted by the Universities/HEIs and the funding formula adopted by the UGC as given below.

$\text{RECURRENT GRANTS} = \text{Modified Cost per Student (MCPS)} \times \text{Student Enrolment (SE)}$
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Modified Cost per Student (MCPS) is computed considering following policy factors;

- Annual salary increments on Actual cadre
- Inflation on other recurrent cost
- Capacity expansion on other recurrent cost
- Policy Factor - (Funding Ratio)

9. Funding for Student Bursaries and Mahapola – Treasury Contribution

Funds for the payment of Mahapola-treasury contribution and students Bursaries have been allocated to the UGC on the basis of estimated Mahapola/Bursary recipients.

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

10. Medical Insurance Scheme

A Health Insurance Scheme for the University system has been proposed to be implemented considering the request made by the academic and non-academic staff of the universities/HEIs. Since this matter has been pointed out by the COPE in several times, universities/HEIs are requested to allocate required funds under the “Other Recurrent – Employee welfare & medical insurance” to implement the Health Insurance Scheme as per the guidelines given by the Finance Circular No.01/2015 dated 9th July 2015 and Circular No.09/2015.

11. Funds for Postgraduate Institutes

Postgraduate institutes are advised to finance their budget by the generated income. Seeds money for construction projects may be considered based on the contribution to the national development. RBG for the Postgraduate Institute are considered and allocated only to finance their permanent cadre positions.

12. Open University of Sri Lanka (OUSL)

It has been decided to increase the allocation to OUSL as agreed by the UGC with the OUSL to provide additional funds due to the revision of student course-fees charged from the students. Therefore additional allocation will be made based on the above agreement and subject to the detail analysis of financial information of the OUSL.

13. General Guidelines

- i. In terms of 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.
- ii. Please e-mail (finance@ugc.ac.lk) a **soft copy of the Budget and Summary Action Plan** for each development project for the year 2016, in formats I to IX on or before 8th January 2016.

- iii. You are requested to submit hard copy of the Budget with the action plan for each capital project on or before 08th January 2016 with a copy to the Director General, Department of National Budget, General Treasury.
- iv. Do not change the standard formats by the Universities/HEIs for whatever reason.
- v. This Circular together with all annexes is available for down load at www.ugc.ac.lk
- vi. 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. P.S.M. Gunarathna
Vice Chairman

- Cc:
1. Secretary/Ministry of Higher Education and Highways
 2. Vice-Chairman/UGC
 3. Secretary/UGC
 4. Registrars of Universities/SAR/AR/ of Institutes/Campuses
 5. Accountant/UGC
 6. Bursars of Universities/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

ALLOCATION - 2016
Head No: 214 - UNIVERSITY GRANTS COMMISSION
SUMMARY : RECURRENT GRANT

University / Institute		Rs. '000
1	University of Peradeniya	4,370,000
2	University of Colombo / Sri Palee Campus	2,462,000
3	University of Sri Jayewardenepura	2,419,000
4	University of Kelaniya	2,270,000
5	University of Moratuwa	1,728,000
6	University of Jaffna / Vavuniya Campus	2,021,000
7	University of Ruhuna	2,214,000
8	The Open University of Sri Lanka	1,000,000
9	Eastern University of Sri Lanka	984,000
10	Rajarata University of Sri Lanka	1,235,000
11	Sabaragamuwa University of Sri Lanka	1,014,000
12	South Eastern University of Sri Lanka	820,000
13	Wayamba University of Sri Lanka	924,000
14	University of Visual & Performing Arts	717,000
15	Uva Wellassa University	628,000
16	Trincomalee Campus	203,000
17	Postgraduate Institute of Agriculture	20,000
18	Postgraduate Institute of Archaeology	50,000
19	Postgraduate Institute of Science	12,000
20	Postgraduate Institute of Pali & Buddhist Studies	25,000
21	Postgraduate Institute of English	13,000
22	Postgraduate Institute of Humanities and Social Sciences	8,000
23	Postgraduate Institute of Medicine	80,000
24	Postgraduate Institute of Management	-
25	Institute of Indigenous Medicine	275,000
26	Institute of Human Resource Advancement	40,000
27	University of Colombo School of Computing	160,000
28	Gampaha Wickramarachchi Ayurveda Institute	227,000
29	Institute of Technology, University of Moratuwa	130,000
30	National Institute of Library & Information Sciences	17,000
31	Institute of Biochemistry, Molecular Biology & Biotechnology	60,000
32	Swami Vipulananda Institute of Aesthetic Studies	150,000
33	The National Centre for Advanced Studies in Humanities & Social Sciences	21,000
34	Institute for Agro - Technology & Rural Sciences	30,000
35	University Grants Commission	2,654,000
Total		28,981,000

ALLOCATION - 2016
Head No: 214 - UNIVERSITY GRANTS COMMISSION
SUMMARY : CAPITAL GRANT

University / Institute		Rs. '000	
1	University of Peradeniya		963,000
2	University of Colombo / Sri Palee Campus		572,000
3	University of Sri Jayewardenepura		1,186,000
4	University of Kelaniya		966,000
	<i>Capital - Other</i>	926,000	
	<i>New Degree Programme in Film and Television Studies</i>	40,000	
5	University of Moratuwa		1,505,000
	<i>Capital - Other</i>	1,005,000	
	<i>Faculty of Engineering - Washington Accord</i>	500,000	
6	University of Jaffna / Vavuniya Campus		1,251,000
	<i>Capital - Other</i>	1,011,000	
	<i>Equipment for Faculty of Engineering</i>	200,000	
	<i>New Degree Programme in Project Management</i>	40,000	
7	University of Ruhuna		847,000
8	The Open University of Sri Lanka		100,000
9	Eastern University of Sri Lanka		583,000
10	Rajarata University of Sri Lanka		542,000
11	Sabaragamuwa University of Sri Lanka		563,000
12	South Eastern University of Sri Lanka		426,000
13	Wayamba University of Sri Lanka		719,000
	<i>Capital - Other</i>	625,000	
	<i>Facility Expansion - Land</i>	94,000	
14	University of Visual & Performing Arts		409,000
15	Uva Wellassa University		539,000
16	Trincomalee Campus		486,000
17	Postgraduate Institute of Agriculture		10,000
18	Postgraduate Institute of Archaeology		10,000
19	Postgraduate Institute of Science		10,000
20	Postgraduate Institute of Pali & Buddhist Studies		10,000
21	Postgraduate Institute of English		25,000
22	Postgraduate Institute of Humanities and Social Sciences		8,000
23	Postgraduate Institute of Medicine		435,000
24	Postgraduate Institute of Management		-
25	Institute of Indigenous Medicine		150,000
26	Institute of Human Resource Advancement		10,000
27	University of Colombo School of Computing		160,000
28	Gampaha Wickramarachchi Ayurveda Institute		160,000
29	Institute of Technology, University of Moratuwa		10,000
30	National Institute of Library & Information Sciences		5,000
31	Institute of Biochemistry, Molecular Biology & Biotechnology		20,000
32	Swami Vipulananda Institute of Aesthetic Studies		65,000
33	The National Centre for Advanced Studies in Humanities & Social Sciences		120,000
34	Institute for Agro - Technology & Rural Sciences		10,000
35	University Grants Commission		3,067,000
	Total		15,942,000