Hints for Federal Customer Contract Maintenance Overview

This Job Aid is designed to provide quick explanations of concepts related to Federal Customer Contract maintenance.

Table of Contents

Participation Rate Modifications

For detailed instructions, refer to the job aid entitled **PA353: Billing Adjustment for Change in Participation Rate** located on the Cardinal website in **Job Aids** under Lear**ning**.

1.   Place the **Bill Plan** on **Hold**.

2.   Submit a billing adjustment to bill, or return amounts, to FHWA (Federal Highway Administration) for the life to date billing equivalent, which represents the difference between the current rate and the new rate.

3.   After the billing adjustment has processed completely:

   a.   Take the **Bill Plan** off **Hold**.

   b.   Amend the contract to update **Rate Set** on the **Transaction Limit** page.

   c.   Update the **Rate Set** on the **Contract Terms** page with the proper **Rate Set**.

Transaction Limits Amendments

Transaction Limits cannot be reduced to an amount lower than the processed amount. If a modification is received which requires a reduction of the limit which is lower than the processed amount, you must determine whether the processed amount has been completely billed to FHWA or whether the processed amount contains pending transactions.

1. If the processed amount has been completely billed to FHWA:

    a. Process a **Billing Adjustment** to return the amount billed back to FHWA.

2. If the processed amount contains pending transactions:

    a. Remove the **Rate Set** from the **Contract Terms** page.

    b. Place the **Bill Plan** on **Hold** so the amount can be cleared by batch processes.

    c. On the following day, reduce the **Transaction Limit** by processing an **Amendment**.

Configuration Items Required for a Federal Contract

Configuration Item	Federal Rate-Based
Transaction Identifier *	✓
Product	✓
Source Type *	✓
Source Group *	✓
Rate Set *	✓
Accounting Rule *	✓
Product Group	✓
Detail Bill Plan Template	✓
Revenue/Bill Plan Template	✓

* These configuration items are required when a new appropriation code is received.

Frequently Asked Federal Contract Questions

Can a Federal contract bill two different Projects at the SAME time?

- Yes, a Federal contract can have many **Projects** in the **Associated Projects & Activities** section of the **Contract Terms** page. Additionally, **Projects** can be linked to the same phase (i.e., **Activity**) because the contract is billing different expenditures.

When can I link a Project to a contract?

- **Projects** cannot be associated to a contract unless the **Project Status** and **Processing Status** are at least **Budget/Active**. If the **Project Status** is not set as **Budget**, complete the amendment leaving the **Project** field blank and include a comment on the **Internal Note** page.

Can two Federal contracts bill the same Project simultaneously?

- Yes, <u>but</u> only if each contract is billing for a different phase. As you enter a new contract and review the **Summary Activities** section, you can tell whether a project and phase have already been assigned to another contract. If the list of available **Activities** does not include the **Activity** you are looking for, the **Project/Activity** combination has already been assigned to another contract. If a **Participating Phase** is checked where there are not available activities, Cardinal issues an error message.
  When **Activities** cannot be associated to a contract, leave the **Project** field blank, and complete the **Amendment** as usual. Include a comment in the **Internal Notes** that the phase is already associated to **Contract** number **XXX**.

When can project and activities be moved to a different contract line or a different contract?

- Since only one contract can bill the same **Project** and **Phase** at a time, **Project** and **Activities** should not be moved to the second contract until the transactions have fully processed and any pending transactions have been cleared on the first contract line/contract. Pending transactions include split Billable Amount (**BIL**) or Billing Deferred Amount (**DEF**) rows. If the contract is included on the daily bill to FHWA, the **Project** and **Activities** should not be moved until the next day.

Can a Federal contract bill Region 03 and Region 15 simultaneously?

- No, contracts with **Region 03** and **Region 15** need to be set up with two **Contract** <u>Lines</u>, one for each **Region**. For the first contract line, the **Federal Region Code** on the **Contact Header**, and the **Contract Line** with the associated **Project** and **Phase**, should be for the same **Region** <u>currently billing</u>. The second **Contract Line**, which is not billing, will <u>not</u> have a **Project** and **Phase** associated to it. Once the first **Contract Line** (for the first **Region**) is complete, manually update **Contract Line 1** to stop billing, and manually update the second **Contract Line** to begin billing. Be sure to also update the **Federal Region Code** on the **Header** in order to bill the correct **Region** related to **Contract Line 2**.

Which Federal Contract Line is currently billing?

- A **Contract Line** with a **Project** (or many **Projects**) and **Activities** linked to that **Contract Line** will bill up to the **Transaction Limit** as new transactions are posted for the **Project**. Any contract line with **Project Activity** combinations will bill except when:

  – The **Bill Plan** is on **Hold**

  – There is no **Rate Set** populated on the **Contract Terms** page

  – There are no expenditures to bill

  – The billing for expenditures has exceeded the obligation amount

Why do we add the Proposal ID to the Federal Contract Header?

- The **Proposal ID** is used in many Project Accounting reports. In order for these reports to be a useful tool providing contract information for review, the **Proposal ID** should always be updated with the total obligated amount for the Federal contract.

How can I correct billing the wrong Project or Activities to a Federal Contract?

- First, navigate to the **Contract Terms** page, **Related Projects** tab and click on the **Review Limits** hyperlink to ensure the Contract has no **Processed Amounts**.

1. If the contract has never billed (i.e., zero **Processed Amounts**):

   a. Click the radio button beside the first incorrect **Project**.
   b. Click on the **Delete Activities** button at the bottom of the **Contract Terms** page.
   c. Select the checkbox next to the phase(s) that needs to be deleted and click on the **OK** button. You will return to the **Contract Terms** page.
   d. Click on the **Save** button.
   e. If there are multiple **Projects** associated to the contract that should be removed, continue this process for each **Project**.

2. If the contract has billed (i.e., **Processed Amounts** exist).

   a. Place the **Billing Plan** on **Hold**.
   b. From the **Related Projects** tab, remove the **Rate Set** to ensure any pending transactions are cleared.
   c. Click on the **Save** button.
   d. Process a manual **Billing Adjustment** to return the amount to the incorrectly billed contract. If the amount should have been billed to a different contract, the lines to bill the new contract can also be added.
   e. Once the billing adjustment is processed, remove the **Hold**.
   f. Follow the steps noted above to delete the incorrect **Project/Activity** combinations.
   g. Link the correct **Project/Activity** combinations to the contract as appropriate.