



Project Accounting Job Aid

PA354_Hints for Non-Federal Customer Contract Maintenance (VDOT Only)

Hints for Non-Federal Customer Contract Maintenance Overview

This Job Aid is designed to help the user determine the appropriate type of Contract to use and what configuration Items are required based on the selected Contract Type.

Table of Contents

Revision History	2
Contract Types	3
Rate-Based	3
Amount-Based.....	3
Recurring.....	3
Bill Plan/Revenue Plan Status.....	4
Configuration Items Required by Contract Type.....	5
Configuration Notes	6
Rate-Based Prepaid	6
Amount-Based.....	6
Amount-Based Prepaid	6
Recurring.....	6
Contract Changes	7



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Revision History

Revision Date	Summary of Changes
11/19/2024	Baseline.



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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. A Recurring or an Amount-Based Contract must be used to bill in these cases
- 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. A Recurring or an Amount-Based Contract must be used 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 of periods



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Bill Plan/Revenue Plan Status

Bill Plan Status	Revenue Plan Status	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



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Configuration Items Required by Contract Type

Configuration Item	Rate-Based	Amount-Based	Recurring
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 a Prepaid is applied to a 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, users can find a preconfigured Product to add to an Amount-Based Contract. If a Product with the appropriate accounting string does not exist, users must create a new Distribution Code and Product. Users will link the Distribution Code to the new Product

Amount-Based Prepaid

- Confirm that the appropriate Product and Distribution Code exists
- For Prepays 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, 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

- The Product will always have to be created for a recurring Contract
- The Revenue/Bill Plan Template defines the number of periods the customer will be billed and is linked to the Product. If a Template that meets the Contract's needs does not exist, users will need to create one before creating the Product

Note: If a new amount-based Product or a new rate-based Product needs to be created, it is recommended that users 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 the user to ensure that the Product is created correctly. If the Product is not set up correctly, it will have downstream impacts to the Contract, billing, and GL distribution and require a Help Desk ticket to correct the errors. For more information pertaining to creating a rate-based Product, refer to the Job Aid **PA354_Creating Customer Contract Products** located on the Cardinal website in **Job Aids** under **Learning**.



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Contract Changes

Modification Needed	Change Takes Place in 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