



**FI\$Cal**

*Financial Information System for California*

# FI\$Cal Solution Walkthrough (SWT): Customer Contracts

July 2016 Departmental Release

# Agenda

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- Solution Walkthrough Objectives
- Customer Contracts Solution Overview
- Customer Contracts Processes
  - Create Customer Contracts
  - Activate Customer Contracts
  - Amend Customer Contracts
  - Close Customer Contracts
- Technology Considerations
- Session Recap
- Q&A Session



# SWT Objectives

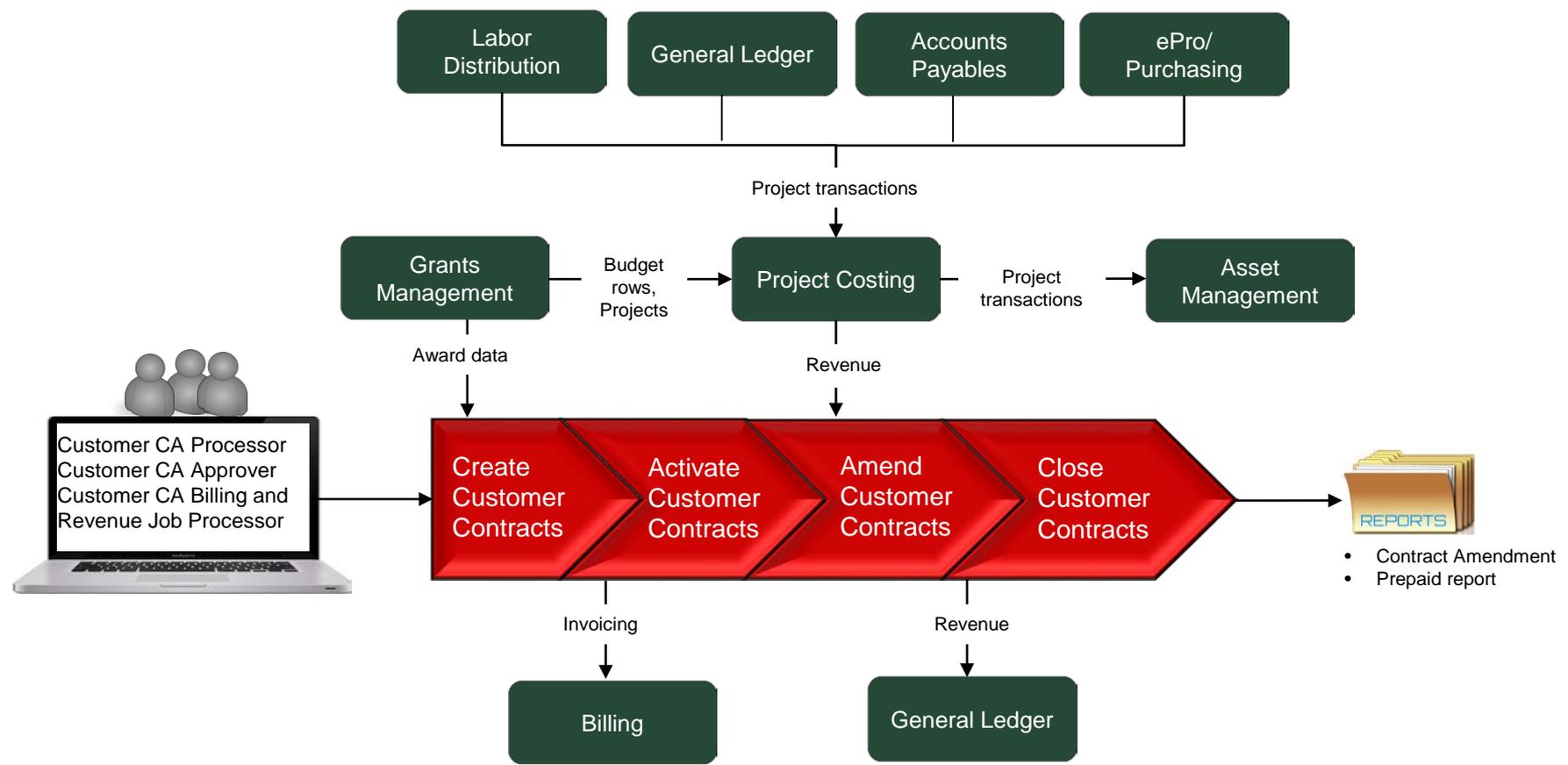
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The Solution Walkthroughs will provide:

- An overview of the business processes, including key terms and functionalities
- A demonstration of the FI\$Cal solution
- “To-Be” business processes



# Customer Contracts Overview



# Customer Contracts Overview

## Budget Act – Federal Fund (0890)

|  |            |
|--|------------|
| 3960-001-0890—For support of Department of Toxic Substances Control, payable from the Federal Trust Fund ..... | 30,500,000 |
| Schedule:  |            |
| (1) 3620011-Other Site Mitigation Activities .....   | 21,579,000 |
| (2) 3625-Hazardous Waste Management .....  | 8,493,000  |
| (3) 3630-Safer Consumer Products .....   | 428,000    |
| Provisions:  |            |

### Key Takeaway

- If department has federal (0890) funding source, department is required to use Project Costing, Grants and Customer Contracts.



# Customer Contracts Overview

## Budget Act – Appropriated Capital Outlay

|   |         |
|---|---------|
| 3125-301-0005—For capital outlay, California Tahoe Conservancy, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund .....  | 814,000 |
| Schedule:   |         |
| (1) 0000159-Land Acquisition and Site Improvements for Implementation of the Environmental Improvement Program for the Lake Tahoe Basin, pursuant to Title 7.42 (commencing with Section 66905) of the Government Code..... | 814,000 |

### Key Takeaway

- If department has appropriated capital outlay funding source of state fund (e.g. 0005), department is required to use Project Costing only.
- If department has appropriated capital outlay funding with federal fund (0890), then use Project Costing, Grants and Customer Contracts.
- If department has appropriated capital outlay funding source with reimbursement, then use Project Costing and Customer Contracts.



# Customer Contracts Overview

## Budget Act – Reimbursements

|  |             |
|--|-------------|
| 8660-001-0462—For support of Public Utilities Commission, payable from the Public Utilities Commission Utilities Reimbursement Account ..... | 93,506,000  |
| Schedule:  |             |
| (1) 9900100-Administration .....   | 44,924,000  |
| (2) 9900200-Administration—Distributed .....   | -44,924,000 |
| (3) 6680055-Energy .....   | 117,639,000 |
| (4) 6680064-Water/Sewer.....   | 11,234,000  |
| (5) 6680073-Communications .....   | 23,077,000  |
| (6) Reimbursements to 6680055-Energy .....   | -58,444,000 |

### Key Takeaway

- If department has REIMBURSEMENT funding source, department is required to use Project Costing and Customer Contracts.



# FI\$Cal's Customer Contracts Benefits

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Customer Contracts enables you to:

- Capture contractual terms and conditions for billing and recognizing revenue for goods and services.
- Link Projects to Contracts for Billing and Revenue recognition.
- Automated billing and set Billing Limits.
- Ability to create rate or amount based contract lines.
- Prepaid functionality for tracking and utilizing advanced payments.
- Choose when and how to bill customer and recognize revenue.
- Automated deferred revenue processing and revenue recognition.
- Contract Billing History page where invoices can be tracked.
- Ability to drill from Contracts Billing History to review associated Receivables Item.
- Manage changes through amendment processing.

# Customer Contracts Key Terms

| Term                        | Definition   |
|-----------------------------|--|
| <b>Project</b>              | Required FI\$Cal ChartField value used for tracking financial transactions associated with a Reimbursable Project (e.g. inter-departmental, private entities, local agencies).   |
| <b>Activity</b>             | Required FI\$Cal ChartField used to identify task or phase for the project.  |
| <b>Customer</b>             | External customer to be billed for the contract (e.g. inter-departmental, private entities, local agencies).   |
| <b>Customer Contract</b>    | Contract Agreement within FI\$Cal that will define Billing and Revenue Recognition terms for reimbursable project.   |
| <b>Contract Amendment</b>   | Change to the contract after it has been set to Active status. All history is tracked for contract amendments.   |
| <b>Procurement Contract</b> | Also referred to as a Vendor or Supplier Contract. An agreement with an individual or entity (e.g. vendor, grantee, finance/ leasing company) that the state will pay. This includes the transactional contract and the contract document. |

# Create Customer Contracts

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- Customer Contracts from Grants
  - Customer Contract page gets created automatically once the Award is generated.
  
- Customer Contracts without Grants
  - Manually create Customer Contracts
  - Add/update Contract Lines
  - Create Prepays
  - Create Bill Plans
  - Create Revenue Plans
  - Create Amendments

# Create Customer Contracts

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- Set Customer Contract Limits
  - Limit can be set for Contract lines.
  - Limits can also be set on specific transactions (such as labor, materials, or travel) that occur against a contract.
  - Transaction Limits use Transaction Identifiers to locate applicable transactions.
    - Transaction Identifiers are configurable combinations of Project Costing ChartFields (Resource Type, Resource Category, Resource Sub-Category).
  - All Billable transactions that are Priced within Project Costing and result in putting a contract line over it's associated limit will be identified with "OTL" Analysis Type and will not be billed / recognized.

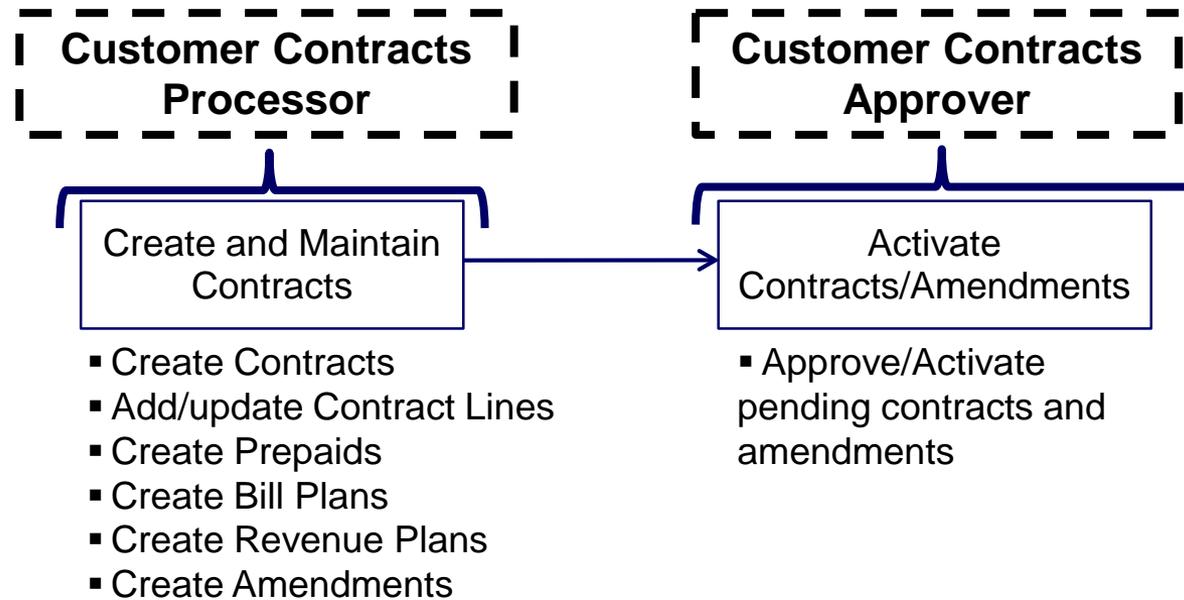
# Create Customer Contracts

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- Create Billing and Revenue Plans
  - Contains Billing and Revenue terms for the contract line.
  - Each contract line requires a Bill Plan and Revenue Plan.
  - Can be placed on Hold to prevent Billing and/or Revenue from running.
  
- Prepaid
  - The Prepaid solution is used for when amounts are collected in advance / up front.
  - As transactions are applied to Prepaid amount, the prepaid balance is reduced automatically. These actions cause entries that offset deferred revenue and revenue accounts.



# Create Customer Contracts



## Key Impacts

- Rate Based contract lines link Project Costing to Billing.
- All billing information sent into Billing Interface tables.

# Activate Customer Contracts

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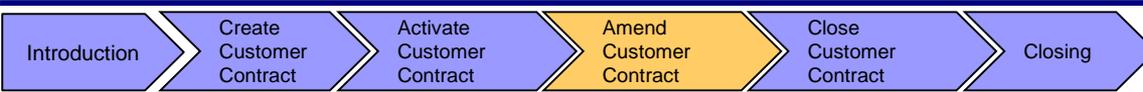
- Once the Contract is created, it is activated manually by the Customer Contract Approver in FI\$Cal.
- Customer Contracts manages revenue and billing accounting entries separately when Revenue and Billing processes are run.



# Amend Customer Contracts

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- Amendments provide historical change control for modifications made to the contract header and lines.
- Examples of contract amendments:
  - Modify billing limits
  - Modify contract types



# Close Customer Contracts

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- When Customer is fully billed and payment has been received, the Project Activity related to the Contract gets closed.
- Once a Contract is closed, it cannot be reopened.
- If a Contract is closed in error you must unlink the Project and Activity tied to the current contract and link it to a new one.



# Session Recap

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- Key Considerations
- Action Items
- Open Questions



More Information Can be Found at...

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FI\$Cal Project Information:

<http://www.fiscal.ca.gov/>

or e-mail the FI\$Cal Project Team at:

[fiscal.cmo@fiscal.ca.gov](mailto:fiscal.cmo@fiscal.ca.gov)

# Appendix

Additional information and screenshots for reference

# Accounting Entries

- Revenue Entry: The accounting entry is generated when the revenue process is run by debiting Unbilled AR and crediting Revenue Account.

| Account             | Debit | Credit |
|---------------------|-------|--------|
| Unbilled AR Account | 100   |        |
| Revenue Account     |       | 100    |

- Billing Entry: The accounting entry is generated when the billing process is run, by debiting AR and crediting Unbilled AR account.

| Account             | Debit | Credit |
|---------------------|-------|--------|
| AR Account          | 100   |        |
| Unbilled AR Account |       | 100    |

# Accounting Entries

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- When cash applications are posted in Accounts Receivable Cash is debited and AR is credited.

| Account      | Debit | Credit |
|--------------|-------|--------|
| Cash Account | 100   |        |
| AR Account   |       | 100    |

# Create and Amend Customer Contracts – Demonstration

## Create Customer Contract: Contract General Information

General | Lines | Amendments

Contract Number: TULARE\_K8      Sold To Customer: Master Services  
 Amendment Number: 0000000000      \*Contract Status: ACTIVE

Amend Contract

Add to My Contracts

|                     |   |                          |                                |
|---------------------|---|--------------------------|--------------------------------|
| Description:        | <input type="text" value="New Tulare K8 School"/> | Processing Status:       | Active                         |
| Contract Admin:     | <input type="text" value="Emmerson,Nancy"/>       | Amendment Status:        | Complete                       |
| Region Code:        |   | Business Unit:           | Department of General Services |
| Contract Type:      | GRANTS  | Contract Classification: | Standard                       |
| Currency Code:      | USD   | Start Date:              | 07/01/2013                     |
| Exchange Rate Type: | CRRNT   | End Date:                | 12/31/2099                     |
| Contract Signed:    | 05/12/2014  | Last Update Date/Time:   | 05/12/2014 5:43:19PM           |
|                     |   | Last Update User ID:     | DHoferkamp                     |

▶ Other Information

▶ Summary of Amounts

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

# Create and Amend Customer Contracts – Demonstration

## Create Customer Contract: Contract Lines

General | **Lines** | Amendments

Contract Number: TULARE\_K8  Sold To Customer: Master Services  
 Amendment Number: 0000000000 Contract Status: ACTIVE

Amend Contract

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

| Line | Product      | Description  | Price Type | Start Date   | End Date   | Status |
|------|--------------|--------------|------------|--|--|--------|
| 1    | DSA-SERVICES | DSA Services | Amount     | 07/01/2013  | 12/31/2099  | Active |

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

# Create and Amend Customer Contracts – Demonstration

## Create Customer Contract: Line Details

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

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**Contract Number:** TULARE\_K8       **Sold To Customer:** Master Services  
**Amendment Number:** 0000000000      **Contract Status:** ACTIVE

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**Contract Lines** Personalize | Find | View All |  |  First 1 of 1 Last

| Line | Product      | Billing Plan | Revenue Plan | Contract Terms | Accounting   | Internal Notes | Ship to Customer Name |
|------|--------------|--------------|--------------|----------------|--------------|----------------|-----------------------|
| 1    | DSA-SERVICES | In Progress  | Ready        | Contract Terms | Distribution | Internal Notes | Master Services       |

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

# Create and Amend Customer Contracts – Demonstration

## Create Customer Contract: Line Details - Contract Terms

Related Projects | **Contract Amendments**

|                   |              |   |                   |                 |
|-------------------|--------------|---|-------------------|-----------------|
| Contract Number:  | TULARE_K8    |  | Sold To Customer: | Master Services |
| Amendment Number: | 0000000000   |   | Contract Status:  | ACTIVE          |
| Contract Line:    | 1            |   | Price Type:       | Amount          |
| Product:          | DSA-SERVICES |   |                   |                 |
| Description:      | DSA Services |   |                   |                 |

[Amend Contract](#)

PC Business Unit:  

Associated Projects & Activities Personalize |  First  1 of 1  Last

| *Project  | Description          | *Activity   | Description      | Source Type   | Category  | Subcategory   |
|---|----------------------|---|------------------|---|---|---|
| <input type="text" value="000000000000178"/>  | New Tulare K8 School | <input type="text" value="W"/>  | Working Drawings | <input type="text"/>  | <input type="text"/>  | <input type="text"/>  |

[Create Project](#)

[Create Activity](#)

# Process Billing and Revenue – Demonstration

## Create Customer Contract: Line Details – Bill Plan

**Contract:** TULARE\_K8 **BI Unit:** 7760  
**Sold To Customer:** 0000050039 Master Services **Bill To:** 0000050039 Master Services  
**Billing Plan:** B101 Immediate Billing Plan **Currency:** USD

**Description:** Immediate Billing Plan **\*Billing Status:** In Progress Cancel  
**Billing Method:** Immediate  Hold

### Customer Information

**BI Unit:** 7760 Department of General Services  
**\*Bill To Customer:** 0000050039 Master Services **Addr Num:** 1  
**Bill To Contact:** 1 Marcos Oliveria

### Amount Detail

|                               |              |
|-------------------------------|--------------|
| <b>Negotiated Amount:</b>     | 4,000,000.00 |
| <b>Total Amount:</b>          | 4,000,000.00 |
| <b>Total Billing History:</b> | 4,000,000.00 |

### Billing Options

**Bill Type:** CA  Pre Approved [Billing Header Note](#)  
**Bill Source:** CONTRACTS  Direct Invoice [Internal Notes](#)  
**Summarization Template ID**  [Preview Summarization Template](#)

### Billing Default Overrides

**Invoice Form:** PS/PC  
**Cycle ID:** ON-DEMAND [View Customer Defaults](#)  
**Bill By ID:** CONTRACT Contract  
**Payment Method:**   
**Payment Terms:**   
**Billing Inquiry:** 800-246-8000  
**Billing Specialist:** CMT Catherine O Toole

# Process Billing and Revenue – Demonstration

## Create Customer Contract: Line Details – Revenue Plan

Revenue Plan

### Revenue Plan

**Contract:** TULARE\_K8      **Business Unit:** 7760      **Currency:** USD  
**Sold To Customer:** 0000050039      **Master Services**      **GL Business Unit:** 7760  
**Revenue Plan:** R101      **GL Currency:** USD

**Description:**       **\*Plan Status:**  ▾  
**Recognition Method:** Percent Complete       Hold

#### Define Events By

**Percent Source:**  ▾        
**Internal Notes**      [Preview Revenue](#)

#### Amount Detail

**Total Amount:** 4,000,000.00  
**Remaining Percent:** 100.00000000  
**Remaining Amount:** 4,000,000.00

#### Event Detail

[Personalize](#) | [Find](#) | [View All](#) | |      First  Last

| Event | *Event Status                          | Percent Complete | Accounting Date                         |            | Incremental % Complete | Amount |
|-------|--|------------------|---|------------|------------------------|--------|
| 1     | <input type="text" value="Pending"/> ▾ |                  | <input type="text" value="05/12/2014"/> | Event Note |                        | 0.00   |

# Process Billing and Revenue – Demonstration

## Process Billing: Establish Prepaid

Prepays    Audit History    Amendments

Contract Number: TULARE\_K8  Sold To Customer: Master Services  
 Amendment Number: 0000000000 Contract Status: ACTIVE

| Contract Prepaid Totals |               |
|-------------------------|---------------|
| Purchased Amount:       | 50,000,000.00 |
| Remaining Amount:       | 50,000,000.00 |
| Committed Amount:       | 0.00          |

Amend Contract

Prepays for this Contract Personalize | Find |   First  1 of 1  Last

| General                |                          | Utilization      | Initial Billing  | Deferred Revenue Distribution |                 |               |   |
|------------------------|--------------------------|------------------|------------------|-------------------------------|-----------------|---------------|---|
| Status                 | Hold                     | Purchased Amount | Remaining Amount | Committed Amount              | Expiration Date | Depleted Date |   |
| 1 <span>Ready</span> ▼ | <input type="checkbox"/> | 50,000,000.00    | 50,000,000.00    | 0.00                          | 12/31/2099      |               |   |

Go To: [Billing Plans](#)

# Customer Contract Amendments

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

**Contract Number:** TULARE\_K8      **Sold To Customer:** Master Services  
**Amendment:** 0000000000      **Contract Status:** ACTIVE

**Amendments**      Personalize | Find | View All | |      First 1-2 of 2 Last

| Amendment  | Amendment Type      | Reason | Process Date | Amendment Status | Detail                 | Notes                 |
|------------|---------------------|--------|--------------|------------------|------------------------|-----------------------|
| 0000000000 | Contract Activation |        | 05/12/2014   | Complete         | <a href="#">Detail</a> | <a href="#">Notes</a> |

Click Amend Contract to initiate a Contract Amendment.

# Customer Contract Amendments

General | Lines | Amendments

Contract Number: TULARE\_K8      Sold To Customer: Master Services  
 Pending Amendment: 0000000001      Contract Status: ACTIVE

View Current

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

General | Statistics | Amended Amounts | Misc.

| Amendment  | Amendment Type      | Reason              | Process Date | Amendment Status | Detail | Notes |
|------------|---------------------|---------------------|--------------|------------------|--------|-------|
| 0000000000 | Contract Activation |                     | 05/12/2014   | Complete         | Detail | Notes |
| 0000000001 | Additional Purchase | Additional Purchase | 05/12/2014   | Pending          | Detail | Notes |

Go To: Billing Plans      Revenue Plans      Milestones      Renewals      Amount Allocation      More

Original Contract Agreement is always Amendment “0000000000” and is “greyed out” upon Activation.