

Under-recovery in Kuali Coeus

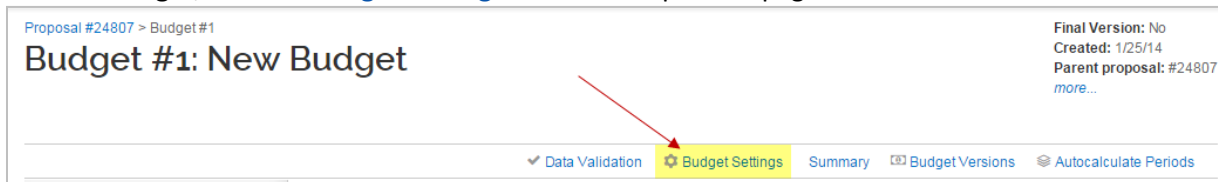
Overview:

If your budget incurs under-recovery, you must update the Budget Settings and identify the sources of funding that will support the expense and distribute it to those sources. Under-recovery (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:

1. While in the **Budget**, click the **Budget Settings** link at the top of the page.



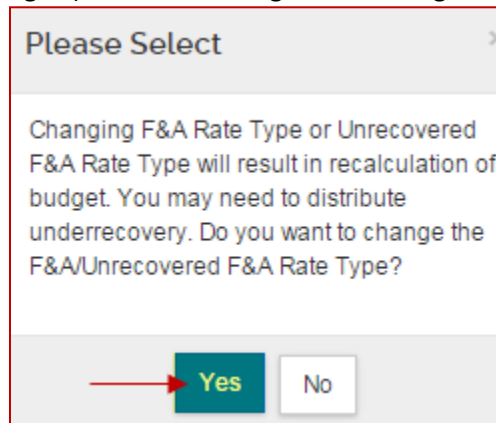
The **Budget Settings** window will open.

Budget Settings	
Project Start Date	04/01/2016
Project End Date	03/31/2021
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	MTDC ▼
Comments	

F&A Rate Type represents the Sponsor’s normal rate type. This may be **TDC** (total direct cost base), **MTDC** or **Fund with Transaction Fee (FUNSN)**. **Select** appropriate Unrecovered F&A Rate Type using the drop-down menu.

Unrecovered F&A Rate Type represents the Institute’s normal rate type – for Research activities, this is **MTDC**. For Non-Research activities, this is **Fund with Transaction Fee (FUNSN)**. **Select** appropriate F&A Rate Type using the drop-down menu.

- After clicking **Apply Changes** button, you will receive a **Please Select** window with a message that states *‘Changing F&A Rate Type or Unrecovered F&A Rate Type will result in recalculation of budget. You may need to distribute underrecovery. Do you want to change the F&A/Unrecovered F&A Rate Type?’* Click the **Yes** button to proceed with the changes (click **No** to disregard the changes made).



Distributing Under-recovery

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	[trash icon]
2	2016	0.00	No	.....	0.00	[trash icon]
3	2017	0.00	Yes	.....	0.00	[trash icon]
4	2017	0.00	No	.....	0.00	[trash icon]
					Total Allocated: 0.00	
					Total Unallocated: 37660.00	

- 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.

Unrecovered F&A By Period	
Period	Amount
Period:1:09/01/2015 - 08/31/2016	19040.00
Period:2:09/01/2016 - 08/31/2017	18620.00

Close

2. In the **Unrecovered F&A** screen, for each Fiscal Year/Project Period:
 - a. Click on the rate in the **Applicable Rate** column to enter the applicable F&A rate. The field will become editable upon clicking on it. (This rate will default from the rates entered in the **Rates** panel. Skip this step if the correct rate appears in the field.)

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		0.00	[Edit]		
2 2016	0.00	No		0.00	[Edit]		

Figure 3 – Editing Applicable Rate

- b. 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
- 0000005 – Tuition Subsidy
- 0000006 – UROP
- 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	[Edit]		
2 2016	0.00	No		0.00	[Edit]		

Figure 4 – Editing Source Account

- c. 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 5 – 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

Related Documentation:

Federally sponsored, Non-Research programs [De Minimis Rate Application](#)

Getting Help

For questions regarding Kualu Coeus Quick Reference Cards, email the Support Team at ra-help@mit.edu.