Overview:

For all federal proposals for non-research activities (Activity types “Instruction” and “Other”), the indirect cost rate should be set at 10% Modified Total Direct Costs (MTDC), the federal de minimis rate.

Procedure:

1. In Proposal Details, make sure the Activity Type is set to “Instruction” or “Other” as appropriate:

![Figure 1 – Specify the Activity Type](image)

2. Go to the Budget tab and “Add Budget” or open an existing budget version by clicking on the name:

![Budget tab](image)
3. In the budget version you will make final, you will need to adjust **Budget Settings, Rates Tables, and Institutional Commitments-> Unrecovered F&A**: 

![Budget #1: Summary Budget](image)

4. **Budget Settings**: Make sure these settings are in place:

   a. “Unrecovered F&A Rate type” to **Fund with Transaction Fee** (FUNSN)
   b. “F&A Rate type” to **MTDC**
5. In the Rates table, set the MTDC rates to **10%**

![Rates Table Image]

6. In **Institutional Commitments > Unrecovered F&A**, you will need to enter the amount of unrecovered F&A for each year as a separate line. **Do not do this until the budget is ready to complete.**

   Go to the Periods and Totals tab, and note how much underrecovery there is for each budget period:

![Periods & Totals Image]
7. Then go to **Institutional Commitments > Unrecovered F&A**
   a. Enter amount of Unrecovered F&A for each year on a separate line
   b. Enter **10%** as the Applicable Rate
   c. List the funding source as “0000001”
   d. Delete any empty lines

For questions or problems using Kuali Coeus, email the OSP Support Team at [kc-help@mit.edu](mailto:kc-help@mit.edu). Include your **Name, Contact Information,** and the **Proposal number**