QUESTIONABLE TRANSACTION REPORT (QTR)

What is it?

It is a report of questionable transactions that have posted to sponsored program accounts on funds 41010000 - 42020000. The report should be generated monthly by running t-code S_PLN_16000269 (Grants Management: Line Item Display).

The commitment items that have been identified as questionable are listed in Appendix A of this document. These commitment items were determined to be questionable by reviewing the Guidelines for Budgeting, Allocating and Charging Costs to Sponsored Programs and federal regulations.

The questionable commitment items identified are costs which normally should be treated as Facilities and Administrative Costs (indirect costs) and paid for by non-federal funds. In situations where unlike circumstances have been documented in accordance with University guidelines, these costs may be charged as a direct cost to the sponsored program account(s) which received the benefit. Information on University guidelines may be found in the Guidelines for Budgeting, Allocating and Charging Costs to Sponsored Programs at the following address:


Commitment items for costs that normally require prior approval by a large percentage of our federal sponsors have also been identified as questionable. Some examples of these are capital equipment and foreign travel.

How to run the report

Log into the OnePurdue Portal, click on Financial Systems – Reports – GM (Grants Management) – Account Management – Questionable Transaction Report

On the variable screen, enter at least 2 variables (e.g. grant responsible funds center & FY Period), click check then OK.

Results can be exported to Excel as needed.

Expectations for the report

It is the expectation that Business Managers will have the report run monthly for the departments they have responsibility for. It is not intended that every transaction be reviewed in detail but is to be used as a management tool. The listing provides the opportunity to evaluate potentially unallowable charges. It also provides information for Business Managers to work with their staffs to ensure proper assignment of commitment items, identify training opportunities; familiarization with sponsored program accounts within their departments and early detection of potential problems.
QUESTIONABLE TRANSACTION REPORT CONT.

Practical Uses

- **Proper assignment of Commitment Items**

  Example: 533620 “MEMBERSHIPS - INSTITUTIONAL” shows up on the questionable transaction listing occasionally. Institutional memberships are generally not allowed on sponsored program projects. A review of this charge by the department found that the membership was actually for Professor Wise so she could obtain a scientific periodical that was needed for her research project funded by NIH. The periodical was not available from the departmental library or any of her colleagues. There is a commitment item, 533645 for MEMBERSHIPS – INDIVIDUAL which more appropriately describes the expense.

- **Training opportunities with the staff**

  Example: 530080 “POSTAGE” shows up on the listing. This type of cost is normally treated as Facilities and Administrative Cost (formally called indirect cost). Postage charges, including Federal Express or UPS charges, directly incurred for the benefit of sponsored projects may be charged as direct costs where a clear cost-benefit relationship can be demonstrated, or when circumstances have been documented as described under Clerical and/or Administrative costs in the Cost Allocation Guidelines for Charges to Sponsored Programs. These guidelines may be found at:


- **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. If space rental showed up on a project other than Professor Gray’s the department should look into the charge further.

- **Early detection of potential problems**

  Example: 533615 “HOSPITALITY/FOOD SERVICE” 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. There are no unlike circumstances described in the statement of work and the budget does not identifies foods costs. These charges are unallowable and must be removed from the project. Early detection allows timely removal of the unallowable costs from the project expenses. This frees up funding on the NSF grant that Professor Hall then may use for other allowable 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.