



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 01/2025

14th March 2025

Vice-Chancellors of Universities
Rectors of Campuses
Directors of Institutes

Annual Allocation - 2025

HEAD No. 214 – University Grants Commission (UGC)

The Budget Estimates - 2025 have been prepared in consultation with the Universities/Higher Educational Institutes and submitted to the Department of National Budget (NBD) as approved by the University Grants Commission at its 1140th meeting held on 5th February 2025.

The NBD recommended the Capital Block Grant (CBG) and Recurrent Block Grant (RBG) for the year 2025 under the Head No.214 and it was passed by the Parliament of Sri Lanka on 10th March 2025.

Summary of Annual Allocation – 2025 (Rs. Mn)

Category/Object title	Revised Budget 2024	Actual Expenditure up to 31 st December 2024	Estimates submitted by the UGC - 2025	Estimates Approved by NBD - 2025
Recurrent Grants	65,211	64,483	88,353	75,200
Capital Grants	7,500	6,744	28,658	10,500
Total	72,711	71,227	117,011	85,700

The University wise allocation - 2025 is given in Recurrent Grants (Annex -1) and Capital Grants (Annex-II)

1. Preparation of Annual Budget

The Annual Budget for the year 2025 expected to be prepared in line with the Public Financial Management Act No.44 of 2024 (PFM Act), 2025-2027 Medium Term Fiscal Framework (MTFF). In view of the highly restricted fiscal space, allocations for the year 2025 have been made discouraging new constructions, expansion of office spaces, purchase of new furniture and equipment, new recruitments, acquisition of lands for the new projects other than for ongoing infrastructure projects, purchase of new vehicles other than essential utility vehicles by the Budget 2025.

Accordingly, Universities/HEIs are requested to prepare the Budget and Annual Action Plan as per the approved allocation for the year 2025. The specific guidelines and specimen Formats I – XIV are given in this circular.

2. Capital Block Grant (CBG)

CBG has been allocated to the Universities/HEIs to expedite and complete the ongoing construction projects, maintenance, rehabilitation and improvement of existing assets and other priority requirements of the Universities/HEIs.

The Universities/HEIs are required to identify key rehabilitation projects with special attention for the rehabilitation of student hostels, canteen etc. and utilization of capital block grant should be ensured by the Accounting Officer of University/HEIs

3. Establishment of Faculties of Technology – Funds are allocated only for the ongoing construction projects related to establishment of Technology Faculties in Universities – Rs. 730 Mn.

4. Recurrent Expenditure Block Grant (RBG)

Recurrent Expenditure Block Grant for the year 2025 has been allocated by the NBD based on the estimates submitted by the Universities/HEIs. Funds for the Personnel emolument have been allocated considering the request made by the Universities/HEIs for the filling of vacancies.

5. Payment for Student Bursaries and Mahapola – Treasury Contribution

Funds for the payment of student Bursaries and Mahapola Scholarships are allocated based on the existing circular provisions and payment should be made in line with guidelines given by the UGC.

6. Funds for the Postgraduate Institutes and Other Higher Educational Institutes

- a) Recurrent Grants for the payment of Personal Emoluments have been allocated to the Postgraduate Institute of Archeology (PGIAR), Postgraduate Institute of Pali and Buddhist Studies (PGIPBS), Postgraduate Institute of English (PGIE), Postgraduate Institute of Indigenous Medicine (PGIIM) and Postgraduate Institute of Medical Sciences (PGIMS), by the Budget 2025.

- b) Funds for other recurrent expenditure and capital expenditure have been allocated for the PGIMS as the newly established institute. Funds for capital expenditure have been allocated to the PGIPBS to settle the outstanding payments of the ongoing project and PGIAR for the rehabilitation and improvement of existing buildings.
- c) Institute of Human Resource Advancement (IHRA), National Institute of Library and Information Sciences (NILLIS), Institute of Biochemistry, Molecular Biology and Biotechnology (IBMBB) and Institute of Agro Technology and Rural Sciences (UCIARS) are advised to finance their budget by the generated income. However, Recurrent Grants have been allocated to finance the personal emoluments and Capital Grants have been allocated to IBMBB for Research and Development activities and facilitate proposed undergraduate programmes.
- d) Postgraduate Institutes (PGIs) and Other Higher Educational Institutes (OHEIs) which offer fee levying courses are requested to maintain the Institute as financially independent institute. Budgetary support from the GOSL has been curtailed since 2023. The PGIs and OHEIs are requested to adhere with decisions conveyed by the Finance Circular No.11/2023

7. The Detailed Annual Procurement Plan

Universities/HEIs are required to prepare the detailed Annual Procurement Plan as per the Procurement Guideline 4.1.3 and it should be submitted with the Annual Budget - 2025.

8. Annual Action Plan

Universities/HEIs are required to prepare an Action Plan for the year 2025 as per the guidelines given by the Corporate Governance for State Owned Enterprises issued by the Finance Circular No.08/2023. Funds for the capital projects will be released by the General Treasury based on the progress of the Action Plan.

9. Project Monitoring and Evaluation

Universities/HEIs are requested to monitor the progress of the utilization of allocated budget as per the provisions given by the Section 44 of the Public Financial Act No.44 of 2024 and monthly progress report should be reviewed under special agenda item by the Governing Authority of Universities/HEIs.

It is required to submit monthly report on Development Projects to the UGC as per the Format XIII and quarterly report as per the Format XIV. Two progress review meetings will be conducted by the Capital Project Monitoring Committee (CPMC) of the UGC during the month of July and October 2025.

10. Resource utilization and sharing

Universities/HEIs are requested to ensure the fully utilization of available resources and develop mechanism to share the resources such as Lecture Halls, examination halls and auditorium etc. among faculties. Vice-Chancellor of the Universities/Director of the HEIs as the Accounting Officer is responsible for maximum utilization of resources available for the University/HEIs.

11. Projects financed by Head No. 126 - Ministry of Education, Higher Education and Vocational Education

No	Name of the University/HEIs and the Project	Funding Agency	Allocation - 2025 Rs.Mn
1	12 Storied Building – Faculty of Medicine – University of Ruhuna	GOSL-MoE	834
2	Faculty of Medicine – Sabaragamuwa University	GOSL-MoE	190
3	Professorial Unit - Faculty of Medicine – University of Ruhuna	GOSL-MoE	500
4	Centre of Naval Studies and Shipping – University of Ruhuna	GOSL-MoE	113
5	Faculty of Allied Health Science - University of Ruhuna	GOSL-MoE	225
6	17 Storied Building - Faculty of Medicine- University of Colombo	GOSL-MoE	800
7	Faculty of Health Care Science - Eastern University	GOSL/Kuwait	2,400
8	Township Project - Wayamba University	GOSL/Saudi	1,900
9	Faculty of Medicine - Sabaragamuwa University	GOSL/Saudi	6,430
10	Faculty of Medicine - University of Moratuwa	GOSL/Kuwait	37
11	Faculty of Medicine –University of Sri Jayewardenepura	GOSL-MoE	212
12	Swami Vipulananda Aesthetic Institute	GOSL/India	300
13	Research and Education Capacity Improvement in Dry Zone Agriculture –University of Jaffna	GOSL/JICA	100
14	Science & Technology HRD Projects- Faculties of Technology - SUSL/KLN/RUSL and FoE-USJP	GOSL/ADB	12,300

12. General Guidelines

- a) In terms of 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 to submit their capital expenditure program to the UGC to obtain approval of the Hon. Minister of Finance in this regard.

- b) Please e-mail (budget@ugc.ac.lk) a **soft copy of the Budget prepared as per the Format I to XIV, Detailed Annual Procurement Plan and Action Plan** for the year 2025 on or before **25th March 2025** with a copy to National Budget Department (rajaguru.rmsm@nbd.treasury.gov.lk).
- c) This circular together with all annexes are available for download at www.ugc.ac.lk
- d) If further clarifications are required in this regard, please contact Accountant on 011-2685021 or e-mail - finance@ugc.ac.lk. or Senior Assistant Accountant/Budget & Finance on 011-2123490.



Senior Professor Kapila Seneviratne
Chairman

- Cc:
1. Secretary/Ministry of Education, Higher Education and Vocational Education
 2. Director General- National Budget Department
 3. Vice-Chairman/UGC
 4. Secretary/UGC
 5. Registrars of Universities/DR/SAR/AR of Institutes/Campuses
 6. Accountant/UGC
 7. Bursars of Universities/DB/SAB/AB/ of Institutes/Campuses
 8. Internal Auditor/UGC
 9. Engineer/IDD/UGC
 10. Snr. Asst. Accountant/UGC
 11. Auditor General

Allocation - 2025
Head No. 214 - University Grants Commission
Summary - Recurrent Grant

Rs. '000

	University/Institute	Personal Emoluments	Other Recurrent	Total Recurrent
1	University Grants Commission	400,000	400,000	800,000
	Payment of Mahapola Scholarships	-	2,360,000	2,360,000
	Payment of Bursary	-	2,240,000	2,240,000
2	University of Peradeniya	8,200,000	900,000	9,100,000
3	University of Colombo	6,400,000	725,000	7,125,000
4	University of Sri Jayewardenepura	6,600,000	925,000	7,525,000
5	University of Kelaniya	5,450,000	600,000	6,050,000
6	University of Moratuwa	3,600,000	625,000	4,225,000
7	University of Jaffna	4,100,000	650,000	4,750,000
8	University of Ruhuna	4,800,000	725,000	5,525,000
9	The Open University of Sri Lanka	3,200,000	-	3,200,000
10	Eastern University, Sri Lanka	1,850,000	450,000	2,300,000
11	South Eastern University of Sri Lanka	1,900,000	400,000	2,300,000
12	Rajarata University of Sri Lanka	2,500,000	600,000	3,100,000
13	Sabaragamuwa University of Sri Lanka	2,650,000	625,000	3,275,000
14	Wayamba University of Sri Lanka	2,200,000	500,000	2,700,000
15	Uva Wellassa University	1,300,000	600,000	1,900,000
16	University of the Visual & Performing Arts	1,300,000	400,000	1,700,000
17	Gampaha Wickramarachchi University of Indigenous Medicine	700,000	225,000	925,000
18	University of Vavuniya	640,000	250,000	890,000
19	Trincomalee Campus	450,000	225,000	675,000
20	Postgraduate Institute of Agriculture	-	-	-
21	Postgraduate Institute of Archaeology	100,000	-	100,000
22	Postgraduate Institute of Science	-	-	-
23	Postgraduate Institute of Pali & Buddhist Studies	85,000	-	85,000
24	Postgraduate Institute of English	40,000	-	40,000
25	Postgraduate Institute of Humanities & Social Sciences	-	-	-
26	Postgraduate Institute of Indigenous Medicine	30,000	-	30,000
27	Postgraduate Institute of Medical Sciences	13,000	2,000	15,000
28	Institute of Human Resource Advancement	100,000	-	100,000
29	University of Colombo School of Computing	470,000	30,000	500,000
30	Institute of Technology University of Moratuwa	602,000	218,000	820,000
31	National Institute of Library and Information Sciences	40,000	-	40,000
32	Institute of Biochemistry, Molecular Biology and Biotechnology	140,000	-	140,000
33	Swami Vipulananda Institute of Aesthetic Studies	375,000	105,000	480,000
34	National Centre for Advanced Studies in Humanities & Social Sciences	25,000	20,000	45,000
35	University of Colombo, Institute for Agro-Technology and Rural Sciences	120,000	-	120,000
36	Institute of Allergology and Immunology	20,000	-	20,000
37	Postgraduate Institute of Medicine	-	-	-
38	Postgraduate Institute of Management	-	-	-
	TOTAL	60,400,000	14,800,000	75,200,000

Allocation - 2025
Universities & HEIs
Summary - Capital Grant - Head No.214 and Head No.126

Rs. '000

	University/Institute	Head 214 - UGC	Head 126 - MoE	Total Capital Grant	
1	University Grants Commission	260,000	-	260,000	
2	University of Peradeniya	900,000	-	900,000	
3	University of Colombo (Head No. 126 - Faculty of Medicine)	600,000	800,000	1,400,000	
4	University of Sri Jayewardenepura (Head No. 126 - Faculty of Medicine)	700,000	212,000	912,000	Note I
5	University of Kelaniya	600,000	-	600,000	Note I
6	University of Moratuwa (Head No. 126 - Faculty of Medicine)	600,000	37,000	637,000	Note I
7	University of Jaffna (Head No. 126 - Faculty of Agriculture)	600,000	100,000	700,000	
8	University of Ruhuna (Head No. 126 - Faculty of Medicine, Centre of Naval Studies & Shipping & Faculty of Allied Health Science, Professorial Unit)	500,000	1,672,000	2,172,000	
9	The Open University of Sri Lanka	75,000	-	75,000	
10	Eastern University, Sri Lanka - (Head No. 126 - Faculty of Health Care Science)	250,000	2,400,000	2,650,000	
11	South Eastern University of Sri Lanka	400,000	-	400,000	
12	Rajarata University of Sri Lanka	750,000	-	750,000	Note I
13	Sabaragamuwa University of Sri Lanka - (Head No. 126 - Faculty of Medicine)	600,000	6,620,000	7,220,000	Note I
14	Wayamba University of Sri Lanka (Head No. 126 - Township Project)	400,000	1,900,000	2,300,000	
15	Uva Wellassa University	550,000	-	550,000	
16	University of the Visual & Performing Arts	300,000	-	300,000	
17	Gampaha Wickramarachchi University of Indigenous Medicine	250,000	-	250,000	
18	University of Vavuniya	450,000	-	450,000	
19	Trincomalee Campus	450,000	-	450,000	
20	Postgraduate Institute of Agriculture	-	-	-	
21	Postgraduate Institute of Archaeology	10,000	-	10,000	
22	Postgraduate Institute of Science	-	-	-	
23	Postgraduate Institute of Pali & Buddhist Studies	60,000	-	60,000	
24	Postgraduate Institute of English	-	-	-	
25	Postgraduate Institute of Humanities & Social Sciences	-	-	-	
26	Postgraduate Institute of Indigenous Medicine	-	-	-	
27	Postgraduate Institute of Medical Sciences	2,000	-	2,000	
28	Institute of Human Resource Advancement	-	-	-	
29	University of Colombo School of Computing	-	-	-	
30	Institute of Technology University of Moratuwa	128,000	-	128,000	
31	National Institute of Library and Information Sciences	-	-	-	
32	Institute of Biochemistry, Molecular Biology and Biotechnology	10,000	-	10,000	
33	Swami Vipulananda Institute of Aesthetic Studies (Head No. 126 - Construction of Building)	150,000	300,000	450,000	
34	National Centre for Advanced Studies in Humanities & Social Sciences	75,000	-	75,000	
35	University of Colombo, Institute for Agro-Technology and Rural Sciences	-	-	-	
36	Institute of Allergology and Immunology	100,000	-	100,000	
37	Postgraduate Institute of Medicine	-	-	-	
38	Postgraduate Institute of Management	-	-	-	
	Establishment of Technology Faculty of the Universities	730,000	-	730,000	
	TOTAL	10,500,000	14,041,000	24,541,000	

Note I - In addition Rs.12,300Mn allocated from ADB Project to finance Engineering Faculty - SJP, Technology Faculty - RUSL, KLN,SUSL and Medical Faculty - MRT