



**FI\$Cal**

*Financial Information System for California*

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

2017/18 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
- Session Recap
- Q&A Session



# SWT Objectives

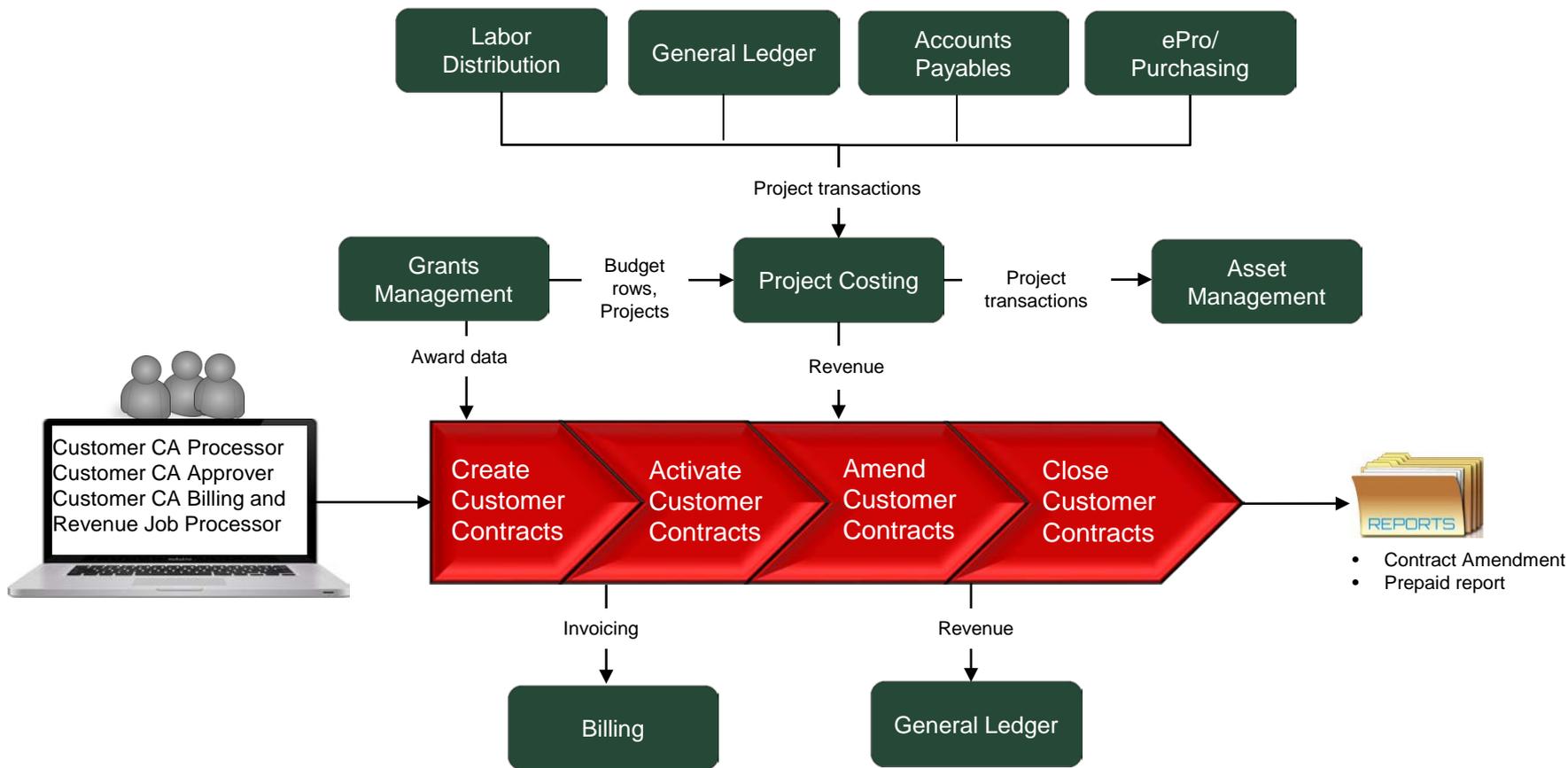
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The Solution Walkthroughs will provide:

- 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 and needed to track expenditures associated with reimbursement, recommend the use of 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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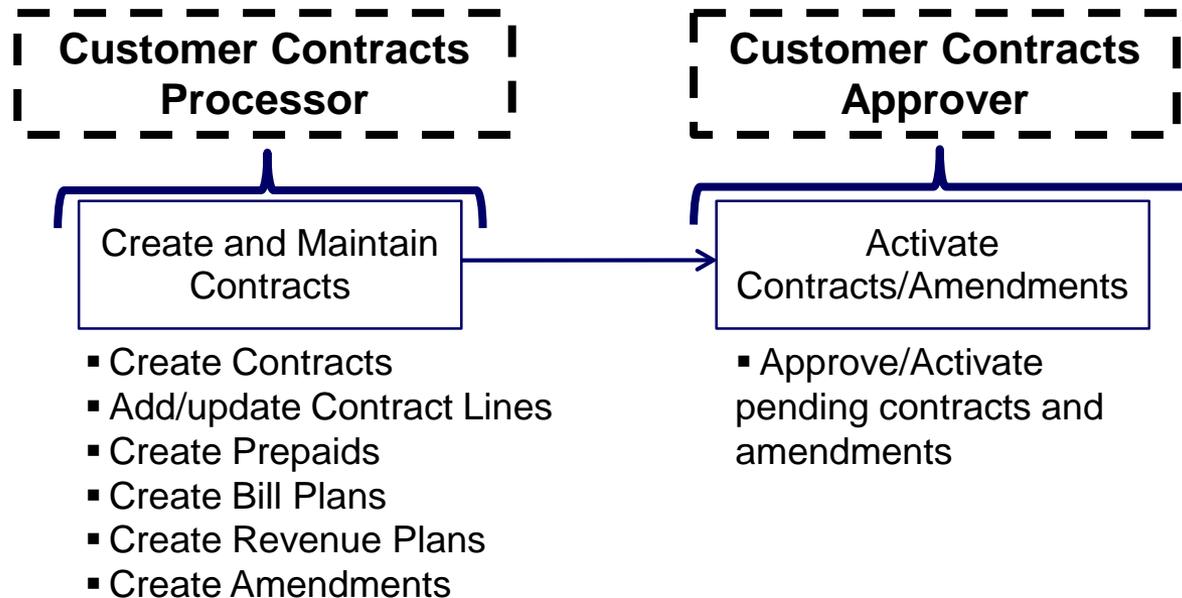
- Set Customer Contract Limits
  - Limit can be set for Contract lines.
  - Limits can also be set on specific transactions (such as labor, materials, or travel) that occur against a contract.
  - Transaction Limits use Transaction Identifiers to locate applicable transactions.
    - Transaction Identifiers 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

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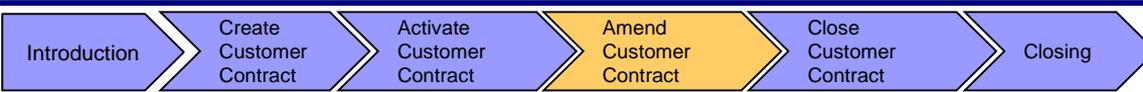
- Once the Contract is created, it is activated manually by the Customer Contract Approver in FI\$Cal.
- Customer Contracts manages revenue and billing accounting entries separately when Revenue and Billing processes are run.



# 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:

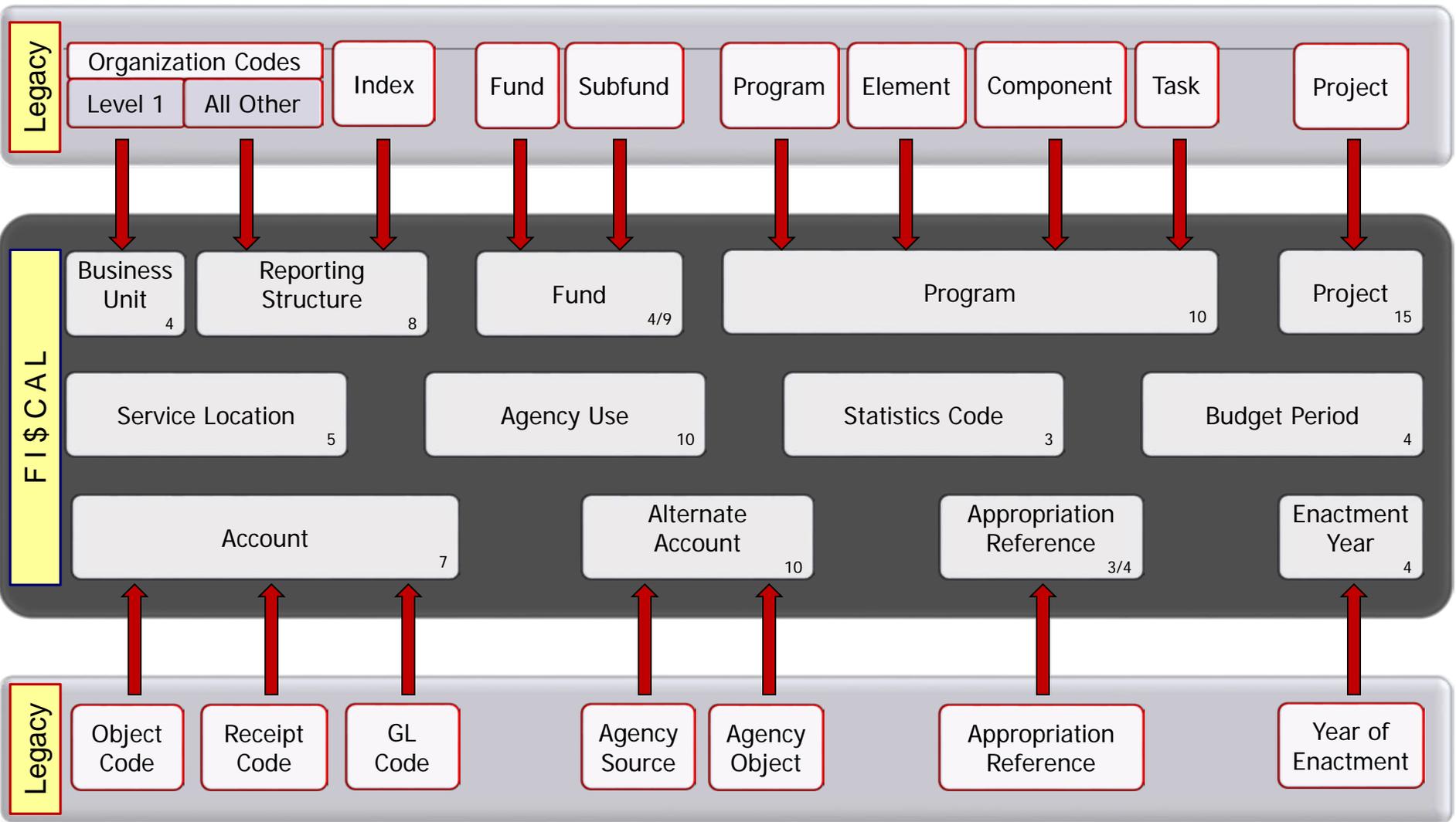
[fiscal.cmo@fiscal.ca.gov](mailto:fiscal.cmo@fiscal.ca.gov)

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# Appendix

Additional information and screenshots for reference

# ChartField / UCM Codes Cross-Reference



# Accounting Entries

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- 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 <input type="text"/>		
<a href="#">Amend Contract</a>		<a href="#">Add to My Contracts</a>			
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		
<a href="#">▶ Other Information</a>					
<a href="#">▶ Summary of Amounts</a>					
Go To:	<a href="#">Billing Plans</a>	<a href="#">Revenue Plans</a>	<a href="#">Milestones</a>	<a href="#">Renewals</a>	<input type="text" value="More"/>

# 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

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	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](#) More 

# Create and Amend Customer Contracts – Demonstration

## Create Customer Contract: Line Details - Contract Terms

Related Projects

Contract Amendments

Contract Number: TULARE\_K8

Amendment Number: 0000000000

Contract Line: 1

Product: DSA-SERVICES

Description: DSA Services

 Sold To Customer: Master Services

Contract Status: ACTIVE

Price Type: Amount

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:**  **\*Billing Status:**    
**Billing Method:**   Hold

**Customer Information**

**BI Unit:**  Department of General Services  
**\*Bill To Customer:**   Master Services **Addr Num:**     
**Bill To Contact:**   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:**    Pre Approved [Billing Header Note](#)  
**Bill Source:**    Direct Invoice [Internal Notes](#)  
**Summarization Template ID**   [Preview Summarization Template](#)

**Billing Default Overrides**

**Invoice Form:**    
**Cycle ID:**   [View Customer Defaults](#)  
**Bill By ID:**   Contract  
**Payment Method:**   
**Payment Terms:**    
**Billing Inquiry:**    
**Billing Specialist:**   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**     

**Amount Detail**

<b>Total Amount:</b>	4,000,000.00
<b>Remaining Percent:</b>	100.00000000
<b>Remaining Amount:</b>	4,000,000.00

**Event Detail**      [Personalize](#) | [Find](#) | [View All](#) | |      First  1 of 1  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.