

**BRIEFING NOTE**

**RUFORUM BOARD FINANCE & ADMINISTRATION COMMITTEE MEETING**

**22<sup>ND</sup> JUNE 2020**

**REPORT ON FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 MAY 2020**

The total income received during the period ending 31 May 2020 was US\$ 10,547,353 compared to US\$ 10,663,910 expected.

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MAY 2020**

	11 months to 31-May-2020 US\$	12 months to 30-Jun-2019 US\$
Income	10,840,904	4,148,309
Expenditure	(4,768,447)	(7,886,513)
<b>Operating (Deficit)/ Surplus</b>	<b>6,072,457</b>	<b>(3,738,204)</b>
Net Finance Income	120,787	116,266
<b>(Deficit)/ Surplus for the year</b>	<b>6,193,244</b>	<b>(3,621,938)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>6,193,244</b>	<b>(3,621,938)</b>



The total income earned during the period was US\$ 10,840,904 (2018/19: US\$ 4,148,309). The expected income for 2019/20 was US\$ 10,663,910 which is US\$ 116,557 more than the actual income received during the period. The income earned includes accrued subscription income for the year.

During the period, Bill and Melinda Gates Foundation awarded RUFORUM a supplementary grant of US\$ 2.5 million. In addition, we received a post-doctoral grant from Carnegie Corporation of New York of US\$ 1.5 million. This explains the significant increase in Income when compared to the prior year. On the other hand, the anticipated funds from AFDB Korea and refund from World Bank SHAEA project were not received. Management is following up on the outstanding funding and is engaging new partners through the various proposals submitted.

#### **In-kind contributions:**

1. Government of Ghana and Universities in Ghana headed by University of Cape Coast in support of November, 2019 AGM. We are following up on documentation of Ghana financial contribution.
2. Hosting the Secretariat by Government of Uganda
3. Universities contributions by sponsoring the VCs attendance at the AGM
4. Zambia Higher Education Day
5. GTA financing

The net finance income for the year related mainly to the **interest income obtained from the fixed deposits** amounting to US\$ 182,042 and **foreign exchange losses** of US\$ 61,255 due to the movement of the US Dollar in relation to the Euro and Uganda Shilling rates.



The organization's **expenditure** of US\$ 4,768,447 is much lower when compared to the prior year. Some activities (advocacy, governance meetings, trainings, Monitoring and evaluation among others) initially planned to be undertaken in the third and fourth quarter of the financial year were put on hold due to the COVID -19 pandemic.

The expenditure for the period included the following:

- Expenses incurred in awarded **BSc, MSc, PhD and Post Doc grants**, and related activities during the year (US\$ 1,910,531);
- **Salaries and other benefits** for the Secretariat staff (US\$ 1,343,309);
- Holding of the **Annual General Meeting in November, 2019** in Ghana, governance body meetings and other meetings and conferences (US\$ 1,011,174);
- **Marketing and dissemination and monitoring and implementation of other project** activities (US\$ 146,183); and
- Other project costs (US\$ 210,548). These are mainly **consultancies** which include: TAGDEV Evaluation and home validation activities, facilitation during Students orientation and skills trainings, facilitation of proposal write-shops, evaluation of young innovators proposals, monitoring and evaluation of CARP projects, among others.



## STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2020

ASSETS	31-May-2020	30-Jun-2019
	US\$	US\$
<b>Non-current Assets</b>		
Equipment	31,940	62,591
<b>Current Assets</b>		
Cash and bank	6,173,141	1,966,019
Advances to member universities	4,970,221	3,391,027
Receivable - member subscriptions	867,253	573,702
Other receivables	423,107	309,205
	<b>12,433,722</b>	<b>6,239,953</b>
<b>Total Assets</b>	<b>12,465,662</b>	<b>6,302,544</b>
<b>ACCUMULATED FUND AND LIABILITIES</b>		
<b>Accumulated fund</b>		
Accumulated fund	12,073,180	5,879,935
<b>Current Liabilities</b>		
Payables and accruals	392,483	422,609
<b>Total Accumulated fund and liability</b>	<b>12,465,663</b>	<b>6,302,544</b>

### EQUIPMENT

The total value of equipment decreased during the period mainly due to the effect of depreciation charge (US\$38,223).

### CASH AND BANK

The cash and bank balance at 31 May 2020 was US\$ 6,173,141, which significantly increased compared to the prior year. The outstanding cash balance as at 31 May 2020 is to be used to implement pending project activities, grants to member universities and settle outstanding payables and suppliers' invoices.



Part of these funds is US\$1,388,099 held on a fixed deposit account with Standard Chartered Bank and ABSA Bank as part of a trust fund for future sustainability of RUFORUM.

### **ADVANCES TO MEMBER UNIVERSITIES**

The advances to member universities increased by US\$ 1,579,194 compared to the prior year. This was mainly due to the disbursements during the period which totaled to US\$ 3,201,050. The accountabilities received totaled to US\$ 2,156,945 as a result of regular follow up by the Secretariat with the Principal Investigators who have outstanding advances.

### **RECEIVABLE – MEMBERSHIP SUBSCRIPTION**

The receivable in membership subscription increased by US\$ 293,551 from US\$ 573,702 at 30 June 2019 to US\$ 867,253 at 31 May 2020. This is mainly due to the increase in the number of member universities from 105 to 126, and a reduction in the subscription payments to US\$ 336,449 when compared to US\$ 400,190 received in the previous year. Management at RUFORUM Secretariat continues to undertake measures to regularly follow up on universities that are in arrears.

### **CURRENT LIABILITIES**

These relate to staff gratuity payable, Withholding Tax (WHT), other payables and accruals.



## GENERAL OBSERVATIONS

During the period ending 31 May 2020, the following were undertaken:

1. A number of investments in fixed deposits were made during the period.

The table below highlights the details:

Date Fixed	Source of funds	Currency	Amount Fixed	Rate	Period	Maturity Date	Interest in USD
14-08-19	Unutilized BMGF funds	UGX	1,287,810,000	11.25%	1 year	14-08-20	34,207
23-08-19	Trust fund	UGX	1,152,265,769	11.30%	1 year	23-08-20	30,743
03-09-19	Utilised MCF project funds	USD	2,000,000	1.80%	6 Months	04-03-20	15,300
03-09-19	Utilised MCF project funds	USD	1,500,000	1.90%	3 Months	04-12-19	6,056
07-02-20	Trust fund	UGX	2,073,519,348	13.15%	1 year	06-02-21	64,380
07-02-20	MCF Savings from Salaries & overheads	UGX	662,767,130	13.15%	1 year	06-02-21	20,578
25-03-20	Utilised MCF project funds	USD	2,000,000	1.10%	3 months	23-06-20	4,611

2. The accumulated funds invested in fixed deposits for the future sustainability of RUFORUM currently stand at US\$1,388,099
3. Regular follow up on membership subscription in arrears. As per the Board's approval, no grants are awarded to universities that are more than 3 years in arrears in payment of annual membership subscriptions.
4. The following financial reports to Donors were prepared and submitted during the year;



- i) BMGF Phase II - Year 5 financial report for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> September 2019
- ii) The MasterCard Foundation – quarterly reports
- iii) Carnegie Post Doc Project – End of year report
- iv) DAAD in- region and in country project – Annual report
- v) Sentinel project – Annual financial report

### **Looking ahead:**

1. Secretariat needs to raise funds to sustain its activities in line with the Vision 2030 Strategy.
2. There is ongoing discussion with the Arab Bank for Economic Development for a grant of \$550,000
3. The Uganda Government is still to finalize its agreement with BRIDGIN Foundation for constructing the RUFORUM Secretariat Headquarters and other high tech facilities in Uganda.

