 Resources for Implementing Partners

5 Steps to Credit a VAT Refund To Your Award

1. Partners submit original invoice to USAID
   Partners submit original invoices of purchases with a value of more than 1,500 INR (excluding VAT) before the 10th of the following month.
   ! Failure to do so can result in a disallowed cost during an audit.

2. Consolidation of all invoices
   RFMO consolidates all invoices from partners and sends them to the Government of India.
3. **Refund of VAT to USG**
   
   Government of India refunds the total VAT to the U.S. Embassy.
   
   Embassy informs USAID of the receipt of the money.

4. **Credit of VAT refund to projects.**
   
   USAID allocates and credits the project obligation with the VAT refund.

5. **For credits at the end of an award, the AO has two options:**
   
   - Allow the credit to be used by the implementing partner for additional activities.
   - Deobligate the money and send it to the U.S. Treasury.

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Developed by USAID/India's Regional Financial Management Office and Regional Office of Acquisition and Assistance and the Central and South Asia Acquisition and Assistance Innovation Lab in support of Local Capacity Building.