

A Study on Utilization of Funds in University Libraries in Kerala

by

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Abstract

Government allocation remains the major source of revenue in University library. Kerala is not an exemption. The financial situation of a library affects the quality of all its resources and services. Libraries receive funds at the end of the financial year, thereby leaving not much time for the library to utilize the allocated grants. Funds allocated cannot be rolled over from one financial year to the next. Kerala University Library had very low percentage of variance when comparing to MG and Calicut University Libraries in Non-Plan. Among the three universities, Kerala University alone has budget provision for preservation and reprography of books and periodicals. In Plan-fund, Calicut University was the best one in fund allocation and utilization in modernization category. Librarians are responsible for utilization of allocated amount in time and then only the university authority will allocate the amount for coming years.

Key words: University Library, Budget, Finance, Utilization of fund, Variance, Kerala.

Introduction

Financial management is one of the most complex areas of management. Whatever funds are there that must be used carefully and effectively. Budget can be described as a policy in which expenditures and incomes are based. Libraries are probably one of the very few institutions funded by the State and provided free service to the public without expecting any measurable accountability or tangible return. Government allocation remains the major source of revenue to University library. Kerala is not an exemption. One source of funding is not enough and also it needs to seek alternative sources. Apart from printed materials, the proliferation of ICTs and IT professionals has provided alternative sources of information through the worldwide web, online and traditional bookstores, databases, cybercafés and much more. The financial situation of a library affects the quality of all its resources and services. New proposals for the improvement of

libraries cannot move forward without adequate funding and its proper utilization. According to Emojoorho (2004), to ensure effective financial management and to avoid uncertainty or waste of financial resources, budgets and budgeting become vital. Therefore, a scientific way of budgetary planning and allocation is important.

Statement of problem

Most of the libraries are following age-old methods of budgeting and accounting and they are following the line-by-line budgeting method. Libraries receive funds at the end of the financial year, thereby not leaving much time for the library to utilize the allocated grants. Funds allocated cannot be rolled over from one financial year to the next. Libraries therefore must either use it or lose it. The central universities and IITs directly receive funds from the central government and hence their libraries get better financial support in time than libraries of state universities. This study is undertaken to find out how much the allocated amount was utilized.

Objectives of the Study

The main objective of the study is 1.To find out how much the allocated amount was utilized 2.To find the percentage of variation of utilization of fund and comparison between the three traditional University Libraries under Non-Plan and Plan fund allocated by the University in its budget proposals.

Methodology

For the purpose of present study, three traditional Universities such as University of Kerala, University of Calicut and Mahatma Gandhi University have been selected. The study is basically analytical in nature. The relevant data are collected from the concerned University. Data are collected from all sources of finance, fiscal allocation and utilization of the respective University Libraries for the period of eleven years since 1999. The percentage of variation in utilization is calculated from the allocated amount.

Review of Literature

Okojie (2010) stated that many African libraries depend largely on foreign aids and donor agencies for collection development. While the concept of getting donor support is acceptable

and is encouraged, however, the practice of some libraries, which rely entirely on resources from donor agencies to develop their collection, is unacceptable. Every library should have a budgetary allocation for collection development in order to provide effective services.¹Amritpal Kaur (2011) explains that the proportional financial allocation method is a convenient way of developing the library system in consonance with the development of the university. If this method is strictly adhered to, any increase of financial allocation in the university will automatically increase the financial allocation for the university library.²Tim Blumentritt, (2006) reported that grants are released for the University of Jammu library in the months of September to October and various departmental libraries and the central library are supposed to spend the allocated amount by 31 March of the next year i.e. before the closing of the financial year. Under such circumstances the libraries try to acquire whatever existing in the market at the time of availability of funds. The library receives 5 percent of the budget for recurrent expenditures because management pays staff salaries. Funds released for library use do not usually reach the approved percentage (5 percent).

Percentage of variance of utilization in University Libraries in Non-Plan

Year	Salary			Books & Periodicals			Binding		
	KUL	MGU L	CUL	KUL	MGU L	CU L	KUL	MGU L	CUL
1999-2000	36.0	118.4 5	-9.0	5.6	No amount was allocated in Non-Plan	- 46.6	-3.0	-23.33	-50.0
2000-2001	74.2	- 27.18	20.3	-0.1		- 57.5	0.0	100.00	-50.0
2001-2002	-15.2	- 33.18	-26.6	-0.1		0.0	0.0		0.0
2002-2003	-22.2	- 38.14	-33.0	-1.2		526. 0	-14.0		0.0
2003-2004	-26.8	- 28.23	-0.1	0.0		588. 0	-29.0		0.0

2004-2005	-17.3	32.04	22.2	0.0	-	40.6	0.0	-84.6
2005-2006	-9.2	13.62	2.4	0.0	-	0.0	-92.7	-88.9
2006-2007	4.1	-3.27	16.8	0.0	-	50.3	100.0	-5.6
2007-2008	-4.7	2.64	-0.2	0.0	-	50.3	-1.0	-100.0
2008-2009	-12.2	2.39	5.9	0.0	-	-0.5	0.0	-33.3
2009-2010	-9.4	13.29	-4.2	0.0	-	-0.2	0.0	-100.0
Average	-0.25	-3.54	-0.5	0.38	-	78.9	-	-61.67
							21.79	-46.58

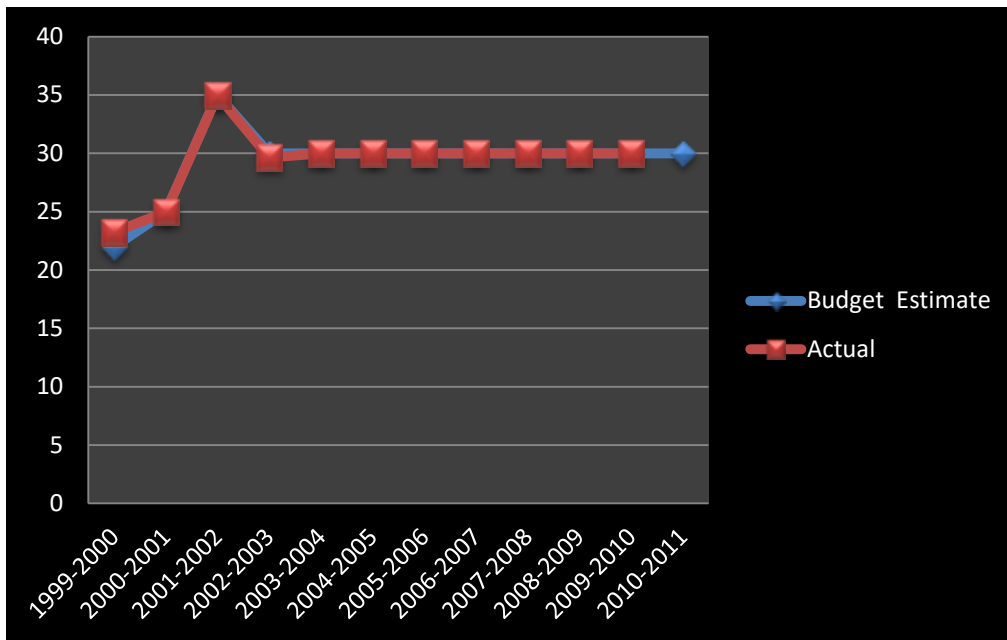
The salary variance of Kerala University shows only three years there was positive variance i.e. actual amount exceed the budgeted amount. The highest percentage of variance was 74.2 in 2000-2001 and least was 4.1 in 2006.2007. There was no correct estimate in the study period. In M.G. University four years actual exceed the budgeted amount. The maximum variance was Rs.- 23.89 lakhs and minimum was Rs. 2.15 lakhs in 2008-2009 which was least Percentage (2.39). The highest percentage of variance was 118.45 in 1999-2000 i.e. actual expenditure increased in double time. In Calicut University only five years the actual exceeded the budgeted amount. The maximum of Rs.-26.39 lakhs which had the highest percentage of 33.0 and least amount was Rs.-0.1 which had least percentage of -0.1. When comparing with the three universities the highest percentage of variance was in M.G. University at 118.45 in 1999-2000, and least was in Calicut University at -0.1% in 2003-2004. No one university has accurate predicted of salary estimate.

In Kerala University fifty percentages of the study periods, utilized estimated amount for purchase of books and periodicals. Only four years there was negative variance .This negative variance was very meager. In 1999-2000 alone variance was positive. Positive variance was excess utilization and negative variance was underutilization. The minimum variance was Rs.- 0.01 and the maximum was Rs.1.24 lakhs which had the highest percentage of 5.6 in 1999-2000.

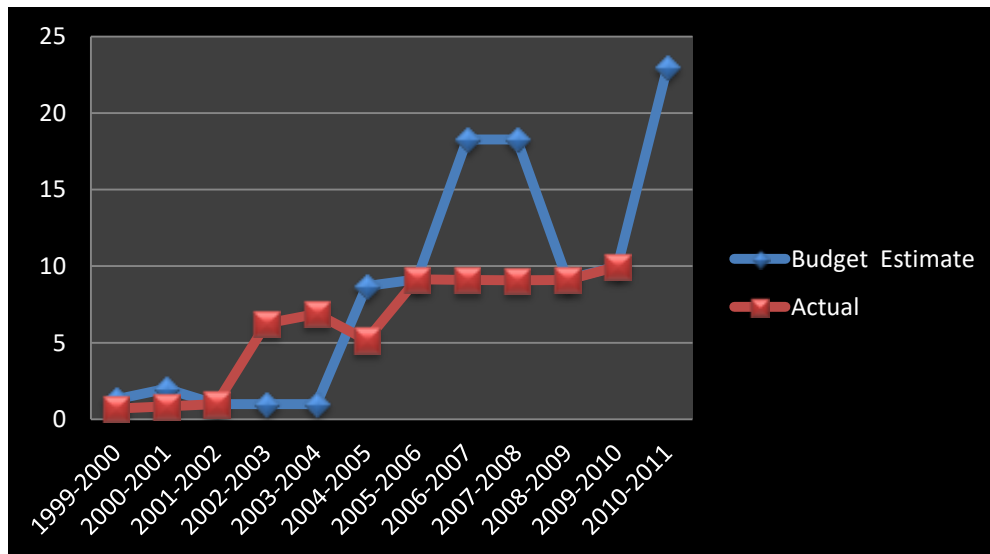
The least percentage was -0.01. In M.G. University there was no allocation of fund to books and periodicals in non-plan. Calicut University there was an underutilization of books and periodicals in seven years and remaining years it was excess utilization. The variance was between Rs.-0.02 lakhs to Rs. -9.20 lakhs. Only two years there was full utilization of fund. The maximum variance was Rs.-9.20 lakhs and minimum was Rs -0.02 lakhs which was least percentage. The highest percentage was 588 since there was diversion of fund to books and periodicals. Among the three universities, 0.38% was the least average variance in Kerala University Library.

In Binding variance of KUL, only six years there was negative utilization and remaining five years full amount was utilized. Hence there was no variance. In 2006-2007 there was no amount was utilized .The minimum variance was Rs. -0.01 lakhs which had the least percentage i.e. -1.0. In M.G. University first two years alone binding fund was allocated. First year there was underutilization .The percentage was -23.33. In 2000-2001 no fund was utilized. In Calicut University all the study periods there was negative utilization of funds. Two year no amount was utilized. The amount of variance was between Rs. -0.01 lakhs to –Rs. 0.25 lakhs. The least percentage of variance was -5.6. Only four years the variance was above 50%.When comparing with the universities, Kerala University had utilized majority of the amount and least number of years no amount was utilized. Kerala University had the least variance i.e.-1.00% when comparing to other universities.

Distribution of variance of B&P in the University of Kerala Library in Non-Plan



Distribution of variance of B&P in the Calicut University Library in Non-Plan



Percentage of variance of utilization in the University Libraries in Non-Plan

Year	Prese r- vatio n	Repro- graphy	Computer			Other charges		
	KUL	KUL	KUL	MGU L	CUL	KUL	MGU L	CUL
1999-2000	- 100.0	- 51.7	- 100.0	- 88.94	- 100.0	- 17.3	- 24.21	- 47.1
2000-2001	- 100.0	- 38.3	- 96.6	- 100.00	- 96.6	- 33.5	- 30.70	- 73.0
2001-2002	- 100.0	- 100.0	- 78.5		- 78.5	- 11.8	- 18.96	- 3.2
2002-2003	- 100.0	- 63.8	- 53.4		- 53.4	- 5.8	- 8.91	- 6.6
2003-2004	- 100.0	- 100.0	- 98.1		- 98.1	- 13.3	- 31.43	- 6.0
2004-2005	- 100.0	- 60.0	- 64.7		- 64.7	- 5.0	- 47.20	- 53.1
2005-2006	- 100.0	- 73.3	- 36.7		- 36.7	- 38.6	- 99.12	- 56.2
2006-2007	- 100.0	- 0.0	- 23.3	- 100.00	- 23.3	- 53.8	- 360.7 1	- 41.9
2007-2008	- 65.9	- 28.0	- 8.0	- 100.00	- 8.0	- 52.4	- 35.46	- 40.4
2008-2009	- 100.0	- 82.5	- 10.5	- 54.40	- 10.5	- 16.7	- 30.30	- 33.2
2009-2010	- 100.0	- 7.5	- 33.0	- 2.67		- 14.3	- 15.79	- 45.5

Average	-96.9	-55.01	-	54.80	-74.33	-56.98	-	20.39	6.09	34.05
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Among three universities, Kerala University alone has budget provision for preservation and reprography of books and periodicals. University had allocated amount in all years. Only in 2007-2008 alone the portion of amount was utilized. The lowest variance of utilization was Rs. -0.58 lakhs which has percentage of -65.9. In reprography 2006-2007 full amounts was utilized, in two years no amount was utilized and all other periods utilization was below the budgeted amount. The minimum percentage of variance was -7.5 and maximum was -82.5.

In variance of computer of KUL, first year of the study period no amount was utilized and remaining periods the variance was negative, between Rs. -0.21 lakhs to Rs.-1.87 lakhs .There was no excess utilization. The percentage of variance was high i.e. -98.1 in 2000-2001 and the least was -8.0 in 2007-2008. During the study period majority of the year variance was above -25% and only one year alone less than 10%. In M.G. University out of six years allocation, only fifty percentage of year no amount was utilized. In 2005-2006 Rs.7.44 lakhs was utilized without allocation of fund. This may be done through diversion of fund. The minimum amount of variance was Rs.-0.04 lakhs which had the least percentage. All variance were underutilization. In Calicut University first year of the study period alone the budgeted amount was not utilized. The variance was between Rs. -0.06 lakhs to Rs. 1.79 lakhs. The highest percentage of variance was -96.6 and least was -8.0. When comparing to the three universities, Kerala University Library had very low average variance.

The other charges include lighting, water charges, traveling allowance, seminar charges, bank commission, and salary for contingent employee and gardening. In Kerala University Library, only three years the excess amount was utilized. The variance ranges between Rs. 0.42 lakhs to Rs.-10.46 lakhs. The highest percentage of variance was-53.8 and least was -5.0 in 2004-2005. In MG University Library, only two years excess amount was utilized. The range of variance was between Rs. -0.61 lakhs to Rs. -13.48 lakhs. The percentage of variance the highest was 360.71 and the least was -8.91 in 2003-2004. Majority of the periods the variance was above 25% and only one year alone less than 10%. In CUL, three years excess utilization was made. The variation was between Rs. 0.05 lakhs to Rs. -3.69 lakhs. The percentage of variance was high (-

73.0) in 2005-2006 and the least was 6.0 in 2003-2004. When comparing to universities, Calicut University had utilized excess amount in three years but other universities had only two years. The least percentage was 3.2 in Calicut University. The highest percentage was 360.91 in M.G. University.

Percentage of variance of utilization in the University Libraries in Plan fund

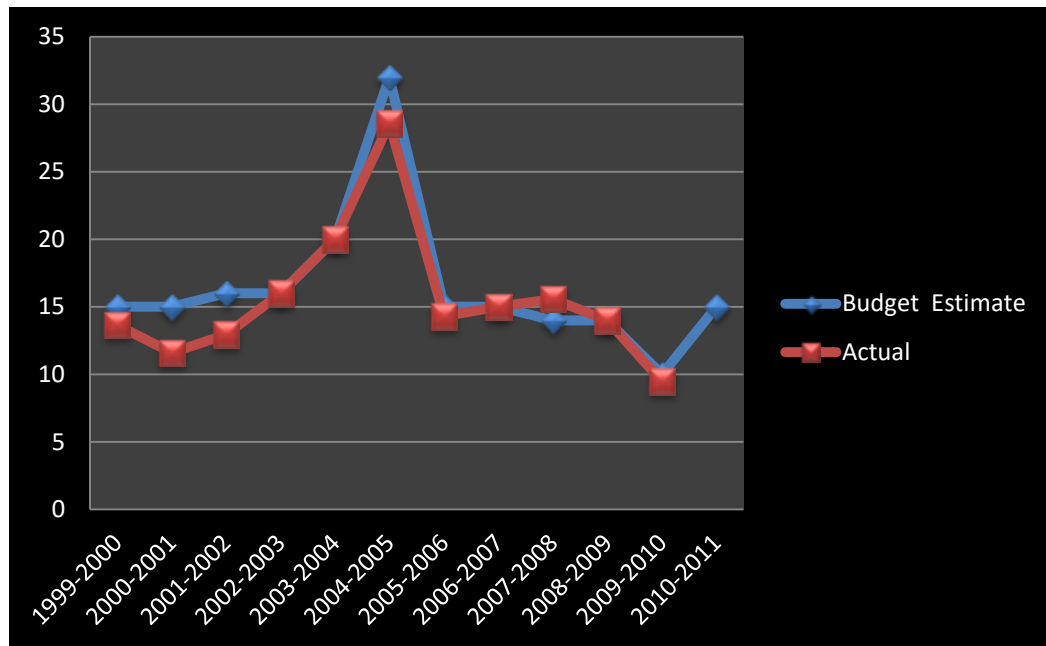
Year	Books & periodicals			Equipment			Modernization		
	KUL	MGU L	CUL	KUL	MGU L	CUL	KUL	MGU L	CUL
1999-2000	-8.9	-24.0	-	-	-	100.0	-	-2.0	24.6
2000-2001	-22.6	-9.8	0.0	-	-98.5	-82.0	-	100.0	30.8
2001-2002	-19.1	-0.8	70.0	-41.7	-62.8	-37.2	-	-44.7	-27.0
2002-2003	0.0	-19.1	-	-	-38.8	-	-29.5	-65.1	0.0
2003-2004	0.0	-6.9	-	-	-90.0	-	-56.7	135.6	0.0
2004-2005	-10.7	-16.7	-	-36.1	-8.0	-67.7	-86.1	-78.7	0.0
2005-2006	-4.6	-35.4	-	-	-68.0	100.0	-70.4	-54.4	-7.8
2006-2007	0.0	-18.3	-	-	-77.3	-43.1	-	-99.8	-16.3
2007-2008	11.3	-41.4	3.6	0.0	-94.5	-	-	-98.8	-48.0
2008-2009	-0.1	-44.6	-43.0	-8.3	-70.4	-	-	72.0	-12.0
2009-2010	-5.3	-40.5	-	-	-34.0	-	-	-41.2	0
Average	-5.45	23.41	-7.65	21.52	64.23	71.67	60.68	34.28	2931.3

In Kerala University only three years full amount was utilized. The variance was between Rs. -0.01 lakhs to Rs. -22.6 lakhs. The highest percentage of variance was -22.6% in 2000-2001 and least percentage was -0.1 in 2008-2009. During the study periods only four years the variance was less than-10% and only one year alone the variance was above 20%. M.G. University had negative variance in all the study periods. The highest variance was Rs. -45.98 lakhs and least variance was Rs.-0.29 lakhs. The least percentage of variance was -0.08 and maximum was -44.6. The five years the variance was above 25% and only three years less than 10%. Calicut University only one year alone full amount was utilized and two years without budgeted amount library purchased books by diversion of fund. The variance of amount was between Rs. 0.25 lakhs to Rs.21.10 lakhs. When comparing to the universities, three year in KUL, one year in Calicut and M.G. no year full amount was utilized. There was two years excess utilization made in Calicut and one year in Kerala and no excess utilization in MGL. The least percentage of variance was -0.1 in Kerala University and highest was 70 in Calicut University.

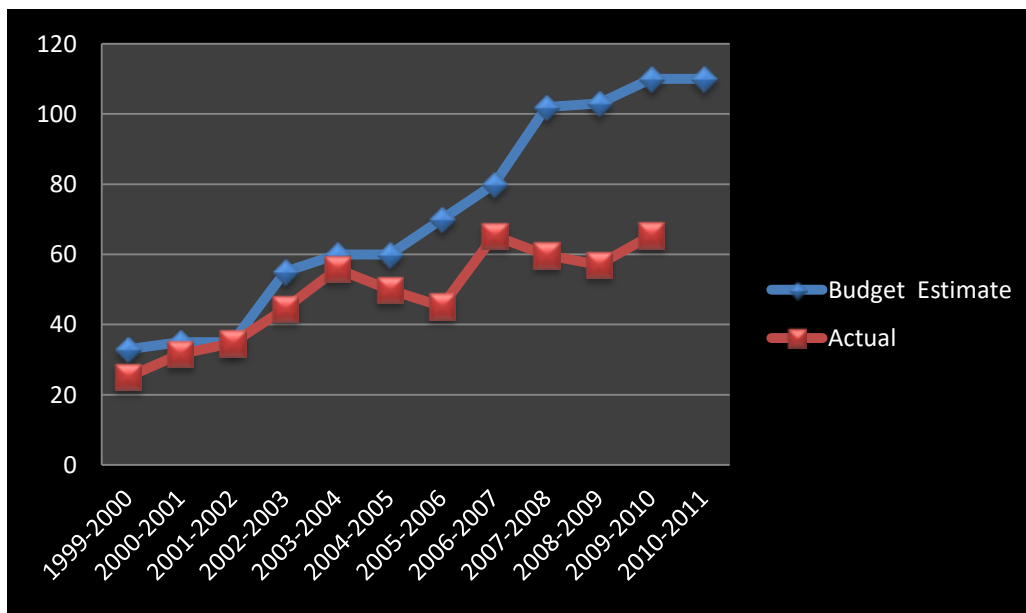
Kerala University Library only four years alone equipment fund was allocated in Plan fund. Among this only one year full amount was utilized another and three years there was less utilization. The lowest variance was Rs. -0.09 lakhs which has less percentage of -8.3 and the highest variance was Rs. -5.06 lakhs which has the highest percentage i.e. -41.7. Among three years of variance, two years it was above 35%. In MGUL variance was between Rs. -0.32 lakhs to Rs.-70.86 lakhs. During the first year of study period equipment fund was utilized by diversion of fund. The highest percentage of variance was -98.5 and least was -8.0 in 2004.2005. The majority of periods the percentage of variance was more than 62.00. Only one year alone the variance was less than 10%.In CUL only seven years equipment fund was allocated. Among this 2005-2006 and 1999-2000 no fund was utilized and 2007-2008 the amount was utilized by diversion of fund. The variance was between Rs. 0.38 lakhs to Rs.-33.85 lakhs. The highest percentage was -100 and least was -37.2. All the variance was above 35%. When comparing to the universities, M.G. University allocated fund for equipment for ten years, Calicut University for seven years and Kerala University for four years. Diversion of fund was made for one year in Calicut and Kerala University. The least percentage of variance was -8.0 and highest variance was -98.0 both are in M.G. University.

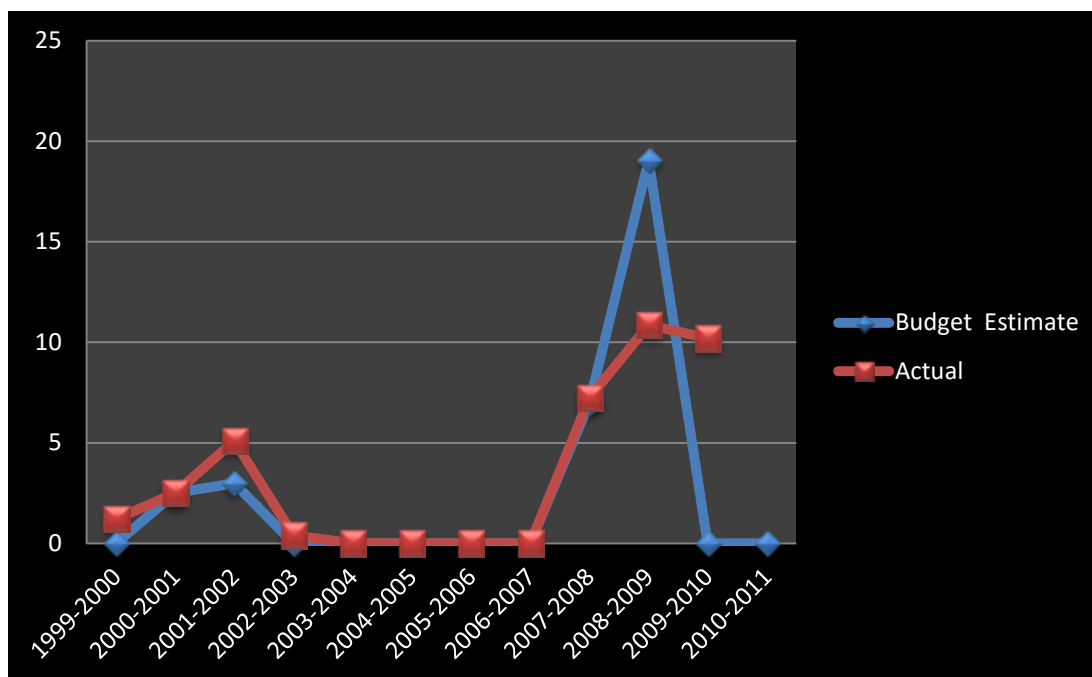
In modernization category KU had allocated fund for four years. Only one year the fund was utilized by diversion of fund. The range of variance was Rs.1.6 lakhs to Rs. 8.61 lakhs. The highest percentage of variance was -86.1 and least was -29.5. The majority of the years the variance was above 55%. M.G. University allocated fund in all years. Only two years there was excess utilization, one year no fund was utilized and remaining year there was negative variance. The variance was between Rs. -0.04 lakhs to Rs. - 2.46 lakhs. The highest percentage of variance was 135.6 and the least was -2.0. The majority of the years the variance was above 40% and only one year alone less than 10%. In Calicut University, fund was allocated in all years. Among this, two years full amount was utilized and one year amount was utilized by diversion of fund. The range of variance was between Rs.-0.39 lakhs to Rs.3.23 lakhs. When comparing to the three universities, Calicut and M.G. University had allocated modernization fund to all years but Kerala University had only four years. The least percentage of variance was -2.05 in M. G. University. Calicut University was the best one in fund allocation and utilization of modernization category.

Distribution of variance of B&P in the University of Kerala Library in Plan



Distribution of variance of B&P in the M.G University Library in Plan fund



Distribution of variance of B&P in the Calicut University Library in Plan fund

Findings: When comparing the three universities in salary head, the highest percentage of variance was in M.G. University at 118.45 in 1999-2000 and least was in Calicut University at -0.1 in 2003-2004. No one university has accurately predicted the salary estimate. As far as average variance is concerned, Kerala University Library had the least percentage of variation i.e. -0.25. In Kerala University fifty percentage of the study periods utilized the estimated amount for purchase of books and periodicals. Only four years there was negative variance which was very meager. In M.G. University there was no allocation of fund for books and periodicals in non-plan. Calicut University there was an underutilization of books and periodicals fund in seven years and remaining years it was excess utilization. In binding Kerala University had utilized majority of the amount and one year alone no amount was utilized. Kerala University had the least variance i.e. -1.00% when comparing to other universities. Among the three categories of variance, Kerala University Library had a very low percentage of variance when comparing to other university libraries. Among the three universities, Kerala University alone had budget provision for preservation and reprography of books and periodicals.

In variance of computer fund, first year of the study periods no amount was utilized and remaining periods the variance was negative in KUL. In MG all variances were negative i.e. underutilization. In average variance in other charges, MGUL alone had positive variance i.e. all allocated amount was utilized, and all other universities had negative variance. Books and Periodicals in Plan fund, when comparing to the universities, Kerala University had three years, Calicut for one year and M.G.no year full amount was utilized, hence average variance was very low in KUL. Calicut and M.G. University had allocated modernization fund to all years but Kerala University had only for four years.

Conclusion

Many University libraries in India struggling just to maintain their existing levels of operation and service due to financial problems, fund-raising, fee based services, careful budgeting and the most appropriate use of financial resources are essential to generate resources for additional requirements of the library and to solve existing financial problems. Sufficient financial allocation is essential, but this is more difficult in recent years. Due to the increasing cost of library materials and inflation, University libraries the world over are facing a critical situation. Usually university released special fund at the end of the financial year, making libraries to buy materials in an uncoordinated and hurried manner. This should be avoided. Performance-based resource allocation models can provide a fair and transparent budget allocation in university libraries. Librarians are responsible for utilization of allocated amount in time then only the university authority will allocate amount in coming years.

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