

# Recording Vendor Rebates

From time to time you may receive a rebate from a supplier, either as a credit against your vendor account to apply to outstanding invoices, or as a payment into your bank account.

You must first decide how you want to account for the rebates, either as a credit against a 5-XXXX Cost of Goods account in your General Ledger or as income reported against a 4-XXXX Income GL account. This decision will also affect how the rebates are reported in GST Sessions (your BAS).

NOTE: If you are new to Jim2 you may want to discuss this with your accountant, or refer back to your previous system to see how you previously recorded vendor rebates.

## Recording Vendor Rebates as a credit to COGS

If you want vendor rebates reported as a credit in the 5-XXXX COGS area of the General Ledger to reduce your overall Cost of Sales, simply add a negative expense PO to the vendor, and select the required 5-XXXX account (Purchases>Add Purchase>Type=Expense and make negative by putting a minus sign (-) before the amount).

## Recording Vendor Rebates as Income

If you want vendor rebates reported as income against a 4-XXXX Income GL account, then you must invoice the supplier for the rebate so it reports as a 'sale' and therefore income. You must add a 'journal' stock pointing to an income account (you may need to add a new income account and journal type Stock GL Group for this purpose).

Edit the cardfile and make the vendor a customer as well as a vendor, add a job and invoice them for the value of the rebate. Then edit the debtor account and add a Creditors Contra to 'pay' the invoice and move the value to the creditor account where it will appear as a credit to apply to invoices.

For further assistance or information please call Happen support on 02 9570 4696 or email [support@happen.biz](mailto:support@happen.biz)