

Financial Regulations for FY2021 (1 July 2021- 30 June 2022)

These regulations will guide the Project Leader¹, Authorized Representative of the Grantee² 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 and financial reports covering all expenses incurred 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 administration and management of APN funds. Before accepting an APN Grant, the Project Leader and the Authorized Representative of the Grantee must confirm the responsibilities associated with the APN Grant, particularly:

- i. verifying that their institution can receive and administer overseas remittances in US Dollars;
- ii. confirming that their institution can manage fluctuating exchange rates and other financial market changes by implementing a risk management plan/strategy. APN does not supplement or cover losses due to financial market fluctuations; ;
- iii. ensuring proper administration and management of the APN Grant at Collaborators' institutions following the APN financial regulations; and
- iv. confirming that the Grantee will record any accumulation of interest earned through APN funds.

In principle, 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. Salary

Regulations on salary are outlined below.

- A. APN funds **cannot** be used for administrative staff salaries or to replace or supplement the salary of existing researchers, including Project Leader/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:

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

A-1. Project Leader/Collaborators

- i. Generally, APN provides awards to Project Leader/Collaborators who are receiving full-time salaries from their institutions. (Recall 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 it can be proved by their respective institutions, in writing, that they do not receive full-time salary support for time spent on the Project/Activity. **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 project activities.

A-2. Employing Staff

Part-time employment, including duration of employment, should be requested based on need and the salary should be reasonable according to 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 employment is not permitted.

Please refer to the points below:

- i. Part-time assistants must be postgraduate students working towards a Masters Degree or PhD; or early-career researchers who have received their Masters 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 Authorized 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 assistants 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 assistants employed to work on the Project/Activity cannot receive any honoraria.

III. Administrative Overheads

APN **does not permit** administrative overheads for any institution engaged in the Project/Activity. However, reasonable expenses such as 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.

IV. Equipment

APN funds 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 potential transfer of ownership of equipment to Project Leader/ Collaborators organizations/institutions will be subject to the successful completion of the Project/Activity. **The APN Grant cannot be used for equipment maintenance or upgrade. The APN Grant cannot be used for private/personal purchases.**

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.** 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 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.

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 and/or fuel purchase.

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 unavoidable, exceptions may be made upon prior consultation with and approval from the APN Secretariat. After arrival at 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

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:

- i. An accommodation 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. 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 should be provided. Dinners or alcoholic beverages are not permitted in a meeting package.

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 project-related activities 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, a Project Leader may request more than the stated rate.

The rates are outlined in the following table:

Country	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
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 join a **telemeeting, remote workshop or teleconference from their home or workplace**. Specifically, DSA is not permitted.

VII. COVID-19 Pandemic

In principle, reallocation of funds from the APN Grant as a result of the COVID-19 Pandemic is **NOT** permitted. This includes the cost of any PCR tests and self-isolation costs should international/national/local travel take place during the Pandemic. Furthermore, if international/national/local travel is undertaken during the Pandemic, participants who are the recipients of APN funds must sign a liability waiver and indemnity freeing APN of any costs related to and/or any possible adverse health effects caused by COVID-19. If project activities cannot be undertaken according to the original proposal and within the allowable time frame outlined in APN's **COVID-19 Management Strategy**³, where special no-cost extensions are permitted, any remaining funds from the APN Grant must be returned to the APN Secretariat.

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**.

³ The COVID Management Strategy is attached to this contract as an Addendum.

IX. Invoice and Remittance

- i. The Project Leader and Authorized Representatives of the Grantee **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. 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 **US Dollars**.
- iv. 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.

X. 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 **US Dollars**.

If the unspent funds are kept in a currency other than US Dollars, 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:

- i. The APN Secretariat will invoice the Project Leader/Authorized Representative of the Grantee.
- ii. The Project Leader/Authorized 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 a Project Leader is unclear on any of the above, please contact the APN Secretariat for advice.