

# Questionable Transaction Report (QTR) – SPS

## What is it?

The Questionable Transaction Report (QTR) is a report of questionable transactions that have posted to sponsored program accounts on fund 46010000 and associated cost share funds. SPS staff should review the report during closeout time. The commitment items identified on the report were determined to be questionable by reviewing the following:

- 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200/content-detail.html>
- Purdue's Cost Accounting Standards (CAS) Classification of Cost Items <http://www.purdue.edu/business/mas/pdf/Classification%20of%20Cost%20Items.pdf>

The questionable commitment items are coded into three categories:

- Costs that may be allowable with stipulations or under certain conditions (white)
- Costs that require Sponsor prior written approval or approval in the budget and budget justification (yellow)
- Commitment Items for costs that are totally unallowable. These have been removed from the mapping to Sponsored Class, so that they will not post in the GM module of SAP (previously red)

There are situations where the guidance in the sponsor award document places further restrictions on the allowability of costs. In those situations, the sponsor guidelines are more restrictive than 2 CFR 200 or CAS guidelines, and must be followed.

## Expectations for the report

It is the expectation that SPS will review the report at the time of closeout of the grant. Business Office Staff should have been doing reviews on a monthly basis.

The report is intended to be a management tool and the listing provides the opportunity for Business Managers to work with their staff to ensure proper assignment of commitment items, identify training opportunities; familiarization with sponsored program accounts within their departments and early detection of potential problems.

## How to run the report

Refer to *Running the QTR* [https://www.purdue.edu/business/sps/pdf/Questionable\\_Transactions.pdf](https://www.purdue.edu/business/sps/pdf/Questionable_Transactions.pdf)

## Practical Uses

- **Proper assignment of Commitment Items**

Example: 522030 "Paint & Painting Supplies" shows up on the questionable transaction listing. Paint & Painting Supplies are not allowable on sponsored funds. A review of this charge by the department found that the items were actually for Professor Wise in the Visual and Performing Arts department and were included in the budget to prepare scenery for a performance. A more appropriate commitment item, such as 523080 Theatrical Supplies, should have been used.

- **Familiarization with sponsored program accounts within the department**

Example: 532015 “Space Rental” shows up on the listing for Professor Gray’s U. S. Department of Air Force contract. Professor Gray is the principal investigator and his laboratory is located off-campus because there is no space on campus available for his research. Space rental is budgeted and justified on all his sponsored program projects and the Facilities and Administration (F&A) rate is at the off-campus rate. Since space rental is a normal charge seen on all Professor Gray’s sponsored program projects the department can quickly note this on the QTR report. No movement of the charges is necessary. If space rental showed up on a project other than Professor Gray’s the department should look into the charge further and it should possibly be removed from the grant.

- **Early detection of potential problems**

Example 533615 “SPS – Business Meals” shows up on the listing for Professor Hall’s National Science Foundation grant. Professor Hall has a standard research grant and does not involve any other departments at the university and has no subgrants. The budget does not identify food costs. These charges are unallowable, unless written approval is obtained from the sponsor, and must be removed from the project. Early detection allows timely removal of the unallowable costs from the project expenses. The early detection also reduces the potential financial liability to the department for unallowable costs after the project is expired and eliminates the need to return unspent funds to the sponsor in closing.