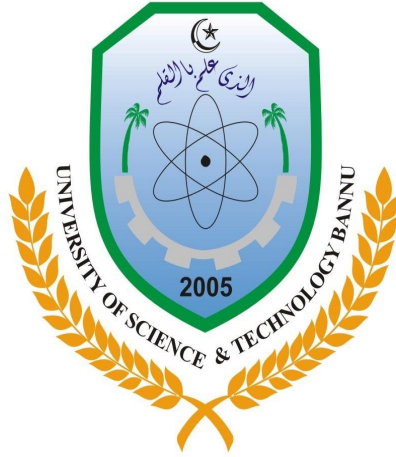


University of Science & Technology Bannu

Khyber Pakhtunkhwa
Pakistan



FINANCIAL RESOURCE DEVELOPMENT PLAN FY2022-23

Administration Block, Main Campus, Bannu Township Bannu
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1. Introduction

The University of Science and Technology, Bannu formally established in November, 2005. The University since its inception is imparting quality higher education and research work, operating in the following campuses:

Campuses:

The University is comprised of its Main Campus, Bannu Township Bannu, City Campus-A Bannu City, City Campus-B Bannu City, Sub Campus Women located inside Main Campus Bannu Township, Commercial Market & Shopping Plaza, all these having total covered area of 1402 Kanal.

Teaching Departments & Studies:

The University is successfully passes through stages of developments and during its 17 years of age it has lunched 17 Nos of Teaching Departments offering market-oriented degree programs in 33 Nos of Academic Programs. There are total 4200 Nos of on-campus students. These students are the main source of revenue of the University for which Total 155 Nos Teaching and 448 Nos of Non -Teaching staff have been recruited.

01. Finance

1.1: Background:

The University of Science & Technology, Bannu meets its expenditure through two major sources. First, through grant received from the Federal Government through HEC and second, through own sources. Since its establishment in 2005 major parts of own sources came through Students Fee; however, more recently emphasis is laid on tapping other sources and at the same time the University is going to initiate a long-range of financial management and human resource management reform to rationalize its cost and human resources.

The recurring grant of the Federal Government constitute main portion 60% of the University budget over the period. However the recurring grant allocation has been declined and kept frozen for the last four years and now it contribute to 40% of the budget despite the fact the salary and non-salary expenditure has been enhanced due to the merging of the ad-hoc relief allowances, annual increments, increase in pension and two digit inflation of non-salary items. This has not only adversely affected the academics expansion, and research activities but also jeopardized the quality of higher education in the University.

The decrease level of allocation of the recurring grant has put this University into financial hardship the University is not only struggling for payment of the monthly salaries of the employee but also unable to transfer pension contribution @ Rs.33.33% of the average basic pay in r/o every regular employee of the university to the Pension fund a/c. The stoppage or reduce level of transfer of pension contribution toward the pension fund is mainly due non availability of fund which is a potential risk in future to pay post-employment benefit in term of pension liability to the University employees.

The University has conducted actuarial studies of the pension by hiring the services of M/S Anwer Associates for June 30, 2021. The report result shows that the University pension fund is deficit by Rs.1420 million and recommends that the University start contribution @ Rs.154% of the basic pay per month instead of existing rate i.e. Rs.33.33% toward the pension fund to meet the shortfall. However, despite the recommendation, the University is unable to transfer pension contribution w.e.f July 1st 2022. Currently the salaries payment and transfer of fund on a/c of pension contribution to meet future liabilities are the main issues and require special attention of the University management. The University has framed strategies in the subsequent paragraphs of this documents to make the university finances more sustainable and cope the future challenges.

The Recurring Grant allocated for the last four years are mounting to Rs.254.568 million for the FY 2019-20, Rs.280.532 million for the FY 2020-21, Rs.286.314 million for the FY 2021-22, Rs.286.314 million for the FY 2022-23.

1.2: Sources of Income

The UST, Bannu meet its expenses from students fee and Grant from Higher Education Commission (HEC) .

(Rs. In Million)

S.No	Source of Income	Targets	Baseline	Three years target		
			2020-21	2021-22	2022-23	2023-24
2.2.1	Student fee(Tuition fee, Registration fee, Admission fee, Examination fee, Degree fee, etc)	420	287.171	325.754	380.921	419.013
2.2.2	Income from Bank Accounts (Interest on PLS a/c)	25.00	6.776	21.112	22.00	25.00
2.2.3	Miscellaneous income (Fine, Tender Fee, Auction of scrap material, job application etc)	15.00	12.50	13.5	14.375	15.00
2.2.4	Income from strategic business units (Canteen, Photostat, Shops, Rent, Transport, Hostel, Prospectus etc)	8.00	7.411	4.984	5.482	8.00
2.2.5	Income from subsidiary companies/units if any	0	0	0	0	0
2.2.6	Income from consultancies (Consultancy Services provided to other Organization or General Public)	0	0	0	0	0
2.2.8	Donation from Government (Recurring Grant)	0	0	0	0	0
2.2.9	Income from subsidiary companies/units if any (Income from affiliated colleges)	3.00	1.672	2.049	2.254	3.00
2.2.10	Tapping other sources	0	0	0	0	0
2.2.11	HEC Grants (Recurring Grant, Additional Grant, TTS, Need Base Scholarship)	450.00	280.532	286.314	286.314	320.00
2.2.12	Govt: of Khyber Pakhtunkhwa - Provincial Grant	0	0	0	0	0
	Total	921.00	596.062	653.713	711.346	790.013

1.3: Financial sustainability

The University of Science & Technology, Bannu is a non-profit organization and established solely for education purpose and not for profit. However by and large, the University is generating approximately 40 % of the required revenue by way of fees and other miscellaneous receipts. For the remaining 60 % the Higher Education Commission is providing funds in shape of recurring grant. However, in view of the prevailing economic conditions, the grants coming from the HEC had been kept at frozen level for the last four years. It is due to this reason that alternate and unconventional financial resources are required to be explored. In regard the University is going to initiate a long-range of financial management and human resource management reform to rationalize its cost and human resource

1.3.1 Income and Expenditure Statement - Attached at Annex - A

1.3.2 Balance Sheet – Attached at Annex - B

1.3.3 Cash flow statement –Annex - C

1.3.4 Maintaining financial bed

The UST, Bannu has already opened Endowment Fund bank a/c and approved the Endowment Fund rules. The University required one time Grant of Rs.500 million as seed money from the Provincial Government. The amount shall be invested at the highest markup rate by inviting bids from the commercial banks as per the decision of the University Investment Committee. The profit thus earned will be utilized as per Endowment Fund Rules and will be helpful in the future sustainability of the University.

10.3.5 Long term investment

The UST, Bannu has currently no surplus fund in its salary a/c for long-term investment however the University invests the surplus fund of the GP Fund and Pension Fund (Employees Liability) in the form of Term Deposit Certificate (TDR) with the commercial banks, after inviting bids from the banks. The investment is made with the highest bidder as per the decision of the University investment committee.

10.3.6 Adopting and maintaining Entrepreneurizing culture

UST, Bannu is itself a heartwarming story of entrepreneurship, established in the Year 2005 in a Government Building in Bannu city. It has now full-fledged two campuses spread in the City and Bannu Township, Bannu. Establishing a real-life corporate entrepreneurship, the Institute lays emphasis in realizing the strength of individuals and systems, creating an environment that spurs creativity and risk-bearing. This university has successfully completed the project of Business Incubation Centre in September, 2022 and has signed MoU with the Government of Khyber Pakhtunkhwa for establishing the IT Technology Park in the University. This will give opportunity to both the faculty members and the students of the region to carried out Research work and bring it into the economic main stream. The students and faculty are being encouraged to launch their own companies.

Goals:	
<ul style="list-style-type: none"> a) To enhance the resource generation capacity and ensure its sustainability in the University. b) Endowment Fund c) To promote entrepreneurial culture by setting companies and business and technology park. d) Tapping other areas e) Adherence to the Government rules & regulations f) Austerity measures 	
Strategy- 1	Action
To enhance the enrollment of the University Students	<ul style="list-style-type: none"> 1. Launching of new market-oriented departments and introduction of new programs in the existing departments. 2. Introduction of afternoon and evening shift programs in various market-oriented departments 3. Establishment of Sub-campus Women University 4. Strengthening of Students Facilitation Services eg. Hostel accommodation, Canteen, Cafeteria, Students transport services, sports playground, Gymnasium center, PERN Internet service free of cost, library service, online admission portal system and pay-Pro Mobile service. 5. Various Scholarships Schemes in the University: <ul style="list-style-type: none"> (a) Need Base Scholarship (b) Ahsaas Scholarship (c) Merit Base Scholarship
Strategy- 2	Actions
To enhance income through Endowment Fund	<ul style="list-style-type: none"> 1. More Networking 2. Activating alumni for more fund raising 3. strengthen relationship with the community 4. Provincial Govt: to provide seed money as one time Grant of Rs.500 million
Strategy-3	Actions
Grant from National and International Donors and Agencies	<ul style="list-style-type: none"> 1. Apply for more call for proposal for more consultancy, patents, rights etc. 2. Donation of fund for construction activities and scholarships to the students.
Strategy-4	Actions
Tapping other Areas for resource generation	<ul style="list-style-type: none"> 1. Constructions of shops, canteen etc within the University premises through public-private partnership. 2. MOU should be signed with various testing agencies NTS, ETC, ETEA etc and the University premises can be given prescribed rates.

	3. The administration may allocate few rooms of the foreign faculty hostel to the guest while proper policy and accommodation charges may be devised for these rooms.
Strategy-5	Actions
Adherence to the Govt: rules & Regulations	<ol style="list-style-type: none"> 1. Full-Time Treasurer from among the University administrative Officers. 2. Double Entry Book-keeping 3. Establishment of a Pension Fund 4. Actuarial Studies of Pension 5. Internal Audit and Internal Check 6. Post Audit by the DG(Audit) Provincial 7. Investment through the University Investment Committee 8. Third-Party Audit through CA Firm 9. Implementation of the Contributory Provident Fund Rules -2022 w.e.f July,01,2022
Strategy-6	Actions
Reducing Operational Expenditure	<ol style="list-style-type: none"> 1. Fixing limit of POL consumption for staff car 2. Enhancing 3-extra credit hours to the existing work load of the University Teachers 3. Establishing of the solar power project to reduce the expenditure of electricity bills and POL charges of the stand by Generator by 50% which otherwise would have been incurred from the University budget. 4. Implementation of the Contributory Provident Fund Rules w.e.f July 1st, 2022 to reduce the potential risk- cost of retirement benefits of the University employees.

Key Result Areas (KRAs), Key Performance Indicators (KPIs) and Targets:

Finance

KRAs	KPIs	Targets	Baseline	Three Years Targets		
			2022	2023	2024	2025
Enhancement in the enrollment of on-campus students	Increase in own sources by enhancing the enrollment of students	To meet 40% Expenditure of the budget	3788	4200	4500	4800
Cost savings by using optimal capacity of the Teaching	Assigning 3- credit hours extra workload to the Teachers over and above the HEC Criteria	To reduce expenditure on a/c of extra classes to the	Rs.120 million	Rs.140 million	Rs. 150 million	Rs.180 million

staff		Teachers				
Sustainability through Endowment Fund	Establishing the Endowment fund through the University Alumni and Provincial Govt: Grant as a Seed money	To raise the fund up to Rs.500 million and invest the same to secure maximum profit for the future.	Rs.560 million	Rs.600 million	Rs700 million	Rs.800 million
Grant from National and International Donors Agencies	Improvement in the infrastructure of the University for effective utilization	Establishing of Computer lab for Chinese Language, Deptt: Libraries and Play Ground	01 computer lab	2libraries	01 Play Ground	2 Halls
Tapping other sources for resource generation	Construction of Shops/Rooms in the University premises through public private partnership. Utilization of the University space for fund generation	Rent generation from the infrastructure to be developed by through public private partnership and lending the University space for exam tests centre	Rs 0.5 Million	Rs.1.0 million	Rs.1.5 Million	Rs.2.0 million

Adherence to the Govt: rules & Regulations	Merit base decisions to bring efficiency and effectiveness in the affairs of the University Business	Avoid or reduce %age wise malpractice , irregularities and financial loses of the University due to strict adherence to the rules	100%	80%	95%	100%
Austerity Measures	<ol style="list-style-type: none"> 1. Assigning extra 3 credit hours to the Teachers over and above the HEC Policy. 2. Fixing POL Limit for staff car 3. Establishing of Solar Energy Projects 	The steps toward austerity measures will reduce the University operational cost %age wise.	50 Million	30 Million	40 Million	50 Million

1.4: Entrepreneurial thrive:

1.4.1: Adoption of the plan for the University to commercialize its Products

UST, Bannu has taken numerous initiatives through the Office of Research, Innovation and Commercialization (ORIC) to move and advance further in the modern-day's research and development that is taking place in the market. The University has established new Business Incubation Centre. The said center will groom the students to become entrepreneurs and be job-givers instead of job-seekers. The University has also signed MOU with the Government of Khyber Pakhtunkhwa for the establishment of an IT Park in the University.

1.4.2: University's programs, products and facilities can be franchised and marketed both locally and internationally

The University offers affiliations in various academic programs which may be viewed as franchising of its programs. The University has the Office of the Director of Academics which deal with all the matter of the process of affiliation of the Colleges under the rules. The affiliation fee earned through such arrangements is credited to the University Fund.

1.4.3: Outcome of Research can be commercialized

The innovative idea regarding Quality Control Section (QCS) for materials testing is in its initial stages of the feasibility study. The QCS project will be commercialized for implementation with partner industries. This project can become an opportunity for industry-wide application, particularly in the southern region of Khyber Pakhtunkhwa thus giving the opportunity to transfer technology.

Strategy Formulation: Entrepreneurial Thrive Goals: <ol style="list-style-type: none"> a) To promote and facilitate entrepreneurship by providing education, inspiration, and networking opportunities. b) To inspire and facilitate members of varied backgrounds to form foundations and collaborations for the development and launching of ideas. 	
Strategy:1	Actions
Incubation Center for providing a conducive atmosphere for new businesses.	<ol style="list-style-type: none"> 1. Adoption of a business plan for the university to commercialize its products.
Strategy:2	Actions
Setting Professional Development Centers – these centers will offer professional courses, workshops, Seminars and Conferences in line with the latest market demands to bridge the gap.	<ol style="list-style-type: none"> 1. Assess market/industry need Develop policy documents to conduct professional courses, workshops, seminars, and conferences 2. Develop Standard Operating Procedures. Develop an annual or bi-annual calendar. 3. Organize professional courses, workshops, seminars and conferences. 4. Evaluate the program and conduct an impact study.
Strategy-3	Actions
Cultivate Entrepreneurship	<ol style="list-style-type: none"> 1. Hold awareness campaigns, and workshops on entrepreneurship conducted by active entrepreneurs (success and failures). Through business incubation programs establish networking opportunities for entrepreneurs to learn and succeed. 2. Develop Entrepreneurship Development Centers across all UST, Bannu campuses

**Key Result Areas (KRAs), Key Performance Indicators (KPIs) and Targets:
Entrepreneurizing the University:**

KRAs	KPIs	Targets	Baseline	Five Years Targets		
			2022	2023	2024	2025
Entrepreneurship Thrive	4 No of Incubation Centers to be developed	04	01	02	03	04
	Quality Control Section (QCS)	01	0	0	1	0
	Establishment of Technology Park	01	0	01	0	0

1.5: Resource allocation and administrative efficiency

Meager financial resource has always been a major problem with the growing operational expenditure of the University. The University will establish cost center and will charge the specific center for all costs incurred on behalf of that center. This will include HR Costs and over-overhead costs. This cost data will be then used to find out the costs in various departments which will depict clear picture of resource allocation and administrative efficiency. Based on the aforementioned data, coupled with the revenue generated by the cost center would be used to rationalize resources to ensure maximum efficiency.

Strategy Formulation: Resource allocation and administrative efficiency

Goals:

- a) To rationalize expenditure through effective administrative and financial control in the University
- b) To utilize the service of the employees in an effective manner to enhance efficiency and performance

Strategy	Action	Time Frame	Responsibilities
Improving Operational Efficiencies through Accounting, Fee Control and Salary System.	<ol style="list-style-type: none"> 1. Setting up effective administrative and financial control 2. Comprehensive internal review and assessment of all departments to improve the administrative and academic performance. 3. Development of a Financial Plan to encourage Entrepreneurial efforts and activities taking into account the cost pattern as well 	2023-2024	Registrar Office Treasurer Office QEC , Dean Offices and Chairperson of Departments

**Key Result Areas (KRAs), Key Performance Indicators (KPIs) and Targets
Administration:**

KRAs	KPIs	Targets	Baseline	Five Years Targets		
			2022	2023	2024	2025
E-Governance Systems (Enterprise Resource Planning -ERP , Campus Management Solution -CMS)	To introduce Enterprise Resource Planning -ERP, Campus Management Solution -CMS	100%	40%	60%	80%	100%

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Pak Rupees	2020 Pak Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	937,074,080	990,923,327
Capital work in progress	6	65,624,262	30,089,916
		1,002,698,342	1,021,013,243
CURRENT ASSETS			
Short term investments	7	675,800,000	515,938,821
Advances & deposits	8	19,113,152	23,071,027
Cash & bank balances	9	523,865,715	380,492,690
		1,218,778,866	919,502,538
		2,221,477,208	1,940,515,781
FUNDS & LIABILITIES			
FUNDS			
General fund	10	(367,493,222)	(281,412,551)
NON CURRENT LIABILITIES			
Pension fund	11	2,082,005,392	1,946,657,000
CP fund		94,286,090	86,839,826
Grant in Aid	12	312,064,346	138,401,465
		2,488,355,828	2,171,898,291
CURRENT LIABILITIES			
Accounts payable	13	100,614,603	50,030,041
Contingencies & commitments	14	-	-
		2,221,477,208	1,940,515,781

The annexed notes form an integral part of these financial statements.


VICE CHANCELLOR

16.9.22


DIRECTOR FINANCE

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	NOTE	2021 <i>Pak Rupees</i>	2020 <i>Pak Rupees</i>
INCOME			
Student fee	15	153,619,154	127,068,856
Hostel fee	16	4,921,970	6,248,550
Examination fee	17	83,402,718	46,639,206
Other collections	18	38,451,427	16,056,977
Profit on investment / PLS accounts	19	12,300,133	36,175,115
Other income	20	8,455,119	-
Recurring grant from HEC	21	283,163,534	298,672,952
		584,314,055	530,861,656
EXPENDITURE			
Personnel	22	451,155,360	433,547,246
Operational	23	90,953,405	66,224,714
Promotional	24	1,675,415	33,298,498
Legal & professional	25	3,541,449	2,884,703
Depreciation	5	123,069,097	122,231,536
		670,394,726	658,186,697
		(86,080,671)	(127,325,041)
(DEFECIT) FOR THE YEAR			
OTHER COMPREHENSIVE INCOME			
Remeasurement loss (Actuarial loss)		-	(1,375,989,995)
TOTAL COMPREHENSIVE (LOSS)		(86,080,671)	(1,503,315,036)

The annexed notes form an integral part of these financial statements.

Kr. Jam'
VICE CHANCELLOR
16.9.22

[Signature]
DIRECTOR FINANCE
[Signature]

UNIVERSITY OF SCIENCE & TECHNOLOGY BANNU
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2021

	2021 <i>Pak Rupees</i>	2020 <i>Pak Rupees</i>
CASH FLOW FROM OPERATING ACTIVITIES		
(Deficit) for the year	(86,080,671)	(1,503,315,036)
Adjustments For Non-Cash Changes And Other Items:		
Depreciation	123,069,097	122,231,536
Operating Cash Flow Before Working Capital Changes	36,988,426	(1,381,083,500)
Working Capital Changes:		
(Increase) / Decrease In Current Assets		
Advances & Deposits	3,957,875	(18,075,806)
Increase / (Decrease) In Current Liabilities		
Accounts Payable	50,584,562	719,686
Net Working Capital Changes	54,542,437	(17,356,120)
Net Cash Flow From Operating Activities	91,530,863	(1,398,439,620)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in Property, Plant & Equipment	(69,219,850)	(24,081,133)
Addition in Capital WIP	(35,534,346)	(27,820,413)
Grant received	173,662,881	111,955,245
Short Term Investment	(159,861,179)	(147,824,528)
Net Cash Flow From Investing Activities	(90,952,494)	(87,770,829)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from GP fund / Pension	142,794,656	1,464,609,278
Net Cash Flow From Financing Activities	142,794,656	1,464,609,278
Net Changes in Cash & Cash Equivalents	143,373,025	(21,601,171)
Cash & Cash Equivalents at start of the year	380,492,690	402,093,861
Cash & Cash Equivalents at end Of the year	523,865,715	380,492,690

The annexed notes form an integral part of these financial statements.

K.T. Jam
 VICE CHANCELLOR
 16.9.22

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 DIRECTOR FINANCE
