# **APPENDIX 2**

# **Pro-forma Cost[[1]](#footnote-1)**

* 1. **Personnel Cost**

**New full-time staff**

In case of which the proponent/IA recruits new full-time staff engaging specifically for the AKCF funded project, they can budget direct personnel cost. For the newly recruited staff, the ToR should be included as annexes in the project proposal. Proponents can recruit maximum of 2 new full-time staff for the management of programmes/projects. In order to employ additional full-time staff or recruits staff with higher rates, proponents should consult with the ASEAN Secretariat in advance.

* Senior Project Manager: USD 4,800
* Project Manager: USD 3,400
* Project Officer: USD 1,500
* Project Assistant: USD 1,000
* Project Secretariat: USD 750

\*Salary of existing staff is considered as the operational cost.

* 1. **Activity Cost**

**Travel**

Support for the most direct and economical economy-class round-trip:

* travels outside the region (ASEAN - ROK): USD 1,000
* travels within the region: USD 800
* domestic flights: USD 400

Support for the most direct and economical business-class round-trip as a special case for people who obtained prior approval (prior consultation with the AKPMT is required for the approval):

* travels outside the region (ASEAN to ROK or ROK to ASEAN): USD 3,000
* travels within the region: USD 2,000
* domestic flights: USD 1,000

\* The travel costs above are ceilings. Actual expenditure by proponents can be less than the ceilings.

**Accommodations**

The cost of accommodation should not exceed 50% of the United Nations Daily Subsitence Allowance (UN DSA) rates adopted by the ASEAN Secretariat every January of the year. If there is no accommodation available under such an arrangement, the proponent should consult with the AKPMT.

**Per-diem**

Per-diem will be arranged based on the UN DSA rate. The DSA rate shall be reduced based on the information provided in the administrative arrangements and programme of activities of the event as follows:

* By 50 percent if accommodation is provided. This reduction shall apply irrespective of the type of accommodation provided free of charge;
* By 15 percent if one meal (lunch or dinner) is provided;
* By 30 percent if all meals (lunch and dinner) are provided;
* By 80 percent if accommodation and all meals are provided; and
* By 40 percent where no actual expenditure for accommodation incurred.

**Event (Conference, Workshop, or Exhibition)**

|  |  |
| --- | --- |
| Official lunch/dinner (Welcome/ Farewell/ Opening Ceremony) - The proponent can only charge one official lunch/dinner per event  | USD 50/person/activity |
| Meeting package (venue, 1 lunch, 2 coffee break)  | USD 60/person/day |
| Secretariat Support and Supplies\***\*** only applied for regional events | Maximum USD 2,500/event(telecommunications, ID card, banner, stationaries, rentals of electronic equipment.)  |
| Translation cost for project materials/publications | USD 25/page (A4 with 250 words/page) |
| Simultaneous interpretation | Maximum USD 800/person/day |
| Non-simultaneous interpretation | USD 600/person/day |
| Publications | USD 30/piece |
| Shipping of the project deliverables | USD 15/deliverable |
| Field visit | USD 50/person(including entrance fee, refreshment, and transportation) |
| Airport transfer | USD 40(Airport-Hotel-Airport) |

**Consultant**

In case when the proponent employs consultants, the rates and employment period shall be discussed with the AKPMT. The ToRs should be included as annexes in the project proposal.

* 1. **Operational Cost**

The total of operational cost shall not exceed 10% of the total budget before adding the Contingency Cost. If the proponent needs more than 10% for operational cost, the proponent shall consult with the AKPMT. The operational cost includes:

* Maintenance (utility bills, rental fee, etc.) cost
* Management Fees (transportation, telecommunication, meeting costs, event organizers, etc.)
* Other operational costs (cancellation fee, transfer fee, etc.)
* Salary of Existing Staff: In case when the proponent/IA utilizes existing staff for the AKCF project, up to 50% of the salary scale of new full-time staff in the Personnel Cost can be charged to the project budget.
	1. **Contingency Cost**

Contingency Cost can only be utilized for the expenditure occurred due to unexpected events, such as currency fluctuation, price increase but cannot cover personnel and administrative cost. The proponent has to obtain prior endorsement from the AKPMT for the utilization of the Contingency Cost.

# **Q&A on AKCF Pro-forma Cost**

**General**

1. What is AKCF Pro-forma Cost?

AKCF Pro-forma Cost is a set of references that is used as a standard to develop minimum amounts that can be adjusted within the range.

1. What is the budget proposal template (Annex 1 of ASEAN Cooperation Project Proposal Template)?

The budget proposal template is required for proponent/IA to use for the preparation of the indicative budget in project formulation. It is part of the ASEAN Cooperation Project Proposal Template.

**Personnel Cost**

1. What is the personnel cost?

Personnel cost refers to remuneration for project staff of AKCF projects who supports day-to-day operation/management/administration of the project. They could be newly-recruited staff. In a case where the proponent considers recruiting new staff as part of the project implementation, the recruitment plan and TOR should be included in the project proposal annexes. Salary of newly-recruited staff should be included in project activity, and that of existing staff is considered as the operational cost.

1. Who can be project staff of AKCF projects?

Project staff of AKCF projects must be ASEAN or ROK nationals.

1. What is the remuneration standard for the project staff?

For newly recruited staff, the salary scale follows the recommended salary stipulated in the Pro-forma cost.

**Operational Cost**

1. What is Operational Cost?

Operational Cost is the expenses related to maintenance and administration of programmes/projects. It can be utilized to cover existing staff salary, rental fee, maintenance fee, bank transfer fee, etc.

1. Can the proponent purchase any equipment or electronics such as a laptop or camera?

AKCF could not be budgeted for any procurement of office equipment. The proponent could only charge the AKCF for the rental cost of equipment or electronics which are considered crucial for project implementation.

**Travel**

1. AKCF Pro-forma Cost for airfare: is it entitlement or ceiling rate?

The cost listed in AKCF Pro-forma cost is the ceiling for the most direct economy class round-trip in the region. The actual cost of the airfare shall be provided in the Financial Reports.

1. What is the rate for a domestic flight?

USD 400 is the ceiling for an economy class round-trip for a domestic flight.

1. What is the rate for a one-way ticket?

The ceiling is USD 400.

1. If an ASEAN Member State AMS prefers/requests to take land/sea transportation, can the ceiling for domestic flight be used?

Land/sea transportation will be estimated based on actual cost.

1. Can airport tax be included in the budget proposal and claimed as part of incurred expenses?

At the time of budget preparation, specific budget line for airport tax will not be included. In case there is an expense for airport tax, it can be charged to airfare budget line. The supporting document of airport tax, including receipt and/or air ticket showing airport tax is included, should be attached with the air ticket to the Financial Report.

1. Can participants charge transportation from their home to the airport in their home country?

No.

1. Can connecting domestic flight to/from the international airport in the respective countries be regarded as international flight if the route for the traveler outside the hosting country is most direct to the project venue?

Yes.

1. Can visa fee be reimbursed?

Visa fee could be reimbursed, and the proponent is requested to attach the necessary document (receipt, etc.) with the Financial Report. For those who need to travel to obtain a visa, the travel expenses/per-diem can be covered upon prior approval of the AKPMT.

1. Can cost for airport transfer of the traveler outside the hosting country be budgeted apart from the budget for per diem?

Yes. The proponent can arrange the airport transfer for the expert/participant with a maximum of USD 40 that covers from the airport to hotel and hotel to airport for one project activity.

1. If the venue and accommodation are different, can the cost of transportation be budgeted separately?

Yes. If the venue of meeting/event and accommodation are not the same, the proponent can budget the cost of transportation from the item for Programme/Activity Cost. However, the transportation cost will cover the route from the designated hotel/accommodation to the venue and from the venue to the designated hotel/accommodation. Should the participants wish to stay outside of the designated accommodation, they may arrange and cover their own transport cost.

**Per Diem**

1. What is per diem?

Daily subsistence allowance provided for the traveler to cover the cost of hotel/ accommodation, meals, laundry, tips, phone calls, local transportation within the destination city and other associated expenses.

1. Who is entitled to receive per diem?

A person who travels outside his/her duty station and staying overnight to conduct activities or participate in the meeting/workshop/seminar related to the AKCF programmes/projects

1. How to calculate per diem?

AKCF Pro-forma cost uses UN DSA rates as of January in the year of project implementation to calculate per diem. Per diem will be calculated based on the number of days for project activities plus one traveling day. The per-diem arrangement should follow the following mechanism:

* Accommodation: 50%
* Lunch: 15%
* Dinner: 15%

If lunch and dinner are provided, participants will only receive 20% of the per diem. If only lunch is provided, the participant will receive 35% of the per diem. For travel day, participants are entitled to receive 50% of the per diem.

1. What are the conditions where a person is not entitled to receive Per Diem?

A person shall not be entitled to receive per diem if the activity is taking place in his/her duty station. The AKPMT and proponents shall ensure that per diem be given to eligible participants.

1. Can per diem be given to a person who will not stay in a hotel provided by the organizer?

The participant could book their own hotel but need to submit hotel receipt to receive 50% of the per diem. The per diem will be deducted by 40 percent where no actual expenditure for accommodation incurred.

1. Can we budget all necessary costs as separate items such as accommodation and meals instead of budgeting Per Diem?

Yes, as long as the total cost of the budget for these separate items does not exceed the UN DSA rate.

1. Can the consultants get per diem in addition to their consultant fee?

Yes.

1. Is a receipt (supporting document) necessary for per-diem payment?

Yes. Signature of recipients receiving per diem is necessary.

1. Can per diem be adjusted to a higher/lower rate if the venue of an event is changed from the originally approved one in the proposal?

Yes, as long as the proponent obtains prior approval from the AKPMT. The proponent is requested to attach the DSA rates of the year of implementation in the Financial Report.

1. Should per diem be adjusted to the actual UN DSA rate for the year of implementation and beyond when the rate has to be changed from that at the time of the budget proposal/approval?

Yes, the proponent is requested to explain the variance in the Financial Report submitted.

1. Is a prior approval needed if the proponent wants to add more activities or make any adjustment of the budget lines of the approved budget?

Yes, prior approval is needed if the proponent wants to revise activities.

**Activity**

1. When can proponents start project activities?

Proponents can start project activities after receiving endorsement from both ASEAN and MOFA ROK. The AKCF will not cover any expenditure that occurred prior to the date of the endorsement.

1. Can welcome/farewell dinner or opening ceremony be charged separately from the meeting package?

Yes. The AKCF can cover one official luncheon/dinner per each activity of the project. The cost for such occasion shall not exceed USD 50 per person for one official welcome/farewell dinner.

1. If an organizer cannot find a meeting venue for under USD 60 (meeting package), is it possible to use a venue for more than USD 60 as long as sufficient justification is provided (in advance)?

In principle, the organizer is expected to find a meeting venue within the specified rate. If not, please consult with the AKPMT.

1. What can be covered under Secretariat Support and Supplies?

Rental of equipment (Laptop, PC, projector, printer, sound system, etc), hiring temporary staff (helper), backdrop, banners, consumables such as stationeries, papers, name tags, certificates for participants, toners/ink cartridges and etc. The detail should be elaborated in the budget.

1. Is it allowed to purchase office equipment/furniture/fixtures?

No. The AKCF only covers the rental cost of equipment.

1. Is the rate for Secretariat Support and Secretariat Supplies for per seminar/ workshop?

The rates are per seminar/workshop regardless of the duration.

1. Can the total amount of a meeting package be fully utilized if the actual number of participants/experts is decreased from that of the approved budget proposal?

No. The amount of meeting package will follow the actual number of participants as long as it is not exceeding the total approved budget for meeting package.

1. What are unit costs applied to publication and the shipping of the project deliverables?

Please use the unit cost of USD 30 for publication and USD 15 for shipping of the deliverables.

**Contingency cost**

1. What type of cost can be charged to contingency cost?

The contingency cost can only be utilized for the expenditure occurred due to unexpected events, such as currency fluctuation, price increase but cannot cover personnel and administrative cost.

1. What is the procedure to use contingency cost?

Prior consultation with the AKPMT is required to use the contingency cost. The approval email or letter should be attached to the Financial Report. The justification for the use of contingency cost should be provided in the Financial Report.

1. If there is any remaining balance after the implementation of the programmes/projects, should it be returned?

Yes, the unspent amount from the approved budget should be returned.

**Others**

1. Can lump sum amount be used in the budget?

No. The AKCF requires that every budget item should be presented clearly by unit cost, unit name, and quantity.

1. Is it allowed to include budget item not listed in AKCF Pro-forma cost?

Yes, the AKPMT shall be consulted prior to including such budget items.

1. Is it allowed to purchase gift/souvenirs?

No. The AKCF does not cover the cost for gift/souvenirs.

1. Can the AKCF cover cost for hiring interpreters/translators?

Yes. If the hired interpreters/ translators are resided outside of the host city, he/she is entitled to domestic airfare and accommodation.

1. Can we use the surplus of one particular budget line to supplement other budget lines during the implementation?

No. If necessary, please consult with the AKPMT.

1. Can we make the budget with local currency?

No, it is mandatory to prepare the budget proposal in USD. However, budget using domestic currency can be included as attachment.

1. Can cancellation charges be covered by the AKCF?

Please note that proponent/IA shall take full responsibility for facility/service reservation, and they can do so at their own risk. The unutilized facilities/services that are chargeable shall be covered by proponent/IA, in principle. However, depending on the reason and subject to submission of supporting documents and their acceptance by ASEC/ROK, they may be covered by the AKCF.

Proponent/IA is requested to provide the Financial Report with the explanation of the cancellation as well as the proof documents so that ASEC can carry out the verification. If that is acceptable, the AKCF can cover the cancellation charges. Proponents/IAs are reminded that such an exceptional treatment applies only to special unforeseeable circumstances. Supporting documents can include a medical certificate in case sponsored participants cannot participate in an event due to his/her health condition.

1. Can personal property such as car be used to conduct project activities under AKCF budget?

No. The AKCF does not cover the cost when the personal property is used and will never accept liability for any kind of damages resulting from the use of personal property.

1. What is the name of the item to be used in the Financial Report when the proponent/IA bear the cost overspent from the approved budget?

The item of “contribution” is to be used in the Financial Report if the proponent cover the difference from their own source of fund.

1. What are the Accounting Standards to be complied with when preparing the Financial Report?

The Financial Report can use the following accounting standards: International Public Sector Accounting Standards (IPSAS), International Financial Reporting Standards (IFRS), or Generally Accepted Accounting Principles (GAAP).

1. *Applied since 12 December 2019*

*The pro-forma costs will mirror those applied to projects funded by the ASEAN-Korea Cooperation Fund* [↑](#footnote-ref-1)