



February 14, 2022

**OAA-IPN-2022-1**

To: All USAID/India Implementing Partners

From: Eric Strong, Supervisory Contracting Officer, USAID/India  
Aaron Bishop, Regional Controller, USAID/India **Aaron Bishop**

Subject: Goods and Services Tax (GST) Guidelines for USAID/India Implementing Partners

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Date: 2022.02.14 15:08:16 +05'30'

**This notice replaces USAID/India’s previous guidance on GST in OAA-IPN-2021-2.**

Effective as of the date of this notice, USAID will pursue refunds from the Government of India (GOI) based on information that Implementing Partners (IPs) submit through the “Payment Process” detailed below, and IPs’ Accounting and Quarterly Reporting should exclude GST.

**1) *Payment Process***

When an SF-1034 (Public Voucher for Purchases and Services) is submitted, IPs must clearly identify the GST amount on a separate line and attach the relevant GST Invoice(s) to match that amount.

IPs that are paid via the Letter of Credit (LOC) mechanism cannot indicate the GST amount in the Payment Management System, and therefore, these IPs must submit their GST Invoices every month to the USAID/India Regional Financial Management Office (RFMO) (Newdelhigst@usaid.gov) and quote the subject line “GST Invoices for <XYZ Project> for <ABC Month>.” RFMO will use this information to replenish their LOC so that the GST amounts become available, as if the project had never incurred that expense.

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For all IPs, even if you do not have any GST transactions during a month, please report that to RFMO either on the SF-1034 or separately through the LOC reporting process.

**2) *Accounting and Quarterly Reporting***

The project accounts at USAID will not reflect any GST charges, and each IP should develop an accounting method that segregates GST charges from project costs. All quarterly SF-425s (Federal Financial Reports) should exclude GST. Likewise, all budgets, funding requests, accruals, and annual reports should exclude GST.

Note that over the life of the project, the total payments to the IP will amount to the project obligation amount PLUS the GST amount. The GST amount will not count against the project obligation and should not be recorded as a project expense in the IP's books.

### ***3) General Reminders***

1. GST Invoices must be in the name of the Embassy of USA quoting the UIN no. 0717USA00138UNS. GST Invoices which do not have these particulars will not be reimbursed by the GOI. **PLEASE NOTE: Failure by the IP to follow the procedures for GST recovery from the GOI may result in GST costs determined unallowable by the award CO or AO.**

2. USAID only seeks GST refunds for invoices that exceed \$500 before GST. There is no need to report smaller transactions or forward the GST Invoices; the applicable GST will be considered as a project expenditure and an allowable cost covered under the award obligation.

3. IPs are required to read and understand their award carefully for any GST implications. Please note that any award conditions pertaining to GST stated in the award take precedence over this notice.

### ***4) More Information***

You may also refer to the attached slides which contain examples of the Payment Process. You may send questions regarding payment to [Newdelhigst@usaid.gov](mailto:Newdelhigst@usaid.gov).