

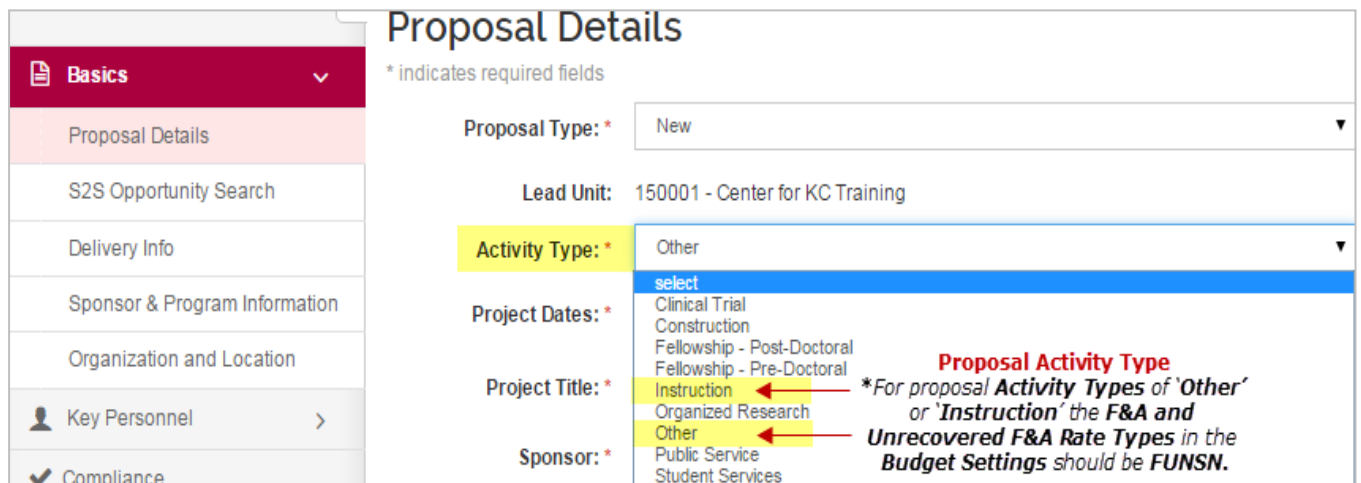
## Overview:

The **Budget Settings** section allows one to modify, if needed, the **F&A Rate Type** (the rate allowed by the sponsor) and the **Unrecovered F&A Rate Type** (the MIT normal rate type for project/activity).

Currently, both the **F&A Rate Type** and **Unrecovered F&A Rate Type** default to *MTDC* for all budgets created in the system, regardless of the proposal Activity Type.

- When the proposal Activity Type is "Organized Research" and Sponsor allows MIT to charge its standard rates, both the F&A **and** Unrecovered F&A Rate Types should be *MTDC*.
- When the proposal Activity Type is "Other" or "Instruction" and Sponsor allows MIT to charge its normal rates, users will need to change the F&A **and** Unrecovered F&A Rate Types to *FUNSN (Fund with Transaction Fee)*.
- When the Sponsor has a different F&A Rate policy than MIT, users will need to review both Sponsor and MIT policies and procedures to determine which selections to make for F&A and Unrecovered F&A Rate Types. **Note:** Additional detailed information concerning this scenario may be found on the "Underrecovery Distribution" Quick Card, or on the "De Minimis Application" Quick Card. Both found on the [KC Quick Card webpage](#).

**The following example is based on a proposal with the Activity Type "Other", and the Sponsor allows MIT to charge its normal rates.**



**Proposal Details**  
\* indicates required fields

Proposal Type: \* New

Lead Unit: 150001 - Center for KC Training

Activity Type: \* Other

Project Dates: \* select

Project Title: \* Instruction

Sponsor: \* Public Service

**Proposal Activity Type**  
\*For proposal Activity Types of 'Other' or 'Instruction' the F&A and Unrecovered F&A Rate Types in the Budget Settings should be FUNSN.

Figure 1 – Activity Type

## Procedure:

### Modifying F&A Rate Type & Unrecovered F&A Rate Type

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

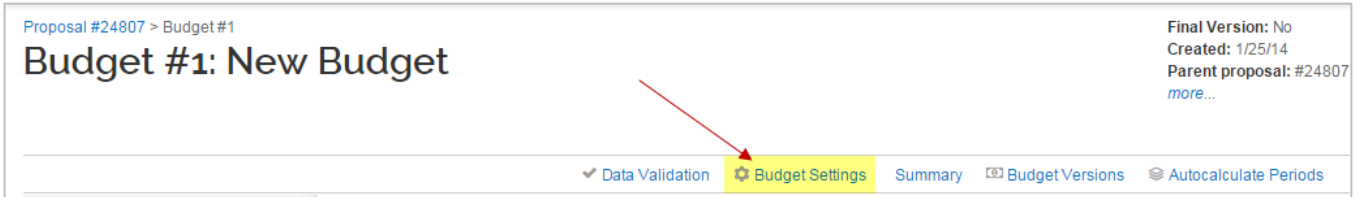


Figure 2 – Budget Settings Link

The **Budget Settings** window will open.

Budget Settings	
Project Start Date	04/01/2016
Project End Date	03/31/2021
Total Direct Cost Limit	<input type="text" value="0.00"/>
Budget Status	<input type="text" value="Incomplete"/> ▼
On/Off Campus	<input type="text" value="Default"/> ▼
Residual Funds	<input type="text" value="0.00"/>
Total Cost Limit	<input type="text" value="0.00"/>
Unrecovered F & A Rate Type	<input type="text" value="MTDC"/> ▼
F&A Rate Type	<input type="text" value="MTDC"/> ▼
Comments	<input type="text"/>

Figure 3 – Budget Settings Window

2. If your proposal **Activity Type** is '**Other**' or '**Instruction**', change the **Unrecovered F&A Rate Type** and **F&A Rate Type** drop-down fields in the **Budget Settings** window to **Fund with Transaction Fee (FUNSN)**. Then click **Apply Changes** to save and apply the newly selected Rate Types to your budget.

Figure 4 – Fund with Transaction Fee (FUNSN)

**Note:** You may also change the **Unrecovered F&A Rate Type** and/or **F&A Rate Type** settings when the Sponsor requires these to be different from the default system values for the selected proposal Activity Type. *For example, if the Sponsor allows F&A Rate calculations based on TDC (Total Direct Costs), you would modify the **F&A Rate Type** in the Budget Settings window to **TDC**.*

- 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).

Figure 5 – Changing F&A/Unrecovered F&A Rate Type.

## Getting Help:

For questions or problems using this Kualu Quick Reference Card or the procedure it describes, please email the Research Administration Education & Support team at [ra-help@mit.edu](mailto:ra-help@mit.edu)

Include your **Name**, **Contact Information**, and the **questions** you have and or **difficulties** you are experiencing.