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UNIVERSITY OF RUHUNA

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MATARA, SRI LANKA.

12.11.2009

Internal Circular No. 1/2009

**Circular for the Management of Revenue from Fund Generating Programmes and Research Grants of University of Ruhuna.**

Internal Circular 1/2009 made by the Council of the University of Ruhuna under Section 137 of the University Act No. 16 of 1978

**1. Fund Generating Activities :**

**Total Revenue**

Total revenue of all externally funded programmes of the University of Ruhuna can be categorized as follows:

- I. Direct Cost
- II. Indirect Cost

**I. Direct Cost**

Following items are categorized under the direct cost as per the guidelines given in the Public Finance Circular No.380

- a) Cost of out-sourced resource persons including their traveling and subsistence.
- b) Expenses incurred for telephone and fax, hiring charges and maintenance charges of vehicles and equipment, etc.
- c) Material consumed (stationary, hand book, printing, photocopying, etc.)
- d) Field expenses, surveys, meeting, inaugural ceremony, convocation including refreshments.
- e) Expenses incurred for publicity and advertising activities.
- f) Government taxes.

Budget should prepare according to the following guidelines.

- Component of direct cost for out-sourced resource persons (part (a) above) should not be more than 20% of the total revenue.
- Charges for hiring equipment for the programme from the departments of the University should be transferred to the Department Development Fund of the respective department.

**II. Indirect Cost**

After deducting the direct costs [(a)+(b)+(c)+(d)+(e)+(f)] from the total revenue, the balance will be the indirect cost.

$$\text{Indirect Cost} = \text{Total Revenue} - \text{Direct Costs}$$

Disbursement of indirect cost should be done as follows:

**Table 1- Disbursement of Indirect Cost**

Item No.	Description	Academic Related Programme	Consultancy Services
1	University Fund	20	20
2	Utilities *	10	05
3	Internal Staff Payments (Teaching & Administration)	65	70
4	VC Fund	03	03
5	Dean's Fund	02	02
	Total	100	100

\* Utilities: Lecturer Halls, Furniture, Laboratories, Water, Electricity, etc.

- i. Any balance of indirect cost should be transferred to the University Fund
- ii. Under exceptional circumstances the programmes which are unable to contribute the percentages mentioned in Table 1 to the relevant funds shall be approved by the Council in considering the services to the University and benefits to the community only for a specific period. However, no programme should be started or continued with losses.

## 2. Research Projects

Direct and Indirect Costs for local and foreign research projects should be disbursed as follows:

Item	%
Direct and Indirect Cost	90
University Overhead	<u>10</u>
	<u>100</u>

## 3. Distribution of University Funds (See Table 2)

University Funds should be disbursed as given in Table 2

**Table 2 : Disbursement of University Fund**

Item	University Development Fund %	Relevant Faculty/s Development Fund %	Relevant Department/s Development Fund %	Total %
Courses which are conducted by the relevant Department/s	15	15	70	100
Courses which are conducted by the relevant Faculty/s	30	70	-	100

## 4. University Development Fund

The Vice-Chancellor is responsible for managing the University Development Fund as per the approved guidelines.

**5. Faculty Development Fund**

The Dean of the Faculty is responsible for managing the Faculty Development Fund as per the approved guidelines.

**6. Department Development Fund**

Head of the Department is responsible for managing the Department Development Fund as per the approved guidelines.

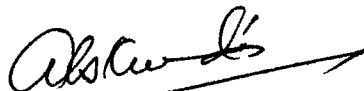
**7. Programme Review**

The coordinator or the person in charge should submit the following reports to the Vice-Chancellor through the official channel.

- A report on the financial status for every six-month period.
- An annual progress report.
- A comprehensive report at the end of the programme.

The continuation of the programme will be decided by the Vice-Chancellor based on the above reports.

This circular is issued with effect from 15.01.2009



18.11.2009

Vice-Chancellor

- Cc :
1. Deputy Vice-Chancellor
  2. All Deans
  3. Librarian
  4. Registrar
  5. Bursar
  6. All Head of Departments/ Divisions
  7. Superintendent of Government Audit
  8. Assistant Internal Auditor