

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.

Proposal # > Budget #2 Budget #2:	V	-			Marked For Submission: _{Ye} Created: _{02/05/2025} Proposal: _{#69743} more	ŝ
✓ Data Validation (off)	Contract Settings	¹ / ₃ ≡ Hierarchy	Summary	Budget Versions	Autocalculate Periods ⑦ Help Help	

Figure 1 – Budget Settings link.

The Budget Settings window will open.

Budget Settings	
Project Start Date	02/01/2025
Project End Date	01/05/2028
Total Direct Cost Limit	þ.oo
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	
Modular Budget:	
Submit Cost Sharing:	
Exclude Subcontract F&A from Direct Cost Limit:	
	Apply Changes Close

Figure 2 – Budget Settings window.



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 description 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 description using the drop-down menu.

2. 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 Under-recovery. 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).

Please Select ×
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?
Yes No

Figure 3 – Please Select window to confirm changes.

3. Now click on Rates on the left hand navigation panel. Use the Applicable Rate column to adjust rates for TDC, MTDC or Fund with Transaction Fee if Sponsor rate is different from MIT rates.

« Return to proposal	Refresh All Rates Refresh All Rates Sync Verify the default rates set by your institution. You can override them if necessary by clicking the edit icon to the right of each row. Sync										es Sync Al
Periods & Totals	Organized Research F & A	Fringe	e Benefits	Inflation	Vacation	Lab Allocation	Salarie	s Lab Allocatio	on - Oth	er Othe	ər
Rates	Organized Resea	rch F	& A					Sync to Current Ins	titutiona	I Rates	set to Defaul
Personnel Costs >	Description	\$	On Campus	\$	Fiscal Year	Start Date	\$	Institute Rate	\$	Applicable	e Rate *
Non-Personnel Costs	Fund with Transaction Fee (F	Fund with Transaction Fee (FUNSN)									
Single Point Entry	Salaries		No		2025	07/01/2024		6.50		6.50	
Subawards	Materials and Services		No		2011	07/01/2010		10.00		10.00	
•	Materials and Services		Yes		2011	07/01/2010		10.00		10.00	
Institutional Commitments >	Salaries		Yes		2025 07/01/2024			59.00		59.00	
Project Income	MTDC										
✔ Modular	MTDC		Yes		2025	07/01/2024		59.00		59.00	

Figure 4 – Rates screen showing Applicable Rate column.

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 Fiscal Year during the Project (Fiscal Years, On/Off Campus, etc.).



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« Return to proposal	Assi	on and distribute unallo	cated expenses to stakeholders, ir	stitutions or other individu	ale		
F Periods & Totals		Add Unrecovered F&A	outou expenses to stattenoiders, in	strations, or other marviau	uio.		
Rates		Fiscal Year	Applicable Rate	On Campus 🗘	Source Account	Amount	Actions
Personnel Costs >	1	2025	59.00	Yes		0.00	
Non-Personnel Costs	2	2025	6.50	No		0.00	a
🗘 Single Point Entry	3	2026	59.00	Yes		0.00	Ē
🕅 Subawards	4	2026	6.50	No		0.00	a
Institutional Commitments	5	2027	59.00	Yes		0.00	Ē
Cost Sharing	6	2027	6.50	No		0.00	1
Unrecovered F & A		-				Total Allocated: 0.00 Total Unallocated: 9.389.00	

Figure 5 – Unrecovered F&A screen.

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

Unrecovered F&A By Period		×
Period		Amount
Period:1:02/01/2025 - 01/31/2026		4,300.00
Period:2:02/01/2026 - 01/31/2027		4,300.00
Period:3:02/01/2027 - 01/05/2028		789.00
	Close	

Figure 6 – Unrecovered F&A by Period summary.

- 2. In the Unrecovered F&A screen, for each Fiscal Year:
 - 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.)

+	Add Unrecovered F&A							
	Fiscal Year 🗘	Applicable Rate	\$	On Campus	\$ Source Account	\$ Amount	\$	Actions
1	2025	59.00	_	Yes			0.00	
2	2025	6.50		No			0.00	ê

Figure 7 – Editing Applicable Rate.



- b. Click in the field in the **Source Account** column to enter the **DLCI UR Allocation Account** for all DLCI(s) funding under-recovery. The field will become editable upon clicking on it.
- 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.

1 2025 59.00 Yes 4,300.00 2 2026 59.00 Yes 1 3 2027 59.00 Yes 1	+	Add Unrecovered F&A							
2 2026 59.00 Yes DLCI under-recovery Account 4,300.00 Image: Content of the second of t		Fiscal Year 🗘	Applicable Rate	\$ On Campus	٥	Source Account	\$	Amount	\$ Actions
2 2026 59.00 Yes recovery Account 4,300.00 3 2027 59.00 Yes 789.00 1	1			leased Theorem and the			-		Ê
3 2027 59.00 Yes 789.00	2			202020					Ê
	3			Yes					Ê

Figure 8 – Editing Source Account.

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 Under-recovery is distributed.

+ Add Unrecovered F&A												
	Fiscal Year \diamond	Applicable Rate 🗘	On Campus 🗘	Source Account \diamond	Amount \diamond	Actions						
1	2025	59.00	Yes		4,500.00	Ŵ						
2	2026	59.00	Yes		4,500.00							
3	2027	59.00	Yes		389.00	Ŵ						
					Total Allocated: _{9,389.00} Total Unallocated: _{0.00}							

Figure 9 – Total Unallocated.

Related Documentation

VPR-RAS Rates Webpage

Getting Help

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



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