IRDF Policy Updates: Educational Areas and Expenses

• The intention of the updates is to focus on livability, safety and educational mission of the FSILG residences.

• The updates to minor project grants will allow the IRDF to support as many FSILG houses as possible.

• MIT’s tax-exempt status is based upon its educational purpose and tax law requires that any funding allowed for general expenses is limited to the floor area of the building devoted to educational use. Thus, e.g., roof and HVAC expenses must be limited to the “educational area percentage” (EdArea%) of the building.

• MIT has developed educational area allocations based on floor area for each FSILG residence and on IRS case law guidance.
Educational Area Modifications

• Additional space acknowledges that the primary educational space for most students is in their bedroom.

• Dedicated fully educational spaces, such as libraries and study rooms, will continue to be recognized as before.

• The IRDF Grant Advisory Board (GAB) will review educational areas for all houses and, if requested, will review building-specific educational space definitions.

• This newly adopted change will increase the total Educational Space Percentage (EdArea%) for most houses.

• Educational Space will be eligible for 75% support level.
Educational Area Calculation: Revised

The updated Educational Area Percentage is calculated by:

$$\text{EdArea\%} = \frac{(\text{Full\_Room\_Educational} + (25 \times \#\_\text{Students}))}{\text{Assignable\ Space}}$$

Where:

Full\_Room\_Educational and Assignable Space values are defined in the Insite Summary

And:

For EOGs, the \#\_Students is limited to STUDENTS IN RESIDENCE during the academic year covered by the Grant Application Period. \#\_Students includes the resident GRA.

For all Project Grants, the \#\_Students value is that of the Residency Maximum on the Housing License.

There is a 27% maximum for total EdArea\% per house.
Educational Operating Grant Updates

Eliminated Categories:
• Lease (to external entity)
• Property Taxes
• Electricity
• Oil & Gas (& Steam)
• Water & Sewer
• Insurance (non-liability)
• Insurance (liability)

Retained Categories:
• Trash
• Roof & Envelope Maintenance— includes window maintenance
• Central HVAC Maintenance
• Pest Control
• Elevator Maintenance
Educational Operating Grant Updates

Added Categories: Professional Services

• Professional facility management (e.g. FCI service, but not limited) – Cap of $15,000 per year total expenses, receipts required

• Professional cleaning service – Cap of $15,000 per year total expenses, receipts required

• Professional snow removal service – No cap, documentation of contract with service provider and receipts required

• Professional landscaping service – No cap, spring and fall maintenance, monthly maintenance, tree work. A single project of more than $2000 requires pre-approval from the GAB

• Professional electrical maintenance – No cap, receipts required

• Professional plumbing maintenance – No cap, receipts required
Project Grant Updates

- The maximum Minor Project Grant is reduced to $50,000.
- Major Project Grants will be available for projects with a grant application request of more than $50,000.