



## UNIVERSITY GRANTS COMMISSION

INTERNAL AUDIT CIRCULAR LETTER : 02/2019

No.20, Ward Place,  
Colombo 07  
15.05.2019

Vice-Chancellors of Universities  
Rectors of Campuses  
Directors of Institutes

### **EXCESS/SURPLUS FUNDS IN CURRENT ACCOUNTS MAINTAINED FOR TREASURY GRANTS/ COLLECTION/ GENERATED FUNDS/ PROJECTS AND OTHER GRANT ACCOUNTS**

The Commission at its 1007<sup>th</sup> meeting held on 04<sup>th</sup> April 2019 having considered the recommendation of the Audit Committee of the UGC, granted approval to implement the following procedures with regard to Excess/Surplus Funds in Current Accounts in the University System.

- i. Funds to be utilized in a very effective manner and funds in excess of future months commitments should not be idle in current accounts.
- ii. Treasury Funds: The monthly cash flow forecast should be prepared based on actual/estimated commitments and any excess or unutilized funds in any month due to unavoidable reason should be adjusted in next month's cash flow. If not, funds should be returned to the Treasury immediately.
- iii. All current accounts, including Treasury recurrent and capital accounts should be linked to overnight investment agreements.
- iv. Funds in Collection/Generated funds/Projects and other grants or deferred expenditure should be transferred to short term investments with due approval (Approval of the Governing Council/Board of Management on the recommendation of the Finance Committee) until due commitments would be met.
- v. All investments shall be made in State Banks specified in the Public Enterprises Circular No. 02/2018 dated 14.11.2018.
- vi. Approval for investments should be obtained from the General Treasury in terms of Section 11 of the Finance Act No 38 of 1971 and Section 8.2.2 of the Public Enterprises Circular No. PED 12 dated 02.06.2003.
- vii. Approval for such anticipated investments should be obtained at the beginning of the year.
- viii. Anticipated development plans should be submitted to the Treasury along with the above (vi).

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ix. Quotations shall be called from Institutes indicated in the Section 2 of the Public Enterprises Circular No. 02/2018, if opportunities are available.

x. Documents related to the above process should be maintained in separate file.

Please take action accordingly.



Prof. Mohan de Silva  
Chairman

- Copies
1. Secretary/Ministry of City Planning, Water Supply & Higher Education
  2. Chairman's Office/UGC
  3. Vice-Chairman/UGC
  4. Members of the UGC
  5. Secretary/UGC
  6. Deans of Faculties
  7. Registrars of Universities
  8. Internal Auditor/UGC
  9. Accountant/UGC
  10. Bursars of Universities
  11. Librarians/SAL/AL of Universities/Campuses/Institutes
  12. Deputy Registrars/Snr. Asst. Registrars/Asst. Registrars of Campus /Institutes
  13. Deputy Bursars/Snr. Asst. Bursars/Asst. Bursars of Campuses/Institutes
  14. Deputy Internal Auditors/Snr. Asst. Int. Auditors/Asst. Int. Auditors of Universities
  15. Auditor –General
  16. Govt. Audit Superintendents of Universities
  17. Secretaries of Trade Unions

File No. UGC/CIA/F/IA Cir./1