

Section 3. Financial Regulations

These regulations will guide the Project Leader and Authorised Representative of the Grantee in terms of:

- i. what costs can/cannot be covered, and to what extent;
- ii. correct and thorough administration of APN funds by all project members, including those scientists and members of the collaborating institutions as listed in the final version of the Proposal; and
- iii. proper and thorough preparation of ONE Financial Report that covers all expenses, including those of collaborating institutions, that have been made with funds from an APN grant.

I. Basic Principle

The Project Leader and the Authorised Representative of the Grantee are responsible for the thorough administration and management of APN funds. Before accepting any APN grant, the Project Leader and the Authorised Representative of the Grantee must be aware of the responsibilities associated with the APN grant, particularly:

- i. confirming that their institution is able to receive and administer remittances from abroad in a currency other than their local currency;
- ii. confirming that their institution can effectively manage fluctuating exchange rates and other financial market changes through, for example, implementation of a risk management plan/strategy, noting that APN cannot supplement and/or cover any losses due to fluctuations in the financial market; and
- iii. ensuring proper administration and management of APN funds at the institutions of project Collaborators, who must comply with the present APN Regulations.
- iv. confirming that the institution will record any accumulation of interest earned through APN funds.

As a basic principle, the APN encourages Project Leaders to use existing resources, such as employed staff, office space and equipment to the maximum extent possible, and to have joint financing arrangements.

II. Remuneration

Regulations on remuneration are outlined below.

- A. APN funds **cannot** be used for indirect administrative staff payments nor be used to replace or supplement the salary of existing researchers, including Project Leaders and Collaborators that are receiving, from their respective institutions, full-time salary

support. In certain cases, and **if agreed upon in advance** with the APN Secretariat, the following may be possible:

A-1. Project Leader/Collaborators

- i. Generally, the APN provides awards to Project Leader/Collaborators who are receiving full time salaries from their institution(s). (Recall at the proposal submission stage all Project Leader/Collaborators are asked to clarify their relationship with their respective institutions).
- ii. Payment of part-time fees may be requested to the Secretariat in advance of project activities by Project Leader/Collaborators if it can be proved by their institution(s), in writing, that they do not receive full-time salary support from their institutions for time spent on the project/activity. **Maximum limit of the total part time payment for the Project Leader/Collaborators must not exceed two months of their regular salary in any one year.**
- iii. Project Leader/Authorised Representative of the Grantee must seek prior APN approval on the amount of the part-time fee allocated to Project Leader/Collaborators in accordance with ii. above.

A-2. Employing Additional Staff (other than Project Leader/Collaborators)

The duration of part-time employment should be requested based on the need, and the remuneration should be reasonable in consideration of the standards of the country and organisational/institutional practice. Any remuneration must be in compliance with relevant laws of the country in which the part-time position is located. Please refer to points i. to iv. below:

- i. The hiring of temporary assistants, preferably postgraduate assistants working towards a Master Degree or PhD, if deemed necessary to conduct the project/activity.
- ii. Hiring under (i) would be on a part-time basis. Any full-time hiring must be requested and agreed in advance with the APN Secretariat.
- iii. Project Leader/Authorised Representative of the Grantee must seek prior approval from the APN Secretariat on remuneration in accordance with ii. above.
- iv. The PL must seek prior approval from the APN Secretariat for changes to the Contract Proposal if any of the following situations arise:
 - actual remuneration exceeds the total amount approved for additional employed staff by more than 20%;
 - the case as described in bullet point above does not apply, but the number of additional employed staff changes (either increases or decreases) by more than 20%.

B. APN funds **cannot** be used for the payment of consulting services. It is expected that all activities outlined in the final version of the proposal will be carried out by the Project

Leader/Collaborators and, if deemed necessary, part-time assistants hired to work on the project/activity. Utilising existing full-time staff in the organisations/institutions of the Project Leader/Collaborators is both expected and appreciated by the APN as in-kind support.

- C. For training workshops, seminars, etc., modest honoraria may be provided to trainers, experts, resource persons, among others, upon prior approval by the APN. Recipients of honoraria **cannot** receive a daily subsistence allowance (DSA) from APN funds.

III. Administrative Overheads

Note that indirect administrative overheads are **not permitted** for any institution engaged in the project. However, other direct and reasonable expenses such as printing, copying, communications, rental of meeting rooms, materials and supplies, etc., are permitted if they are necessary to the implementation of the project/activity and are fully documented (with all relevant receipts, etc.) in the Financial Report.

IV. Equipment

APN funding should not be seen as an opportunity to add to normal capital and equipment budgets of organisations/institutions/individuals. In most cases the most economical way to achieve a temporary increase in capacity needed for a project/activity would be through leasing and/or renting equipment for the duration of the project/activity. When leasing or renting are not available, or viable; and/or it can be demonstrated that purchasing equipment directly supports the project/activity objectives, purchase of equipment can be permitted in exceptional cases, upon prior consultation with and approval from the APN Secretariat. The transfer of ownership of equipment to Project Leader/Collaborators organisations/institutions will be subject to successful completion of the project/activity (refer to **Part 3., Section 2. Terms of Agreement, XIV. Ownership of Purchased Equipment**).

Maintenance/upgrade costs of any equipment cannot be covered with funds from the APN grant.

V. Travel

Where travel is necessary as part of the project/activity, the most **economical means of transport** consistent with effective pursuit of the project/activity should be used. At the end of the funded project/activity, actual travel costs must be reported in the Financial Report and be accompanied with the following supporting documents: invoices, receipts and, proof of travel.

Travel by air:

When travel by air is necessary for the conduct of the project/activity, **to minimise airfare costs, Project Leader/Collaborators must purchase economy class discount tickets.** Any travel upgrades are to be undertaken at Project Leader/Collaborators' own expense.

Surface transportation:

Generally, public transportation means must be used as much as possible. If public transportation is not available, use of private or rental cars may be permitted, upon prior consultation with and approval from the APN Secretariat. Relevant expenses must be duly documented in the Financial Report and supporting documents including receipts, invoices, etc., for any rental fee and/or fuel purchase must be submitted.

Upon arrival at destination (hotel/lodging), the cost for local travel is to be covered by the Daily Subsistence Allowance provided under **Part IV B. Per Diem.**

Transportation between airport and place of work, residence or hotel/lodging during mission travel may be by the most economical means available, with an upper limit of US\$30 each way. Such expenditure will be based on actual costs incurred, and proof of that expenditure must be documented in the Financial Report. If higher transportation costs are not avoidable, exceptions may be made upon prior consultation and approval from the APN Secretariat.

APN will cover the cost of any airport or other taxes incurred, as well as necessary visas and inoculations, and basic travel insurance. Excess baggage fees will be covered only for items necessary to the project/activity, and agreed upon in advance with the APN Secretariat. The APN will not cover expenses incurred from side trips or other items unnecessary to the project/activity.

Other areas that will **not be covered** by the APN

- i. Lump sum payments for domestic and international transportation.
- ii. Travel cancellation fees without a valid reason and supporting evidence.
- iii. Additional premium payments for travel insurance over basic insurance (refer to **Part 3., Section 2. Terms of Agreement, XIX. Liability for Death, Injury or Damage**).

VI. Per Diems

Per diems may be provided to project/activity team members when the performance of the project/activity requires them to travel away from their home/working place and spend one full night or more (defined as "mission trip").

A. The Per Diem consists of two parts:

- An allowance to cover the cost of basic accommodation at a three star hotel. Extra services, such as laundry, mini bar, telephone calls, etc., cannot be covered. Lump sum payments **are not permitted** by APN. Accommodation receipts must be submitted based on actual expenditure up to the maximum allowable (see more details below).

- A daily subsistence allowance (DSA). The APN defines DSA as a special allowance provided to cover the basic needs of food, non-alcoholic beverages and local transportation. Where reasonably costed meeting packages that cover basic meals of lunch, non-alcoholic beverages and tea/coffee breaks, a full DSA may be provided. Dinners or alcoholic beverages are not permitted in a meeting package. Note that any DSA provided must not exceed the maximum rate provided in the table under **B.** APN Per Diem Rates 2017.

Per Diem Rates

- i. The per diem rates are tabulated in **B.** below. Project Leaders **must** use these rates in producing their proposal budgets, in accordance with the guidance given. These rates represent the **maximum** rates for each country and are re-assessed annually.

Period of Per Diem

- ii. The Per Diem rates are separated into accommodation rate and DSA. DSA may be paid for the day on which travel begins at the rate applicable to the destination. The last day on which DSA can be provided is the day of earliest possible arrival back home.
- iii. Accommodation is payable for each night at the destination for project-related activities only. Under certain circumstances, extra days of per diem may be issued, for example, when it is necessary for the project/activity team members to stay longer in order to lower their travel costs to save funds.

B. APN Per Diem Rates 2017

- i. The accommodation rates are **maximum** allowable rates for each country and are sufficient for a **three star hotel**. Note the accommodation rate will be paid based on the actual costs as given in the receipts attached to the Financial Report (up to the maximum rate for each country).
- ii. In exceptional cases, and upon prior approval, a Project Leader may request more than the stated rate.

The 2017 rates are outlined in the following table:

	Accommodation (US\$)	Daily Subsistence Allowance (US\$)	Total (US\$)
Australia	120	52	172
Bangladesh	90	35	125
Bhutan	115	35	150
Cambodia	90	35	125
China	110	35	145
Fiji	100	38	138
India	110	35	145
Indonesia	105	35	140
Japan	115	52	167
Lao PDR	90	35	125
Malaysia	90	35	125
Mongolia	100	35	135
Nepal	85	35	120
New Zealand	110	52	162
Pakistan	100	35	135
Philippines	100	40	140
Republic of Korea	115	52	167
Russian Federation	110	52	162
Sri Lanka	110	35	145
Thailand	90	35	125
USA	135	55	190
Viet Nam	90	35	125

VII. Fellowships

When a young professional (who must be from an APN developing Approved/Member Country) is considered necessary to execute the project/activity, the Project Leaders may use APN funds for an award fellowship. The duration of the fellowship should be based on the

need. The amount of remuneration for a fellowship award must be reasonable in consideration of the standards of the country, with variations justified by the particular circumstances of cases, and subject to compliance with relevant laws of the country in which the fellowship is located. Regarding Fellowship reports please refer to **Part 3., Section 2. Terms of Agreement, VII. APN Reporting Requirements.**

VIII. Other Expenses

Any costs for tokens, souvenirs, etc. to project members, participants of any events, resources persons, among others, **cannot be covered with funds from APN.**

IX. Invoice and Remittance

- i. Project Leader and Authorised Representatives of the Grantee (who are co-signatories of APN Contract) **must confirm and inform the APN Secretariat, in writing, that their bank account is able to receive funds in US Dollars for scientific research or capacity development activities by international remittance (for banks outside Japan) and for domestic remittance (for banks inside Japan).**
- ii. APN will not make split remittances of the APN Grant to bank accounts of the Project Collaborators organisations. This is the sole responsibility of the Project Leader and Authorised Representative of the Grantee.
- iii. Invoices must be submitted in the format specified by the APN Secretariat before any remittance can be made. Please also refer to **Part 3., Section 2. Terms of Agreement, IV. Remittance of APN Grant and V. APN Grant Instalments.**
- iv. APN Secretariat will remit funds in **US Dollars** only.

X. Return of Unspent Funds

In the event that, after the end of the conduct of the project/activity, there are unspent funds from the advance payment of 80% of the total grant, said funds **must** be returned from the Grantee to the APN Secretariat in **US Dollars.**

In the event that the unspent funds are kept in a currency other than US Dollars, the Project Leader and the Authorised Representative of the Grantee **must** use the conversion rate on the date the unspent funds are returned.

In the event that any bank remittance fee exceeds the amount of unspent funds to be returned to APN, and where this can be proved by a statement or list of charges of the bank of the Grantee, said funds may be retained by the Grantee.

In the event that funds must be returned to APN:

- APN will provide an invoice to the Project Leader/Authorised Representative of the Grantee.
- The Project Leader/Authorised Representative of the Grantee must return the stipulated amount within 30 days of the date of the APN invoice.
- Evidence of the bank remittance (e.g. remittance slip) must be submitted to APN Secretariat, clearly showing the date of the remittance and exchange rate (if applicable) used by the bank.

If a Project Leader is unclear on any of the above please contact APN Secretariat for advice.