

2nd Phase – KU-IRDP/NTIC Project

# Guidelines for R&BD Budgeting & Accounting

R&BD Program

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## 1. Budgeting Guideline

### 1.1 Basic Principle of Budgeting

- Executable Budgeting
  - ✓ The project budget should be set at a level that is universally regarded as reasonable and doable in order to meet the project's objectives or goal.
  - ✓ Make sure that the initial budget planning is done carefully so that the expenditure may be carried out according to plan. Approval from PMC and KOICA should be obtained for any changes to the budget plan after the project is begun, or should follow the required processes to adjust the budget before it is spent.
  
- Detailed Budgeting
  - ✓ In principle, any budget item for which a clear calculation basis is not provided will not be approved.
  - ✓ Make sure that each budgeted item has detailed calculation grounds.
  - ✓ For example, provide specific accounting of the different cost categories for the workshop (such as venue rental and printing costs), as well as their unit cost and quantity, rather than just saying "Workshop Expense x 2 (twice) = NRs 20,000.
  
- Efficient Budgeting
  - ✓ Project costs/expenses should be kept to a minimum level in order to meet the project's goal and objectives. Make sure the costs of meals, meetings, and administrative work, in particular, aren't exaggerated.
  - ✓ If possible, the KOICA's fund should be budgeted under an item related to the activities that directly affect the project results.
  - ✓ KOICA's fund should be calculated with only the labor costs and material purchases. However, calculations for the other items from KOICA fund, if necessary, should be approved by PMC or KOICA
  - ✓ The following items are not allowed in the budget:
    - The cost of gifts, tourism, keepsakes and entertainment
    - The general-purpose equipment or materials

Office equipment (printers, photo-copier, fax machines, binding machines, scanners, etc.) Computers and accessories (external hard drives, USB drives, output devices, etc.) Electronics (cameras, refrigerators, electric fans, etc.) Widely used software such as MS-word, Excel, Vaccine Programs, Alzip, etc.)
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\*May be charged to the matching fund by lead research institutions if necessary for the smooth operation of the project.

- The cost of acquiring the project site and other real estate
- The cost of using or renting facilities, equipment and other materials owned by an individual participant of the project team
- Taxes and dues paid by the institution to the central or local government in Nepal
- Items subsidized by other government agencies

- Base Currency for Budgeting
  - ✓ In principle, the project budgets should be set in both NRs and USD.
  - ✓ The project costs may be shared in NRs by the lead research institution. In this situation, the entire project cost can be computed in USD using the NRs-USD exchange rate employed by the Nepalese government in its budgeting.
  - ✓ Project funds budgeted in USD will be directly wired to the lead research institution’s account.

## 1.2 Guidelines for the Budgeting

- Do not charge the same expense line item to both KOICA’s fund and the matching fund of the lead research institution
  - ✓ It’s not permitted to budget both KOICA’s fund and lead research institution’s matching funds under the same sub-cost line item.

(E.g.) Do not include both KOICA and the partner under the same cost line item. When budgeting for “Project XXX Printing Expenses (USD 1 hundred),” you are not permitted to split the cost 50:50 between KOICA and the lead research institutions

<Example>

(Item) “Project XXX Printing Expenses”: KOICA USD 50/lead research institution USD 50	Not permitted
(Item 1) “Meeting Materials Printing”- KOICA USD 50 (Item 2) “Info Package Printing”- Lead research institution USD 50	Permitted
(Item 1) “Pamphlet Preparation Expense”- USD 50 (Item 2) “Preparation Expense of Web Posters in Local Language”- USD 50	Permitted

- Consistency between the budget execution schedule and the project schedule
  - ✓ When calculating budgets, align the budget execution timeline with the project schedule and think about how to substantiate projected amounts and supporting documents.

## 1.3 Budgeting Criteria

- Budget Match by Institution

Types of lead research institution	KOICA fund		Lead Research Institution’s Matching Fund	
	Maximum fund	Proportions of KOICA fund to total Project Budget	Percentage of Matching Fund to Total Project Budget	Proportions of cash burden by lead research institute
Kathmandu University	Up to NRs. 1,00,00,000	90%	10%	Cash Burden if necessary

- ✓ When establishing a consortium, the share of matching fund burden among the participating institutions shall be decided autonomously, but the institutions shall share responsibilities over the project performance achievement rate.

- Details of Budgeting Criteria

Item		Execution Standard	
Direct Cost	Labor Cost	Internal Researcher Wage	<ul style="list-style-type: none"> <li>● A full-time researcher (including a professor or lecturer) or an employee who receives a pay from a lead research institution is referred to as an internal researcher.</li> <li>● In the matching fund, the amount of regular wage multiplied by the participation rate is determined as in kind.</li> <li>● The wage must not be paid in cash from KOICA's fund.</li> </ul>
		External Researcher Wage	<ul style="list-style-type: none"> <li>● Employment contract is signed between the researcher(s) and a lead research institution.</li> <li>● The wage is to be confirmed by the lead research institution.</li> <li>● The wage amount multiplied by the rate of participation in a project is calculated in the budget.</li> <li>● The wage is paid by cheque or in a bank account, not by cash from KOICA's fund.</li> <li>● Wages for undergraduate, graduate, and Ph.D. students should be computed using the participation rate and the rules of the lead research institution.</li> </ul>
	Research Materials	<ul style="list-style-type: none"> <li>● Reagent, materials and research analysis fee, data processing and management fee.</li> <li>● Prototype, pilot model, test equipment manufacturing expense.</li> </ul>	
	Research Equipment/Tools	<ul style="list-style-type: none"> <li>● Research facility or equipment lease- related expenses and additional expenses.</li> <li>● In principle, this expense can't be paid by KOICA's fund. If necessary, it should be calculated in KOICA's fund under approval from PMC or KOICA.</li> </ul>	
	Research Activity	<ul style="list-style-type: none"> <li>● Researchers' domestic business trips and local travel expenses.</li> <li>● Project-related printing, copying, slide production, public utility charges, taxes and other fees, office supplies, maintaining research environment, supplies, etc.</li> <li>● Domestic training expense, information technology expense, books and literature purchases, meetings, seminar hosting expense,</li> </ul>	

		<p>manuscript fee, technological expense, patent information investigation expense, etc.</p> <ul style="list-style-type: none"> <li>● Project related meals.</li> <li>● In principle, this expense can't be paid by KOICA's fund. If necessary, it should be calculated in KOICA's fund under approval from PMC or KOICA.</li> <li>● It is recommended that this expense is paid by the lead research institution's matching fund.</li> </ul>
	Research Allowances	<ul style="list-style-type: none"> <li>● Principal investigator and participating researchers' reward or incentive (should be calculated within 10% of researchers' wage).</li> </ul>
Overhead Cost	<ul style="list-style-type: none"> <li>● Should not exceed 5% of KOICA's fund.</li> <li>● Research Support. <ul style="list-style-type: none"> <li>- Collective Support Expenses: Institution's collective support expenses for research development for e.g., HR support cost, equipment handling cost, electricity, water etc.</li> <li>- Lab Safety Management Expense: Training expenses for lab safety and prevention, safety related insurance, and expenses related to accident compensation. <ul style="list-style-type: none"> <li>- Research Security Management Expense: Security equipment, security and prevention training, and miscellaneous prevention measures.</li> <li>- Institution's Research Activity: Research facility and equipment-related books and database purchase, lab management expenses, conference support expenses, paper publication expenses and miscellaneous expenses to support research activities (applicable only if not previously budgeted as direct expense).</li> </ul> </li> </ul> </li> <li>● Research Performance Application. <ul style="list-style-type: none"> <li>- Intellectual Property Application, Registration Expense: Expenses for application and registration of intellectual property directly related to research, expenses for value evaluation and transfer of technology (patent maintenance expense can be executed for 2 years after patent registration only if a chance of technology transfer exists).</li> </ul> </li> </ul>	

## 2. Accounting Guidelines

### 2.1 Opening Bank Accounts to Manage Project Funds

- To manage the project funds, the lead research institution should open dedicated bank accounts for project funds.
- When there are multiple lead research institutions involved in a project, open a bank account under the lead research institution's name.
- The bank account should be opened under an institution name.
- Reset the account balance to zero if an existing bank account is used.
- When involved in multiple projects, make sure to use separate bank accounts for each project.

- The lead research institution's matching fund should also be managed through a separate bank account.

## 2.2 Principles of Executing the Project Budget

- Spend within the project period: Based on the project contract's starting and closing dates, the project budget should be spent on the project goal/objectives and activities during the project duration. Any expenditures made outside of the project period are not permitted.
- Spend as planned: The budget should be spent in accordance with the project agreement's budget execution plan. Any expenditure made in different heading planned in the budget execution plan are not permitted.
- Return KOICA's fund balance: The unexecuted amount within the project period should be returned. When returning the balance of KOICA's fund, the return amount should be specified in the final report and notified in an official document.
- Spend matching funds within the project period: The matching funds provided by the partnering institution should be used entirely for the project plan. If the balance of the matching funds occurs within the project period, the corresponding amount from KOICA's fund should be returned.

## 2.3 Execution of the Project Budget (Receipts, Expenditures, Remittance, etc.)

- ✓ **Management of Expenditures**
- ✓ Qualifying Evidence to Support the Spending of Project Funds

Principle	Tax invoice
	Sales slip from check cards paid by the bank account exclusively for project funds
Others	Account transfer confirmation through the bank account exclusively for project funds
	Account transfer confirmation on a deposit without a bank book
	Cash disbursement statement

- ✓ Principle of Spending Project Funds
  - ✓ As execution after the funding is the principle, KOICA's fund can only be spent after its actual funding.
- ✓ Spending details before payment of KOICA's fund is not recognized
  - ✓ Basic principles: Make payments with a check card paid with the domestic bank account exclusively for the project funds and receive card sales slips, and attach the slips as supporting documents on expenditure approval forms.

- ✓ Other ways of spending
  - ✓ When check cards paid by the "bank account specifically for project funding" cannot be utilized, the following spending options are available.

Category	Other Payment Methods- Nepal (NRs)
Account Remittance	<p>In the case of receiving a tax invoice and transferring the amount to the counter party's account, receive confirmation of the account transfer or certificate of deposit without a bank book (transactions through online banking can also be printed out as supporting documents) issued by financial institutions after the account remittance and attach them as supporting documents to the expenditure approval forms with together with an invoice.</p>
Cash Spending	<ul style="list-style-type: none"> <li>● If you receive an invoice and want to pay in cash, get manual receipts (or blank receipts) and attach them to the expense approval forms.</li> <li>● Receive a manual receipt after cash spending if the amount does not exceed NRs. 6,000 and attach it to the expenditure approval forms as supporting documentation.</li> <li>● After cash spending for a purchase transaction with small-scale business people who find it difficult to issue manual receipts, in the case where the amount does not exceed NRs. 2,000, receive a blank receipt and attach it to the expenditure approval forms as supporting documents.</li> <li>● Receive cash disbursement statements and attach them to the expenditure approval forms as supporting documentation after cash expenditures other than purchases (e.g., the cost of a residents' convention, daily staff labor costs, etc.).</li> </ul>

- ✓ When project funds are used for account remittance and an invoice is submitted at the same time, the total amount is recognized without limitation. When handwritten receipts (or blank receipts) are received, the amount is recognized within a limit in the case of cash spending for unavoidable circumstances.



# In the invoice, there should be clear information that explains what transaction the invoice is about both in Nepalese and English. \*

(\*) Essential information to be stated in the invoice: order number, name of product, quantity, unit price and quality, name of seller/buyer, company name, signature, company stamp (if available).

- Incorrect examples of manual receipts:
  - ✓ Among the details of project fund spending, the entire amount is not recognized when several manual receipts under different unit prices for the same item (purchased from the same business on the same date) are submitted.
  - ✓ The entire amount of manual receipts failing to meet the essential information\* is not recognized.

(\*) Essential information to be stated in manual receipts  
- Receipts having the seller's business name, address, and contact number printed on them, as well as a legible stamp holding this information, are considered manual receipts.  
-However, it is limited to those who have the total amount printed in letters among the transaction details.  
E.g., When the total amount of the transaction is \$100, write Hundred DOLLARS ONLY or U.S. DOLLAR Hundred ONLY, etc.

- If you frequently conduct small-amount transactions with the same vendor while completing the project, you can compile them into a consolidated schedule containing the details of the transactions that occurred over a specified time period (such as one week), which can then be submitted once the vendor has signed off. (Individual transactions listed in the schedule should be backed by qualifying evidence and the manual receipts should all have the required information.)
  - ✓ When project funds are spent in USD or local currency in transactions with small-scale business people\* who find it difficult to generate manual receipts, and the amount does not exceed NRs 2,000, blank receipts are considered as valid supporting documents. On the same day, the total amount of blank receipts received from the same transaction counterpart cannot exceed NRs 6,000.

(\*) Small-scale business people  
Limited to circumstances where business owners or micro-enterprisers who are not registered as corporations or who operate as street vendors without a company name, rather than permanent stores, have difficulty issuing receipts.

- ✓ The entire amounts of blank receipts failing to meet the essential information\* is not recognized.

(\*) Essential information to be stated in a blank receipt  
- When the seller's business name, address and contact number is not printed and manually written, it is recognized as a form of blank receipt.

✓ Keeping Account Books

- Payment Ledger (to record the payments of project costs: one for KOICA's fund and another for lead research institution's matching fund.
- Statement of Receipts and Expenditures (to record the receipt of project funds): one for KOICA's fund and another for lead research institution's matching funds.
- Evidence of spending.

- ✓ As the accounting evaluation can only be conducted after the Payment Ledger and Statement of Receipts and Expenditures are submitted, make sure to keep them separately.
- ✓ The Payment Ledger and Statement of Receipts and Expenditures should be kept for KOICA's fund and lead research institution's matching fund separately (i.e., there should be two sets of payment ledgers and two sets of statements of receipts and expenditures).
- ✓ Bank accounts, accounting books (such as the payment ledger and the statement of receipts & expenditures) and supporting documents should be managed and kept separately from the general accounts of the lead research institution.
- ✓ If a lead research institution is carrying out two or more projects, keep them separately for each project.

■ Management of Receipts

- ✓ Recognize the receipt of the project budget as revenue
  - When KOICA's fund or lead research institution's matching fund is deposited, it should be recorded as revenue in the statement of receipts & expenditures and the revenue approval form should be prepared.
- ✓ How to recognize interest income in the project budget?
  - Interest accrued within the project period: The bank interest accrued based on KOICA's fund should be included in the project budget and recorded as revenue in the statement of receipts & expenditures.
  - Interest accrued after the project completion report is submitted: Recognized as miscellaneous income of the lead research institution.
- ✓ Deposit any amount spent incorrectly back into the bank account
  - When depositing an incorrectly spent amount back into the bank account, do not record it as a "receipt" in the statement of receipts & expenditures, but instead enter it as a negative expenditure in the payment ledger.
  - Make sure to prepare a (negative) expenditure approval form for the deposit.
  - The need to deposit back into the bank may arise not just when cash has been withdrawn mistakenly, but also in normal spending transactions described below.

-Purchased an item with a card designated for project spending and then cancelled the purchase.  
- Received a tax invoice after transferring money for an item to the seller's bank, but then cancelled the transaction and had the money transferred back to the project-only bank account.  
- Received cash receipts, payment slips, bills, etc., after spending cash, but then partially cancelled the transaction and received a refund.  
- Remitted money to the wrong place or transferred the wrong amount by mistake, and then received the money back.

- Withdrew cash after completing an expenditure approval form to pay conference attendance fees, but had to deposit it back to the bank account since the attendees did not receive the cash.

- Comparative quotes and Bidding
  - ✓ When spending project funds, make sure to use the cost rates and criteria defined by each lead research institution and provide clear grounds for calculation to ensure the proper use of funds, while also endeavoring to save the budget.
  - ✓ Hold bidding to procure a service or an item worth NRs 2 million or above and obtain at least two quotes to buy a single item price NRs 20,000 or above.
  - ✓ The Quote Comparison/Bidding Outcome Report should have details such as the bidding title, budget, names and numbers of vendors that tendered for the bidding, the vendor who was awarded the bid and the reason why the vendor was chosen. Price information obtained from Internet search results on lowest prices can substitute as comparative quotes.
  - ✓ Refrain from choosing products with poor quality but instead seek quotations for products with reasonable quality.
  - ✓ For tools and materials, it is recommended to procure them at the project site, given issues like customs clearance and maintenance.
  - ✓ For the settlement of cost for the purchase of tools and materials, attach the contract and the completion report if they are governed by the terms and conditions of the contract (if in the local language, it should also be in English).
  - ✓ General-purpose tools and materials, as determined by a prior approval from KOICA or PMC, should be listed and managed in an asset book. Once the project is complete, they should be transferred to the lead research institution, and the related documents (such as the asset book and the written confirmation of the hand-over) should be submitted to PMC.
  - ✓ Make sure to obtain prior approval from KOICA or PMC if it is impossible to get comparative quotes or hold a bidding process because the project area is underdeveloped or monopolistic.

## 2.4 Settlement of Project Costs

- The settlement of accounts is included as part of the mid-term report and final report submitted to PMC and CO

Type	Description	What to Submit	Submit to
Mid-Term Settlement (Within 30 days)	Half period settlement for the given project duration	<ul style="list-style-type: none"> <li>● Letter on the Submission of the mid-term report</li> <li>● Project work plan.</li> <li>● Mid-term Project Report.</li> <li>● Documents for the settlement of project funds.               <ul style="list-style-type: none"> <li>- Statement of receipts &amp; expenditures, payment ledger and consolidated schedule of project costs.</li> </ul> </li> <li>● Various supporting documents related to the use of project funds</li> </ul>	

		<ul style="list-style-type: none"> <li>- Expenditure approval forms, receipts, payment slips, tax invoices, etc.</li> <li>- Notifications on changes in the project, approval letters, etc.</li> <li>● A copy of each of the other documents.</li> <li>- Supporting documents on performance, etc.</li> </ul>	
Final Settlement upon completion of the project (within 45 days)	Full period settlement for the given project duration	<ul style="list-style-type: none"> <li>● Letter on the submission of the final report.</li> <li>● Project Work Plan.</li> <li>● Project Final Report.</li> <li>● Documents for the settlement of project funds <ul style="list-style-type: none"> <li>- Statement of Receipts &amp; Expenditures, Payment Ledger and Consolidated Schedule of Project Costs.</li> </ul> </li> <li>● Various supporting documents related to the use of project funds <ul style="list-style-type: none"> <li>-Expenditure approval forms, receipts, payment slips, tax invoices, etc.</li> <li>- Notifications on changes in the project, approval letters, etc.</li> </ul> </li> <li>● A copy of each of the other documents <ul style="list-style-type: none"> <li>- Supporting documents on performance, etc.</li> </ul> </li> <li>● Promotional materials (for posting on the website)</li> </ul>	Program management Support Team Office at KU

▪ Preparing Documents for the Settlement

✓ Payment Ledger and Statement of Receipts and Expenditures

- The principle is to use predefined templates to keep the Payment Ledger and the Statement of Receipts and Expenditures. Make sure you have separate templates for the KOICA award and the matching fund from the lead research institute.
- The Payment Ledger is used to record the payments of project costs that are charged by KOICA's fund and the lead research institution's matching fund.
- The statement of receipts and expenditures is used to record the receipt and expenditure of project funds.
- Each transaction's payment amount should be entered in the payment ledger by date and item. It should also be categorized

according to the source of funding (KOICA fund vs. matching fund from lead research institution).

- As the amounts paid in the local currency is affected by the exchange rate applied
- The Payment Ledger should be submitted with details on spending from the project's start to end date, as well as related supporting documents containing information on the issue.
- The Payment Ledger and Statement of Receipts and Expenditures that are filed cannot be changed later, thus they should be double-checked before submitting.

✓ Principle of Evidence

- The information in the bank account book about deposits and withdrawals, as well as the information in the Payment Ledger and supporting papers (expenditure permission forms, revenue approval forms, external proof, and so on) should be consistent.
- According to the principle of "one document per transaction," file one expenditure approval form and one qualifying piece of documentation for each payment transaction (depending on the cost item).
- Input one line for each piece of evidence in the Payment Ledger. Be specific when describing the payment details.
- The serial number of the expenditure approval form, the amount in the attached proof, the cost sector and category, and other details entered in the Payment Ledger should match those in the supporting documentation.

✓ Cautions to Take When Submitting Copies

- For all projects, the principle is to submit the original documents of evidence and receipts (for both KOICA's fund and lead research institution's matching fund). However, if it is difficult to do so because local laws require that the original documents be retained, obtain approval for the submission of copies (those that are stamped as certified true copies of original documents) in line with the local laws and regulations.
- The certified true copy with stamp should include the "project name" and "lead research institution's name".

✓ Submission of Documents for Settlement

- Documents that are submitted should be divided into main documents (Payment Ledger, Statement of Receipts and Expenditures, a copy of the bank account book, etc.) and supporting documents (accounting evidence, expenditure approval forms and other evidence).
- Accounting evidence and other documents should be made easy to understand by using a reference number according to the order of payments in the Payment Ledger.
- Supporting documents should be numbered by project (or line item) and by date for reconciliation with the corresponding spending transactions. For submission, they should be filed in different folders (in size A4 and by project) for different activities.

- The receipt should have the same date, amount and purpose of spending as appears in the Payment Ledger.
  - If the receipt and supporting documents are written in Nepalese language, make sure to provide an English translation as well. (Receipts written only in the local language are not accepted as evidence.)
  - In principle, all of the supporting documents should be filed in three-ring (or two-ring) binders.
  - Use binders with the standard letter size of A4. The lead research institution can choose the binder's inch capacity considering the volume of evidence submitted. Make sure to label the project name and the institution name on the face of the binders so that they can be distinguished from other projects' documents and number the pages.
- ✓ **Ban on Revisions to the Documents Submitted**
- It is not permitted to delete or partially amend the letters with chemicals or through other methods if they describe amounts, quantities and other details in the accounting books and supporting documents related to the balance of funds.
  - If there is something that must be corrected, added or deleted, cross out the original record twice in red and make a correction to the right or upper side of the original text after putting the author's signature (or stamp) while making sure that the original text remains legible.
  - The amount related to a supporting document that contains any change made for an illegitimate reason will not be permitted at all. PMC or KOICA may also require a full refund of the fund depending on the severity of the matter.
- ✓ **Retention of the Documents for Settlement**
- In principle, all of the supporting documents that are related to accounting should be retained for 5 years. If the lead research institution retains the original documents after receiving approval from KOICA or PMC, it should retain them separately for different sources of funds (KOICA vs. the lead research institution) and is required to provide the documents when requested by PMC or KOICA.

## **2.5 Review on the Settlement of Project Costs**

### **▪ Review Criteria**

- ✓ The Review of the settlement will be finalized after the accounting firm appointed by KOICA checks and reviews the documents that support the project costs charged to KOICA and the lead research institution.

### Criteria for Review on Documents for Settlement

Topic	Review Criteria	Considerations
Review on Legitimacy of Budget Approval & Changes	Was it approved and revised in accordance with the budgeting and accounting policies/guideline?	<ul style="list-style-type: none"> <li>- See if the budget includes any impermissible items.</li> <li>- KOICA's fund should not be appropriated for cost items budgeted under the lead research institution and vice versa.</li> </ul>
Review on Actual Progress Made vs. Project Work Plan	Check if the project has been properly executed as planned	<ul style="list-style-type: none"> <li>- Review them in light of the project plan and the changes made through the proper process.</li> <li>- Key changes to the contents of a project need prior approval from KOICA or PMC</li> </ul>
Review on Actual Progress Made, Amounts & Details of Project Spending's	Check if the progress made on the project and the details of the project funds spent are consistent	<ul style="list-style-type: none"> <li>- The creation of a new cost item is subject to prior approval.</li> <li>- Request the return of project funds used for other purposes that are not related to the project.</li> </ul>
Review on Supporting Documents	Check if the supporting documents are adequate and proper	<ul style="list-style-type: none"> <li>- Submit the supporting documents that are required by the project Guidelines for R &amp; BD Budgeting &amp; Accounting</li> </ul>
Review on Related Accounting Books	Check if the Payment Ledger, project bank account and related evidence are consistent	<ul style="list-style-type: none"> <li>- Any inconsistency in terms of the dates and amounts spent should be announced in writing in advance.</li> </ul>

▪ **Example of Non- Allowable Uses of Funds**

- ✓ As a result of the accounting firm’s review, non-allowable costs can be identified as follows:

Examples of Non-Allowable Costs	Non- Allowable Amount
The amount in the evidence is not consistent with the amount in the Payment Ledger (if the former is less than the latter)	<ul style="list-style-type: none"> <li>- The difference is not allowable.</li> <li>- How to calculate the “difference not allowable”: “Amount stated in payment ledger” – “Amount stated in the supporting document”.</li> <li>- If details other than the amount (such as date and description) are inconsistent or if the evidence shows a greater amount than the Payment Ledger, it can be counted as non-allowable in the evaluation.               <ul style="list-style-type: none"> <li>※If the supporting document is not deemed reliable, it can be counted as non-allowable.</li> </ul> </li> </ul>
If the lead research institution has created a new cost item that is not included in the initial plan or arbitrarily used the funds without prior consultation with or approval from KOICA	<ul style="list-style-type: none"> <li>- The entire amount in question</li> </ul>
Used the funds for other purposes than those originally stated.	<ul style="list-style-type: none"> <li>- The entire amount in question</li> </ul>

- ✓ Other than the examples above, there can be other non-allowable costs identified through the accounting firm’s review process on the documents for settlement. The lead research institution may submit additional materials to have the costs recognized as allowable.

**2.6 Return of Unspent Project Funds**

- ✓ When there are remaining funds after the final settlement of the project funds, lead research institutions must refund the leftover/unspent balance of the KOICA fund, as well as the interest earned on the fund.
- ✓ The unspent fund should be sent back to PMC’s account.
- ✓ Within 30 days after being notified of the completion of the accounting review for settlement.
- ✓ Return unspent funds to the designated KOICA’s fund and submit a letter that includes the date and amount of return and a copy of the fund transfer receipt.
- ✓ The unspent amount should be transferred in USD currency.



### 3. Budget Sheet Template

Item	KOICA's Support Fund Budget (original)		Remarks
	NRs	USD	
External Researcher's Wage			
Research Materials			
Research Equipment & Tools			
Research Activities			
Research Allowance			
Sub Total			
Overhead Cost			
<b>Total</b>			

Item	Matching Fund		Remarks
	NRs	USD	
Internal Researcher's Wage			
Research Materials			
Research Equipment & Tools			
Research Activities			
Research Allowance			
Sub Total			
Overhead Cost			
<b>Total</b>			

- Note: 1. Sum of the direct and the indirect cost must not exceed the KOICA's Support fund.  
 2. Detail Budget will be sought after the initial evaluation and selection of the project

**NOTE: The guidelines shall be amended considering the current COVID-19 pandemic.**