

PCard/TCard Rebates on Federal Funds

January 2022

Background Information

Uniform Guidance 200.406 Applicable Credits states:

(a) Applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect (F&A) costs. Examples of such transactions are: purchase discounts, **rebates** or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the non-Federal entity relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

(b) In some instances, the amounts received from the Federal Government to finance activities or service operations of the non-Federal entity should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) must be recognized in determining the rates or amounts to be charged to the Federal award. (See §§ 200.436 and 200.468, for areas of potential application in the matter of Federal financing of activities.)

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 85 FR 49562, Aug. 13, 2020]

FAR 31.201-5 states:

The applicable portion of any income, rebate, allowance, or other credit relating to any allowable cost and received by or accruing to the contractor shall be credited to the Government either as a cost reduction or by cash refund. See [31.205-6\(j\)\(3\)](#) for rules governing refund or credit to the Government associated with pension adjustments and asset reversions.

Parent topic: [31.201 General](#).

Process

Determining the Rebate Rate

The rebate percentage is contracted on a quarterly basis based on estimates of PCard/TCard transactions. On an annual basis, beginning in January 2022, the Office of Treasury Operations will calculate a 3 year average rate that will be used for the entire calendar year. This process will be repeated annually in January of each year and the backup documentation will be kept in Treasury Operations.

Processing the Rebate Returns

Sponsored Program Services Post Award staff will process the rebate distributions on at least a monthly basis. Post Award staff will use a report to create a JV upload using the following master data elements.

Document Type: SA - Journal Voucher


Credit G/L: 546463 – Federal Rebate Allocation

Debit G/L: 546463 – Federal Rebate Allocation

Sponsored Class: 78499 – Other S&E

While the University recovers rebates on a quarterly basis, the University will allocate rebates at least monthly to ensure that the applicable rebates are posted and align with the T-Card and PCard transactions that earn them as closely as possible.

These rebates will be allocated to the same accounts that earn the rebate. A sample transaction is shown below. *NOTE: Funds will be derived based on the Order or WBS Element.*

 OnePurdue Transaction Upload Template SA - G/L account document							Version: JV2017.12	
							Create text file	
Process ID:		Description: Federal Rebate		Total Credits:		\$	4,725.17	
Posting Date Date: 1/3/2022		External Ref.:		Total Debits:		\$	4,725.17	
Period (Optional):		Company Code: PUR		Currency: USD		Difference (must be zero): 0.00		
						Record count: 1,978		
PKEY	GL Account	Amount	Fund	BA	Cost Center	Order	WBS	Text
1	40.00 546463	9.13				4100000566	bates 0114533589 - P	PCARD 10/07 - 11/06 0250
2	50.00 546463	9.13					F0012635202004	10/07 - 11/06 0250
3	40.00 546463	9.13				4000000566	bates 0114533589 - P	PCARD 10/07 - 11/06 0250

PKEY	GL Account	Amount	Fund	BA	Cost Center	Order	WBS	Text
47	40.00 546463	2.70				3200002364	es 0114492790 - MEP_S	Ohman_IN_10/21/21/1
48	50.00 546463	2.70					F9000650102046	man_IN_10/21/21/1
49	40.00 546463	2.87				3200002364	ates 0114492794 - MEP/S	Ohman/IN/10.26.21/1
50	50.00 546463	2.87					F9000650102046	hman/IN/10.26.21/1
51	40.00 546463	9.72				3200002364	tes 0114492849 - MEP_JS	Sinks_10/22/21/10172
52	50.00 546463	9.72					F9000650102046	ks_10/22/21/10172

Rebates will only be passed to the following 3 account types to ensure compliance with UG 200.406:

- Federal Sponsored Programs (Fund 46010000 Grant Type Group = Federal)
- Cost Sharing on Federal Sponsored Programs (Grant Type Group = Federal)
- Federal Appropriations (Fund 34XXXXXX)

Correcting Documents on PCard/TCard Transactions

If correcting documents are processed on PCard or TCard transactions, the rebate should be moved with the original charges. If you move between federal funds, the rebate should go with the correction.

Resources/Contact

Treasury: Director Treasury Operations, Terri Mimms – tkmimms@purdue.edu

Accounting Services: Assistant Comptroller, Accounting & Reporting, Kathy Vanderwall – kvanderwall@purdue.edu

Post Award: Director of Post Award, Susan Corwin – scorwin@purdue.edu