PA354_Creating a Non-Federal Rate-Based Contract (VDOT)

Creating a Non-Federal Rate-Based Contract Overview

Non-federal rate-based contracts calculate amounts to bill each customer as costs are accumulated against the **Project** and **Activity** combinations linked to the contract. The customer's participation rate is applied to these costs based on the **Rate Set** associated to the contract line. Once the billable amounts are determined, the billable transactions are sent to Billing. You can set up **Billing Limits** for a rate-based contract line to ensure the limits related to an agreement are enforced. The revenue and unbilled AR accounting distributions for rate-based contract lines are stored in the accounting rules.

You can apply a prepaid amount to the contract, using the **Prepaid Balances** page, for costs to be drawn down from an advance payment received from a customer.

In order to create a rate-based contract, there must be a rate-based **Product**. Once a **Product** has been created and associated with a **Revenue** and **Billing Plan** template, the **Product** can be reused on any rate-based contract line.

Note: If you need to create a new rate-based **Product**, it is recommended that you submit a Help Desk ticket (vccc@vita.virginia.gov) with **Cardinal Project Accounting (PA)** in the subject line. The Cardinal Post Production Support (PPS) PA team will work with you to ensure the product is created correctly. If the product is not set up correctly, it will have downstream impacts to your contract, billing, and GL distribution and require a Help Desk ticket to correct the errors. For more details about creating a rate-based product, see the job aid **PA354_Creating Customer Contract Products** located on the Cardinal website in **Job Aids** under **Learning**.

Before you can create the contract, you must determine which items need to be configured, if any. For more detailed information about configuration information, see the job aids titled **PA354: Hints for Non-Federal Customer Contract Maintenance** and **PA354_Creating Customer Contract Products** located on the Cardinal website in **Job Aids** under **Learning**.

Navigation Note: Please note that you may see a Notify button at the bottom of various pages utilized while completing the processes within this Job Aid. This "Notify" functionality is not currently turned on to send email notifications to specific users within Cardinal.

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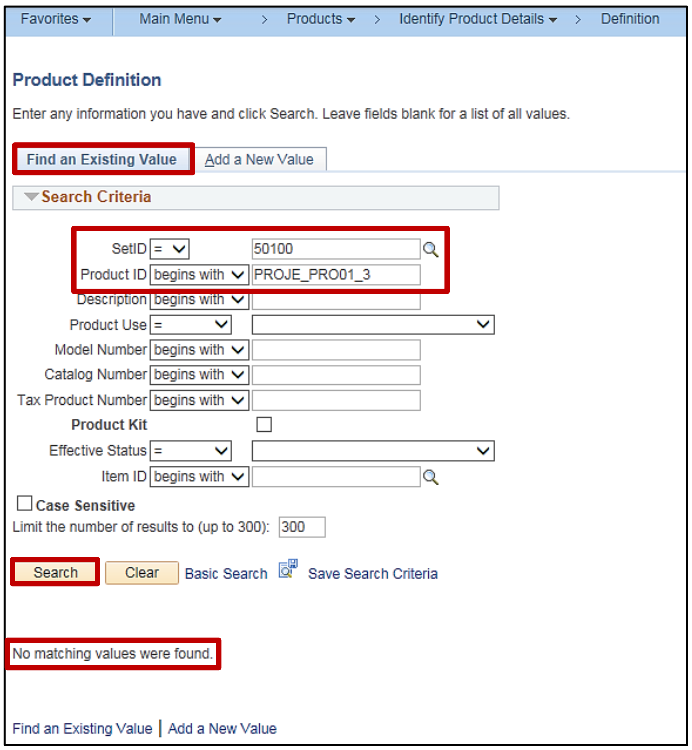
Confirm a Rate-Based Product

Before you create a contract, you must first verify whether the product exists for the category needed for billing. Products are defined by the following naming convention:

Source Type followed by **Category** followed by **Participation Rate** with an underscore between the values (e.g., **PROJE_PRO01_3**).

1. Access the **Product Definition** page using the following path:

   Main Menu > Products > Identify Product Details > Definition



2. Click the **Find an Existing Value** tab.
   a. **SetID**: **50100** for VDOT.
   b. **Product ID**: Enter the **Product ID**.
3. Click the **Search** button. Your search results populate on the same page below the **Search Criteria**.
   a. If the **Product** exists, go to the **Create a Non-Federal Rate-Based Contract** section below.
   b. If the **Product** does not exist (**No matching values were found**), go to the **Create a Rate-Based Product** section below.

   In this scenario, the Product does not exist. See the Rate-Based section in the job aid titled **PA354_Creating Customer Contract Products** located on the Cardinal website in **Job Aids** under **Learning**.

Create a Non-Federal Rate-Based Contract

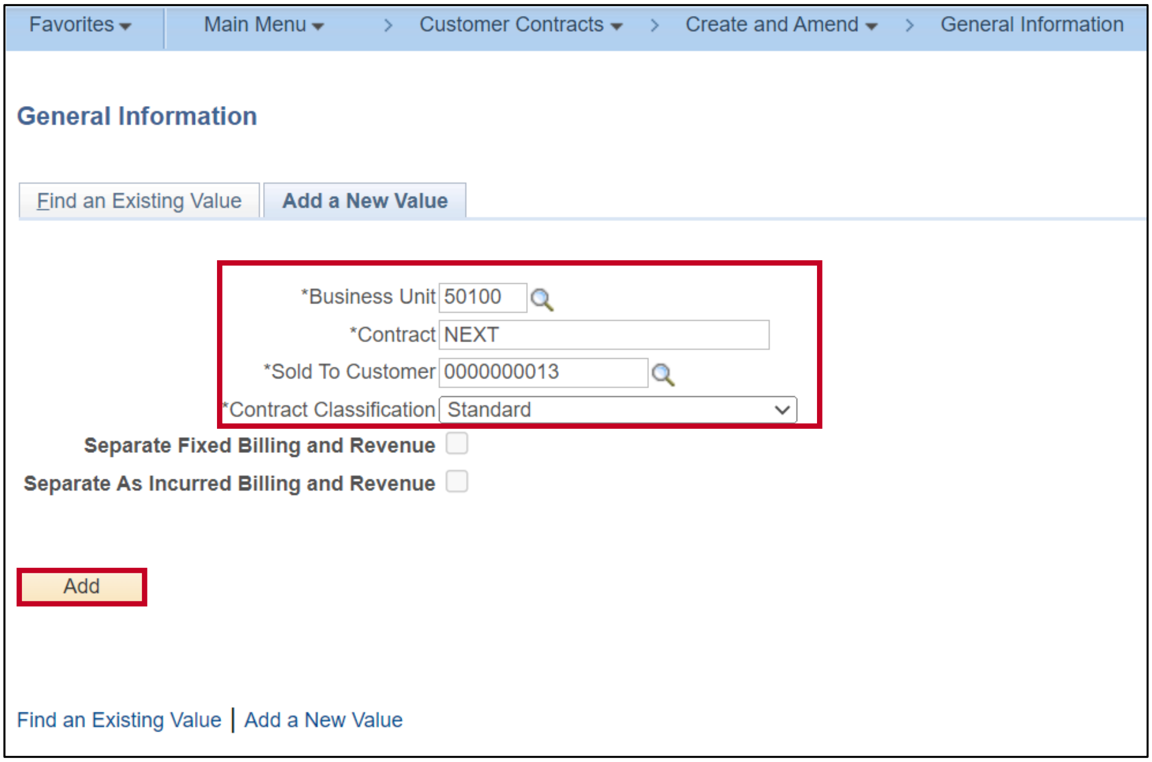
The process to create a customer contract for a non-federal rate-based contract involves the following steps:

- **Enter Contract General Information**: When you create the contract header you define information for the entire contract, this may include the contract signed date, contract administrator, and the contract type.
- **Enter Contract Line Information**: Contracts may have more than one contract line. However, most amount-based contracts will only have one. At the line level, a product is chosen that defines the contract as amount-based, recurring, or rate-based. The **Revenue** and **Bill plans** are defined at the contract line level and activities are associated with the contract lines.
- **Enter Contract Terms**: **Projects** and **Activities** are linked to the contract line on the **Related Projects** page. The same project-activity combination cannot be linked to more than one contract line for a rate-based contract.
- **Activate the Contract**: After you create the contract, add **Product**(s), set the limits, and link the **Projects** and **Activities**, the contract is ready to be set to **Active**. Activating a contract indicates that all pertinent 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**.

Enter Contract General Information

1. To create a contract, access the **General Information** page using the following path:

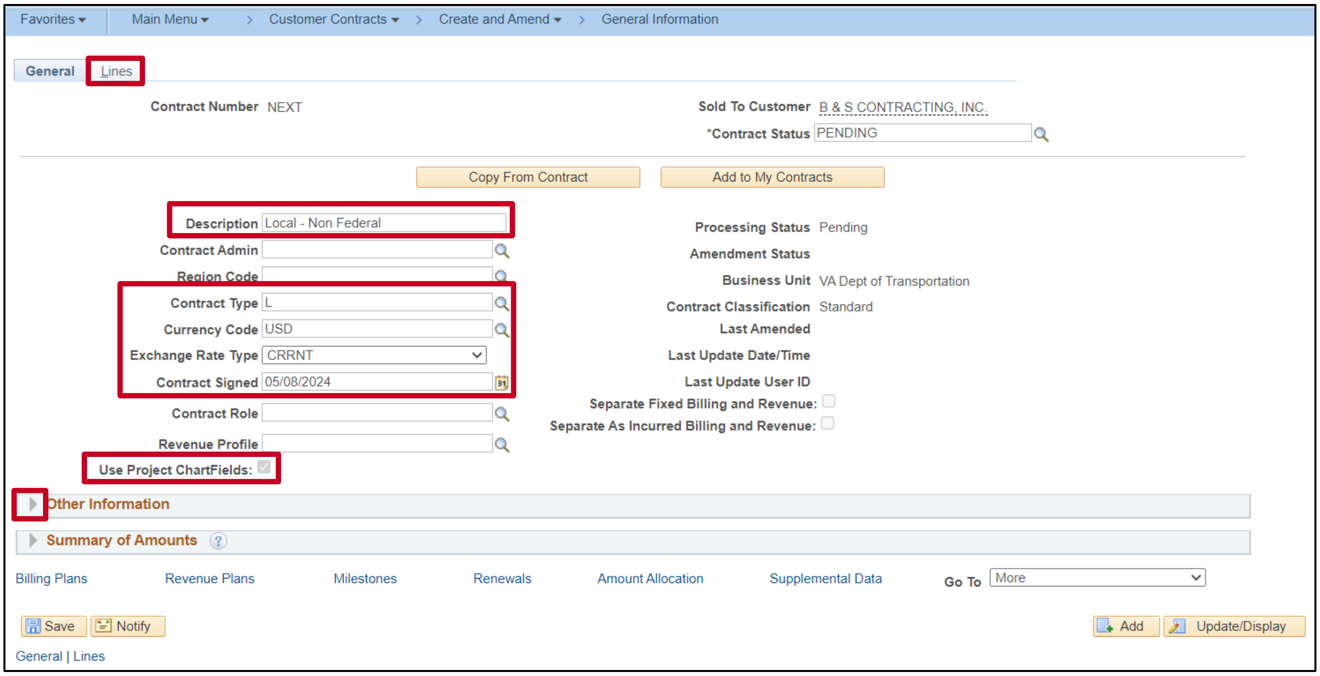
   Main Menu > Customer Contracts > Create and Amend > General Information



2. Click the **Add a New Value** tab.
3. **Business Unit** defaults for your agency (i.e., **50100** for VDOT).
4. **Contract**: Defaults to **Next**. Do not change it.
5. Enter the **Sold To Customer** using the look up icon.

   Note: If the customer is not listed in the lookup, this means the customer has not been created or may be inactive. Consult the Accounts Receivable group to have the customer record updated.
6. **Contract Classification** defaults to **Standard**. Do not change.
7. The two checkbox fields, **Separate Fixed Billing and Revenue** and **Separate As Incurred Billing and Revenue**, are not used.
8. Click the **Add** button.

The **General Information** page displays.



9. **Description**: Enter a short detailed description about the contract. The description can be a maximum of 30 characters.
10. **Contract Type**: Select the appropriate value.

    A: Letter of Authorization

    F: Federal

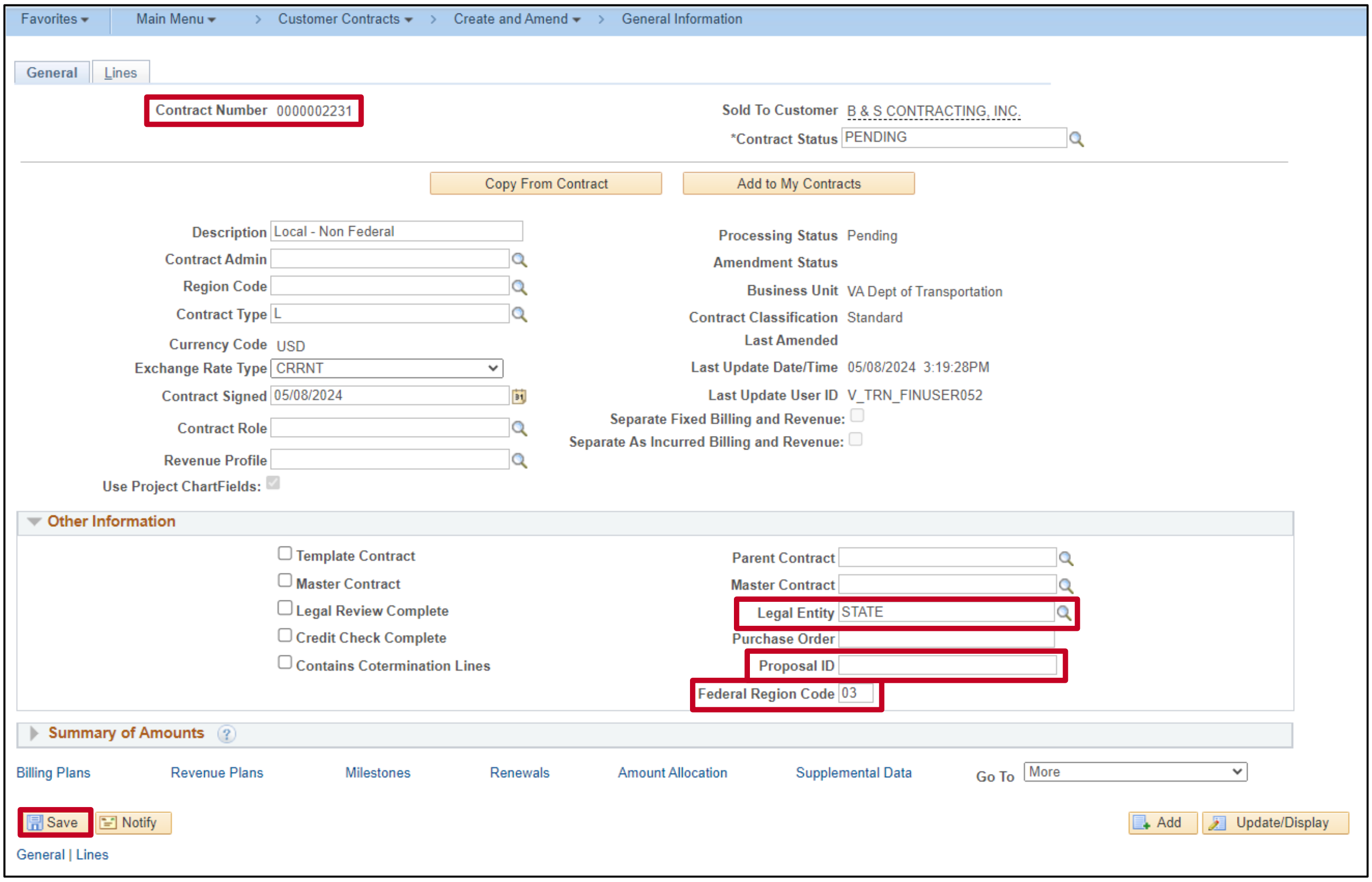
    G: Grant

    J: Federal Grant (Not used in Cardinal)

    L: Local

    O: Other

    R: Resolution
11. **Currency Code** and **Exchange Rate Type** default. Do not change.
12. **Contract Signed**: Defaults to the current date and should be changed to the date the agreement was signed. If there is no agreement date you may use the date the contract is eligible to begin billing.
13. The **Use Project Chartfields** checkbox defaults as checked and cannot be changed.
14. Click the arrow next to the **Other Information** section to expand the section.



15. **Legal Entity**: select STATE

16. The **Proposal ID** field is a free form field and can be left blank. If necessary, this field can be used to enter the total contract amount. (Ex: $5,000,000.00)

17. **Federal Region Code**: Defaults to **03** (**FHWA**). Do not change for a non-federal contract.

18. Click the **Save** button.

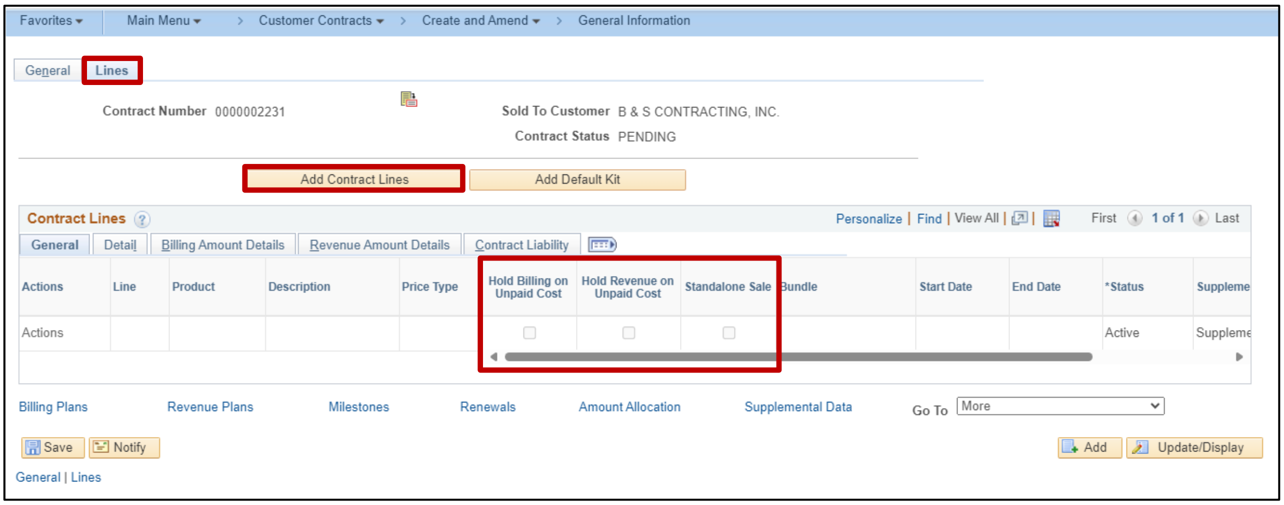
19. The contract number displays in the **Contract Number** field.

Enter Contract Line Information

A contract line details the billing parameters that are used to calculate the amount to bill a customer and has its own accounting distributions, billing limit, billing plan, and revenue plans. Each contract line within a contract can have a status of **Active**, **Cancelled**, or **Pending**. Contracts converted to Cardinal as **CLOSED** will have a contract line status of **Inactive**.

You add contract line(s) from the **General Information** page:

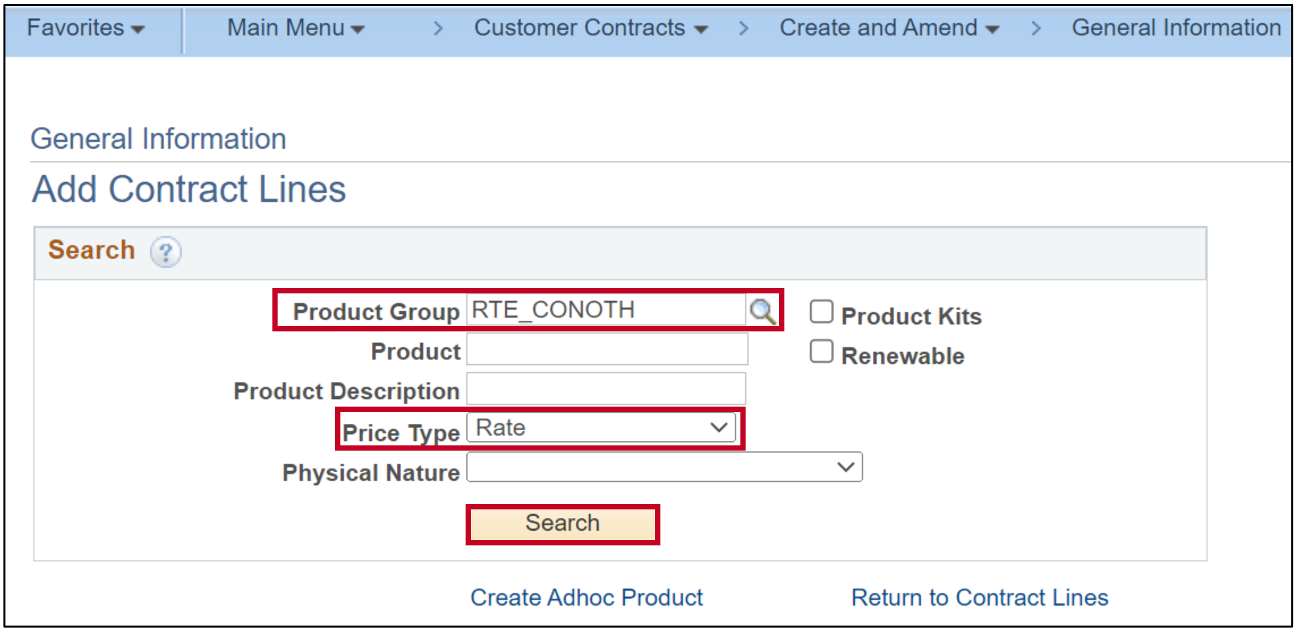
1. Click the **Lines** tab.



Note: The **Holding Billing on Unpaid Cost**, **Hold Revenue on Unpaid Cost** and **Standalone Sale** checkboxes default as unchecked. Do not check any of these checkboxes.

2. Click the **Add Contract Lines** button.

The **General Information – Add Contract Lines** page displays.



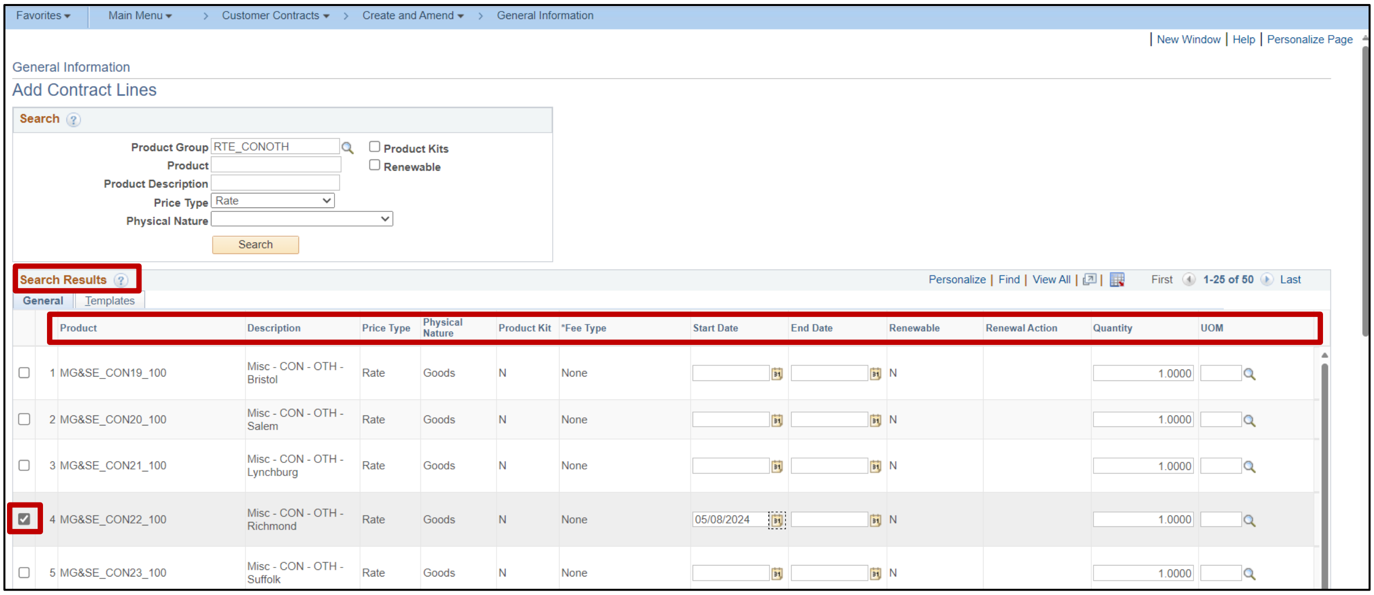
3. To search for non-federal rate-based products:

   a. **Product Group**: Select a value beginning with **RTE_** along with the fund and customer type being billed (e.g., **RTE_CONOTH**). Do not select **RTE_FED (Federal Government)**.

   b. **Price Type**: Select **Rate** as this is a rate-based contract. This field displays the price type that was defined for the product on the **Product Definition** page.

4. Click the **Search** button.

The results display under the **Search Results** section.



5. The search results display under the **Search Results** section.

The **Product** name will contain the **Source Type_Category_Participation Rate**. You will select the appropriate product based on the terms of the contract being created. For example, if the contract will bill for miscellaneous goods and services to the construction fund to a state agency customer at 100%, you would select product: **MG&SE_CON22_100**. You may use the **Distribution Codes** query (**V_PA_Distribution_Codes**) to confirm the entire COA string for the product. The **Description** field displays the description of the product.

Note: If you need to create a new rate-based **Product**, it is recommended that you submit a Help Desk ticket (vccc@vita.virginia.gov) with **Cardinal Project Accounting (PA)** in the subject line. The Cardinal Post Production Support (PPS) PA team will work with you to ensure the product is created correctly. If the product is not set up correctly, it will have downstream impacts to your contract, billing, and GL distribution and require a Help Desk ticket to correct the errors. For more details about creating a rate based product, see the job aid **PA354_Creating Customer Contract Products** located on the Cardinal website in **Job Aids** under **Learning**.

a. Select the checkbox next to the appropriate **Product** line to create the contract line. Typically, you add only one **Product** at a time.

b. **Price Type:** Displays the price type of the product. If you narrowed the search results by price type, this is the value you selected.

c. **Physical Nature**: Defaults to **Goods**

d. **Product Kit**: Defaults to **N**

e. **Fee Type:** Defaults to **None**.

f. **Start Date**: Enter the date the contract was signed or date billing should start.

g. **End Date**: This field is left blank.

h. **Renewable & Renewal Action**: not used in Cardinal

i. **Quantity**: This field automatically populates. Do not change.

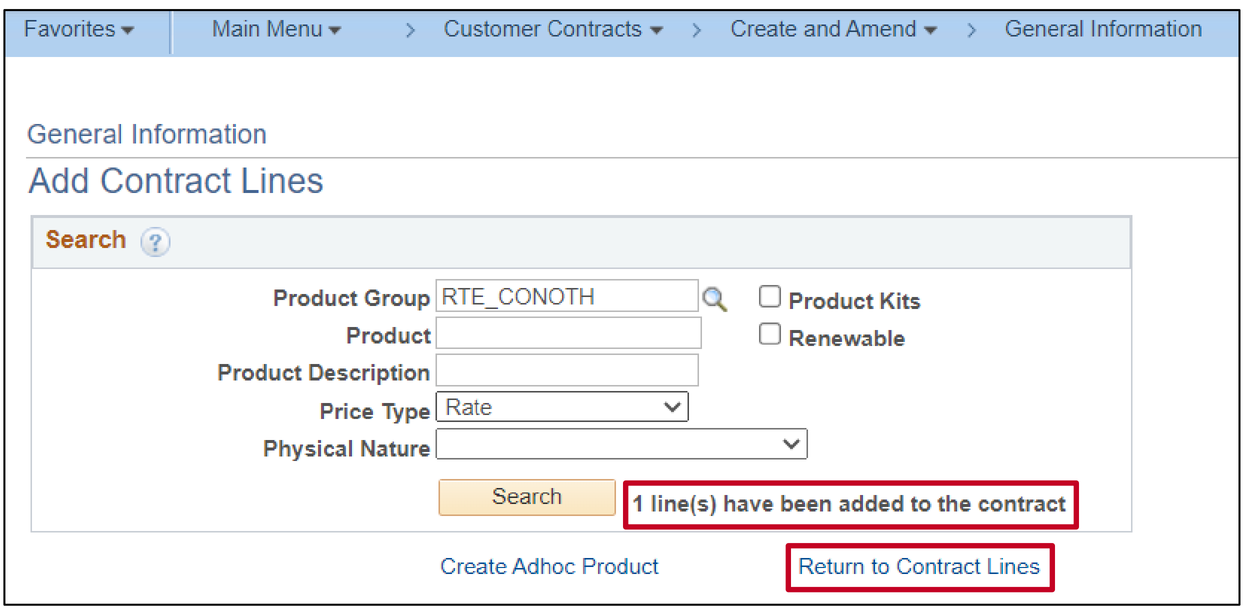
j. **UOM**: Displays the unit of measure associated with the product, if any.

6. Scroll down to the bottom of the page.

7. **Create Plans from Template** and **Combine Like Templates**: Checkboxes default as selected. Do not change. These templates create the predefined **Billing Plans** and **Revenue Plans** for the **Product** selected.

8. Click the **Add Contract Lines** button.

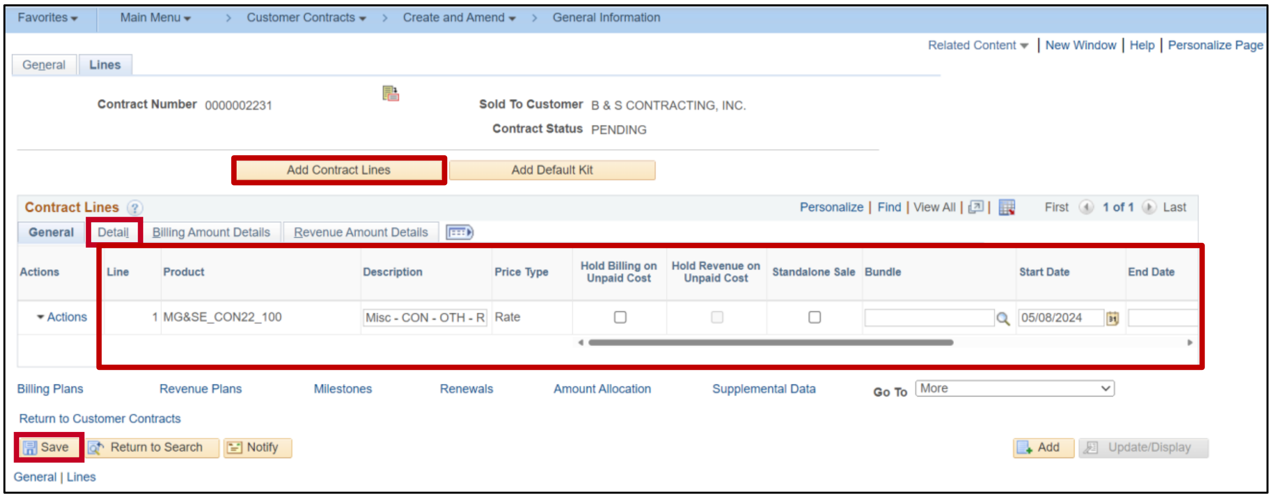
The **General Information – Add Contract Lines** page returns.



9. A message displays indicating **1 line(s) have been added to the contract**.

10. Click the **Return to Contract Lines** link to continue processing the contract.

The **General Information** page, **Lines** tab displays.



a. **Product:** Displays the product that was selected

b. **Description:** Displays description associated with the selected product

c. **Price Type**: Rate

d. **Start Date:** Enter the same date that was entered for the product

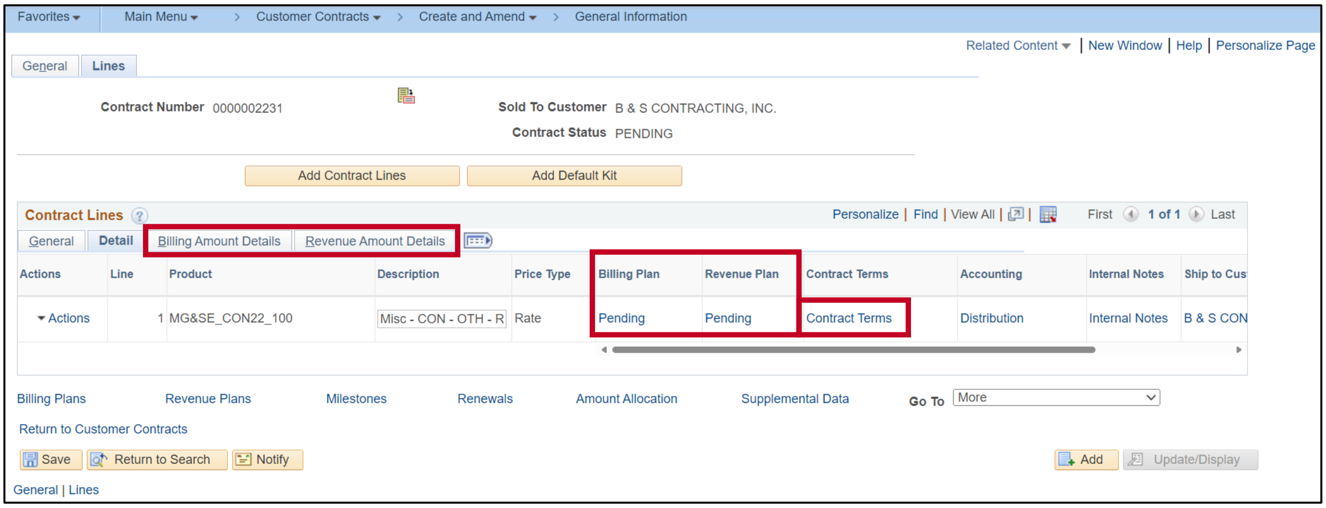
e. **Status:** Displays the status of the line which defaults to **Active** for the line that was just added. Other statuses include **Pending**, **Inactive** or **Cancelled**. Scroll to the right on the **Contract Line** to see the **Status**.

11. Click the **Save** button.

    Note: Saving the contract creates both a **Billing Plan** and **Revenue Plan** that is associated with the **Product** used to create the contract line. You can add additional contract lines using the **Add Contract Lines** button or you can delete a contract line by clicking the **Delete Row** icon (minus sign). You must un-assign the **Billing** and **Revenue Plans** before the contract line can be deleted. You can only delete a contract line from contracts with a **Processing Status** of **Pending**.

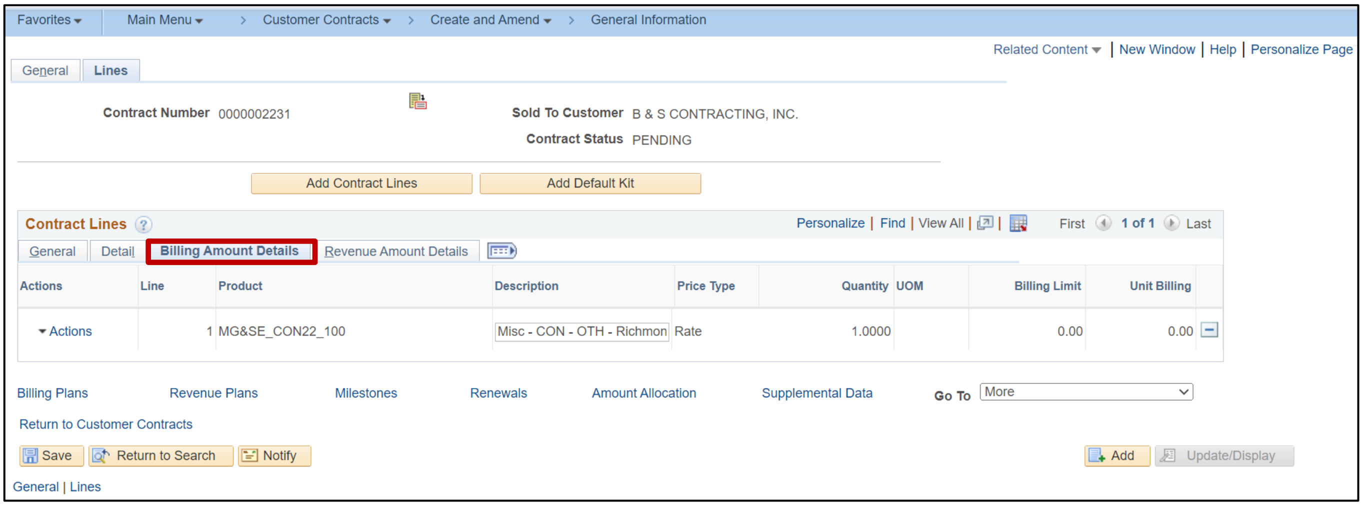
12. From the **Lines** tab, under the **Contract Lines** section, click the **Detail** tab.

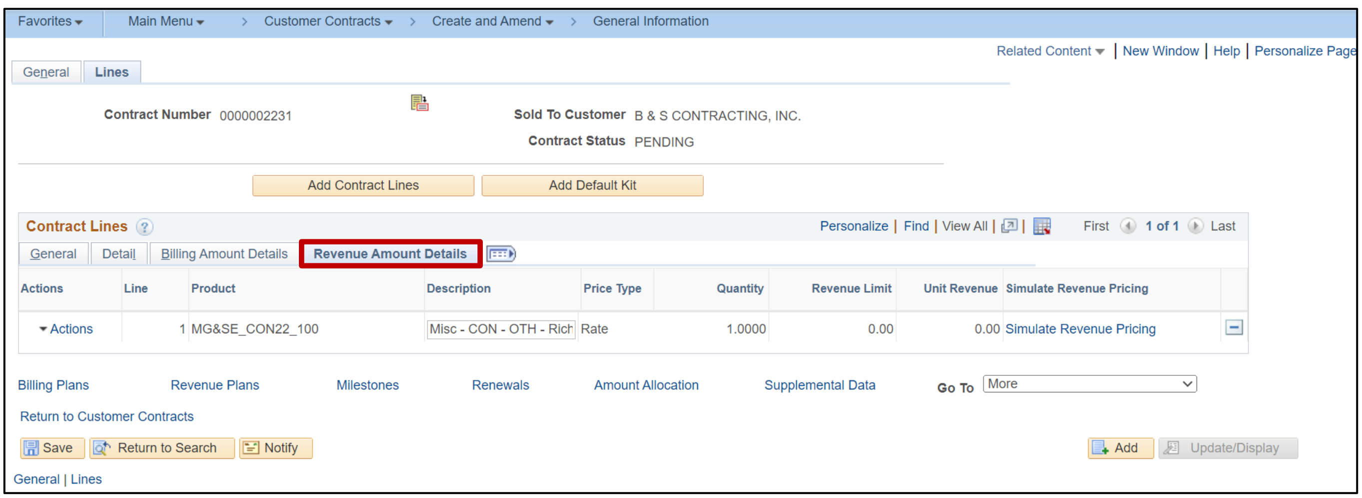
The **Detail** tab displays.



Note: The contract **Billing Plan** and **Revenue Plan** were defaulted based on the **Product** you selected to create the contract line. The status of these plans can be:

- **Pending**: Contract is not active.
- **Ready**: Contract is active and no transactions have been processed for the billing or revenue plans.
- **Cancelled**: The plan has been cancelled.
- **In Progress**: Transactions have been processed against the contract's **Billing Plan** and **Revenue Plan**.





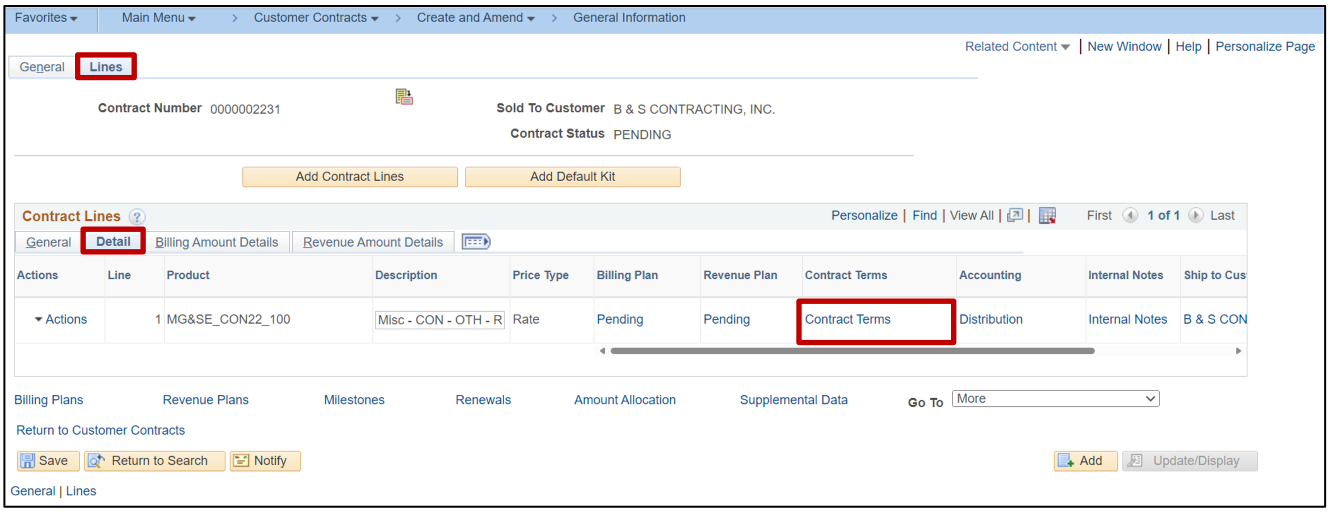
Note: The **Billing Amount Details** and **Revenue Amount Details** tabs, in the **Contract Lines** section, provide further information about the contract lines, including the Price Type, **UOM**, and **Billing/Revenue Limit Amount**, if applicable.

Enter Contract Terms and Related Projects

Add Project(s), Activities, Rate Set(s), and Billing Limits:

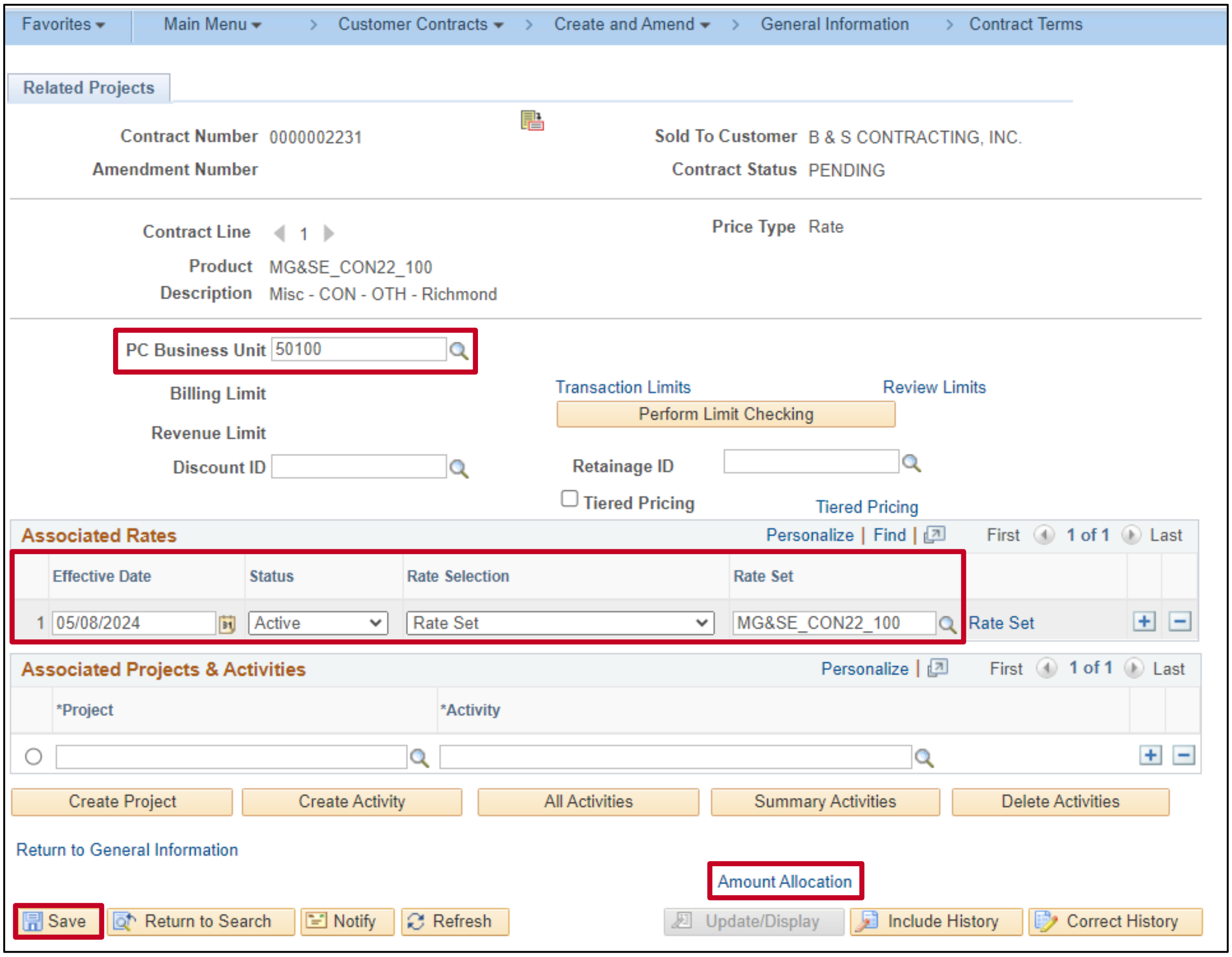
After you create the contract header and line, you associate a rate set, billing limit, projects and activities for each contract line. Associating projects and activities to the contract line allows transactions to be billed and prevents the combination from being associated to another rate-based contract line.

To access the pages where you add the project and activities, you will use the following navigation from the **Contract Lines** tab:

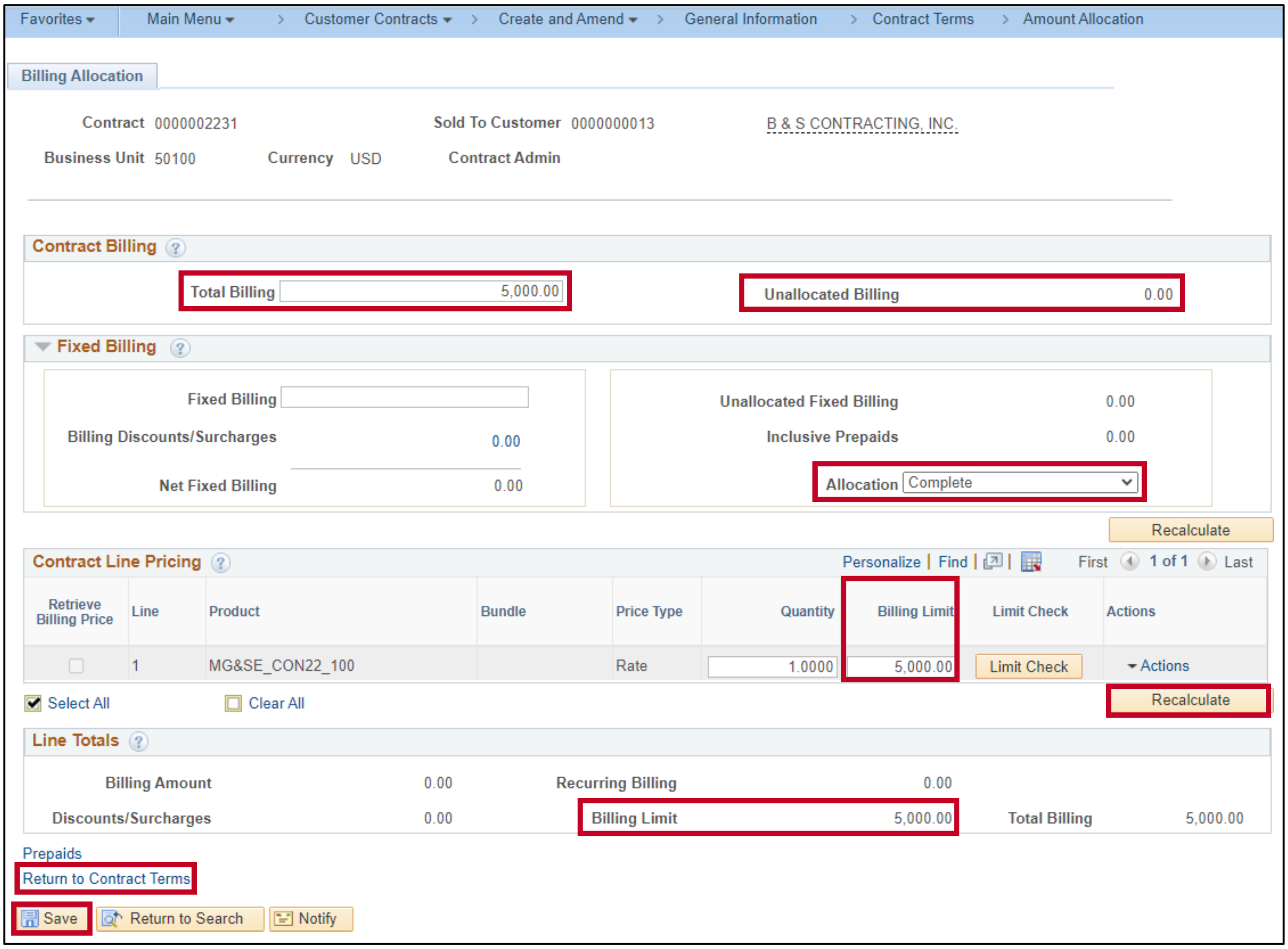


1. In the **Contract Terms** field, click the **Contract Terms** link.

The **Related Projects** tab displays for the selected **Contract Line**.

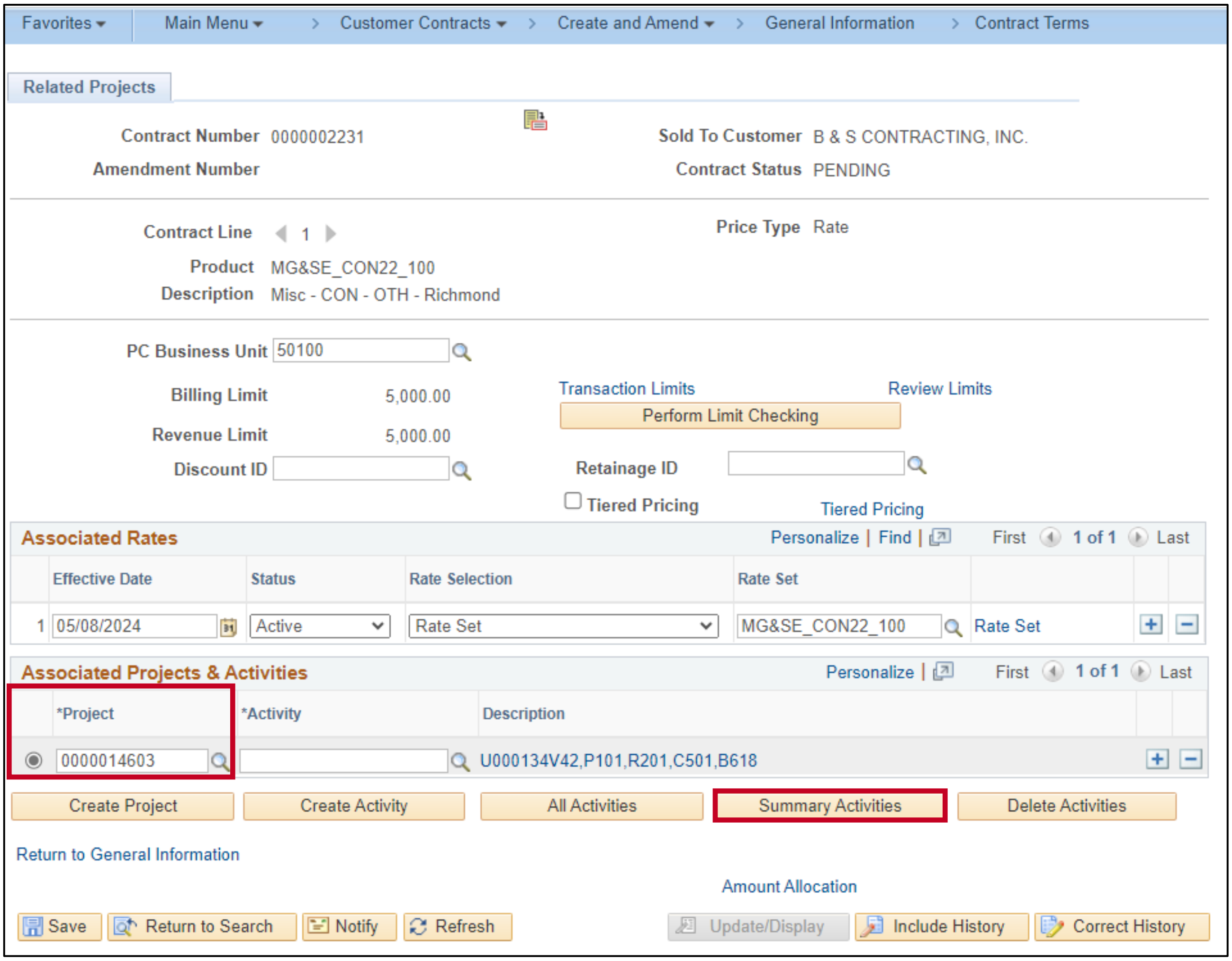


2. The **Contract Terms** page, **Related Projects** tab displays for the selected **Contract Line**.
3. Enter the **PC Business Unit** (i.e., **50100** for VDOT).
4. The **Effective Date** defaults to the current date and <u>must be updated</u> to the contract signed date or the date that billing needs to start.
5. The **Rate Set Status** and **Rate Selection** default to **Active** and **Rate Set**, respectively. Do not change.
6. The **Rate Set** defaults from the **Product** chosen once you tab out of the **PC Business Unit** field.
7. Click the **Save** button.
8. If there is a maximum amount the customer can be billed, a **Billing Limit** must be entered. Click the **Amount Allocation** link at the bottom of the page. If a **Billing Limit** is not required, you do not need to access this page.



9. The **Billing Allocation** page for the **Contract Line** displays.
10. In the **Contract Billing** section, enter the billing limit in the **Total Billing** field.
11. In the **Contract Line Pricing** section, enter the billing limit in the **Billing Limit** field.
12. Click the **Recalculate** button.
    a. The **Allocation** field, in the **Fixed Billing** section, updates from **Incomplete** to **Complete**.
    b. The **Billing Limit** field, in the **Line Totals** section, updates to the amount entered.
13. Click the **Save** button.
14. Click the **Return to Contract Terms** hyperlink.

Link Project and Activities to Contract Line



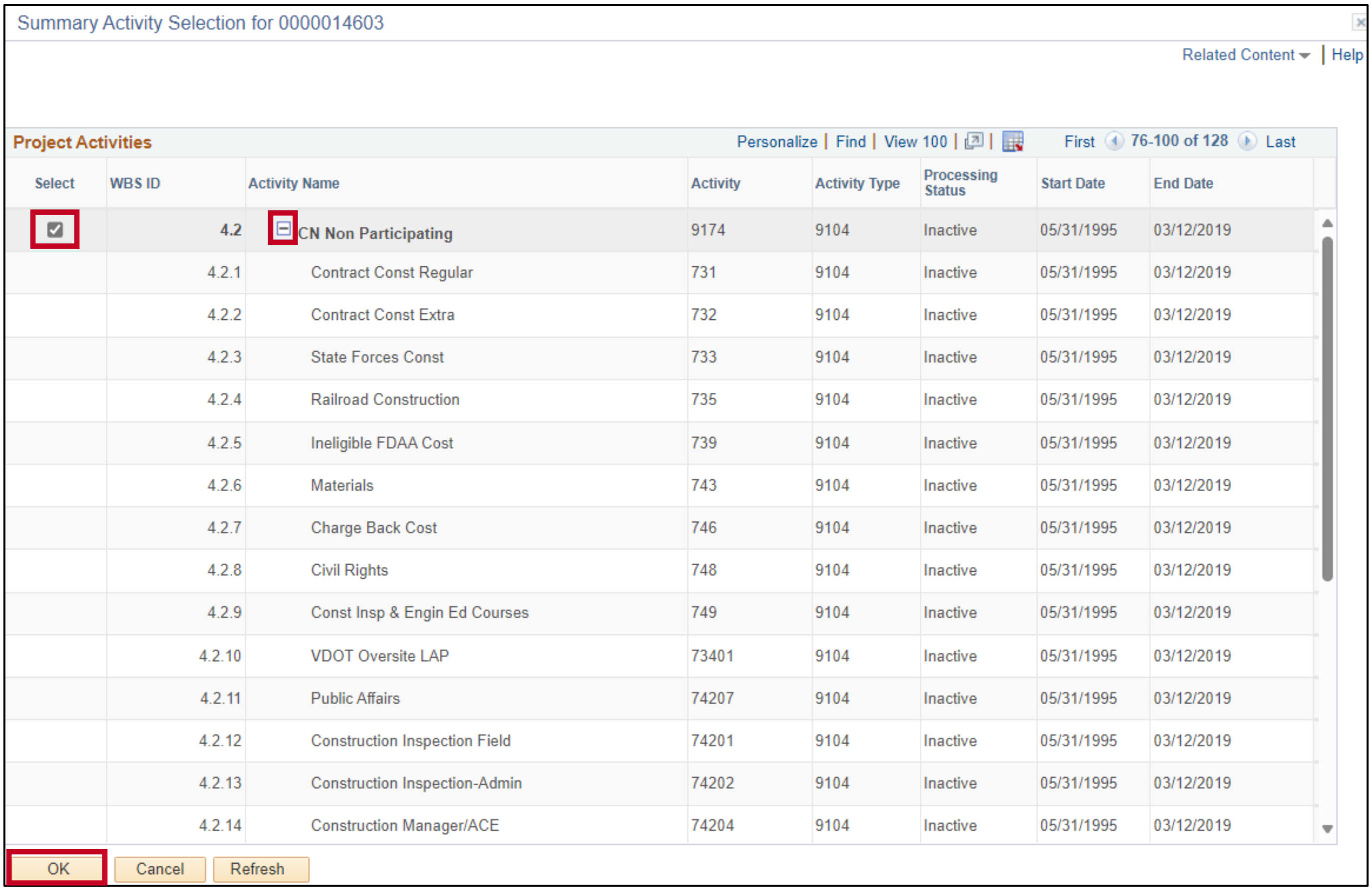
15. The **Contract Terms** page displays for the selected contract line. If more than one tab displays, click the **Related Projects** tab.

16. Determine which **Project/Activity** combinations are to be billed under the contract line. The same **Project/Activity** combination cannot be associated with multiple rate-based contract lines.

17. In the **Associated Projects & Activities** section, click the radio button to the left of the **Project** field and enter your **Project ID**.

18. Click the **Summary Activities** button.

Associating Projects to the Contract Line



Summary Activity Selection for 0000014603

Related Content | Help

Project Activities — Personalize | Find | View 100 | First 76-100 of 128 Last

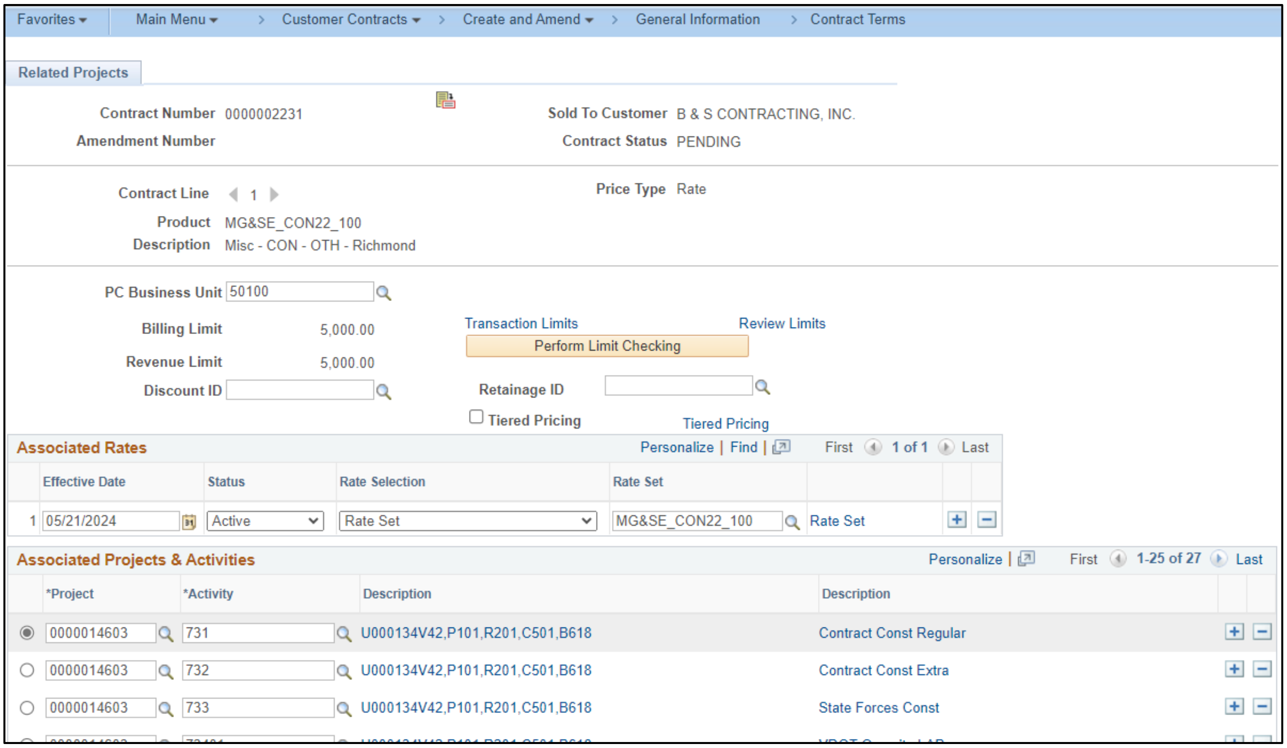
Select	WBS ID	Activity Name	Activity	Activity Type	Processing Status	Start Date	End Date
☑	4.2	⊟ CN Non Participating	9174	9104	Inactive	05/31/1995	03/12/2019
	4.2.1	Contract Const Regular	731	9104	Inactive	05/31/1995	03/12/2019
	4.2.2	Contract Const Extra	732	9104	Inactive	05/31/1995	03/12/2019
	4.2.3	State Forces Const	733	9104	Inactive	05/31/1995	03/12/2019
	4.2.4	Railroad Construction	735	9104	Inactive	05/31/1995	03/12/2019
	4.2.5	Ineligible FDAA Cost	739	9104	Inactive	05/31/1995	03/12/2019
	4.2.6	Materials	743	9104	Inactive	05/31/1995	03/12/2019
	4.2.7	Charge Back Cost	746	9104	Inactive	05/31/1995	03/12/2019
	4.2.8	Civil Rights	748	9104	Inactive	05/31/1995	03/12/2019
	4.2.9	Const Insp & Engin Ed Courses	749	9104	Inactive	05/31/1995	03/12/2019
	4.2.10	VDOT Oversite LAP	73401	9104	Inactive	05/31/1995	03/12/2019
	4.2.11	Public Affairs	74207	9104	Inactive	05/31/1995	03/12/2019
	4.2.12	Construction Inspection Field	74201	9104	Inactive	05/31/1995	03/12/2019
	4.2.13	Construction Inspection-Admin	74202	9104	Inactive	05/31/1995	03/12/2019
	4.2.14	Construction Manager/ACE	74204	9104	Inactive	05/31/1995	03/12/2019

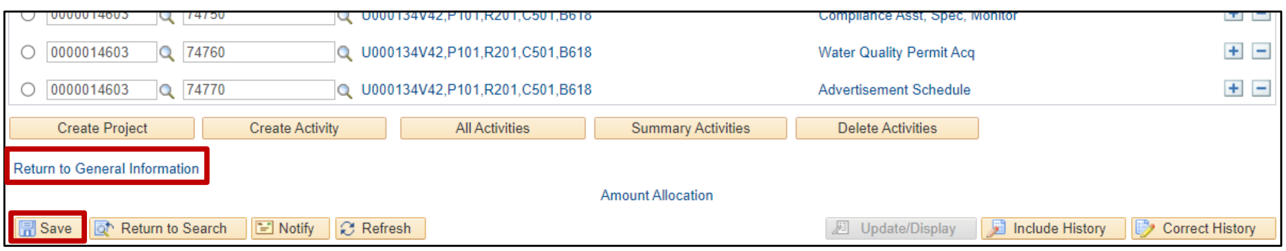
OK | Cancel | Refresh

19. The **Summary Activity Selection** pop-up window displays and allows you to add all activities associated with your selected phase(s).

    Note: Detailed activities are grouped by project phase.

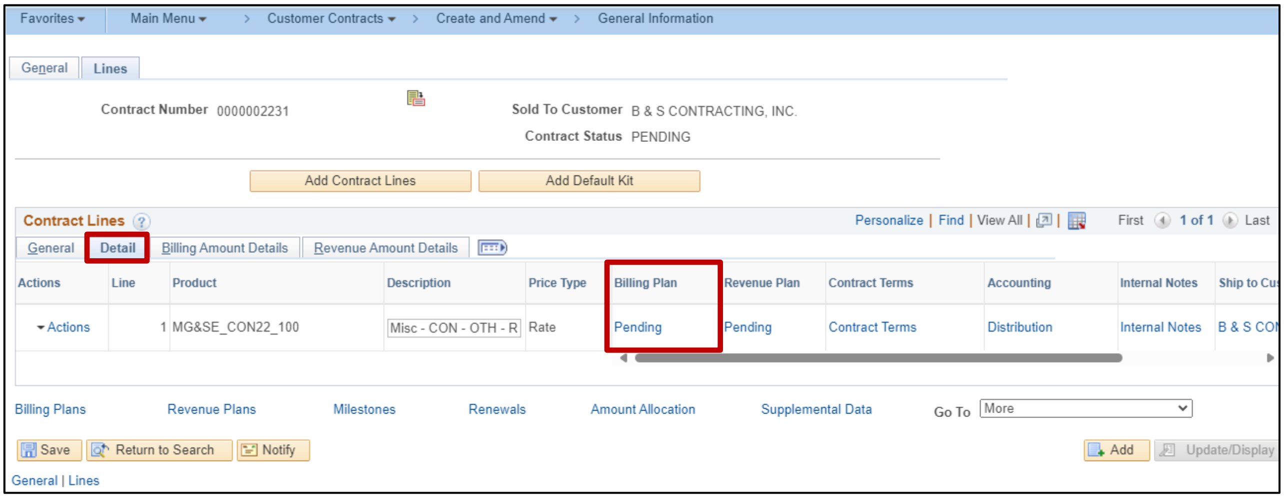
20. Click the (**+**)/(**–**) icon to expand and collapse the phase activities in order to identify the **Non-Participating** phase (or appropriate) activities that should be associated to the contract.
21. **Select** the checkbox next to the **Project Activities** you wish to link to the project for this contract line.
22. Click the **OK** button. The pop-up window will close and the selected phases/activities will populate on the **Contract Terms** page, **Related Projects** tab.
23. Repeat the steps to link additional **Project** and **Activity** combinations.





Note: The activities you selected display on the **Related Projects** tab, for the Contract Line.

24. Click the **Save** button at the bottom of the page.
25. Click the **Return to General Information** hyperlink.
26. The **General Information** page displays.



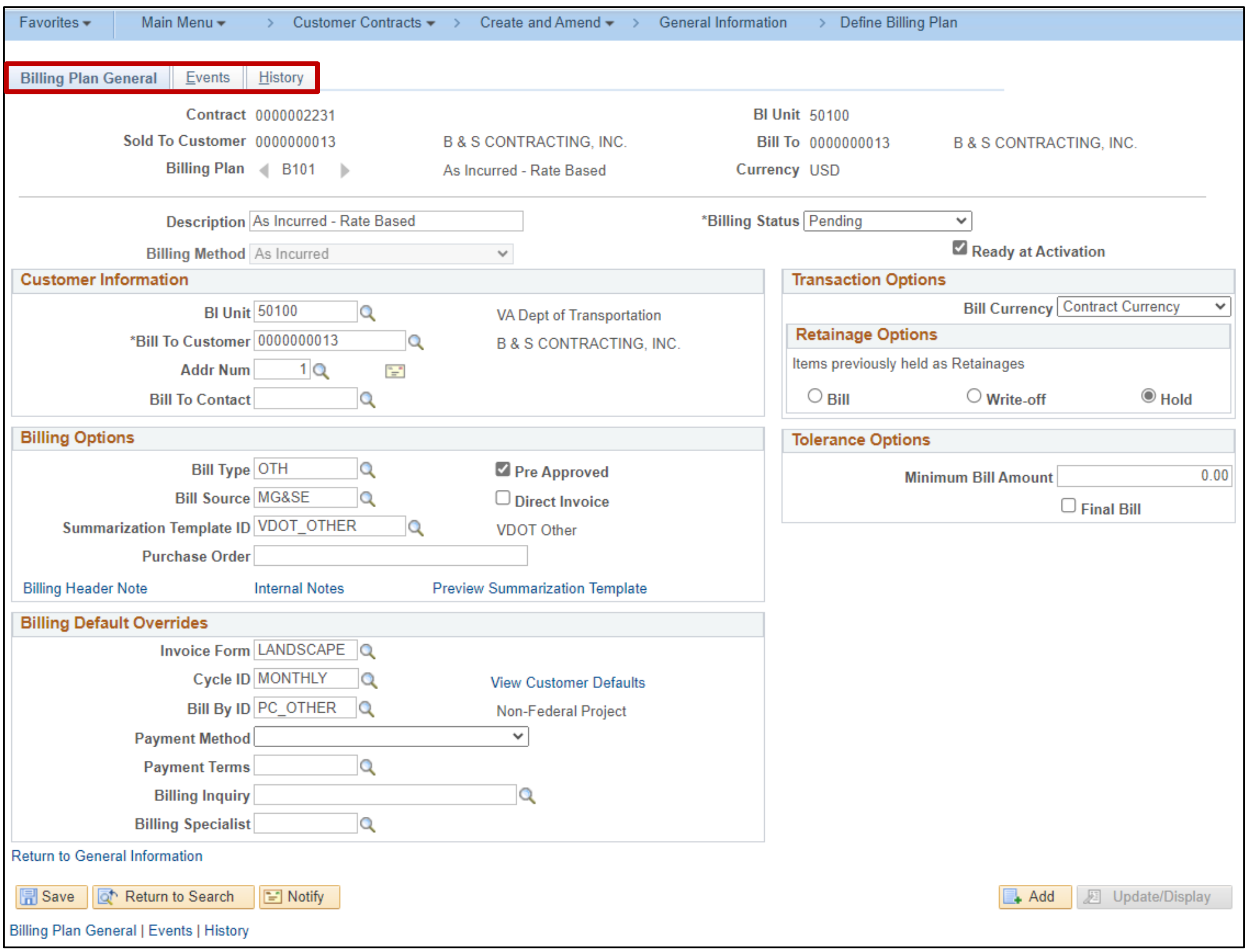
27. Click **Detail** tab under the **Contract Lines** section of the page.
28. Click the **Pending** link under the **Billing Plan** field.

Billing Plan

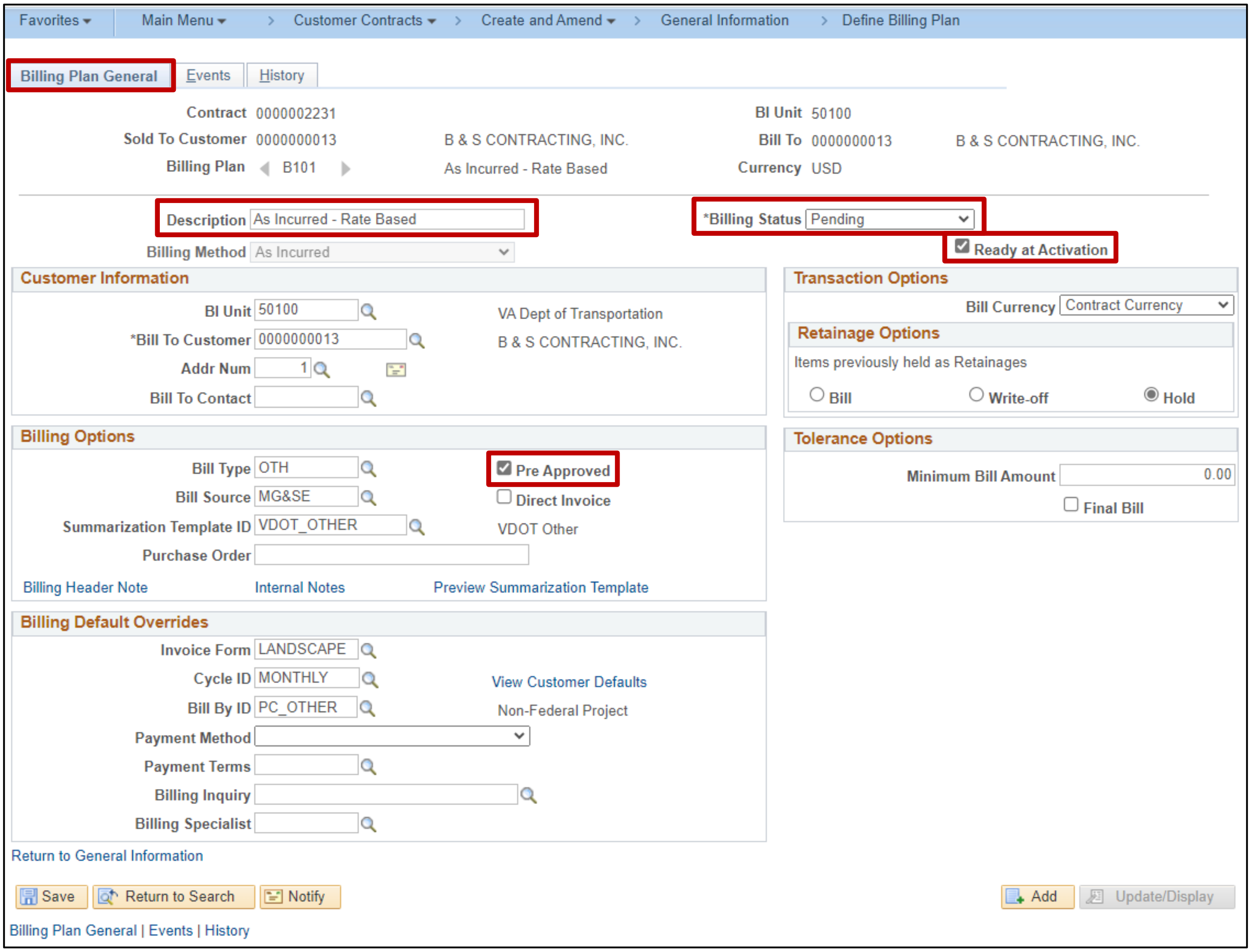
The **Billing Plan General** page displays. The **Billing Plan** associated to your contract line is pre-populated based on the **Product** you selected to create the contract line. Do not change these default values.

Tabs shown on the **Define Billing Plan** page vary depending on the price type (rate-based, amount-based, percent based or recurring) of the contract line. Rate-based contract lines have three tabs:

- **Billing Plan General**: Displays billing information for the contract line, such as customer information and billing options. This would also be used to put the **Billing Plan** on **Hold**.
- **Events**: Not used for rate-based contract lines.
- **History**: Displays the billing history for the contract line. Any bills that are created from the contract are listed on the history page.



1. The key fields and values on the **Billing Plan General** tab:



a. **Description**: Defaults and should not be changed

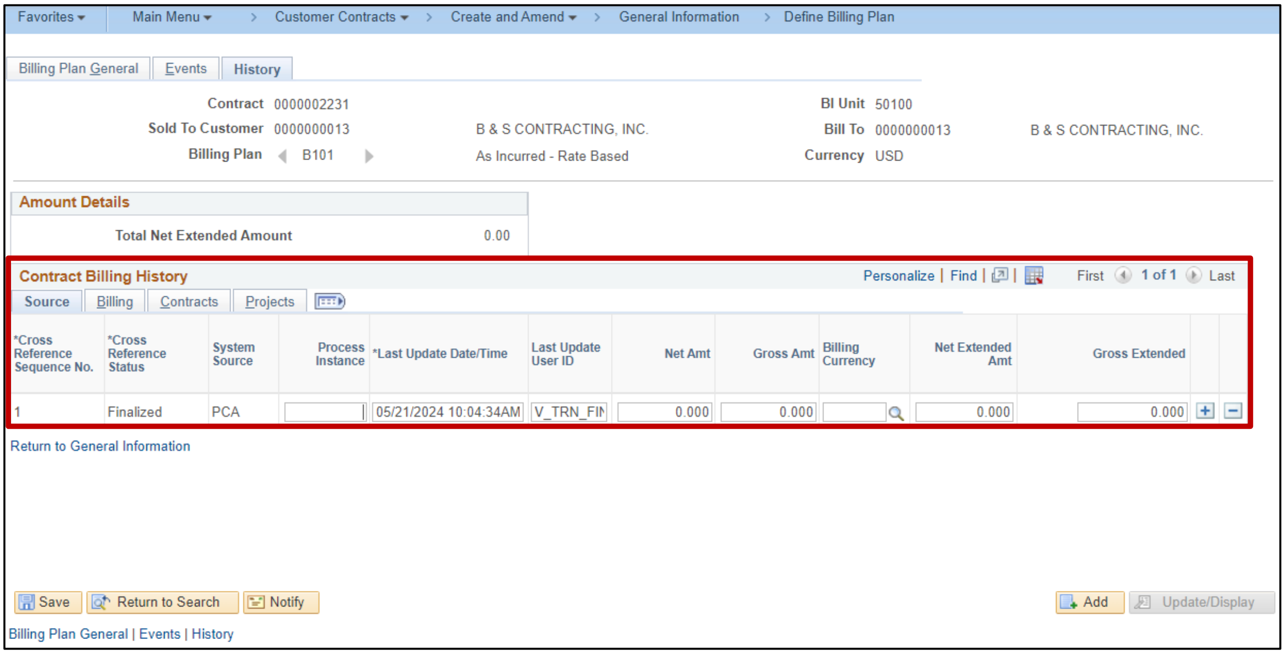
b. **Billing Status**: Controls the ability to enter information into and the processing that occurs against the Billing Plan. Defaults to Pending when the contract line is added. Values include **Pending, Ready**, and **Cancelled.**

Note: **Ready** displays once the contract **Status** is set to **Active.**

c. **Ready at Activation** checkbox: Defaults to checked when the **Billing Status** is **Pending**

d. **Pre Approved**: Defaults to selected. Do not change. This allows transactions to bypass the billing worksheet.

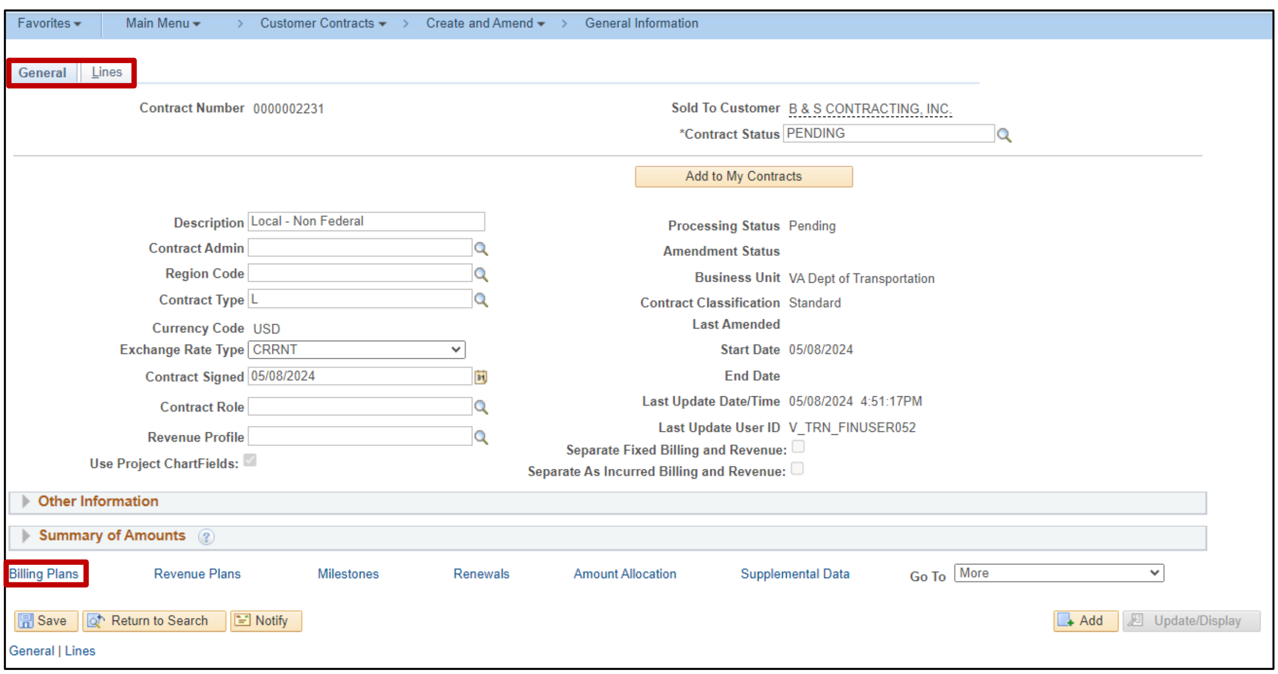
Note: The **Events** tab is not used for Rate-based contracts.



2. Click the **History** tab to view the status for all billing activity related to the **Billing Plan**.

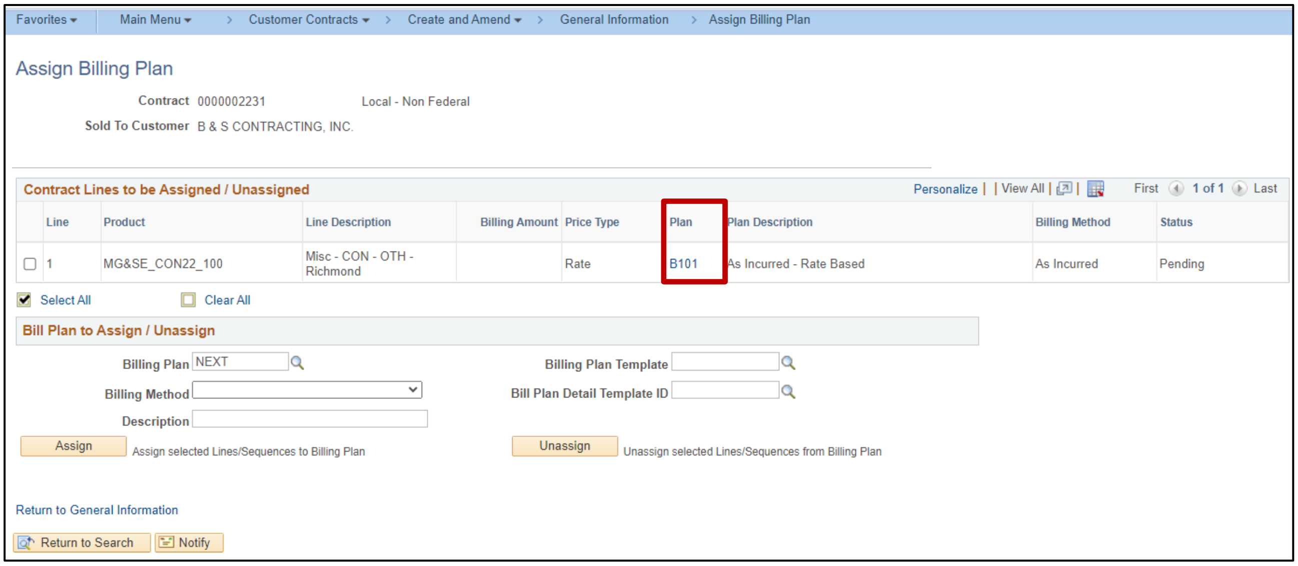
3. Click the **Return to General Information** link.

Another way to access the **Billing Plan** pages is by using the **Billing Plans** link found at the bottom of the **General Information** or **Lines** tab.



4. Click the **Billing Plans** link

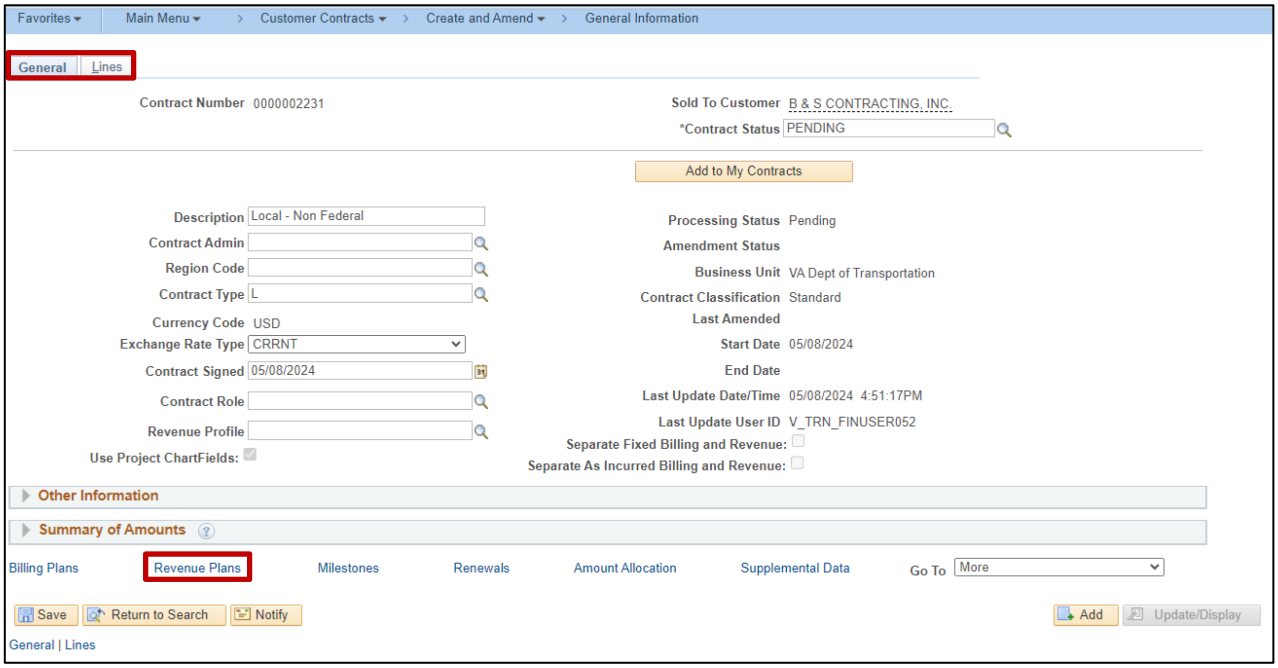
The **Assign Billing Plan** page displays.



5. Click the **Plan ID** link to access the **Billing Plan** pages.

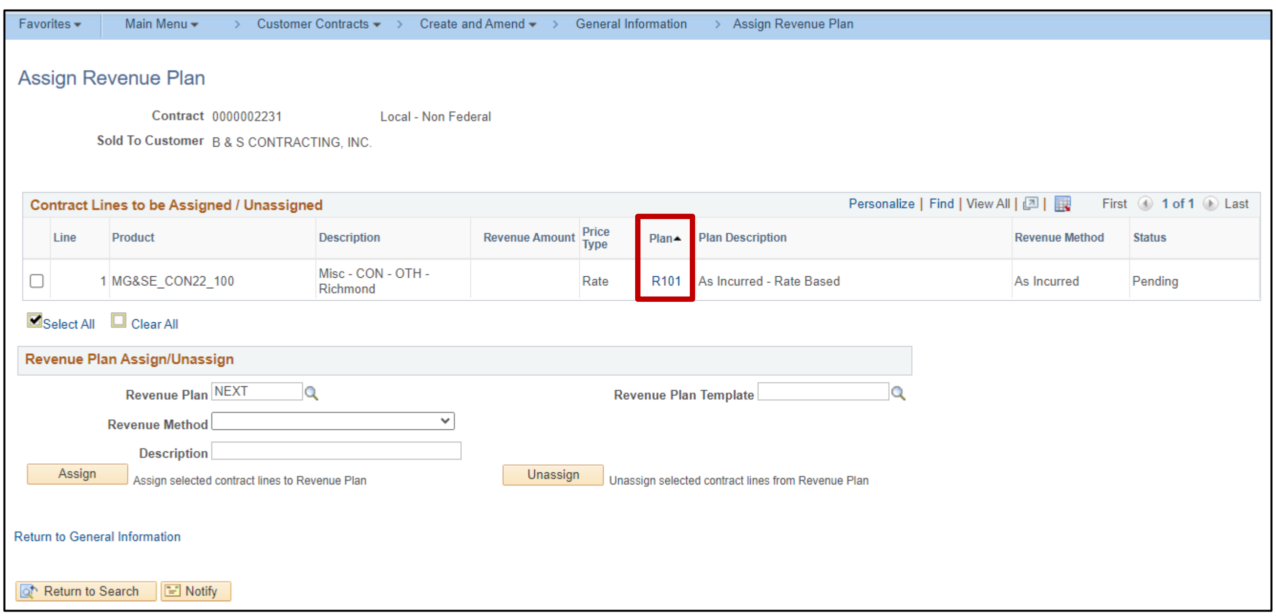
Revenue Plan

Just like the **Billing Plan,** you can access the **Revenue Plan** from the **General Information** page.

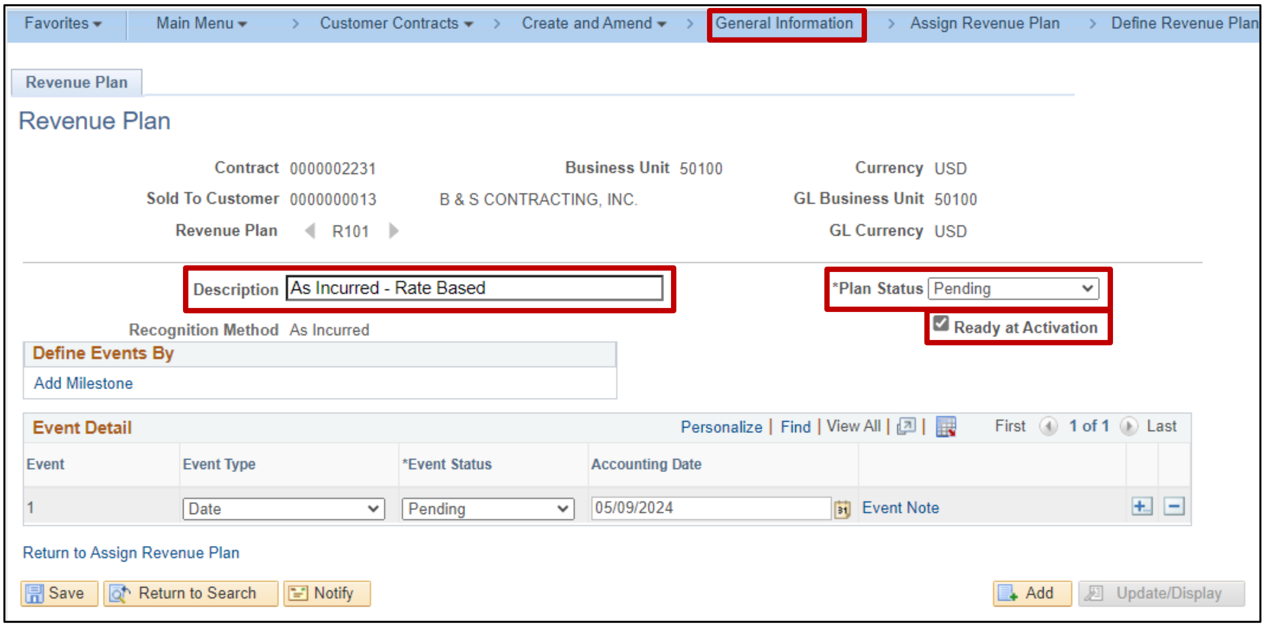


1. Click the **Revenue Plans** link at the bottom of the **General** or **Lines** tab.

The **Assign Revenue Plan** page displays.



2. Click the **Plan ID** link.



a. The **Description** field defaults and should not be changed.

b. **Plan Status**: Defaults to **Pending** when the contract line is added. Values include **Pending**, **Ready**, and **Cancelled.**

Note: **Ready** displays once the contract is set to **Active.**

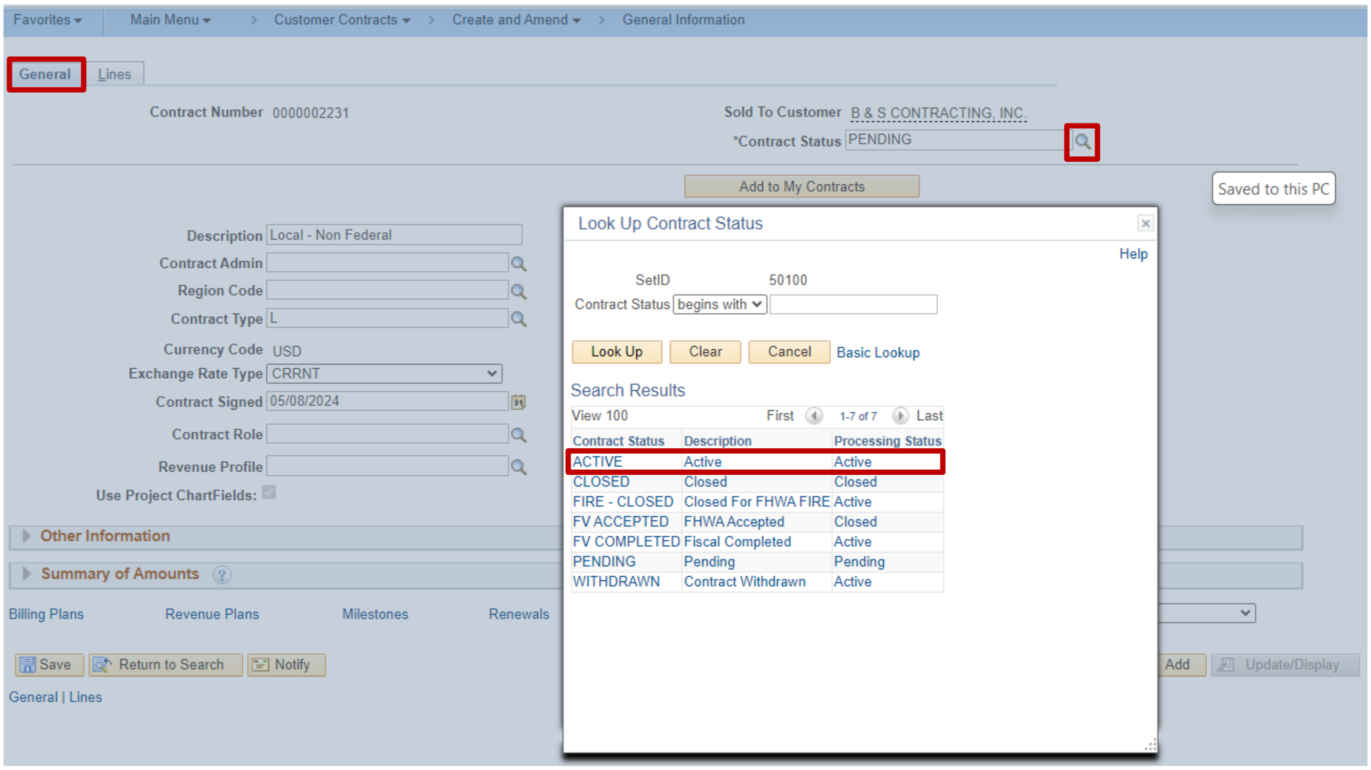
c. The **Ready at Activation** checkbox defaults as checked when the contract line has been created.

Note: The **Event Detail** section: Not used with rate-based contract lines.

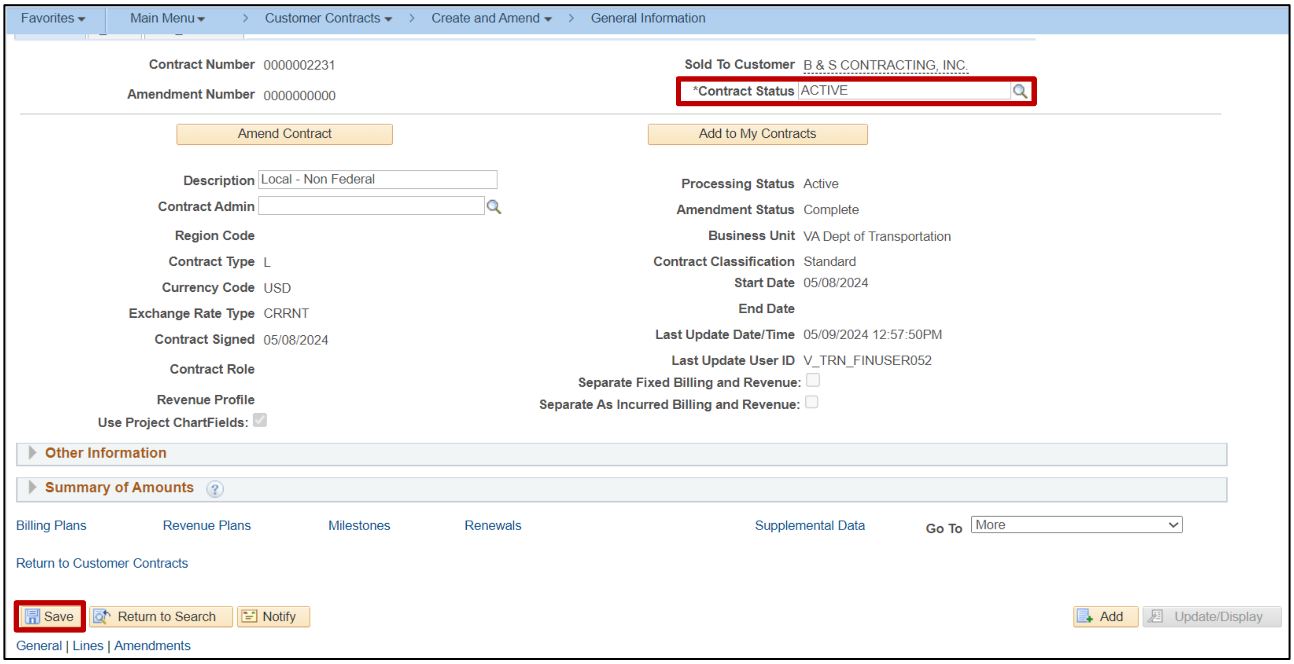
3. Return to the **General Information** page by clicking **General Information** in the navigation breadcrumb path.

Activate the Contract

After you create the contract, add the contract line(s), set **Transaction Limits**, define the **Rate Set**, and link the **Projects** and **Activities** to the contract, you can set the **Contract Status** to **Active**. Activating a contract indicates that all data for the contract has been entered into Cardinal. Activating a customer contract requires the same steps for every contract, regardless of type. This task is performed by the reviewer.

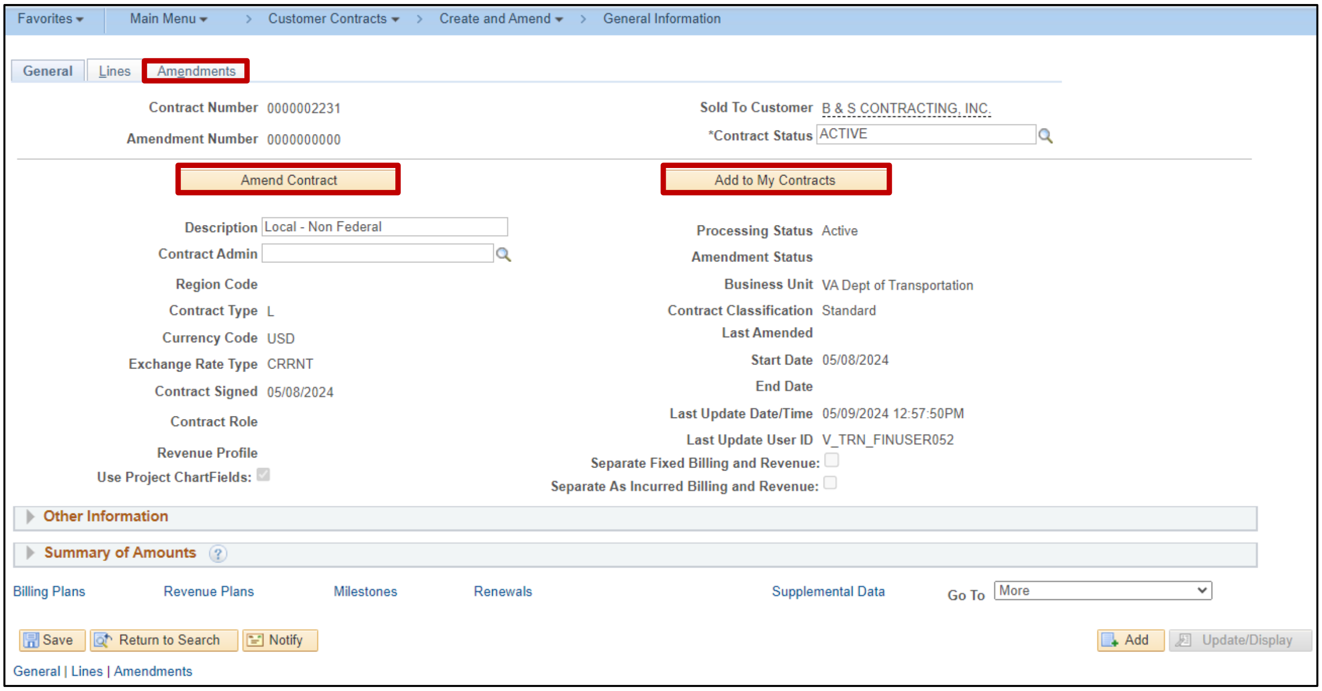


1. From the **General** tab, click the **look up** icon to the right of the **Contract Status** field.
2. The **Look Up Contract Status** pop-up window displays, select ACTIVE to activate the contract.



3. At the top of the page, change the **Contract Status** from **Pending** to **Active**.
4. Click the **Save** button.

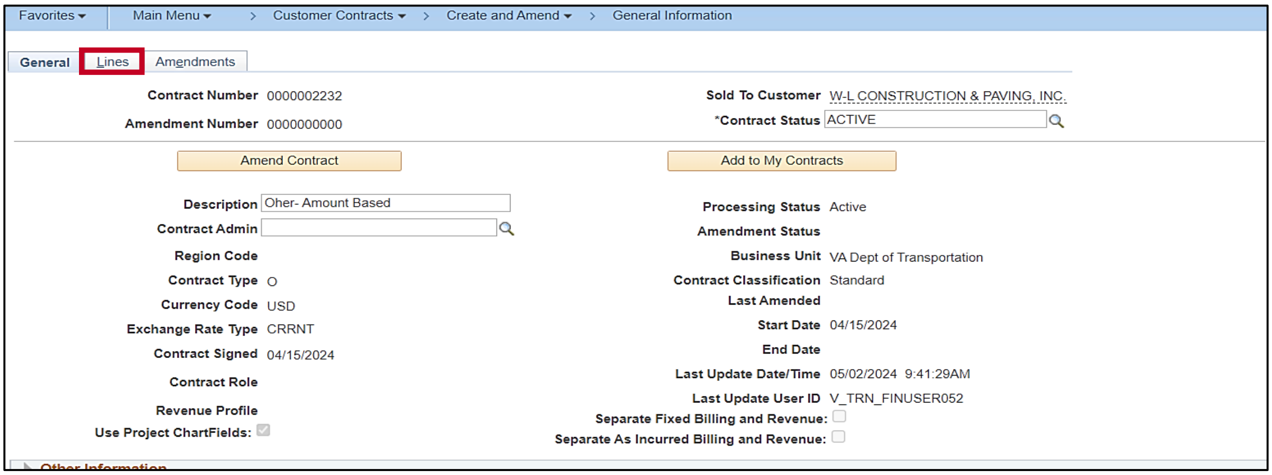
After the contract is saved:



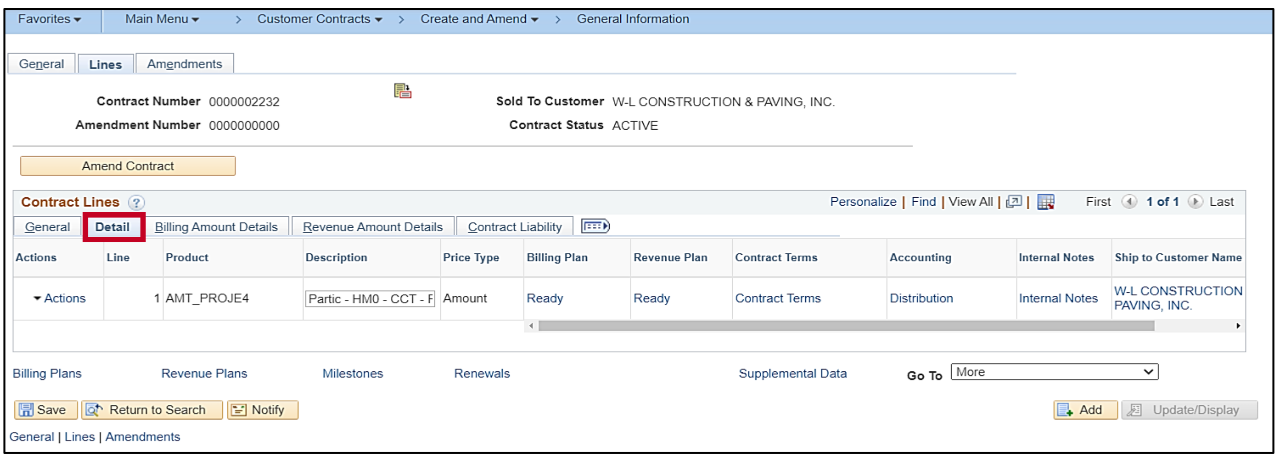
- An **Amendments** tab displays. Amendments to contracts are discussed in another lesson in this course.
- Two additional buttons display:
  - **Amend Contract**
  - **Add to My Contracts**

Adding Internal Notes

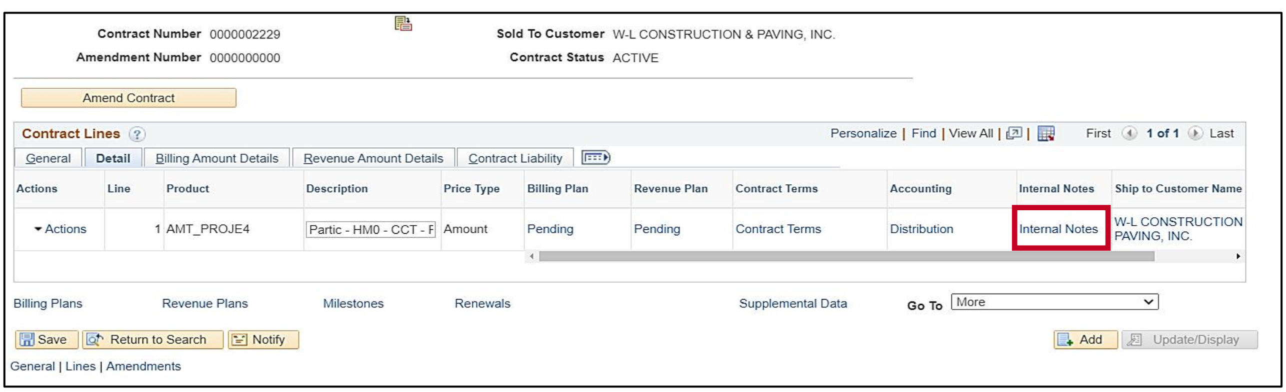
You can add internal notes to the contract at any point to provide additional explanation for maintenance and updates made to the contract.



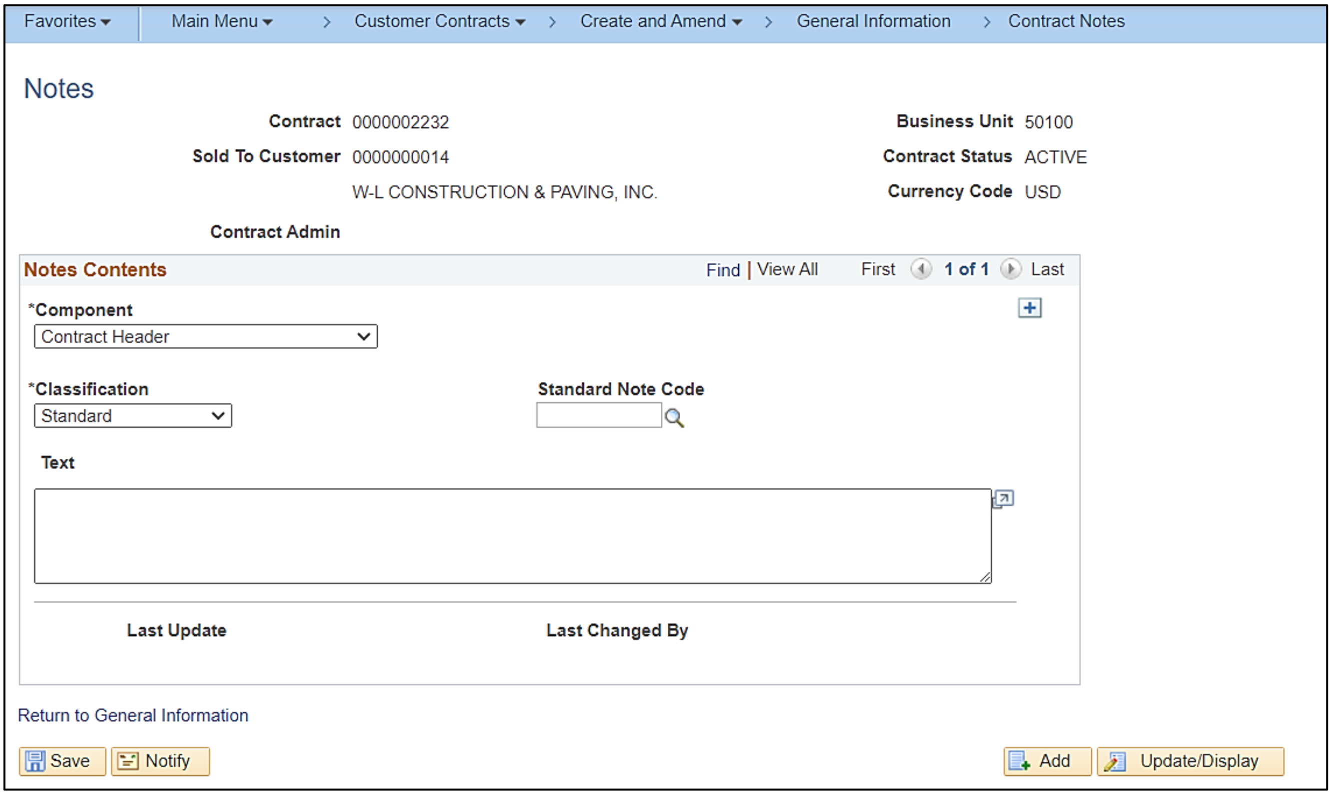
1. To access the **Internal Notes** page, from the **General** tab, click the **Lines** tab.



2. Click the **Detail** tab under the **Contract Lines** section.



3. Click the **Internal Notes** link under the **Internal Notes** field.

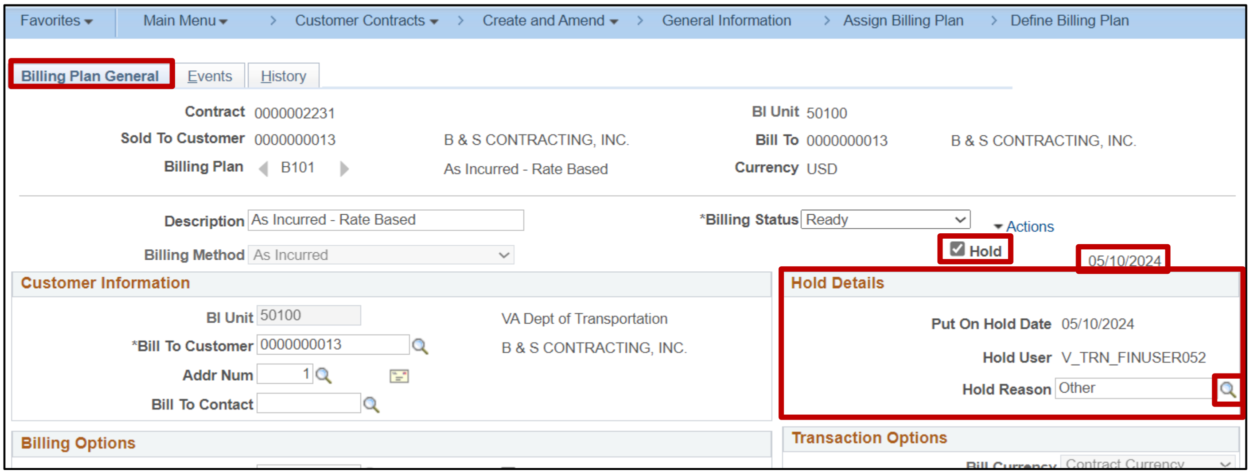


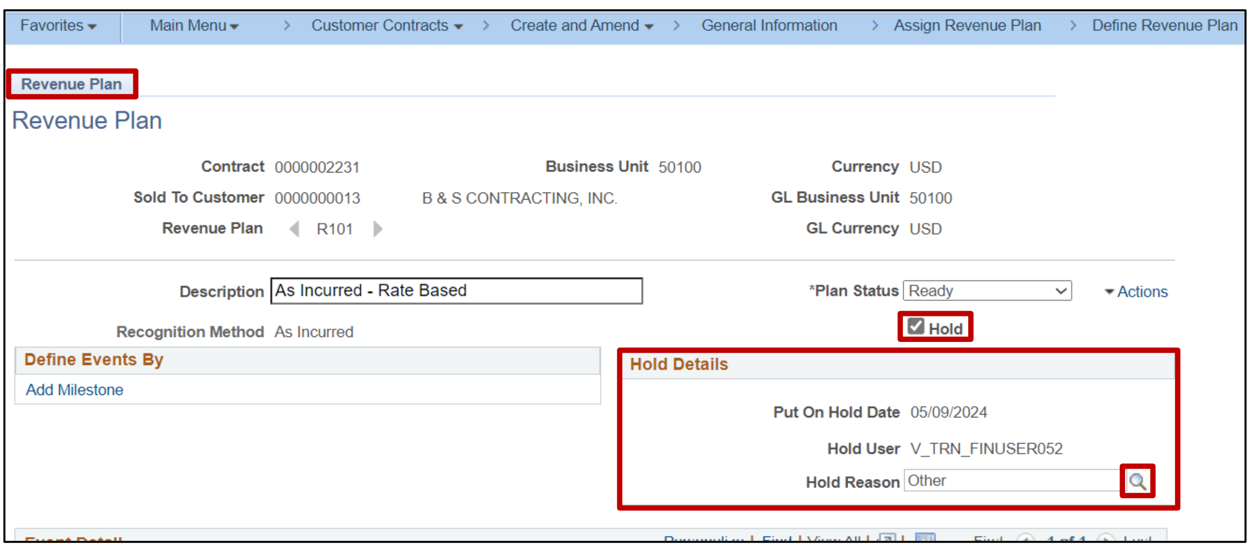
4. To enter Internal Notes:
5. Select the appropriate **Component** (e.g., Billing Plan, Amendment, Revenue Plan, Contract Header)
6. Click the **Classification** dropdown menu. Select **Custom**.
7. Click the look up icon in the Standard Note Code field. Select the appropriate value for the type of note being entered.
8. In the **Text** field, enter the appropriate note.
9. Click the **Save** button to save the notes.
10. Once the note has been saved, the **Last Update** and **Last Changed** by fields update.
11. Click the Return to General Information link when done.

Placing a Hold on the Billing & Revenue Plan

After you update the **Contract Status** to **Active,** you can navigate back to the **Billing Plan** or **Revenue Plan** and view that each plan's status has updated to **Ready**. There may be times when a Billing or Revenue plan needs to be placed on hold for various reasons.

1. To place the Billing or Revenue Plan status on hold, navigate to the appropriate page.





2. On the **Billing Plan General** or **Revenue Plan** tab, click the **Hold** check box to put the plan on hold.

3. Once the check box is checked, a **Hold Details** section displays, with three fields.

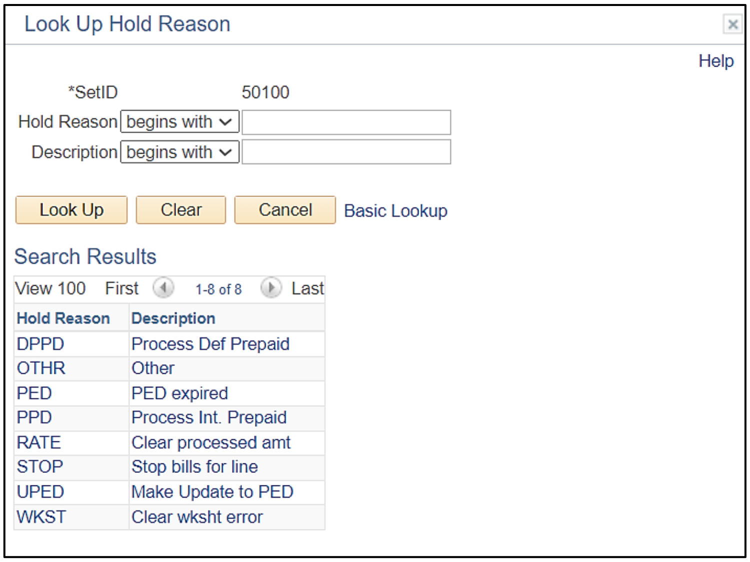
   a. **Put On Hold Date**: populates with the current date
   Note: For the Billing Plan only, the Hold date also displays next to the **Hold** checkbox.

   b. **Hold User**: populates with the name of the person who placed the Hold.

   c. **Hold Reason**: provides a lookup icon to select the reason for the Hold.

4. Click the **Hold Reason** lookup icon.

The **Look Up Hold Reason** pop up window displays.

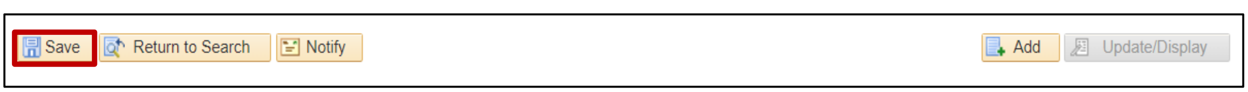


5. Select the appropriate **Hold Reason**.

See the table below for a list of **Hold Reasons**, **Description**, and the **Type of Contract** each hold reason applies to:

Hold Reason	Description	Type of Contract
DPPD	Process Def Prepaid	Non-Federal
OTHR	Other	Federal and Non-Federal
PED	PED expired	Federal
PPD	Process Int. Prepaid	Non-Federal
RATE	Clear processed amt	Federal and Non-Federal
STOP	Stop bills for line	Federal and Non-Federal
UPED	Make Update to PED	Federal
WKST	Clear wksht error	Federal

Note: Be sure to select the correct hold reason based on the contract. There are no edits for this field, so if you select one that does not match with the contract type, Cardinal will not display an error message.



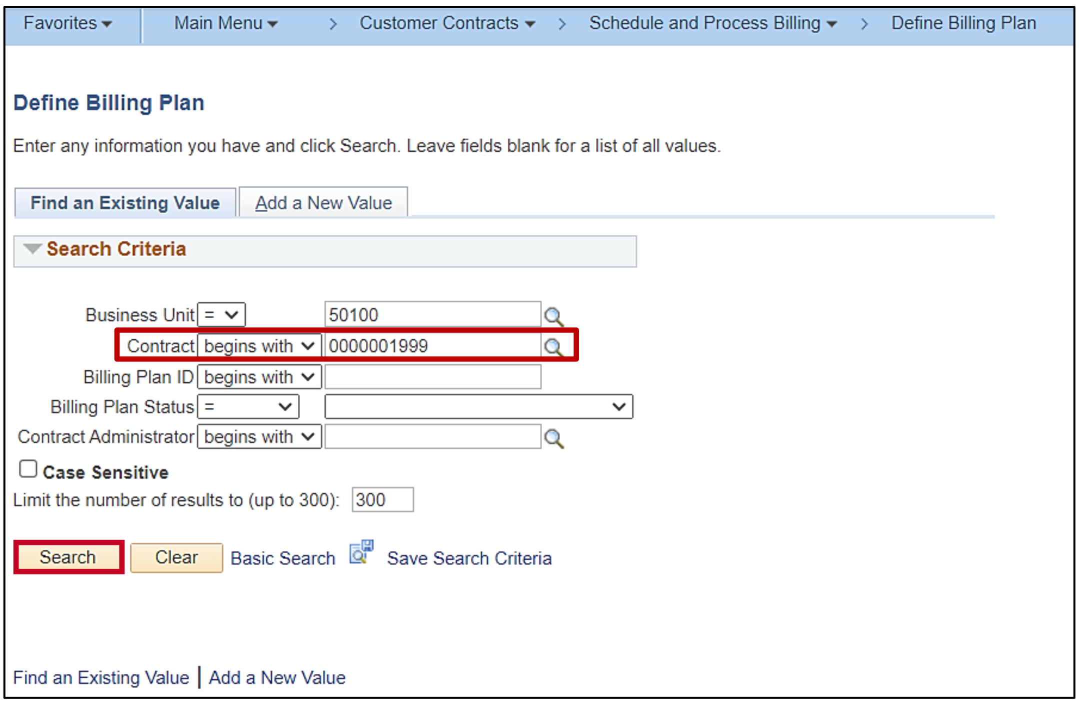
6. Click the **Save** button.

Closing a Customer Contract

You should only close a contract after the contract has fulfilled the contract terms. When you initiate a change in the processing status for a contract, the system performs a series of checks to ensure that the contract meets all of the necessary criteria to move to the next processing status level. Unless the contract meets all of the necessary criteria, the **Processing Status** cannot advance. Once the contract is **Closed**, it can no longer be used, amended, or reactivated. **Closed** contracts are removed from processing, but the historical contract data is still available for query.

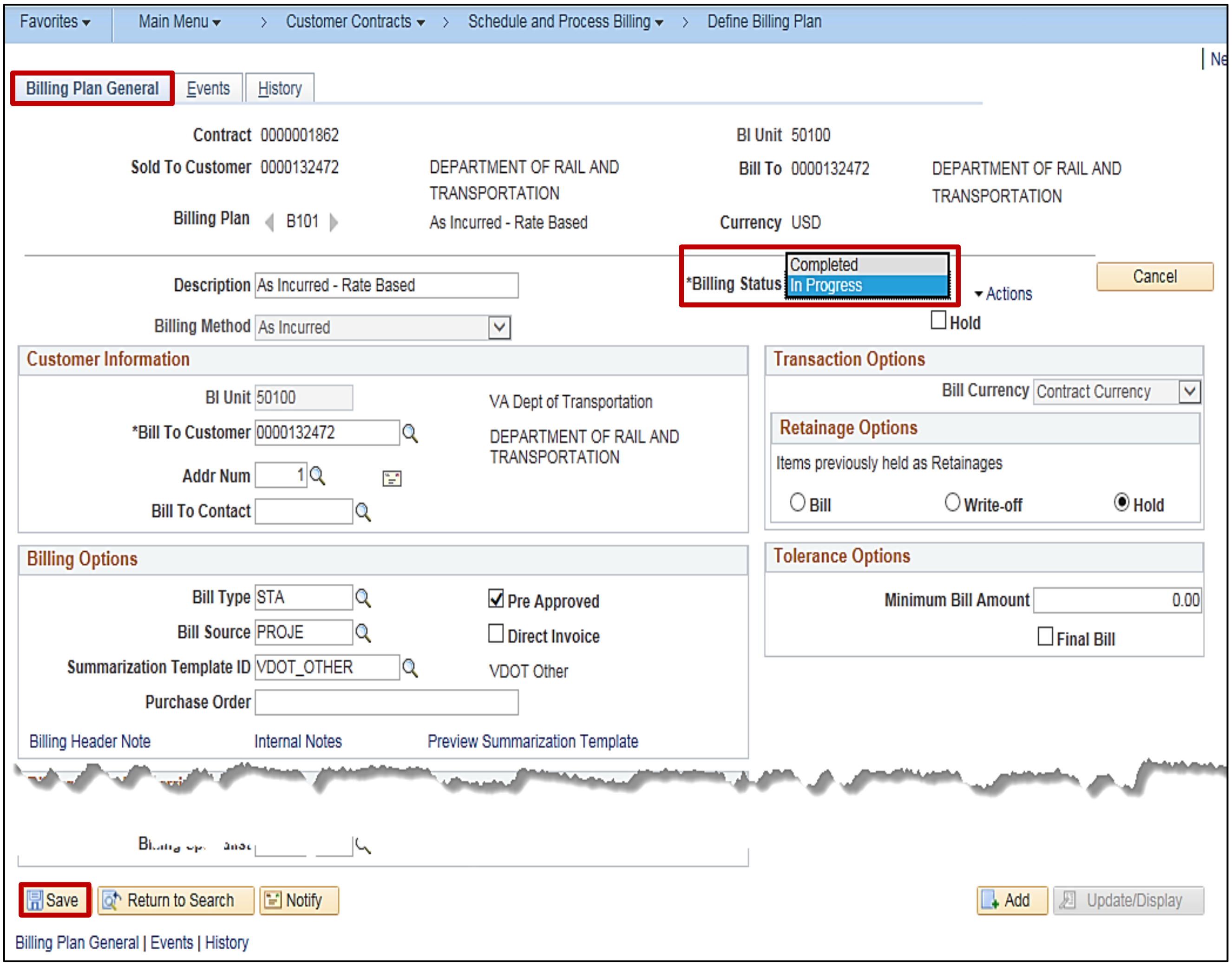
1. To close the contract, both the **Billing Plan** and **Revenue Plan** statuses must have a **Plan Status** of **Completed**.
2. To set the related **Billing Plan** to **Complete**, navigate using the following path:

   Main Menu > Customer Contracts > Schedule and Process Billing > Define Billing Plan



3. Enter the contract number in the **Contract** field.
4. Click the **Search** button.

The Define Billing Plan – Billing Plan General tab displays.

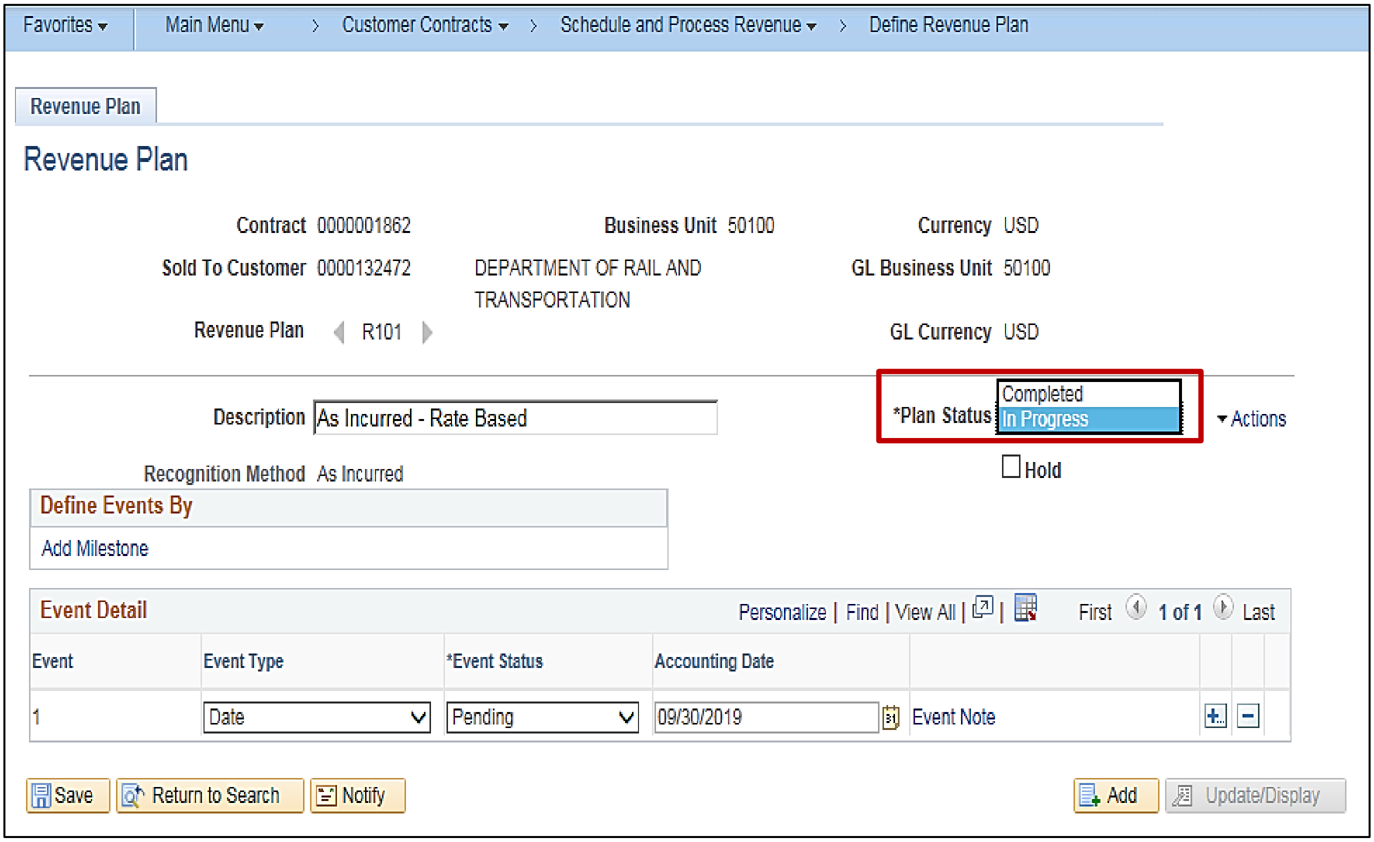


5. From the **Billing Plan General** tab, select the **Billing Status** of **Completed** using the drop-down arrow.
6. Click the **Save** button at the bottom of the page.

7. To set the related **Revenue Plan** to **Complete**, navigate using the following path:

   Main Menu > Customer Contracts > Schedule and Process Revenue > Define Revenue Plan

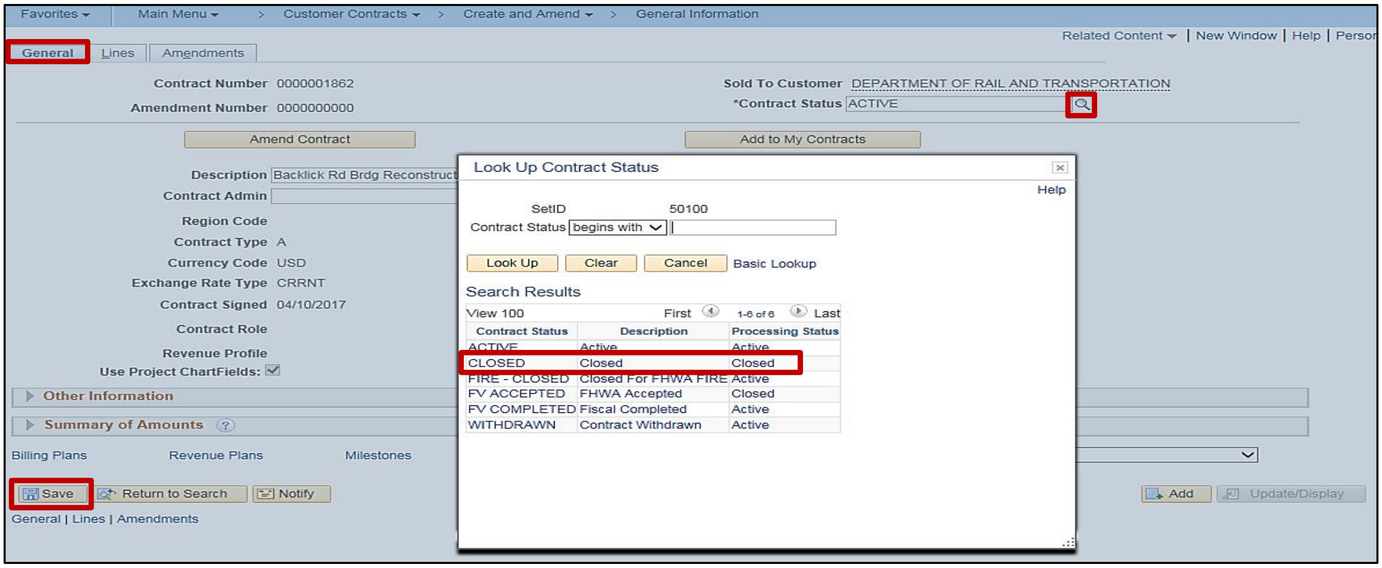
8. Search using **Business Unit** and **Contract** as search criteria.



9. On the **Revenue Plan** page, select the **Plan Status** of **Completed** using the drop-down arrow.
10. Click the **Save** button.

11. To set the **Contract Status** to **Closed**, navigate using the following path:

Main Menu > Customer Contracts > Create and Amend > General Information



12. On the General tab, select the **Contract Status** of **Closed** using the drop-down arrow.

13. Click the **Save** button.