

Glossary:Public general university funds

Statistics Explained

Universities usually draw on three types of funds to finance their **research and development (R & D)** activities:

1. R & D contracts and earmarked grants received from **government** and other **outside sources** . These should be credited to their original source.
2. Income from endowments, shareholdings, and property, plus receipts from the sale of non-R & D services such as fees from individual students, subscriptions to journals, and sales of serum or agricultural produce. These retained receipts are clearly the universities' "**own funds**". In the case of private universities, these may be a major source of funds for R & D.
3. The **general grant** they receive from the Ministry of Education or from the corresponding provincial or local authorities in support of their overall research/teaching activities.

This case gives rise to a conflict between the principle of tracing the original source and that of using the performer's report and also to some disagreement about how the criterion concerning the intentions of the funder should be applied.

- In the *first approach* one argues that, as government is the original source and has intended at least part of the funds concerned to be devoted to R & D, the R & D content of these **public general university funds (GUF)** should be credited to government as a source of funds.
- Using the *second approach* , one argues that it is within universities that the decisions are taken to commit money to R & D out of a pool which contains both "own funds" as narrowly defined in n°2 and public general university funds; therefore, the sums concerned should be credited to **higher education** as a source of funds.

While no recommendation can be made for national practice, government-financed GUF should be credited to the public sector as a source of funds for the purposes of international comparisons. For clarity, publicly financed **gross domestic expenditure on R & D (GERD)** is divided into two sub-categories:

- direct government funds;
- public general university funds (GUF).

The following procedures should be adopted:

- GUF should be separately reported and any adjustments to the R & D costs series should take account of real or imputed social security and pensions provisions, which should be credited to GUF as a source of funds;
- monies from the higher education "block grant" should be classified as GUF, and other monies generated by the sector should be considered as "own funds";
- adjustments related to "other current costs" to account for real or imputed payments of rents etc., should be debited to direct government funds.

Statistical data

- [R&D expenditure](#)

Source

- OECD, "Main Definitions and Conventions for the Measurement of Research and Experimental Development (R&D). A Summary of the Frascati Manual 1993", OECD, Paris, 1994 - [pdf](#)