

QUICK GUIDE

Implementing Stepped F&A Rates in Kuali

Overview: Detailed budgets created in Kuali Development prior to 12/19/2022 can be synced with new F&A rates. Kuali will then automatically calculate the correct amount of F&A to charge. For those who use Summary Budgets, we have developed two alternatives to reach the correct amounts.

Background Assumptions

In these examples, we are assuming the indirect cost rate being used is **Standard Federal MTDC**.

MTDC stands for Modified Total Direct Cost and is shorthand for the practice of deducting or excluding certain costs from the Base used to calculate the Indirect Costs.

$$\text{Direct Costs less Excluded Costs} = \text{Base} \times \text{F\&A Rate} = \text{Indirect Costs}$$

Standard Federal MTDC excludes Equipment, Participant Support Costs, Tuition, the cost of each Subaward in excess of \$25,000, and a few other categories, as detailed in the Negotiated Indirect Cost Rate Agreement (NICRA).

In this example of a budget starting 10/1/2022 to 9/30/2023, we have indirect costs that cross over two rate years.

Salary and Fringe	\$55,030.77
Equipment	\$ 6,500
Supplies	\$ 500
Tuition	\$ 3,500
Total Direct Costs	\$66,030.77
Total MTDC	\$56,030.77
Indirect Costs	\$33,969.23
Total	\$100,000

Rate Year	MTDC	F&A Rate	Indirect Costs
FY2023	\$41,907.95	60.5%	\$25,354.41
FY2024	\$14,122.82	61%	\$8,614.92
Total	\$56,030.77		\$33,969.23

Kuali has been programmed to perform this calculation automatically, and two more manual methods follow for other situations when entering a detailed budget in Kuali is not practical.

How to Sync to New F&A Rates – For Detailed Budgets Built prior to 12/19/2022

STEP 1

On or after 12/19/2022, open the detailed budget in Kuali.

Budget

Budgets

The following budgets are linked to this proposal.

Name	Version	Direct Cost	F&A	Total	Start	End	Status	Comments	Actions
Test budget	1	66,030.77	33,338.31	99,369.08	10/01/2022	09/30/2023	Incomplete		Action
Summary Budget for F&A Calculations	2	66,030.77	33,338.31	99,369.08	10/01/2022	09/30/2023	Incomplete		Action

STEP 2

Navigate to the Rates tab.

STEP 3

Click the “Sync to Current Institutional Rates” button.

Rates

Verify the default rates set by your institution. You can override them if necessary by clicking the edit icon to the right of each row.

Research F & A Fringe Benefits Inflation

Research F & A

Sync to Current Institutional Rates Reset to Default Rates

Description	On Campus Flag	Fiscal Year	Start Date	Institute Rate	Applicable Rate
10% Salary and Fringe Only					
10% Salary and Fringe Only	No	2019	07/01/2018	10.00	10.00
10% Salary and Fringe Only	Yes	2019	07/01/2018	10.00	10.00
10% TDC					
10% TDC	No	2020	07/01/2019	10.00	10.00
10% TDC	Yes	2020	07/01/2019	10.00	10.00
10% TDC - No Sub IC					

That's it! The budget will be updated to the current rates then in effect.

Periods & Totals

Recalculate with changes Reset to period defaults

Periods & Totals

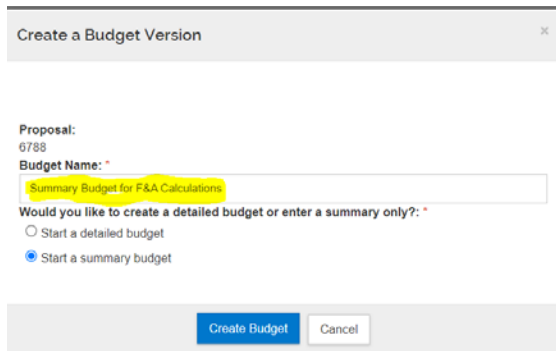
Period Start Date	Period End Date	Months	Total Sponsor Cost	Direct Cost	F&A Cost	Unrecovered F&A	Cost Sharing	Cost Limit	Direct Cost Limit	Actions
10/01/2022	09/30/2023	12.0	100,000.00	66,030.77	33,969.23	0.00	0.00	100,000.00	0.00	
		Total: 12.00	Total: 100,000.00	Total: 66,030.77	Total: 33,969.23	Total: 0.00	Total: 0.00	Total: 100,000.00	Total: 0.00	

How to Calculate New F&A Rates using a Kuali Summary Budget

If a proposal does not easily lend itself to a detailed budget in Kuali, a simple Summary Budget may be used to determine the correct F&A calculations.

STEP 1

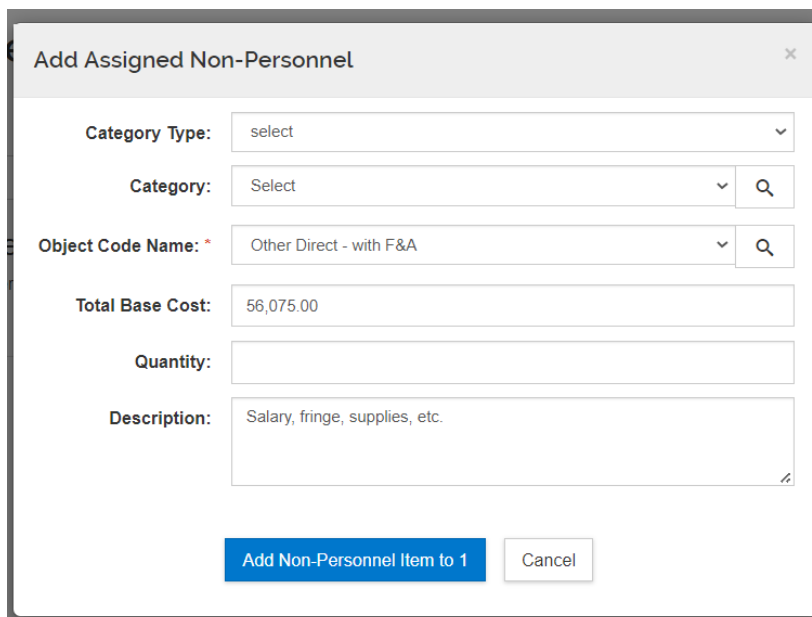
Open the proposal development record in Kuali. From the Budget tab, Click Add Budget. Create a Budget Version, selected the option to Start a summary budget, give the budget a meaningful name such as “Summary Budget for F&A Calculations” and click Create Budget.



The screenshot shows a modal window titled "Create a Budget Version" with a close button (X) in the top right corner. Below the title bar, the "Proposal:" field displays "6788". The "Budget Name:" field is highlighted in yellow and contains the text "Summary Budget for F&A Calculations". Below this, a question asks "Would you like to create a detailed budget or enter a summary only?:". There are two radio button options: "Start a detailed budget" (which is unselected) and "Start a summary budget" (which is selected with a blue dot). At the bottom of the dialog, there are two buttons: "Create Budget" (in blue) and "Cancel" (in white).

STEP 2

Click on the Non-Personnel Costs tab. Click on Assign Non-Personnel. Enter regular direct costs as “Other Direct – with F&A”



The screenshot shows a modal window titled "Add Assigned Non-Personnel" with a close button (X) in the top right corner. The form contains several fields: "Category Type:" with a dropdown menu showing "select"; "Category:" with a dropdown menu showing "Select" and a search icon; "Object Code Name:" with a dropdown menu showing "Other Direct - with F&A" and a search icon; "Total Base Cost:" with a text input field containing "56,075.00"; "Quantity:" with an empty text input field; and "Description:" with a text input field containing "Salary, fringe, supplies, etc.". At the bottom of the dialog, there are two buttons: "Add Non-Personnel Item to 1" (in blue) and "Cancel" (in white).

STEP 3

Next enter direct costs that do not incur indirect costs as “Other Direct – No F&A”

Add Assigned Non-Personnel

Category Type: select

Category: Select

Object Code Name: * Other Direct - No F&A

Total Base Cost: 10,000.00

Quantity:

Description: Equipment, tuition, etc.

[Add Non-Personnel Item to 1](#) [Cancel](#)

Repeat as needed for each budget period.

Your final budget will resemble something like this:

Periods & Totals [Recalculate with changes](#) [Reset to period defaults](#)

[+ Add Budget Period](#)

Period Start Date *	Period End Date *	Months	Total Sponsor Cost	Direct Cost	F&A Cost	Unrecovered F&A	Cost Sharing	Cost Limit	Direct Cost Limit	Actions
10/01/2022	09/30/2023	12.0	100,000.00	66,030.77	33,969.23	0.00	0.00	100,000.00	0.00	
		Total: 12.00	Total: 100,000.00	Total: 66,030.77	Total: 33,969.23	Total: 0.00	Total: 0.00	Total: 100,000.00	Total: 0.00	

Note: Be sure to sync to current institutional rates if budget was started prior to 12/19/2022.

STEP 4

Next click “Budget Versions” near the top of the screen. Choose Print under the Action drop-down menu that pops up.

Budgets

The following budgets are linked to this proposal. [+ Add Budget](#)

Name	Version	Direct Cost	F&A	Total	Start	End	Status	Comments	Actions
Test budget	1	937.09	93.71	1,030.80	10/01/2022	09/30/2023	Incomplete		Action
Summary Budget for F&A Calculations	2	66,030.77	33,969.23	100,000.00	10/01/2022	09/30/2023	Incomplete		Action

[View Summary](#)
[Copy](#)
[Print](#)
[Complete Budget](#)

[Okay](#)

You can also access the print menu by clicking the Action drop-down menu while in the Budgets tab (after you click “Return to Proposal”).

Budget

Budgets

+ Add Budget

The following budgets are linked to this proposal.

Name	Version	Direct Cost	F&A	Total	Start	End	Status	Comments	Actions
Test budget	1	937.09	93.71	1,030.80	10/01/2022	09/30/2023	Incomplete		Action
Summary Budget for F&A Calculations	2	86,030.77	33,969.23	100,000.00	10/01/2022	09/30/2023	Incomplete		Action

STEP 5

Next select "4 Budget Summary Report" and press Print button

Print budget documents

Select the documents below you wish to print

Print Forms	Print Budget Comments	Select
1 Budget Costshare Summary Report	<input type="checkbox"/>	<input type="checkbox"/>
2 Budget Cumulative Report	<input type="checkbox"/>	<input type="checkbox"/>
3 Budget Salary Report	<input type="checkbox"/>	<input type="checkbox"/>
4 Budget Summary Report	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Budget Summary Total Report	<input type="checkbox"/>	<input type="checkbox"/>
6 Budget Total Report	<input type="checkbox"/>	<input type="checkbox"/>
7 Industrial Budget Report	<input type="checkbox"/>	<input type="checkbox"/>
8 Industrial Cumulative Budget Report	<input type="checkbox"/>	<input type="checkbox"/>

Print

Close

In this budget printout you will see a page that shows the detailed calculation of indirect costs, as in this example:

Period : 1 01 Oct 2022 - 30 Sep 2023

Comments:

Calculation Methodology

The full F&A (Indirect) Cost Rate is applied to the total direct costs, less the following exclusions

Other Direct - No F&A \$10,000.00

Total exclusions from F&A base \$10,000.00

The Allocated Administrative Support and Allocated Lab Expense Rates are applied to the total direct costs, less the following exclusions.

Total exclusions from Allocated Expense base \$0.00

F&A (Indirect) Cost Rates and Base

Start Date	End Date	Campus	Rate	Rate Type	Base	Indirect Cost
01 Oct 2022	30 Jun 2023	On	60.50	Standard Federal MTDC	\$41,907.95	\$25,354.31
Total						\$25,354.31

F&A (Indirect) Cost Rates and Base

Start Date	End Date	Campus	Rate	Rate Type	Base	Indirect Cost
01 Jul 2023	30 Sep 2023	On	61.00	Standard Federal MTDC	\$14,122.82	\$8,614.92
Total						\$8,614.92

Step 5

Load this Budget pdf to Internal Attachments. Now you (and OPAS Reviewers) can verify that your budget is using the correct F&A calculations.

How to Calculate New F&A Rates using an Excel F&A Calculator

As an alternative to using a Kuali Detailed or Kuali Summary budget, OPAS has developed an Excel F&A Calculator for determining the correct F&A calculations.

1st Budget Period	Enter Dates:	Enter Amount: Total MTDC for the Period	Days at Rate	Use Rate	Calculated F&A Amount	Calculated MTDC Amount
Project Start Date	1/1/2023	235,021.00	181	59.50%	69,344.07	116,544.66
Project End Date	12/31/2023		184	60.50%	71,678.19	118,476.34
			0	0.00%	-	-
			0	0.00%	-	-
			0	0.00%	-	-
Totals:		235,021.00	365		141,022.26	235,021.00

STEP 1

Add start and end dates for each project period.

1st Budget Period	Enter Dates:
Project Start Date	1/1/2023
Project End Date	12/31/2023

STEP 2

- Add the total Modified Total Direct Costs (MTDC) from your outside-Kuali generated budget.

Enter Amount: Total MTDC for the Period
235,021.00

- Double check the Calculated F&A Amount against the budget created outside Kuali.

Calculated F&A Amount
69,344.07
71,678.19
-
-
-
141,022.26

- The MTDC bases can be used for budget entry on RR Budget forms and other sponsor submission portals.

Calculated MTDC Amount
116,544.66
118,476.34
-
-
-
235,021.00

STEP 3

Upload the F&A calculation spreadsheet as an internal attachment in the Kuali record.

GET HELP

KUALI GUIDES: <https://www.umass.edu/research/kuali-guides>

KUALI FAQs: <https://www.umass.edu/research/kuali-research-faq>

KUALI HELPDESK: <https://www.umass.edu/research/webform/kuali-help-desk>

KUALI SANDBOX URL: <https://umass-sbx.kuali.co/dashboard/>