1. Financial Regulations

These regulations will guide the Project Leader, Authorised Representative of the Grantee and Project Collaborators on:

i. what expenses can/cannot be covered and to what extent;
ii. correct and thorough administration of APN funds by the Project Leader, including that of Collaborators' institutions listed in the Contract Proposal; and
iii. proper and thorough preparation of financial statements, financial breakdowns and financial reports covering all expenses incurred under the APN Grant, including those of collaborating institutions.

I. Basic Principle

The Project Leader and the Authorised Representative of the Grantee are responsible for the administration and management of APN funds. Before accepting an APN Grant, the Project Leader and the Authorised Representative of the Grantee must confirm the responsibilities associated with the APN Grant, particularly:

i. verifying that the Grantee can receive and make overseas remittances in U.S. Dollars;
ii. confirming that APN will not issue split remittances to the bank accounts of Project Collaborators' organisations and that the distribution of funds is the responsibility of the Grantee.
iii. confirming that the Grantee **can manage fluctuating exchange rates and other financial market changes by having a risk management plan or contingency strategy in place**. APN **does not** provide additional funds or cover any losses resulting from financial market fluctuations. In the event of any unspent funds, the Grantee is required to return the unspent amount in USD, irrespective of fluctuations in the exchange rate during the project period. If the local currency depreciates against the U.S. Dollar, the Grantee shall be responsible for covering any resulting financial loss.
iv. ensuring proper administration and management of the APN Grant at Collaborators' institutions following the APN financial regulations; and
v. confirming that the Grantee will record any accumulation of interest earned through APN funds[1].

In principle, APN encourages Project Leaders to use existing resources, such as employed staff, office space and equipment to the maximum extent possible. **Securing and use of resources from cofunding arrangements and in-kind contributions are highly encouraged.**

II. Administrative Overheads

Regulations on administrative overheads are outlined below.

[1] Any accumulation of interest may be used for the conduct of a Project/Activity and/or towards the Risk Management Strategy of the Project/Activity.

A. APN **prohibits indirect overheads** by any institution engaged in the Project/Activity. However, expenses that are reasonable, such as for printing, copying, communications, rental of meeting rooms, materials and supplies, etc., are permitted if they are necessary to implement the Project/Activity and are fully documented (with all relevant receipts, etc.) in the Financial Report.

B. APN provides grant funding that **excludes any taxes or statutory charges** arising from the receipt and administration of the APN Grant. Where the Project Leader anticipates that taxes or statutory charges may arise in connection with the implementation of the project, the Project Leader shall notify and consult with the APN Secretariat.

III. Salary

Regulations on salary are outlined below.

A. APN funds **cannot** be used for administrative staff salaries or to replace or supplement the salaries of existing researchers, including Project Leader/Collaborators who are receiving full-time salary support from their respective institutions. 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, APN provides awards to Project Leader/Collaborators who are receiving full-time salaries from their institutions. (Recall that at the proposal submission stage, Project Leader/Collaborators are asked to clarify their relationship with their respective institutions).
ii. Part-time salary support may be requested by the Project Leader to the APN Secretariat for the Project Leader/Collaborators if their respective institutions can, in writing, prove that they do not receive full-time salary support for time spent on the Project/Activity. **The maximum limit of the total part-time salary for the Project Leader/Collaborators must not exceed two months of their regular salary in any one year**. Any request for salary MUST be made in writing to the APN Secretariat for approval before undertaking any activities of the Project/Activity.

A-2. Employing Staff

Part-time employment, including the duration of employment, should be requested based on need and the salary should be reasonable according to the standards of the country and organisational practice. Salary must comply with the relevant laws of the country where the part-time position is located. Full-time employment is not permitted.

Please refer to the points below:

i. Part-time staff must be postgraduate students working towards a Master's Degree or PhD, or early career professionals who have received their Master's Degree or PhD within 5 years.

ii. The Project Leader must request prior approval from the APN Secretariat on the amount of part-time fee allocation in accordance with i. above. The Authorised Representative of the Grantee must sign the request.

iii. The Project Leader must request prior approval from the APN Secretariat for changes to the Contract Proposal if actual salary exceeds the total amount approved by more than 20%.

B. The Grantee **cannot use APN funds for the payment of consulting services**. APN expects activities outlined in the final version of the proposal to be carried out by the Project Leader/Collaborators and, if deemed necessary, part-time staff employed to work on the Project/Activity.

C. For training workshops, seminars, etc., the Project Leader may provide a modest honorarium to trainers or experts upon prior consultation with and approval from the APN Secretariat. Project Leaders/Collaborators and part-time staff employed to work on the Project/Activity **cannot receive any honoraria**.

IV. Equipment

APN funds 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 the Project Leader can demonstrate that purchasing equipment supports the Project/Activity objectives, then equipment may be purchased in exceptional cases upon prior consultation with and approval from the APN Secretariat. The potential transfer of ownership of equipment to Project Leader/ Collaborators organisations/institutions will be subject to the successful completion of the Project/Activity. **The APN Grant cannot be used for (i) equipment maintenance or upgrade; and (ii) private/personal purchases.**

V. Travel

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

<u>Travel by air:</u>

When travel by air is necessary for the conduct of the Project/Activity, **to minimise airfare**

costs, Project Leader/Collaborators must purchase basic economy class tickets. Travel upgrades are not permitted, unless at Project Leader/Collaborators' own expense. APN will cover the cost of any airport taxes or other taxes incurred, as well as necessary visas, vaccinations and basic travel insurance. Excess baggage fees will be covered only for items essential to the Project/Activity and if agreed upon in advance with the APN Secretariat.

Surface transportation:

Generally, public transportation 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. The Project Leader/Collaborators must document all expenses in the Financial Report and provide supporting documents including receipts, invoices, etc., for any rental fee or fuel purchase.

Transportation between the airport and the place of work, residence or hotel/lodging should be by the most economical means available, with an upper limit of **U.S. Dollars** 30 each way. Such expenditure will be based on actual costs incurred and proof of expenditure must be documented in the Financial Report. If higher transportation costs are unavoidable, exceptions may be made upon prior consultation with and approval from the APN Secretariat. After arrival at the destination (hotel/lodging), local travel costs are to be covered by the Daily Subsistence Allowance (DSA) provided under **Part VI. B. Per Diems**.

APN will NOT cover the following:

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.
iv. Expenses incurred from side trips or other items unnecessary to the Project/Activity.

VI. Per Diems

A Per Diem may be provided to Project/Activity team members when the performance of the Project/Activity requires them to travel away from their home/workplace and spend one full night or more (defined as "mission trip").

A. The Per Diem consists of two parts:

i. An accommodation allowance to cover the cost of basic accommodation, including breakfast, at a three-star hotel. Extra services, such as laundry, minibar, telephone calls, etc., cannot be covered. Accommodation receipts must be submitted based on actual expenditure up to the maximum allowable (see more details below). APN does not permit lump-sum allowances.
ii. A daily subsistence allowance (DSA). APN defines DSA as a special allowance provided to cover the basic needs of food, non-alcoholic beverages and local

transportation. Where reasonably estimated meeting packages that cover basic meals of lunch, non-alcoholic beverages and tea/coffee breaks are arranged, a partial DSA, subject to consultation with the APN Secretariat, should be provided. Dinners and alcoholic beverages are not permitted in a meeting package.

Full DSA rates are generally reserved for participants travelling from overseas or other locations who require overnight accommodation or additional support to meet their subsistence needs in an unfamiliar environment. For local participants who do not require accommodation, a reduced DSA should be provided, taking into account their familiarity with the local environment and the meals and services already covered by the activity. The applicable DSA rate should be determined in consultation with the APN Secretariat.

Any DSA provided must not exceed the rate in the table under **B**. APN Per Diem Rates.

Per Diem Rates

Per Diem rates are listed in **B.** below. Project Leaders **must** use these rates in their proposal budgets, following the guidance given below. These rates represent the **maximum** rates for each country.

Period of Per Diem

i. Accommodation is payable for each night at the destination for activities related to the Project/Activity only. Under certain circumstances, extra days of Per Diem may be issued, for example, when an outgoing flight is cancelled.
ii. 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 the earliest possible arrival back home.

B. APN Per Diem Rates

The accommodation rates are the **maximum** rates for each country and sufficient for a **three-star hotel**. Accommodation costs 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). In exceptional cases, and upon prior approval from the APN Secretariat, a Project Leader may request more than the stated rate.

The rates are outlined in the following table:

Country	Accommodation (USD)	Daily Subsistence Allowance (USD)	Total (USD)
Australia	145	52	192
Bangladesh	90	25	115
Bhutan	115	25	140

Country	Accommodation (USD)	Daily Subsistence Allowance (USD)	Total (USD)
Cambodia	90	25	115
China	110	25	135
Fiji	125	28	153
India	110	25	135
Indonesia	105	25	130
Japan	130	52	182
Lao PDR	90	35	125
Malaysia	90	35	125
Maldives*	130	35	165
Mongolia	100	35	135
Myanmar*	90	35	125
Nepal	85	35	120
New Zealand	145	52	197
Pacific Island Countries*	100	45	145
Pakistan	100	40	140
Philippines	120	52	172
Republic of Korea	110	52	162
Russian Federation	125	28	153
Singapore*	150	60	210
Sri Lanka	110	35	145
Thailand	90	35	125
USA	200	60	260
Vietnam	90	35	125

* APN approved countries

** Per Diem rates for countries outside the Asia-Pacific region are to be agreed upon in consultation with the APN Secretariat

Important Note: Per Diems are not permitted when the Project Leader, Collaborators, resource persons or other participants engaged in the Project/Activity join a **telemeeting, remote workshop or teleconference from their home or workplace**. Specifically, DSA is not permitted.

VII. Other Expenses Not Permitted

Any costs for tokens, souvenirs, etc., **cannot be covered with funds from the APN Grant**. However, where, following local and traditional customs, small tokens and souvenirs are

desirable, exceptions can be made upon prior consultation with and approval from the APN Secretariat.

VIII. Invoice and Remittance

i. The Project Leader and Authorised Representatives of the Grantee **must confirm and inform the APN Secretariat, in writing, that their bank account can receive funds in U.S. Dollars for scientific research or capacity development activities by international remittance (for banks outside Japan) and domestic remittance (for banks inside Japan)**.
ii. The Project Leader must submit invoices in the format specified by the APN Secretariat before any remittance can be made.
iii. APN will only remit funds in **U.S. Dollars**.
iv. As noted under **I. Basic Principle**, 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.

IX. Return of Unspent Funds

Any unspent funds at the end of a Project/Activity, from the advance payment of 80% of the total APN Grant, must be returned by the Grantee to the APN Secretariat in **U.S. Dollars**.

If the unspent funds are kept in a currency other than U.S. Dollars, the Grantee **must** use the exchange rate on the date the unspent funds are returned.

If any bank remittance fee is higher than or close to the amount of unspent funds that need to be returned to the APN Secretariat, and this can be verified with a statement or list of charges from the bank of the Grantee, the APN Secretariat may waive the requirement for the Grantee to return the unspent funds.

If funds are to be returned to APN:

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

If the Project Leader or Authorised Representative of the Grantee is unclear on any of the above, please contact the APN Secretariat for advice.