



Guidance on Budget Amendments for Indirect Costs and Facilities and Administrative Costs on Modified Total Direct Costs (MTDC) Awards

Awards issued using F&A's approved federally negotiated F&A rates are subject to a Modified Total Direct Costs (MTDC) calculation. The MTDC calculation excludes certain budget categories from applying the F&A rate.

The following budget categories are excluded from the IDC/F&A calculation on MTDC awards:

- | | |
|----------------------|--|
| Equipment | Tuition |
| Capital Expenditures | Participant Support Costs |
| Patient Care Costs | Portion of each subaward over \$25,000 |
| Rental Costs | |

Awards issued using sponsor restricted or lower F&A rate are typically calculated on a Total Direct Cost

Example 1:

Re-budgeting \$2,000 OPS - Salary from Tuition for an award with 51% F&A MTDC.

Step 1: Calculate the amount F&A that will be increased

- o $\$2,000 \times .51 = \$1,020$ in F&A
(Note: 51% = .51)
- o Total transfer from Tuition would be $\$2,000 + \$1,020 = \$3,020$

Step 2: Enter budget amendment:

- o Decrease / Credit (-) Tuition by a total of \$3,020
- o Increase / Debit (+) OPS - Salary by \$2,000
- o Increase / Debit (+) F&A by \$1,020

Example 2:

Re-budgeting a total of \$2,000 from Tuition to OPS Salary for an award with 51% F&A MTDC.

Step 1: Calculate what proportion of the total will be transferred to OPS Salary

- o $\$2,000$ divided by 1.51 = $\$1,324.50$ net costs

Step 2: Calculate what proportion of the amount will be indirect Costs.

- o $\$2,000 - \$1,324.50 = \$675.50$ indirect costs

Step 3: Enter budget amendment:

- o Decrease / Credit (-) Tuition by a total of \$2,000
- o Increase / Debit (+) OPS Salary by \$1,324.50
- o Increase / Debit (+) indirect Costs by \$675.50

From F&A to Non-F&A Budget Line

When re-budgeting from a budget line that is subject to F&A such as other direct costs or Travel to a budget line that is not subject to F&A such as equipment or tuition there will be a decrease in the F&A amount

Example:

Re-budgeting \$5,000 from Other Direct Costs to Equipment for an award with 5% F&A MTDC.

Step 1: Calculate what proportion of the amount would be transferred from Other Direct Costs

- o $\$5,000$ divided by 1.51 = $\$3,311.26$ net costs

Step 2: Calculate what proportion of the amount will be F&A

- o $\$5,000 - \$3,311.26 = \$1,688.74$ F&A

Step 3 Enter budget amendment

- o Decrease / Credit (-) Other Direct Costs by 3,311.26
- o Decrease / Credit (-) F&A by \$1,688.74
- o Increase / Debit (+) Equipment by \$5,000