

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

REPORT OF SPONSORED RESEARCH

GLOSSARY

Consolidation

The inclusion of an MIT subsidiary's financial data within its financial statements as reported in *The Report of the Treasurer*. When an entity is consolidated with MIT, its assets, liabilities, revenues, expenses, and gains and losses roll up to MIT's balance sheet and income statement for reporting purposes.

Campus

A financial reporting designation which includes research activities performed and administered by MIT (excluding Lincoln Lab and Singapore-MIT Alliance for Research and Technology).

Lincoln

Lincoln Laboratory, an MIT Laboratory that is located on the eastern perimeter of Hanscom Air Force Base in Lexington, MA.

SMART

Acronym for the Singapore-MIT Alliance for Research and Technology, MIT's first research center outside the United States.

Direct Expenses

Expenses incurred which directly support a specific activity for a particular research project.

Indirect Expenses—often referred to as Facilities and Administrative Costs (F&A), or overhead

Costs incurred for common or joint objectives that are not uniquely identified with a particular sponsored project, an instructional activity, or any other Institute activity.

Fiscal Period

A six-digit SAP code for a period of financial activity: the first four digits reflect the fiscal year and the last two digits represent the month. Fiscal periods 1-12 represent the calendar months July through June. The Report of Sponsored Research Activity ends as of Period 12, (June 30). MIT uses administrative fiscal periods 13-16 for year-end accounting adjustments, however these adjustments do not affect the balances in sponsored accounts.

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Modified Total Direct Cost Base (MTDC)/non-MTDC

Consists of direct costs but excludes certain expenses including major equipment, tuition, fabricated equipment, fellowships, and the portion of each subaward in excess of \$25,000. General Ledger codes in the MTDC category are assessed an indirect (F&A) cost rate. Costs which are not subject to the indirect cost rate are designated Non-MTDC.

Prime Sponsor/Sponsor

The original entity that provides funds for a sponsored research project is the Prime Sponsor. For example, if MIT receives a sub-award from the University of Connecticut that is funded by the Department of Defense, the University of Connecticut is the Sponsor and the Department of Defense is the Prime Sponsor.

Adjustments to Revenue

Used in the summary table *Reconciliation of Sponsored Research Expenditures to Revenues* as follows:

- Cost Sharing - The portions of a project or program cost that the sponsor requires MIT to fund. Expenses for cost sharing are considered part of MIT's research expenses but are not considered revenue because the funding source is MIT.
- Transfers into Research - MIT discretionary funds that are used to fund sponsored research projects but are not counted as formal cost sharing for a sponsored project.
- Gifts and Paid Pledges – Research funding that is provided as a gift or payment on a pledge is not considered research revenue. These gifts are recorded under *Contributions*.
- F&A and Other Adjustment- Collects all other adjustments to MIT's research revenue, including but not limited to annual under/over-recovery adjustments related to F&A and/or Employee Benefits (EB) balances, and investment income posted to research projects.

Sponsored Research

All research and development activities of MIT that are sponsored by federal and nonfederal agencies and organizations, and are separately budgeted and accounted for.

Other Sponsored Activities

All separately budgeted and accounted for activities of MIT that are sponsored by federal and nonfederal agencies and organizations, except those classified as Sponsored Research. This includes Sponsored Instruction and all Other Sponsored Activities (as defined by the federal Uniform Guidance)