Business Process Benefits:

- Contracts may be linked to project and activity rate templates which apply specified retainages and limits to rate-based contract lines.
- Ability to recognize revenue either through Billing or Contracts based on the Individual Contract line.
- Allows individual contract lines to be renewed without creating a new contract.
- Integrates with the Projects module to allow projects to bill.

'To-Be' Process Narrative:

The Customer Contracts Module will be used to capture long term revenue generating contracts for products and services. Customer Contracts represent an agreement between a State Agency and the customer that they are billing, which could be another State Agency, a Federal Agency, or a Third Party. This module is an integration point between Projects & Billing which allows costs or labor incurred on a project to billed. It may also be used for Grant reimbursements for expenditures from the Federal government to be reported. Depending on the level of detail needed, the Customer Contracts module may also be used for Lease and Rental agreements where money is received by the State.

The Customer Contracts module will enable the Agency Contract Specialist to define product and service offerings; capture contractual terms and conditions; choose when and how much to bill; and recognize revenue in a manner most applicable for the State of Connecticut's business needs. This process will also allow changes to contracts to be managed through amendment processing and enable renewal activity by using the Customer Contracts module renewal processing feature.

The Business Processes contained in this document will describe how the Customer Contracts module creates contracts within Core-CT. There are several processes which must be followed in order for a contract to be created:

- Define Terms and Conditions of Agreement
- Capture Contract Pricing
- Review and/or Update Accounting Distribution
- Create Contract Billing Plans
- Create Revenue Recognition Plans
- Associate Notes or Documents
- Activate Contract
- Copy a Contract

Define Terms and Conditions of Agreement

The initial step in the Create Contract business process is defining the terms and conditions of the contract. The defining of terms and conditions consists of the following sub processes:

1. Defining the general contract information - Contract Header
2. Select offering(s) for contract - Contract Line(s)

Step #1 - Define General Contract Information

The contract header is where the Agency Contract Specialist will enter the agreement information relevant to the contract. When adding a new contract, the Business Unit and Sold To Customer should be specified. The contract number will default to NEXT. After the contract is saved, the defaulted contract number will appear on the Contract General page.

Contract General

General Contract information requires input/selection into the following fields on the Contract General tab:

- Description – description of the contract.
- Contract Status – whether the contract is Pending, Active or Closed. The contract status is Pending when adding a new contract.
- Contract Type – description of the type of contract (for example, a Federal contract).