



Policy: Disaggregation of Refunds	Category: Revenue and Receipts		Number: GP2200
	<input type="checkbox"/> Complete Revision <input type="checkbox"/> Partial Revision <input checked="" type="checkbox"/> New	Supersedes:	Page: Page 1 of 2

Policy Statement

The School District of Philadelphia will deposit any refunds or rebates received from vendors and subcontractors to the appropriate fund. These funds will be used to further grant program goals.

Reason for Policy

[34 CFR Part 80.21](#) for federal grants received prior to 12/26/14, requires that the District disburse any rebates, refunds, or contract settlements received prior to requesting additional cash payments from the grantor. [2 C.F.R. Part 200.406 Applicable Credits](#) are applicable to grants awarded on or after 12/26/14 and refers to receipts or reduction-of-expenditure-type transactions that offset or reduce expense items as direct or indirect costs. Under the code these types of transactions includes purchase discounts, rebates, allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. These credits that relate to the allowable grant costs must be credited to the federal award as a cost reduction or cash refund.

Policy Requirements

If the District receives funds from a vendor, subcontractor or other third party that is intended to be a rebate or a refund of a portion of a prior purchase, these funds must be deposited in the fund account from which the original purchase originated within 30 days of receiving the refund. Grant Program Managers must ensure that refunds and rebates are properly classified, recorded and used against allowable purchases before requesting additional funds.

The District requires that no personal benefit accrue to a District employee. In other words, any and all rebates or refunds available are for the benefit of the District and not for any District employee.

Identification, calculation and use of refunds must be documented in accordance with the District's [GPI400 Documentation and Record Retention Policy](#).

Responsibilities

Grant Program Managers (GPMs) will be made aware of potential rebates / refunds and amounts so that they can be incorporated into the program expenditure plan.

Grant Accounting Unit is responsible for calculating the appropriate refund allocation amount in the case of District-wide refunds and identifying which award account should be credited and communicating this information to Treasury Operations. The Grant Accounting Unit will maintain documentation regarding the disaggregation method used. The Grant Accounting Unit will notify the appropriate GPMs of the refund credit to their grant budget(s).

Grant Budget Analysts (GBAs) will assist the GPMs in ensuring that refunds are properly accounted for prior to requesting additional funds. GBAs are responsible for properly recording any refunds on grant purchase at the final closing. If required, GBAs will prepare any budget amendments arising from grant purchase refunds. GBAs will act as the liaison between the Grant Accounting Unit and GPMs.

Treasury Operations is responsible for receiving and depositing refunds and verifying with the Grant Accounting Unit (for District-wide refunds) or the GBA (for program specific refunds) the proper amount and grant award account to credit the refund to.

Procedures

- [*GP2200.1 Refund/Rebate Processing*](#)

Forms

Definitions

Disaggregation means to divide something into constituent parts. In this case, if a refund is made by a vendor for various District purchases, the refund must be divided and allocated to all funds used to make those purchases.

Contacts

- [*Grant Accounting Unit*](#)
- [*Grant Fiscal Services*](#)
- [*Treasury Operations*](#)

Frequently Asked Questions

Related Information

- [*34 CFR Part 80.21*](#) for grants awarded prior to 4/26/14 and 2 C.F.R 200.406 Applicable Credits.
- [*GP1400 Documentation and Record Retention Policy*](#)

History

- Amended 4/28/2015 for implementation of 2 C.F.R. 200.406 for grants awarded after 4/26/15 and for technical adjustments.

Issue Date: July 1, 2012	Effective Date: July 1, 2015	Approved by: Chief Grant Development & Compliance Officer
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