

PURCHASING CARD REBATE PROCESS

General

The State of Missouri receives a quarterly rebate on purchasing card volume from the contracted vendor. The rebate is a percentage of net quarterly purchases after refunds and credits. The contracted vendor provides a summary of each agency's volume for the quarter, and the amount of rebate attributable to each agency. OA/Accounting, as administrator of the purchasing card program, reviews the summary report for accuracy and notifies the agency coordinator via email when the rebates will be issued. Rebates will be issued via ACH from UMB directly to the agencies on or around the 15th of the month following the close of the quarter.

Application of Rebate Allocation

Federal rules¹ state that costs paid with federal funds must be net of all applicable credits to be allowable under federal awards. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions include purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments on erroneous charges.

Agencies must adjust federal reporting for purchasing card rebates received, when applicable.

Rebate Recommendations and Requirements

- ◆ Agencies should analyze their payments quarterly and deposit the rebate in a manner which ensures accurate federal reporting. This may be accomplished in several ways depending on the agency's reporting practices. The CR document allows for various grant reporting capabilities.
- ◆ Agencies should maintain adequate documentation to support how the rebate was deposited and any reporting adjustments that have been made. If requested, OA/Accounting will assist agencies by reviewing documentation.
- ◆ It is the agency's responsibility to review outstanding ACH deposits and complete CR documents following the procedures set forth by the Office of Cash Management.

¹ Federal Office of Management and Budget Circular A-87, Attachment A, Sections C.1.i and 4.a.