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.).

![Unrecovered F&A Subpanel](figure1_unrecoveredfa.png)

**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.
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.)
   
   ![Figure 3 – Editing Applicable Rate](image)

   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
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.

**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 ![icon] 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.

**Figure 6 – Total Unallocated**
Related Documentation:

- F&A Underrecovery Rate Types
- De Minimis Rate Application

Getting Help

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