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](image)

**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.

   ![Budget Settings Link](image)

   Figure 2 – Budget Settings Link

   The Budget Settings window will open.

   ![Budget Settings Window](image)

   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.
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.

3. 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).
For questions or problems using this Kuali Coeus Quick Reference Card, email the Support Team at kc-help@mit.edu.

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