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Participant Guide –  
PC361: Managing Customer  
Contracts

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State of Kansas



# PC361: Managing Customer Contracts Participant Guide

Statewide Management, Accounting and Reporting Tool



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## Course Overview

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### Course Objectives

Upon completion of the course, you will be able to:

- Create and maintain contracts
- Work with billing and revenue recognition plans
- Manage revenue and contracts billing
- Integrate contracts with other SMART modules

### Agenda

Today, we will cover the following topics:

- Defining Key Terms for Contracts
- Understanding Customer Contracts Processes
- Understanding Contracts, Milestones, and Amendments
- Creating and Activating a Contract
- Creating and Updating a Milestone
- Creating an Amendment
- Understanding Billing and Revenue Recognition Plans
- Understanding Accounting Distributions
- Closing a Contract
- Integrating Customer Contracts with Project Costing and Billing
- Understanding the Contracts/Billing Interface

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### Participant Notes:



## Lesson 1: Understanding Contracts

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### Objectives

Upon completion of this lesson, you will be able to:

- Define basic contracts terms, including contract, product, billing plan, milestone, revenue plan, amendment, and contract status
- Explain the end-to-end process for contracts and describe how managing contracts fits into the end-to-end process for Projects/Grants
- List roles involved in the contracts process and describe tasks performed by each role

### Topic 1: Defining Key Terms for Contracts

- **Contract** – The document related to a grant that defines how the grantee/funding recipient bills and recognizes revenue from a Sponsor (i.e. non-State funding source for a project)
- **Product** – The method by which billing and revenue recognition is processed on a contract. There are 2 main types of products in Customer Contracts:
  - **Amount-Based Products** – This type of product allows the user to define when to bill/recognize revenue manually. After you define your contract, the next step is to allocate the contract's fixed price amount across any eligible amount-based contract lines. Amount-based contracts can have multiple contract lines to allow different amounts to be billed at different rates.
  - **Rate-Based Products** – This type of product uses an As Incurred method, whereby project costs are sent to Billing and revenue recognition entries are booked to the General Ledger as those costs are incurred. Rate-based contract lines are priced using SMART Project Costing rate sets and rate plans. The agency rate set or rate plan defaults onto the

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rate-based contract at a 1:1 ratio (i.e. 100% of the cost is assumed to be reimbursable and is sent to the billing worksheet for processing). Rate-based contracts typically only have 1 contract line and all project costs attached to the contract use the same “as incurred” method.

- **Note:** The State of Kansas predominantly uses Rate-Based contracts. If you are unsure which type of Product to select, please log a Kansas Service Desk ticket and the SMART Projects/Grants analyst will contact you to discuss.
- **Billing Plan** – Stores the timing of when billing occurs, how bill lines should appear, and what notes should relate to the bill. You can assign contract lines with similar billing requirements to the same billing plan. Each contract has at least one billing plan and a contract may have more than one billing plan. Billing plans default onto the contract when a Product is selected.
- **Milestone** – An activity, the completion of which marks an important event in a project. Achieving a milestone can result in sending a bill or recognizing revenue. Milestones are only used with Amount-Based contracts.
- **Revenue Plan** – When Customer Contracts manages revenue for a contract line, you associate each contract line with a revenue plan. The revenue plan contains a list of events defining when revenue is recognized for each contract line assigned to that revenue plan. Revenue plans default onto the contract when a Product is selected.
- **Amendment** – A contract amendment is any change made to an active contract where you are altering certain obligations and entitlements of the contract. This could include modifications to the data contained in the contract entry component and limit changes. Using amendment processing, Customer Contracts enables you to maintain an audit trail, as well as a historical record, of certain changes made to the contract throughout its life cycle.
- **Contract Status** – Provides you with a visual indicator of where your contract is within the contract life cycle and it designates when a contract is available for lookup and processing.

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### Topic 2: Understanding Contracts Processes

- Contracts can be created manually using Customer Contracts link or automatically via the Grants module's *Award Generation* process. We will review creating a contract manually. Updates may be made to a contract while the contract is still pending. Once the contract is "Active", updates are made using the Amendment process.

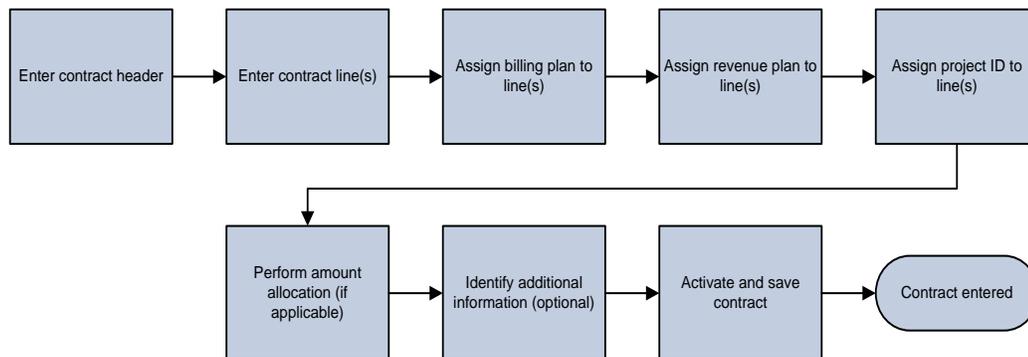


Figure 1. Entering a Contract Process

*Note: The billing/revenue plans will default onto the contract based on the Product selected on the contract line(s). The "Perform Amount Allocation" step is only for Amount-Based contracts.*

- Billing plans store the timing of when billing occurs, how bill lines should appear, and what notes should relate to the bill.
- Revenue plans enable you to define, administer, and maintain accounting schedules and rules for the products and services that you offer under a contract.

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### Participant Notes:

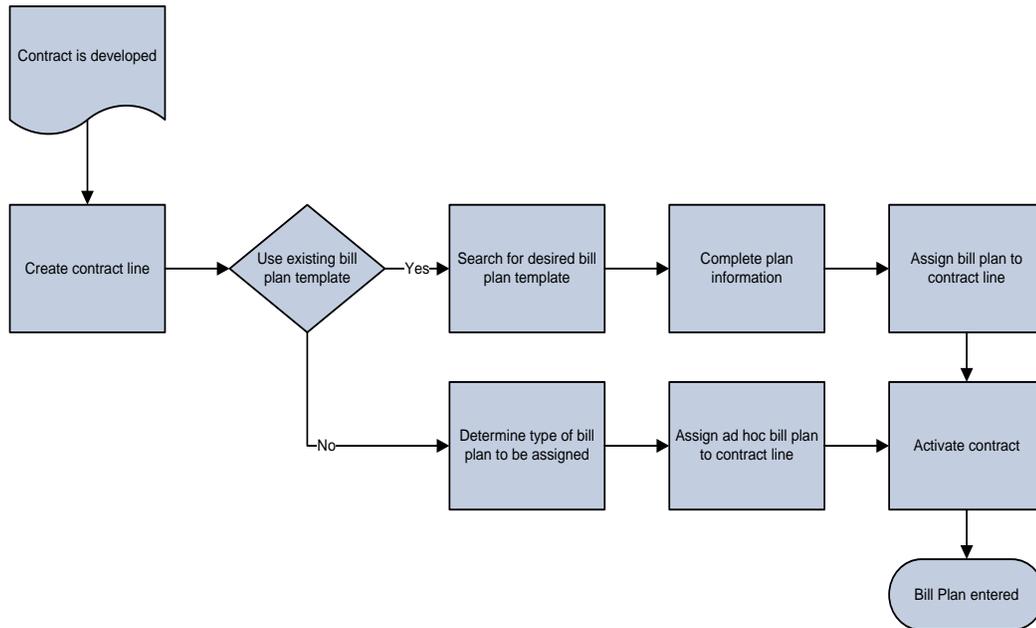


Figure 2. Creating a Billing Plan Process

Note: Typically, agencies do not create new Billing Plans. There are pre-configured values available for selection.

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**Participant Notes:**

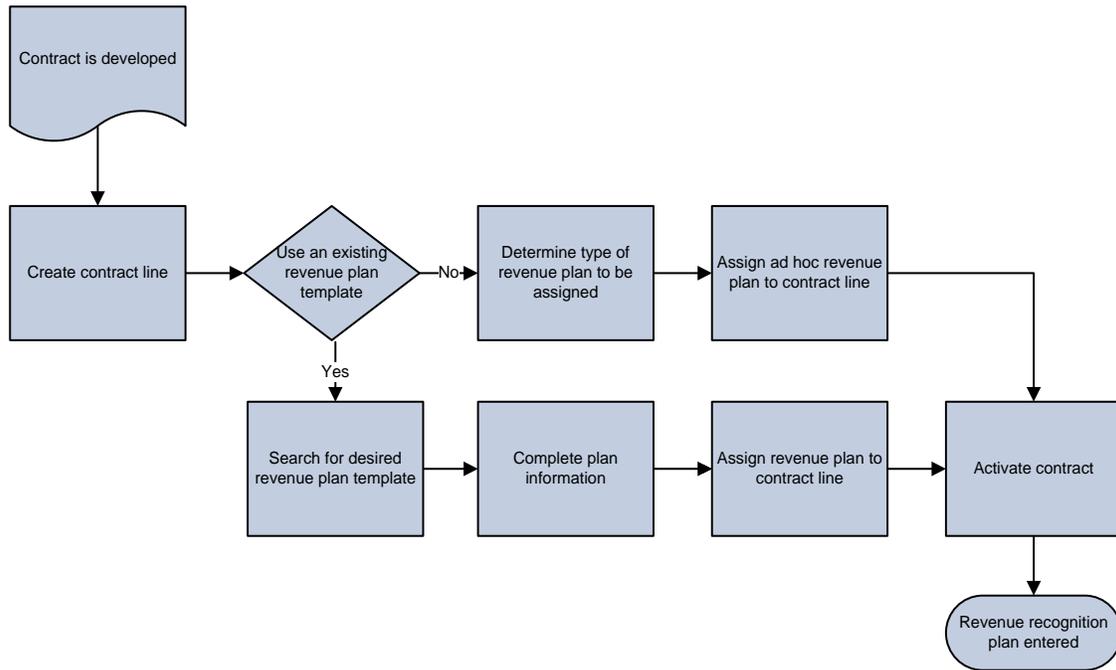


Figure 3. Entering a Revenue Recognition Plan Process

Note: Typically, agencies do not create new Revenue Plans. There are pre-configured values available for selection.

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**Participant Notes:**

- Customer Contracts is designed to fully integrate with Project Costing, Billing, General Ledger, and Grants

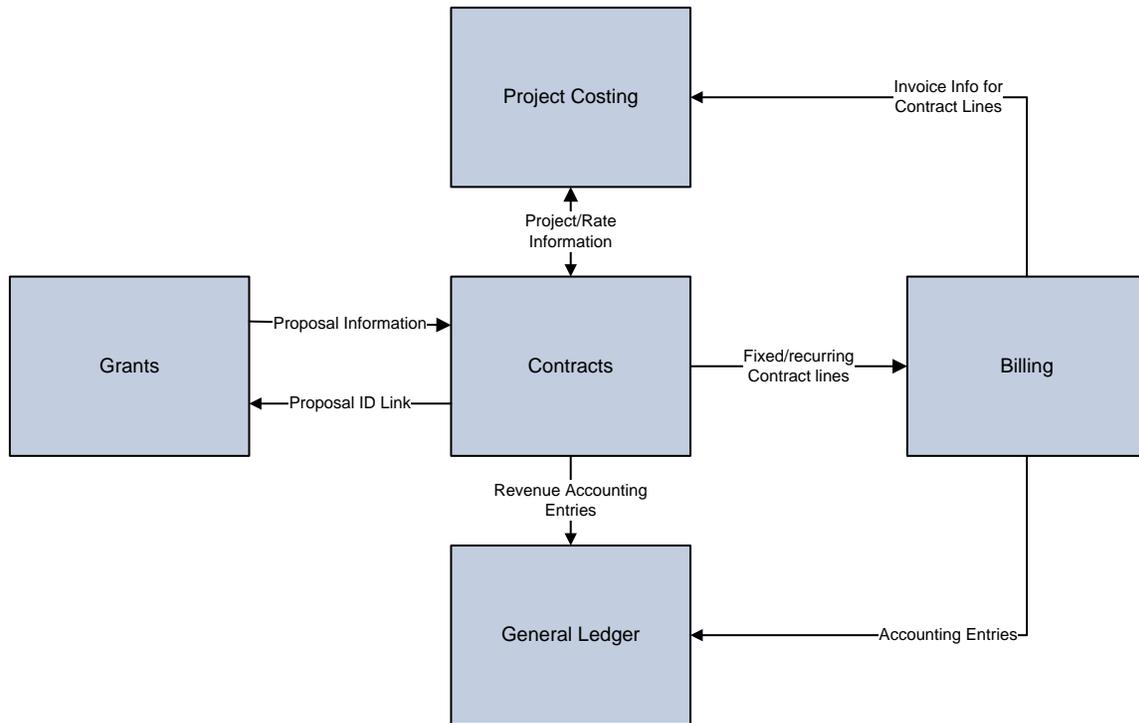


Figure 4. Integrating Customer Contracts Process

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- There are two roles associated with Customer Contracts

Role	Description
Customer Contracts Manager	This role is responsible for entering, reviewing, and analyzing customer contracts. This role is also responsible for understanding the integration with other SMART modules.
Customer Contracts Viewer	This role views customer contracts information only

## Lesson Review

In this lesson, you learned:

- How to define the key terms used in the contracts module
- To describe the processes and activities within contracts, including the roles that work in the contracts module



## Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

- SMART Website – Projects/Grants materials
- Sponsor Letter of Credit

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## Lesson 2: Creating and Maintaining Contracts

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### Objectives

Upon completion of this lesson, you will be able to:

- Explain contracts, milestones, and amendments
- Enter and activate a contract
- Create, process, and review milestones
- Create an amendment and understand the amendment process to update the contract

### Topic 1: Understanding Contracts, Milestones, and Amendments

- A contract consists of two components, the contract header (General tab) and the contract lines (Lines tab)
  - The contract header contains information relevant to the entire contract
  - A contract line corresponds to an individual product
  - For rate-based contract lines, you associate the contract line with project and activity IDs and a rate set or plan and the project costs are processed for reimbursement as they are incurred
  - For amount-based contract lines, the system processes billing/revenue recognition for the contract line based on the amount that you manually established on the contract and on the reimbursement schedule you selected
- Contracts can have a status of “Pending”, “Active”, “Closed”, and “Cancelled”
- A milestone is a significant event in the life of an amount-based contract
  - You can use milestones to control billing or revenue recognition in Customer Contracts. To do that, you need to create and then link the relevant milestones to your contract.

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- You must set the milestone status field to “Ready” before the system can perform any processing against it. After the system processes a “Ready” milestone and confirms that the required conditions are met, the system changes the milestone status from “Ready” to “Completed” and no longer enables changes. When you enter a milestone, the milestone status is “Pending” by default.
- A contract amendment is a change made to an active contract whereby you modify the original terms and conditions of the contract
  - You make amendments to a contract by using the Amendment Processing feature. This feature enables you to create a new version of an active contract that you can edit and modify. In addition, you can maintain a historical record of the original document
  - Reasons for amending a contract may include the addition or subtraction of overall contract and contract line amounts, addition of new lines to the contract, and modification of billing and revenue events in “Pending” status
  - Amendments can have a status of “Pending”, “Ready”, “Complete”, or “Cancelled”

## Topic 2: Creating a Contract

- The contract header serves two primary functions in Customer Contracts:
  - To capture agreement information for a specific contract
  - To provide a simple and flexible format that enables you to tailor the structure of your contracts to match your business model
- Add contract lines, which correspond to the individual products for which you are requesting reimbursement
- Use the **Amount Allocation** page to allocate negotiated amounts to contract lines. This is only applicable to amount-based contract lines.

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- For amount-based Contracts manages the accounting distribution for the unbilled accounts receivable (AR) accounts for each contract line distinguished by chartfield combination
  - After adding a contract line, you must select the appropriate chartfield combination on the **Accounting Distribution page** for the Revenue and Unbilled AR sections for an amount-based contract
    - The **Unbilled AR** section must have a valid Fund/Budget Unit entered for rate-based contracts to pass the Edit process. However, the chartfields used to book the revenue recognition accounting entries will be carried forward from the originating expenditure transaction.
- Because billing and revenue recognition can be managed independently, an account is needed to collect transactions that have not yet been billed or revenue that has not yet been recognized
- The system creates an entry to unbilled AR when revenue is generated and then relieves this account when the invoice is finalized in Billing
- A **billing plan** stores the schedule of billing events (when to bill) and the corresponding bill lines (what to bill) for these events. Each contract line product is tied to a billing plan, and you can associate contract lines with similar billing requirements with the same billing plan.
- The billing plan is defaulted based upon the product that is chosen for the contract line

Billing Plan Status	Description
Pending	Default status when you define a new billing plan
Ready	Status when the contract is in Active status
In Progress	Status when the contract is in Active status
Action Required	Contract line amendment is processed or event is reversed

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Billing Plan Status	Description
Cancelled	Entire contract is terminated or contract line dropped
Completed	For <u>rate-based</u> contracts, the user must manually set the billing plan to 'Completed.'  For <u>amount-based</u> contracts, the system sets the status to 'Completed' once all billing plan events are completed.
Recycled	Once the billing event status is marked Recycled
Reversal in Progress	When you initiate the reversal of a billing plan
Reversed	After completing the reversal process

Table 1. Billing Plan Status

- A revenue recognition plan lets you define, administer, and maintain accounting schedules and rules for the products and services under a contract
- The revenue recognition plan is defaulted based on the product chosen for the contract line

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## Participant Notes:

Page Name	Navigation
General Information	Customer Contracts>Contracts Center>General Information>General

General
Lines

Contract Number: NEXT      Sold To Customer: Staffing Customer

\*Contract Status:

Copy From Contract
Add to My Contracts

<p>Description: <input type="text"/></p> <p>Contract Admin: <input type="text"/> </p> <p>Region Code: <input type="text"/> </p> <p>Contract Type: <input type="text"/> </p> <p>Currency Code: <input type="text" value="USD"/> </p> <p>Exchange Rate Type: <input type="text" value="CRRNT"/> </p> <p>Contract Signed: <input type="text" value="10/07/2009"/> </p>	<p>Processing Status: Pending</p> <p>Amendment Status</p> <p>Business Unit: Sample State Agency</p> <p>Contract Classification: Standard</p> <p>Last Amended:</p> <p>Last Update Date/Time:</p> <p>Last Update User ID:</p>
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▶ Other Information

▶ Summary of Amounts

Go To: [Billing Plans](#)   [Revenue Plans](#)   [Milestones](#)   [Renewals](#)   [Amount Allocation](#)  

[Return to Contracts](#)

Save
 Notify

Add
 Update/Display

Figure 5. General Page

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### Participant Notes:

Fields	Description
Description	Enter a description for the contract
Contract Type	Used to categorize types of contracts. Contracts entered online will default to 'CONTRACTS'. Contracts created by the <i>Grants Award Generation</i> process will default to 'GRANTS'.
Contract Status	Displays a value that provides a visual indicator of where the contract is within the contract life cycle

Table 2. General Page

Page Name	Navigation
General Information	Customer Contracts>Contracts Center>General Information>Lines

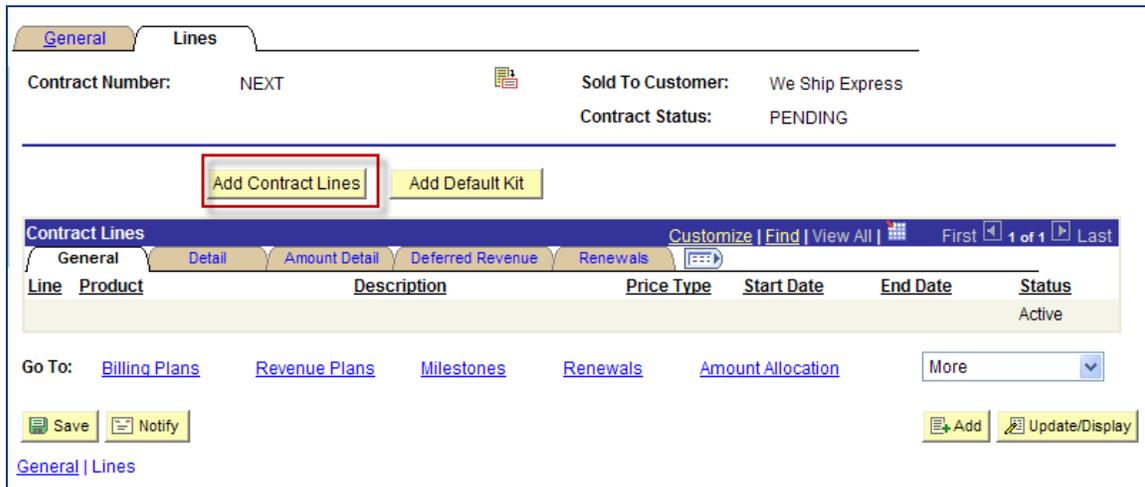


Figure 6. Lines Page

## Participant Notes:

**General Information**

**Add Contract Lines**

**Search**

Product Group:   Product Kits

Product:

Product Description:

Price Type:   Renewable

Physical Nature:

---

**Search Results** Cust

General Templates

Product	Description	Price Type	Physical Nature	Product Kit	*Fee Type	Start Date	End Date	Renewable
<input type="checkbox"/> 1 TESTRT	Test Product Rate	Services	N	None		<input type="text"/>	<input type="text"/>	N

[Select All](#)  [Clear All](#)

**Create Plans from Template**

Billing Plans

Revenue Plans

Renewal Plans

**Combine Like Templates**

Billing Plans

Revenue Plans

Figure 7. Add Contract Page\_Search Results Left Side of Page

Fields	Description
Product Group	Select a product group. Product groups are optional but provide a logical grouping of products.
Price Type	Select a price type of Amount, Rate or Percent. 'Amount' and 'Percent' are both amount-based products.

Table 3. Lines Tab\_Add Contract Page

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**Participant Notes:**



Figure 8. Add Contract Page\_Search Results Right Side of Page

Fields	Description
Start Date	Enter a start date for the contract line. The value that you enter here populates onto the Contract – Lines page.
End Date	Enter an end date for the contract line. The value that you enter here populates onto the Contract – Lines page.
Quantity	Displays the quantity for the product. The system populates this field with 1. If you wish to specify a different quantity, you can enter a new value here.
UOM	Enter the Unit of Measure (UOM) here for the product, or leave it blank.

Table 4. Add Contract

---

**Participant Notes:**

General
Lines

Contract Number: GM-000000139      Sold To Customer: Department of Justice  
 Contract Status: PENDING

Add Contract Lines    Add Default Kit

Contract Lines
Customize | Find | View All | First 1 of 1 Last

General
Detail
Amount Detail
Deferred Revenue

Line	Product	Billing Plan	Revenue Plan	Contract Terms	Accounting	Internal Notes	Ship to Customer Name
1	PRODUCT_2_AMT	Pending	Pending	Contract Terms	Distribution	Internal Notes	Department of Justice

Go To: [Billing Plans](#)    [Revenue Plans](#)    [Milestones](#)    [Renewals](#)    [Amount Allocation](#)    More

[Return to Customer Contracts](#)

Save Return to Search Notify
Add Update/Display

[General](#) | [Lines](#)

Figure 9. Add Contract Lines\_Details Tab

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### Participant Notes:

### Accounting Distribution

Office of Elem & Secondry Educ

Contract: GM-000000138    Line Num: 1    Description: Test Product

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Negotiated Amount: 0.00    Unit: 01200    Currency: USD

Accounting Distributions

\*Effective Date:

Revenue Forecast
Customize | Find | 
First 1 of 1 Last

Percentage	Amount	GL Unit	Distribution Code	Account	Dept
100.00000000	0.00	01200	<input type="text"/>	<input type="text"/>	<input type="text"/>

Unbilled AR

Percentage	Amount	GL Unit	Distribution Code	Account	Fund	Dept	Program	Class
100.00000000	0.00	01200	AR-UNBILL	139001	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

[Return to General Information](#)

Save
 Return to Search
 Notify

Figure 10. Accounting Distribution Page

*Note: Before updating the values on this page, the user must scroll to the right and click the yellow "Correct History" button. After this, the "Return to General Information" link at the bottom of the page will disappear and the user will have to use the left-hand navigation to get back to the contract.*

Fields	Description
Distribution Code	The default value in this field will clear out when chartfield values are entered.
Account	The default value in this field will clear out when chartfield values are entered.

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Fields	Description
Fund	Enter a valid value. For rate-based contracts, this value will not be used. For amount-based contracts, this value will be used when the revenue and unbilled AR accounting entries are written to the General Ledger.
Budget Unit	Enter a valid value. For rate-based contracts, this value will not be used. For amount-based contracts, this value will be used when the revenue and unbilled AR accounting entries are written to the General Ledger.
Department	Only required for amount-based contracts.
Program	Only required for amount-based contracts.
Account	Only required for amount-based contracts.

Table 5. Accounting Distribution

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## Participant Notes:



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## Topic 3: Activating a Contract

- Activating a contract indicates that all data for the contract has been entered into the system and has passed system data validation
- A contract must be in “Active” status for any contract element to be available for billing/revenue processing
- Before the processing status for a contract can be set to “Active”, you must perform these activities:
  - For an amount-based contract, set the **Allocation** field to “Complete” on the Amount Allocation page (if rate-based you do not set Allocation to complete)
  - Billing and revenue plans are “Pending” and set to “Ready at Activation” (this is the default setting)
  - Complete all required fields in the **Contract General Information** component

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### Participant Notes:



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Page Name	Navigation
General Information	Customer Contracts>Contracts Center>General Information>Lines>Amount Allocation

### Amount Allocation

**Contract:** GM-000000136      **Sold To Customer:** 0000000022      Department of Justice  
**Business Unit:** 01200      **Currency:** USD      **Contract Admin:** Labor

---

<b>Negotiated Amount:</b> <input type="text" value=""/>	<b>Unallocated Amount:</b> 0.00
<b>Discounts/Surcharges:</b> <input type="text" value="0.00"/>	<b>Inclusive Prepays:</b> 0.00
<b>Net Amount:</b> 0.00	<b>Allocation:</b> Complete <input type="button" value="v"/>

---

Contract Line Pricing				
Reprice	Line #	Product	Price Type	Line Status
<input type="checkbox"/>	1	TESTRT	Rate	Active

[Select All](#)     [Clear All](#)

---

Line Totals			
Negotiated Amt:	0.00	Discounts/Surcharges:	0.00

Figure 11. Amount Allocation Page

Note: this page is for amount-based contracts ONLY

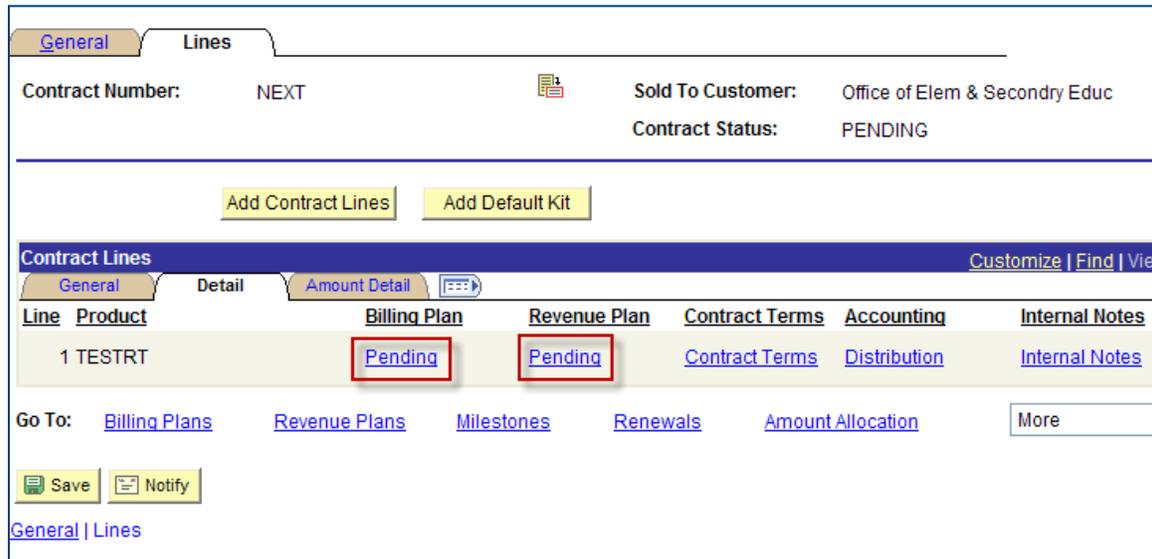
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## Participant Notes:

Fields	Description
Allocation	<p>Set Allocation to “Complete” in order activate the Contract</p> <p>Note: once the entire “Negotiated Amount” is allocated to the appropriate contract line(s), hitting the yellow “Calculate” button (not shown in the screenshot above) should automatically set the Allocation to “Complete”.</p>

Table 6. Amount Allocation Page

Page Name	Navigation
General Information	Customer Contracts>Contracts Center>General Information>Lines>Detail



General | Lines

Contract Number: NEXT      Sold To Customer: Office of Elem & Secondary Educ  
Contract Status: PENDING

Add Contract Lines    Add Default Kit

Contract Lines Customize | Find | Vie

Line	Product	Billing Plan	Revenue Plan	Contract Terms	Accounting	Internal Notes
1	TESTRT	Pending	Pending	Contract Terms	Distribution	Internal Notes

Go To: [Billing Plans](#)    [Revenue Plans](#)    [Milestones](#)    [Renewals](#)    [Amount Allocation](#)    More

Save    Notify

General | Lines

Figure 12. Lines Page\_Detail Tab

## Participant Notes:

[New Window](#) | [Help](#) | [Customize](#)

**Billing Plan General** | [Events](#) | [Tax Parameters](#) | [History](#)

Contract: GM-000000138      BI Unit: 01200  
 Sold To Customer: 0000000003    Office of Elem & Secondary Educ      Bill To: 0000000001      Special Education and Rehabilitative  
 Billing Plan: B101      As-incurred Rev/Bill Plan      Currency: USD

Description:       \*Billing Status:    
 Billing Method:        Ready at Activation

Figure 13. Billing Plan General Page

**Revenue Plan**

### Revenue Plan

Contract: GM-000000138      Business Unit: 01200      Currency: USD  
 Sold To Customer: 0000000003    Office of Elem & Secondary Educ      GL Business Unit: 01200  
 Revenue Plan: R101      GL Currency: USD

Description:       \*Plan Status:    
 Recognition Method: As Incurred       Ready at Activation

Define Events By

Figure 14. Revenue Plan page

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## Topic 4: Creating and Updating Milestones (Amount-Based Contracts ONLY)

- Milestones can be added to an amount-based contract to trigger billing or revenue recognition
- There are several types of Milestone templates to choose from

Milestone Template	Description
DATE1	Date Type Milestone
DESIGN	Design Complete
ENHANC	Enhancements Complete
GOLIVE	System Go Live
INSTAL	Installation Complete
MILE1	Milestone Type Milestone
START	Contract Work Started
UPGRAD	Upgrade Complete
SHIP01	Product Shipped
INST01	Product Installation

*Table 7. Milestone Templates*

- The Milestone Processing Application Engine runs as a batch process and updates milestone condition statuses from “Ready” to “Completed” for Milestone, Date

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### Participant Notes:

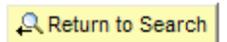
Page Name	Navigation
Create Milestones	Customer Contracts>Create and Amend>Create Milestones

Contract Number:	GM-000000136	Description:	Testing
Amendment Number:		Contract Type:	GRANTS
Business Unit:	Labor	Contract Classification	Standard
Sold To Customer:	Department of Justice	Contract Status:	PENDING
Contract Admin:	Labor	Processing Status:	Pending
Currency Code:	USD		









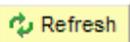



Figure 15. Create Milestones

Milestones	
Milestone Template	Description
<a href="#">DATE</a>	Date
<a href="#">MILEST</a>	Milestone
<a href="#">USER</a>	User Initiated

Update with Configured Values

Figure 16. Create Milestone Templates

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## Participant Notes:

<b>Contract Number:</b>	GM-000000136	<b>Description:</b>	Testing
<b>Amendment Number:</b>		<b>Contract Type:</b>	GRANTS
<b>Business Unit:</b>	Labor	<b>Contract Classification:</b>	Standard
<b>Sold To Customer:</b>	Department of Justice	<b>Contract Status:</b>	PENDING
<b>Contract Admin:</b>	Labor	<b>Processing Status:</b>	Pending
<b>Currency Code:</b>	USD		

Left | Right

- ~~Date~~
- Date

**Milestones**

**Milestone Template:** DATE

**\*Description:**

**\*Milestone Status:**

**\*# of Req'd Conditions:**

**Estimated Completion Date:**

**Completion Date:**

Milestone Conditions		
Description	Type	Condition Status
Date	Date	Ready

Figure 17. Milestone Page

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**Participant Notes:**

<b>Contract Number:</b>	GM-000000136	<b>Description:</b>	Testing
<b>Amendment Number:</b>		<b>Contract Type:</b>	GRANTS
<b>Business Unit:</b>	Labor	<b>Contract Classification:</b>	Standard
<b>Sold To Customer:</b>	Department of Justice	<b>Contract Status:</b>	PENDING
<b>Contract Admin:</b>	Labor	<b>Processing Status:</b>	Pending
<b>Currency Code:</b>	USD		

Left | Right

- 1 - Date
- Date

**Milestone Conditions**

<b>Description:</b>	<input type="text" value="Date"/>
<b>Condition Status:</b>	Ready
<b>*Type:</b>	Date <input type="button" value="v"/>
<b>Completion Date:</b>	10/09/2009 <input type="button" value="B"/>

Figure 18. Milestone Conditions Page

Fields	Description
Add Milestone 	Click the Add Milestone button to add a milestone template to the contract. The milestone template populates the Milestone page with predetermined values and milestone conditions for the contract. You can change the values, conditions
Add Condition 	Click the Add Condition button to add a milestone condition to the selected milestone. You must have an existing milestone to add a milestone condition.
Delete 	Click the Delete button to delete the selected milestone or milestone condition

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Fields	Description
Refresh 	Click the Refresh button to refresh the Milestone page. If you have changed any milestone templates, refreshing the page updates the names of milestone and milestone conditions in the milestone tree.
Description	Accept the default description or enter a contract-specific description. This enables you to easily take a generic milestone description and make it specific
Milestone Status	Select a milestone status. Values are: <ul style="list-style-type: none"><li>• <b>Pending</b> - Milestones are not processed by the Milestone Processing Application Engine</li><li>• <b>Ready</b> - Milestones are eligible for processing by the Milestone Processing Application Engine</li><li>• <b>Completed</b> - The Milestone Processing Application Engine updates the milestone status to <i>Completed</i> after its conditions are met</li><li>• <b>Cancelled</b> - Cancel a milestone by manually setting the milestone status to cancelled</li></ul>
Type	Select a milestone condition type of <i>Date</i> , <i>Milestone</i> , or <i>User Initiated</i>

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Fields	Description
Completion Date	<p>For <i>Date</i> milestone condition types, enter the completion date. The milestone condition is complete when the system date (i.e. current date) reaches the completion date.</p> <p>For <i>User Initiated</i> milestone condition types, the completion date is an optional field. The milestone condition is complete when you click the <b>Mark Complete</b> button. If you do not specify a completion date prior to selecting the Mark Complete button, when you select Mark Complete, the system records the completion date as the current date.</p>
Estimated Completion Date	<p>(Optional) Enter an estimated completion date. This date has no effect on milestone processing. The field is available for milestones with <i>User Initiated</i> milestone condition types.</p>
Mark Complete	<p>Click to manually set the status of a <i>User Initiated</i> milestone condition type to <i>Completed</i>. This field is available only for <i>User Initiated</i> milestone condition types.</p>

Figure 19. Milestone and Conditions Page

---

**Participant Notes:**

## Topic 5: Creating an Amendment

- A contract amendment is a change made to an active contract where you modify the original terms and conditions of the contract
- Use the Amendments page to enter the initial amendment details when you first begin an amendment
- Use the Amendment Amount Allocation page to allocate the amended negotiated change amounts for amount-based contracts to the amended contract lines
- After you finish entering amendment data, set the amendment status to “Ready”
- If the amendment’s Process Date is less than or equal to the amendment processing run date (i.e. current date), the amendment is eligible to be applied by the Amendment Processing engine
- When an amendment is processed, the system sets the amendments status to ‘Completed’, and the values that you specified for that amendment become the current, active contract values

Amendment Type	Description
CANC	Cancellation
RNEG	Renegotiation
SCHG	Scope Change
OTHR	Other
ACTV	Contract Activation

*Table 8. Amendment Types*

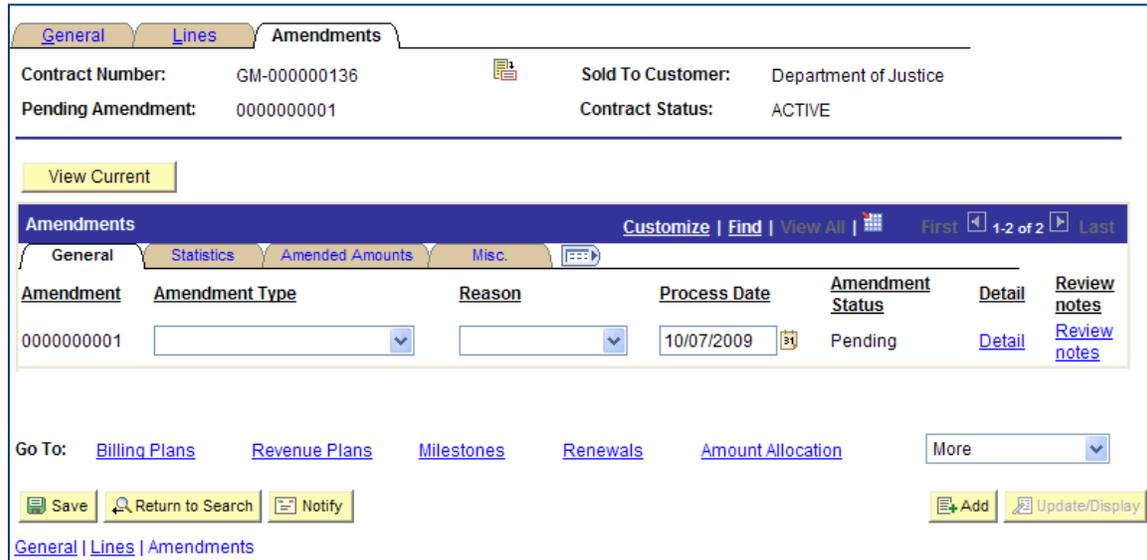
Amendment Reason	Description
ADD	Additional Purchase
CSSN	Concession
ERR	Data entry error
SCOP	Scope Change
OTHR	Other Reason

*Table 9. Amendment Reasons*

---

### Participant Notes:

Page Name	Navigation
Amendments	Customer Contracts>Create and Amend>Amendments



Contract Number: GM-000000136 Sold To Customer: Department of Justice  
 Pending Amendment: 0000000001 Contract Status: ACTIVE

View Current

Amendments Customize | Find | View All | First 1-2 of 2 Last

Amendment	Amendment Type	Reason	Process Date	Amendment Status	Detail	Review notes
0000000001			10/07/2009	Pending	Detail	Review notes

Go To: [Billing Plans](#) [Revenue Plans](#) [Milestones](#) [Renewals](#) [Amount Allocation](#) More

Save Return to Search Notify Add Update/Display

General | Lines | Amendments

Figure 20. Amendments Page

Fields	Description
Amendment Type	Displays an amendment type, which is a high-level indicator that enables you to create categories of amendments. <b>Note:</b> This field is informational only. No processing is driven by it.

### Participant Notes:



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Fields	Description
Reason	Displays an amendment reason, which provides viewers with a quick reference as to why an amendment was initiated.  <b>Note:</b> This field is for informational purposes only. No processing is driven by it.
Detail (Link)	Takes you to the Amendment Details page

Table 10. Amendments Page

Page Name	Navigation
Amendments Details	Customer Contracts>Create and Amend>Amendments>Details (Link)

### Amendment Details

Contract: GM-000000136      Amendment Number: 0000000001

---

Amendment Type:       Negotiated Amount:       \*Amend Status:

Amendment Reason:       Cancelled Negotiated Amount:

\*Process Date:       Discount / Surcharge:

Allocation: \*Allocation Not Complete      Cancelled Discount Amount:

Reference ID:       User Ref #1:       User Ref #2:

---

**Amendment Components**      Customize | Find | View All | First 1 of 1 Last

General      Statistics

Component	Amend Ref #1	Label Fieldname	Edit Type	Old Value	New Value
1					

[Amendment Amount Allocation](#)      [Internal Notes](#)  
[Return to General Information](#)

Figure 21. Amendment Details Page

## Participant Notes:

Fields	Description
Amend Status	Displays the current amendment status

Table 11. Amendment Details

Page Name	Navigation
Amendments Amount Allocation	Customer Contracts>Create and Amend>Amendments>Details (Link)>Amendment Amount Allocation (link)

### Amendment Amount Allocation

Contract: GM-000000137      Amendment: 000000001  
 Business Unit: 01200      Currency: USD      Amendment Type:  
 Sold To: 000000022      Department of Justice      Amendment Reason:

---

Adjustment Amount: <input style="width: 80%;" type="text" value="0.00"/> Discount / Surcharge: <input style="width: 80%;" type="text" value="0.00"/> Net Change: <input style="width: 80%;" type="text" value="0.00"/>	Unallocated Adjustment Amount: <input style="width: 80%;" type="text" value="0.00"/> Allocation: <input type="text" value="Complete"/>
--	---

---

#### Contract Line Pricing

Amounts      Detail

Reprice	Line #	Current Amount	Adjustment Amount	Discount/Surcharge	Adjustment
<input type="checkbox"/>	1				0.00

Select All       Clear All

---

#### Line Totals

Adjustment Amount:	0.00	Discounts/Surcharges:	0.00
--------------------	------	-----------------------	------

Figure 22. Amendment Amount Allocation page

Note: This page is completed for amount-based contracts ONLY

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### Participant Notes:



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Fields	Description
Adjustment Amount	Displays the total amendment amount. This total can be an amount increase or decrease. The amount in this field must equal the sum of the Adjustment Amount values for all contract lines before you can select <i>Complete</i> in the Allocation field.
Recalculate Button	When you click Recalculate, the system calculates the adjustment amount by summing the gross amounts that you have allocated to the individual contract lines.

Table 12. Amendment Amount Allocation

For steps to amend a Rate-based Contract, please see the “Increasing the Billing Limit On an As Incurred Contract” job aid on the SMART website.

## Topic 6: Closing a Contract

- Closing a contract requires you to close both the related revenue recognition and billing plans by manually changing the status to “Completed”
- Then, from the contract General tab, change the Contract Status to “CLOSED”

---

### Participant Notes:

Page Name	Navigation
Billing Plan General	Customer Contracts>Schedule and Process Billing> Define Billing Plan

**Billing Plan General** | [Events](#) | [Tax Parameters](#) | [History](#)

Contract: GM-000000138      BI Unit: 01200  
 Sold To Customer: 0000000003      Office of Elem & Secondary Educ      Bill To: 0000000001      Special Education and Rehabilitative Svc  
 Billing Plan: B101      As-incurred Rev/Bill Plan      Currency: USD

Description:       \*Billing Status: Ready

Billing Method:        Hold

**Customer Information**

BI Unit:       Labor

\*Bill To Customer:       Special Education and Rehabilitative Svc      Addr Num:

Bill To Contact:       Mariah Cook

**Transaction Options**

Bill Currency:

**Retainage Options**

Items previously held as Retainages

Bill     Write-off     Hold

**Billing Options**

Bill Type:        Pre Approved      [Billing Header Note](#)

Bill Source:        Direct Invoice      [Internal Notes](#)

Summarization Template ID:

Purchase Order:

**Tolerance Options**

Minimum Bill Amount:

Final Bill

**Billing Default Overrides**

Invoice Form:       Cycle ID:       [View Customer Defaults](#)

Bill By ID:       Contract

Payment Method:

Payment Terms:       Due Immediately

Figure 23. Billing Plan General Page

### Participant Notes:

Page Name	Navigation
Revenue Plan	Customer Contracts>Schedule and Process Revenue>Define Revenue Plan

Revenue Plan

## Revenue Plan

**Contract:** GM-000000138      **Business Unit:** 01200      **Currency:** USD  
**Sold To Customer:** 0000000003    Office of Elem & Secndry Educ      **GL Business Unit:** 01200  
**Revenue Plan:** R101      **GL Currency:** USD

---

**Description:**       **\*Plan Status:** Ready

**Recognition Method:** As Incurred       Hold

Figure 24. Revenue Plan Page



### Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

- SMART Website – Projects/Grants materials

---

### Participant Notes:



# PC361: Managing Customer Contracts Participant Guide

Statewide Management, Accounting and Reporting Tool



## Lesson 3: Integrating Contracts with other SMART Modules

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### Objectives

Upon completion of this lesson, you will be able to:

- Explain how Contracts integrates with Projects and Billing
- Explain the Contracts/Billing interface
- Use the billing worksheet

### Topic 1: Integrating Contracts with Projects and Billing

- Customer Contracts integrates with Billing and Project Costing, enabling you to generate invoices for all of the project costs linked to your contract lines
- Customer Contracts sends billing information for amount- and rate-based contract lines to Billing
- Billing then generates invoices for the contract lines and sends information regarding the invoices back to Customer Contracts and Project Costing.
- Contract Managers must enter revenue received from billings as deposits within the Accounts Receivable module. This training is provided in the Accounts Receivable area of the SMART website.

### Topic 2: Understanding the Contracts/Billing Interface

- Once costs are collected into Project Costing during the nightly batch process, BIL (billable) rows are created for all reimbursable project-related expenditures for projects that are tied to a contract line.
- An Interface ID is created and used by the billing interface to process the bills into temporary tables and are sent to the billing worksheet

---

### Participant Notes:



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- The temporary bills in the billing worksheet must be reviewed and approved by the agency before they can be generated into an actual invoice and sent through the downstream billing processes in SMART.
- Bills can be approved at a header or line level. Any price changes are done at the line level.
- If a price is updated and once the bill is approved, the price difference is recorded by the system as a BAJ (Billing Adjustment). The ACT (Actual Cost) and BIL lines will be for the original invoiced amount and BAJ makes up the corrected amount.

---

### Participant Notes:



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Statewide Management, Accounting and Reporting Tool



Page Name	Navigation
Worksheet Headers	Billing>Manage Billing Worksheet>Update Billing Worksheet

Worksheet Headers [Line Details](#)

Business Unit: 00800

To change your search criteria, click Set Filter Options. [Set Filter Options](#)

Header Level Detail [Customize](#) | [Find](#) | [View All](#) |

Contract	Project	Letter of Credit ID	LOC Doc ID	Pretax Invoice Amount	Currency	Add To Bill	Billing Worksheet
<input type="checkbox"/> TRUCKS	.			10,000.00	USD	<input type="text"/>	<a href="#">TMP-0000025</a>

Select All  Clear All

Go to: [Manage Contract/Project Bills](#) [LOC Summary](#)

[Worksheet Headers](#) | [Line Details](#)

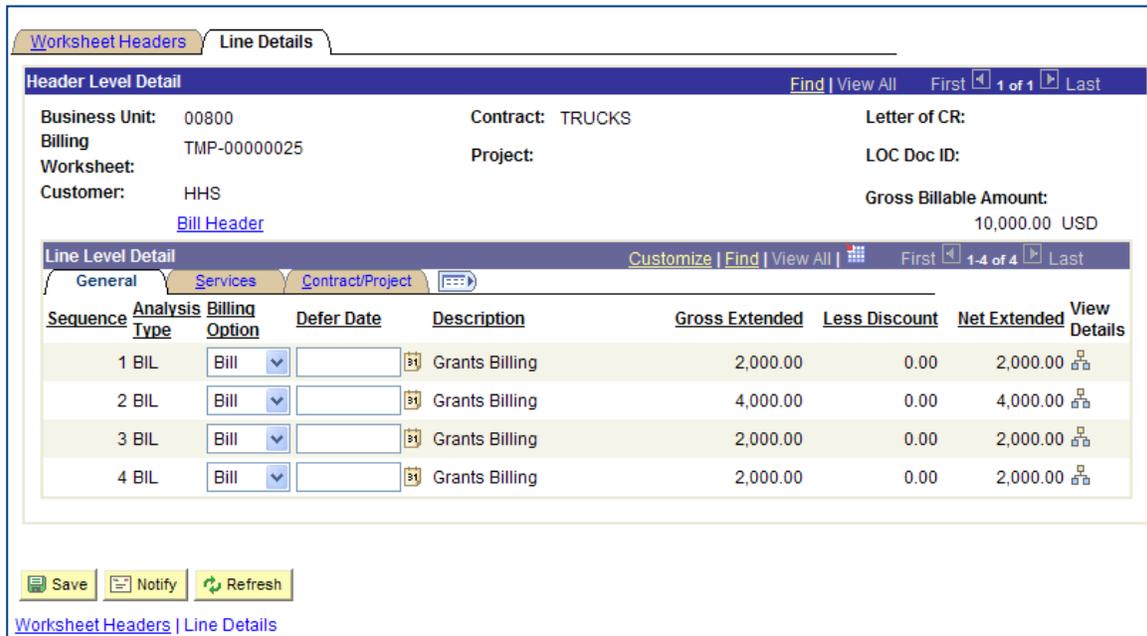
Figure 25. Worksheet Headers Page

---

## Participant Notes:

Fields	Description
Approve Now	Click this button to approve the selected billing worksheets and to create a regular invoice
Approve Later	<b>Do not use this button</b>
Delete Now	<b>Do not use this button</b>
Delete Later	<b>Do not use this button</b>

Figure 26. Worksheet Header



The screenshot shows the 'Worksheet Headers' interface. At the top, there are tabs for 'Worksheet Headers' and 'Line Details'. Below this is the 'Header Level Detail' section, which includes fields for Business Unit (00800), Contract (TRUCKS), Letter of CR, Billing (TMP-00000025), Worksheet, Project, Customer (HHS), and Gross Billable Amount (10,000.00 USD). A 'Bill Header' link is also present.

The 'Line Level Detail' section is active, showing a table with columns: Sequence, Analysis Type, Billing Option, Defer Date, Description, Gross Extended, Less Discount, Net Extended, and View Details. The table contains four rows of 'Grants Billing' entries.

Sequence	Analysis Type	Billing Option	Defer Date	Description	Gross Extended	Less Discount	Net Extended	View Details
1	BIL	Bill		Grants Billing	2,000.00	0.00	2,000.00	
2	BIL	Bill		Grants Billing	4,000.00	0.00	4,000.00	
3	BIL	Bill		Grants Billing	2,000.00	0.00	2,000.00	
4	BIL	Bill		Grants Billing	2,000.00	0.00	2,000.00	

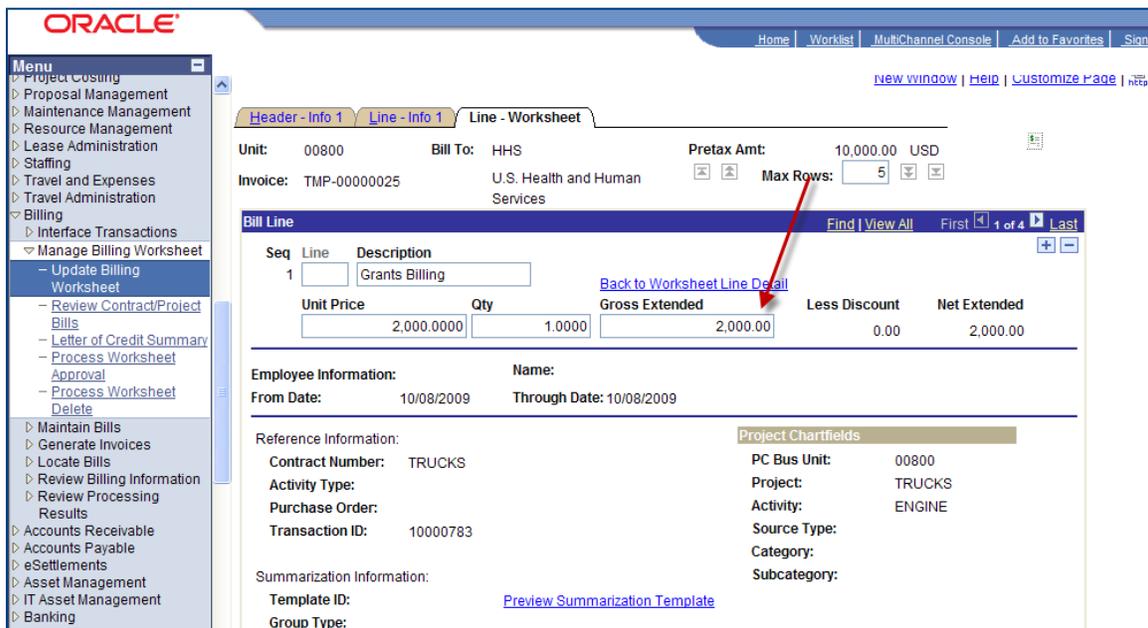
At the bottom of the interface, there are 'Save', 'Notify', and 'Refresh' buttons, and a breadcrumb trail: 'Worksheet Headers | Line Details'.

Figure 27. Line Level Details

### Participant Notes:

Fields	Description
Billing Option	Choose how to handle the billable transaction. Bill, Defer, Mark as Over the Limit, or Write Off. Do not use the Delete option.
Defer Date	Date that the bill is deferred to. Upon this date, the billable transaction will re-appear on a new billing worksheet for processing.
View Details Link	Click this button to navigate to the Standard Billing - Line Worksheet page, where you can review the detailed bill line information and make changes

Figure 28. Line Level Details



**ORACLE**

Home | Worklist | MultiChannel Console | Add to Favorites | Sign

[new window](#) | [Help](#) | [Customize Page](#) | [net](#)

Header - Info 1 | Line - Info 1 | Line - Worksheet

Unit: 00800 Bill To: HHS Pretax Amt: 10,000.00 USD  
 Invoice: TMP-00000025 U.S. Health and Human Services Max Rows: 5

Seq	Line	Description	Unit Price	Qty	Gross Extended	Less Discount	Net Extended
1	1	Grants Billing	2,000.0000	1.0000	2,000.00	0.00	2,000.00

[Back to Worksheet Line Detail](#)

Employee Information: Name: From Date: 10/08/2009 Through Date: 10/08/2009

Reference Information: Contract Number: TRUCKS Activity Type: Purchase Order: Transaction ID: 10000783

Project Chartfields: PC Bus Unit: 00800 Project: TRUCKS Activity: ENGINE Source Type: Category: Subcategory:

Figure 29. Line Level

### Participant Notes:



# PC361: Managing Customer Contracts Participant Guide

Statewide Management, Accounting and Reporting Tool



Fields	Description
Gross Extended	Displays the total gross extended amount for the bill line. Make any updates to the price in this field.

Table 13. Line Level Information

## Lesson Review

In this lesson, you learned:

- The integration points and batch processing between Contracts and Project Costing and Billing
- How to view and update a billing worksheet, including updating a price change if needed and the relating transaction entries created



## Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

- SMART Website – Projects/Grants materials
- Sponsor Letter of Credit

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## Participant Notes: