

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: _{Yes} Created: _{02/05/2025} Proposal: _{#69743} more
✓ Data Validation (off)	Contract Settings	¹ / ₃ ≡ Hierarchy	Summary	Budget Versions	Autocalculate Periods ⑦ 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	þ.oo	
Budget Status	Incomplete	
Dudget 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	Rates Verify the default rates set by you	ır institut	ion. You can override	hem if necessary by	clicking the edit icon to	the right of each row.	Refresh All Rates Sync Al
Rates	Organized Research F & A	Fringe ch F	Benefits Inflation	N Vacation	Lab Allocation - Salarie	s Lab Allocation - (Sync to Current Institution	Other Other
Personnel Costs >	Description	\$	On Campus	Fiscal Year	Start Date	Institute Rate	Applicable Rate *
Non-Personnel Costs	Fund with Transaction Fee (FL	JNSN)					
🗘 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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٢	Ur	nrecovered l	F&A				View Summary
« Return to proposal	Assi	ign and distribute unall	ocated expenses to stakeholders,	nstitutions, or other individu	als.		
Periods & Totals	+	Add Unrecovered F&A					
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	<u> </u>
🕅 Subawards	4	2026	6.50	No		0.00	
↓ Institutional Commitments	5	2027	59.00	Yes		0.00	
Cost Sharing	6	2027	6.50	No		0.00	
Project Income						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.)

Assi	ign and distribute un	alloc	ated expenses to stakehol	lders, ins	stitutions, or other ir	ndividua	als.			
т	Fiscal Year	\$	Applicable Rate	٥	On Campus	٥	Source Account	\$ Amount	\$	Actions
1	2025		59.00	-	Yes				0.00	Ê
2	2025		6.50		No		ma alas.	 	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.

Ur Assi	Unrecovered F&A Assign and distribute unallocated expenses to stakeholders, institutions, or other individuals.										
+	Add Unrecovered F&	A									
	Fiscal Year	\$	Applicable Rate	\$	On Campus	\$	Source Account	\$	Amount	\$	Actions
1	2025		59.00		Yes			_		4,300.00	
2	2026		59.00		Yes			D reco	LCI under- overy Account	4,300.00	
3	2027		59.00		Yes					789.00	Ê
									Total Allocated: 9,389.00 Total Unallocated: 0.00		

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 \diamond	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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