OMNI AR/Billing:
Create Contract (Base + Variable/Rate)

Detailed Business Process Guides – ACONTRACTS1B

This guide illustrates how to enter a contract for an agreement with a base and a variable amount that will be uploaded via the Billing Spreadsheet Upload process. Use just the base portion of this tutorial to view how to enter similar contracts, such as for recurring internal rent.

Main Menu > Customer Contracts > General Information > Add a New Value

1. Navigate to the page.
2. Click the “Add a New Value” tab.
3. Determine if a contract naming convention is used. If so, input the next contract number according to the convention (e.g., COPY000214). If a naming convention is not used, input NEXT.

At 7/1/2016, all auxiliaries using the OMNI AR/Billing system are not using a contract naming
convention for any line of business. If you choose to use a contract naming convention, the best practice is to document the convention, request supervisory approval, and maintain consistently.

4. Search for and select the customer.
   a. If a new customer is needed, email CTL-AuxiliaryAccounting@fsu.edu to request the addition of a new customer.
   b. Click the magnifying glass next to “Sold To Customer”

   c. Search by any of the listed criteria.
      i. Helpful tips:
         1. For internal customers, Name 2 contains the OMNI Department ID.
         2. Customer Groups:
            a. INTERNAL (any internal, FSU customer with a 6-digit OMNI department ID)
            b. EXTERNAL (“outside” customers, not FSU, not a DSO/Component Unit)
            c. COMPONENT (for Component Unit/Direct Service Organizations (DSO)’s. This includes individual Foundation funds.)
d. Select the customer.
5. Click “Add.”

6. Enter general information about the contract on the “General” Tab.
   a. Always start with PENDING status. Status is updated in a later step.
   b. Enter a meaningful description of the contract.
   c. Lookup/select the Contract Administrator. This is the person responsible for maintaining the contract in OMNI, and is usually responsible for billing as well.
   d. Leave “Region Code” blank. This should default.
   e. Always use AUXILIARY for Contract Type. This should default.
   f. Always use CRRNT for Exchange Rate Type. This should default.
   g. Ensure the contract signed date is prior to any contract activity. Refer to the physical, executed contract for this detail.
7. Enter other information about the contract. Select the arrow beside “Other Information”
a. Enter information:
   i. Legal Entity is required. It should default to FSU.
   ii. Enter the Purchase Order – this will populate each line of the contract.
      1. **NOTE: Purchase Order (and appropriate lines, which will be entered later) MUST be entered for internal customers.** Purchase order may not apply to contracts for external customers. For copy contracts, customers are usually internal. Enter the appropriate PO as provided on the contract/work order.

8. Enter the Summary of Amounts. Click the arrow next to Summary of Amounts:

   a. Enter the negotiated amount. The negotiated amount should equal the fixed price portion of the contract. This field is used to verify that the total of the contract equals the total of all of the lines. When variable contract lines are added, they will have a zero amount; the billing interface (Billings module activity) will return information to the contract. This will not negatively impact this verification.
9. Enter the contract lines. Click on the “Lines” tab at the top of the screen.

a. Click on the “Add Contract Lines” button.

b. Search for the appropriate Product Group. Select “Look Up.”
c. Select “Search” on the next page to reveal the products. Enter additional search criteria as needed to narrow your search results.
   i. **Note**: For copier contracts, it is important that the serial number matches for all related products (products associated with 1 copier). A contract can include multiple copiers.

d. Select the desired product(s) by checking the box to the left of the product(s). Partial Product Description may be input with wildcard (%) to narrow down the product list returned (eg, %lease%).

e. Enter the start date/end date for the products selected.

f. Select “Add Contract Lines.”

g. Repeat until all contract lines are added.
   i. **Note**: For copier contracts, it is important that the serial number matches for all related products (products associated with 1 copier). A contract can include multiple copiers.
ii. Ensure the correct number of lines were added (look to the right of the search button).

h. Return to the contract lines by selecting the “Return to Contract Lines” hyperlink:
10. Complete the Contract Lines data for each contract line
   a. Start Date (enter the appropriate date per the executed contract)
   b. End Date (enter the appropriate date per the executed contract)
   c. Click “Save”
11. Click on the Amount Allocation hyperlink to allocate line amounts.

1. Enter the Summary of Amounts. Click the arrow next to Summary of Amounts:
   
   a. Enter the negotiated amount. The negotiated amount should equal the fixed price portion of the contract. This field is used to verify that the total of the contract equals the total of all of the lines.
      
      i. When variable contract lines are added, they will have a zero amount; the billing interface (Billings module activity) will return information to the contract. This will not negatively impact this verification.
b. Enter a quantity of 1 for each line equal to the line for a fixed price service (such as a lease). For any lines that have variable (rate) billing, change the quantity to zero.

c. Change the negotiated amount to be equal to the unit price times the number of times the product will be billed. For example, the copier lease negotiated amount will be equal to the lease term (42 months) times the monthly lease cost.

d. Click on the “Recalculate” button. If the amount of the lines equals the negotiated amount of the contract, the Allocation will change to “Allocation Complete.” This means your contract is balanced (your lines equal the total amount you expect from the contract).
   i. If the allocation does not balance, check your work.

e. Click “Save.”

f. Click on the “Return to General Information” hyperlink.
g. Enter your accounting information and other important information for your lines. Go to the “Lines” tab, and under the Contract Lines section, click on the “Detail” tab to add the accounting distribution.

h. Click on the “Distribution” hyperlink for a line (you will need to repeat for each line)
i. Click on the **Correct History** button

![Accounting Distribution](image)

**Accounting Distribution**
Dean College of Fine Arts

- **Contract**: AUX0000037
- **Line Num**: 1
- **Description**: C353_Lease_A02ED010011803

**Negotiated Amount**: 14,901.32
**Unit**: AUX01
**Currency**: USD

**Accounting Distributions**

<table>
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<tr>
<th>Effective Date</th>
<th>Percent</th>
<th>Amount</th>
<th>GL Unit</th>
<th>Distribution Code</th>
<th>Dept</th>
<th>Fund</th>
<th>Project</th>
<th>Bed Ref</th>
<th>ChartField 1</th>
<th>ChartField 2</th>
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</tbody>
</table>

Define Distributions By

- **Percent**
- **Amount**

**Calculate Amounts**

**Unbilled AR**

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<th>Amount</th>
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<th>Dept</th>
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</tr>
</tbody>
</table>

Return to General Information

- **Save**
- **Return to Search**
- **Notify**

- **Update Display**
- **Include History**
- **Correct History**

ii. Change the effective date to match the begin date of the contract (if needed).

iii. Define distributions by clicking on the appropriate radio button (Percent or Amount) if needed. This is needed if you want to assign a portion of each lien’s revenue to different department ID/fund/account code/chart field combinations. This is not normally needed.

1. Use Percent if you would want to assign a portion of the revenue by percentage to different revenue accounting combinations.
2. Use Amount for if you need to assign a portion of the revenue by amount to different revenue accounting combinations.
3. Leave on Percent if you do not plan to allocate across accounting combinations. It will defualt to 100%.

iv. Enter the Revenue Distribution Code (or search and select). Revenue Distribution Codes populate the department, fund, and revenue account designated for the type of activity. To understand your revenue distribution codes, refer to the Revenue Distribution Codes query (FSU_DPT_AUX_DIST_CODE).

1. Verify the distribution (scroll to the right to view the last column). If in error, correct any missing or inaccurate data. If there are inaccuracies, please contact ctl-auxiliaryaccounting@fsu.edu to correct the distribution code.
2. Enter any Optional Chartfields (Chartfields 1, 2, and 3) as dictated by your business process.

v. The Unbilled AR distribution code should default but it can be edited. The appropriate account code is 151001 (AR-Unbilled Auxiliary).

vi. Click Save.

vii. Repeat for each line.

1. To speed entry, click “Return to Search” and on the search page clear the “Line” field. This will show all lines. After you click into a line Accounting Distribution page, you will now see a “Next in List” tab which will allow you to toggle more easily between contract lines.

viii. Click Save.

i. Repeat for each line by clicking on the “Return to General Information” tab.
j. You will return to the Contract Lines tab. Click on Detail to repeat for each line.

*Note* Please ensure the list price for the product is what you expect by clicking on the amount detail tab. If it is not what you expect, please correct this amount.
2. Assign billing plans (define how the customer will be billed; how often, how much, etc). Click on the Billing Plans hyperlink.

   i. If all lines will have the same Billing Method and Billing Plan, click on the Select All hyperlink. Otherwise, click on the boxes by the individual lines (you will need to then repeat these steps for all lines). For a contract where you are charging base and commission, you should not assign the same bill plan to the lines.

   ii. Billing Plan: always use NEXT.

   iii. Billing Plan Template: Select the appropriate Billing Plan template. For the typical copy contract, 42 month is the typical selection.

       1. If you feel that you need another bill plan, please contact CTL-AuxiliaryAccounting@fsu.edu.

   iv. Billing Method: Only use if you do not have a Billing Plan Template selected for any reason.

       1. If “Price Type” is “Amount,” cannot select “As Incurred,” “Recurring” or “Value Based.”

       2. If a Billing Plan Template is used, this will default in based upon the template.

   v. Click “Assign” to assign the billing plan to the line(s).
vi. Repeat until all lines are assigned bill plans as needed.

3. Click on the hyperlink for each distinct Billing Plan to define it (e.g., B101). This will need to be repeated for each different bill plan.
a. Complete the Billing Plan General Tab:
   i. Many fields populate without your action due to the properties of the product selected. Verify all fields are correct.
   ii. Billing Header notes (optional): click to add notes if needed.
   iii. Internal Notes (optional): click to add notes (only Contract Admin can view)
   iv. Enter the correct Bill Source.
   v. Billing Default Overrides (if you want something other than the default values, click that here). You mostly do not need to do anything as these default for you. However:
      1. Enter the correct Billing Specialist.
      2. Enter Billing Authority.
      3. Ensure the phone number is correct. **If you do not ensure it is correct, it could default to the Controller’s Office phone number for Auxiliary Accounting.**
   vi. **IMPORTANT:** Check the “Pre-Approved” box for all non-sponsored project related contract activity. **If a sponsored project is being charged, you *must* leave the Pre-Approved checkbox blank. If a sponsored project is not being charged, you must check this box.** Checking the box sends the bill to the Temporary Bill worksheet, which is required for Sponsored Research Services to approve the bill.
      1. To understand whether a sponsored project is paying for a contract:
         a. Customer group = INTERNAL
         b. Review PO by reviewing this query: FSU_DPT_AUX_PO_RVW
         c. Check for a fund code beginning with 5 (eg, 550) and a project ID populated in the appropriate field.
   vii. Click “Save.” See screenshot (below) for detailed instructions.
viii. Repeat for lines as needed until all required information is completed for each line’s Bill Plan. Click the “Return to Assign Billing Plan” hyperlink at the bottom of the page to return to select additional lines.

b. Complete the Billing Plan Lines tab. Click the Billing Plan Lines tab:
1. Enter the Purchase Order (PO) and line if appropriate.
   a. This is not required for external customers, but you may enter it if you have one.
   b. **This is required for internal customers.** A lookup is provided to allow for verification of open PO’s. Please use the PO verification query: FSU_DPT_AUX_PO_Rvw to verify that the customer is correct and the line refers to the correct charge as needed to supplement the lookup. **Ensure both PO and PO line are present.**

4. Verify the amount is properly allocated. Click on the Events tab. Remaining percent and remaining amount should be zero. Review the lines to understand and verify how the bills will be generated.
   a. For example, in this example:
      i. Event status of “Ready” means that when the automated contracts to billing process runs on the appropriate date, the event will create a bill for the amount listed in the “amount” column.
ii. The Event Date shows the date after which the contracts to billings process will pick up the “event” and turn it into a bill.

5. Add additional lines if needed. In this example, the contract is for 3 years, but as it is currently set up, the $3,000,000 (across the two lines) will be billed out in just one year. This is incorrect for this example. To adjust, follow the below steps.
   a. (Note: additional billing plan templates can be defined to allow you to not have to perform the manual steps that follow; contact CTL-AuxiliaryAccounting@fsu.edu to discuss your options).
   b. For adding rows and redistributing the contract amount between events (for example, you believe your commission revenue will fluctuate throughout the year due to seasonal cycles):
      i. Click the Plus arrow on one of the rows to add additional rows.
      ii. Enter the number of rows needed. Hit “OK.”
iii. Change all of the “Event Status” to “Pending” from “Ready.” Repeat for each line. This allows you to change event dates and amounts.

iv. Change the radio button under “Define Events” to “Amount”
v. Adjust event dates and amounts to match your expected revenue as defined in the contract.

vi. Review your work. Change all Event Statuses back to “Ready” (Keep in mind: you have the option to leave Event Statuses in “Pending” and perform a monthly review to ensure manual review before customers are billed. This may be preferable. As of 10/25/2017, all auxiliaries using the contracts module are only setting up contract lines that they know will be billed – variable commissions are not accounted for in the Contracts module).

vii. Click “Save.”
viii. Repeat for additional billing lines as needed. In this example, this projects the base (nonvariable) commission, so the above steps need to be repeated to uniformly distribute the $2,000,000 across 36 (not 12) lines and to ensure the event dates span the contract period.

ix. Click “Save.”

6. Click on the “Return to Assign Billing Plan” hyperlink.
7. Click on the “Return to General Information” hyperlink.
8. Define your Revenue Plan (this determines the revenue accounting).
   a. Click on the “Revenue Plans” hyperlink.
b. If all lines will have the same Revenue Method and Revenue Plan, click on the Select All hyperlink. Otherwise, click on the boxes by the individual lines. Note: the Revenue Method is always Billing Manages Revenue, so you should always be able to “Select All”.


d. Always use NEXT for the Revenue Plan. Do not enter a Revenue Plan template because the Billing module manages revenue.

e. Click “Assign.”

f. Verify that the Revenue Method in the table reads “Billing Manages Revenue.”

g. Repeat for each line (if needed).

9. Click on the “Return to General Information” hyperlink.

10. Click on the “General” tab.

11. Add the copy of the contract as an attachment (This is required):

   a. Navigate at the “Go-To” box at the bottom right of the screen and select the dropdown “Attachments”
b. Click on the small paperclip icon to the right of the page.
c. Follow the prompts to navigate to your file on your local drive. Click “Upload.”

d. Click on the “General” hyperlink to return to the General Information tab for the header and complete the contract.
12. Change the Contract Status to ACTIVE. This activates the contract. *Note: once the contract is set to ACTIVE, all events set to “Ready” status will be picked up by the billing process to create bills when the event date is reached.*

13. Click “Save.”

End