

Rebates

Definition of Rebates:

Rebates are incentives offered by a vendor and/or service provider to provide consideration or compensation to the University that encourages the purchase of goods or services from that vendor or service provider. Rebates include, but are not limited to, cash, credit toward future purchases, free goods, gift cards, and coupons.

Policy:

Rebates associated with University purchases are the property of the University of Kentucky and may not be used for personal or non-University purposes. All rebates must be properly accounted for and entered into the accounting records of the University. Rebates will generally be recorded as a reduction of expense to offset the cost of acquiring the original goods and/or services. The reduction of expense will be posted to the account originally charged with the purchase transaction.

Guidelines for Rebates:

1. The Purchasing Division shall have responsibility for negotiating rebates and shall instruct vendors to make cash rebate checks payable to the University of Kentucky, to reference the applicable contract number on the check or remittance advice, and to send rebate checks to the appropriate location.
2. Purchasing will notify the appropriate department of expected potential rebates.
3. Contractually required rebates should be monitored and accounted for by the department, program or activity receiving the rebate.
4. Departments may not solicit rebates from vendors or service providers.
5. Rebate checks shall be deposited by the receiving location immediately upon receipt in accordance with the Cash Operations Manual.
6. Rebates in non-cash form (i.e., certificates, gift cards, free goods) shall be reported to the Purchasing Division to determine appropriate disposition. Department heads are responsible for accounting and reporting of non-cash rebates. Employees making purchases resulting in a rebate are responsible for reporting the rebate to their supervisor. Documentation shall be maintained with the originating purchase documents showing the disposition of non-cash rebates.