

Financial Regulations for FY2020 Call for Proposals

These regulations will guide the Project Leader¹ and Authorized Representative of the Grantee² on:

- i. what costs 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 and financial reports covering all expenses made under the APN Grant, including those of collaborating institutions.

I. Basic Principle

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

- i. confirming that their institution can receive and administer remittances from abroad in US Dollars;
- 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. APN does not supplement and/or cover any losses due to fluctuations in the financial market;
- iii. ensuring proper administration and management of APN funds at Collaborators' institutions following the APN financial regulations; and
- 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

¹ the Proponent will become the Project Leader

² the person who co-signs the Contract of a project/activity, on behalf of the Grantee

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, APN provides awards to Project Leader/Collaborators who are receiving full-time salaries from their institution(s). (Recall that 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 by the Project Leader to the APN Secretariat for the 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.** Any request for remuneration **MUST** be made in advance of undertaking any project activities.
- iii. The Project Leader must seek prior approval from the APN Secretariat on the amount of part-time fee allocation in accordance with ii. above. The Authorized Representative of the Grantee must sign the request.

A-2. Employing Staff

Part-time employment, including duration of said employment, should be requested based on need, and the remuneration should be reasonable in consideration of the standards of the country and organizational practice. Salary must comply with relevant laws of the country in which the part-time position is located. Full-time hiring is not permitted.

Please refer to the points below:

- i. Part-time assistants should preferably be postgraduate students working towards a Masters Degree or PhD;
 - ii. The Project Leader must seek prior approval from the APN Secretariat on the amount of part-time fee allocation in accordance with i. above. The Authorized Representative of the Grantee must sign the request;
 - iii. The Project Leader 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 by more than 20%;
 - the number of additional hired staff changes (either increases or decreases) by more than 20%.
- B. The Grantee **cannot** use APN funds 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. Utilizing existing full-time staff in the organizations/institutions

of the Project Leader/Collaborators is both expected and appreciated by the APN as in-kind support.

- C. For training workshops, seminars, etc., the Project Leader may provide a modest honorarium to trainers, experts, resource persons, among others, upon prior consultation with and approval from the APN Secretariat.

III. Administrative Overheads

APN **does not permit** indirect administrative overheads for any institution engaged in the project/activity. 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 organizations/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 transfer of ownership of equipment to Project Leader/Collaborators organizations/institutions will be subject to the successful completion of the project/activity (refer to **Part 3., Section 2. Terms of Agreement, XIV. Ownership of Purchased Equipment**).

The APN Grant cannot be used for equipment maintenance or upgrade.

V. Travel

Where travel is necessary as part of a 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 with the following supporting documents: invoices, receipts and proof of travel.

Travel by air:

When travel by air is necessary for the conduct of a project/activity, **to minimize 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 must be used as much as possible. If public transport 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 must duly document relevant expenses 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), local travel costs are to be covered by the Daily Subsistence Allowance provided under **Part IV B. Per Diem**.

Transportation between the airport and place of work, residence or hotel/lodging should 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 expenditure must be documented in the Financial Report. If higher transportation costs are not avoidable, exceptions may be made upon prior consultation with and approval from the APN Secretariat.

APN will cover the cost of any airport taxes or other taxes incurred, as well as necessary visas and vaccinations, and basic travel insurance. Excess baggage fees will be covered only for items essential 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/workplace 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, including breakfast, at a three-star hotel. Extra services, such as laundry, mini bar, telephone calls, etc. cannot be covered. APN does not permit lump-sum payments. Accommodation receipts must be submitted based on actual expenditure up to the maximum allowable (see more details below).
- 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 costed meeting packages that cover basic meals of lunch, non-alcoholic

beverages and tea/coffee breaks are arranged, 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 in the table under **B. APN Per Diem Rates**.

Per Diem Rates

- i. The Per Diem rates are tabulated in **B.** below. Project Leaders **must** use these rates in producing their proposal budgets, following 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 the 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 project/activity team members to stay longer to lower their travel costs to save funds.

B. APN Per Diem Rates

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).

- i. In exceptional cases, and upon prior approval, a Project Leader may request more than the stated rate.

The 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

	Accommodation (US\$)	Daily Subsistence Allowance (US\$)	Total (US\$)
India	110	35	145
Indonesia	105	35	140
Japan	115	52	167
Lao PDR	90	35	125
Malaysia	90	35	125
Maldives*	110	35	145
Mongolia	100	35	135
Myanmar*	90	35	125
Nepal	85	35	120
New Zealand	110	52	162
Pacific Island Countries*	100	38	138
Pakistan	100	45	145
Philippines	100	40	140
Republic of Korea	115	52	167
Russian Federation	110	52	162
Singapore*	135	60	195
Sri Lanka	110	35	145
Thailand	90	35	125
USA	135	60	195
Viet Nam	90	35	125

* APN approved countries

** Per Diem rates of countries outside the Asia-Pacific region are to be agreed 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 joins a **telemeeting, remote workshop or teleconference from their home or workplace**. Specifically, DSA allocation is not permitted. Other expenses that may be incurred as a result of attending remote meetings, workshops or conferences may be provided upon prior consultation with and approval from the APN Secretariat.

VII. Fellowships

When a young professional is considered necessary to execute the project/activity, the Project Leader may use APN funds for an award fellowship, and **only** in the case that the fellow is from a developing member country of APN. The duration of the fellowship should be based on 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.

VIII. Other Expenses Not Permitted

Any costs for tokens, souvenirs, etc. to project members, resources persons, event participants, etc., **cannot be covered with funds from an APN Grant.**

IX. Invoice and Remittance

- i. The Project Leader and Authorized Representatives of the Grantee (who are co-signatories of the APN Contract) **must confirm and inform the APN Secretariat, in writing, that their bank account can 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' organizations. This is the sole responsibility of the Project Leader and Authorized Representative of the Grantee.
- iii. The Project Leader must submit invoices in the format specified by the APN Secretariat before any remittance can be made. Refer to **Part 3., Section 2. Terms of Agreement, IV. Remittance of APN Grant** and **V. APN Grant Installments.**
- iv. The APN Secretariat will remit funds in **US Dollars** only.

X. Return of Unspent Funds

If, after the end of the conduct of the project/activity, there are unspent funds from the advance payment of 80% of the total APN Grant, the Grantee must return the funds to the APN Secretariat in **US Dollars.**

If the unspent funds are kept in a currency other than US Dollars, the Project Leader and the Authorized Representative of the Grantee **must** use the exchange rate on the date the unspent funds are returned.

If any bank remittance fee exceeds the amount of unspent funds to be returned to the APN Secretariat, and where this can be proved by a statement or list of charges of the bank of the Grantee, the Grantee may retain funds.

If funds are to be returned to APN:

- The APN Secretariat will provide an invoice to the Project Leader/Authorized Representative of the Grantee.
- The Project Leader/Authorized 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 the 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 the APN Secretariat for advice.