



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 7/2012

10th August, 2012

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

BUDGET CALL 2013

The intension of the Ministry of Higher Education and University Grants Commission is to uplift the university system by improving infrastructure facilities, strengthening research capabilities and increasing quality of the Higher Education in Sri Lanka.

Accordingly Budget Estimates - 2013 focuses on the following capital development projects proposed to be implemented under University Township, Transforming Existing Degree Programs to produce more employable graduates, Trilingual Skills development of Undergraduates and Strengthening National Level Research in universities / Higher Educational Institutes (HEIs).

01. University Township

The intention of township project is to provide or expand the infrastructure facilities of the universities and thereby integrate the community and create university towns in the tradition of great universities of the ancient world or even as several successful universities in the modern world. University can also be an active part of the community as an innovator for the advancement of the national economy. The main purpose of the township project should be to develop the facilities of undergraduates while maximizing benefits for the society.

The Common features of a University town

- A center for professional institutes in addition to the university enhancing the access for higher education of local community.
- Buildings for students for hostel facilities off the university, students union, students societies.
- Residential area.

- Shopping mall to provide commercial and financial services to both university town population and local community
- Place for health care facilities (health care centre)
- Child care centre
- Area for a research centre, Laboratory & a Library
- Place for academic festivities
- Improved road network and other infrastructure facilities

In addition to these features, the historical significance related with each university is supposed to consider in developing each university town.

02. Advancement of Seven Universities to the International Level

The project was introduced as a budget proposal by H.E. President as the Hon. Minister of Finance and Planning in 2011. It was an encouragement for the universities to uplift their academic and administrative activities by enhancing the quality and equity.

During 2011 and 2012; University of Colombo, University of Peradeniya, University of Ruhuna, University of Moratuwa, University of Sri Jayewardenepura and University of Kelaniya were selected to finance under this project. In the year 2013 it is proposed to expand the number of universities by including University of Jaffna to the proposed project.

03. Knowledge Enhancement and Institutional Development Grant (KEID)

3.1 Transforming Existing Degree Programs to produce more employable graduates

Presently majority of the graduates (43.74% (8000 students' apx.) in 2011) represent conventional Arts degrees which do not address the highly demanded areas of the economy. Hence universities are encouraged to replace approximately 2000 conventional places (General degree) by the specialized places (Special degree) i.e **Information and Communications Technology (ICT), Hotel Management and Tourism etc.**

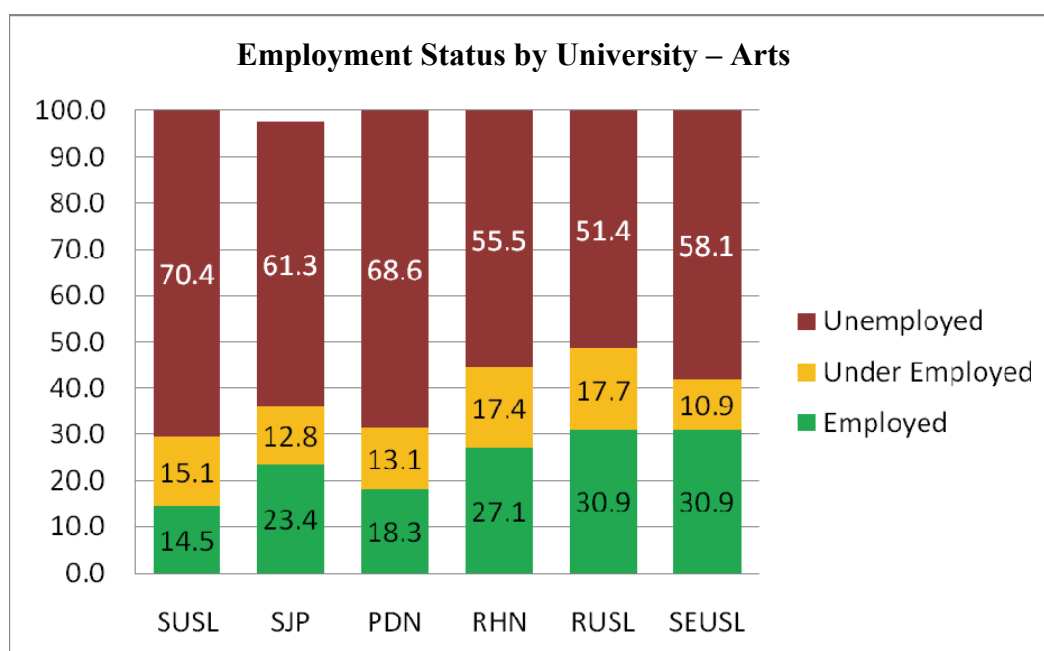
According to the survey conducted by the Ministry of Higher Education, only 23 % of the graduates are employed and 77 % of the graduates are unemployed approximately around a period of one year since the effective date of the graduation.

The above survey was conducted among the Art graduates of the SUSL, SJP, PDN, RUH, RUSL and SEUL at their graduation ceremony.

Employment Status by University – Arts

(At the time of Graduation Ceremony)

University	Number of respondents	Number of months since the effective date of the Degree (Date of the Convocation)	Employed %	Under employed %	Un employed %
SUSL	188	1.5	14.5	15.1	70.4
SJP	853	3	23.4	12.8	61.3
PDN	778	4	18.3	13.1	68.6
RUH	535	17	27.1	17.4	55.5
RUSL	175	12	30.9	17.7	51.4
SEUSL	214	21	30.9	10.9	58.1



Source: MOHE

In order to improve the employability of Arts graduates produced by the university system, additional funding support will be given based on the number of students to finance the said conversion program. The proposed scheme will be available only for the first batch introduced by the university system until they graduated.

Table A: Proposed Grants Scheme for Specialized Places

YEAR	2013	2014	2015
Places	2000	2000	2000
Recurrent (Rs)	75,000/- p.s.	75,000/- p.s.	75,000/- p.s.
Capital (Rs)	50,000/- p.s.	50,000/- p.s.	50,000/- p.s.

p.s. – per student

3.2 Trilingual Skills development of Undergraduates

This is the need of the country to encourage the acquisition of trilingual skills and competencies by all sections of the country as a major step towards national integration and harmony, accompanied by a drive to remove language prejudices to establish a culture of language learning.

As the first step, it is supposed to introduce Trilingual Skills development programmes for the university undergraduates. Under this concept, all university students will receive training to acquire basic competencies in Sinhala, Tamil and English. Universities may decide on the programmes they can conduct to improve the trilingual skills of the undergraduates.

The Infrastructure Block Grant Scheme (IBGS) is introduced by the UGC to finance the trilingual skills development projects of the universities based on the annual expenditure ceiling.

3.3 Strengthening National Research

The main objective of this project is to help the universities to conduct Research and Development activities with national interest. It is expected to address the existing socio economic problems which are of national priority in Sri Lankan context today.

This project was designed to encourage universities to be more flexible and responsive in developing a strategic portfolio of research activities and research training programmes, and to secure the benefits of the achievements of individual researchers and teams.

The Proposed Funding Scheme:

- a) Research Infrastructure Block Grants (RIBG) – The scheme which supports to finance the libraries, laboratories, equipments and research staff salaries.
- b) Institutional Block Grants (IBG) – IBG grants are allocated based on the performance of the each research projects implemented by the universities.

3.4 Development of Sports Skills

This project is coordinated by the MOHE (Director General – Sports/Skills Development) with the assistance of the universities/HEIs in order to identify, improve and develop sports skills of the undergraduate students. Funds for this project are released by the UGC to the MOHE/Universities/HEIs within the approved budget.

3.5 Talent Development

This project is coordinated by the MOHE with the assistance of the universities in order to identify, develop and appreciation of soft skills of the undergraduate students. Funds for this project are released by the UGC to the MOHE/Universities within the approved budget.

3.6 Entrepreneurships Skills Development

Objective of this project is to help undergraduate students to assess their personal skills, interests and values, understand the economic benefits of education, explore career options, learn job seeking skills and practice personal and family financial management. Accordingly it is proposed to form 450 model companies (15 universities * 30 Companies) in 2013 from all 15 universities. Funds for this project are released by the UGC to the universities/HEIs within the approved budget.

3.7 Publications and International Symposium grant

The objective of Publications and International Symposium grant is to encourage academic and administrative staff of the universities to produce publications and universities to organize international symposiums with a view of achieving international standard.

This is coordinated by the Vice-Chairman with the assistance of relevant standing committees. Funds for this project are allocated by the UGC to the Universities/HEIs based on project reports evaluated by the UGC.

3.8 Postgraduate / Doctoral Project

Objective of this project is to enhance financial assistance to obtain postgraduate and Phd. qualifications for academic and administrative staff in the university system. This program is coordinated by the NCAS and International Corporation Division of the UGC.

3.9 Competency Building and Capacity Enhancement

Objective of this project is to build competency and enhance the capacity of the academic, administrative and non-academic staff of the universities. PG programs, other short term training programs/courses, skill development programs and induction training program for the new recruits can be financed under competency building and capacity enhancement project.

This project is coordinated by the relevant standing committee of the UGC with the assistance of the Human Resources Department. Funds for this project are allocated by the UGC to the Universities/HEIs based on the project reports evaluated and approved by the relevant standing committee.

3.10 Library and Information Science

Objective of this project is to develop Information Technology activities of the universities/higher educational institutions. Universities are requested to submit detailed projects proposals on development of IT activities such as cyber zones, computer/language laboratories etc.

04. Submission of Township / KEID Project Proposals/ Advancement of Seven Universities to the International Level

The names of the *Township projects, KEID projects and the projects under Advancement of Seven Universities to the International Level* & their respective budget estimates for 2013 should reach to the University Grants Commission with the budget estimates 2013.

The detailed project proposals of *Township projects, KEID projects and the projects under Advancement of Seven Universities to the International Level* should be submitted to the UGC according to the ERD format to obtain approval of the National Planning Department / Cabinet of ministers. Please use a separate sheet of Annex I for each project category.

05. Preparation of Budget Estimates

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 2013, as per the guide lines given in this circular.

5.1 Recurrent Expenditure Estimates

a. Personal emoluments

- 5.1.1 Salaries & Wages payable for the year 2013, should be based on the Commission Circular No. 975 dated, 13th January, 2012 and 985 dated, 15th May, 2012.
- 5.1.2 Provision should be made for annual increments based on the existing salary structures.
- 5.1.3 The Cost of Living Allowance (COLA) & Special Salary Allowance (15%) payable for 2013 should be based on Commission Circular No. 973 of 04th January, 2012.
- 5.1.4 Payment of the Academic Allowance should be based on Commission Circular No. 961 dated 05th August, 2011.

- 5.1.5 Estimates for Academic staff salaries & allowances **for existing staff only** and should be computed as per the Schedule 1.
- 5.1.6 Estimates for Non-Academic Staff (Administrative & Non-Administrative) salaries & allowances **for existing staff only** and should be computed as per Schedule 2.
- 5.1.7 The totals of Schedules 1 and 2 should be transferred to item 1 (Personal Emoluments) in Annex A.
- 5.1.8 Total of existing staff & **cadre positions already approved** by the Department of Management Services, should be shown in Schedule 3.

b. **Other Recurrent 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

The Recurrent Estimates should be computed based on academic & administrative activities scheduled for the year 2013. 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.

5.2 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.

5.3 External Grants (Foreign and Local Grants)

External Funds receivable in 2013, from any source other than through the UGC, should be reported in Annex C.

5.4 Comparative Figures

It is essential to show comparative figures for the year 2011 (Actual) and 2012 (Budget) in the relevant columns of Annexes A, B and Schedules 1 and 2.

5.5 Cost per Student

Estimated Recurrent & Capital expenditure per student should be reported in Annex–D and it will help universities justify their Budget Estimates for the year 2013.

5.6 Development Expenditure Estimates

a. Rehabilitation & Improvements

Estimates for Rehabilitation & Improvements to capital assets during the year 2013, should be computed as per annex E.

b. Acquisition of Fixed Assets

Estimated expenditure for Acquisition of Fixed Assets should be computed as per Annex F.

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. Construction Projects

Project 1- Estimates for Ongoing Construction Projects

Construction projects for which funds have been allocated up to 2012 are considered as continuation projects. Estimates for the continuation projects should be based on project cash flow as computed in Annex G. UGC will not be able to allocate funds for the continuation projects, unless complete information is provided in the Annex G.

Project 2- 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 2013 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 H.

d. University Township

The Budget Estimates under this project are submitted to the University Grants Commission by the Universities/HEIs, based on the detailed project proposals. Allocations are made according to the approved expenditure ceilings for 2013. Estimates for the projects should be provided as per the format given in Annex I.

e. Advancement of Seven Universities to the International Level

Budget Estimates and the project proposals for 2013 should be submitted to University Grants Commission as per the format given in Annex I. Accordingly, allocations are made as per the approved expenditure ceilings for 2013.

f. Knowledge Enhancement and Institutional Development Grant (KEID)

Budget Estimates of 2013 should be submitted to University Grants Commission as per the format given in Annex I.

Project-1 Transforming Existing Degree Programs to produce more employable graduates

Project – 2 Trilingual Skills development of Undergraduates

Project – 3 Strengthening National Research

Project – 4 Development of Sports Skills

Project – 5 Talent Development

Project – 6 Entrepreneurships Skills Development

Project – 7 Publications and International Symposium grant

Project – 8 Postgraduate / Doctoral Project

Project – 9 Competency Building and Capacity Enhancement

Project – 10 Library and Information Science

06. Corporate Plan

Universities are requested to update their corporate plan for the year 2013 and projected data for the years 2014 & 2015, being in line with the corporate plan of the universities.

07. General

The Estimates for 2013 should reach the University Grants Commission *on or before 17th August, 2012.*

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). 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 2013 and discouraged additional funds from time to time.

Registrars / Bursars 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.

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

- Cc:
1. Secretary/Ministry of Higher Education
 2. Chairman/UGC
 3. Vice-Chairman/UGC
 4. Secretary/UGC
 5. Chief Internal Auditor/UGC
 6. Accountant/UGC
 7. Registrars of Universities
 8. Bursars of Universities
 9. SAR/AR/ of Institutes/Campuses
 10. SAB/AB/ of Institutes/Campuses
 11. Engineer/IDD/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/Universities