Hints for Non-Federal Customer Contract Maintenance Overview

This job aid is designed to help the user in determining the appropriate type of contract to use and what configuration items are required based on the selected contract type.

Table of Contents

Contract Types

Below are some tips to help determine which type of contract should be used:

Rate-Based

- Federal billing takes priority.

- If the project is federally eligible, a rate-based contract cannot be used to bill non-federal customers.*

- If there is an existing rate-based contract billing for a federal or non-federal customer for the project, a rate-based contract cannot be used.*

  * You must use a recurring or an amount-based contract to bill in these cases.

Amount-Based

- Should be used for a one time lump sum billing or schedule of billings of varying amounts.

Recurring

- Should be used to bill the same amount over a specified number or periods.

Bill Plan/Revenue Plan Status

When the Bill Plan Is…	And the Revenue Plan Is …	Contract Active?	Billing Entries Processed?	Revenue Entries Processed?
Pending	Pending	No	No	No
Ready	Ready	Yes	No	No
Ready	In Progress	Yes	No	Yes
In Progress	Ready	Yes	Yes	No
In Progress	In Progress	Yes	Yes	Yes

Configuration Items Required by Contract Type

Configuration Item	Rate-Based	Recurring	Amount-Based	Amount Based Prepaid
Distribution Code	✓	✓	✓	✓
Product	✓	✓	✓	✓
Source Type	✓			
Category	✓			
Rate Set	✓			
Accounting Rule	✓			
Product Group	✓	✓	✓	✓
Detail Bill Plan Template	✓	✓	✓	✓
Product Rate Default	✓			
Revenue/Bill Plan Template	✓	✓	✓	✓
Distribution Sets		✓	✓	✓

Configuration Notes

Rate-Based Prepaid

- When the prepaid is applied to the rate-based contract, the **Bill Plan** for the contract line should be placed on **Hold** until the day after the item from the initial prepaid has been finalized.

Amount-Based

- Requires an appropriate **Distribution Code** to be defined/created as the distribution code drives the accounting entries.

- Generally you can find a preconfigured **Product** to add to an amount-based contract. If a **Product** with the appropriate accounting string does not exist, you must create a new **Distribution Code** and **Product**. You will link the **Distribution Code** to your new **Product**.

Amount-Based Prepaid

- Confirm that the appropriate **Product** and **Distribution Code** exists.

- For prepaids that are not associated to a rate-based contract and the prepaid amount needs to be recognized (drawn down) in fixed increments over a period of time, you would select the **Revenue Plan** that has the correct number of periods to draw down the prepaid amount.

- When the contract is created, the **Bill** Plan for the contract line should be placed on **Hold** until after the first **Revenue Event** has been processed.

- The prepaid amount received should be applied to the customer's account. Once the initial bill has been finalized, the account can be reconciled to the initial bill.

Recurring

- You always have to create the **Product** for a Recurring contract.

- The **Revenue/Bill Plan Template** defines the number of periods you will bill the customer and is linked to the **Product**. If a template that meets your contract's needs does not exist, you will need to create one before you create the **Product**.

Contract Changes

Modification Needed	Change Takes Place on the …	Amendment Required?
Update Legal Entity, Contract Type, Contract Signed Date, Proposal ID	Header	Y
Update Contract Description	Header	N
Adding New Contract Line	Contract Lines	Y
Add/Remove Project and/or Activity	Contract Terms	N
Update Billing Limit	Amount Allocation	Y
Update Rate Set, Rate Set Effective Date	Contract Terms	N
Update/Change Contract Amount	Amount Allocation	Y