501 PA354 Creating Non-Federal Recurring Contracts

About Creating Non-Federal Recurring Contracts

In order to create a recurring contract, you must first create a recurring product. Define the start date and schedule and each time the plan is eligible for billing, the system generates the appropriate invoice lines and sends them to the Billing module along with the accounting distribution for processing.

There are three steps that must be followed to create a recurring product. A Revenue/Bill Plan template must be created for the number of billings (ex: 3 months, 6 months), the Product must be created, and a Distribution set created.

When creating a Recurring Product in Cardinal you will first create the Recurring Revenue/Bill Plan (if needed), create the Product Definition, Attribute by Unit of Measure, Assign the List Price, Assign the Product Group, and finally associate the new product with a Distribution set and Distribution Code. If the Revenue/Bill Plan Template already exists, this step is skipped.

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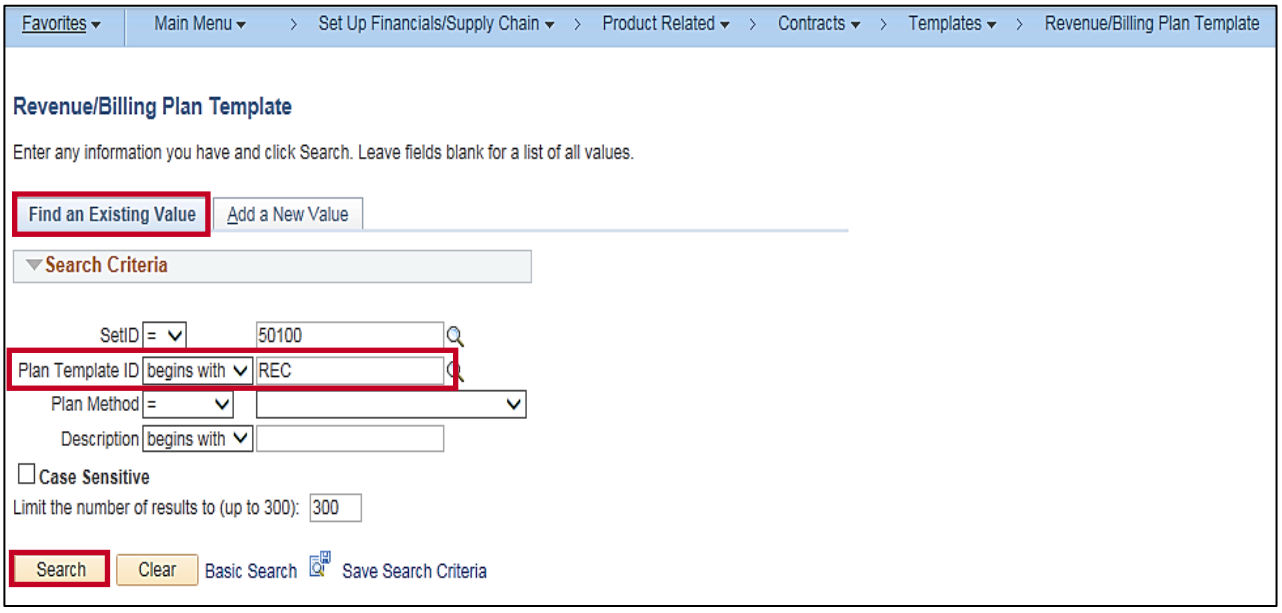
To Create Recurring Revenue/Bill Plan Template:

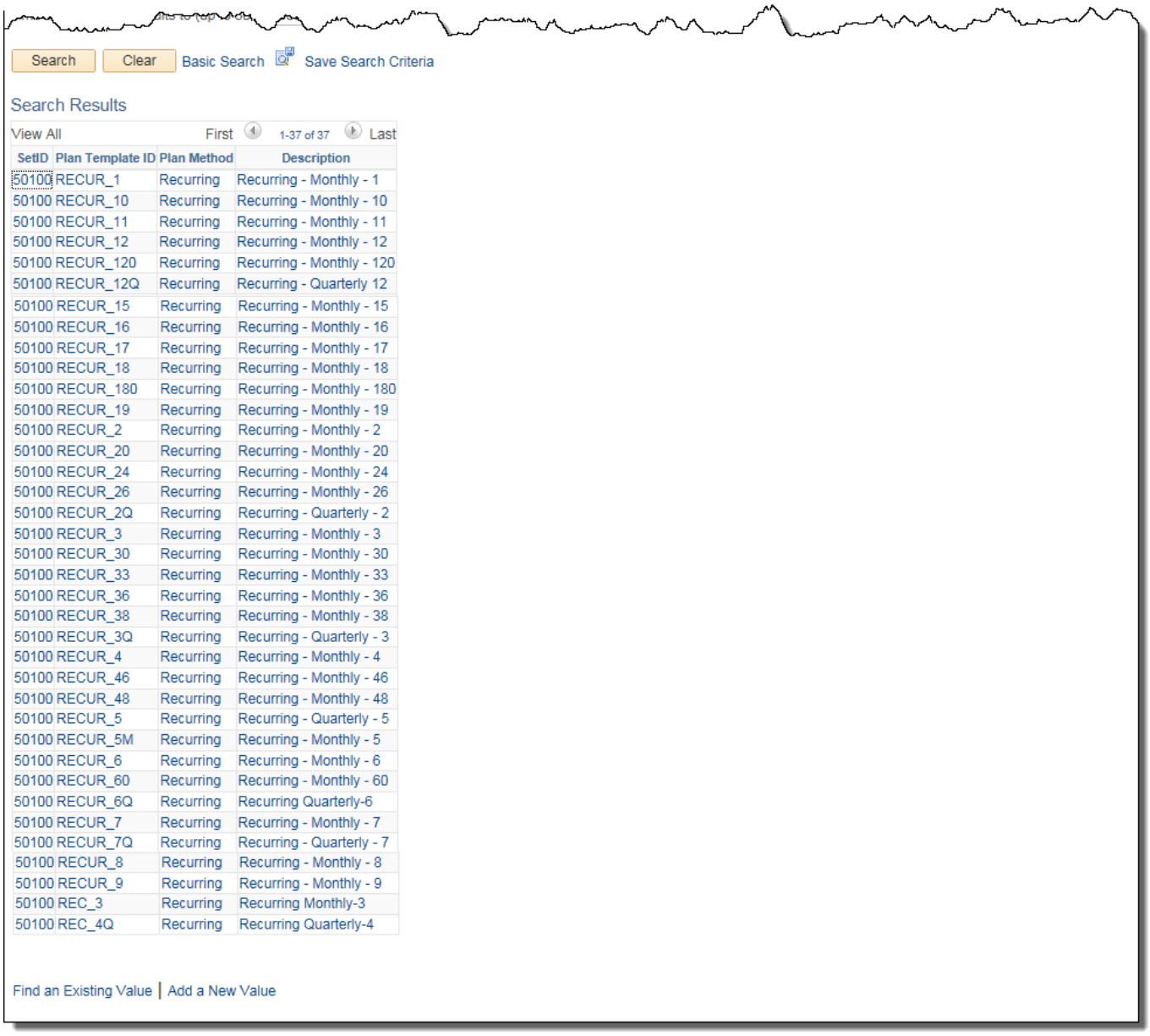
1. The user needs to validate that a revenue/bill plan template has not been created for the number of months that the contract will need to produce a bill. Navigate using the following path:

Set Up Financials > Product Related > Contracts > Templates > Revenue/Billing Plan Template



2. On the **Find an Existing Value** tab, enter **REC** in the Plan Template ID field.

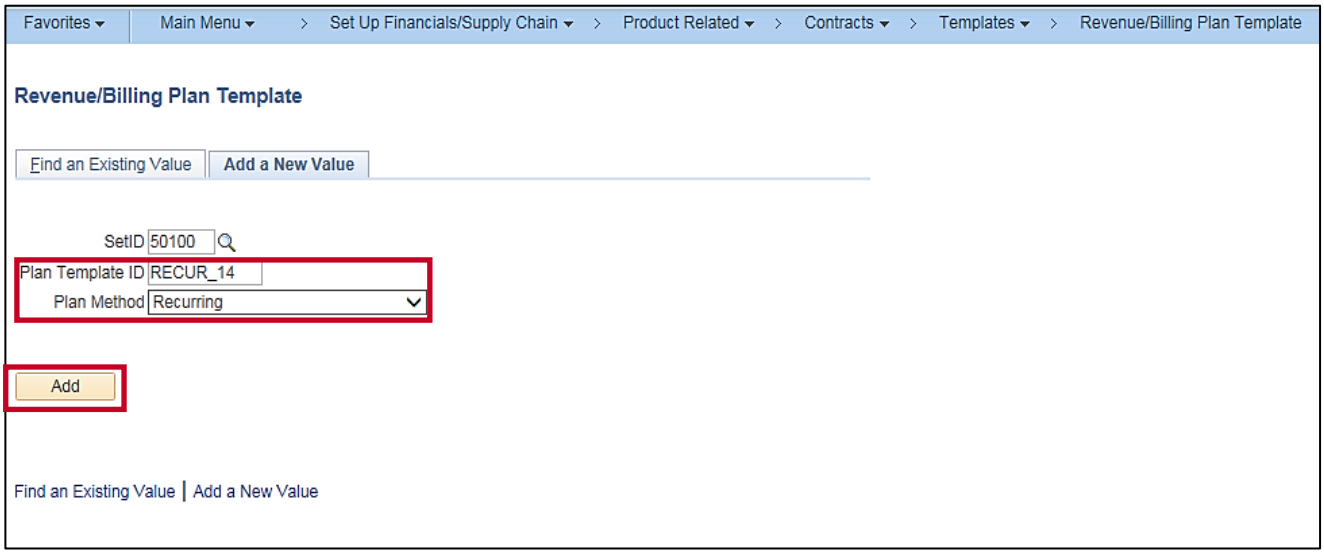
3. Click the **Search** button.



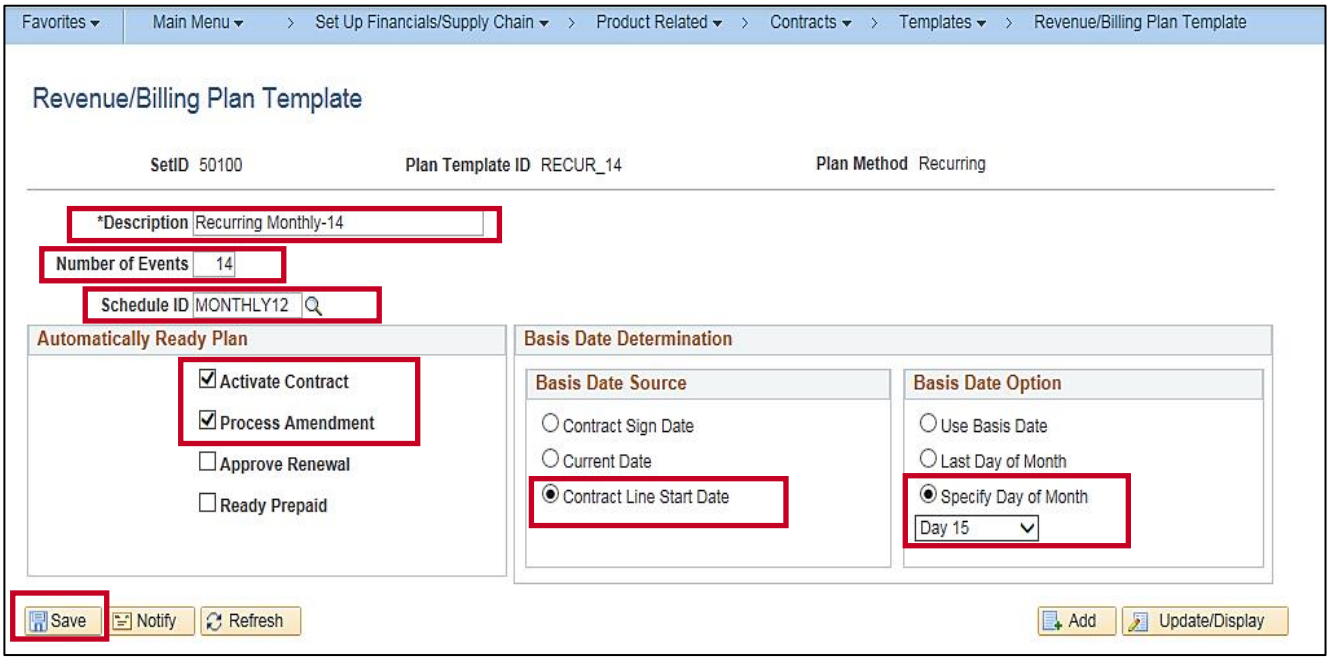
SetID	Plan Template ID	Plan Method	Description
50100	RECUR_1	Recurring	Recurring - Monthly - 1
50100	RECUR_10	Recurring	Recurring - Monthly - 10
50100	RECUR_11	Recurring	Recurring - Monthly - 11
50100	RECUR_12	Recurring	Recurring - Monthly - 12
50100	RECUR_120	Recurring	Recurring - Monthly - 120
50100	RECUR_12Q	Recurring	Recurring - Quarterly 12
50100	RECUR_15	Recurring	Recurring - Monthly - 15
50100	RECUR_16	Recurring	Recurring - Monthly - 16
50100	RECUR_17	Recurring	Recurring - Monthly - 17
50100	RECUR_18	Recurring	Recurring - Monthly - 18
50100	RECUR_180	Recurring	Recurring - Monthly - 180
50100	RECUR_19	Recurring	Recurring - Monthly - 19
50100	RECUR_2	Recurring	Recurring - Monthly - 2
50100	RECUR_20	Recurring	Recurring - Monthly - 20
50100	RECUR_24	Recurring	Recurring - Monthly - 24
50100	RECUR_26	Recurring	Recurring - Monthly - 26
50100	RECUR_2Q	Recurring	Recurring - Quarterly - 2
50100	RECUR_3	Recurring	Recurring - Monthly - 3
50100	RECUR_30	Recurring	Recurring - Monthly - 30
50100	RECUR_33	Recurring	Recurring - Monthly - 33
50100	RECUR_36	Recurring	Recurring - Monthly - 36
50100	RECUR_38	Recurring	Recurring - Monthly - 38
50100	RECUR_3Q	Recurring	Recurring - Quarterly - 3
50100	RECUR_4	Recurring	Recurring - Monthly - 4
50100	RECUR_46	Recurring	Recurring - Monthly - 46
50100	RECUR_48	Recurring	Recurring - Monthly - 48
50100	RECUR_5	Recurring	Recurring - Quarterly - 5
50100	RECUR_5M	Recurring	Recurring - Monthly - 5
50100	RECUR_6	Recurring	Recurring - Monthly - 6
50100	RECUR_60	Recurring	Recurring - Monthly - 60
50100	RECUR_6Q	Recurring	Recurring Quarterly-6
50100	RECUR_7	Recurring	Recurring - Monthly - 7
50100	RECUR_7Q	Recurring	Recurring - Quarterly - 7
50100	RECUR_8	Recurring	Recurring - Monthly - 8
50100	RECUR_9	Recurring	Recurring - Monthly - 9
50100	REC_3	Recurring	Recurring Monthly-3
50100	REC_4Q	Recurring	Recurring Quarterly-4

4. If template is not found, then user must create a new one. If it exists skip to step 16. If creating a new one, go to step 5.

5. Click the **Add a new Value** tab.



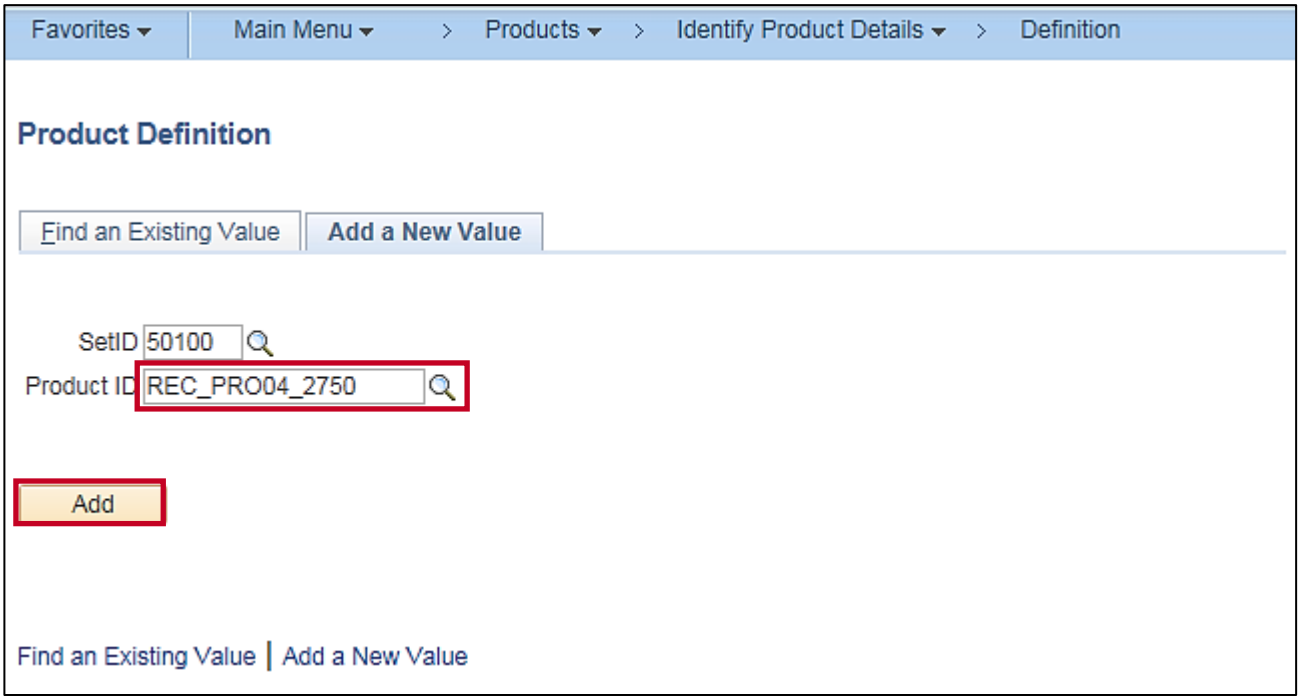
6. Enter **Plan Template ID** field (**RECUR**_number of bills).
   If quarterly, add the letter **Q** behind the number of bills (i.e., **RECUR_14Q**)
7. Select Recurring as the Plan Method.
8. Click the **Add** button.



9. Enter the **Description**.
10. Enter the Number of Events.
11. Select the **Schedule ID**.
12. Under the **Automatically Ready Plan** section, select **Activate Contract** and **Process Amendment**.
13. Under the **Basis Date Determination** section, select **Contract Line Start Date** as the **Basis Date Option** click the **Specify Day of the Month**.
14. Select the day of the month under the **Specify Day of Month** in the **Basis Date Option** section and select the day. For this scenario, **Day 15**.
15. Click the **Save** button.

To Create Recurring Product:

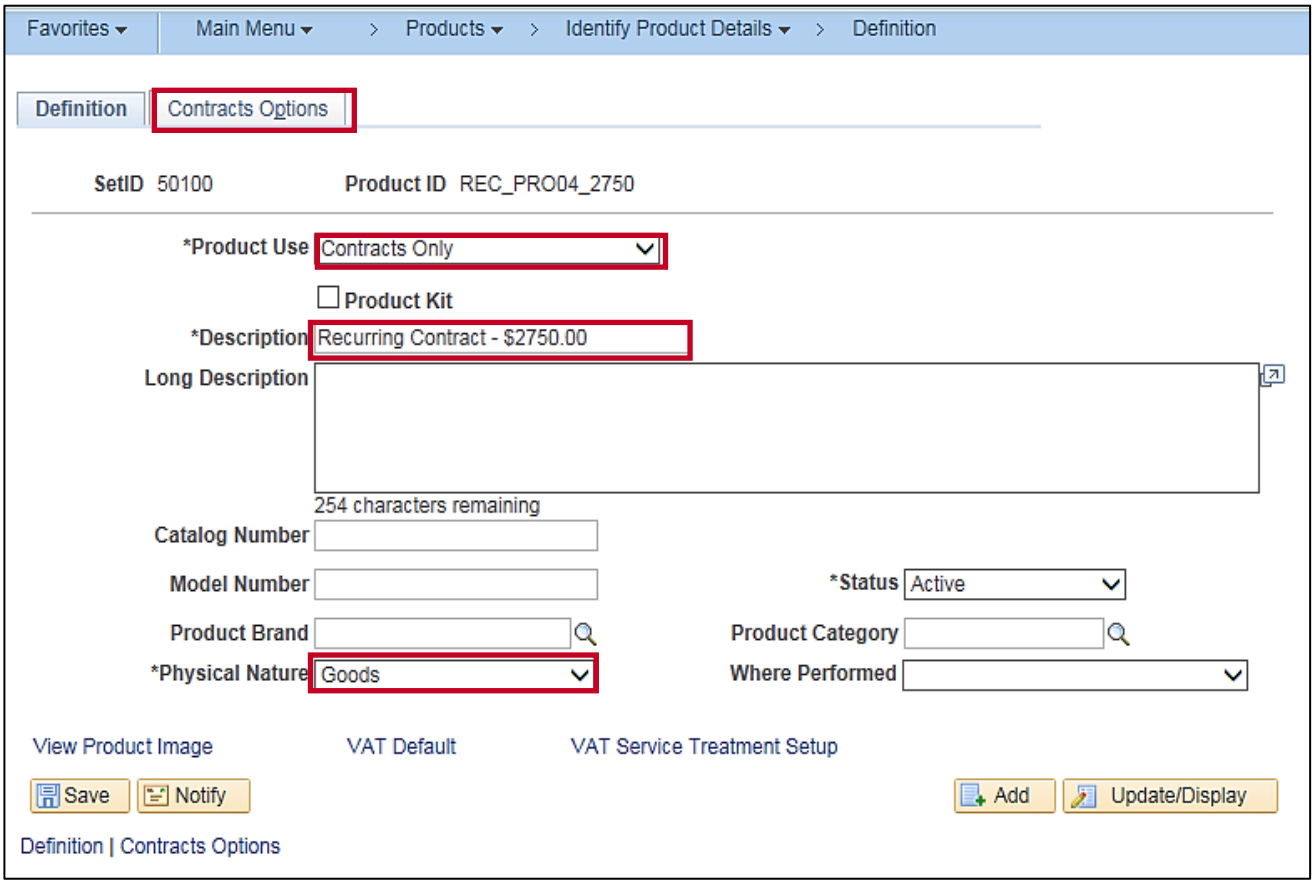
16. Navigate using the following path:
Main Menu > Products > Identify Product Details > Definition



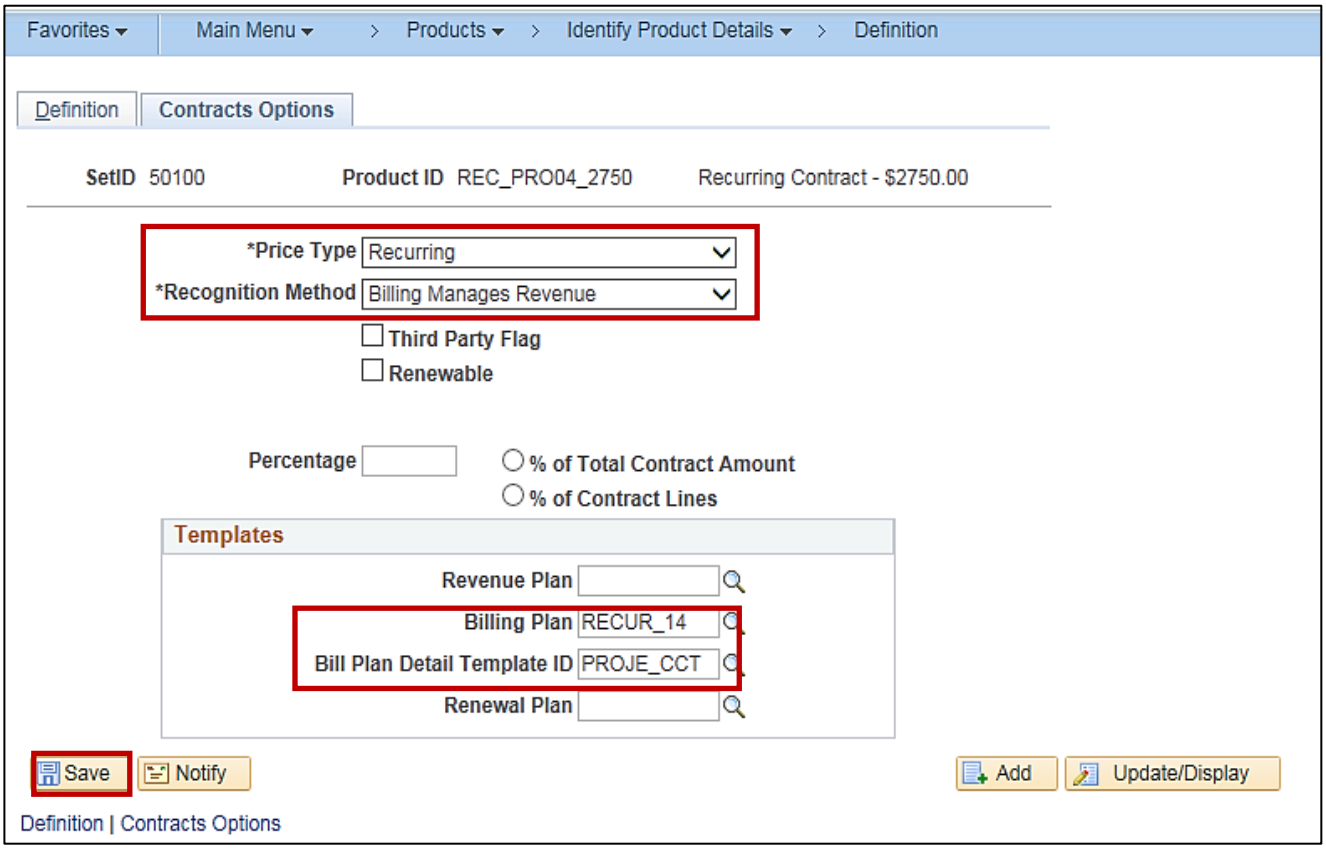
17. Click the **Add a New Value** tab.

18. Enter the **Product ID**. It will be the prefix **REC**_ followed by a combination of the Category Code and Recurring Amount (i.e., **REC_PRO04_2750**).

19. Click the **Add** button.



20. The **Definition** tab displays. In the **Product Use** field select **Contracts Only**.
21. In the **Description** field enter **Recurring Contract-$Amount**.
22. In the **Physical Nature** field select the appropriate option **Goods** or **Services**. For this example, it is **Goods**.
23. Click on the **Contracts Options** tab.



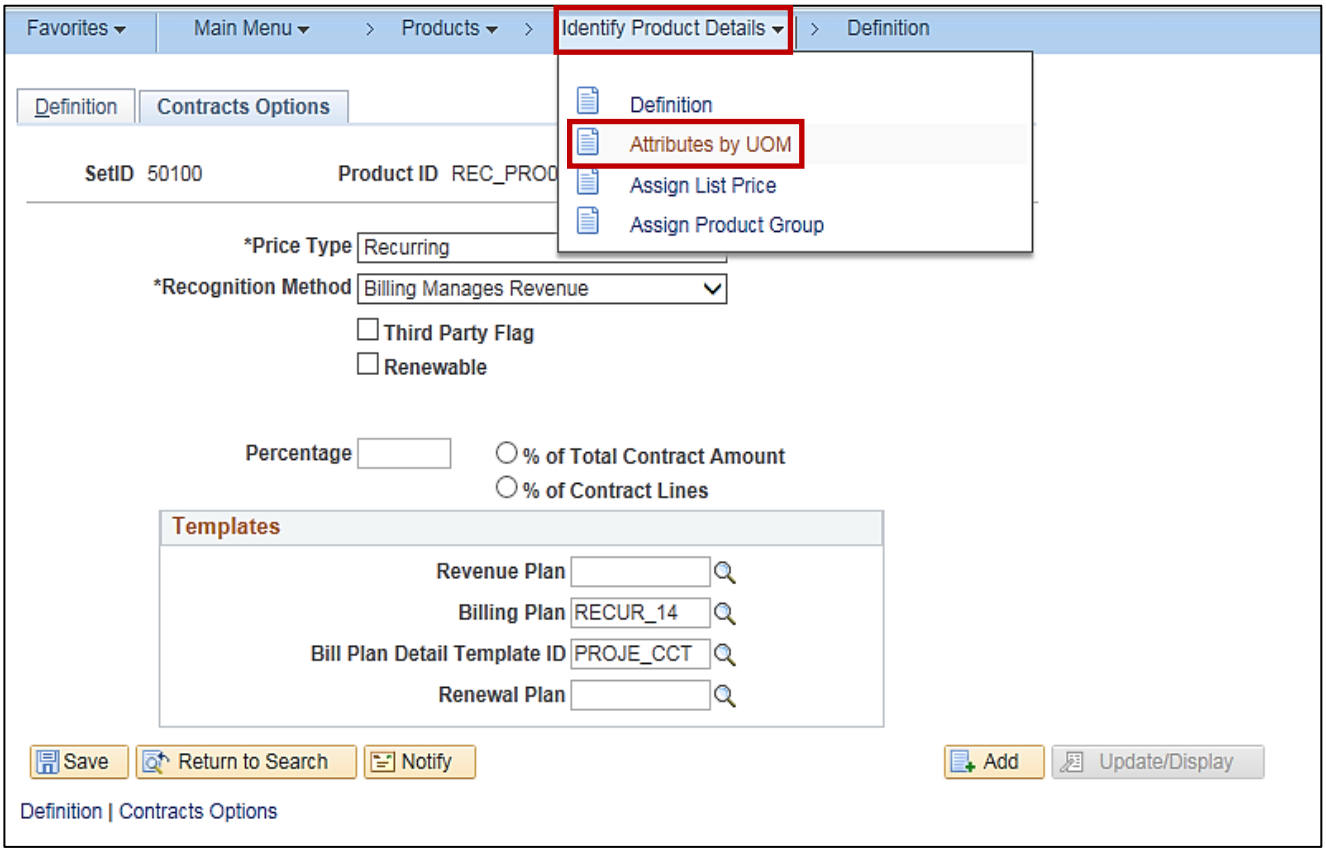
24. In the **Price Type** field select **Recurring**.

25. In the **Recognition Method** field, select **Billing Manages Revenue**.

26. In the **Templates** section, the **Billing Plan** will associate the length of the product. In this example: **RECUR__14** is for monthly recurring amounts for 14 months.

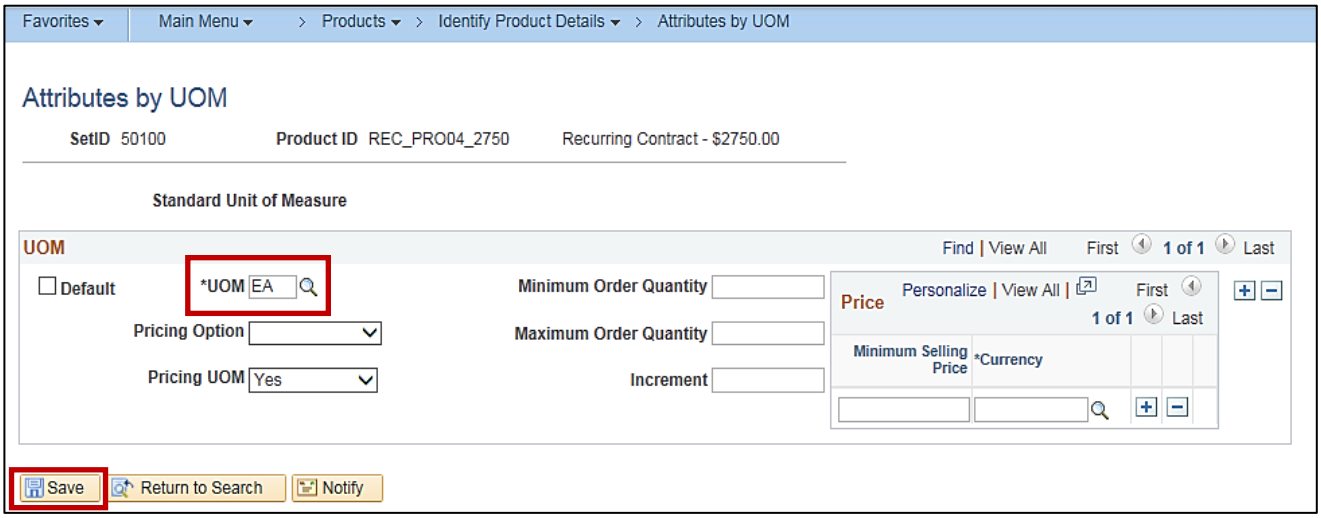
27. **The Bill Plan Detail Template ID** defaults billing information such as Bill Source, Bill Identifier and Bill Cycle Identifier on the recurring invoice. Select the appropriate option based on your project. For this example, it is **PROJE_CCT** is Non-Federal Project – CCT.

28. Click the **Save** button.



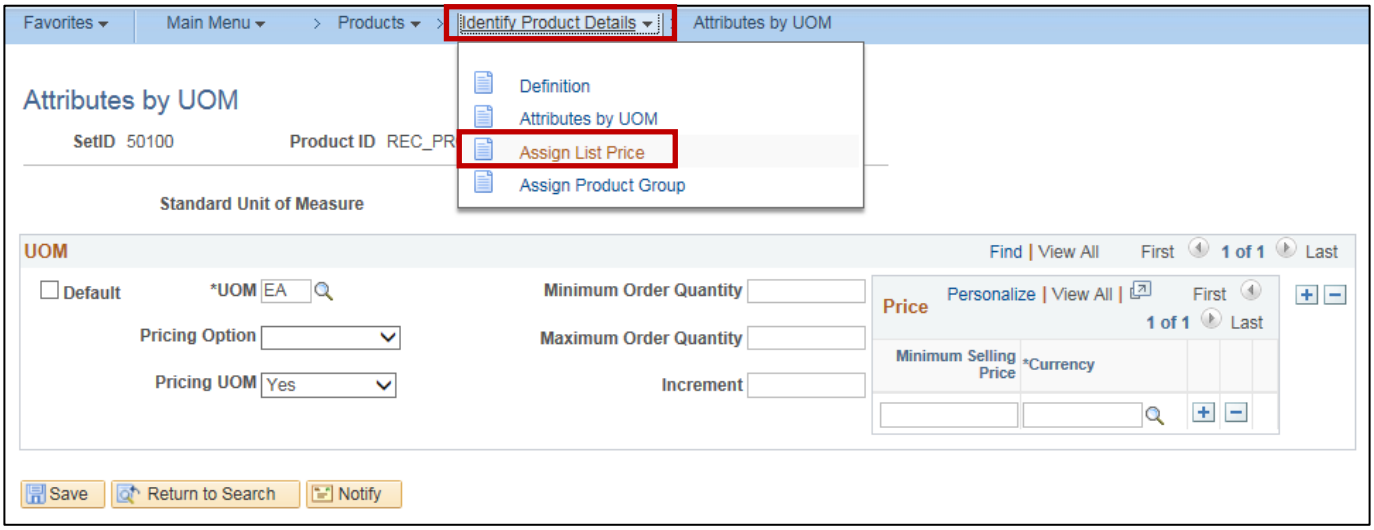
29. Navigate using the bread crumbs at the top of the page. Click the **Identify Product Details** link.

30. Click **Attributes by UOM** menu item.



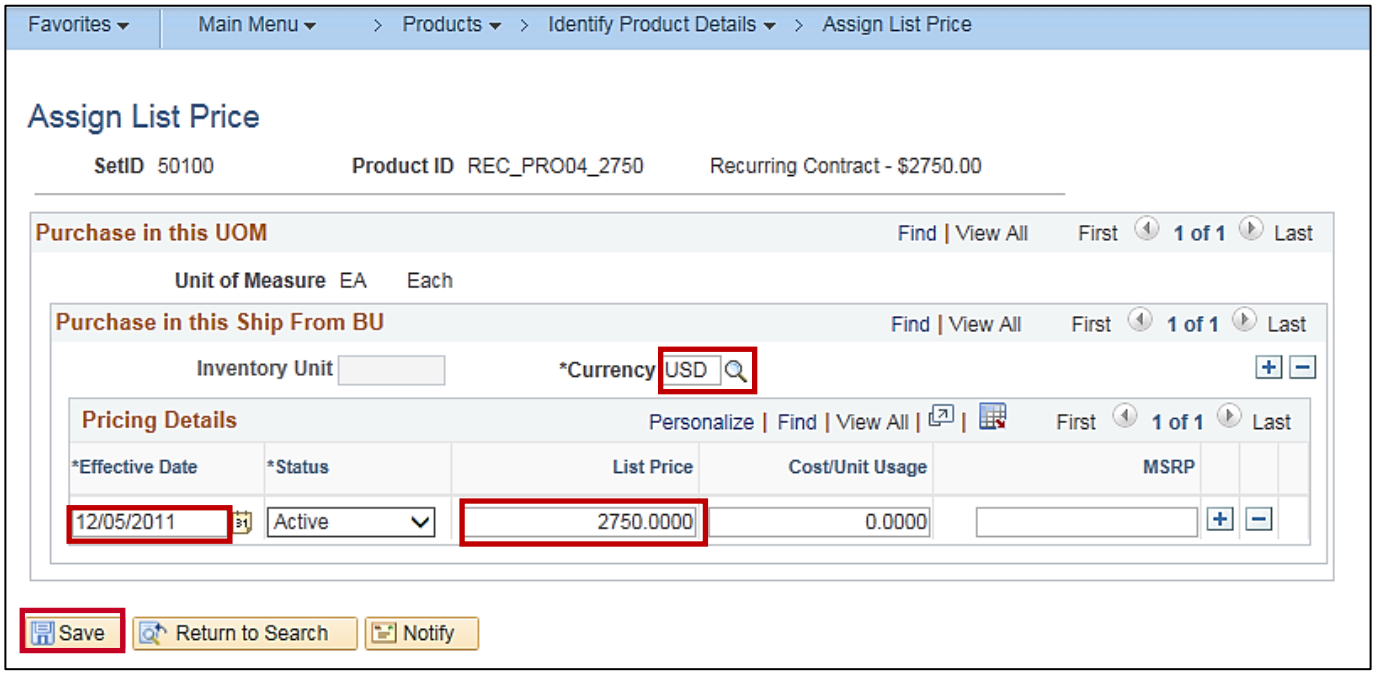
31. Select **EA** in the Unit of Measure in the **UOM** field. For recurring contracts, the **UOM** is always **EA**.

32. Click the **Save** button.



33. Navigate using the bread crumbs at the top of the page. Click the **Identify Product Details** link.

34. Click **Assign List Price** menu item.



35. The information for your product displays. Select the **USD** value in the **Currency** field.

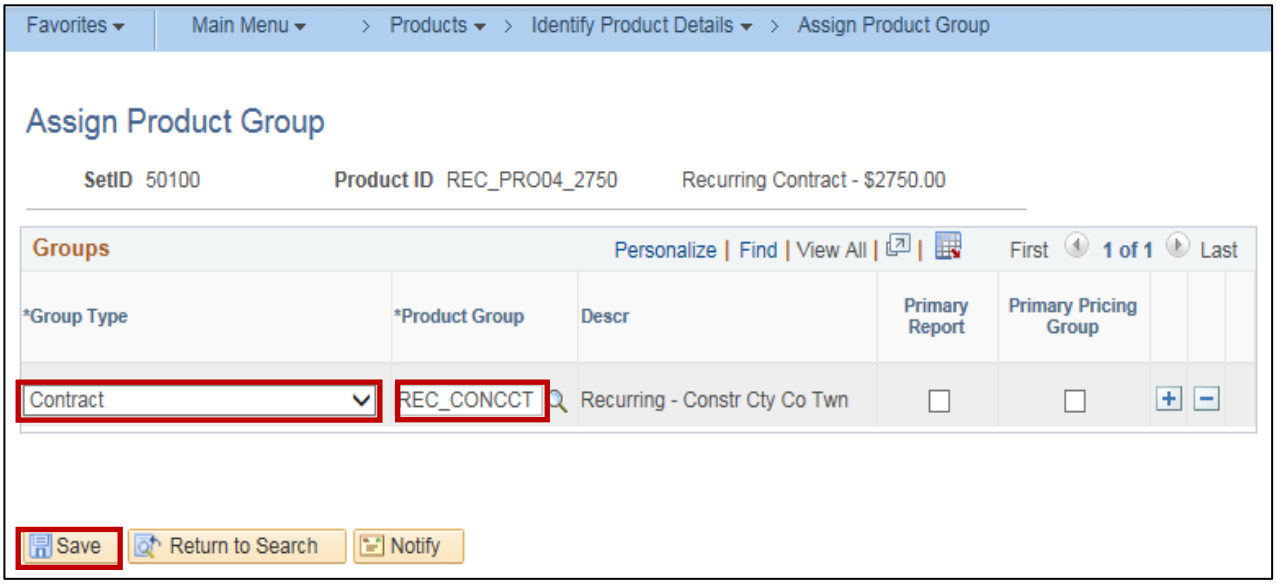
36. In the **Pricing Details** section of the page, select the **Effective Date** for the project. This date should always be **12/05/2011**. This date determines when the product is available for use.

37. Enter the recurring amount in the **List Price** field. The **List Price** determines the amount for each recurring bill.

38. Click the **Save** button.

39. Navigate using the following path:

Products > Identify Product Details > Assign Product Group



40. In the **Group Type** field select **Contract**.

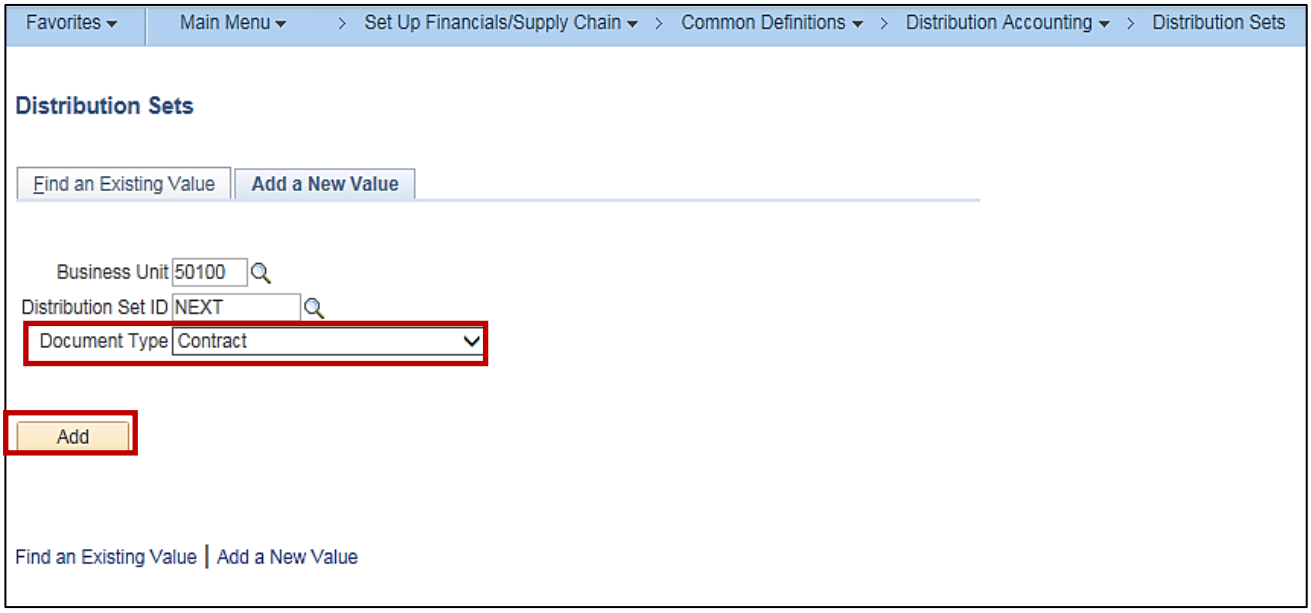
41. In the **Product Group** field enter the appropriate value. This field determines where the product will be found when searching for the product on the contract. For this scenario, it is **REC_CONCCT**.

42. Click the **Save** button.

To Define the Distribution Sets:

43. Navigate using the following path:

Set Up Financials/Supply Chain > Common Definitions > Distribution Accounting > Distribution Sets

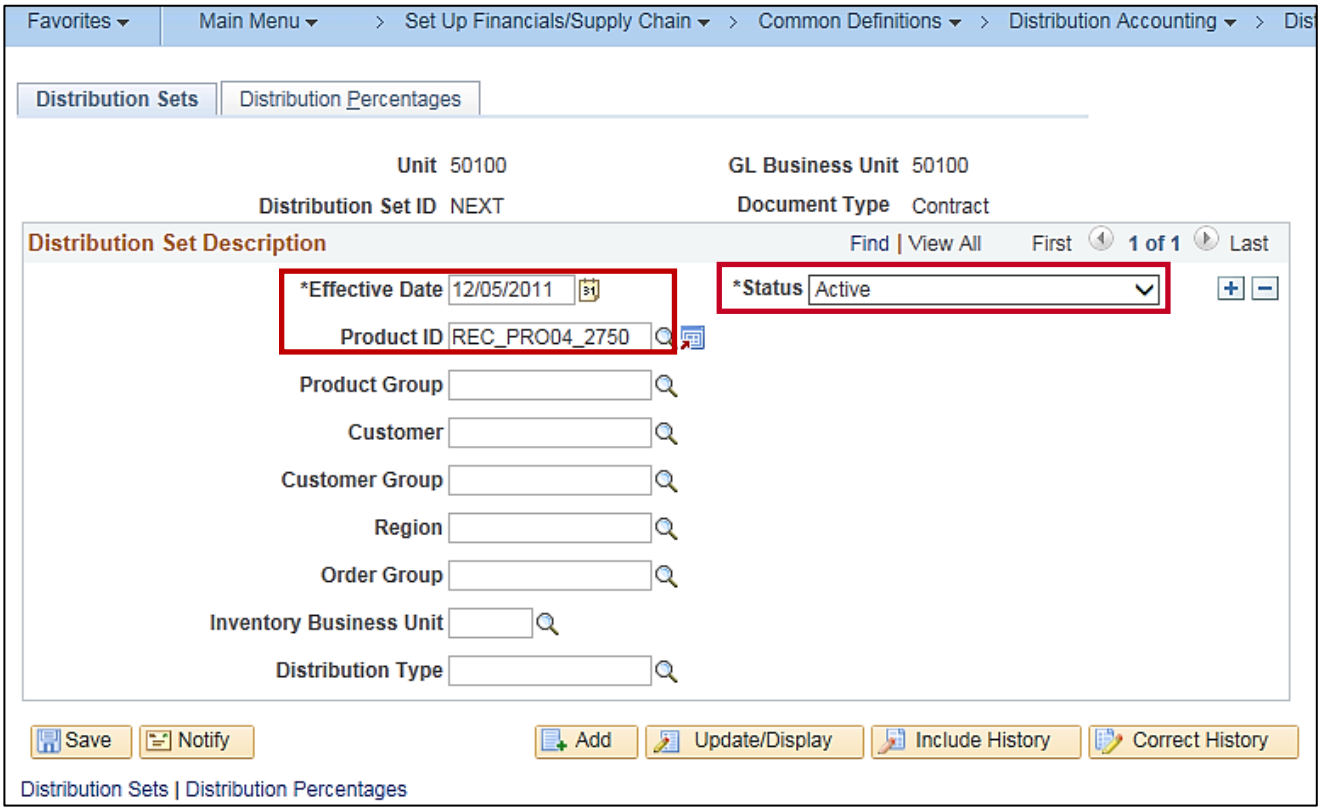


44. The **Business Unit** defaults to **50100**. Do not change it.

45. The **Distribution Set** field defaults to **NEXT**. Do not change it.

46. In the **Document Type** field select **Contract**.

47. Click the **Add** button.

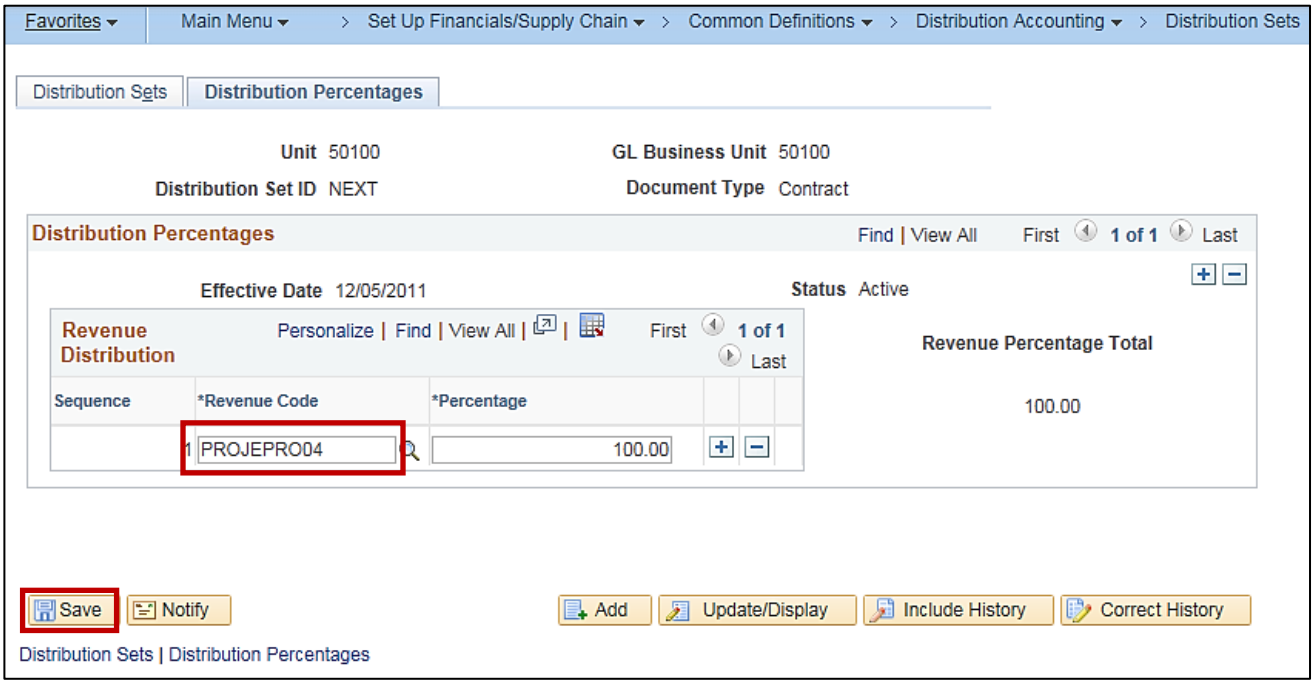


48. The **Effective Date** should always be entered as **12/05/2011**.

49. Enter the **Product ID**. The **Product ID** is the new **Product ID** created.

50. The **Status** field will be defaulted to **Active**. Do not change it.

51. Click the **Distribution Percentages** tab.



52. In the **Revenue Code** field, select a **Revenue Code** that is appropriate for the Product created. GL Chartfields are attached to the Revenue code and default on the Revenue line of the product.

53. Click the **Save** button.

Creating a Non-Federal Recurring Contract

The Create Customer Contracts process for non-Federal recurring contracts involves the following steps:

Creating contract header- When you create the contract header you define information for the entire contract, this may include the contract signed date, the contract administrator and the contract type.

Creating contract line(s)- Contracts may have more than one contract line. However, most recurring contracts will only have one. At this level, a product is chosen that defines the contract as recurring.

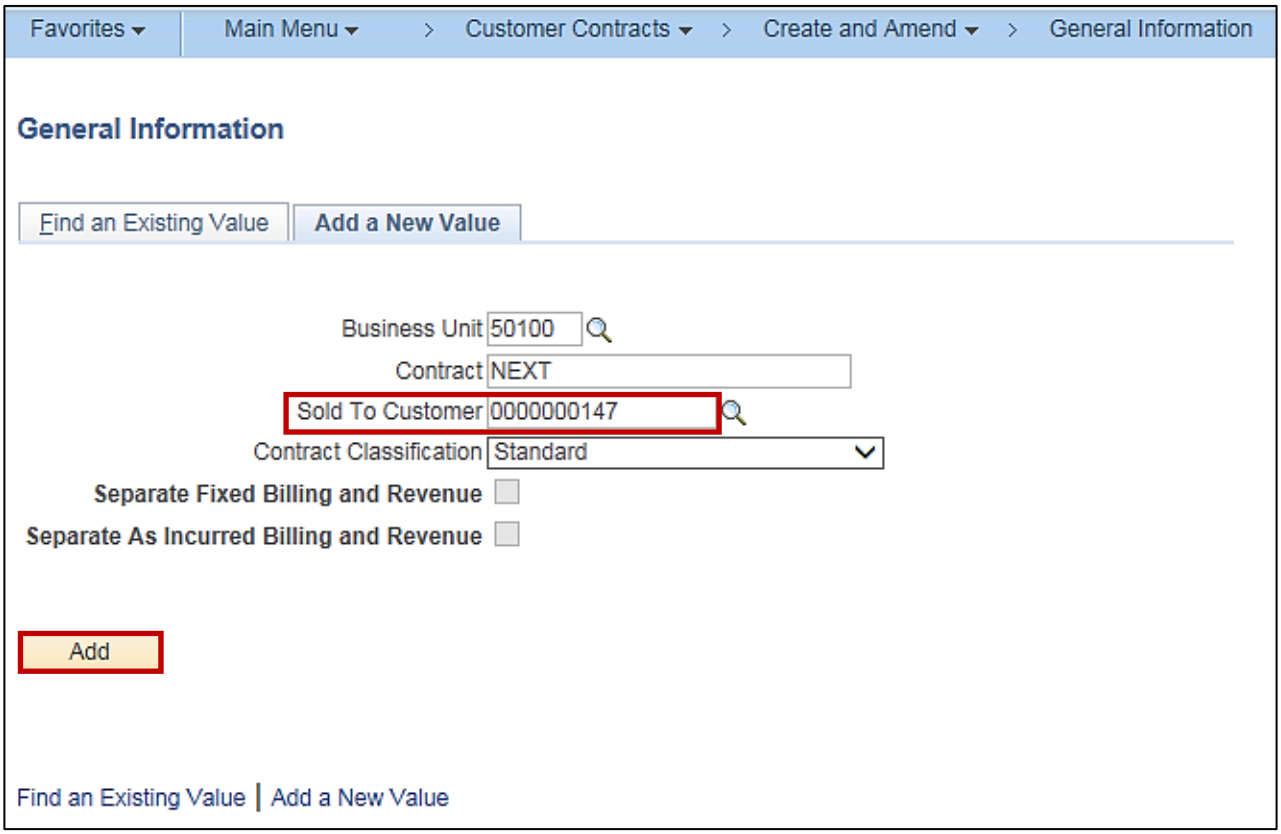
Update Distribution- The project value must be defined on the distribution.

Associating project and activities- Projects and activities are associated to a contract line on the Related Projects page. Unlike rate based contracts, the same project-activity combination **can** be associated with more than one contract line for a recurring contract. After you create the contract, add product(s), set the limits, and associate the project activity(s), the contract is ready to be set to **Active.** Activating a contract indicates that all data for the contract is in Cardinal. When changing the contract status, you can only move forward. Once the contract is set to **Active**, it cannot be set back to **Pending** and once **Closed,** it cannot be set to **Active.**

To Create the Contract Header

1. Navigate using the following path:

Customer Contracts > Create and Amend > General Information > Add a new Value



2. The **Business Unit** field defaults to **50100**. Do not change it.

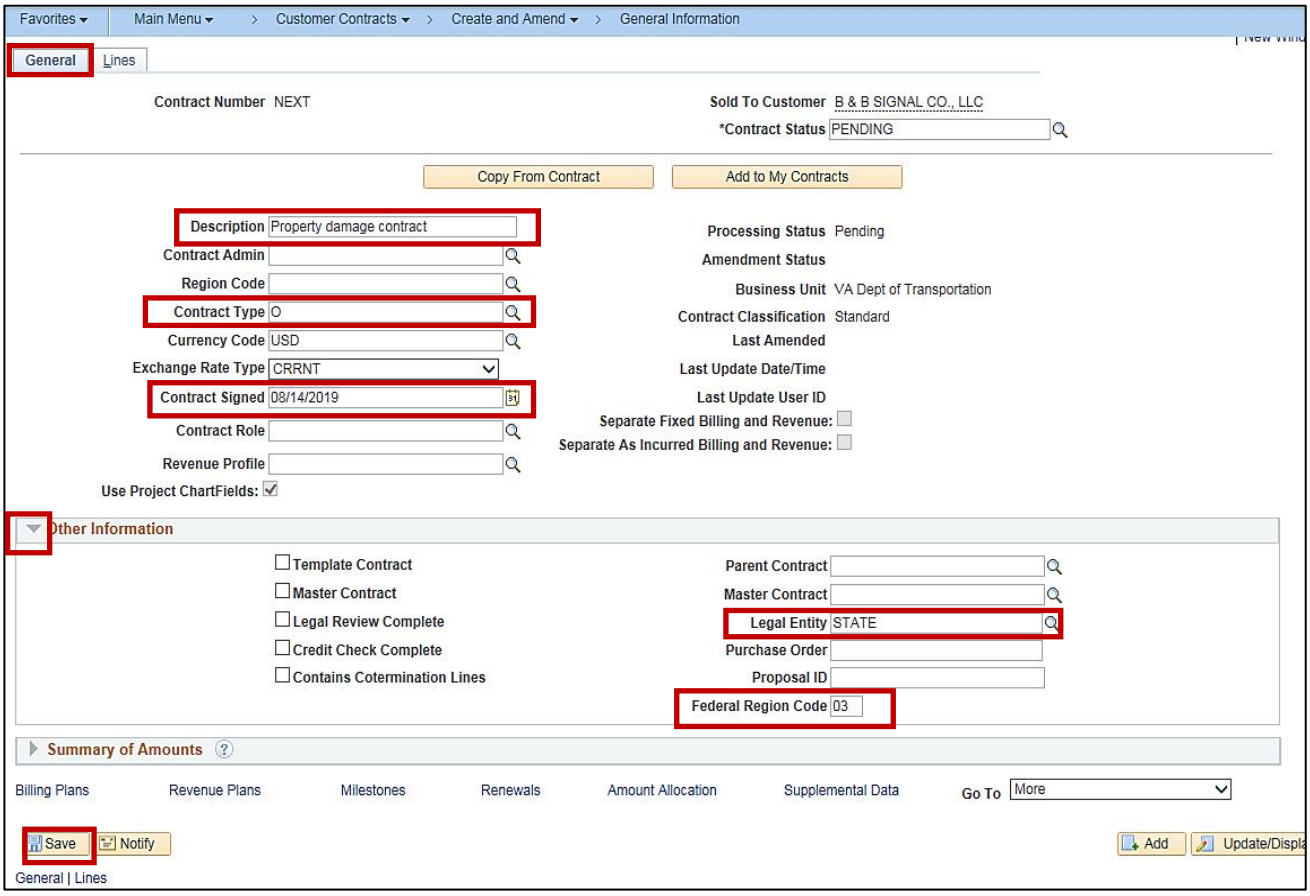
3. The **Contract** field defaults to **NEXT**. Do not change it.

4. Select the **Sold to Customer** by choosing the customer number of the customer that is to be billed.

5. The **Contract Classification** defaults to and should ALWAYS be **Standard**. Do not change it.

6. Click the **Add** button.

NOTE: The contract cannot be setup until the customer is created in the system.



7. Enter information in the following fields:

a. **Description –** this field is a short detailed description of the contract.

b. **Contract Type –** select the appropriate contract type. For this example it is **O** (Other)

c. **Contract Signed –** this date defaults to the current date. It should be changed to the date the agreement was signed with the third party customer. This date will also default the date of the accounting distribution.

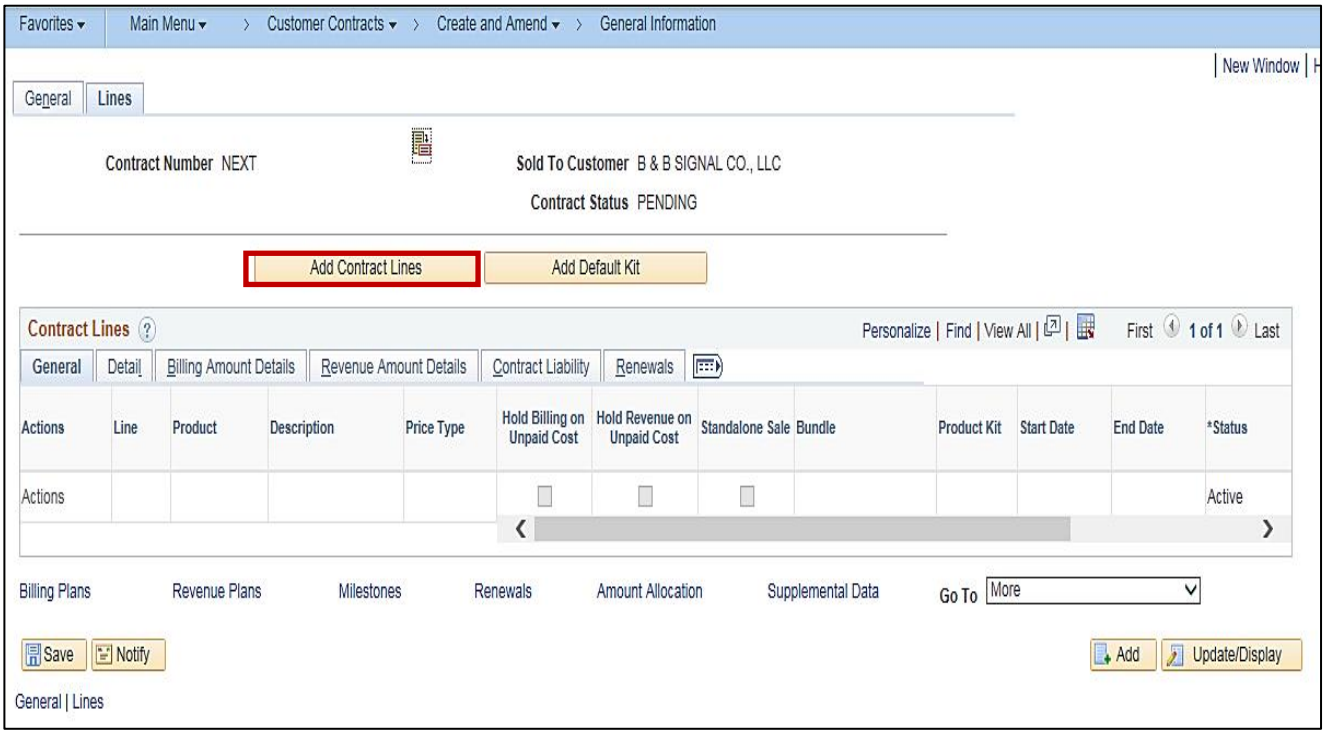
8. Expand the **Other Information** section.

9. In the **Legal Entity** field select **STATE**.

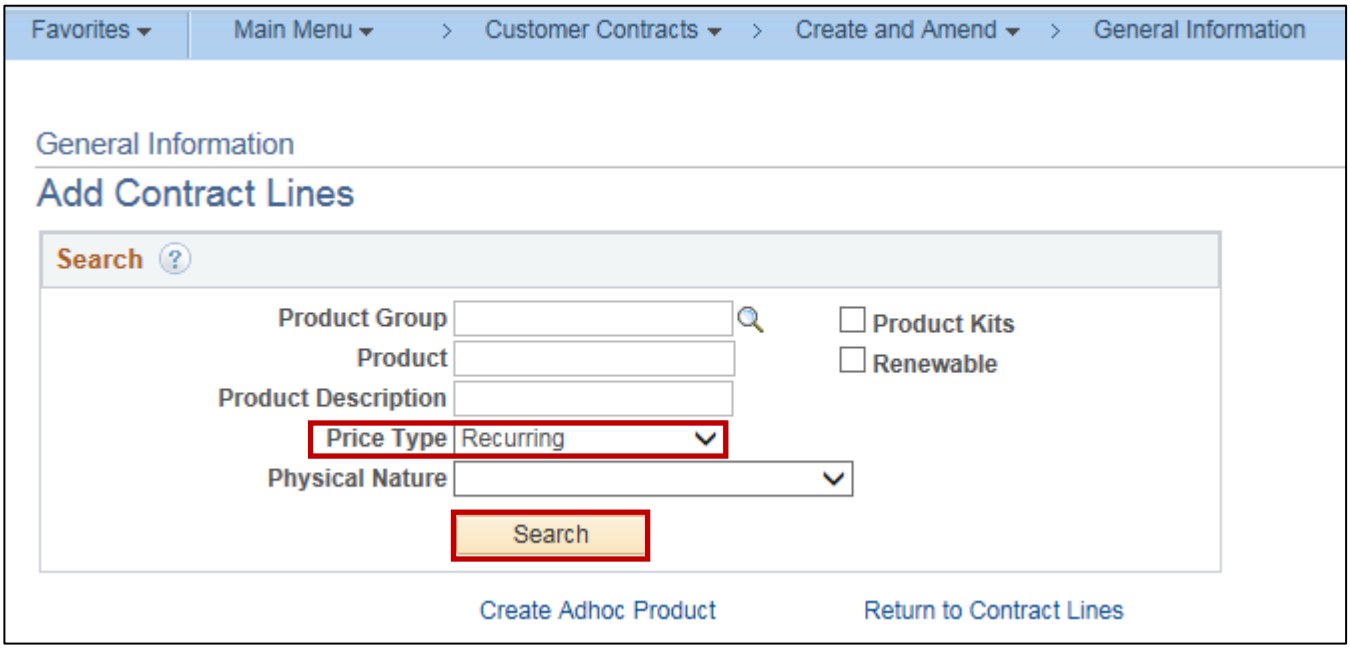
10. **Federal Region Code** field defaults to **03 (FHWA).** Do not change this value.

11. Click the **Save** button.

12. Click on the **Lines** tab.

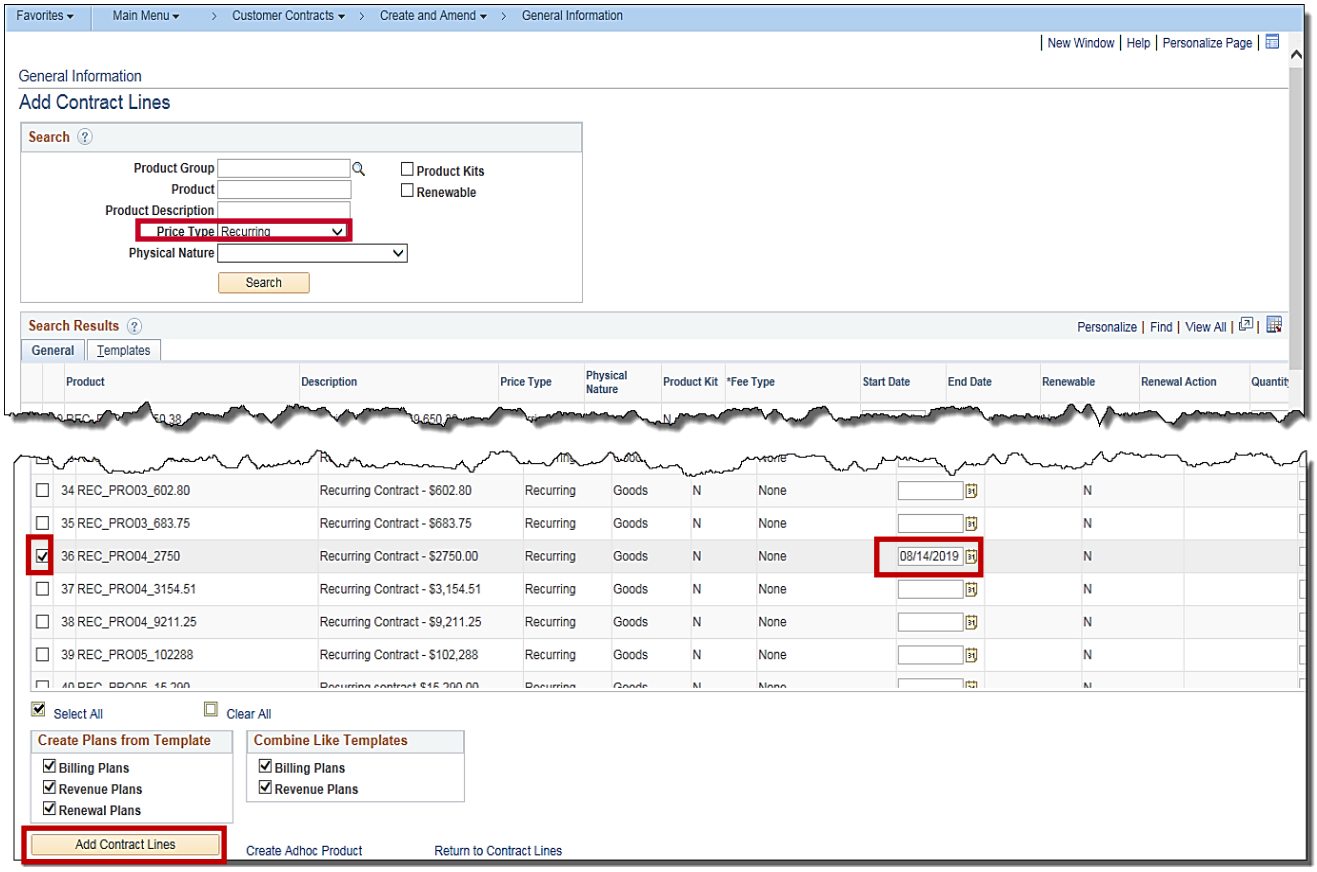


13. Each contract line represents a unique contract product that is associated with its own accounting distributions, limits, billing plans, and revenue plans. Click **Add Contract Lines** button.



14. You can use the parameters to narrow your search results. Set the **Price Type** field to **Recurring** (setting this price type automatically brings up non-Federal products, since only non-Federal contracts can have recurring contract lines).

15. Click the **Search** button.



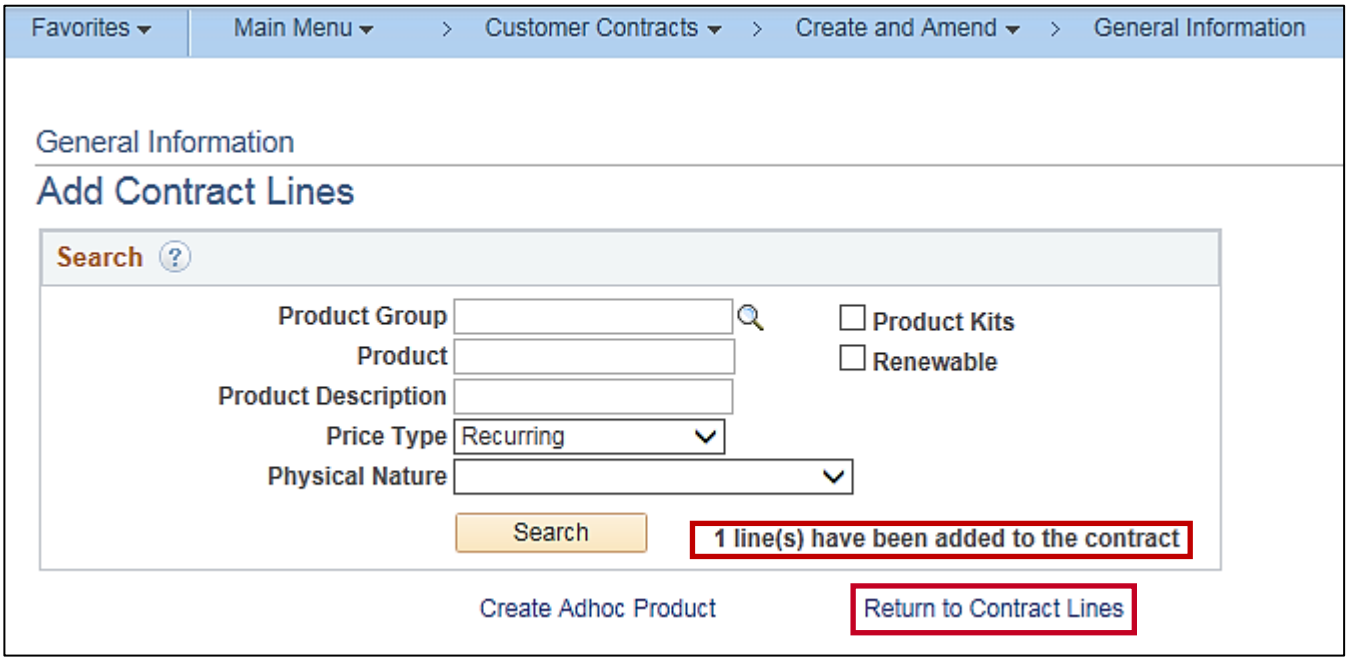
16. All products with a **Price Type** of **Recurring** display below the search box. Select the check box next to the product that you plan to use.

17. Enter the **Start Date** in the correct field. This is the date that the contract was signed.

The **Create Plans from Template** and **Combine Like Templates** checkboxes default as selected. Do not change them.

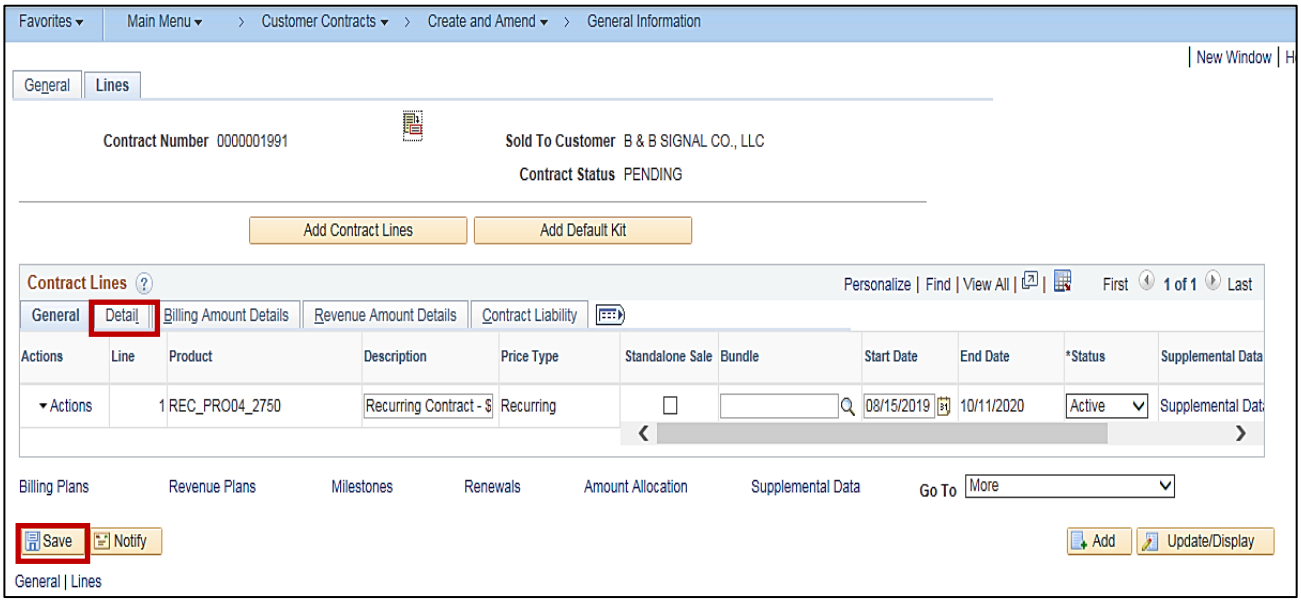
18. Click the **Add Contract Lines**.

NOTE: The schedules associated with the recurring products are all configured to have a start date on the 12th of the month. If you enter a date prior to the 12th of the current month, then the start date changes to the 12th of the **current** month when you save the contract line. If you enter a Start Date that is after the 12th of the current month, then the Start Date changes to the 12th of the **following** month when you save the contract line.



19. The **Add Contract Lines** page returns. A message displays indicating that 1 line(s) have been added to the contract.

20. Click the **Return to Contract Lines** hyperlink.

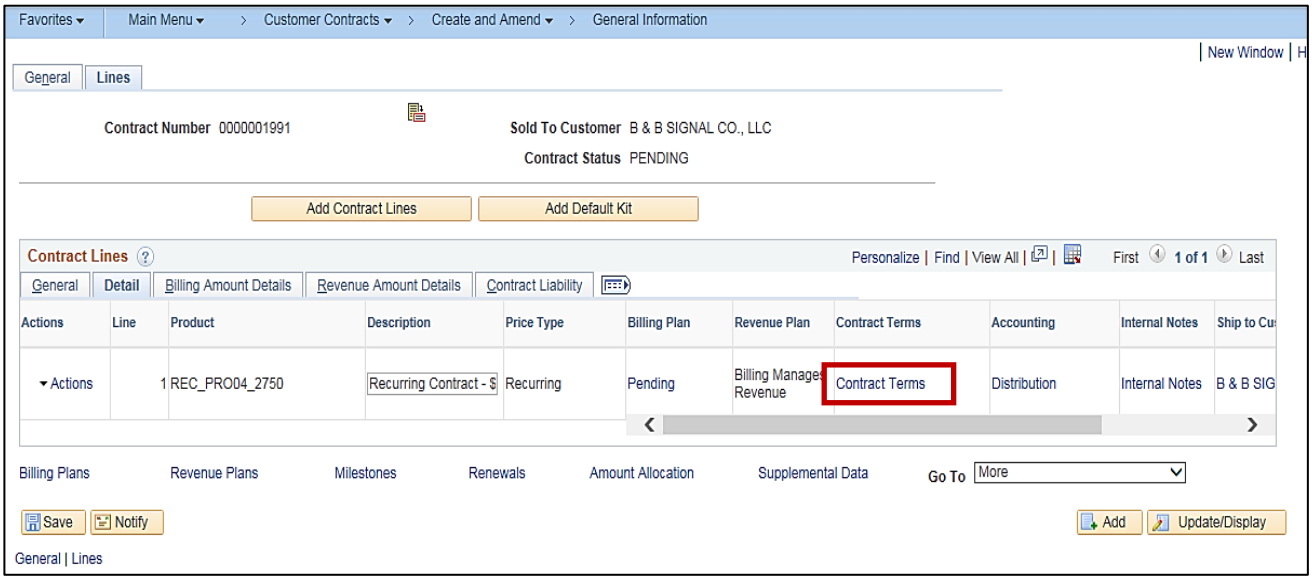


21. The Contract **Lines** tab displays and the product selected appears as one of the contract lines.

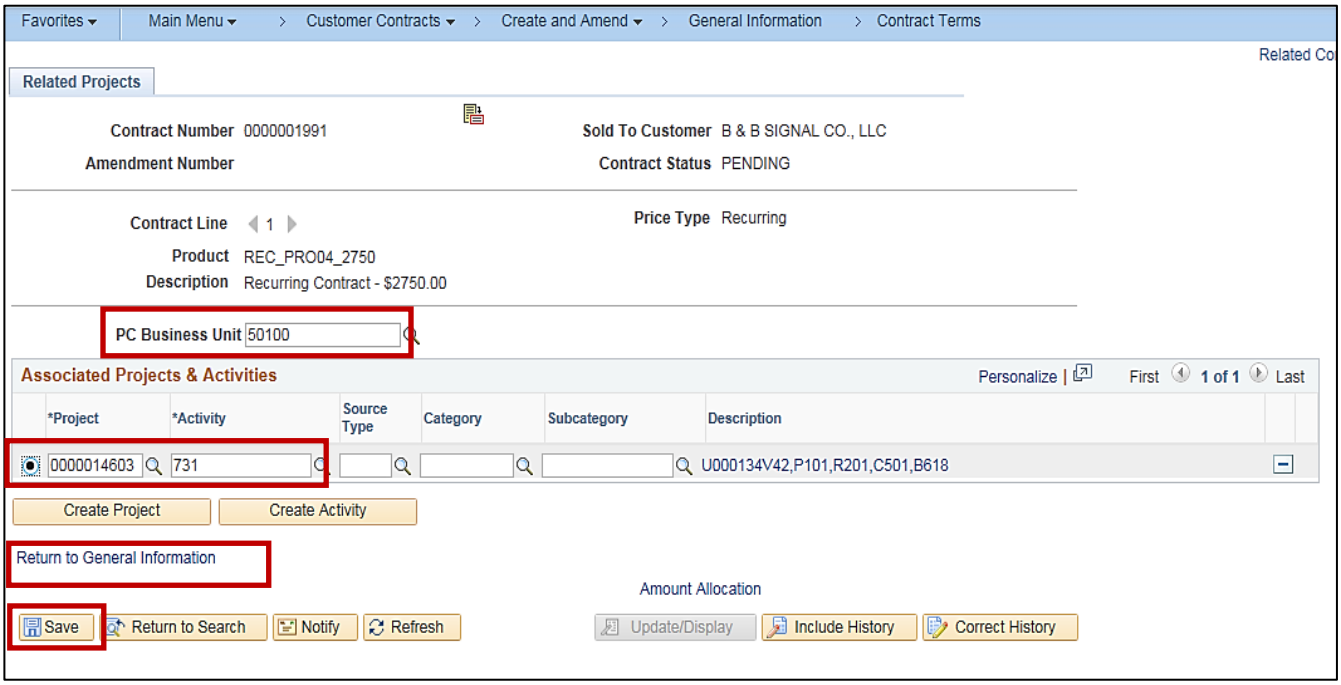
22. Click the **Save** button.

23. The **End Date** calculates based on the number of events for the product in this case eight.

24. Click the **Detail tab** under the **Contract Lines** section of the page.



25. The **Contract Lines Detail** page displays. Click on the **Contract Terms** hyperlink.



26. The **Related Projects** page displays. Select or enter the **PC Business Unit** (for VDOT **50100**).

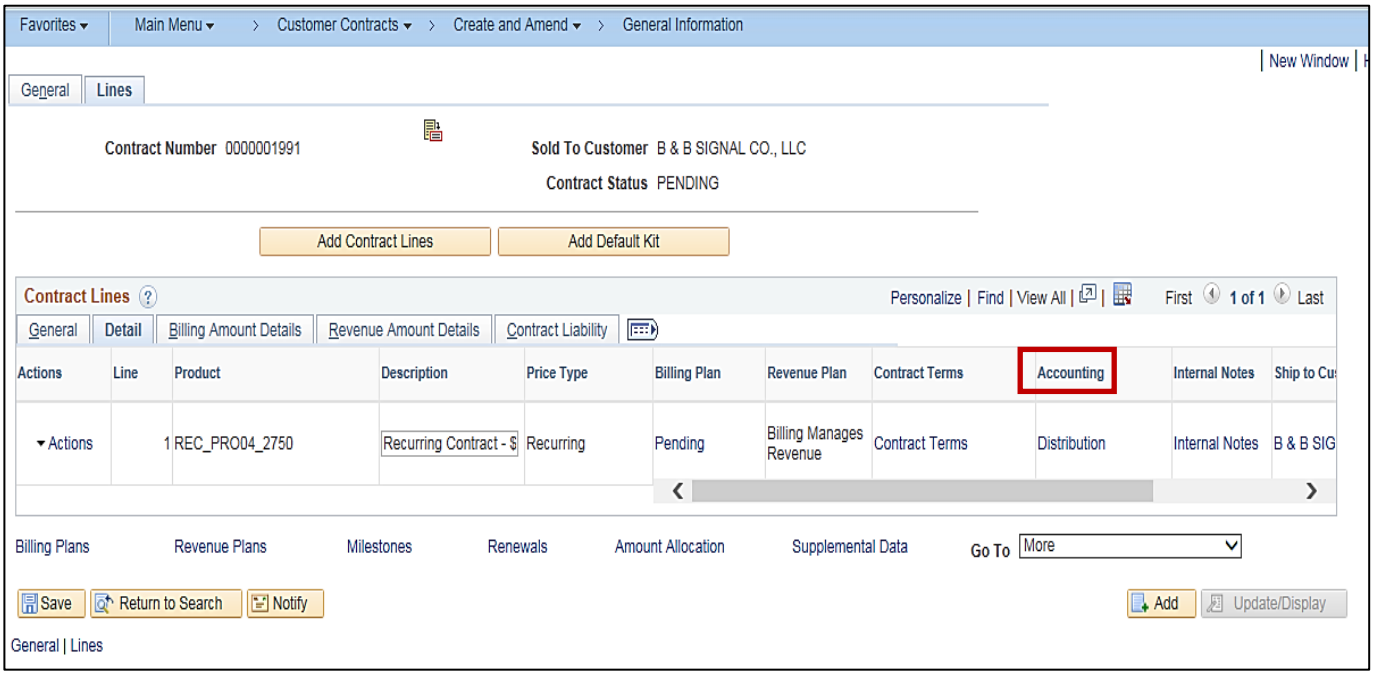
27. Determine which project/activity combination is to be billed under the contract line. The first activity within the phase being billed should be added.

28. In the **Associated Projects & Activities** section, enter the Project ID or click the lookup icon for a list of available projects. For recurring contract lines, only a single project/activity combination can be associated with one recurring contract line. This project/activity combination is then associated with the recurring billing events each time they are generated and sent to Billing.

NOTE: The same project/activity combination can be associated with multiple recurring or amount-based contract lines. The limitation seen with rate-based contract lines does not apply to recurring and/or amount-based contract lines.

29. Click the **Save** button.

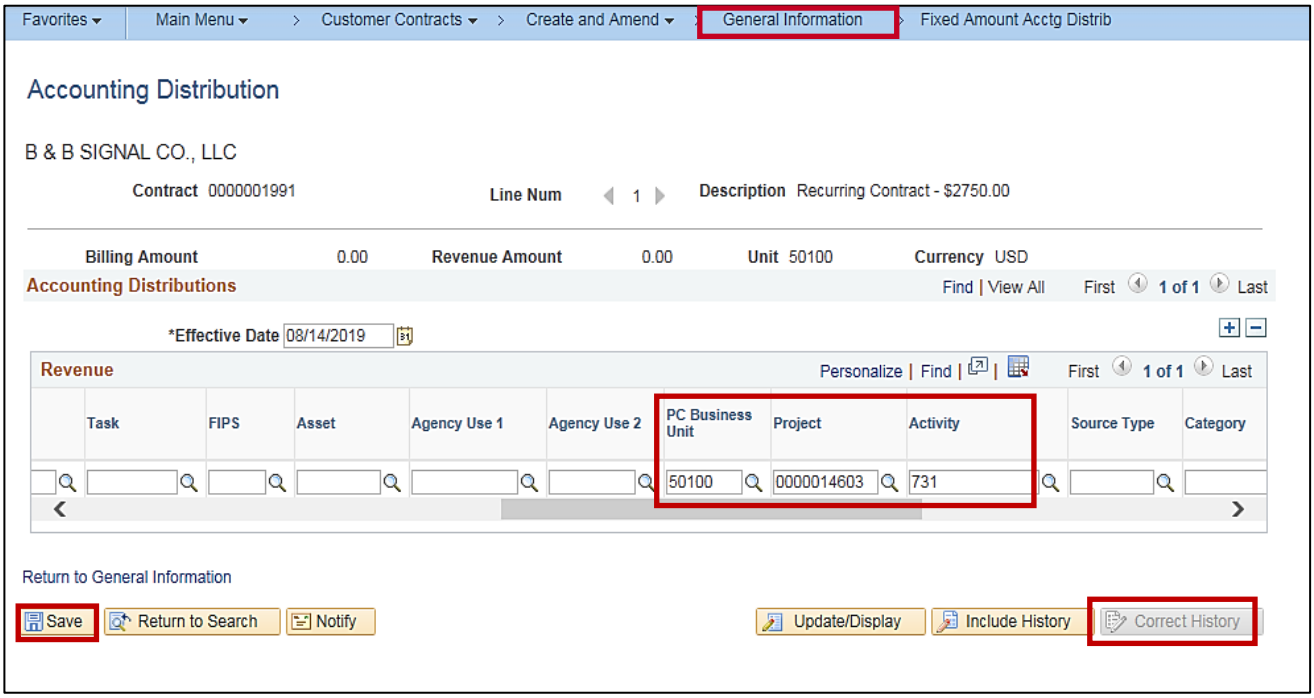
30. Click the **Return to General Information** hyperlink.



31. The **Contract Lines Detail** page displays.

32. Click the **Detail** tab.

33. Click on the **Accounting Distribution** hyperlink. Even though products default the accounting distribution, you still need to access the **Accounting Distribution** page to enter the **project ID** on the accounting distribution lines



34. The project ID needs to be the same project ID you selected when selecting the project/activity combination. Since the products default the accounting distribution, you need to be in correct history mode to enter the project ID.

35. Click the **Correct History** button.

36. Scroll to the right to enter the following:

a. **PC Business Unit**: **50100**

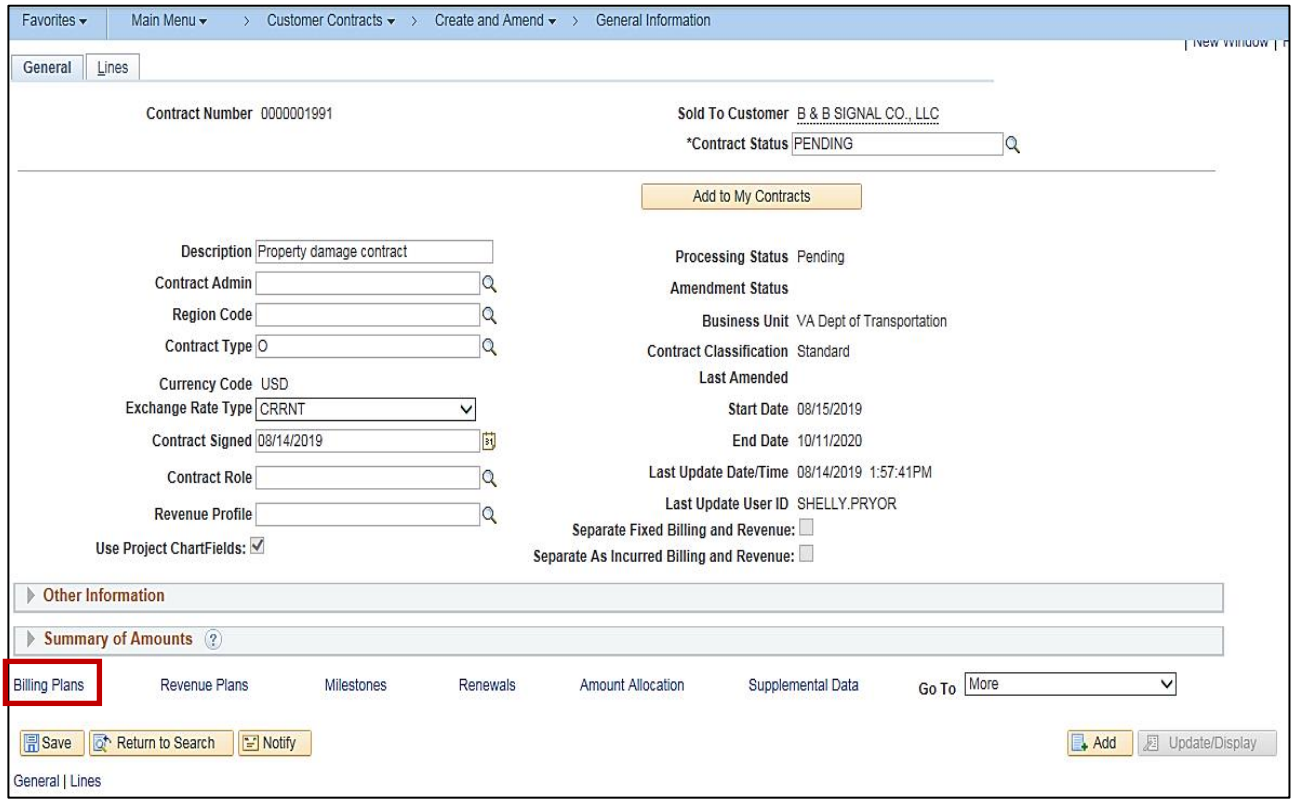
b. **Project**: Project ID

c. **Activity**: Enter or select the activity

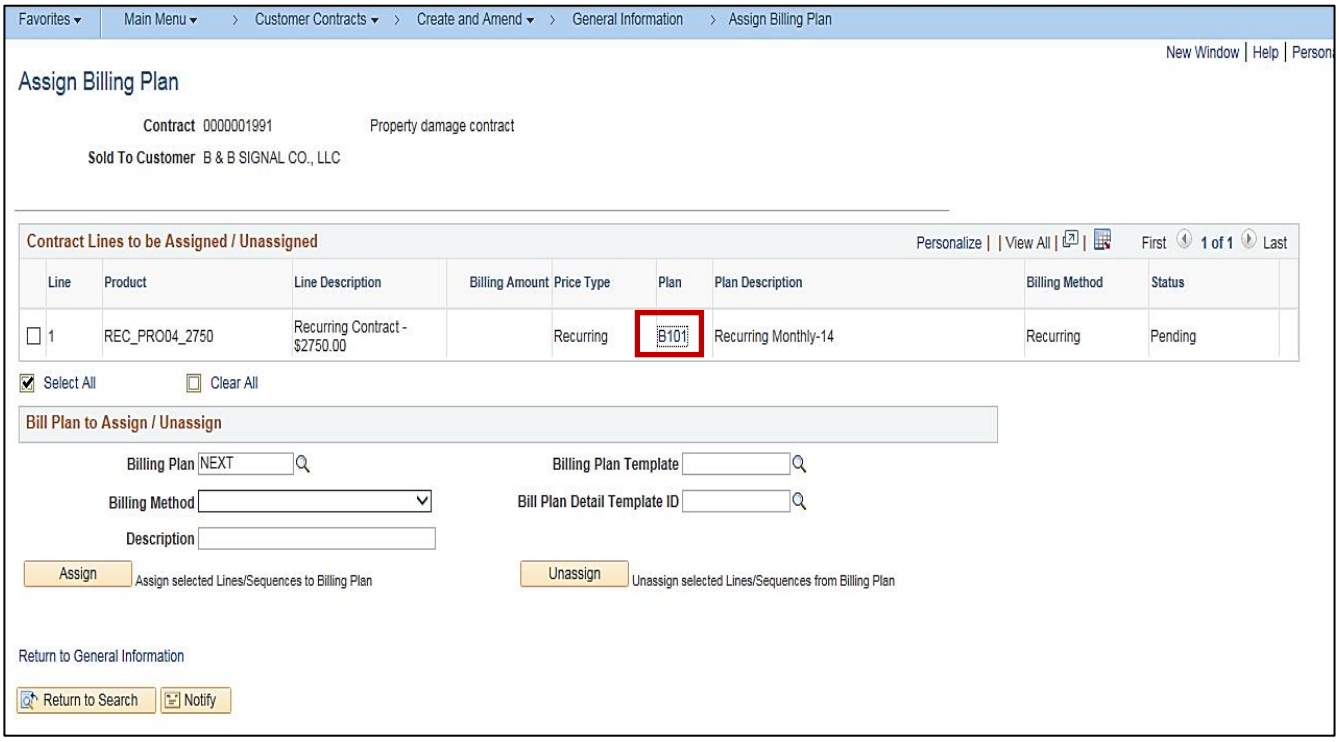
Note: The activity value must be **Active** for the distribution to save.

37. Click the **Save** button.

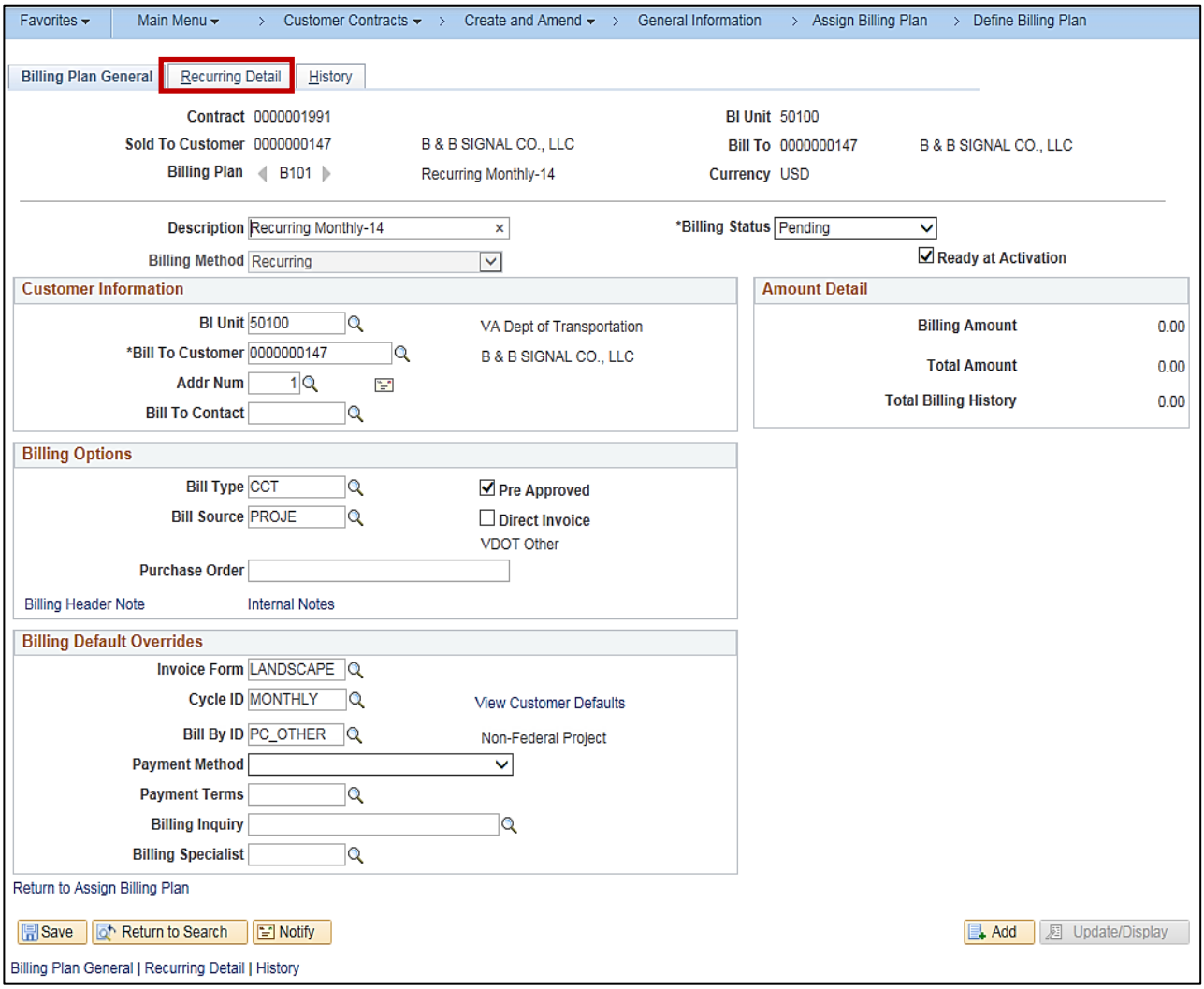
38. Click the **General Information** link at the top of the page.



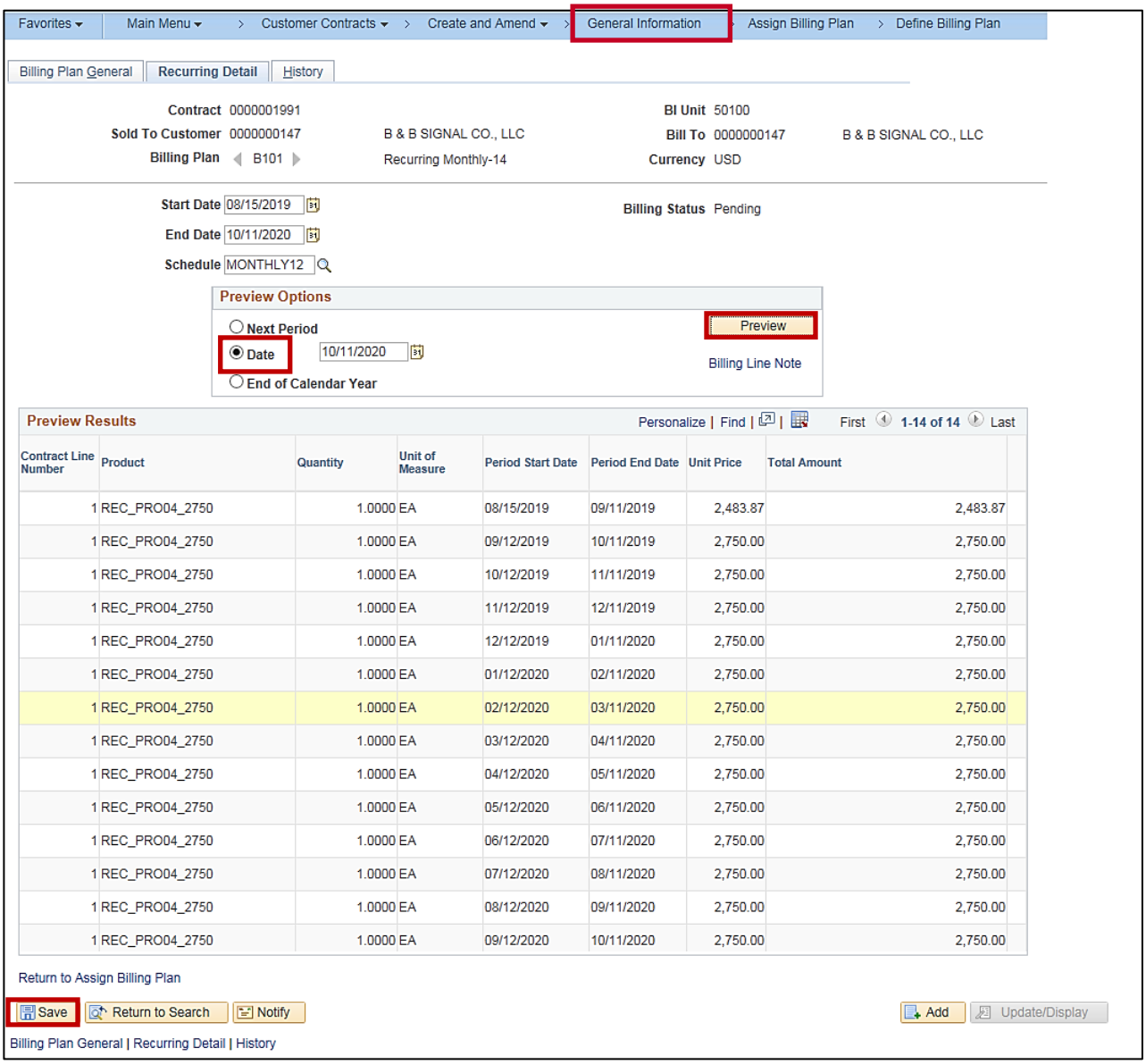
39. Select the **Billing Plans** hyperlink at the bottom of the page.



40. The **Assign Billing Plan** page displays. Select the Bill Plan for the contract line by clicking on the link under **Plan**.



41. The **Bill Plan General** page displays. Select the **Recurring Detail** tab.



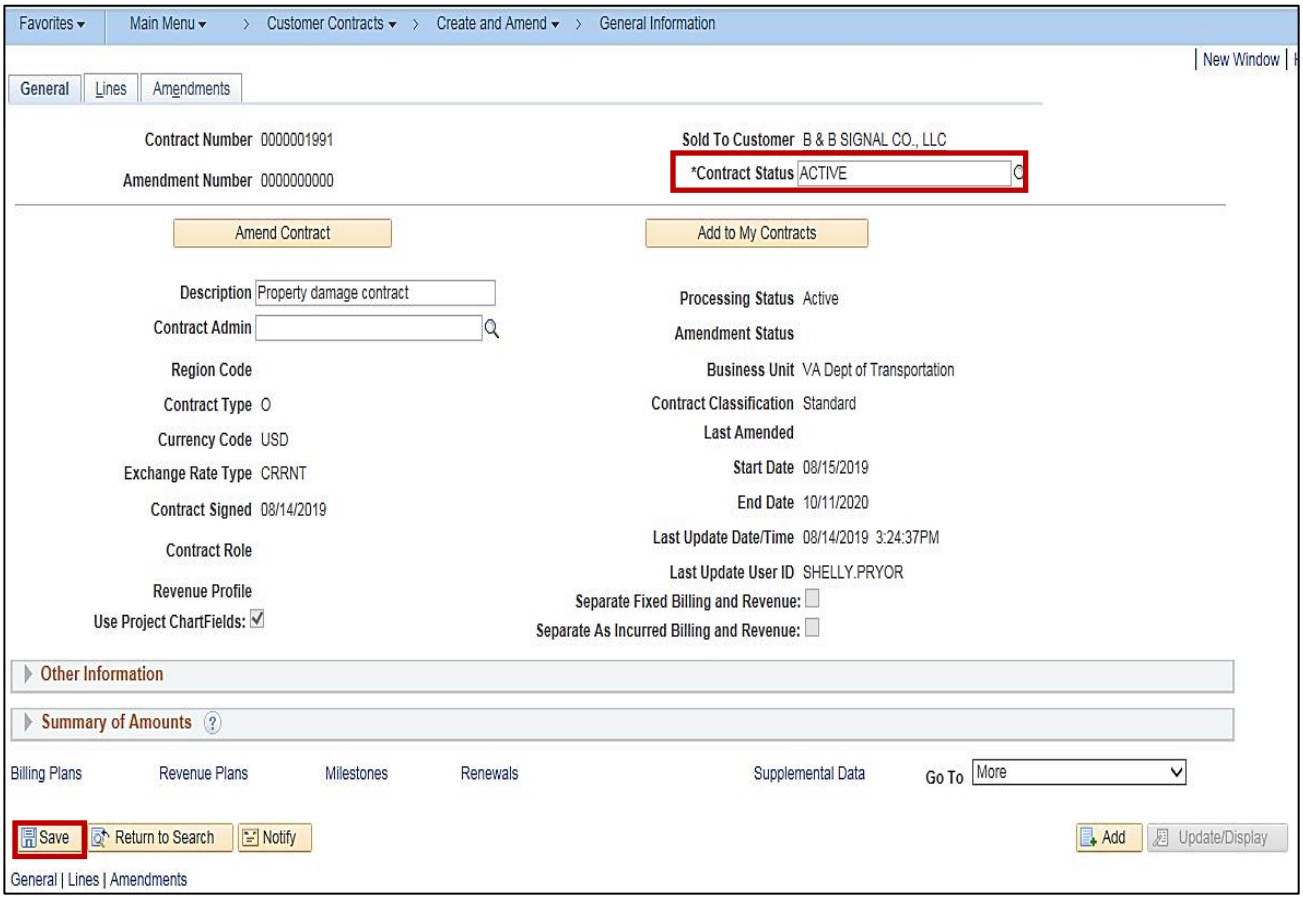
42. This tab allows you to preview the future recurring billing events associated with the bill plan. You can also stop the recurring billing before the scheduled end date by changing the end date and saving the page.

43. Under **Preview Options** section select the radio button beside **Date**.

44. Click the **Preview** button.

45. Click the **Save** button.

46. Click the **General Information** link on the Menu Bar.



47. The **General Information** page displays. Change the **Contract Status** of the contract from **Pending** to **Active**.

48. Click the **Save** button.