

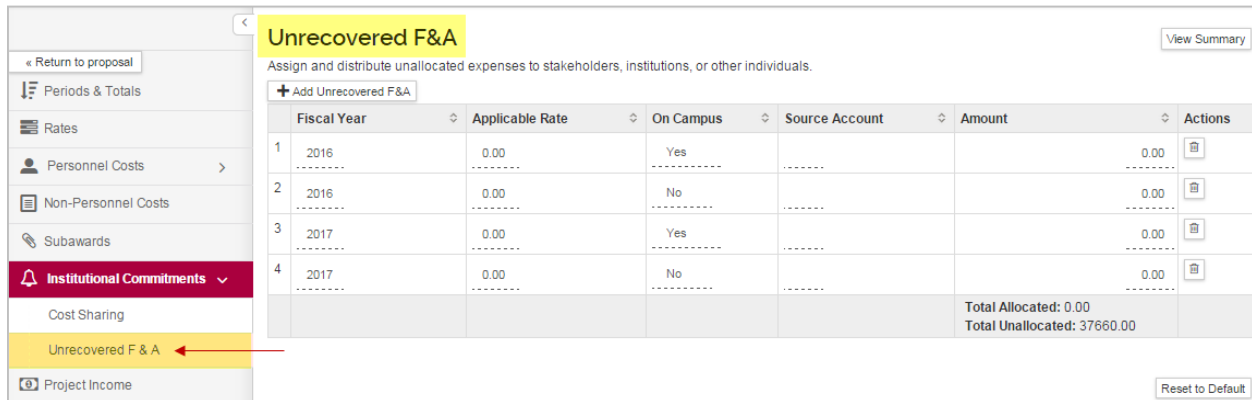
### Overview:

If your budget incurs Underrecovery, you must identify the sources of funding that will support the expense and distribute it to those sources. Underrecovery (unrecovered F&A) is generated by indirect costs that are not paid by the Sponsor. Some ways this can happen are:

- The Sponsor will not pay the Institute's full F&A expenses.
- The Sponsor uses a different indirect cost base, such as Total Direct Cost (TDC).
- The Sponsor uses a different rate than the current Institute rates, such as a fixed-for-the-life award.


### Procedure:

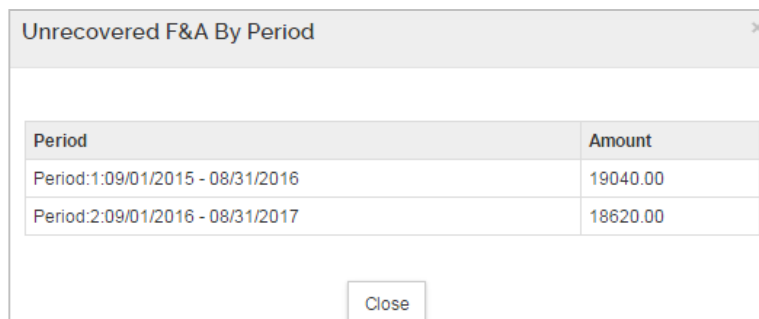
While in the Budget, click the **Institutional Commitments** → **Unrecovered F&A** on the **Navigation** panel. The **Unrecovered F&A** screen will open with default settings for each Project Period (Fiscal Years, On/Off Campus, etc.).



Fiscal Year	Applicable Rate	On Campus	Source Account	Amount	Actions
1 2016	0.00	Yes		0.00	[Icon]
2 2016	0.00	No		0.00	[Icon]
3 2017	0.00	Yes		0.00	[Icon]
4 2017	0.00	No		0.00	[Icon]
				Total Allocated: 0.00	
				Total Unallocated: 37660.00	

**Figure 1 – Unrecovered F&A Subpanel**

1. Click the **View Summary** button, to see the Unrecovered F&A amounts that must be distributed per project period. Click the **Close** button or  to close out of this window.



Period	Amount
Period:1:09/01/2015 - 08/31/2016	19040.00
Period:2:09/01/2016 - 08/31/2017	18620.00

**Figure 22 – Unrecovered F&A By Period Window**

2. In the **Unrecovered F&A** screen, for each Fiscal Year/Project Period:
  - a. Click in the field in the **Source Account** column to enter the Account Number for Underrecovery. The field will become editable upon clicking on it.



**Note:** If the Account is yet to be determined, enter one of the applicable placeholder source accounts:

- 0000001 – Institute
- 0000002 – Provost
- 0000003 – School
- 0000004 – DLC
- 0000007 - Unknown

Unrecovered F&A							View Summary
Assign and distribute unallocated expenses to stakeholders, institutions, or other individuals.							
+ Add Unrecovered F&A							
	Fiscal Year	Applicable Rate	On Campus	Source Account	Amount		Actions
1	2016	0.00	Yes	1234567	0.00		
2	2016	0.00	No		0.00		

**Figure 3 – Editing Source Account**

- b. Click on the field in the **Amount** column to enter the amount being distributed to the Source Account for the selected Fiscal Year/Budget Period. The field will become editable upon clicking on it.

Unrecovered F&A							View Summary
Assign and distribute unallocated expenses to stakeholders, institutions, or other individuals.							
+ Add Unrecovered F&A							
	Fiscal Year	Applicable Rate	On Campus	Source Account	Amount		Actions
1	2016	0.00	Yes	1234567	19040.00		
2	2016	0.00	No		0.00		

**Figure 4 – Editing Amount**



**Note:** If the entire project is taking place On Campus, then the Off Campus lines can be deleted from the screen by clicking the in the **Actions** column for those lines (and vice versa).

3. Repeat these steps to distribute all the Unrecovered F&A.



**Note:** The **Total Unallocated** field should be **0.00** once all the Underrecovery is distributed.

Unrecovered F&A						View Summary
Assign and distribute unallocated expenses to stakeholders, institutions, or other individuals.						
+ Add Unrecovered F&A						
	Fiscal Year	Applicable Rate	On Campus	Source Account	Amount	Actions
1	2016	0.00	Yes	1234567	19040.00	
2	2017	0.00	Yes	1234567	18620.00	
					Total Allocated: 37660.00	
					Total Unallocated: 0.00	

**Figure 6 – Total Unallocated**

To add comments regarding the distribution, do so in the **Budget Settings** window. A description of the Sponsor’s cap on indirect costs should also be entered in the Comments field (for example: “sponsor limits indirect costs to 10% of TDC.”)

**Budget Settings**

Project Start Date: 01/01/2015  
 Project End Date: 12/31/2019

Total Direct Cost Limit: 0.00

Budget Status: Incomplete

On/Off Campus: Default

Residual Funds: 0.00

Total Cost Limit: 0.00

Unrecovered F & A Rate Type: MTDC

F&A Rate Type: TDC

Comments: Sponsor limits indirect costs to 10% of TDC.

Modular Budget:

Submit Cost Sharing:

**Figure 7 – Budget Comments**

**Related Documentation:**

- [F&A and Unrecovered F&A Rate Types Budget Settings](#)
- [Research Underrecovery at Proposal Phase](#)

## Getting Help

For questions regarding *Kuali Coeus Proposal Review & Approval Quick Reference Cards*, email the Support Team at [kc-help@mit.edu](mailto:kc-help@mit.edu).