Oracle® Service Contracts

Concepts and Procedures

Release 11.5.9

Part No. B10648-01

April 2003

ORACLE®

Oracle Service Contracts Concepts and Procedures, Release 11.5.9

Part No. B10648-01

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Oracle Service Contracts Concepts and Procedures Release 11*i*

Part No. B10648-01

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Preface

Welcome to the **Oracle Service Contracts, Release 11*i***. This Concepts and Procedures provides information and instructions to help you work effectively with Oracle Service Contracts.

This preface explains how Concepts and Procedures is organized and introduces other sources of information that can help you.

Intended Audience

This guide is aimed at the following users:

- Technical Service Representatives (TSR)
- Customer Service Representatives (CSR)
- System Administrators (SA), Database Administrators (DBA), and others with similar responsibility.

This guide assumes you have the following pre-requisites:

1. Understanding of the company business processes.
2. Knowledge of products and services as defined by your marketing policies.
3. Basic understanding of Oracle and Developer/2000.
4. Background in SQL, PL/SQL, SQL* Plus programming.

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Structure

This document contains the following chapters:

Chapter 1 "Understanding Oracle Service Contracts" provides overviews of the application and its components, explanations of key concepts, features, and functions, as well as the application's relationships to other Oracle applications.

Chapter 2 "Using Oracle Service Contracts" provides process-oriented, task-based procedures for using the application to perform essential business tasks.

Chapter 3 "Implementing Oracle Service Contracts" provides general descriptions of the setup and configuration tasks required to implement the application successfully.

Related Documents

For more information, see *Oracle Contracts Core Concepts and Procedures Release 11i.*

Conventions

The following conventions are used in this manual:

Convention	Meaning
. . .	Vertical ellipsis points in an example mean that information not directly related to the example has been omitted.
. . .	Horizontal ellipsis points in statements or commands mean that parts of the statement or command not directly related to the example have been omitted
boldface text	Boldface type in text indicates a term defined in the text, the glossary, or in both locations.

Convention	Meaning
< >	Angle brackets enclose user-supplied names.
[ ]	Brackets enclose optional clauses from which you can choose one or none.

1

Understanding Oracle Service Contracts

This chapter provides overviews of the application and its components, explanations of key concepts, and features as well as the application's relationships to other Oracle applications. Topics covered in this chapter include:

1.1 Overview of Service Contracts

Oracle Service Contracts enables users to design, manage, and bill for service offerings tailored to their customers' needs. All contracts are held centrally; subscriptions, warranties, extended warranties, or complex service agreements, thus providing the service provider visibility to all service entitlement information.

Oracle Service Contracts automates the contract process and provides access to information contained in other Oracle applications.

In addition to defining service line items in a contract, Oracle Service Contracts helps you define usage line items. For example, if a customer is renting a photocopier, the business can charge either on a per-copy basis or a fixed price. The business may set a minimum charge, and vary the price depending on volume.

Oracle Service Contracts provides support for businesses that manage subscriptions. This functionality tracks agreed upon terms, conditions, prices, discounts, billing schedule payment terms, renewal options, and fulfilment.

Oracle Service Contracts leverages functionality provided in Oracle Contracts Core to support common contract management activities such as contract renewal, versioning, article management, and change management. However, not all features that are available in Contracts Core are available in Service Contracts. Functionality such as subcontracting is provided by Contracts Core, but it is not supported in Service Contracts.

Service Contracts builds upon the foundation and adds functionality to meet the specific needs of the Service industry, such as coverage terms and entitlement checking. This modularized approach allows the Contracts suite to scale while leveraging common functionality in the foundation component.

Oracle Service Contracts supports multiple organizations, multiple currency, and is euro compliant.

The following list describes key features for Oracle Service Contracts:

Parties to a Contract

The primary focus in a service contract is the customer. While focusing on customers, Service Contracts enables the user to define additional parties. For each party on the contract, any number of contacts can be defined on the contract. Users can assign a role to each party, for example contract administrator, by selecting from the roles supplied with Oracle Contracts and can then further modify roles to suit specific business requirements.

Install Base Integration

To simplify selecting the products covered by a contract, Service Contracts accommodates an expandable/collapsible set of data from the Install Base. Users can select any node or data item for inclusion in or exclusion from coverage. Once the products to be covered have been identified and included in a contract, any changes to them in the Install Base (transfer of ownership, replacement, or upgrade) will be reflected in the contract, ensuring that the information contained in the contract is in line with that in the Install Base.

To ensure a Subscription item is trackable within the Install Base, it is flagged in the item master as both Install Base Trackable and Subscription. Entries are added to the Install Base by Service Contracts during contract creation. A new item instance is created when an item with the Subscription category is saved on a contract. Currently no integration is provided from Install Base back to Contracts. Processes such as transfers and terminations, that are done in Install Base, have no effect on the contract. These actions should be handled within Service Contracts authoring.

Selling Usage

Service Contracts can contain definitions and selections of usage item—consumable items (paper for printers, cash for ATM machines) that customers may want to have replaced at regular intervals along with descriptions of service coverage (field service, customer support) to customers. Service Contracts integrates with a customer's installed base to obtain actual usage information for products covered in a contract.

Billing Usage

Customers can choose to pay for actual quantities of products they use, pay for a fixed quantity, or value each billing period. If a customer chooses to be billed for actual usage but usage numbers are not received in time to issue an invoice, default values can be used in place of actual numbers. Default values can be defined based on an average of historical readings, otherwise known as the Average Monthly Counter Volume.

Service Contracts can contain usage price breaks for varying the price applied depending on the volume used and can also specify a minimum quantity. For example, customers are charged for a minimum of 1,000 units, regardless of the actual quantity they use.

Bill Settlement

Service Contracts can handle tasks such as complex billing scenarios using a flexible billing schedule that enables you to create billing periods of any duration, and bill

or not bill for the period as necessary, controlling the amount billed at every step. Users can customize the billing process further by defining bill settlement, invoice averaging, and billing profiles.

Billing Profile

Oracle Receivables allows the setup of billing information at the customer level, however, the billing profile in Service Contracts enables customization of billing requirements at the contract level. It includes such details as how customers wish to be billed, by fax or mail, and whether bills should be summarized.

Billing Interface

For both contract and usage billing for agreements authored in Service Contracts, users can send invoice amounts directly to Oracle Receivables, which then generates invoices from the pricing at the header level and line, based on the invoicing rules. Users can retrieve invoice information back from Oracle Receivables for updating contract billing histories. Customers can also have direct visibility to invoice information through Oracle iReceivables

Events

The Events component is a combination of actions, conditions, and outcomes that allows users the flexibility of handling a diverse range of event-related scenarios. This component is available not only to Oracle Contracts, but to any Oracle Service application. For example, if an important event happens, the user may want to automatically initiate a task, service request, workflow, or other type of procedure if certain conditions are met.

Using product and service counters, the events component can track product and service usage. Users can define events at periodic intervals or events that depend on a particular counter usage to specify when required actions should occur. Events can initiate workflow processes or any other predefined functions for example, a preventive maintenance visit could be scheduled when a product counter reaches 1,000, or a support contract may cover a certain number of free calls, that can be tracked by using a service counter, or when milestones in call volumes are reached, defined events can trigger a change in billing rate or terminate a customer's contract. Events can be based on actions for example, a contract signed, terminated, a change request initiated, or date-based for example a contract expiration date.

Entitlement Processing

The contract service line defines the resource, support, or service to which a customer is entitled to. Depending on the type of service required when the

customer calls, this may include access to tangible or intangible resources, maintenance, repair, or replacement. In addition to the basic functionality of checking entitlements, such as finding out if customers are calling during covered hours or finding agreed reaction times, a separate component of Service Contracts allows other applications to view the coverage for particular contracts. Entitlement information is available to any Oracle application such as, Customer Support, Field Service, and Depot Repair.

Contract Management

Service Contracts provides contract management features for streamlining and proactively controlling contract actions such as renewals and terminations.

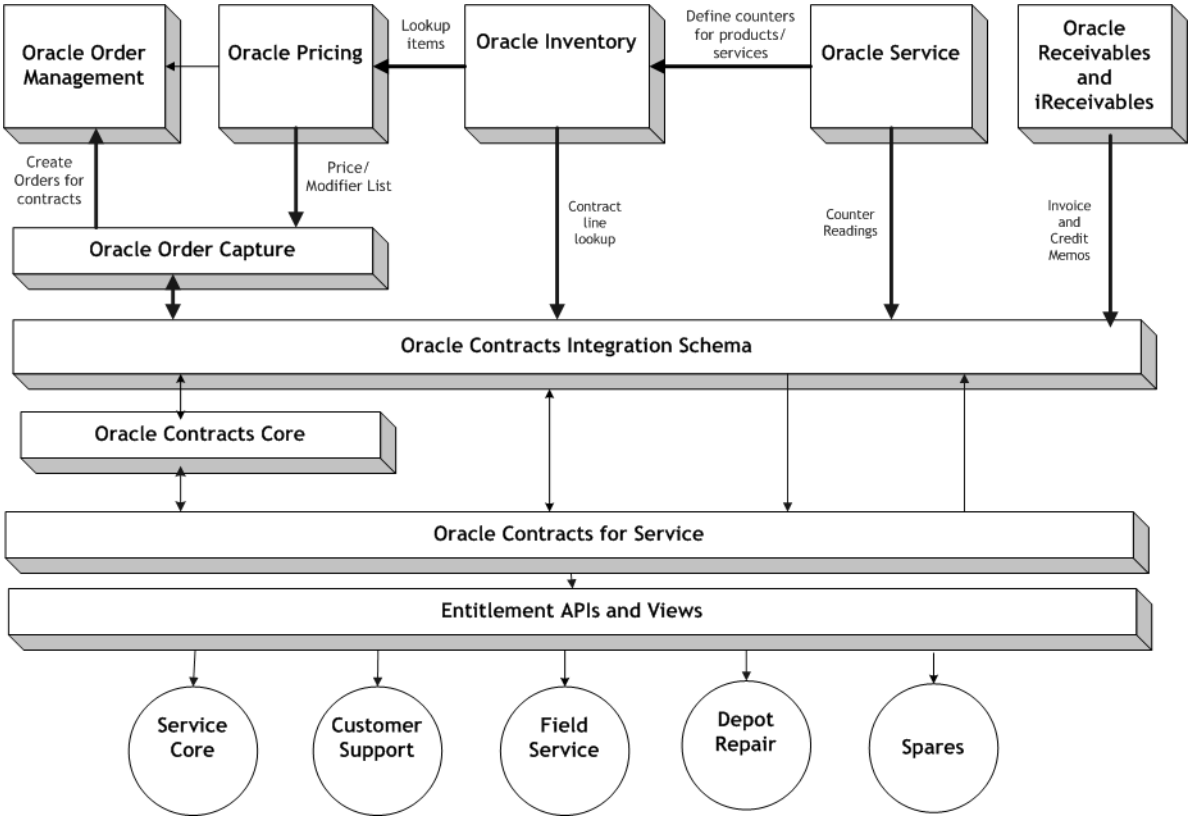
The auto renewal feature enables users to specify a period of time prior to expiration for renewing a contract. For example, the renewal process can be set up to automatically pick up a contract prior to its expiration date and begin the renewal process.

Once a contract is terminated, certain actions need to be taken. Service Contracts lets users enter the reasons for termination and any other notes that need to be tracked regarding the circumstances of the termination. It calculates the final credit or debit, allows the user to override that value if necessary and sends it to Oracle Receivables for issue to the customer.

1.2 Integration with Oracle Applications

The following diagram illustrates the integration of Oracle Service Contracts with other Oracle applications.

Figure 1–1 Oracle Contracts Integration with other Oracle Applications



1.2.1 Product Dependencies

Oracle Contracts Core provides the foundation for Oracle Service Contracts and is a required product. Oracle Order Management is required for subscription, warranty, and extended warranty management as it provides information from the sales order on associated services that have been purchased. Oracle Quoting is included as part of the CRM Foundation and is necessary to interface product and service

information from Oracle Order Management to the Install Base and to Service Contracts. Oracle Pricing is required to retrieve pricing information for services or usage purchased on the contract as well as to use advanced features such as modifiers. Oracle Bills of Material provides information on any warranties that are to be included as contracts. Oracle Inventory is required to define service and usage items. Oracle Service Core provides installed base information for the covered products of the contract. Oracle Contracts also integrates directly with Oracle Receivables for contract billing and Oracle iReceivables for self service visibility to invoice information. For tax calculation, Oracle Service Contracts integrates with Oracle Receivables Global Tax engine and make the sales tax amount readily available when authoring a contract. Integration of Oracle Service Contracts with Oracle iReceivables provides drill down capability and enables customers to view the invoice details online. Integration of Service Contracts with Oracle Advanced Service Online enables you to view the history and activities of any Preventative Maintenance program.

1.2.2 Contract Creation Via Install Base

When a new product, with associated warranty, is added to Install Base, a Warranty contract is created. To view the contract in Install Base, query the product number and select the Contracts link. The Contact Detail page displays the covered products.

1.2.3 Integration with Order Management

1.2.3.1 Warranty

A Warranty contract is created when a Serviceable product is shipped. A Warranty contract is created when serviceable product with bill of material contains a warranty. You can view the new contract in Install Base and Service Contracts. The contract start date is set to ship date plus any delay time that is defined for the warranty in the Item Master. Whenever possible, where multiple products are sold on one order, one warranty is created for all the products. Each different warranty item creates a separate warranty line on the contract.

1.2.3.2 Extended Warranty

An Extended Warranty contract is created when an Extended Warranty is sold on a sales order. You can modify certain fields on Extended Warranty contracts, though changes to the contract will not impact the value or billing for the contract. Extended warranty contracts can also be consolidated.

1.2.3.3 Subscription

Fulfillment starts after the contract approval process. Driven by each subscription line's instantiated fulfillment template, a concurrent program creates a sales order in Oracle Order Management for each delivery. The order details are populated with information from the subscription agreement. Once the order is created in Order Management, you can release and ship them using Oracle Order Management.

The integration to Oracle Order Management is bidirectional. Item and fulfillment details are sent to Order Management to create a sales order. Delivery and status details are sent from Order Management, when the order is ship confirmed, to be stored in the Subscription contract.

1.3 Overview of Authoring Contracts

Contract authoring involves the creation of a contract from defining an offering to obtaining customer approval on the pricing, coverage, and other terms and conditions set up in the contract.

See Creating Contracts for the procedure to author a contract.

1.3.1 Contract Definition

Contract definition involves the authoring of the contract from scratch or by using an existing contract as a starting template. Defining a contract requires the following steps:

1. Select customer information, including bill-to and ship-to addresses.
2. Define the duration of the contract and the price list used for pricing services in the contract. The total price of the contract is the sum of the prices of individual service lines. The amounts are automatically applied to services rolled up in the total contract price.
3. Assign billing information such as the schedule of when and how much to bill the customer. The billing engine can calculate amounts or you can define it manually as well as decide when it is sent to Oracle Receivables. If a contract line is terminated, then the billing engine automatically adjusts the amount that needs to be sent to Oracle Receivables.
4. Select and price the service, usage and subscription lines, provided as part of the contract and identify the products covered.
5. If applicable for service lines, edit the coverage times, response, and resolution times and customer entitlements that defaulted from the coverage template. For example, the time of coverage could be 9 to 5, five days a week, with a two hour response and eight hours to resolve the issue. The discounts are defined on transactions that can be handled through a service that the customer has purchased, for example, a 9 to 5, 10 percent discount on material. The service includes a replacement transaction that includes the labor and material being used. The customer would then receive a 10 percent discount, defined in the coverages, for the material used in the replacement transaction and no discounts on labor charges. For subscription lines, verify or modify the delivery schedule defaulted from the subscription template.
6. Approve the contract.

2

Using Oracle Service Contracts

This chapter provides process-oriented, task-based procedures for using the application to perform essential business tasks. Topics covered include:

2.1 Defining Offering Management

Your customers are unique. To define an individual contract from scratch for every customer is not practical. To balance efficient contract creation with the unique needs of your customer, Oracle Service Contracts provides Offering management. This permits standard service offerings to be defined in advance, while allowing them to be tailored to a customer's needs in the actual contract. For example, you can offer gold, silver, and bronze support options, each of which represents a set of available offerings.

Offering selection involves determining which offering most closely matches the customer's needs from all the current offerings, then configuring it for the customer's needs.

You can add or update offerings any time. The offering updates affect only new contracts authored from the offerings; they do not affect existing contracts.

This section includes the following information:

- Service Coverage
- Coverage Templates
- Defining Warranty Inheritance for Coverage
- Coverage Process Flow

2.1.1 Service Coverage

Service coverage describes the situation under which the customer is covered for service. Services are broken down into business processes that can apply to the service (such as customer support, depot repair, and field service). Coverage terms are then defined for these business processes.

Coverage reflects the service request reporting time stated in days or hours, and the repair expenses. By setting effective start and end dates, you can phase in or phase out a particular coverage. You can specifically define covered monetary amounts for each service.

2.1.2 Coverage Templates

Oracle Service Contracts enables you to define a standard set of templates, to create contracts for a common set of agreements used by your organization, or create new and modified types of contracts to meet your customers' requirements. The coverage template defines the times of coverage, days of coverage, reaction and

resolution times for a service request, preferred resources, and the bill types and bill rates that are covered.

For example, you can have a Gold coverage template which covers hotline support and onsite support business processes. The hotline support includes 24 hours, 7 days a week support with 2-hour reaction time for high priority requests and the onsite support includes 9-to-5 coverage, 5 days a week. As part of defining coverages, you also define the coverage for entitlements. For example, the onsite coverage covers a transaction type of replacement and for a replacement transaction, the customer is charged for material and labor. You define coverage that you want to give to a customer, such as a 10 percent discount on material, and a 5 percent discount on labor up to $500.

In addition, a Preventive Maintenance (PM) program may optionally be linked to a coverage template which, when instantiated in a contract, includes the schedule (Date or Date Ranges) to perform activities associated to the PM program as part of preventive maintenance. The preventive maintenance schedule is created in a manner similar to the billing schedule using one or more streams.

If appropriate, prior confirmation from the customer may be required to schedule the preventive maintenance service request. This is executed via a check box provided as part of program schedule definition in the coverage.

See Coverage Process Flow for flow diagrams.

See Defining Coverage Templates for setting up coverages.

2.1.3 Defining Warranty Inheritance for Coverage

In the Service Contracts Coverage Template window you can set inheritance criteria that determines how warranty coverage should behave when a product has been replaced. This is applicable only to Warranty lines so Warranty must be checked before you can enter this field. Inheritance type R (Replacement) means the warranty on the replacement part is good for the remainder of the original warranty duration. Type F (Full) means the replacement part receives a new warranty for the full duration of the covered period.

Example Warranty Line:

Desktop Warranty 1/1/2001 - 12/31/2001

CUSTOMER PRODUCT ID - 100

1/1/2001 - 12/31/2001

Scenario 1: Warranty inheritance type is R

Customer Product ID 100 was returned for a replacement with Customer Product ID 894 on 3/3/2001.

Then the above warranty line is updated as follows:

Desktop Warranty 1/1/2001 - 3/2/2001 (Expired)

CUSTOMER PRODUCT ID - 100

1/1/2001- 3/2/2001 (Expired)

Desktop Warranty 3/3/2001 - 12/31/2001

CUSTOMER PRODUCT ID - 894

3/3/2001 - 12/31/2001

Scenario 2: Warranty inheritance type is F

Customer Product ID 100 was returned for a replacement with Customer Product ID 894 on 3/3/2001.

Then the above warranty line is updated as follows:

Desktop Warranty 1/1/2001 - 3/2/2001 (Expired)

CUSTOMER PRODUCT ID - 100

1/1/2001 - 3/2/2001(Expired)

Desktop Warranty 3/3/2001 - 3/2/2002

CUSTOMER PRODUCT ID - 894

3/3/2001 - 3/2/2002

2.1.4 Coverage Process Flow

The following diagrams highlight the difference between a coverage template and an actual instance of coverage. The first diagram highlights the different process steps involved in both, and the second diagram highlights the structural differences between both.

Figure 2–1 Coverage Process Flow

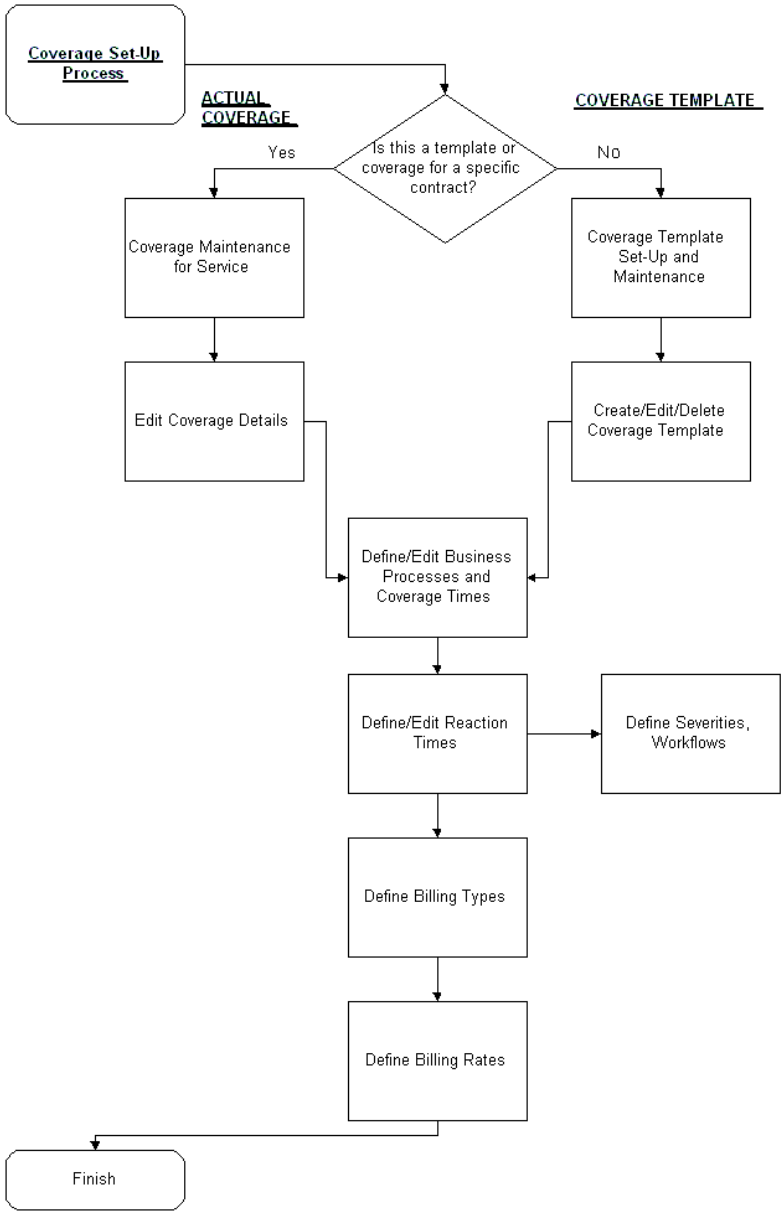
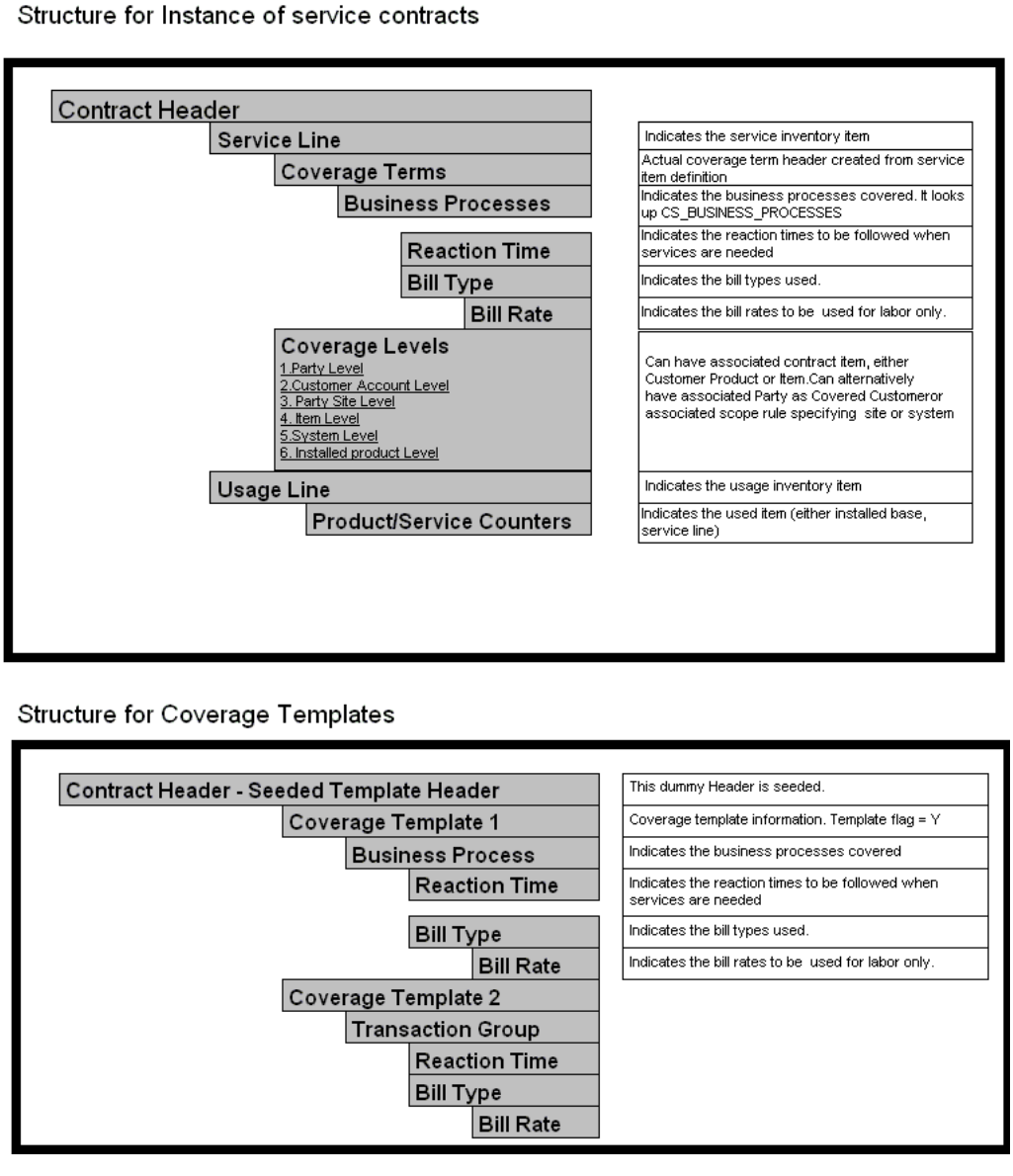


Figure 2–2 Structure for Instance of Service Contracts



2.2 Defining Services and Usage

Services are items defined in the item master that determine the coverage terms that are given or sold to a customer. Coverage Templates must be defined before you can create a service item. Services that are given to the customer free of charge, since the price is assumed to be included in the price of the associated product, are called Warranties. All other services may have a price associated with them and can be sold on a sales order or via the contract authoring form. If a service item is sold via the sales order process, the resulting contract is termed an Extended Warranty. If a service item is sold via the contract authoring process, the contract is termed a Service Agreement.

A service that can be provided as a warranty is distinguished from other services by the attributes that are set on the item master.

2.2.1 Warranties

After a warranty has been defined, it must be associated with a serviceable product in the Bill of Materials for a warranty contract to be automatically created (refer to the *Oracle Bills of Material Concepts and Procedures Guide* for further information). When that product is shipped or is otherwise created in the installed base (manually), the warranty is automatically created in Oracle Service Contracts. Warranties allow a support service to be automatically associated with a product. The warranty record is automatically associated with the customer product in the installed base upon ordering and shipment of the product to the customer.

Each serviceable product can be shipped with one or more base warranties defined as components in the product's bill of material. The table below highlights the main differences between warranties and extended warranties.

Warranties	Extended Warranties
Non-orderable and managed automatically	Can be ordered as an immediate or delayed service
Cannot be authored, can only be created by integration with Order Management or Instal Base	Can be authored or created via the Order Management interface
Do not have a cost	Have unit or percentage based pricing
Associated with serviceable items in Bill of Materials (BOM)	Are not included in a BOM
Have warranty inheritance rules	Do not have warranty inheritance rules

Warranties	Extended Warranties
Cannot be renewed, can be extended or terminated	Can be renewed, extended or terminated

2.2.2 Defining Serviceable Products

For a product to be covered on a service agreement, subscription, warranty, or extended warranty, the product item has to be classified as a serviceable product.

Prerequisites

Product items must be created using Oracle Inventory.

To Define a Serviceable Product:

1. From the Responsibilities menu select, Inventory > Items > Master Items (T) Service.
2. Select the Serviceable Product check box to identify this product as being serviceable.
3. Select the Coverage Template that should be associated with this product.
4. Optionally, enter the number of days after shipping that the service goes into effect in Service Starting Delay.
5. Identify whether this item is material, labor, or expense in Billing Type.
6. If defects for this item are to be tracked, then select Defect Tracking Enabled.
7. Select the speed in which an item is returned for Recovered Part Disposition.
8. Save your changes. The product item is now a serviceable product.

2.2.3 Defining Subscription Products

A tangible subscription item may be setup like any other inventoried product. You may enable Work In Process, Bill of Materials and other options for the product. In addition to setting the item up as a tangible product, define the Contracts-related properties listed below.

Prerequisites

A Subscription template must be created.

To Define a Subscription Product:

1. From the Responsibilities menu select, Inventory > Items > Master Items (T) Service.
2. Select the Serviceable Product check box to identify this product as being serviceable.
3. Select the Subscription Template that should be associated with this item.
4. Identify the Bill Type as Material.
5. For both Tangible and Intangible subscription items, select the Install Base Trackable check box.
6. If defects for this item are to be tracked, then select Defect Tracking Enabled
7. Select the speed in which an item is returned for Recovered Part Disposition
8. Save your changes. The subscription item is now an inventory part as well as a serviceable product.

2.2.4 Master Item Field Definitions

The table below displays the field descriptions for master service items.

Field	Description
Main Tab	-
Unit of Measure	The unit of measure must be time based, since a service is to cover a set period of time.
Service Tab	-
Contract Region	Information for creating Service Items
Contract Item Type	Select Service, Subscription, Usage or Warranty from the LOV.
Duration Period	Select the Service Duration Unit of Measure (e.g. hour, day, month, etc.).
Duration	Enter the default duration of the service. For example, if the service should default to 1 year, set the duration period as year and the duration as 1. This may be overridden when selling the service on a sales order or on the contract.

Field	Description
Template	Select the template to be associated with the service, subscription or warranty from the list of values. (Do not select a template for a usage item.) For Service items, this creates a one to one relationship between the service item and the coverage so that the service can be priced appropriately. For example, you may wish to charge more for a 24X7 type of coverage than you would for a 9X5 coverage. For Subscription items this defines the fulfillment schedule defaults.
Subscription Dependency Enabled	This check box is specific to items being created for use with the Service for Communications module. Check this box to identify the item as one which is eligible to be a parent item which can have children assigned to it.
Serviceable Product Region	Information for creating Serviceable Items
Serviceable Product	Mark this check box if the item being created is a product that is eligible to receive service.
Billing Type	Indicate whether the customer is charged for the following: Material: material usage expenses your support organization incurs while providing the service. Labor: labor expenses your support organization incurs while providing the current service. Expense: incidental expenses your support organization incurs while providing the current service.
Defect Tracking Enabled	Check this box if defects should be tracked for this product.
Recovered Part Disposition	Indicate if replaced parts are to be recovered and how quickly.
Starting Delay (Days)	Enter the number of days after the product is shipped that the warranty or extended warranty should become active.
BOM Tab	-
BOM Allowed	Ensure the BOM allowed check box is selected if the service is a warranty.
Invoicing Tab	-

Field	Description
Invoicing Enabled	Select this check box if the item is to be sold to customers (not a warranty) such as, an extended warranty contract, a subscription, or a service agreement.
Order Management Tab	-
Customer Orders Enabled	Select this check box if the service can be ordered externally.
Internal Orders Enabled	Select the check box if the service can be ordered internally.

For additional information see the *Oracle Inventory User's Guide* chapter on Items, Service Attribute Group.

2.2.5 Defining Usage

As well as selling services on a service agreement, usage can be sold, such as copies on a printer or supports calls to be made. Usage must be defined as an item in the item master to be priced and sold on a contract.

Steps

1. From the Responsibilities menu, select Inventory > Items > Master Items (T) Service.
2. Check the usage item check box to identify this item as a usage item.
3. Save your changes.

2.3 Pricing Service and Usage

This topic group includes the following:

Service Pricing

Usage Pricing

Usage Item Price Breaks

Defining Usage Price Breaks

2.3.1 Service Pricing

The list price of a service is defined in Oracle Pricing through price lists. Fixed or variable values can be assigned to each service program. Fixed prices are expressed as actual prices on the price list. Variable prices are expressed as a percentage of the list price of the serviceable product. When sales orders are entered in Oracle Order Management for ordered service programs, Oracle Order Management references the appropriate price list to find or dynamically calculate the price of the ordered service program. Service can be in multiple price lists for example, corporate, standard, seasonal list with different list prices. However, only one price list can be associated with a contract at any given time. There are two main methods for the pricing of services:

- Unit-Based Pricing: Prices are based on a fee per period for service
- Percentage-Based Pricing: Prices are based on a percentage of the list price of the product(s) that is being covered

The mechanism works as follows: first, a price list is associated with a contract. Then, when services are entered into a contract, a price can be retrieved from Oracle Pricing either in the form of a list price (for unit-based pricing) or a percentage (for percentage-based pricing). In computing an extended price, a number of factors must be considered whether:

- Price needs to be applied to the number of products covered
- Price needs to be applied to the duration of the contract or service

For example, consider a service priced using unit-based pricing at $100 per month. If the service duration is 12 months, and the coverage is for 50 pieces of equipment, then the extended price is:

- $100 per month x 12 months x 50 installed base items = $60,000

In the same example, priced using percentage-based pricing at 10% per month where the list price is $1,200. For the same duration of 12 months and coverage for 50 pieces of equipment, then the extended prices is:

($1,200 x 10%) x 12 months x 50 installed base items = $72,000

Once a price has been retrieved from the price list, you can manually override that price by entering a value in the subtotal field for that subline. Prices entered manually can be positive or negative values.

2.3.1.1 Discounting and Applying Surcharges

Prices on a contract may also be discounted or increased using Oracle Pricing by applying modifier lists either automatically or manually. Qualifier lists may be used to determine when to automatically apply certain modifier lists. Modifiers can uplift as well as discount pricing.

Please refer to *Oracle Pricing User's Guide* for information on setting up and using Modifiers and Qualifiers.

Also refer to the *Oracle Service Contracts Concepts and Procedures Guide* for information on Pricing Adjustments.

2.3.1.2 Covered Levels and Pricing

Covered Levels define the level of product coverage and include the following types:

- **Covered Site:** Cover all products at a particular customer site.
- **Covered Item:** Cover all products of a particular item type for the customer (for example, all Dell PC's, Model: OptiPlex GXa). Items are defined in the inventory item master.
- **Covered Product:** Cover a particular product from the customer's installed base (for example, Dell PC, Model: OptiPlex GXa, Serial #123456789).
- **Covered System:** Cover a particular system configuration.
- **Covered Customer:** Cover products for that customer account.
- **Covered Party:** Cover products for that party.

If the covered level is Covered Product or Covered Item, then the price of the product is obtained from the price list. In all other cases you must manually enter the price.

2.3.2 Usage Pricing

Usage is an item in the item master and is priced on a price list defined in Oracle Pricing. Usage tracks the customer's use of a product or service. You can define counters to monitor the usage of customer products and services and execute business processes based upon the usage information. Common everyday objects that have counters are automobiles (the odometer), gas meters, and photo copy machines. Examples of service counters include the number of calls made to a help desk or visits to a health club. Counters provide a mechanism for tracking new

product warranties, service contracts, support agreements, and similar business needs.

Counter group templates are defined for groups of counters and are associated with products or services. A product or service can only have one Counter Group association. Once the Counter Group is created it can be modified for an instance or for all instances. Counters are automatically made when a customer product is created in Install Base or when service item that is associated with a counter group template in the item master is placed on a contract line. Counters cannot be manually created.

Counters may be defined in any of four types:

- **Regular:** These represent the physical counters found in tangible objects like automobiles, gas meters, photo copy machine, etc. But counters can also track events that take place but they are not associated with a piece of equipment. For example, if the number of service calls per customer is tracked manually you would setup a counter of type Regular and have the agents increment the counter after each call.
- **Group function:** This type enables you to derive counters using SUM and COUNT. Group Function counters can be used in Formula Counters.
- **Formula:** Formula type counters enables you to use simple math to derive the counter value. For example you may have a photocopy machine that provides black & white copies and color copies. You may wish to track the total number copies. You would create a Counter Group with three Counters:
  - A Regular counter for total black & white copies
  - A Regular counter for the total color copies
  - A Formula counter for the total black & white + the total color copies
- **Time Based:** Time based counters are updated by a concurrent program, Time Based Counters Engine, based upon the unit of measured assigned. For example, you may wish to count the number of months since the product or service was purchased, the number of weeks since the last maintenance, etc.

Product counters are created when you create a customer product instance in Install Base through the Create Customer Product form of Oracle Customer Support or from the Add a Product feature of Oracle iSupport. In the same manner service counters may be created upon the creation of a service contract, such as warranty, extended warranty, and service agreement.

The Counters readings can be captured manually from the Capture Counters User Interface (UI). The Capture Counter reading UI is available from the Service Request UI, Field Service UI, or the Service Contracts Authoring UI.

The pricing for usage of products and services (tracked by counters) involve the following:

- Products and services that are priced and tracked by counters should be defined as items in Oracle Inventory.
- The pricing of usage is defined in Oracle Pricing using price lists via price breaks. Usage can be in multiple price lists (i.e. corporate, standard) with different list prices.
- In Oracle Service, counter templates (groups, counters, properties) should be defined and associated with either products or services.
- While authoring contracts, it is necessary to select the price list at the contract header level. This price list is used to price usage and service lines. If selected from the price list Oracle Service Contracts creates a pricing rule and stores the price for a service line. However, this is not the case for usage lines. While billing, the amount to be billed is calculated through Oracle Pricing. Oracle Service Contracts also supports overriding the price break by entering a negotiated amount which supersedes the calculated amount based on price breaks.

2.3.3 Usage Item Price Breaks

Similar to any items defined in the item master, usage items are set up in the price list. Price breaks are set up by defining the line as Price Break Header that allows the entry of price breaks. In addition, the Price Break Type is defined as either Point or Range method. Point method designates that pricing is based on a specific range in the price break. Range designates that pricing is based on all the price break ranges up to the level corresponding to the counter reading.

The following example distinguishes the difference between Point and Range price break types for a net counter reading of 3500 copies:

Break	Price
0-1000	$.05
1001-3000	$.04
3001-5000	$.03

Break	Price
5001-10000	$.02

Point	Amount
3500 Xs $.03	$105.00
Total Invoice	$105.00

Range	Amount
1000 Xs $.05	$50.00
2000 Xs $.04	$80.00
500 Xs $.03	$15.00
Total Invoice	$145.00

2.3.4 Defining Usage Price Breaks

After setting up the usage item, price breaks are set up in a price list that will be used for contract pricing.

Prerequisites

The usage item must be created using Oracle Inventory. The price list must be defined using Oracle Pricing.

To define a price list:

1. From the Responsibility menu select Pricing > Price Lists and Discounts > Price Lists > Price List Set Up.
2. Query the applicable price list. Navigate to the List Lines tab to enter the usage price breaks.
3. Enter Item for Product Context.
4. Enter Item Number for Product Attribute.
5. Enter the item name, i.e. QP-LPTR-U, for Product Value.
6. Enter Ea as the Unit of Measure (UOM).

7. Enter Price Break Header for Line Type.
8. Enter Point or Range for Price Break Type.
9. Click Price Break to enter the price breaks.
10. Enter the break ranges as required in the Value From and Value To.
11. Enter the price for each range.
12. Click Save to commit and close the window.

References

- Refer to the Oracle Service Concepts and Procedures for instructions on how to create the a counter group template and the different types of counters.
- Refer to the Oracle Service Concepts and Procedures for instructions on how to manually create a customer product.
- Refer to the Oracle iSupport Concepts and Procedures for instructions on how to manually create a customer product.

2.4 Selling Products and Services in Order Management

When ordering a serviceable product in Oracle Order Management, if it has an associated warranty it will be automatically created as a contract when the product is shipped. At the same time a serviceable product is placed on a sales order, associated services may also be sold which will be interfaced to Oracle Service Contracts as Extended Warranties.

This section covers the following information:

- Automated Creation
- Flexible Service Programs
- Activating Service
- Service Coverage
- Controlled Service Availability
- Ordering Service Programs
- Cotermination
- Warranties and Extended Warranties
- Warranty and Extended Warranty Process Flow

- Contract Details at Order Management
- Order Cycle
- Warranty and Extended Warranty Consolidation

2.4.1 Automated Creation

Warranties and extended warranties can be automatically created with the act of selling goods or services. Integration with Oracle Order Management facilitates this process. When a product is ordered, if it has an associated warranty in the bill of materials, then the warranty contract is automatically created. Likewise, if a customer chooses to buy extended service on their products, then the information regarding the service to be supplied is passed to Service Contracts.

Additionally, warranties can be created automatically when a product that includes a warranty is added to the Install Base manually.

2.4.1.1 Serialized Products

When products are serialized, a separate item instance in Install Base is created for each item ordered. For example, when quantity of three is ordered of a product, for each serial number an item instance is created in Install Base. A single Warranty contract is created with one warranty line and one subline for each item instance. In this case three sublines are created under that one line. A separate Extended Warranty contract is created for the order with one subline for each item instance.

Note: The CSI Auto-split Instances During Instantiation profile option does not apply when products are serialized. The reason is, serialized products already create separate item instances.

2.4.1.2 Partial Shipments

When partial quantity of a booked order are shipped, only one contract is created. At the time the remaining items are shipped, new sublines are created for the additional products under the appropriate line (or if the item is covered by a different warranty, a new warranty line is created). The Warranty or Extended Warranty contract is signed and the Active or Hold status is updated. If the Warranty or Extended Warranty is expired when the remainder of the order is shipped, the contract duration is extended to accommodate the subsequent shipments by adding new lines and sublines. If the Warranty or Extended Warranties is terminated or canceled, a new agreement is created.

All of your contractual commitments, whether from warranties, extended warranties, or detailed service contracts, are gathered together in one central place.

By including warranties and extended warranties within Oracle Contracts, all the flexibility, automation and entitlement processing functionality is available to be fully leveraged

2.4.2 Flexible Service Programs

Oracle Service Contracts can be used to create, maintain, and administer as many service programs as are necessary to meet the service needs and price expectations of each market segment.The following scenarios describe how service programs can be used to provide customer support:

2.4.2.1 Provide targeted support based on product characteristics.

To support a low-priced, high-volume product you can define a service program for hotline support. To support a more complex, higher-priced product you can define a service program for onsite support.

2.4.2.2 Provide multiple service programs to support the same product.

A customer who uses your product for critical applications can purchase a service program that ensures support 24 hours a day, seven days a week, while a customer who uses the product for less critical applications can purchase a service program that limits support to weekdays.

2.4.2.3 Allow customers to purchase multiple service programs for the same product.

One service program may not satisfy all of a customer's needs, so a customer can purchase multiple service programs for the same product. Should your customer want both hotline support and regular preventive maintenance, you can define two different service programs that can be attached to the same customer product.

Defining service programs that support the unique needs of each market segment allows you to meet all customer expectations. For example, using Oracle Order Management, each service program can be priced to achieve the market penetration and volume that needed to sustain the growth of your organization.

Service programs also let you design mass customizing solutions. You can provide service solutions that not only satisfy customers but also help to retain and generate additional business. To ensure better administration, the availability of service programs can be controlled by product, by customer, or a combination of both. To

simplify the management of service programs, a group of service programs can be coterminated at the same time, so that they can also be renewed at the same time.

Oracle Service Contracts enables status tracking of each service program purchased by a customer regardless of the time of its purchase. Customers can order service programs at the same time as a product order, or later when the customer requires support. Expiring service programs can also be identified and customers notified, in order to prevent any breaks in the support services they receive by using Events.

2.4.3 Activating Service

Oracle Service Contracts offers several ways to activate the support services customers receive. During order entry, start and end dates can be specified for service programs, or the start date alone can be specified, with Oracle Order Management determining the end dates from service program duration information.

The Service Starting Delay can be defined as an attribute of the serviceable products when they are defined in Oracle Inventory. The Service Starting Delay represents the time, in days, a service program or warranty should commence after the shipment date. For example, a radio has a service starting delay of five days. If the radio ships on January 15, five days are added to the shipment date and the service program starts on January 20. The start date of the warranty is the ship date plus the starting delay. The end date is calculated by adding the duration to the start date of the support service.

2.4.4 Service Coverage

Service coverages list the actual days during the week and hours during the day when customers are covered under their contract for services they request. The definition of a service coverage also determines what percentages of labor, material, and expenses are covered, and whether a maximum limit exists for each. As many coverages as necessary can be defined, then each associated with a service program or warranty. Because service personnel have on-line access to all customer service information, they can easily verify whether customers are contacting them at authorized times, or whether material, labor, and expenses are covered by a support service.

2.4.5 Controlled Service Availability

By default, a service program is available to be assigned to any serviceable product. If necessary, the availability of a service program can be restricted by product, party,

or both. For example, your company still sells Product ABC because it has refurbished products in stock. However, since the items are refurbished, you do not want people to sell your extended warranty package A123. You can define the Service Availability form to identify that package A123 can be sold on any product except ABC, or you may wish to create a special support service, X23, for product ABC and define Service Availability to indicate that service X23 is only available for product ABC.

By default, a serviceable product does not include a warranty unless the warranty is specified as a component in the product's bill of material.

Service availability by product is available regardless of whether the product is in the installed base. It is applicable for the covered levels of covered item as well as covered product. These restrictions will be highlighted when the QA check is executed in the Service Contract Authoring form.

2.4.6 Ordering Service Programs

As sales orders are entered for serviceable products, one or more service programs can be selected to cover each serviceable product. Ordering service at the same time as ordering the serviceable product is termed Immediate Service. For immediate service the reference type on the sales order line for the service is ORDER. The service is associated with the appropriate serviceable product by selecting the order number and the line number where the product is sold. The product may be on a different order than the service. The serviceable product and its service programs will then be on the same sales order and the same invoice.

Service programs can also be sold after the sale of the serviceable product. This is termed Delayed Service. For delayed service, the reference type on the sales order line for the service is CUSTOMER PRODUCT. The service is associated with the appropriate serviceable product by selecting the product from the installed base. For example, you sell a telephone with a warranty that expires after 90 days. After 90 days, the customer decides to purchase extended service coverage for the telephone. You can then sell the extended coverage as a service program three months after the original sale.

Note: : Service programs must always apply to a serviceable product and cannot be sold without referencing a serviceable product.

Regardless of how a service order is started, there are a variety of order processing options from which to choose, including dynamically calculated service program prices, sales credits, and approval cycles that can be applied to the entire order or specific order lines.

2.4.7 Cotermination

Oracle Service Contracts enables a common expiration date (cotermination date) to be specified for all service programs for a specific customer or system. This date can be set at the customer level so that all service programs for products ordered by a particular customer end simultaneously, or at the system level so that all service programs for products associated with a particular system end simultaneously.

Cotermination is used to determine the end date for service programs that are ordered in Oracle Order Management or in Oracle Service Contracts. When the cotermination check box is selected on an order or cotermination is clicked on a contract, the system cotermination date is checked first; if none is found, then Oracle Service Contracts checks the customer cotermination date.

As an example, suppose you set a cotermination date at the system level for October 31, and a customer cotermination date for December 1. Service programs first check for the system cotermination date and set the end dates to October 31. If no date had been set at the system level when the system was defined, then the customer level cotermination date is used. Another customer has five systems, each with a different cotermination date. For each system, the individual cotermination date becomes the cotermination date for that system only. In turn, if the system had not been assigned a cotermination date, the customer cotermination date would be used.

A customer is notified late in December that the current service programs covering their power generators will be replaced on December 1 of the following year with a more comprehensive service program, and the current service program will not longer be valid. A cotermination date is set at the customer level of November 30. The same customer renews a current service program in January for an existing power generator. In March, the customer orders three more power generators and service programs for other sites. All service programs are checked for cotermination. All four service programs will coterminate on November 30, so the new service programs can start on December 1.

When a service program is ordered, if there is no cotermination date set at either the customer or system level and if the Coterminate check box or button has been selected when ordering the service program, then the cotermination date is the end

date of the service program and the duration is one year. For example, if a service start date is June 26, 2003, then the cotermination date is June 25, 2004.

Any service programs applied to customer products use the cotermination date that is current at either the system level or the customer level. If the cotermination date is changed at either the customer or system level, then services ordered after the change use the new cotermination date. For example, if a customer level cotermination date is August 31, and five service programs are ordered for customer products in February, the cotermination date is August 31. If the date is then changed to July 31, and new service programs are ordered, then the cotermination date for the existing five service programs remains August 31, but the cotermination date for the new service programs is July 31. All subsequent new service programs have the July 31 cotermination date until the date is changed.

A minimum service duration (in days) can be applied. For example, you have a cotermination day and month of December 31, and a minimum service duration of 30 days. All services ending on or before December 1 coterminate on December 31 of the current year, and services ending after December 1 coterminate on December 31 of the following year. If coterminating a service program sets its duration to less than the minimum duration, then the service program will be set to coterminate during the following year.

References

See OKS: Minimum Service Duration profile option.

2.4.8 Warranties and Extended Warranties

Warranties and extended warranties are service contracts. When a customer orders a product that has an associated warranty or the customer orders an extended warranty with the product, Oracle Service Contracts automatically creates the warranty contracts based on the information from the sales order. When products are returned, replaced, upgraded, or transferred, the warranty and extended warranty are updated appropriately.

Manage your warranties and extended warranties with the following activities:

- Define serviceable products in the item master.
- Define warranties and extended warranties in the item master with a corresponding coverage template.
- Associate or link warranties to the serviceable product in the bill of materials.
- Create warranties as service contracts when serviceable products are ordered.

- Create extended warranties as service contracts when serviceable products are ordered or added to an existing order line or serviceable product that has already been sold.
- Update warranties and extended warranties when customer products are upgraded, replaced, transferred, returned or split.
- View warranties and extended warranties in the Service Request window.

2.4.9 Warranty and Extended Warranty Process Flow

A sales order creates a contract that can be viewed (in read only mode for warranties) using the Oracle Service Contracts Authoring window. Oracle Order Capture is notified by Oracle Order Management through the Process Order API/Update Notice API about any changes occurring in the orders such as header and line attributes. Oracle Order Capture in turn passes the information on to update the Installed Base and to create or update the warranties and extended warranties in Oracle iStore. This integration happens behind the scenes.

The following diagram illustrates the process flow for the integration between Oracle Order Management and Oracle iStore and the logic that is involved in creating a warranty and extended warranty.

Figure 2–3 Process Flow - Integration Between OC/OM to OKS

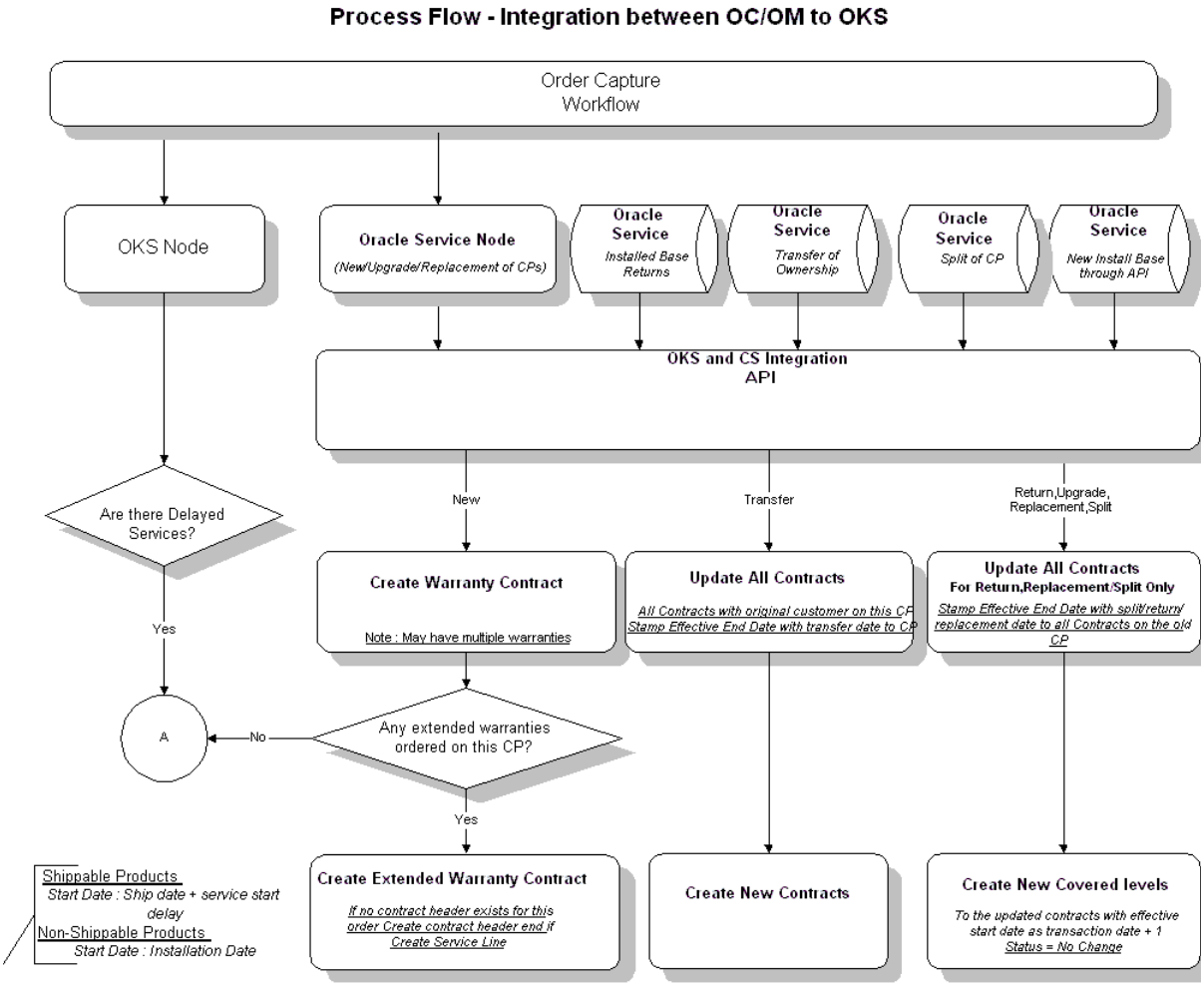
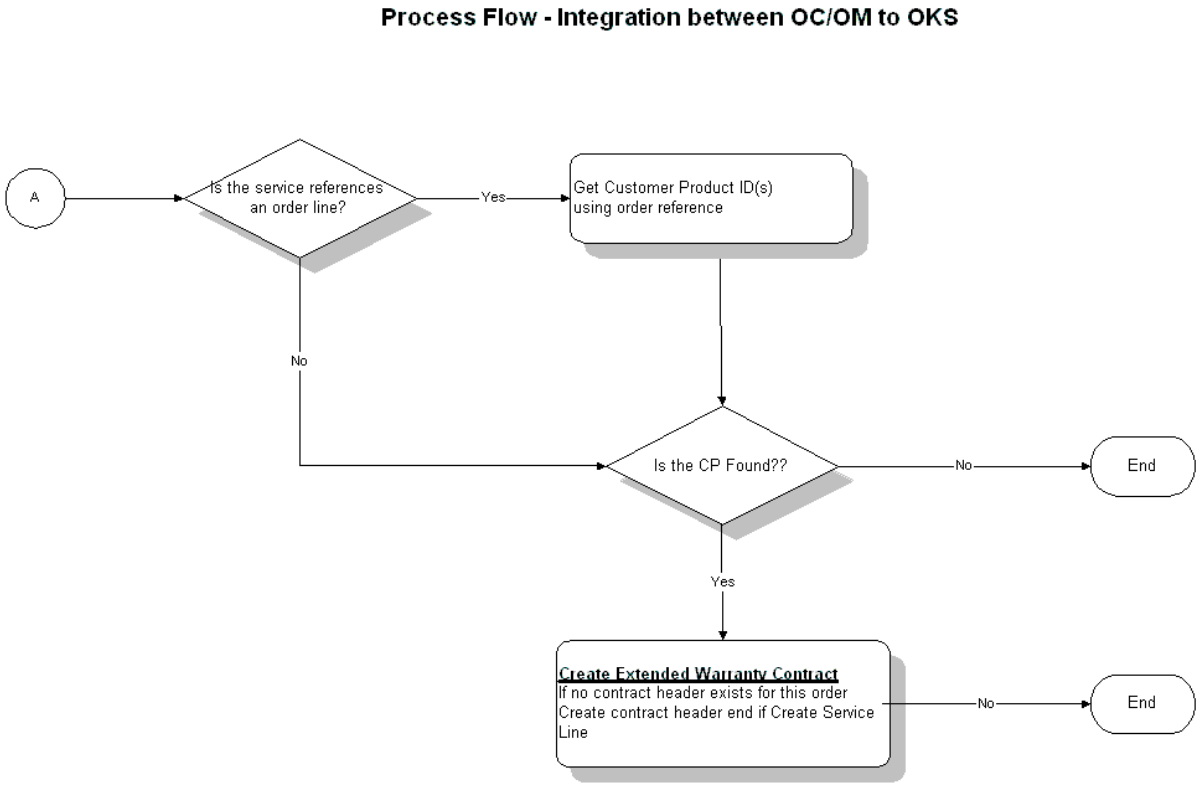


Figure 2–4 Process Flow - Integration Between OC/OM to OKS



2.4.10 Contract Details at Order Management

Using the Order Management Actions button on the Line tab, contracts details may be defined which specify the renewal rules, PO required, pricing method, cap price list, markup/markdown, and customer contact. In addition, merging rules may be specified to determine to which contract an order line is to be merged. An order line may be merged to an existing contract or to a contract on the current order. This window is available to the service line only.

To add contract details:

1. From the Order Management Responsibility navigate to Orders, Returns > Sales Orders > Line Items

2. Click Actions. The Contract Details window is displayed. The upper region of the form displays the order details.
3. If applicable, select the Apply All check box. If an order has multiple service lines, subsequent lines may inherit the same renewal and merging attributes as specified in the initial order line.
4. Select a Line Renewal Type. If an order line is merged to an existing contract, its duration may be less than the target contract. In order to facilitate renewals, the order line will coterminate with the target contract header. The Duration Inheritance attribute determines the desired duration of the service line. The valid values are:
   - Full: The service contract line inherits the duration of the renewed contract.
   - Remaining: The service contract line retains its original duration and coterminates with the renewed contract.
   - Do Not Renew: The service contract line is allowed to terminate and will not be processed by the renewal event.
5. If the order line is to be merged with the current order, click New Option. The Existing option button is disabled.
6. Select a Renew Type from the list of values. The Renewal Type determines how the renewal is to be processed and whether the sales rep is to be notified to select the renewal type. The valid values are:
   - Notify Sales Rep: The renewal event sends a notification to the sales rep, based on the territory in which he/she resides, to facilitate the renewal, i.e. the sales rep negotiates the pricing with the customer prior to send the contract for approval.
   - Submit for Approval: This will create a renewed contract in an entered state awaiting review and approval before it can become active. If the autorenewal process has been implemented, a contract with an Active Contract renewal type will either become signed or active, depending on whether the start date has passed. If the contract has not passed QA however, it will remain in the entered state.
   - Evergreen: The renewal event automatically approves and activates the contract.
   - Do Not Renew: The contract is allowed to expire.
7. If applicable, select the PO Required check box if a PO is required for contract renewal.

8. Select a Renewal Pricing Type from the list of values within the Repricing Details region. These attributes determine how the renewed contract is going to be priced. The valid values are:
   - Price Book: Renewal pricing is based on the current price list.
   - Index: Renewal pricing is based on a markup percentage (%) and a cap price list. For example last year's negotiated markup% is subject to cap list price. The fields Markup% and Price List are enabled. Enter the markup percent. This may be a positive or negative percent. Select the price list from the list of values.
   - Manual: Renewal pricing uses last year's negotiated price.
9. Select a Role from the list of values within the Customer Contacts region. One or more customer contacts may be associated with the new contract.
10. Select the Contact Name from the list of values. The customer address is automatically displayed.
11. If the order line is to be merged to an existing contract, click Existing Option. The New option button is disabled along with all the renewal and pricing attributes. This specifies the type of merging to take place and the valid values are:
    - Order: Merge the current order line to the contract to be created for the current order. The list of values displays the applicable contracts for the current order.
    - Contract: Merge the current line to a contract with the same customer, service line and end date.
12. If type is Order, select the contracts from the current order from the list of values.
13. If type is Contract, select the contract from the list of values. The Contract Number, Contract Line No, Service, Start Date and End Date entries are displayed.

2.4.11 Order Cycle

After the sales order has been booked, it should progress through the order cycle that has been defined (please refer to Oracle Order Management Concepts and Procedures for further information).

For orders that include shippable items, the order cycle will typically involve a pick release process and ship confirm. The ship confirm process includes a process that

updates the installed base with the details of the newly shipped product. This program will also initiate the transfer of contract information from Order Management to Oracle Service Contracts if the product has associated services or warranties.

For orders that do not include shippable items, like delayed service orders, the ship cycle does not apply. In this case, the order should be progressed from Order Management. To initiate the transfer of contract information, the Service Contracts Order Capture Integration concurrent program should be run.

2.4.12 Warranty and Extended Warranty Consolidation

Large sales orders may contain many products and services, which in turn means many warranties and extended warranties may be generated. Wherever possible, these agreements are consolidated into a single warranty or extended warranty per sales order.

For each different warranty that is include with the products from the order, a separate warranty line will be created within the single warranty that is generated for a given sales order. Depending on how the products are created in Oracle Installed Base (serialized or non-serialized with Auto Split on or off) each of these warranty lines may have multiple sublines to represent the various products under that coverage. If partial shipments are made from an order, the original warranty will be updated whenever possible. New lines or sublines will be added to the warranty originally created for that sales order unless that agreement is in terminated status. This would require a new warranty to be generated. Because dates and durations may vary from one warranty line to the next, the agreement will begin on the earliest start date and end on the latest end date of all the lines.

Extended warranties are consolidated in the same way as, but separately from, the warranties. All those sold on a single sales order are captured on one agreement with separate lines for each different extended warranty. The products under each line create one or more sublines based on how they are created in the installed base. As with the warranties, the extended warranties are updated by subsequent shipments from that order unless the agreement is in terminated status, when a new agreement is generated. Start and end dates for extended warranties are also handled the same way as warranties.

2.5 Authoring

Service Contracts provides an authoring feature for recording and tracking each contract, the end goal being enhanced customer service and responsiveness. In addition, the following features are available in the Authoring form:

- Specifying contacts and bill to and ship to addresses
- Recording sales credits at the service line level
- Cascading the total of a service line amount to product level
- Interfacing sales credits to Oracle Sales Compensation
- Supporting contract multi-currency repricing
- Maintaining pricing attributes for a covered product

This topic group consists of the following topics:

2.5.1 Contract Templates

You can define an offering using the contract authoring feature and then saving the contract as a template for later use. Define the general terms and conditions of the contract using the following attributes:

- **Subscription:** A subscription template contains certain attributes, that can be associated to a subscription item. The attributes include Subscription type, Media and Property type, Fulfillment Channel, and Subscription Frequency. A subscription item can be a tangible item, like newsletters and compact disks or an intangible item like membership, digitized assets, and 'software as a service'. Subscription type specifies the type of subscription item such as Magazines, Journals, and Memberships. You can modify the list of available subscription types. Media and Property type specifies the subscription's property identifier such as print material, audio, and digital image. You can edit the list of available media and property types. Currently Oracle Order Management is

supported as the fulfillment channel. If no fulfillment channel is specified, it is considered an intangible item, and no delivery schedule is created for that item. Subscription Frequency such as Yearly, Monthly, Weekly, and Daily identifies how often an item should be delivered.

- **Services:** This attribute refers to user defined services that are to be provided in the contract. For example, you can define a 9-to-5 service coverage, with a 10 percent discount for materials, which could include field service transactions and hotline support transactions.
- **Times of coverage:** This attribute defines days of the week, hours, and the start and end dates for coverage. For example, you can set up 9-to-5 coverage as in the above example. You have flexibility in defining times based on the service coverage's needs.
- **Reaction times:** The reaction time refers to the time in which the service provider must respond to a service request such as, a two-hour reaction time. Reaction times may be defined differently for each user-defined severity level. The reaction times are automatically enforced through Oracle Service.
- **Resolution times:** In addition to indicating how long the service organization has to respond to a request, you may wish to define the maximum amount of time available to bring the open issue to a resolution. For example, the customer may wish to have any issues for a critical system completely resolved within four hours
- **Discounts:** This attribute refers to discounts that can be given based on the type of transaction performed. Using the example above, you could set up a discount of 10 percent for material when a service is performed.
- **Levels of coverage:** These can be for a customer, customer site, party, system, item, or customer product.
- **Counters associated with the contract:** These apply to counters tied to the service. You can also have events tied to counters. For example, you can have a preventative maintenance scheduled for a copier if its counter reading reaches 10,000 copies, or you can track the number of calls a customer has made to a customer support center.
- **Preventive maintenance program:** This would identify the preventive maintenance program and the corresponding schedule of program activities. You can define preventive maintenance programs at both Program and Activity levels.

2.5.2 Contract Authoring and Pricing

After you define the appropriate template, you can use it as a basis to create a contract from an offering and obtain customer approval on the pricing, coverage, and other terms and conditions defined in the contract. You can also create a contract from scratch. In general, contract authoring and pricing entails the following steps:

1. Select the contract template that best matches the customer's needs. If you are using a template, define customer information.
2. Define the contract's terms and coverages.

   If you have created a contract using a template, you can either use the existing terms and conditions, or modify them as necessary. For a new contract, you need to define the following:

   - **Parties:** This covers the customer's name, bill-to address, and ship-to address. Also identifies additional parties to the contract and contacts for any party.
   - **Billing information:** Billing profiles, dates, frequencies and amounts. You can create a billing schedule at the header which, when scheduled, will roll down to all the levels below it. Or you can create billing schedules for lines individually which will roll down to the sublines.
   - **Pricing:** Price list for calculating the price of the contract. Also remember any modifier lists from Advanced Pricing that have been set up to take effect automatically as well as use Pricing Adjustments to include any manual discounts or surcharges.
   - **Services to be provided:** You can use either the default services, if you are using a contract template, or you can define and update services. Set start and end dates for each service which can be different from the contract's dates, as long as the service's start and end dates do not exceed the contract's.
   - **Level of coverage:** This can be for a customer, customer site, system, item, or customer product.
   - **Coverage details:** You can update the coverage details of a service, which can default from the offering. Coverage details include information such as times and terms of coverage, reaction and resolution times and preventative maintenance schedules. By default the preventive maintenance schedule is defined for specific dates based on the stream levels defined in the coverage template. If required, the dates may be changed to a date range.

- **Counters:** Oracle Service Contracts lets you reference counters in the contract for tracking. For example, you can measure the number of calls made by a customer or the number of copies from a photocopier. You can include events in your contracts, which are automatically generated actions that occur based on conditions you define in the contract. For example, an event could be set up for a preventative maintenance service to be performed on a photocopier after every 10,000 copies.

3. QA Check the contract.

The QA Check is an automated process that verifies the contract contains the required and correct information. Some of the information that the QA checks for is defined in the application and cannot be changed or removed. Other information is optional and can be added or removed during implementation. Additional QA checks can also be written and included in the process. For additional information see the Creating QA Checklists section of *Oracle Service Contracts Concepts and Procedures Guide*.

You can launch the QA Check from one of three places. On the Summary Administration tab, there is a Submit button that launches the QA check and then allows the contract to progress through the Approval workflow if it passes. This is useful for checking a single contract at the time you author it. Results of the QA check are returned to you on the screen immediately so you can make any necessary corrections. You can also launch the QA check from the Actions menu when you are in the contract you wish to check. This will also return the results to your screen immediately, however if the contract passes, it will not launch the approval workflow. The third alternative is use the concurrent program Contracts QA Report. This allows you to select a range of contracts and run QA for all of them at one time. The process produces a report listing the results of each contracts outcome. This process does not launch the Approval workflow after the QA is complete.

4. Approve the contract.

   Oracle Workflow processes the contract approval and signing. After the contract has been signed it becomes active.

2.5.3 Creating Contracts

To create a new contract, you need to provide general information regarding the customer (such as the customer's identification, shipping, and billing addresses), define the services you are providing for the customer, and define the coverage terms associated with each service. Use this procedure to create a contract:

Prerequisites

None

To create a contract:

1. From the Navigator, choose Launch Contracts. The Oracle Contracts window appears.
2. In the Contract Navigator tab, right-click anywhere and choose New. The Create New Contract window appears.
3. Select Create a New Contract Manually.
4. Select a category.
5. Click the Create button to open the Service Contracts Authoring window.
6. Enter the header information for the contract.
7. Save your work.
8. In the Summary tab, enter summary information that will act as default information throughout the contract unless overridden at the line level.
9. In the Lines tab, choose Usage, Service, or Subscription for the line type, and enter line information for each.
10. Save your work.

Guidelines

You can save your contract at any time as a template.

References

See Contract Header for field descriptions for the header section of the window.

See Using the Summary Tab for the procedure to enter summary information.

See Using the Lines Tab for the procedure to enter line information.

2.5.4 Contract Header

While authoring a contract, the top portion of the Service Contracts Authoring window includes the following fields as listed in the table below:

Field	Description
Contract Number	The contract number may be entered manually or is system generated the moment the contract is saved.
Order	The Order Number is populated when a contract is automatically created from Order Management via the Installed Base Interface, such as for warranty and extended warranty contracts.
Version	Displays the contract version number. You can choose to create a new version by using the version option from the popup menu within the Navigator or applying a change request. The history of versions can be reviewed by double clicking on a contract within the Navigator to open the contract summary.
Short Description	Enter a short description of the contract.
Start Date	Enter the contract start date.
End Date	Enter the contract end date. The end date is automatically calculated when either the period or the duration is changed.
Category	Select Service Agreements from the list of values presented.
Known As	Provides an alternative, free format reference for the contract. Can be used to enable an easy search for the contract at a later date.
Duration	Enter the duration in whole numbers. The duration is automatically calculated if the start and end dates are entered.
Period	Select a period type from the list of values (e.g. month, year)
Status	The status is always defaulted to Entered or the status that you select as your default entered status.
Subtotal	Displays the sum of all line level subtotals after the contract has been saved.
Tax	Displays the sum of all line level estimated taxes after the contract has been saved.
Currency and Total	The Currency and Total of a contract are updated after the contract has been saved. The Total represents the sum for all the service lines including estimated taxes.

2.5.5 Using the Summary Tab

The Summary tab in the Service Contracts Authoring window provides a summary of the contract data. The summary information sets defaults used throughout the

contract, many of which can be overridden at the line level. Use this procedure to enter your contract summary information.

Prerequisites

None

To enter contract summary information:

1. Navigate to Summary > Parties tab.
2. Select the persons or business entities who have a business relationship to the contract. You can only enter one customer but can select any additional parties which have been defined in setup.
3. Select any contacts that relate to a selected party.
4. Select the correct bill and ship addresses for the customer.
5. Select the Pricing/Billing tab.
6. Enter the default pricing and billing rules for the contract.
7. Select the Renewals tab. Enter renewal rules to be used for the contract.
8. Select the Administration tab.
9. Enter control information association with the contract.
10. Select the Articles tab.
11. Reference standard articles or create nonstandard articles.
12. Select the Sections tab.
13. If desired, change the article formatting.
14. Select the Security/Text tab.
15. Optionally enter free form text for description or comments.
16. Save your work.

Guidelines

The billing schedules are based on Contract Billing parameters set in the Pricing and Billing tab. Click Schedule to update the billing schedule if any billing parameters have changed.

Workflow processes can be launched from the Administration tab. Highlight the desired process and click Launch. Click Monitor to view the progress of workflows in process. Click Stop to stop the workflow process.

References

See Summary Parties Tab for field explanations.

See Summary Pricing/Billing Tab for field explanations.

See Summary Renewals Tab for field explanations.

See Summary Administration Tab for field explanations.

See Summary Security/Text Tab for field explanations.

See Summary Articles Tab for how to explanations.

See Sections Tab for how to explanations.

2.5.6 Summary Parties Tab

The following table displays the fields and field descriptions for the Parties tab:

Field	Description
Party region	
Role	The valid values for role that are supplied with Oracle Service Contracts are vendor, customer, or third party. User defined roles can also be used. The vendor role will default to your company name. You must also enter a role of Customer. A role of Third Party can optionally be entered. You can only have one occurrence of each role for a contract.
Name	Select the party name from the list of values. Your company name automatically defaults as the vendor.
Party No	The party number is automatically displayed when the party name is entered.
GSA	This designates the contract as a government supply agency contract. This flag is set up in the party and is automatically set as soon as the party is identified.

Field	Description
Contacts region	-
Role	Enter the role that the contact is expected to play from the list of values. Individuals can be assigned to the contract along with the specific role each person has for the contract, depending on their legal relationship to the contract parties.
Name	Enter the contact name from the list of values.
e-mail	Enter an e-mail address in this free form text field.
Start Date	Effective start date for a party contact
End Date	Effective end date for a party contact
Bill To Address and Ship To Address regions	-
Bill to Address	This includes the Account/Party and Location fields.This is defaulted from the customer bill to address if it is flagged as Primary. Optionally, select another bill to address from the list of values.
Ship to Address	This includes the Account/Party and Location fields. This is defaulted from the customer ship to address if it is flagged as Primary. Optionally, select another ship to address from the list of values.

2.5.7 Summary Pricing/Billing Tab

The following table displays the fields and field descriptions for the Pricing/Billing tab. Many of these fields are also found on the Billing tab for lines.

Field	Description
Agreement	Optionally, select an agreement. Information from the agreement will appear in price list, accounting rule, invoicing rule, and payment terms.
Price List	Specify the price list to be used from the list of values.
Accounting Rule	If an agreement was not selected, then specify a rule from the list of values. The accounting rule determines when revenue is recognized for service performed.

Field	Description
Payment Terms	Enter the payment terms from the list of values. This field is used by AR to determine when the payment is due on the invoice.
Invoicing Rule	Choose the invoicing rule from the list of values for the contract header.
Service Charges region	-
Pre-Payment Required	This feature is reserved for future functionality
Purchase Order Required	Select if using a purchase order for payment of charges for services rendered.
PO Number	Enter the purchase order number to be used for payment. Note: If the Purchase Order Required check box is selected but no PO Number is entered, you can still save the contract. The QA check will only alert you that the PO number must be entered.
Currency Conversion region	(This region is read only for Euro countries)
From Currency	Enter the currency that the currency is to be converted from.
To Currency	Enter the currency that the currency is to be converted to.
Type	Enter the conversion type from the list of values.
Date	Enter the date for the entered conversion rate.
Rate	Enter the conversion rate.
Contract Billing region	-
Transaction Type	Select the Transaction Type from the list of values to be associated with billing for the contract.
AR Interface	Controls which contracts are eligible to be interfaced to AR. The default setting is checked.
Hold Billing	You can use the Hold Billing check box to place a hold on credit memos until the next billing cycle. This setting does not hold invoices. The default setting is unchecked which allows changes in the billing amount to be picked up immediately.

Field	Description
Summary Transaction	If checked, the system profile OKS: Summary Transactions will be ignored for that contract and only summary level transactions will be sent to AR for that contract. If left unchecked, the system profile will be used to determine how the contract should be billed. By default, this check box will be unchecked. Note: when unchecked it does not mean that detailed transactions will be sent to AR. The check box is only considered when it is checked. When unchecked, it is ignored
Summary Print	Can be used by a customized invoice print program to control printing the invoice. If check box is selected, it will print at summary level or brief invoice. If check box is cleared, it will print a detailed invoice.
Purchase Order Required	Select if using a purchase order to pay for the contract.
PO Number	If you want the to reference the PO number on the invoice, enter the purchase order number in this field. The Contract Billing process sends the purchase order number along with billing transactions to AR. Note: If the Purchase Order Required check box is selected but no PO Number is entered, you can still save the contract. The QA check will only alert you that the PO number must be entered.
Billing Button	Opens the Billing Schedule window to allow creation of header level billing schedule which can be rolled down to the lines and sublines.
Tax Exemption region	
Status	Specify the tax status such as exempt when applicable.
Number	Enter the tax exempt certificate number.
Reason	Enter the reason for tax exemption.

2.5.8 Summary Renewals Tab

The renewal rules defined on this tab will be applied during manual or automatic renewal of the contract. If rules are not defined at the contract level, the rules will be retrieved from the Global Contracts Defaults. The following table displays the fields and field descriptions for the Renewals tab:

Field	Description
Renewal region	
Type	The type of renewal process such as sending for approval, notifying sales representative to facilitate renewal, etc.
Renew Up To	Only available for contracts with renewal type of Active Contract (Evergreen). This records the date when the automatic renewal process should stop renewing the contract. This will be the end date of the final renewed contract.
Notification	If a renewal event has been setup, this field identifies who was notified of an impending renewal.This field will not be populated until after the renewal event has picked up the contract and has sent the notification.
Pricing Method	This determines how pricing is to take place during contract renewal, such as list price or last year's negotiated price.
Price List	Shows the price list to be used to compare and cap the price change during renewal.
Markup	If a pricing method of markup was selected, enter the percentage (positive or negative) that should be used to adjust the price of the renewed contract. The new price will be compared to the cap price list to ensure the customer will not be charged more for the renewal than for a new contract.
PO Required check box	This specifies that a purchase order is required during renewal process. If selected, the renewal cannot be sent for approvals without a purchase order.
PO Number	During contract renewal, the user enters the PO number, if the PO Required check box is selected in the Renewal Rules Used region.
Estimated Percent	This is used to give some measure of the percentage revenue that will be closed for the renewal within the specified time before the contract expires.
Duration	The duration before the contract expires for which the estimated percentage revenue is planned to be achieved.
Period	Enter the period from the list of values.
Renewal Rules Used region	-

Field	Description
The Renewal Rules Used region is display only and is updated when the contract is renewed.	-
Quote To region	-
Account/Party	Select a party from the list of values. This list of values refers to parties identified on the Parties tab.
Contact	Select an individual from the list of values.These contacts are associated with the party selected above.
Address	Select the street address from the list of values that is applicable to the individual contact listed above.
e-mail	This field will default from the contact setup. It can be overridden.
Phone	This field will default from the contact setup. It can be overridden
Fax	This field will default from the contact setup. It can be overridden.

2.5.9 Summary Administration Tab

The following table displays the fields and field descriptions for the Administration tab:

Field	Description
Quality Assurance Checklist	Enter the QA checklist that is to be used for this contract.
Effective region	This area is read-only information
Date Approved	The date that the contract was approved appears.
Date Signed	The date that the contract was signed appears.
Date Canceled	The date that the contract was canceled appears.
Date Terminated	The date that the contract was terminated appears.
Date Renewed	The date that the contract was last renewed appears.
Payment Details region	-

Field	Description
Credit Card Number	Enter the credit card number if the customer chooses to pay for the service agreement by this method. The level of validation to be applied to the number can be controlled by Contracts profile options OKS: Credit Processing QA Level. The minimum amount to be held in the event the event that the card is validated by authorization is set in the profile option OKS: Minimum Authorized Amount. The card details are passed to AR during the billing process.
Expiry	Enter the credit card expiration date.
Estimation region	-
Percent	Enter the percentage revenue that is estimated to be achieved for this contract. This can be used by a salesperson to give some measure of the revenue that may be generated for a new contract.
Date	Enter the date by which the estimated revenue is predicted to close.
Contract Groups region	-
Group Name	Select one or more contract groups to which this contract belongs. A contract is visible in the Launchpad only if a contract group has been specified here.
Description	The group description appears when the group name is selected.
Process region	-
Type	Enter the type of process to run.
Workflow Name	Choose the workflow process name from the list of values.
Workflow Process	This is the workflow process system name and appears when the workflow name is specified.

2.5.10 Summary Security/Text Tab

Contract access is a combination of security granted both by the responsibility and at the individual contract level. You do not restrict access at the contract, you can only grant additional access. For example, if a user logs in with a responsibility that grants modify access to contracts they will not be restricted on a particular contract by a Read Only security level for a particular contract. However, someone logging

in with a responsibility of Read Only may be granted Modify access for a particular contract.

The following table provides descriptions of the fields on the Security/Text tab:

Field	Description
Security region	-
Type	Identifies Group or User access.
Group or User Name	Enables you to choose either a group or user name.
Level	Enables you to select either modify or read only access level.
Text region	-
Description	This is free formatted text. Enter contract details, if applicable.
Comments	This is free formatted text. Enter additional contract comments, if applicable.

2.5.11 Summary Articles Tab

Service Contracts supports article management in the same manner as Contracts Core. For guidance on how to do the following:

Referencing a standard article

Modifying an existing article

Creating an article

For guidance on how to use Articles see, *Oracle Contracts Core Concepts and Procedures*.

2.5.12 Summary Sections Tab

You can use the Sections tab to format the way you display Articles that were selected on the Articles tab. For each Section, you may enter subsections and place the Articles in the correct sequence. For guidance on how to use the Sections tab see, *Oracle Contracts Core Concepts and Procedures*.

2.5.13 Using the Lines Tab

Contracts that are authored (versus those that are automatically created) may contain service, subscription or usage type lines. Services, subscriptions and usages are all items that have been created in the item master (see Defining Service

Programs, Usage and Serviceable Products). The line types available for a contract will depend on the contract category that has been selected. If the Category is Service Agreement or Extended Warranty, two line types will be available - Service and Usage. For a subscription Agreement, line types are Service, Usage and Subscription.

When a service line is added to a contract, the coverage terms associated with that service are defaulted onto the contract line. The default coverage terms can be customized as necessary on the contract, but the price is unaffected. For example, you could choose a service for 9x5 (nine hours a day for five days a week), and increase the coverage to 24x7, but the price will not increase because it was a 9x5 service that was selected on the contract.

Prerequisites

None

To enter a contract line:

1. Navigate to the Lines > Accounts tab.
2. Enter a service, subscription or usage line, customer contact, and address information.
3. Select the Effectivities tab.
4. Make any changes necessary to the effectivity dates for the lines. For a subscription line, enter the quantity of items being sold.
5. Select the Pricing/Products tab.
6. For service lines, enter the covered levels and pricing information.
7. If you want to review details about the product from Installed Base for a serviceable product, then click Product Details.
8. If you want to view the components of the price calculation, then click Price Calculation.
9. Click Billing.
10. Enter billing information for the line item.
11. Select the Counters tab.
12. Review counter information.

13. If you want to review the counter, then right-click the counter line and choose Counter Setup. The Setup Counters window appears.
14. If you want to edit counter values, then right-click the counter line and choose Counter Capture. The Capture Counter Reading window appears.
15. Select the Events tab.
16. Review event information.
17. Save your work.

Guidelines

There is no limit to the number of contract lines that can be defined for a contract. However, only one set of coverage terms can be defined for a service, although it may include several business processes. For each business process (for example, Depot Repair) a unique set of terms can be defined (for example, coverage times, reaction times, or bill rates.)

There is no limit to the number of business processes that can be defined for a coverage terms contract line. Also there is no limit on the number of billing types that can be defined for a business process.

The contract values defined in the Summary tab (header) govern the terms and conditions of the entire contract. However, these may be overridden by explicitly entering alternative values in the Lines tab.

Counters that track usage of products and services are defined in Oracle Service. For instance black and white copies and color copies made on copy machines are examples of product counters. Total number of support calls and total number of service requests are examples of service counters. To enter a usage type of product and service line, it must be defined as an item in the Item Master and flagged as a Usage Item serviceable product. Usage information is entered on the Effectivities tab.

References

See Lines Accounts Tab for field explanations for the Customer Account information.

See Lines Effectivities Tab for field and button explanations.

See Lines Pricing/Products Tab for field and button explanations.

See Lines Billing Button for field explanations for Billing.

See Lines Exemptions Tab for field explanations for Exemptions.

See Lines Counter Tab for field explanations for Counters.

See Lines Events Tab for field explanations for Events.

2.5.14 Lines Accounts Tab

The following table displays the fields and field descriptions for the Accounts tab:

Field	Description
Line Number	The line number is automatically generated.This number is unique to the contract and will not be reused even if the line is deleted and new lines are added.
Line Type	Select either Service, Subscription or Usage.
Name	Select the name of the item from the list of values.
Line References	Allows entry of free format line reference for each contract line. This may be used to represent the customer's reference, e.g. a PO line number or a CLIN reference. This field is not system generated.
Order/Line Number	If service contract has been interfaced with Order Management, this shows the order number. If a service contract is created manually, this field is disabled.
Account	Select the customer account from the list of values. The Customer account is defaulted from the bill to address of the contract header. Since the bill to address at this point is known, the customer account can be defaulted. However, you can override the customer account.
Account Name	The account name appears after the customer account is selected.
Bill To	If different from the Summary tab, enter the bill to name from the list of values. If there is no bill to at the line level, you can use the Actions menu option Cascade Attributes to copy the bill to address from the header.
Ship To	If different from the Summary tab, enter the ship to name from the list of values. If there is no ship to at the line level, you can use the Actions menu option Cascade Attributes to copy the ship to address from the header.
Customer Contacts region	For each line entered on the contract, the following information can be entered:

Field	Description
Role	Enter the role from the list of values. Similar to the header contacts, customer contacts can be created for the party which the customer account is associated with.
Name	Enter the party name from the list of values. The address will populate automatically.
Start Date and End Date	For each contact, enter the start and end dates to indicate the effectivity of that contact, if applicable.
Bill To and Ship To Address	The bill to and ship to addresses in this portion of the tab are those addresses that belong to the customer account as entered or defaulted above.

2.5.15 Lines Effectivities Tab

The following table displays the fields and field descriptions for the Effectivities tab:

Field	Description
Status	Defaulted from the header status.
Start Date	Enter the service line start date.
End Date	Enter the service line end date. If a duration and period are entered, then the end date is calculated.
Duration	Enter the duration in whole numbers.
Period	Enter the period from the list of values such as month or year.
Qty	Enter the quantity per delivery (available only for Subscription lines)
UOM	Select the unit of measure from the list of values. (available only for Subscription lines)
Renewal Type	This determines line duration for renewal such as full duration, and remaining, This value would normally be automatically initialized from OM, however, it may be manually changed during the renewal review.
Description	This displays the service description (Service or Usage).
Invoice Text	This text is defaulted based on the item description and effective dates, but can be overridden. The text is sent to AR during the billing process.

Field	Description
Coterminate (button)	Sets the end date of the currently selected contract line to be the same as the end date established by the Service Cotermination setup.
Coterminate All (button)	Sets the end date of all of the lines on the contract to be the same as the end date established by the Service Cotermination setup. For additional information see Defining Service Cotermination in the Implementing Service Contracts portion of the Oracle Service Contracts Concepts and Procedures Guide.
Coverage region for service line	Every service item defined in inventory is associated with a coverage template. When you select a service item in authoring and save it, the associated coverage template is used. The coverage name and description appear. Click Edit Coverage to view or edit the coverage.
Name	Displays the coverage name
Description	Displays a description of the coverage.
Exception Coverage	If a coverage has an exception coverage defined, then the exception coverage name and description appear.
Template region for subscription line	-
Name	Displays the name for the Subscription template.
Description	Displays a short description for the Subscription template.
Edit Schedule button	Click the Edit Schedule button to open the Subscription Schedule form. This form displays the order details and order fulfillment history for each schedule delivery. You can also use this form to update the subscription schedule by editing the patterns. The patterns specify the schedule for the subscription item delivery. The Schedule patterns consist of Year, Month, Week, Weekday and Day. For each of these components, you can enter individual values or range of values separated by commas(,). Use a hyphen(-) to specify a range by entering a hyphen between the lowest and highest values. For example, the value 1,3-6,9 in the month component would mean January, March to June and September. A value of * in any of the component means 'ALL'. For example, a '*' in the month field would mean January to December.

Field	Description
Usage Type region	-
Fixed Per Period	Select this usage type if the customer will pay for the same number of units each month regardless of the actual counter reading. This usage type can only be billed arrears.
Actual Per Period	Select if billing is based on an actual usage by period.This is the actual usage quantity for a defined period. However, this usage type allows the set up of default and minimum counter values. In addition, usage averaging is enabled where an average billing is allowed if no counter readings are captured for a given period.
Period	Enter the period in which billing is to take place.
Actual by Quantity	Select if billing is based on an actual usage by quantity.
Negotiated Price	Negotiated price is selected if the customer is going to pay a fixed dollar amount regardless of the usage reading. Negotiated Price usage type can be billed in advance, as can Fixed Per Period usage type.
Average and Settlement	(Actual per Period Usage Type.)
Averaging Allowed	Select if averaging is allowed across invoices. If the Averaging check box is checked, the averaging interval is mandatory entry.
Averaging Interval (Bills)	The averaging interval is a whole number and is based on the period defined in the Usage Type region.
Settlement against actual usage allowed	Select if settlement against actual usage is allowed.If checked, the Settlement against Actual Usage concurrent request compensates or settles billing against actual usage. If a minimum or default invoice amount is generated, this may be executed after the counter reading is taken. If the counter reading is greater than the previously billed amount, an invoice is generated to compensate for the under billing. If the counter reading is less than the previously billed amount, a negative invoice is generated to make up for the over billing. In addition, this generates an additional billing history line in the Lines / Billing tab.

2.5.16 Lines Pricing/Products Tab

The Pricing/Products tab is where each of the sublines are created for each service line to add the items that are covered for the particular service. The Effectivity tab is where you will select the coverage level and associated product(s) for each subline. If the products to be selected are not already in the Install Base, they can be added

from the Covered Product Selection window's New button. On the Pricing tab, you can view, enter, or override the price of each subline as appropriate. Once the sublines are priced, billing schedules can be established. The following table displays the fields and field descriptions for the Pricing/Products tab:

Field	Description
Line Number	Line number was automatically generated when the line was created on the Lines Accounts tab
Line Type	Defaulted from the Lines Accounts tab
Name	Defaulted from the Lines Accounts tab
Line Ref	Defaults from the Lines Accounts, view only
Duration	Defaulted from the Effectivities tab.
Period	Defaulted from the Effectivities tab.
Price (Last Contract)	Displays the price of the contract line on the previous contract, prior to renewal.
Currency (Last Contract)	Displays currency type.
Subtotal	This field displays the total price of all the covered levels.
Tax	This field displays the estimated line level tax amount for all the covered levels.
Total	The Total represents the sum of the line level Subtotal and estimated Tax fields.
Invoice Print Flag	This flag is used by a custom print program, not the standard Receivables invoicing process. The Invoice Print Flag check box is available for each contract line to indicate whether the line item should be printed on an invoice. There may be practices which require that an invoice is not printed. The default setting for this check box is set to print the invoice. Deselect the check box when you don't want to print the invoice for the corresponding line item.
Show All Products (Button) Service Line Only	Lists Covered Product items for all sublines under a particular Service Line. Items under other coverage levels (covered site, covered item, etc.) will not display. Only enabled for Warranty/Extended Warranty contracts.
Billing (Button)	This button enables creation of a line level billing schedule.
Effectivity Subtab	(Service Line)

Field	Description
Level	This identifies the level at which the service line is covered. When searching for covered items in this field, there are two different LOV formats available. The standard Oracle Applications window will open if you enter a partial name or number with the wildcard (%). Oracle Service Contracts has created a special search form which can be accessed by clicking LOV in the Covered Level field. This form allows you to search using the fields and filters described below. If the item to be covered is not already in the installed base, clicking New in the Cover Products Selection window will open the Install Base to allow new products to be added. The covered levels are: ■ Site: Covers all products at a particular customer site (references install base). You can search for sites of the Customer named on the contract, any parties that are related to that Customer, both the Customer and their related parties or get a list of sites for every company in the customer master. ■ Item: Covers all products of a particular item type (references inventory items). ■ Product: Covers a particular product from install base. You can search the installed base of the named Customer, any parties related to that Customer, both the Customer and their related parties or get a list of the installed bases for every company in the customer master. You can filter your search to look for just items, models or systems. Or you can search all installed products for a site, party, or customer. ■ System: Covers a particular system configuration for the Customer and/or related parties as well as all customers. (references install base) ■ Customer: Covers all products for a given customer account (references install base). You can search for the Customer and/or parties related to the Customer as well as all customers. ■ Party: covers all products for a given party (references install base). You can search for the Customer and/or parties related to the Customer as well as all customers.

Field	Description
Name	For the Covered Item level this is the product name. For the Covered Party level this is the list of customer names. For the Covered Product level this is the list of installed base items. If the desired product is not in the installed base, click New from the Covered Product Selection window to add it. For the Covered Site level this is the list of available sites for the customer. For the Covered System this is the list of systems in the installed base. For the Covered Customer this is the list of customers names. With the Covered Product level, you can select one or multiple entries from the Covered Product search window. Upon selecting the products and clicking the OK button, the covered products are automatically added to the contract and priced accordingly. For all other covered levels, you can designate the coverage of multiple products on a single subline without using the search window. However, the pricing for this entry would be manual.
Line Ref	Allows entry of free format reference for each contract subline. This may be used to represent the customer's reference, e.g. a PO line number or a CLIN reference. This field is not system generated.
Start Date	Covered Level start date.
End Date	Covered Level end date.
Price UOM	Allows the user to choose what unit of measure to price for service, regardless of the unit of measure of the service itself. For example, the service may be 450 days duration, but the user may choose to price in years. This will ensure that a consistent price is retrieved per unit of time, for different lengths of service.
Duration	Defaulted from the Effectivities tab.
Period	Defaulted from the Effectivities tab.
Date Terminated	The date at which the covered level was terminated.
Renewal Type	Identifies contract renewal type such as Full duration or do not renew.
Description	Displays product description.

Field	Description
Invoice Text	Free format invoice text. Defaults based on the name of the covered level but can be overridden. This text is sent to AR during the billing process.
Product Details (Button)	Access to the Customer Products window showing details such as product name and quantity.
Pricing Subtab	(Service Line)
Line Number	The line number is automatically generated.
Level	Defaulted from the Effectivities tab.
Name	Defaulted from the Effectivities tab.
Line Reference	Display of the sub-line reference set on the Effectivity Tab.
Quantity	For covered items, enter the quantity to be covered. The default quantity is 1.
UOM	For covered items, select a unit of measure from the list of values.
Unit Price	If the covered level is Covered Product or Covered Item, then Oracle Pricing is called to get the price of the product. In all other cases, you must manually enter the price for servicing the product.
Extended Price	The extended price is the unit price times quantity.
Price (Last Contract)	Displays the price of the covered level on the previous contract, prior to renewal.
Currency (Last Contract)	Default from contract line.
Subtotal	The Subtotal is normally equal to the extended price. For covered levels of Covered Product and Covered Item, the price is obtained from Oracle Pricing, including any discounts and surcharges. The price retrieved is the price as of the date determined by the profile option Pricing Default Date. The price is defaulted into the Subtotal field. You can manually override the price if desired. The subtotal field is also used to enter prices manually for contract lines that are not priced automatically (see Pricing Service and Usage).
Tax	Displays the covered level estimated tax.
Total	The Total represents the sum of the covered level Subtotal and estimated Tax fields.
Description	Displays product description.

Field	Description
Billing (Button)	This enables creation or modification of a product-level billing schedule.
Reprice (Button)	Enables the repricing of service items in a contract when a new price list is selected. Repricing can be done at any time not just while Renewal, at Contracts level, or Covered Product Level.
Price Calculation (Button)	Enables you to review the how the price derived.
Products region	(Usage Line)
Name	Select the name of the product for a usage line. Source Details is automatically displayed.
Source Details	Identifies counter: CP: Product counter Service: Service counter
Line Ref	Allows entry of free format line reference for each contract line.
Fixed	If the usage type is Fixed, enter the fixed amount to be billed every month.
Minimum	If the usage type is Actual per Period, enter the minimum counter value. If a counter reading is taken and is less than the minimum, a minimum invoice will be generated, i.e. the minimum counter value defined on the contract would be used to determine the invoice amount.
Default	If the usage type is Actual per Period, enter the default counter value. If a counter reading is not taken for a given period, a default invoice will be generated, i.e. the default counter value defined on the contract would be used to determine the invoice amount.
UOM	Regardless of the usage type, the UOM is automatically defaulted to the counter UOM.
Period	Regardless of the usage type, the period is defaulted from the usage type period.
AMCV	AMCV (average monthly counter volume) is applicable to the Actual per Period usage type only and determines if averaging is to be used for billing when a counter reading is not taken. If checked, based on the averaging period defined in the contract, the Service Contracts Main Billing calculates an average invoice amount which is used for billing the current period. If the number or previously billed period is less than the averaging interval, a default billing is generated.

Field	Description
Level	If multiple counters are defined on a contract and one or more counter readings are significantly higher than the others, usage leveling can be used to equalize or distribute the readings across all the counters for a given billing period. This simplifies the customer's invoice by showing an even billing distribution across all the counters. If applicable, check Level for each applicable counter.
Reading	Enter the initial base reading of the counter. The monthly net counter reading will be based on this base reading.
Net Reading	This is a calculated field that tracks all historical activity for the counter such as roll overs.
Final Price	If the billing type is Negotiated Price, enter the final price which would be used for each billing period.

2.5.17 Lines Billing Button

The Lines Billing button gives you the ability to determine a flexible billing amount and schedule. This billing schedule gives the liberty to bill whatever amount you want to bill for a given period of time. For example, you can choose not to bill in the first month and adjust that amount in the billing for the subsequent months. The billing schedule can be set up at the header and rolled down to the line level or created individually for each line on the contract.

You have an option of conveniently billing for different billing periods. This can be decided by choosing the Billing Type from the Schedule header. The three choices are:

- Equal Amount
- Top Level (not available for Subscription type contracts)
- Covered Level (not available for Subscription type contracts).

You can select one of these levels as the default so that each time you create a billing schedule, that choice will appear automatically. The billing level default is selected in the OKS: Billing Schedule Level profile option.

For Equal Amounts the user can bill for equal amounts over the billing period and has full control over the amount to be billed and the billing periods. Or by using the Prorate button, the amount can be spread across the billing periods. The start and end dates of all top lines and their sublines must be the same. The schedule form, once generated, cannot be modified for the covered product line.

For Top Level users can define the billing periods and the billing engine calculates the bill amounts (therefore the amount fields will be disabled). Line level start and end dates can differ from the sublines. The Prorate button will be disabled. When creating billing schedules at this level, the total stream level amounts from the sublines will roll-up to the line levels. Also, once a line level billing schedule exists, all new sublines added automatically without needing to revisit the line level and click Schedule again.

Also, for Top Level bill schedules, whenever the duration of the line is increased, an additional billing stream will be created. If the contract has a later end date, the unit of measure of the billing stream is taken from the previous stream. If the duration is reduced, billing streams may be removed, as long as those streams are entirely outside of the new contract duration. If these changes are cascaded to the sublines, those billing schedules will be updated when the cascade is initiated. If the changes are not cascaded, only the line level billing schedule will be automatically updated.

For Covered Level, the user can define the billing periods and the amount to be charged. Top line effectivities may differ from the sublines. Amounts can be entered for every period or the Prorate button may be used. For sublines where start and end dates match their top line, the billing schedule is created by the billing engine. When the dates differ from the top line the user goes to the schedule form and creates the subline schedule manually. For the Covered Product line, the schedule form is not read only so changes can made there directly. This level of billing schedule is not available when you are creating a header level billing schedule.

When creating a header level billing schedule, it will become the default information for all service and usage lines in the contract. Usage lines which fall under the header level billing schedule only have the option of selecting the Arrears invoicing rule. If changes are made to the line level billing schedules, it is important to note that refreshing the header level billing schedule will overwrite these changes since the header schedule is rolled down to the lines each time the schedule is refreshed. A warning message will appear reminding you that this is about to happen. The header billing schedule does not receive billing history information. It cannot be updated or used to schedule lower levels once billing has happened.

Stream Level Window

A billing schedule may have many billing streams. Each stream level being a set of billing periods. For example: A contract starts on 17 December 2003 and runs till 31 December 2004, duration of 380 days. Due to this irregular duration, the billing period would have been calculated at a daily rate and would have given varying billing amounts, depending on the length of each calendar month. Billing stream

levels allows the user to set up a separate stream for the irregular period of 15 days, followed by a second stream of 12 months. The stream level in this case would be "bill for 1 period of 15 days at $500 followed by 12 periods of 1 month at $1,000."

Schedule and History Tabs

It provides the ability to define billing schedules for individual covered levels on the contract, and contract lines. The Schedule tab window opens once the Billing button is clicked from Lines > Pricing/Products.

Field	Description
Schedule Tab	-
Invoicing Rule.	Choose the invoicing rule from the list of values for the contract line. The invoicing rule is defaulted from the contract header invoicing rule
Accounting Rule	Defaults from the contract header accounting rule. The accounting rule determines when revenue is recognized for service performed.
Level	Select a level from the list of values: Equal Amount, Top Level or Covered Level. Note: The Covered level is not available for usage lines and only the Equal Amount level can be used for Subscription contracts.
Start Date	This field is display only and shows the start date of the contract line.
Amount	Displays contract price.
End Date	Enter the end date of the contract.
Stream Level Region	-
Seq No	Enter the sequence in which you wish to have the billing stream levels billed.
Periods	Enter the number of billing periods to be included in this stream level. E.g. to set up a stream level of "bill for 1 period of 15 days at $500," the value in this field should be "1."
UOM/period	Enter the number of periods to be included in this stream level, e.g. in the above example, the value in this field should be "15."
UOM	Enter the unit of measure for the billing period, e.g. in the above example, the value in this field should be "Days."

Field	Description
Amount	Enter the amount to be billed for each period in the stream level. For a level of Equal Amount, you must enter a value in this field or use the Prorate button to create the value. For a level of Top Level, this field is grayed out as Oracle Contracts can calculate a value automatically based on the price of the contract line. When viewing a Top Level billing schedule, the stream level values for the sublines beneath it will be rolled up and displayed in this field.
Invoice Offset	For an invoicing rule of Advance, the invoice date can be determined by Oracle Contracts. Enter the number of days (plus or minus) from which the invoice date should be set from the bill from date. The invoice date must be on a later date than the current date but may be prior to the start date of the contract.
Interface Offset	Enter the number of days from which the Interface date should be set from the bill from date. The Billing program uses the information to determine the date for sending the billing records to Oracle Receivables. Oracle Contracts will enforce that the interface date is the earlier of either the Invoice Date or the Bill from Date. As the result, only offsets less than 0 will have any affect on the interface date. Using the interface offset to create an interface date prior to the start date of the billing period may, during the first billing cycle, result in the interface date being prior to the start date of the contract. The billing engine will find any billing stream where the interface is on or before the date specified. Therefore, an interface date in the past will not prevent billing from running successfully.
Cascade Dates	After making a change in the start or end dates of the billing sequences, click this button to automatically set the dates to cascade from one to the next, so that the billing schedule does not have any gaps or overlapping dates.
Prorate	Use this button for Equal Amount billing to have Oracle Contracts automatically calculate the invoice amounts based on the billing sequences that have been defined.
Schedule	Use the Schedule button to display the billing schedule after creating or making any changes to the billing schedule or contract effectivity dates at any level which affect the billing schedule. It creates schedules for sublines (where applicable) and must be clicked to save the schedule.
Schedule Region	**All fields in this region are display only and show the result of the values that have been entered in the previous region.**
Seq No	This field shows the sequence number of the billing schedule from the previous region.

Field	Description
Level Seq	This field shows the sequence number of each stream level.
Invoice Date	This field displays the invoice date that is sent to AR. However, for the Advance invoicing rule, this date can be changed by using the Invoice Offset field in the previous region.
Bill From	This field shows the start date of the billing period. This date is used to derive the accounting period for which revenue is to be recognized for the contract line.
Bill To	This field shows the end date of the billing period.
Interface Date	This field shows the date when Oracle Contracts Billing program will pick up the record to send to AR. This date can be changed by using the Interface Offset field in the previous region.
Amount	This field shows the amount that will be billed in the billing period.
History Tab	This tab displays the billing history. Information is brought in first by the Contracts main billing and then updated by the Fetch to display actual amounts billed including tax and invoice numbers. Only the line level billing schedule histories will be populated with actuals. Header level billing schedules will not show any billing history. If summary transactions are selected with either the profile option or the contract check box, the history will contain one transaction line per billing period. However, if detail transactions are being sent to AR, the billing history will show the details for each subline per billing period. By right clicking on a line in the billing history, you can view the details of that billing transaction.

2.5.18 Lines Exemptions Tab

The following table displays the field names and descriptions for the Exemptions tab:

Field	Description
Line Type	Indicates Service or Usage line
Name	Identifies the Service or Usage item

Field	Description
Status	Select the tax status for the item selected (e.g. Exempt)
Number	Enter the tax exemption certificate number from the list of values (if applicable). Not available if Status is other than Exempt.
Reason	Indicates the reason this item is tax exempt (e.g. Reseller). Not available if Status is other than Exempt.
Tax Code	If Status referenced above is other than Exempt, this field provides a list of values from which to select the appropriate tax code for this item.

2.5.19 Lines Counter Tab

The following table displays the fields and field descriptions for the Counters tab:

Field	Description
Name	Review counter name
Type	Review counter type
UOM Code	Review unit of measure
Net Reading	The difference between the current counter reading and the last reading that was billed.
Timestamp	The date the net reading was recorded.

2.5.20 Lines Events Tab

Events are normally linked to a counter, whether it be a unit based or time based counter. Events are defined in the Condition Template form. The Events tab shows the anticipated outcome which is a PL/SQL procedure that executes some business logic. For example XYZ Company wants to schedule a preventive maintenance service request after a time based counter has elapsed 3 months. In this case, the outcome is a custom PL/SQL procedure that uses the Create/Update SR API to call a Service Request template.

The following table displays the fields and field descriptions for the Events tab:

Field	Description
Name	Event name such as counter update.

Field	Description
Description	Event description
Date Active	Date event becomes active.
Date Inactive	When event has become inactive.
One Time	Identifies whether the event will be evaluated once only, rather than potentially being triggered on a recurring basis.

2.5.21 Using the Tools Menu Functions

The following functions can be accessed from the Tools menu

- Revenue Distribution
- Create New Version
- Change Status
- Pricing Qualifier
- Price Adjustment
- e-mail Quote
- Update Service
- Terminate Subline

2.5.22 Revenue Distribution

This provides the ability of distributing revenue for service items on a contract into accounts other than the default account that has been setup. You can enter new revenue information for some lines without changing others. You can change the default revenue distribution of an Entered status contract or you can open an Active contract for update (or create a change request). You can change the revenue distribution for a contract even after a line has been billed but this will only change the revenue distribution for future billing. If the contract is copied, renewed or used as a template these distributions will also be copied to the new agreement.

To distribute revenue:

1. Navigate to Service Contracts Authoring > Tools > Revenue Distribution.
2. Review the account defaulted in the GL Account field.

3. Select the Override account field. A list of values is displayed with the different account aliases.
4. You can choose the overriding account by selecting the segment values, or by choosing from the list of combinations.
5. Enter the percentage to be allocated to the account in the Percent field. The Total Percentage should equal 100%.
6. Save your work.

2.5.23 Create New Version

Provides the ability to create a new version of an existing contract.

To create a new version of an existing contract:

1. From the Contract Navigator, click the contract to be versioned.
2. Navigate to Contracts Authoring >Tools > Create New Version.
3. The new version of that contract is created.
4. In order to view the new version or any previous versions, from Contract Navigator go to Launch Contracts > Contract Navigator > Service. Double click the contract. A window will open. On the bottom of the window click the History tab. The different versions of the contract would be listed there and you can pick any version for read-only access.

2.5.24 Change Status

Provides the ability to change the current status of the contract to another status.

To change the contract status:

1. Navigate to Service Contracts Authoring > Tools > Change Status.
2. The Change Status window will open.
3. Select the new status from the list of values. The status of the contract will be changed.

2.5.25 Pricing Qualifier

This provides the ability to define the pricing qualifiers that are eligible for the contract. This information is passed to Oracle Pricing to calculate the appropriate

discounts or surcharges. For more information about Qualifiers and Modifiers, please refer to the *Oracle Pricing User's Guide*.

To define pricing qualifiers:

1. With the cursor at the line level, navigate to Tools > Pricing Qualifier.
2. The Pricing Qualifier window will open.
3. Select segments from the list of values.
4. This will qualify if the contract is eligible for any discounts or surcharges.

2.5.26 Pricing Adjustment

Price adjustments that have been applied automatically can be reviewed using this feature, and also additional adjustments can be applied manually. If done manually, make changes and save them. Then apply the changes and reprice the contract for the changes to appear. You can enter price adjustments at the contract header, line or subline.

For header level pricing adjustments:

- If the price adjustment is a percentage, that percentage would be applied to each subline.
- If the adjustment is a fixed amount, the adjustment would be applied to each subline. For example, if the amount entered in the Adjustment window is a $10 discount, each subline would be reduced by $10 with lines above reflecting the cumulative effect of those discounts. For a line containing three sublines, each subline is discounted by $10. As the result, the cumulative effect on the price of the line would be a $30 reduction.

To perform pricing adjustments:

1. Highlight the price to be adjusted.
1. Navigate to Service Contracts Authoring > Tools > Pricing Adjustments.
2. The Pricing Adjustment window will open.
3. Select a modifier number from the list of values. The modifier number is a type of pricing adjustment set up in Oracle Advanced Pricing.
4. Apply the changes.

2.5.27 e-mail Quote

Quote letters can be generated and e-mailed to a customer as part of the renewal process. The person who receives this e-mail quote is specifically identified on the Summary Renewals tab, as described previously.

Prerequisites

The following profile options must be setup in order to use the e-mail Quote functionality:

OKS: SMTP Domain

OKS SMTP Host

OKS: SMTP Port

Refer to the Implementing Oracle Service Contract Concepts and Procedures for more information regarding these profile options.

To generate an e-mail quote:

1. Navigate to Service Contracts Authoring > Tools > e-mail Quote
2. Select the quote printing report to be run (these will be specific to the environment).
3. The "To" field will default from the Quote To field in the Summary Renewals tab. Enter a Reply To/Copy e-mail address of the sales representative or other individual who should be copied or replied to about this e-mail. This field is free-format text.
4. Add additional recipients if necessary.
5. Enter any text for the body of the e-mail.
6. Click Send.

Clicking Send creates two concurrent requests. The first generates the quote using the quote printing report specified above and the second creates and sends the e-mail.

2.5.28 Update Service

This form enables users to review existing service information and choose one or more new replacement services for the covered products on the contract line. It allows users to assign a percentage of the price of the former service to the new service line(s). It is intended as a tool for use on entered status contracts, generally

during the renewal process. For example, a customer has a contract with a line that covers 500 laptops for Bronze service which covers Monday through Friday from 8am to 5pm. After restructuring their service offerings, Bronze service is no longer offered but Level II support is the comparable offering. In order to make contracts reflect the new offering, rather than having to add a new line and add all the covered products to that line, simply select the old service line, click Update Service, choose the new service and indicate what percentage of the existing service's price should be applied to the new service. This amount does not need to equal 100% it can be more or less depending on the appropriate value for the new service. Contract value and billing schedules are adjusted accordingly. Coverages and invoice text are not changed. The Update Service function is not available for Subscription lines.

To review and update services:

1. Navigate to Service Contracts Authoring for the contract being updated.
2. From the Lines - Pricing/Products tab, place cursor on the Service Line item that is being updated.
3. From the Tools menu select Update Service.
4. Under Contract Line at the top of the form, review the information to make sure this is the line that should be updated.
5. Under Update Service select from the List of Values the new service item that is replacing the item shown at the top of the form.
6. In the Prorate column, indicate the percentage of the price from the existing service item that should apply to the new service item. For example, if the existing item is $150 and the new item should cost $75, enter 50 to see a final price on the new line that is equal to 50% of the old line.
7. Enter additional service lines as necessary. The prorate column does not need to total 100%. You will receive a message indicating that the total is more or less, select OK to proceed or cancel to return to the form.
8. When all of the new lines have been entered, click Apply. The existing service item will be gone and the new service items will appear instead. The new price will be reflected for the line item. The billing schedule will reflect the new pricing as well.

2.5.28.1 Terminate Subline

Refer to the Termination procedures in Oracle Service Contracts Concepts and Procedures guide for information on this topic.

2.5.29 Using the Action Menu Functions

The following functions can be accessed from the Actions menu:

- Sales Credits
- Maintaining Pricing Attributes
- Cascade Attributes
- Event Details
- Show Index

2.5.30 Allocating Sales Credits

Contract authoring allows the allocation of sales credits to multiple sales reps. Sales credits can be assigned at the header level and/or the line level (for either service or usage lines). If a contract containing sales credits is copied, renewed or used as a template the sales credits are also copied to the new agreement.

To allocate sales credits:

1. Navigate to Service Contracts Authoring > Actions > Sales Credit.
2. Review the Contract Number, Service Name, Party Name, Modifier, and Start and End dates. These are display only.
3. Select the Salesperson from the list of values.
4. Select the Credit Type from the list of values. The valid values are:
   - Quota Sales Credit
   - Non Quota Sales Credit
5. Enter the percent allocated to the given salesperson.
6. Review the Revenue Total which is a running total of revenue credits. This is a read-only field and must equal 100%.
7. Review the Non Revenue Total which is the running total of non revenue credit. This is read-only field and may not exceed 100%.
8. Select OK to save.

2.5.31 Maintaining Pricing Attributes

The pricing attributes may be maintained for any of the covered products. To access these attributes, the covered product should be highlighted and select Pricing Attributes from the Action menu.

To maintain pricing attributes:

1. From the Authoring window navigate to Actions > Pricing Attributes.
2. Select the Pricing Context from the list of values. For each Pricing Context, the pricing attributes may be entered in the corresponding descriptive flexfield.
3. Click Apply to save the pricing attributes

2.5.32 Cascade Attributes

Provides the ability to cascade contract attributes from each level, header to lines and lines to sublines. For example, changes to the start and end dates can be rolled down to the next level in the contract. Attributes that can be cascaded from header to line are Date, Accounting Rule, Bill to Address, Bill to Contact, Ship to Address, Invoice Rule, Tax Status, Exemption Number, Billing Profile ID, Recalculate Tax, and Sales Credit. Attributes that can be cascaded from line to subline are Date, Invoice Text, Renewal Type, Invoice Print Flag, and Coverage Effectivity. After selecting the attribute to be cascaded, you can select the lines or sublines to receive the changes.

To cascade attributes:

1. From the Authoring window navigate to Action > Cascade Attributes
2. Select Cascade type 'Header to Lines' or 'Lines to Sublines' from the Cascade field.
3. Select the attributes to be cascaded by selecting the appropriate check box.
4. When cascading line to sublines, the sublines can be viewed by double clicking the line indicator box. This will open a window displaying all the sublines for that line. The sublines to be selected can be indicated with a check box.
5. Review the lines or the sublines to be changed and identify any to be excluded from the change by clearing the check box.
6. Click Submit.
7. Review the transaction log to check for errors.

8. Apply the changes.
9. For date-related changes, check the billing schedule and Refresh as necessary to keep the billing schedule dates in synch with the effectivity dates.

2.5.33 Entering Event Details

When you are on a contract line, you can go to the Actions menu and select Event Details. The Condition Template form appears where you can enter either action (e.g. counter updated) or date based (e.g. contract signed) conditions. Events (conditions) that are already associated with the contract can be viewed on the Events tab. See Defining Condition Templates in the Oracle Contracts Core Concepts and Procedures.

2.5.34 Show Contract Index

At any point once the contract has been created, you can use the Show Index feature from the Actions Menu to see some of the high-level details of the agreement. The index shows the parties, line level service items, the covered level products at the sublines and the names of any rules or articles attached to the contract. By selecting an item on the index and clicking Go, you can navigate to that point in the contract.

2.6 Billing

Contract billing involves determining the exact amount to be charged for services provided against a contract. Oracle Service Contracts lets you set up flexible billing cycles. For example, you can set up a monthly billing cycle for a contract and bill the customer when they want to be billed. Oracle Service Contracts would calculate the amounts each month and execute them through an invoicing system, such as Oracle Receivables.

In addition to billing for services, contract billing is also able to support flexible usage or meter billing based upon minimum usage, defaults, AMCV.

This topic group consists of the following:

Billing for Contract

Billing for Services

Automatic Service Program Billing

Bill Settlement

Bill Termination

Service Settlement

Executing Main Billing

2.6.1 Billing for Contract

Billing for Contract enables users to define billing schedules and the recurring billing amounts are determined in Oracle Service Contracts and executed through Oracle Receivables.

> For example, suppose you create a $10,000 service agreement for a customer starting from April 1, 2003 to March 31, 2004. The customer wants to pay monthly on the first of every month. The billing schedule can be set up so the amount of the first bill is $1,000 for the payment on April 1, 2003, and prorate the balance evenly over the remaining months. It then sends the calculated amounts to Oracle Receivables for invoices to be processed. The bill dates do not necessarily need to be the same every month or even on regular intervals. You can offer the customer no payments the first month (or any point in the contract) and schedule the subsequent billing dates and amounts for anytime you choose.

In addition to interfacing billing transactions to Oracle Receivables, you can send the billing transactions to special "preview" tables. From these tables, you can create custom reports that reflect the information which is used in your customer invoices. This allows you to see the information that the customer will see on their invoice before billing is run. If there are any problems with the billing information, it can be corrected easily in the contract before it is interfaced with Oracle Receivables.

To stop a contract from being billed as a result of finding errors on the pre-invoice process, the status of the contract should be set to one where the operation Invoicing Allowed is not selected. After corrections have been made, the status of the contract should be changed by the user to one that allows invoicing to occur.

2.6.1.1 Using Advance and Arrears Billing Schedules

The Interface date enables you to determine the date that the billing information is interfaced to AR. The Interface and Invoice dates in the schedule can be adjusted using the Invoice Offsets field. The Invoicing Rule and the Payment Terms on a contract are interfaced to Oracle Receivables when the contract is billed.

The Invoicing Rule determines the accounting period for recording the receivable amount. It is used to determine the GL date of the transaction. It cannot be used to

determine the date for sending records from Oracle Contracts to Receivables. It can be either Advance or Arrears for service lines, and only Arrears for usage lines:

- If Advance, the earliest accounting rule start date is used as the invoice GL date.
- If Arrears, the latest accounting rule start date is used as the invoice GL date.

In a situation where the billing program is run later than the scheduled Invoice date, the invoice date will be set to the current date. When the invoice date is in the future, this date will remain unchanged when interfaced to AR. The Service Contracts Main Billing program sends the invoice dates to AR Interface Tables for both Advance and Arrears billed contracts. However, for Advanced Billed contracts you can use the Invoice Offset field to adjust the invoice date.

The following table shows an example of a billing schedule when the billing program is run after the start of a contract and has to catch up billing for the first few billing periods. The contract effective dates are 01/01/03 to 12/31/03 and is to be billed monthly.

Today is 03/15/03 and the default date that is entered when running the billing program is 04/01/03. The first 3 months that should have already been billed would have their bill on (invoice) date set to 03/15/03 since their original bill on date is in the past. The fourth month has a bill on date of 04/01/03 which is later than today's date, but since the default date when running the billing program is 04/01/03, then the invoice for April would also be sent to Accounts Receivable, with an invoice date of 04/01/03. The Interface Date will default to the Bill From Date unless adjusted using the offsets. This means that the billing transaction is eligible to be sent to AR on or after the first day of the billing period.

Invoicing Rule - Advance Invoice

Invoice Date	Bill From	Bill To
03/15/03	01/01/03	01/31/03
03/15/03	02/01/03	02/28/03
03/15/03	03/01/03	03/31/03
04/01/03	04/01/03	04/30/03
05/01/03	05/01/03	05/31/03
06/01/03	06/01/03	06/30/03
07/01/03	07/01/03	07/31/03
08/01/03	08/01/03	08/31/03

Invoicing Rule - Advance Invoice		
Invoice Date	**Bill From**	**Bill To**
09/01/03	09/01/03	09/30/03
10/01/03	10/01/03	10/31/03
11/01/03	11/01/03	11/30/03
12/01/03	12/01/03	12/31/03

For the Arrears Invoicing Rule, the Invoice Date defaults to the Bill To Date unless adjusted using the offsets. The Interface Date will default to the Bill To date plus one day. This means that the transaction is eligible to be sent to AR the day after the billing period ends.

The following table shows an example of a billing schedule for arrears.

Invoicing Rule - Arrears Invoice		
Invoice Date	**Bill From**	**Bill To**
01/31/03	01/01/03	01/31/03
02/28/03	02/01/03	02/28/03
03/31/03	03/01/03	03/31/03
04/30/03	04/01/03	04/30/03
05/31/03	05/01/03	05/31/03
06/30/03	06/01/03	06/30/03
07/31/03	07/01/03	07/31/03
08/31/03	08/01/03	08/31/03
09/30/03	09/01/03	09/30/03
10/31/03	10/01/03	10/31/03
11/30/03	11/01/03	11/30/03
12/31/03	12/01/03	12/31/03

2.6.1.2 Revenue Tracking in AR

In order for all unearned, unbilled revenue for the contract to be recognized in AR, all billing transactions for the contract should be interfaced to AR. Postings need to be made into the correct period.

To meet this requirement, the Bill From date on the contract billing schedule will become the invoice rule start date which will take the accounting rule into consideration and will determine the date for the transaction. If it is required that all bills are interfaced at the start of the contract, when running the Service Contracts Main Billing program, the default date parameter should be set far enough in advance to pick up all bills for the contract.

2.6.2 Billing for Services

The exact amount to be charged to a customer is determined by the services provided against a contract.

> For example, suppose you have created a 9-to-5, 100 percent material coverage, and you define a 10 percent discount on labor. When a service technician replaces parts for a customer, the customer is charged only for labor with a 10 percent discount. The customer is not charged for parts replaced.

The entitlement engine determines the coverage for each billing line based on the combination of type of billing transaction and the billing type associated with the part on the line. It applies the pricing, discounts, and other parameters defined in the contract for each billing line to derive the actual price to be billed as per the contract.

2.6.3 Automatic Service Program Billing

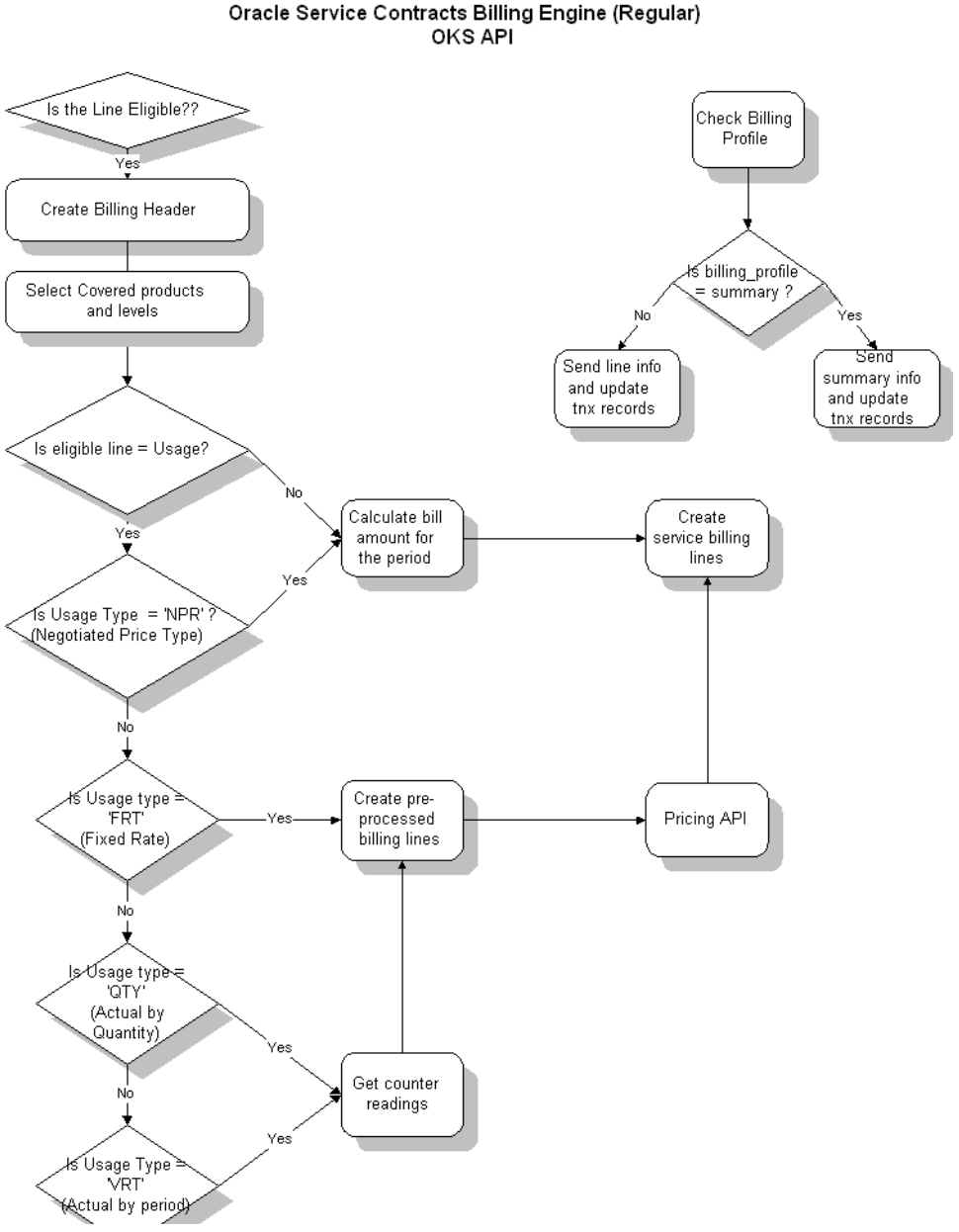
Customers can automatically be billed for Extended Warranties they purchase. Oracle Order Management uses Oracle Receivables, via the Receivables Interface, to create invoices for service programs on sales orders. In this case, the service programs are extended warranties. Billing can be done either in advance or in arrears using Oracle Receivables invoicing rules.

2.6.4 Bill Settlement

It may be necessary to settle the billing with customers because of usage limits, fixed usage billing, or termination. Settlement billing creates an invoice or credit memo based on the difference between the actual readings and what was billed.

The following diagram illustrates how the service contract billing engine calculates the billing amount. Regardless of the line type, billing details are calculated and stored. When the invoices are ready to be generated and sent to Oracle Receivables, the customer billing profile is accessed to determine if summarized or detailed billing is to occur.

Figure 2–5 Oracle Service Contract Billing Engine

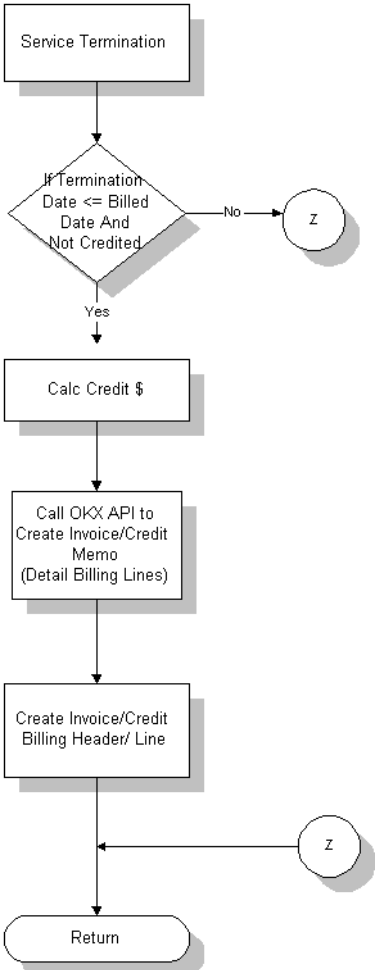


2.6.5 Bill Termination

A service contract can have one or more service and usage lines with different effectivity dates. A customer can choose to terminate the whole contract or individual contract lines (service or usage). The termination of contract lines can be post dated (Services only) or future dated. When service lines are terminated post dated, the customer can be credited as needed for any overpayment. When service lines are terminated future dated, billing is handled by the billing engine.

The following diagram is process flow for bill termination:

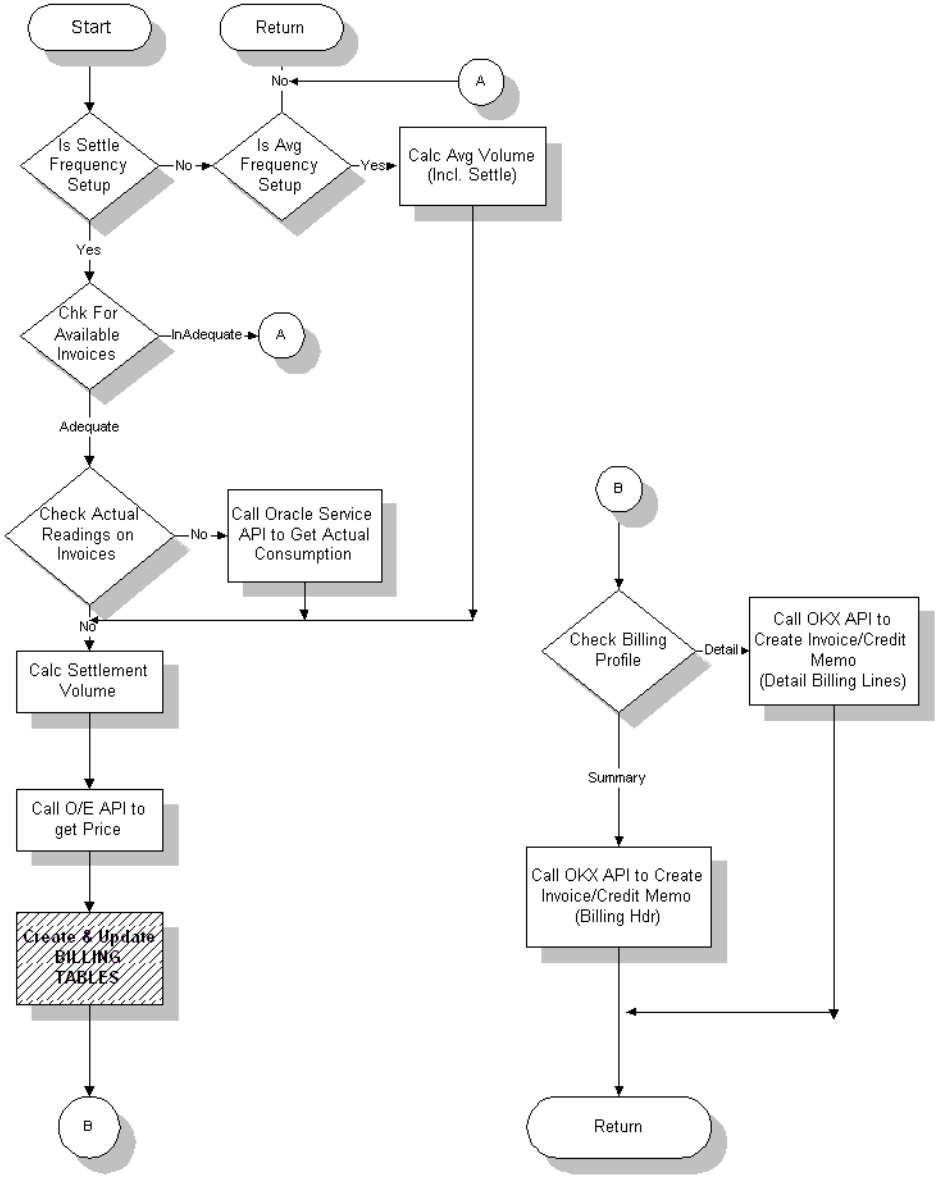
Figure 2–6 Process Flow for Bill Termination



2.6.6 Service Settlement

Service settlement is based on whether a service or usage line is to be settled and involves the generation of a credit memo or invoice depending on the time frame in which the service is terminated. Settlement of a service line type is straight forward. On the other hand, settlement for a usage line type is based on attributes that are set up for usage lines. The following diagram highlights the logic for determining the amount of the settlement:

Figure 2–7 Service Settlement



2.6.7 Executing Main Billing

Billing Execution procedures consist of the following topics:

Overview

Running the Billing Program

Running the Fetch AR Program

Running Usage Averaging and Settlement Program

2.6.8 Overview

The procedures for executing service contract billing involves the following concurrent requests:

- Service Contracts Main Billing: According to pricing attributes set up in the contract and billing schedule, detailed transactions are generated in OKS billing interface table.
- Autoinvoice Import Program: The billing transactions are then imported into AR.
- Service Contracts Fetch Receivables Info for Billing. This concurrent request fetches the invoice number and tax from AR and accordingly updates the contract billing history. This information is displayed in the contract's billing history.

Depending on the usage type, the following occurs when Service Contracts Main Billing is executed:

- For Fixed and Negotiated Price usage types, billing may be submitted without any counter updates. The actual invoice amount is based on the fixed counter value or the negotiated price defined on the contract.
- For Actual by Quantity, the counter reading should be updated prior to any billing using price breaks.
- For Actual by Period.
    - If a counter reading has not been taken, Service Contracts Main Billing uses a default counter value defined on the contract to determine the invoice amount. If AMCV is set and the prerequisite billing periods have passed, the invoice amount is the average over the defined interval, otherwise it is the default.

- If the counter is updated and it is less than the minimum, the invoice amount is the minimum counter value, otherwise it is the actual counter reading using price breaks.
- If a minimum counter value has been set up on a usage contract, and the consumption for a billing period falls below the minimum, the customer will be charged the minimum amount. For the following billing period, the consumption is calculated without regard to the previous under-usage. The usage calculation for each billing period should be independent, that is, if the minimum usage is not used, then the customer loses the consumption shortfall.
- If one or more billing periods have passed without any counter updates, the Settlement concurrent request should be run after the counter is updated. Settlement compensates or makes up for the estimated invoice value for each period after the counter readings have been taken for each period. This is displayed as another line in the billing history.

Prerequisites

You must define the following:

- Transaction Types (AR) - Invoice and Credit memo
- Batch Source (AR)
- Grouping Rules (optional) (AR)
- Service and Usage items Inventory (Inventory)
- Applicable service and usage items must be included on one or more price lists (Order Management)
- Party and customer accounts must be defined (AR)
- If Billing profiles are to be used they must be defined, i.e. bill to address, summarized billing, billing frequency, advanced or arrears billing

2.6.9 Running the Billing Program

You define the billing schedule in the Contract Authoring form. Use this procedure to run the billing program.

Prerequisites

None

To run the Billing program:

1. In the Navigator, choose Control > Requests > Run. The Submit New Request window appears.
2. Choose Single Request and click OK. The Submit Request window appears.
3. In the Request region, select Service Contracts Main Billing.
4. In the Parameters window, specify the following:
   - Contract Number: Enter the numbers of the contracts to be billed.
   - Default Date: Enter the date you want as the default. (The default offered is the system date on your computer.)
   - Organization Id.: Enter the organization id for which all the contracts are to be billed.
   - Customer Name: Enter the name of the customer for which all the contracts are to be billed.
   - Category: Enter the category for which all the contracts are to be billed.
   - Group: Enter the name of the group for which all the contracts are to be billed.
   - Preview: Change this option to yes if you wish to send these transactions to special preview tables. Leave it at no if you want the transactions interfaced to Accounts Receivable.
5. Click OK.
6. In the Submit Request window, click Submit Request.

   The billing program sends the invoice amount to Oracle Receivables, which then generates the invoice. The process also populates some billing transaction history information in the History tab of the Billing Schedule. Since the invoice number is assigned and tax calculated by Oracle Receivables neither of these pieces of information can be populated until after the Service Contracts Fetch Receivables Info for Billing program is run. The tax amount will be left blank and the invoice number will be populated with -99.

References

For more information on invoicing, see the *Oracle Receivables User's Guide*.

2.6.10 Running the Fetch AR Program

The Service Contracts Fetch Receivables Info for Billing program retrieves the invoice number and tax amount from AR and updates the contract's billing history accordingly. The tax amount is nonzero if tax is "required" in the contract.

Prerequisites

In Oracle Accounts Receivables, run the AutoInvoice program to generate the invoicing. The user who runs AutoInvoice must have the profile option AR: Define Document Sequences set to Partially Used at either the user level or at the responsibility level.

To run the AutoInvoice program:

1. From the Navigator, choose Other > Control > Requests > Run. The Submit a New Request window appears.
2. Choose Single Request and click OK. The Submit Request window appears.
3. In the Name field of In this Request area, select Fetch Receivables Info for Billing.
4. Click OK.
5. In the Submit Request window, click Submit Request. This updates the invoicing information in the customer's contract.

2.6.11 Running Usage Averaging and Settlement Program

Use this procedure to run the Usage Averaging and Settlement for Billing program.

Prerequisites

None

To run the Usage Averaging and Settlement for Billing program:

1. In the Navigator, choose Other > Submit Requests. The Submit New Request window appears.
2. Choose Single Request and click OK. The Submit Request window appears.
3. In the Name field of In this Request area, select Usage Averaging and Settlement for Billing.
4. In the Parameters window, enter the number of the contract. If you leave this field blank, all contracts will be used.

5. Click OK.
6. In the Submit Request window, click Submit Request.

2.7 Reviewing Entitlements

Along with the usual functionality of checking entitlements, for example, finding out if a customer is calling during his coverage hours, or to find the agreed reaction time, a separate component of Oracle Service Contracts allows other applications to view the coverage for a particular contract.

Entitlement information is made available to any application that requests it such as, Oracle Customer Support, Field Service, Service Core, Depot Repair, and Charges.

2.7.1 Sharing Contract Information

Oracle Service Contracts provides detailed contract information through other Oracle modules:

- Customer Support
  - Contract details for a given customer such as account, end date, status, contract type, and contract number
  - Retrieval of all active, terminated, and expired contracts for a given customer
  - Preferred engineers for a service
  - Coverage time for a service request or customer call
  - Coverage levels associated with a service
  - Reaction and resolution times for coverage
  - Billing rate for a specified coverage
  - Billing types
  - Retrieves the list of contract lines with Preventive Maintenance program attached and an existing schedule
  - Retrieves preventive maintenance schedules for a contract line
  - Retrieves the confirmation flag for a contract line
- Field Service

    - Preferred engineers for a service
- Service Core
    - Contract details for a given customer such as account, end date, status, contract type, contract number
    - Usage items may be tracked by one or more counters
    - Billing rate for a specified coverage
    - Billing types
- Depot Repair
    - Details for repairs, exchanges, replacements, and loaners
- Charges
    - Details for billing types and billing rates (when applicable, billing rates apply to labor)
    -

2.7.2 Overview of Entitlements Processing

Once a contract is in effect, Oracle iStore, with its integration with Oracle Service, shares the entitlement information for a customer automatically, based on the customer's contract, and shows the amount to be billed after the service has been delivered.

Entitlement processing refers to the services that the customer is entitled to once the contract is in effect. The entitlements cover the following:

- Checking for service overlaps
- Performing discount calculations
- Checking for coverage details and reaction times
- Applying requisite billing rates

The entitlements are defined in the contracts window and are automatically enforced through Oracle Support. The discounts and reaction times are defined in the coverage window in Oracle iStore. For every business process that is covered in the contract you can define coverage times and reaction times. For example, an onsite preventative maintenance transaction could be part of 9-to-5 service, with 5 percent material covered in the service. The coverage times for an onsite preventive maintenance service can be 9-to-5, five days a week, with a reaction time of two

hours for a high severity call. If a high priority call comes in at 10:00 A.M., then the service request window would automatically calculate 12:00 P.M. as the time by which the call needs to be resolved.

Similarly, the discounts that are defined in a contract are automatically applied in the service request Charges window which the customer service is delivered. Therefore, the onsite preventive maintenance service includes a replacement of parts transaction type and an upgrade of part transaction type. Once you have the necessary entitlements defined in the service contract, you can associate the contract with the service request and have the charges and discounts applied to the service that is being rendered

Oracle Contracts determines the entitlement of a customer automatically. It accomplishes the following:

- Entitlement processing is integrated with service requests and determines deliverables, time frames, and coverage available for the product and serial number listed on the service request window. The entitlements also determine performance guidelines to be followed such as a 2-hour reaction time, specified parts included, and between specified hours. More detailed information regarding a contract is available through a drill down on the contract deliverables field of the service request.
- In Oracle Depot Repair, contract entitlements deal with repairs, exchanges, replacements, loaners, and returns from customer.
- In service billing, the entitlement engine determines the coverage for each line based on the combination of type of billing transaction and the billing type associated with the part on the line. It applies the pricing, discounts, and other parameters defined in the contract for each billing line to derive the actual price to be billed as per the contract.

2.8 Managing Contracts

After the contract authoring process is complete, the contract will need to be managed during it's life-style. Changes may have to be made to the coverage, duration etc. This section describes some of the Contract Management features that can be used to help streamline and control this administrative process.

Contract Management consists of the following tasks:

Editing a Contract

Finding a Contract

Cascade Service Price

Contract Renewal

Termination Procedures

Extending a Contract Line

Grace Period

Mass Change

Reassigning Resources

Reporting

2.8.1 Editing a Contract

2.8.1.1 Handling Change Requests

A contract may be set to a status that does not allow changes to be made on-line through the authoring form, but does allow changes through a change request. This provides more control over tracking the changes made to a contract through it's life-style.

If the Active status does not allow "on-line updates'', then any changes to the contract would have to go through the change request process. Once a change request has been approved, a notification is sent to the Contract Administrator. From the Inbox, the contract may then be opened for update. (Note that in this instance the Open for Update button is not visible in the contract itself.) After the contract updates have been completed, the contract is run through the QA Check and if everything passes, the contract status is set back to Active.

See *Oracle Contracts Core Concepts and Procedures* for the steps describing entering, approving, and closing change requests.

2.8.1.2 Open for Update Button

This button is used to allow updates to a given contract and is applicable to contracts having the status Active. If this status allows "on-line updates," the Open for Update button is enabled. If other users try to access the same contract, they will be able to display the contract, but unable to do any updates the Open for Update button is disabled. For the selected contract, clicking the Open for Update button will set the contract status to QA Hold. After the updates are completed, for example, pricing, billing attributes or adding a new service line, select Check QA from the Actions menu to run the quality assurance check. If it passes, hit cancel

and the status will be set back to Active when the QA window closes. Since the contract has already been approved and signed, it is not necessary to Submit for Approval a second time.

Warranty contracts may not be updated using Open for Update. Extended Warranty and Service Agreement contracts may be edited; however, the portion of the contract that has already billed (whether via Oracle Service Contracts or Oracle Order Management) may not be altered. A billed line may have new sublines added to it, but the billing stream applied (periods, uom/period, uom) will be identical to the billing stream under which the line has previously been billed. If a new line is entered, a new billing stream is entered and may be different than the billing stream on any lines that have been previously billed.

If, during the Open for Update action, lines have been added (which are technically in an Entered state) those lines can be deleted without having to revert any other changes as well. Since entered lines can be deleted from an Entered status contract, the same behavior will apply to the new lines on a contract in QA Hold.

2.8.1.3 Revert Update

After a contract has been approved, the contract may be opened for update through the Open for Update button. A series of updates (on multiple occasions) may be performed on this contract. At any point, Revert Update will "undo" all the updates. However, once the contract is has been through the QA check and is set back to Active status, it is not possible to "undo" changes that were made prior to the QA Check. In other words, the Revert Update feature is available only while the contract is QA Hold status.

2.8.1.4 Cascade Attributes

Provides the ability to cascade contract attributes from each level, header to lines and lines to sublines. For example, changes to the start and end dates could be rolled down to an appropriate level in a contract. The coverage date should be adjusted automatically to reflect the changes (previously known as manual option Effectivity Adjustment in the Action menu). When making changes to the date in a contract, start date or end date range for any level must be within the start date or end date range for the parent level (e.g. the covered level date range must be within the contract line date range).

When cascading a date change to the next level, the dates will be checked to see if the lower level is eligible for change. If the start date is pushed back retroactively, then only the lines or covered lines with start date later than the original start date of the header will be changed. When multiple contracts or contract lines are to be

affected by a cascade action, the option to cascade will be defaulted to Yes. You should be able to execute lower levels from the cascade.

2.8.2 Finding a Contract

Using the More Button

The More button provides an enhanced search criteria for finding contracts. It is placed on the search window and is activated when a Service Contract category is entered. When More is clicked, a separate window will come up that provides the ability to search on specific attributes for service contracts. Searchable fields include agreement name, date signed, organization, contact e-mail address, order number, and bill to name. Select an entry from the list of values for any of these.

2.8.3 Cascading Service Price

The Cascade Service Price window is accessed from the Actions menu and is used to cascade the service line price to the covered level prices at the same proportions. The Cascade Service Price function is not available for Subscription lines.

For example in the table below, the current service line price is $2,000 and in this case, the percentage of the service price applied to lines L1 & L2 is 75% and 25% respectively. The same proportions are cascaded to the lines if $4,000 is applied.

Current	New
S1 $2000	$4000
L1 $1500	$3000
L2 $500	$1000

To cascade the service price:

1. From the Authoring form navigate to Actions > Cascade Service Price.
2. Review Service, Start Date, End Date, and Current Price fields. These are display only.
3. Enter the New Price that is to be applied to all line products.
4. Click Apply to save. The new price is cascaded in the appropriate proportions to the final price of each covered level.
5. Refresh the billing schedule to reflect the new values.

2.8.4 Renewing Contract

2.8.4.1 Contract Renewal

The process of renewing a contract involves making a copy of an existing, active contract as of a point in time and changes the new contract dates to reflect a period of time similar to the existing contract, beginning on the first day after the existing contract expires. Other attributes of the new contract may also be changed such as pricing. Because there may be an overlap between the time the existing contract creates the renewal contract and the time the renewal contract goes into effect, be aware that changes to the existing contract will not update the renewal contract. For example, if a contract is renewed 90 days prior to expiration and the customer requests changes to their existing contract 15 days after the renewal process has begun, the changes made to the existing contract will not be reflected on the renewed agreement.

Note: When renewing a Subscription type contract:

- A new instance is NOT created in Install Base and the new contract continues to cover the same parent item. However, if you use the Copy function to create a new Subscription contract, a new instance is created in Install Base.
- The Fulfillment schedule is copied to the new contract.

The renewal and pricing attributes are optionally maintained in the individual contracts and apply to both contract categories Warranties and Extended Warranties and Service Agreements. If not specified in contract, the renewal and pricing attributes are retrieved from the renewal event or from the Global Contracts Defaults in the following order of precedence:

- Event
- Party
- Organization
- Global

Some of the renewal information is held in profile options which determines what information will be obtained from the profile option settings upon contract renewal. By setting the profile option OKS: Enable Sales Credits to Derive, the system will use the following profile options to create the renewal agreement:

OKS: Sales Person or OKS: Use JTF - determines the sales person for the Sales Credit form and for the vendor contact on the contract summary. Either set Use JTF to Yes *or* set a name in the Sales Person profile option. If you do both, Use

JTF will take precedence. If you do not set either, the QA check will fail asking for a sales person to be assigned. You may manually add additional sales people to the Sales Credits form after the renewal agreement has been created.

OKS: Revenue Type Distribution - assigns the percentage of revenue to the sales person whose name was determined by the Sales Person or Use JTF profile options. Sales Credits must total 100% in order to pass the QA check. If you add additional sales people to the Sales Credits form, remember to distribute revenue to them until the total is 100%.

OKS: Revenue Type - indicate whether this revenue is quota or non-quota for the sales person that was defaulted.

OKS: Vendor Contact - adds a vendor contact role to the renewal agreement. This information is in addition to copying any vendor contact roles and names that are on the original contract. Ideally, you should set this profile option to salesperson, however that is not required. The vendor contact name that will populate this role is the person who is identified by the JTF territory assignment if OKS: Use JTF is set to yes, or will be the salesperson specified in the Sales Person profile option.

If Enable Sales Credits is set to Drop, the information from these profile options is not included in the renewal agreement nor is it copied from the original contract. No sales credit information will default to the renewal agreement; it would be entered manually.

Contract renewal consists of the following topics:

- Renewal Types
- Renewal Procedures
- Renewal Consolidation

2.8.4.2 Renewal Types

Renewal types have been added so that the renewed contract isn't automatically defaulted to the Entered status, requiring it to go through approval again. You can set the renewal type on the Administration tab at the header to be one of four options:

- Do Not Renew
- Active Contract
- Notify Salesrep

- Submit for Approval
- Electronic Renewal

Do Not Renew prevents the contract from being renewed.

Active Contract allows the contract to be renewed automatically and put straight to Active, no approval required, no human intervention, this is called Evergreen.

Notify Salesrep places the renewed contract into entered status and sends a notification to the sales representative who then must review it, make any necessary changes and submit it for approval.

Submit for Approval, creates a contract in entered status, automatically submits it for approval and sends a notification to the sales representative.

Electronic Renewal places the renewed contract into entered status and sends a notification to both the sales representative and the customer. The customer receives notification in the form of an e-mail with a link to a web page where customer can review the quote and accept, reject, or request changes to the contract renewal.

Independent Conditions can be used to set the contract to auto renew a certain number of days prior to contract expiration. This period of time can be used to negotiate the terms of the contract and administer any required changes prior to the start date of the new contract. For setting up an Independent Condition, see Defining Condition Templates in *Oracle Contracts Core Concepts and Procedures*.

2.8.5 Using Renewal Procedures

Once a contract has been renewed, use the processes below to prepare it for approval:

- Selecting Party
- Repricing a Contract
- Reviewing Renewal and Administration Rules
- Defining Security Attributes
- Determining Line Duration
- Reviewing Pricing Attributes

2.8.5.1 Selecting Party

Before the renewed contract can be approved, changes may need to be made to the parties or contacts.

To select a party:

1. Navigate to the Summary tab and select the Parties subtab.
2. Select the Role from the list of values. The valid values are Vendor, Customer, and Third Party.
3. Select the Name from the list of values. The Party Number is automatically displayed.
4. Optionally, select the Billing Profile for either the customer or third party.
5. Optionally, enter the party contact Role within the Contracts region.
6. Select the party contact Name from the list of values. The contact address is automatically displayed.
7. Select the bill to Account/Party from the list of values within the Bill To region. If specified, both customer and third party accounts are listed. Related customer accounts, as defined in Oracle Receivables will also be displayed for selection.
8. Select the Location from the list of values.
9. Select the ship to Account/Party from the list of values within the Ship To region. If specified, both customer and third party accounts are listed. Related customer accounts, as defined in Oracle Receivables will also be displayed for selection.
10. Select the Location from the list of values.

2.8.5.2 Repricing a Contract

Repricing normally occurs at renewal but it is also possible to reprice a contract at contract line or covered product level at any time. It could be based on a new price list or on a price list in another currency. In the case of repricing in another currency, this can be done on condition that no previous billing has been executed for the current duration of the contract.

To reprice a contract:

1. Navigate to the Summary > Pricing/Billing.
2. Select a new Price List from the list.
3. If multi-currency repricing is desired, enter the currency code of the price list in the header context region.
4. Click Reprice. All service lines are repriced in the new currency and the contract total is displayed in the header context region.

5. Save your work.

2.8.5.3 Reviewing Renewal and Administration Rules

The repricing rules are optionally specified at the time the order is created in Order Management. However, if this isn't the case, the renewal event may specify renewal and/or administration rules or they may be retrieved from theGlobal Contracts Defaults. These rules are retrieved in the following order of precedence: party, organization, and global. If a specific rule is not found at a given level, it is retrieved at the subsequent level and ultimately at the global level if they do not exist in the other levels. In any case, the renewed contract would have all the elements required for renewal and repricing and submit the contract for approval.

To review renewal and administration rules:

1. Navigate to the Summary > Administration.
2. Select or validate the appropriate Quality Assurance Checklist from the list of values.
3. Select or validate the appropriate Type (within the Renewal region) from the list of values.
4. Select or validate the appropriate Pricing Method from the list of values.
5. If the Pricing Method is Price Book or Markup Percent, validate the Price List by selecting the appropriate Price List from the list of values.
6. If the pricing method is Markup Percent, validate the Markup by entering the appropriate percent.
7. The PO Required check box may selected from the renewal event or party, organization or global levels. If selected, the PO Number field is mandatory. Enter the corresponding PO number.
8. Select or validate the appropriate Contract Groups.
9. Select or validate the Process Type Workflow Name, and Workflow Process.
10. Save your work.

2.8.5.4 Defining Security Attributes

To define security attributes:

1. Navigate to the Summary > Security/Text.

2. Select the security type from the drop down list. The valid values are:
   - Group: This specifies contract group security
   - User: This specifies user security
3. Select the Group or User Name from the list of values, depending on the security type.
4. Select the security level appropriate to the security type. The contract offers modify access to any users whose responsibility allows them modify access to the application. You can reduce their access by restricting them to read-only for this particular contract. However, once you enter information in this security field, only the users you name can access the agreement and only with the level of security you indicate. If a user has read-only access to the application, granting them modify access to a specific contract will give not them access to make changes to the agreement. So these security attributes serve only to restrict access further, not to grant any additional access. The valid values are:
   - Modify: This allows update access to the given contract.
   - Read Only: This allows only read access to the given contract.
5. Save your changes.

2.8.5.5 Determining Line Duration

Previously, a single order translated into a single service contract. However, with the ability to enter contract details in Order Management, it is possible to merge any order line to an existing contract or to the contract on the current order. If a service contract has been interfaced via Order Management, the field Order / Line number is populated at the service line level on Lines/Accounts tab. If the service contract is created manually, this field is disabled.

If customer contacts are entered for the given service line, the address is automatically displayed for the corresponding customer contact.

With the ability to merge an order line to an existing contract, the order line duration in most cases would be shorter than the contract duration. In order to facilitate contract renewal, all the service lines coterminate. In addition, a new line attribute has been added to determine the line duration at the time of renewal. This attribute would normally be automatically initialized from OM in the Contract Details window, however, it may be manually changed during the renewal review.

To determine the line duration:

1. Navigate to Lines > Effectivities.

2. If the line duration requires changing, select a duration from the list of values. The valid values are:
   - Full Duration: At renewal time, the service line would inherit the duration of the contract.
   - Remaining: At renewal time, the service line duration would remain the same but would coterminate with the contract header.
   - Do Not Renew: The service line is allowed to expire.
3. Enter Invoice Text. Invoice text may be entered for the invoice imported to AR. By default, the invoice text is the same as the product description. However, any free text may be entered in this field where there is no validation.

Both attributes are also found at the subline level.

2.8.5.6 Reviewing Pricing Attributes

The upper portion of the Pricing and Products tab includes the pricing attributes for the previous contract. If this is the initial contract, the last contract price and currency would be null. If this is a renewed contract, the renewal event would have populated last contract price and currency. The Final Price is the sum of all the sub lines. All three fields are "display only."

To review the pricing attributes:

1. Navigate to the Lines > Pricing/Products > Effectivities
2. Review the Renewal Type and Invoice Text.
3. Navigate to Pricing tab.
4. Review the last contract price and currency. Similarly to the upper half of this tab, the renewal event would populate these fields but they are null if this is the initial contract.

2.8.6 Renewal Consolidation

Renewing service contracts is an important part of any service business. Each contract up for renewal represents an opportunity for revenue that should be easier to obtain than a new sale.

Renewing service contracts can be complicated because some organizations will always sell a full duration service contract the first time, resulting in a single customer having numerous contracts expiring at different times over the course of a

year. This requires the customer be contacted multiple times per year for renewal confirmation and perhaps renegotiation. This increases the workload for renewal.

Renewal Consolidation addresses the problem of multiple contracts expiring during a year (or other given period) causing multiple renewals. With Renewal Consolidation, all the contracts to be renewed over a given period are consolidated into a single renewal contract.

Renewal Consolidation has several benefits:

- The number of renewal contracts is decreased, reducing workload and the difficulties imposed by large numbers of contracts.
- Customer relationship is improved. All the customer's services may be included in a single contract, or several consolidated contracts based on how the contracts are to be billed.
- It reduces the number of service invoices sent to the customer.

2.8.7 Using Renewal Consolidation

The renewal consolidation process is initiated after a contract has been renewed, which may have been the result of the renewal event where contracts are renewed in mass or manually renewed from the Contract Navigator using the right mouse click. In both cases the contract is in the "entered" status and is considered the "target" contract.

If a contract is not valid for consolidation, you will see the error message "Target contract is invalid." If the target contract is eligible for renewal consolidation, the Renewal Consolidation window is displayed and is used to facilitate the selection of all the "source" contracts for consolidation. The upper half of the window displays all the details of the target contract. The lower half displays all the eligible source contracts in a tree structure. The system will by default, automatically select all the source contracts for consolidation and place a "**" next to the given source lines.

The following lines are displayed:

- Service lines
- Sub lines or covered levels, i.e. Party,. Customer,. Site, Product,. Item, System

A contract is eligible as a source contract if the following are true:

- Customer account is the same as the target

- "End date plus one day" of the potential source contract must be prior to the new, renewed target contract's end date
- Potential source contract must be in Active or Expired status

When submitting the renewal consolidation, a concurrent request consolidates all of the selected source lines into the target contract. If the services are the same on the source and target contracts, the covered levels of those services can be merged into one contract line on the target contract. However, it is possible that the coverages associated with those services may have been modified by the user. Setting the profile option OKS:Check Coverage Match to "Yes" forces the renewal consolidation process to preserve differences in coverage.

The Check Coverage API compares each attribute of the coverage and stops as soon as one difference is found. It returns the result to the renewal consolidation process. If the coverages are the same, the sublines of the source contract are merged under the service of the same name on the target contract. If the coverages are different, a new contract line is created on the target contract for the service on the source contract.

The Check Coverage API checks the following attributes:

- Coverage Name
- Coverage Type
- Business Processes
- Preferred Resources

The start dates of the consolidated lines begin one day after the expiration of the original source line and all the end dates coterminate with the target contract. When the operation instance is reviewed at a later date, i.e. after the concurrent request has terminated normally, all the consolidated source lines are identified with "##".

When the renewal consolidation or operation instance is created, a source line is eligible for consolidation at that point in time. However, between the time it's created and the time it's submitted, a given source line may have been renewed, whether it be by consolidation in another operation instance or renewed manually. Therefore, at the time of submission, the system verifies that the source is still eligible for consolidation. If not eligible, Oracle Contracts excludes the source line from the consolidation.

If a source contract is deselected and the operation instance is submitted for renewal consolidation, it may be selected at a later time for consolidation in the same target contract as long as the target is still in "entered" status. If the target contract has

already been approved and activated, the contract may be consolidated as a source in another target contract.

After consolidation has taken place, the target may be opened to verify that all the source contracts have been consolidated successfully. The new terms and conditions may then be reviewed with the customer. Once the customer agrees with its terms and conditions, the contract may be submitted for approval and billed at the intervals designated in the contract.

To submit for renewal consolidation:

1. (N) Launch Contracts > Contract Navigator
2. Select a target contract and perform right mouse click to select Renewal Consolidation. The Renewal Consolidation window appears.
3. Click Query Source. If there are no contracts eligible as source contracts for the target contract, the lower half of the window will remain empty.
4. To deselect a line, highlight the branch and click Deselect Line. If a branch with child branches is deselected, all the child branches are also deselected. A single child branch may be deselected, as required. If deselected, the source line(s) are no longer identified with a "**". Source lines may be reselected by highlighting the line and clicking Select Line.
5. Verify source lines are valid for consolidation.
6. If you want to save and retrieve the consolidation at a later review, click Save (this will create an operation instance).
7. If you want to submit the Renewal Consolidation, click Submit. A concurrent request id is immediately displayed.
8. Open target contract and verify all source contracts have been consolidated successfully.
9. Submit contract for approval.

2.8.8 Termination

2.8.8.1 Generate Credit on Termination

While terminating a contract, if billing for a covered level has been run in advance, a credit would be generated and sent to AR at that point rather than waiting until the end of the contract date. The credit would include the day that the contract is terminated (the termination date).

For example, a customer has paid for ten days of service in advance (from January 1st to January 10th), but informs you on January 6th that he wants to end the agreement. If you terminate the contract on January 6th, the customer would be credited for 5 days (from January 6th to January 10th

After completing the Termination program, the termination date is displayed and the status is changed to Terminated.

2.8.8.2 Contract Termination

Use the following procedures when terminating a contract.

To terminate a contract:

1. (N) Launch Contracts > Contract Navigator
2. Select the contract(s) that you wish to terminate. Multi selects can be made using shift-click, control-click with the mouse.
3. Select Terminate from the menu.
4. Enter the date of termination. The date can be in the past.
5. Select a termination reason from the list of values.
6. A description of the termination reason will be displayed.
7. If terminating multiple contracts, clicking Preview allows you to enter additional information regarding the individual contracts being terminated. For each contract, you may enter a different termination date and reason.
8. Click Review to see the information before completing the process.
9. If customer is due a credit for amounts paid prior to the termination date, the amount is indicated.
10. Optionally, you may override the calculated amount. The amount entered for override cannot be negative and cannot be more than the original credit. Entering zero in the override field will not prevent a credit memo from being generated, it will generate a credit memo for zero dollars.
11. If you do not wish to generate any credit memo, check the Suppress Credit check box.
12. Click Terminate to complete the process.

Having terminated the contract(s), you can run the main billing program to generate the necessary billing transactions as a result of the termination.

2.8.8.3 Terminating a Contract Line

Use the following procedures when terminating a contract line.

To terminate a contract line:

1. (N) Launch Contracts >Contract Navigator.
2. Select the contract that contains the line to terminate.
3. Double click the contract to open the Contract window.
4. Select the Overview tab. The lines of the contract are displayed in the lower of this tabbed window.
5. Select the contract line(s) to terminate.
6. Right mouse click and select Terminate Line from the menu.
7. Enter a termination reason from the list of values. A description of the termination reason will be displayed.
8. Click review to see the information before completing the process.
9. If customer is due a credit for amounts paid prior to the termination date, the amount is indicated.
10. Optionally, you may override the calculated amount. The amount entered for override cannot be negative and cannot be more than the original credit. Entering zero in the override field will not prevent a credit memo from being generated, it will generate a credit memo for zero dollars.
11. If you do not wish to generate any credit memo, check the Suppress Credit check box.
12. Click Terminate to complete the process.

Having terminated the contract line(s), you can run the main billing program to generate the necessary billing transactions as a result of the termination.

2.8.8.4 Terminating a Covered Level

Use the following procedures when terminating a covered level (sub line).

To terminate a covered level (subline):

1. (N) Launch Contracts >Contract Navigator.
2. Select the contract in which the covered level needs to be terminated.

3. Select the individual subline that needs to be terminated.
4. From the Tools menu, select Terminate Subline.
5. Select a termination reason from the list of values. A description of the termination reason will be displayed.
6. Click review to see the information before completing the process.
7. If customer is due a credit for amounts paid prior to the termination date, the amount is indicated.
8. Optionally, you may override the calculated amount. The amount entered for override cannot be negative and cannot be more than the original credit. Entering zero in the override field will not prevent a credit memo from being generated, it will generate a credit memo for zero dollars.
9. If you do not wish to generate any credit memo, check the Suppress Credit check box.
10. Click Terminate to complete the process.
11. Save the contract and run billing.

2.8.9 Extending Contract Line

Anytime the dates of a contract header, line and/or subline are changed, remember to verify amounts and billing schedules are updated or retained as appropriate for the situation.

To extend a contract line:

1. (N) Launch Contracts >Contract Navigator.
2. Select the contract that contains the line that you wish to extend.
3. Double click the contract to open the Contract window.
4. Select the Overview tab. The lines of the contract are displayed in the lower of this tabbed window.
5. Right mouse click and select Extend Line from the menu.
6. Save your changes.

2.8.10 Grace Period

When a contract is nearing the end date, or has already expired, it may be desirable to provide a "grace period" so that service and entitlement may continue while progress is made toward negotiating a renewal contract. The grace period is granted to the Active or Expired contract, not the renewal contract being negotiated. the actual start and end dates of the contract will be unaffected by the decision to add a grace period to the contract. The billing schedule also remains unaffected.

You can use the Global Contracts Defaults form to set up a standard grace period for the contracts that are renewed.

When an entitlement API is called, it will take into consideration whether a grace period has been entered against the contract when calculating entitlement eligibility. Entitlement is only extended for those contract lines and sublines that end on the same date as the contract end date. For example:

Contract start date 01-JAN-2003 end date 31-DEC-2003

Service 1 start date 01-JAN-2003 end date 31-JAN-2003

Service 2 start date 01-JAN-2003 end date 31-DEC-2003

Service 3 start date 01-OCT-2003 end date 31-DEC-2003

The user updates the contract to add a Grace Period of 30 days, i.e. up to 30-JAN-2004. Service 2 and Service 3 would be eligible for entitlement during the extended period, but not Service 1.

The same logic applies to sublines and coverage terms. Only those items that end on the same day as the contract end date are considered for coverage during the grace period. As long as the business processes are eligible for entitlement, the original terms associated with the business process (preferred engineer, coverage times, reaction times, resolution times, and billing types) will continue through the extended period.

The grace period can be removed from the contract by the user either before the contract expires (if the renewal agreement is completed in time) or during the grace period once the renewed contract becomes active.

To extend a grace period:

1. Navigate to Summary > Administration.

2. Enter/Remove a Grace Duration (e.g. '30').

3. Enter/Remove a Grace Period (e.g. 'days').

4. Save your work.

Prerequisites

You must set the profile option OKS: Enable Grace Period to Yes at the Site Level to update the grace period fields on the contract.

2.8.11 Mass Change

The Mass Change window allows one attribute of multiple contracts to be updated in a single request. The contracts that are eligible for update are based on the scope and criteria of mass change. Mass change is allowed for contracts that are in appropriate status, where the operation "update online" is permitted.

2.8.11.1 Mass Change Scope

Mass Change will support changes to a particular instance selected in the update level. For example, if changes are to be made at the Organization, it will update records pertaining to that Organization.

2.8.11.2 Mass Change Operation Window

This window allows users to enter scope of mass change request and selection criteria. It determines which contracts are to undergo a mass change. The top part of the window, the Criteria tab, enables the user to enter the scope (update level and update level value), selection criteria (attribute, old value), and the new value for the attribute that would be changed. The user will enter the name of the mass change to facilitate re-query. Update Level displays the list of values (LOV) to filter the contract. Based on the update level, the user selects the value from the LOV. The update level is seeded, but may also be restricted by use of the OKS: Mass Change Security Level profile option. If the security of the profile option is turned on, the list may contain only the Contract and Contract Group levels, otherwise, the following is the list of update levels available:

- Organization
- Category
- Contracts Group
- Party
- Contract

2.8.11.3 Mass Change Attributes

Mass change permits the following attributes to be changed. Making change on a contract has a subsequent cascading effect and therefore needs to be carefully considered before allowing such a change. Following attributes are permitted for mass change that can be selected from the Attribute's list of values (LOV) in the Mass Change header:

- Contract Group
- Contract Start Date
- Contract End Date
- Price List
- Contract Line Reference
- Product Alias
- Known As
- Coverage Time
- Reaction Time
- Header Bill to Address
- Header Ship to Address
- Sales Person
- Header Billing Contact
- Header Shipping Contact

Field	Description
Criteria Tab	-
Name	Name of the mass change.
Operation Status	Status of the mass change request.
Mass Change Details Region	-
Update Level	Scope of selecting the contracts for a given mass change request.
Value	The actual value of the update level.

Field	Description
Attribute	The attribute that is being changed in the mass change.
Old Value	The actual value of the attribute that has to be updated. It can be a specific value, NULL or ALL.
New Value	The value to which the attribute is to be updated.
Results Region	-
Contract Number	The number to identify a contract.
Modifier	To identify a contract. It goes with the contract number.
Description	The description of the contract.
Party	Name of the customer party.
Contract Status	Current status of the contract. For e.g. entered, signed, active etc.
Start Date	Start date of the contract.
End Date	End date of the contract.
Old Value	The actual value of the attribute that has to be updated. It can be a specific value, NULL or ALL.
Process Status	Status of the mass change operation line
Select	To select any particular contracts.
Contract Description	Full description of the contract highlighted.
Buttons	-
Deselect All	To deselect the contracts.
Select All	To select the contracts.
Cancel	To cancel the operation
Preview	To preview the request. When the button is clicked the mass change submission window pops up and accordingly you can make selections
View Request	Once previewed, you can view your request through View Request.

Field	Description
Submit	Submit the mass change request. When the button is clicked, the mass change submission window pops up and accordingly you can make selections.

To perform a mass change:

1. Navigate to Mass Change from the Navigator. The Mass Change Operation window appears with Criteria window on the top.
2. Enter the Name of mass change.
3. From Mass Change Details select the value Update Level from the LOV.
4. Select Value from the LOV.
5. Select an appropriate Attribute from the LOV. All the attributes supported by mass change are listed in this list.
6. Select Old Value and New Value from the LOV.
7. Click Refresh if all entries are correct, or click Cancel and start over.
8. If Refresh button is clicked, all the contracts that meet the criteria are displayed in the Result window. By default all the records are selected.
9. To deselect some contracts, check the Select check box.
10. Click Preview.
11. You have two options: OK or Cancel.
12. If you click OK, two options are available: Run the Job As Soon As Possible or On Specific Day.
13. If Run the Job As Soon As Possible is selected you have the option to View request and subsequently View Output. At this stage you can also go back to the Mass Change Operation window and make changes to the mass change request, if any.
14. Accordingly Submit the request. Again two options will be available: Run the Job As Soon As Possible or On Specific Day. If Run the Job As Soon As Possible is selected you have the option to View Request and subsequently View Output.
15. Click OK. The mass change concurrent request will be submitted.
16. If you Cancel you will go back to mass change window.

Note: : While submitting the mass change request, if one of the request has an error it will display an error message. In this case you can resubmit the request after making the changes to that request. This can be done till all the contracts in the mass change request are successfully processed.

2.8.12 Electronic Renewals

Electronic Renewals takes advantage of workflow and XML reporting features to offer improved efficiency and improved customer satisfaction.

This process offers:

- Improved efficiency renewing lower dollar contracts
- Allows resources to be focused on larger contracts and customers
- Improves customer satisfaction by making the renewals process more customer driven

2.8.12.1 Overview

Only contracts with the category of Warranty and Extended Warranty are eligible for electronic renewals. Contracts of this category may be given a Renewal Rule of Electronic Renewal. When the renew contract API recognizes a contract with a Renewal Rule of Electronic Renewal, a workflow process is launched and the following occurs:

1. A contract is renewed with a status of Entered.
2. A QA Check is run against the contract.
3. If the QA Check fails, a notification is sent to the help desk e-mail address (if one has been entered in Global Contracts Defaults).

Once the contract has been corrected, it can be resubmitted and picked up by the Autorenew workflow.

4. E-mail notification is sent to the customer (Quote To contact on the contract). e-mail contains the following:

   Cover Letter (defined in OKC Print Contracts Setup)

   A URL for customer to view Quote Letter (defined in OKC Print Contracts Setup)

Account\password that is required to log into the web page and view quote (account\password is stored in FND USERS and is associated with the Quote To contact)

Upon receipt of the e-mail, the customer may log into the web page to review the quote and accept, reject, or request changes to the contract renewal.

There are two ways for the customer to accept the quote:

- Payment by Credit Card - the customer provides credit card information. The card is validated (via integration to Payment Server). If the card passes validation, the contract is put in Signed status.
- Payment by PO – the customer provides a PO Number. A workflow process is launched which results in a QA Check being run against the contract. If the QA Check passes, the contract status is updated to Submitted for Approval status and a notification is sent to the contract approver. If the QA Check fails, a notification is sent to the help desk e-mail account.

If the quote is rejected a notification is sent to the help desk e-mail account and the contract is placed in Canceled status.

Changes to the quote may be requested by sending an e-mail to the help desk e-mail account.

Prerequisites:

The following prerequisite steps must be performed for Electronic Renewals to work properly:

- Enable the Electronic Renewals option in the Renewal Rule Defaults form. Also use this form to set up renewal defaults at the system, party, and organization levels. You can set up the threshold amount, currency type, method of payment, payment term, help desk e-mail, template set, and billing profile in the Renewal Rule Defaults form. The Electronic Renewal rule may also be specified at the contract level.
- Create templates for quote letter, cover letter, etc. in OKC Print Contract Setup.

  This is an XML reporting feature supported by Contracts Core. For guidance on how to create XML reports, see Oracle Contracts Core Release Notes.
- Define a template set in Define Electronic Renewal Template.

  Reports/Templates created in OKC Print Contract Setup are mapped to a template set in this setup screen. This is also where you would map reminder notices, cancellation notices, or similar reports created in OKC Print Contract

Setup that you would like to automatically send to a customer (see Autoreminder section).

- Set Profile Option OKS: Electronic Renewal URL to identify the URL that will be used for customer responses to Electronic Renewal notifications.

Note: Template JSP files are provided. These files may be used as is or modified to achieve the desired look, feel and content in the HTML customer interface.

2.8.13 Autoreminder

Service Contracts provides functionality to automate the process of reminding customers to renew their contracts. When a contract nears expiration, it may be automatically renewed, for example, 90 days prior to its end date. Throughout this 90 day window, the appropriate level of attention needs to be given to ensure that the renewal is secured with the customer. Rather than the sales representative having to check for contracts due for renewal and contact customers by phone or fax to renew a contract, which would be inefficient, a reminder notice will be automatically generated and sent to the customer for review through e-mail.

Autoreminder notices can automatically be sent by scheduling the Service Contracts Autoreminder program to run on a regular basis (for example, nightly).

The following prerequisite steps must be performed prior to scheduling auto reminder notices:

1. Create templates for a quote letter, cover letter, etc. in OKC Print Contract Setup.

This is an XML reporting feature supported by Contracts Core. For guidance on how to create XML reports, see *Oracle Contracts Core Release Notes Release 11.5.6.01* (part no. A97257-01).

2. Define a template set using Define Electronic Renewal Template.

Reports/Templates created in OKC Print Contract Setup are mapped to a template set in this setup screen. Create templates for a quote letter, cover letter, etc. in OKC Print Contract Setup. A Template Set used for Auto reminders may be the same one that is used for Electronic Renewals.

3. Associate a Template Set in the Global Contracts Defaults.

2.8.14 Reassigning Resources

2.8.14.1 Service Contracts Concurrent Program for Reassigning Resources

Service contracts are generally assigned to a resource that is responsible for following through on inquiries from the customer through the life of the contract, from the initial sale through the renewal process. If that person moves to another department, or leaves the company, the appropriate level of attention may not be given to the contract.

This process ensures that contract assignments are correct and that no contract is left assigned to an inactive contact.

This concurrent process can be scheduled to run as often as necessary, for example, nightly. The process will check all contracts in an 'Entered' status type. It will compare the Vendor Contact resource that is assigned to the contract with the resource assigned to the territory that the contract maps to in JTF territory management. If the resources are different, the resource associated to the territory will overwrite the resource that was assigned to the contract. The resource to which the contract is being assigned will receive a workflow notification.

Prerequisites

The JTF Territory assignments will have to be set up. The profile option OKS: Use JTF should be set to 'Yes' to use this process. The profile option OKS: Enable Sales Credits should be set to "Derive".

The resource will have to be assigned to the contract on the Summary Parties tab in the Contacts region for the vendor.

2.8.15 Reporting

Many report programs contain parameters for running the report which enable you to narrow down the results that are returned. You can run some reports for as little as a single contract to as broad every contract in your database. So where there are parameters listed for the reports, this means you can constrain your search to find only the contracts that meet criteria in those fields.

2.8.15.1 Contracts QA Report

Use this report to run QA for multiple contracts. The user can select a range of contracts based on the following parameters:

- Contract Number range

- Start Date range
- Contract Status

The user can also choose a report which details the results of the QA for all contracts selected, or just for contracts which passed or failed. The report includes details of the data checked including whether the checked data had warnings and errors and if so, what results where found.

2.8.15.2 OKS Products Not Renewed Report

This report lists products on contracts that have expired and not been renewed. Parameters include organization, range of contract end dates, sales rep, and customer.

2.8.15.3 Service Contract Bookings Report

This report lists the service contracts booked in a stated period along with the corresponding invoice details (if applicable). Parameters are organization, sales representative, range of approved dates or start dates, and contract value. You can choose to sort this report by any of these parameters as well as the customer name, invoice date, invoice number, invoice value, modifier, contract number, or start date.

2.8.15.4 Service Contracts by Status Report

This report allows the sales representative to track contracts by status. Parameters include organization, sales rep, customer number or name, currency code, range of start dates, range of end dates, status code, and status type.

2.8.15.5 Service Contracts Detail Report

This report will display key details of the contract headers, contract lines, and covered products for contracts in the Warranty and Extended Warranty category. It will not be possible to extract all Service Agreement information into this report, since it is focused on covered products. Parameters include Contract number, Customer, Status type, Status code, Start Date (From and To), and End Date (From and To).

2.8.15.6 Service Contract Forecast Management Report

This report allows the sales representative and management to track the anticipated close of contract renewals. Parameters include organization, sales rep, status, forecast period start and end, minimum and maximum contract values, currency code, and revenue recognition date.

It can be sorted in two different ways:

- Sales representative, contract value, status type, customer name
- Status type, status code, contract value, and customer name

2.8.15.7 Service Contract Forecast Summary Report

This report lists the contracts eligible for renewal for a given period along with the recognized revenue date. Parameters are organization, currency code, start and end dates, minimum and maximum contract value, and recognized revenue date.

2.8.15.8 Service Contracts Setup Report

The Service Contracts Setup Report is a diagnostic tool provided to facilitate debugging of implementation issues. This report also helps in implementation by summarizing the set ups and providing information on mandatory set up items. It provides a comprehensive report on the set up done in any application environment and highlights incomplete mandatory setup steps in red. The output from this report is a PDF which can be seen by clicking View Output on the concurrent request form after the report is complete.

Profiles Setup:

This section provides a list of User Profile Option Names and Values set for them. If any of the mandatory settings are missing or not properly set, they will be highlighted in red. The Profile Setup values and mandatory column are as follows.

Transaction Type Setup:

For this setup, the report checks for Batch Transaction Source OKS_ CONTRACTS and Transaction Type “Invoice-OKS” and “Credit-OKS.”

Service Key Flexfield Setup:

Checks whether the key Flexfield Code SERV has been set up.

Category Setup:

Under Category set up, the report displays the categories and responsibilities set and the access level for Service and Warranty Categories.

Oracle Quoting Integration Setup:

Validates that “OKS” is set for Oracle Quoting Integration.

Time Units Mapping:

The report displays the user defined time code units.

Global Contracts Defaults:

The report shows the values set in the Global Contracts Defaults set up.

Coverage Template Setup:

The report shows if any coverage template have been defined for warranty as well as service items.

Statuses and Operations:

The report displays all the contract statuses and operations for each status type.

2.8.15.9 Service Contracts Summary Report

This report allows the sales representative to track all contracts by customer. Parameters include organization, sales representative, customer name or number, and from and to dates.

2.8.15.10 Service Contracts Quote Printing Program for US

This will generate a printed quote for a selection of contracts by country, party, or organization for a given X number of days before expiration. The program does not create the renewal agreement but prints the details of the entered status renewal contract in a report along with a cover letter. This is designed to be a sample report that can be tailored to meet the needs of the organization.

2.8.15.11 Unsupported Install Base Items (Install Base report)

This report lists products in the Install Base which are not currently covered by contracts. The purpose of this report is to help the sales reps locate prospects. Parameters include territory, sales rep, customer, order source, and a range order dates. The order source could be order management, a contract renewal, order capture, iStore, etc.

2.8.15.12 Service Contracts Billing Report

When the Contracts Main Billing program completes, a log file is generated. That information contains the total value processed, total value successful, and total value rejected. For all unsuccessful transactions, further contract information will be displayed so that the user can pinpoint the contract and/or line that caused the issue. The information includes:

- Contract number and modifier
- Customer bill to account name and number

- Contract group
- Contract line and subline number
- Item name
- Line amount
- Reason for failure of main billing

3

Implementing Oracle Service Contracts

This section describes the setup forms and gives references that help understand the underlying dependencies.

The implementation section consists of the following topics:

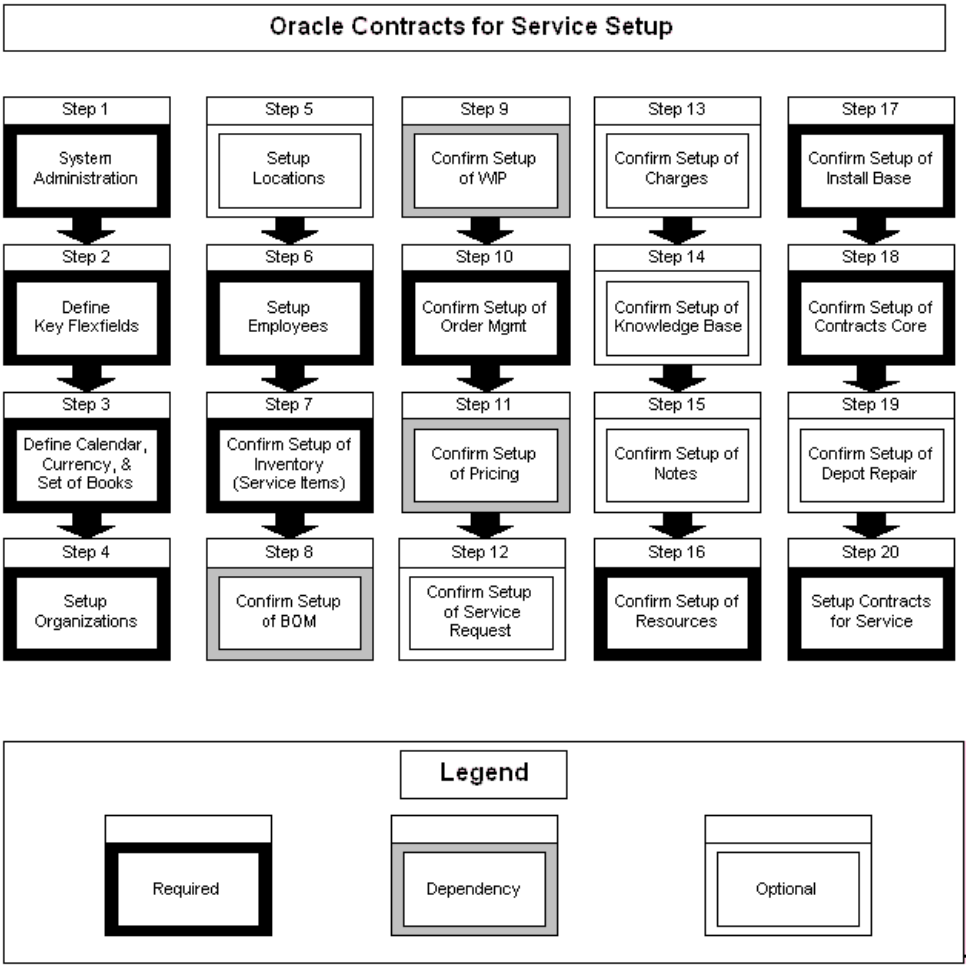
- Confirming Setups of Oracle Applications
- Setting Up Service Contracts

3.1 Confirming Setups of Oracle Applications

3.1.0.1 Setup Flowchart

The following flowchart shows the setup process for Service Contracts:

Figure 3–1 Setup Process for Service Contracts



Complete the following steps in the order shown in this table:

Required	Step Title
Yes	Setup System Administrator
Yes	Define Key Flexfields
Yes	Define, Calendar, Currency, and Set of Books
Yes	Setup Organizations
Optional	Setup Locations
Yes	Setup Employees
Yes	Setup of Inventory
Optional	Setup of BOM
Optional	Setup of WIP
Yes	Setup of Order Management
Yes	Setup of Pricing
Optional	Setup of Service Request
Optional	Setup of Charges
Optional	Setup of Knowledge Base
Optional	Setup of Notes
Yes	Setup of Resources
Yes	Setup of Installed Base
Yes	Setup of Contracts Core
Optional	Setup of Depot Repair

3.1.1 Confirm Setup Steps

Step 1: Setup System Administrator

This step involves the following tasks:

- Define responsibilities. See: *Oracle Applications System Administrator's Guide*.
- Set up printers (optional). See: *Setting Up Your Printers, Oracle Applications System Administrator's Guide*.

Step 2: Define Key Flexfields

When fully installing other applications, such as Oracle Human Resource Management or Oracle Inventory, be sure to coordinate the flexfield setup for these products before defining the key flexfields for this application. It is not recommended to change flexfields frequently. See *Oracle Applications Flexfields Guide.*

For each key flexfield, perform the following tasks (some are optional):

Define the flexfield structure

Define value sets

Define flexfield segments

Define flexfield segment values

Define security rules

Assign security rules

Define roll–up groups

Define cross–validation rules

Set up the following Accounting flexfield (you may not need to perform this step if you have already installed and set up Oracle General Ledger or performed a common–applications setup. For additional information, see *Oracle General Ledger User's Guide.*

Set up the following Human Resources key flexfields (you may not need to set up these key flexfields if you have already installed and set up Oracle Human Resource Management Systems or performed a common–applications setup. For additional information see *Oracle Human Resources User's Guide.*

Grade

Job

Position

People Group

Step 3: Define Calendars, Currencies, and Set of Books

If you have defined your calendars, currencies, and set of books while setting up a different Oracle Applications product, proceed to the next step. However, if you are performing a Multi–Org implementation, see the note below.

Note:: If you are performing a Multi–Org implementation, you may optionally create more than one calendar, currency, or set of books. See: *Multiple Organizations in Oracle Applications.*

This step involves the following tasks:

- Set up calendars:
- Define period types. See: *Defining Period Types* in *Oracle General Ledger User's Guide.*
- Define accounting calendar. See: *Defining Calendars* in *Oracle General Ledger User's Guide.*
- Define transaction calendar. See: *Defining Transaction Calendars* in *Oracle General Ledger User's Guide.* (Optional)
- Define workday calendar. See: *Overview of Workday Calendar* in *Oracle Bills of Materials User's Guide.* (Optional)
- Define exception templates. See: *Creating a Workday Exception Template* in *Oracle Bills of Materials User's Guide.* (Optional)
- Define currencies. See: *Defining Currencies* in *Oracle General Ledger User's Guide.*
- Define conversion rate types. See: *Defining Conversion Rate Types* in *Oracle General Ledger User's Guide.*
- Assign your set of books to a responsibility. *See: Assigning Responsibility to Set of Books* in *Oracle General Ledger User's Guide.*
- Set up currency rates.
- Set up accounting code combinations. *See: Setting up Accounting Code Combinations* in *Oracle General Ledger User's Guide.*
- Open and close accounting periods. See: *Opening and Closing Accounting Periods* in *Oracle General Ledger User's Guide.*

Step 4: Setup Organizations

You may not need to perform this step if you have already installed and set up Oracle Inventory or performed a common–applications setup. For the following tasks relating to setting up organization, See: *Oracle Human Resources User's Guide.*

Define organization QuickCodes

Define business groups (if you want to define new business groups rather than using the default Setup Business Group, see the section View–all Responsibility in: Setting Up Security for Applications Using Some HRMS windows.

Define organizations

Define human resources organizations

Define legal entities organizations

Define Oracle users for operating–unit organizations

Assign operating units to legal entities

Set up inventory organizations. For the tasks relating to setting up inventory organizations, see: *Oracle Inventory User's Guide*

Define organization hierarchies. See: *Oracle Human Resources User's Guide*

Assign business groups and operating units to responsibilities (make sure that the profile option *HR: Business Group* is set at the responsibility level to the business group for that responsibility. See: *Oracle Human Resources User's Guide*

Define profile options:

- MO: Security Profile
- Top Reporting Level

Step 5: Setup Locations

If you are also setting up other Oracle applications, you may already have defined locations when you set up those applications.

In Oracle Purchasing, define locations for where you ship, deliver internally, or bill the goods and services you order. This is a necessary setup if you plan on importing purchase requisitions from the Planner Workbench into Oracle Purchasing. See: *Setting Up Locations*, *Oracle Human Resources User's Guide.*

Step 6: Setup Employees

If you do not install Oracle Human Resource Management Systems with Depot Repair, use the Enter Employee form to define and maintain employees in Oracle Purchasing, otherwise, the forms in Oracle Human Resource Management Systems are used to enter and maintain employees.

Step 7: Confirm Setup of Inventory

Ensure that all the setups listed below have been reviewed and completed as necessary. See: *Overview of Setting Up in the Oracle Inventory User's Guide.*

Item flexfield, Account aliases flexfield, Receiving options, Unit of Measure classes, Stock locators, Default category set, Item templates, Cost types, Material overhead rates, Movement statistics parameters, Transaction types, Interface managers, Customer items, Category, Sales orders flexfield, Picking rules, Transaction source types, Shortage parameter, Unit of Measure, Item attribute controls, Statuses, Items, Cost activities, Freight carriers, Economic zones, Transaction reasons, Profile options, Customer items cross reference, Catalog group flexfield, Change organization, ATP, Unit of Measure Conversion, Categories, Item catalog groups, Accounting periods, Cross-reference types, Material sub-elements, Organization shipping network, Account aliases, Purchasing options, Container types, Notification list, Stock locator flexfield, Intercompany relations, Planners, Sub inventories, Category set, Item types, Item delete constraints, Material overheads, Shipping method, and Commodity codes.

Step 8: Confirm Setup of BOM

Ensure that all the following setups have been reviewed and completed as necessary. See: *Overview of Setting Up in Oracle Bills of Materials User's Guide.*

Profile options, Workday calendar for organization, Resource groups, Departments, Overheads with departments, Standard instructions, Exception tables, Define parameters, Simulation sets, Resource and resource shifts to departments, Alternates, Change order types, Workday calendar, Resources, Locations, Overheads, Standard BOM comments, and Delete constraints.

Step 9: Confirm Setup of WIP

Ensure that all the following setups have been reviewed and completed as necessary. See: *Overview of Setting Up* in the *Oracle Work in Process User's Guide.*

Profile Options, WIP parameters, WIP accounting class, Schedule Groups, Labor Rates, Job and Schedule Documents, and Operation Documents.

Step 10: Confirm Setup of Order Management

Ensure that all the following setups displayed in the table below have been reviewed and completed as necessary. See: *Overview of Setting Up* in the *Oracle Order Management User's Guide.*

Profile options, Sales persons, Workflow, Customer classes, Cost of goods sold, Credit checking, Freight changes and carriers, Parameters, Tax, Document sequences, Customers, Processing constraints, Holds, Pricing, Invoicing, Quick codes, Order import sources, Transaction types, Defaulting rules, Attachments, and Shipping.

Step 11: Confirm Setup of Pricing

While there may be a few, very limited, instances where a customer would not need to use Oracle (Advanced) Pricing when implementing Oracle Service Contracts, in the majority of situations it will be needed for discounts or price breaks. In addition, the APIs which Oracle Service Contracts calls for pricing covered products are part of Oracle (Advanced) Pricing and therefore the product is required if that feature will be used. Ensure that all the setups displayed below have been reviewed and completed as necessary. See: *Overview of Setting Up* in the *Oracle Pricing User's Guide*.

Profile options, Pricing attributes, Pricing lookup, Shipping lookup, Line types, Freight cost, types, System sourcing, Qualifiers, Attribute sourcing, Order Management lookup, Order types, Freight terms, Payment terms, and Event phasing.

Step 12: Confirm Setup of Service Request

Ensure that all the following setups displayed in the table below have been reviewed and completed as necessary (see the *Oracle Service Implementation Guide*):

Profile options, Service request types, Business processes, Lookup codes, Problem and resolution codes, Billing types, Request status, Request severity and urgencies, and Billing rates.

Step 13: Confirm Setup of Charges

Ensure that all the following setups have been reviewed and completed as necessary (see the *Oracle Charges Implementation Guide*):

Profile Options, Lookup Codes, Billing Types, and Billing Rates.

Step 14: Confirm Setup of Knowledge Base

Ensure that all the following setups have been reviewed and completed as necessary (see the *Oracle Knowledge Base Implementation Guide*):

Profile Options, and Lookups.

Step 15: Confirm Setup of Notes

Ensure that all the following setups have been reviewed and completed as necessary (see the *Oracle Notes Implementation Guide*):

Profile Options, Source Type And Note Type Mapping, and Note Types.

Step 16: Confirm Setup of Resources

Ensure that all the following steps have been reviewed and completed as necessary (see the *Oracle Resources Implementation Guide*):

Profile Options, Lookup Codes, Roles, and Role Types.

Step 17: Confirm Setup of Install Base

Ensure that all the following setups displayed below have been reviewed and completed as necessary (see the *Oracle Install Base Implementation Guide*):

Profile options, Product types, System types, Lookup codes, Business processes, Split product reasons, Product status codes, Transaction billing types, and Customer product configuration.

Step 18: Confirm Setup of Contracts Core

Ensure that all the following setups have been reviewed and completed as necessary (see the *implementing section* of *Oracle Contracts Core Concepts and Procedures*):

Profile Options, Events, Process Definitions, Quality assurance checklist, Categories, Party Role, Contact Role, Lookup Codes, Status and Operations, Sources, Termination Reasons, and Managing Change Requests.

Step 19: Confirm Setup of Depot Repair

Ensure that all the following setups have been reviewed and completed as necessary (see the *Oracle Depot Repair Implementation Guide)*:

Profile Options, Depot Repair Types, and Depot Repair Reason Codes.

3.2 Service Contracts Setups

Follow the guidelines in this table for setting up Service Contracts.

Step Title
Defining Lookup Codes
Registering Order Capture
Mapping Time Units of Measure
Setting Up Status and Operations
Defining Quality Assurance Checklist
Defining Access to a Category
Defining Coverage Templates
Defining Contract Groups
Setting Up Library of Articles
Defining a Billing Profile
Defining Service Availability
Defining Service Cotermination
Setting Up Service Pricing and Billing
Setting Up System Profile Options
Defining Key Flexfields
Setting Up Renewal Rule Defaults
Setting Up Subscription Templates
Setting Up Report

3.3 Defining Lookup Codes

To locate Lookup Codes from the navigator, choose Service Contracts Manager > Setup > Others > System > Lookups.

Use the list displayed in the table below to identify lookup codes (QuickCodes) you need to define for your implementation. You can enter them in any order. Please follow the standard procedure outlined in the *Oracle Applications Users Guide*.

Code	Description
OKC_ARTICLE_SET	Defines sets of articles

Code	Description
OKC_BILLING_RATE_ CODE_RDF	Billing rate code
OKC_CHANGE_REQUEST_ STATUS	Change request status
OKC_CONTACT ROLE	Defines contact roles
OKC_CONTINGENT_ EVENTS	Contingent events
OKC_INHERITANCE_TYPE_ RDF	Inheritance type
OKC_LINE_TYPES	Defines top line styles
OKC_PRICE_TYPE	Pricing types
OKC_PROCESS_USAGE_ TYPES	Process usage type
OKC_REL_OBJ	Related object types
OKC_LINE_RENEWAL_TYPE	Defines renewals for line types
OKC_RENEWAL_PRICING_ TYPE	Defines renewal pricing types
OKC_RENEWAL_TYPE	Defines renewal types
OKC_ROLE	Party contract roles
OKC_RULE_DEF	Rule definitions
OKC_RULE_DEF	Rule group definitions
OKC_STATUS_TYPE	Contract status types
OKC_SUBJECT	Standard article subject types
OKC_TERMINATION_ REASON	Users must specify a reason for terminating a contract
OKC_TIME	Seeded time units of measure
OKC_WINDOW_TITLES	Dynamic window titles
OKS_CVE_TYPE	Coverage type rule
OKS_WHE_TYPE	Warranty inheritance rule type
OKS_BILL_ACTIONS	Billing action rules
OKS_MEDIA_DEF	Invoice media definitions

Code	Description
OKS_SC_DISTRIBUTION	Sales credit definition
OKS_SC_YES_NO	Service Contracts yes/no
OKS_SVC_PERIOD	Service periods
OKS_USAGE_TYPE	Billing types for usage items
OKS_SUB_TYPE	Available subscription type items
OKS_MED_PRTY_TYPE	Subscription media and property types

3.4 Registering Order Capture

Registration to order capture is required for creating warranty contracts for products ordered through Order Management.

Prerequisites

You must define Oracle Service Contracts as an application (System Administrator).

To define registering order capture:

1. From the Navigator, choose Order Capture Sales Manager > Quick Codes.
2. Query lookup: ASO_ORDER_FEEDBACK_CRM_APPS.
3. Enter the code OKS.
4. Enter the code meaning.
5. Optionally, enter the description.
6. Enter the effective dates (from/to dates).
7. Select the enabled check box (if applicable).
8. Save your work.

Guidelines

OKS must be registered to enable contracts to be created for any immediate services or delayed services as well as warranties and extended warranties originating from Order Management.

3.5 Mapping Time Units of Measure

Oracle Contracts defines unit of measure conversion for time differently from Oracle Applications. This helps ensure that the scheduling is more accurate than a simple conversion such as 1 month = 30 days, which is only correct for 5 out of the 12 months. To define your own time unit conversions for extending a contract or for scheduling, you must define your own time unit conversions.

There are five internal time units: minutes, hours, days, months, and years. Make sure to map each time unit you want to use in Oracle Service Contracts. An example of a mapping: Day (your definition) = 1 day (base definition).

To map time units of measure:

1. From the Navigator, choose Service Contracts Manager > Setup > Contract > Time Units of Measure.
2. Select a user unit of measure from the list of units of measure.
3. Select the base unit of measure that equals the user unit of measure.
4. If needed, enter conversion information.
5. Optionally, enter a description.
6. Save your work.

For additional information please refer to *Maintaining Time Units of Measure in Oracle Contracts Core Concepts and Procedures.*

3.6 Setting Up Status and Operations

Oracle Contracts enables you to control the operations (such as update on line and delete contract) that can be performed on a contract depending upon the category assigned to the contract when it is created and the status of the contract (such as active or terminated). For example if you define a new status for the status type Active then you have to make sure that you specifically allow operations such as on-line update. If you create a new status without specifying any allowed operations, then you implicitly allow no operations for this contract status. In order for the concurrent program Status Change to automatically update contract status you must define a default status for each status type.

To define status and operations:

1. From the Navigator, choose Service Contracts Manager > Setup > Contract > Status and Operations.

2. Select a status type.
3. Optionally, enter additional statuses for the status type, enter the text to display in application windows in the Meanings field, and select the default status for the contract when it first reaches the stage of the selected status type.
4. For each status, select every category, operation, and level (header or line level) combination you want to relate to the status.
5. For each line you created in the Allowed Operations by Category section, select Allowed to allow the operation. Clear Allowed to prohibit the operation.
6. Save your work.

For additional information please refer to *Setting Up Status and Operations in Oracle Contracts Core Concepts and Procedures.*

3.7 Defining Quality Assurance Checklist

Service Contracts validates a contract before you can submit it for approval using a quality assurance (QA) checklist. Each checklist consists of one or more processes which have been defined in the Setup > Contract > Process Definition screen prior to selecting them for the QA Checklist.

In addition to the seeded QA checklist, you can define additional checklists for Service Contracts. The seeded QA checklist is executed automatically for any contract, even if you create another checklist for the contract. You cannot modify or update the default checklist. If you create an additional checklist and would like it to default to your contracts during authoring, make sure to set the profile options OKS: Default QA Checklist.

To define a quality assurance checklist:

1. A new checklist can be defined by navigating to Service Contracts Manager > Setup > Contract > Quality Assurance.
2. Enter a name and a description.
3. In the Processes region, select the process that will become a part of the QA checklist.
4. Make sure the Active check box is selected.
5. From the Severity list, select one of the following levels:
   - **Warning**: The contract passes Approval.

- **Stop**: The contract does not pass Quality Assurance if this process fails

6. Optionally, override the default values for the parameters.
7. Save your work.

For additional information, please refer to *Defining Quality Assurance Checklist in Oracle Contracts Core Implementation Guide.*

3.8 Defining Access to a Category

A category is a type of contract, such as a service agreement, subscription agreement, or warranty contract. Contract categories are seeded in Oracle Service Contracts and do not need to be setup. User defined categories are not supported for Service Contracts because certain processes in the application are dependent upon data being present that may be missing in a user defined category. The structure of the contract is conducive to the needs of the industry for which the module is designed and enables a more functionality rich application. Responsibilities that have been defined need to be assigned access to a category before they can read or modify service contracts.

Prerequisites

You must define the Responsibilities in System Administrator

To define access to a category:

1. From the Navigator, choose Service Contracts Manager > Setup > Contract > Define Categories.
2. Hit F11 to enter the query mode.
3. Select Service Agreement for Class. The class you select determines what authoring window is used.
4. In the Responsibilities tab, select at least one name and assign access level rights to the name along with effective dates.
5. Save your work.

3.9 Defining Coverage Templates

Service Coverage describes the situations under which the customer is covered for a Service. Services are broken down into business processes, that can apply to the Service (such as Customer Support or Depot Repair). Coverage Terms are then

defined for these Transaction Groups. The information you enter to define coverage terms include:

- Coverage Name: This includes coverage name, type, importance level, effective dates, warranty inheritance, etc.
- Coverage Times: The days of the week and hours during the day that the customer can request service.
- Reaction Times: The amount of time allowed by which action must be initiated for a particular process being requested.
- Resolution Times: A fixed time per contract by which a normal operation should be restored.
- Preferred Resources: This is the list of preferred resources that are eligible to work on a specific task when a service request is created.
- Billing Types and Rates: For each Business Process, define what types of billing are allowed, with limits, as well as labor rates. Billing Types are also available if the Coverage Template is identified as a warranty.

Prerequisites

The following must be defined:

Coverage type lookup code (Service Contracts)

Business processes (Customer Support)

Price List (Order Management)

Time zone

Service Request Severity (Customer Support)

Resource types (Customer Support)

Resources (Customer Support)

Billing types (Customer Support)

Billing rates (Customer Support)

Preventive Maintenance program with the "Complete" status (Advanced Service Online)

References

For Coverage Templates field descriptions, see Coverage Template Fields.

For using Coverage Templates, see Coverage Templates in Using Oracle Service Contracts

For setting up Preventive Maintenance program, see Oracle Advanced Service Online User Guide.

Entering Coverage Name

To define a coverage template:

1. From the Navigator, choose Service Contracts Manager > Coverage Templates. The user can change Coverage Name, Description, Suitable as Exception check boxes, and Exception Coverage. Duplicate coverage names are not allowed. In the case of an actual Service Coverage, the user will not be able to change Coverage dates, Suitable as Exception, and Warranty fields.
2. Enter the name of the coverage template. A duplicate coverage name is not allowed.
3. Enter the type of coverage from the list of values.
4. Enter a date range for the effective dates if you want the coverage template to expire after a certain time frame. The effective Start Date is mandatory and the End date is optional.
5. Enter a brief description of the template.
6. Select an Exception Coverage (optional) from the list of Service Coverage Templates.
7. Select the Suitable as Exception check box if this coverage is suitable to use as Exception Coverage for another coverage.
8. If applicable, select the Warranty check box. If selected, warranty inheritance may be entered. In the case of a coverage template, the Warranty check box may be updated, as required. However, if an Inheritance has been entered in conjunction with the Warranty check box, the Inheritance must be set to NULL before the Warranty check box can be unchecked. Billing Types may be set up for warranties as for any other type of coverage.
9. Enter the inheritance criteria if the product can be replaced. This is applicable only to Warranty lines. This rule is used whenever a customer product is replaced. The replaced customer product will be determined by the inheritance type: “R” is the remaining period duration, and “F” is the full new period duration. If the inheritance type is “R,” then the replacement product’s warranty is the remaining duration of the original warranty. If the inheritance

type is “F,” then the replacement product’s warranty is a brand new warranty duration.

10. If applicable, select a Preventive Maintenance program from the list of values. The list of values displays all Preventive Maintenance programs, with the "Complele" status.
11. Select a Business Process from the list of values, for example, “Hotline Support” or “On-Site Support.”
12. Enter the offset duration or amount of time you would like the service to be offset from the service start date. For example, if you want onsite support to start one month after the service goes into effect and you may want Hotline support to be available immediately.
13. Specify the offset period for the Offset Duration, for example, “hour.” For a coverage template, these values are automatically inserted when you specify an offset period. The transaction group dates must be within the service dates. For an actual instance (access from the Service Contract Authoring form), these dates may be changed. If the Offset Duration is modified, the Start and End dates are automatically adjusted as long as they’re within the range of the service coverage dates, and conversely, if the Start and End dates are modified, the Offset Duration is automatically adjusted.
14. Enter a default price list to be used to perform a service from the list of values.
15. Enter the percentage of discount allowed for the transaction group, for example, “10%” from the list of values.

Entering Coverage Times

To enter coverage times:

1. Select the Coverage Times subtab.
2. For specific times, enter the desired coverage times. Valid time values range from 00:00 to 23:59. Leaving blanks indicates that there is no coverage for a given day. For a given business process, the coverage time for, at least, one day must be entered.
3. Select a time zone from the list of values. This is a mandatory field.
4. If applicable, click Populate All to set the Start Time and End Time for all days as 00:00 and 23:59 respectively.
5. If applicable, select Clear All to set the Start Time and End Time to blanks for all weekdays.

6. If applicable, select the day and click Populate Day to set the Start Time and End Time of the selected weekday to 00:00 and 23:59.

Entering Reaction Times

To enter reaction times:

1. Select the Reaction Times subtab.
2. Enter a name for the severity definition, for example, “Level 1” or “Important.”
3. Specify the level of severity, for example, “High” from a list of values.
4. Select the Work Through to override the normal coverage times for that transaction. For example, suppose you have 9-to-5 support, five days a week, with a 2-hour response time. If a customer calls for support at 4:45 P.M., the Work Through feature will allow the customer to receive support by 6:45 that evening. If Work Through is deselected the customer will receive support by 10:45 the next morning.
5. Select the Active check box to allow the entitlements feature to be used for the current service’s reaction time.
6. Enter specific reaction times for each applicable day.

> **Note:** The Workflow field is reserved for future functionality.

Entering Resolution Times

To enter resolution times:

1. Select the Resolution Times subtab.
2. Enter a name for the severity definition, for example, “Level 1” or “Important.”
3. Specify the level of severity, for example, “High” or “Low” from a list of values.
4. Select the Active check box to allow the entitlements feature to be used for the current service’s resolution time.
5. Enter specific resolution times for each applicable day.

> **Note: :** The Resolution Times will be made available to other functions (e.g Service Request).

Entering Preferred Resources

A preferred resource can be retrieved when responding to a service request so that the correct resource is assigned when resolving an issue.

To enter a preferred resource:

1. Select the Preferred Resources subtab.
2. Select the resource Type from the LOV.
3. Enter a resource name or group name.

Entering Billing Types and Billing Rates

The billing types and rates are used when calculating the amount to charge a customer when work has been performed. For example, if new parts have been installed to fix a problem at a customer site, the bill for the work needs to be calculated, taking the coverage on the service contract into account. If parts are covered 50% up to a maximum of $300, and the charge for parts was $800, after applying the rates agreed on the contract, the charge would be calculated as $500, after the maximum discount of $300 has been applied. For the same contract rates, if the charge for parts came to $500, the customer would receive the full 50% discount ($250) since the discount is below the $300 maximum.

To enter billing types and billing rates:

1. Select the Billing Types subtab.
2. Select the billing type from the LOV. Duplicates are not allowed. If the Billing Type is labor, the Billing Rates region is enabled.
3. Enter the maximum allowed amount. If you leave this field blank, the upper limit would only be restricted by the percentage covered or discount you enter in step 4 (below).
4. Enter the percentage covered or discount.
5. Select the Billing Rate Name from the LOV, for example, normal or overtime.
6. Select the UOM from the LOV.
7. Enter the flat rate.
8. Enter the allowed percentage over list price.

Guidelines

To set up a coverage when creating service contract lines, at least one coverage template must be created and linked to the service items defined in Oracle Inventory. The number of coverage templates should reflect the number of coverages that are applicable to the types of coverages offered.

3.9.1 Coverage Template Fields

The following table displays the fields and field descriptions for the Coverage Template window.

Field	Description
Name	Allows you to enter a coverage name.
Type	Enables you to select coverage type such as Gold, Silver, or Bronze.
Importance Level	Displays Importance Level of the selected Coverage Type. Importance Level is mapped to Coverage Type and is a numeric indication of coverage priority, with highest priority being '1.' Importance Level determines the coverage that will be selected when an entitlement call to OKS returns multiple coverages.
Effective Dates	Displays effective dates for coverage.
Description	Enables you to enter a description for the coverage.
Exception	Exception coverage is applicable between the time that a coverage expires and the time it is renewed. An exception cover can be selected from an LOV.
Suitable as Exception	When creating a coverage, you can identify the selected coverage "Suitable as Exception" for another coverage. When another coverage template is created, the LOV for Exception would show the coverage template identified as "Suitable as Exception."
Warranty	Select if this is a warranty. Warranty may be updated, as required. However, if an inheritance has been entered in conjunction with Warranty, then the inheritance must be set to NULL before Warranty can be cleared.
Inheritance	If the inheritance type is R, then the replacement product warranty is the remaining duration of the original warranty. If the inheritance type is F, then the replacement product warranty is a brand new warranty duration.
Free Upgrade	Select the check box if a free upgrade is allowed.

Field	Description
Transfer Allowed	If the coverage is to be transferred when the product is transferred to another customer, then select the check box.
Preventive Maintenance Program Name	If applicable, select a program from the list of values. The Preventive Maintenance programs listed are created in Advanced Service Online.
Preventive Maintenance Program Description	Displays the description for the Preventive Maintenance program.
Schedule button	The Schedule button is enabled only when a Preventive Maintenance program is associated to the coverage template. Click this button to open the Preventive Maintenance Schedule form and view or modify the information related to the selected Preventive Maintenance program.
Business Process region	-
Offset Duration	Enter the offset duration or amount of time you would like the service to be offset from the authored contract's start date. For example, set onsite support to start one month after the contract comes into effect and set hotline support to be available immediately.
Offset Period	The unit of measure for the offset duration, such as hour or day.
Start and End Dates	These values are automatically inserted when you specify an offset period. The transaction group dates may not be outside of the service dates. For an actual instance (access from the Service Contract Authoring window), these dates may be changed. If the Offset Duration is modified, then the start and end dates are automatically adjusted as long as they're within the range of the service coverage dates, and conversely, if the start and end dates are modified, the offset duration is automatically adjusted.
Price List	Enter a default price list to be used to perform a service.
Discount	Enter the percentage of discount allowed for the transaction group, for example, 10%.
Coverage Times tab	-
Start and End	For specific times, enter the desired coverage times. Valid time values range from 00:00 to 23:59. Leaving blanks indicates that there is no coverage for a given day. For a given business process, the coverage time for at least one day must be entered.
Time Zone	Identifies time zone for coverage.
Populate All	Populates coverage times 7 days per week @ 23:59 hours each day.

Field	Description
Clear All	Clears all coverage times.
Populate Day	Populates selected day @ 23:59 hours
Reaction Times tab	-
Name	Enter a name for the severity definition, for example, Level 1 or Important.
Severity	Specify the level of severity, for example High, from a list of values.
Work Through	Select Work Through to override the normal coverage times for that transaction. For example, suppose you have 9-to-5 support, five days a week, with a 2-hour reaction time. If a customer calls midweek for support at 4:45 P.M., the Work Through feature requires the customer to receive support by 6:45 that evening. If Work Through is disabled, then the support representative must react to the call by 10:45 the next morning.
Active	Select Active to allow the entitlements feature to be used for the current service reaction time.
Reaction Times	Enter specific reaction times for each applicable day.
Workflow	Enter the applicable workflow for each reaction time name specified.
Resolution Times tab	-
Name	Enter a name for the severity definition, for example, Level 1 or Important.
Severity	Specify the level of severity, for example High, from a list of values.
Work Through	Select Work Through to override the normal coverage times for that transaction.
Active	Select Active to allow the entitlements feature to be used for the current service resolution time.
Resolution Times	Enter specific resolution times for each applicable day.
Preferred Resources tab	-
Type	Enables you to select a type of resource such as “Engineer.”
Name	Identifies preferred resource by name.

Field	Description
Billing Types tab	-
Service Activity Billing Type	Enter the billing type from the list of values. Duplicates are not allowed. If the billing type is Labor, then the Billing Rates region is enabled showing Flat Rate field.
Up To Amount	Enter the maximum allowed amount. Note: There would be no upper limit, if you do not enter a value in this field.
% Covered	Enter the percentage covered or discount.
Allow Full Discount	When checked on the template, provides 100% coverage for warranties without requiring setup of billing types. If unchecked on the template, the box will be grayed out on the contract. Any bill types data populated on the template will override the use of this checkbox.

3.10 Defining Contract Groups

Contract groups are used to logically group contracts into folders for easy access and may be defined as private or public. For example, a set of contracts may be grouped by customer or by persons administering the contracts. In addition, a contract may exist in multiple groups. The system requirement is that at least one group must be defined for the contract. Contracts created via integration with Order Management as well as warranties created when a product is created in the Install Base are assigned a contract group based on the information provided in the Global Contract Defaults. When manually authoring contracts, any contract group can be selected from the list of values on the Summary > Administration tab under Groups.

From the Navigator, choose Service Contracts Manager > Contract Groups > Define Contract Groups.

For more information please refer to *Contract Groups in Oracle Contracts Core Concepts and Procedures.*

3.11 Setting Up Library of Articles.

Service Contracts supports article management in the same manner as Contracts Core. For guidance on how to setup the library of articles, see *Oracle Contracts Core Concepts and Procedures.*

3.12 Setting Up Automatic or Manual Contract Numbering

Service Contracts supports the same contract numbering processes used by Contracts Core. Ranges of numbers, prefixes and/or suffixes, manual numbering, and number lengths maybe set up for different business groups, operating units, classes or categories. For guidance on how to set up automatic and manual contract number see *Oracle Contracts Core Concepts and Procedures*.

3.13 Defining a Billing Profile

All customer account information is set up in Oracle Receivables, which includes a single billing profile that is applicable to all customer billings. You can set up multiple, ad hoc billing profiles in Oracle Service Contracts. Billing profiles include information about accounting and invoicing rules, type of billing, and its frequency. Invoices are generated according to the billing profile attributes. The billing engine accesses the billing profile and bills accordingly.

You can use the billing profile to overwrite any existing line level billing schedule information on the contract authoring form by selecting it in the Cascade Attributes form. You can also default billing profile information onto the contract by associate a billing profile template to a customer in the Global Contract Defaults form.

Prerequisites

The following options must be defined:

- Accounting Rules
- Invoicing Rules
- Billing Levels
- Recurring Intervals.

To define billing profiles:

1. From the Navigator, choose Service Contracts Manager > Setup > Contract > Billing Profile
2. Enter an alphanumeric profile number.
3. Enter the profile description.
4. Select an Accounting Rule from the list of values.
5. Select an Invoicing Rule from the list of values.

6. Select a Billing Level from the list of values.
7. Select One Time or Recurring as the Billing Type option.
8. For the Recurring billing, select a billing Interval from the list of values, for example, Month.
9. In the Invoice Offset field, enter the number of days to move forward or push back the invoice date.
10. In the Interface Offset field, enter the number of days to move forward or push back the date that the billing period will interface to Oracle Receivables.

Guidelines

A billing profile should be defined according to the billing requirements. If multiple customer accounts have different billing requirements, the number of billing profiles should be defined accordingly. There are no restrictions on the number of billing profiles.

3.14 Defining Service Availability

Service availability is used to define the available services for service programs, warranties, and extended warranties. For party and for product, it lists exceptions. The Generally Available check box determines whether the entries in Product and Party tabs are inclusions or exclusions. By selecting the Generally Available check box for a service, all products and parties listed will be excluded from receiving that service. By leaving the Generally Available check box unselected, the products and parties listed will be the only ones eligible to receive that service.

Prerequisites

You must define Service items as well as Serviceable Products in Inventory and define Parties in AR.

To define service availability:

1. From the Navigator, choose Service Contracts Manager > Setup > Contract > Service Availability.
2. Select a service item from the LOV.
3. Access the Party tab and select the Generally Available check box (if applicable).
4. Enter the effective dates.
5. Select a Party from the LOV.

6. Enter the start and end dates.
7. Access the Product tab and select the Generally Available check box (if applicable).
8. Enter the effective dates.
9. Select a Product from the LOV.
10. Enter the low and high revision numbers (if applicable).
11. Enter the start and end dates.
12. Save your changes.

3.15 Defining Service Cotermination

The Service Cotermination option enables you to set any or all of a customer's service lines to a pre-determined end date. You can set up the Service Cotermination for Parties or Systems. When using Cotermination for a party, set up the Cotermination as described below. Then when entering Service Lines for any contracts belonging to that party, the end date of the lines can be set to the established cotermination date by clicking the Coterminate or Coterminate All buttons on the Lines>Effectivities tab.

Any order entered in Oracle Order Management for that party, such as a warranty or extended warranty would also take this date into account and should price the service accordingly.

The system level Cotermination is set up in Customer Support and will apply to any new items added to the system going forward.

Prerequisites

You must define the parties and their customer accounts in advance.

To define service cotermination:

- For Party Level:

1. From the Navigator, choose Service Contracts Manager > Setup > Contract >Service Cotermination.
2. Select a Party from the LOV. The corresponding customer account is displayed.
3. Enter the cotermination day.
4. Enter the cotermination month.

5. Save your work.

- For System Level:

1. From the Navigator, choose Customer Support > Installed Base > Maintain Systems.
2. Select System from the LOV.
3. Enter the cotermination day.
4. Select the cotermination month.
5. Save your work.

3.16 Setting Up Service Pricing and Billing

This topic covers the following set up processes for service pricing and billing:

Invoice Level Loading (Parallel Worker)

Invoice Preview

Transaction Type Setup

Setting Up Batch Transaction Sources

Setting Up Transaction Flexfield Segments

Pricing Service and Usage

The procedures for executing service contract billing involves the following concurrent requests:

- Service Contracts Main Billing: According to pricing attributes set up in the contract and billing schedule, detailed transactions are generated in the OKS billing interface table.
- Autoinvoice Import Program: The billing transactions are then imported into AR.

Prerequisites

You must define the following:

Transaction Types (AR)

Credit Memo Batch Sources (optional) (AR)

Grouping Rules (optional) (AR)

Service items Inventory (Inventory)

Applicable service items must be included on one or more price lists (Order Management)

Party and customer accounts must be defined (AR)

3.16.1 Invoice Level Loading

Main Billing utilizes Invoice Level Loading, a parallel program to assign groups of invoices to different concurrent programs. The program first determines the COUNT for all of the contract lines that qualify for the master request submission. If the COUNT is greater than the threshold value (currently set to 500) the program splits up the master request into subrequests. There is no setup for this functionality other than to enable the profile option. Refer to the OKS: Parallel Worker profile option in Implementing Service Contracts Concepts and Procedures for more details.

3.16.2 Invoice Preview

In addition to sending billing transactions directly to the Accounts Receivable interface table, users have the option of seeing an Invoice Preview. Billing transactions can be sent to a separate set of Service Contracts tables. These tables will mirror the billing transaction tables used during the normal main billing process. Since the invoicing requirements differ at each customer site, a custom report should be created to access the required information in these tables.

The tables used for Invoice Preview are:

oks_bcl_pr

oks_bsl_pr

oks_btn_pr

oks_bsd_pr

oks_btl_pr

The preview process will run in much the same way as the normal billing process. It will include only those contracts that meet the same criteria that need to be met to be included in the actual contract billing process (e.g. status is eligible for invoicing, bill on date is due). The process will not include invoices for services not covered under contract and not normally billed by the Contracts application (e.g. time and material charges).

If potential billing errors are found in the pre-invoice process, the user would make adjustments manually in the appropriate application, e.g. Contracts or Install Base, and re-run the pre-invoice report. This iterative process would continue until the pre-invoice process gives the expected results, at which point the user may choose to run the actual billing process.

The billing process would use the latest data in calculating the invoices, so it should be recognized that the actual invoices created may be different from those included in the last pre-invoice process, if there is sufficient delay between running the process and the actual billing process. Changes may have occurred such as counters updated, contracts terminated, new products added to coverage, all of which will affect the actual invoices created from the Contracts application.

Contracts data (e.g. contract statuses) will not be automatically updated as a result of running the pre-invoice process, e.g. to identify them as ready to bill or not.

The process will include the same information that would normally be sent to AR during the actual billing process. Contracts sends either detailed or summary information to AR, depending on the value of the OKS: Summary Transactions profile option and the value of the Summarized check box on billing profiles that may be set up for certain customers.

3.16.3 Transaction Type Setup

Transaction types are used to define the accounting for the debit memos, charge backs, commitments, and invoices you create in Receivables. Transaction types also determine whether your transaction entries update your customer's balances and whether Receivables posts these transactions to your general ledger. To bill from OKS, invoices from OKS must be defined. This is case sensitive and must be entered using the exact case.

To define transaction types:

1. From the Responsibilities menu, choose Receivables Manager > Setup > Transactions > Transaction Types.
2. Enter a transaction name: Invoice-OKS (this OKS transaction type is case sensitive and must be entered as "Invoice-OKS"). Optionally enter a description.
3. Select Invoice as transaction class for this transaction type.
4. Select the Open Receivable check box. This updates your customer balances each time you create a complete debit memo, chargeback, or on–account credit

with this transaction type. Receivables also includes these transactions in the standard aging and collection processes.

5. Select the Post To GL check box to be able to post transactions with this type to your general ledger.
6. Choose a default Printing Option for transactions with this transaction type. Select Print or Do Not Print. You can override this value when entering transactions.
7. Choose a Transaction Status of Open, Closed, Pending, or Void. Use these statuses to implement your own invoice approval system.
8. Select the Allow Freight check box to allow freight to be entered for transactions with this transaction type.
9. Select the Tax Calculation check box to let Receivables calculate tax for transactions with this transaction type.
10. Choose a Creation Sign. The default is Positive Sign for transaction types with a class of either Guarantee or Deposit. If you are using the Cash Basis accounting method, your transaction's creation sign must be either Positive or Negative. You cannot update this field after you enter transactions with this type.
11. If this transaction type's class is not Deposit or Guarantee and you want to restrict the direction in which items with this transaction type can be updated by applications entered against them select the Natural Application Only check box. If you select this box, Receivables sets Allow Overapplication to No. You cannot update this option after you save this transaction type.
12. Enter an Application Rule Set for this transaction type or select one from the list of values (optional). An Application Rule Set determines the default payment steps when you use the Applications window or AutoLockbox to apply receipts to transactions using this type. If you do not enter a rule set, Receivables uses the rule set in the System Options window as the default.
13. If this transaction type's class is not Deposit or Guarantee, and you did not select the Natural Application Only check box, choose whether to Allow Overapplication against items with this transaction type by selecting or deselecting this box. If you select this check box, Receivables sets Natural Application to No and you cannot update it after you save this transaction type. If you use the Cash Basis accounting method, the default value is No and you cannot change it.
14. Enter the Receivable Account for transactions with this transaction type. Receivables uses this information, along with your AutoAccounting definition,

to determine the receivable accounts for transactions with these types. Receivables creates a transaction record using this account so you can transfer to your general ledger and create a journal entry if the Post To GL check box is selected for this transaction type.

15. Enter a Freight Account for transactions with this transaction type. Receivables uses this information, along with your AutoAccounting definition to determine the freight account for transactions with this transaction type. Receivables skips this field if this transaction type's class is Deposit or Guarantee or if the Allow Freight check box is not selected.

16. Enter a Revenue Account for transactions with this transaction type. Receivables skips this field if the Allow Freight is not selected. Receivables uses this information, along with your AutoAccounting definition, to determine the revenue account for transactions with this transaction type.

17. If this transaction type's class is Invoice or Debit Memo, enter a Clearing Account for transactions with this transaction type. Receivables uses this account to hold any difference between the revenue amount specified for the Revenue Account and the selling price times the quantity for imported invoice lines. Receivables only uses the Clearing Account if you have enabled this feature for transaction sources that you use for your imported transactions.

18. If this transaction type's class is Invoice or Credit Memo, enter an Unbilled Receivable Account. When you use the Bill In Arrears invoicing rule, Receivables uses this information, along with your AutoAccounting definition, to determine the Unbilled Receivable account for transactions with this transaction type.

19. If this transaction type's class is Invoice or Credit Memo, enter an Unearned Revenue Account. Receivables uses this information, along with your AutoAccounting definition, to determine the unearned revenue account for transactions with this transaction type. Receivables only uses this account when your transaction's invoicing rule is Bill In Advance.

20. If this transaction type's class is Invoice, Credit Memo, or Debit Memo, enter a Tax Account. Receivables uses this information along with your AutoAccounting definition to determine the tax account for transactions with this transaction type.

21. If this transaction type's class is either Deposit or Guarantee, enter the Invoice Type to use for invoices entered against commitments or deposits with this transaction type. When you enter an invoice against either a deposit or a guarantee with this transaction type, the value you enter here is the default invoice transaction type.

22. If this transaction type's class is Deposit, Guarantee, Debit Memo, or Invoice, enter the Credit Memo Type to use when crediting items with this transaction type (optional). When you enter a credit memo against an invoice with this transaction type, the value you enter here is the default credit memo transaction type.
23. Enter the range of dates that this transaction type will be active. The default Start Date is today's date, but you can change it. If you do not enter an End Date, this transaction type will be active indefinitely.
24. Save your work.

3.16.4 Setting Up Batch Transaction Sources

Batch sources control the standard transaction type assigned to a transaction and determine whether Receivables automatically numbers your transactions and transaction batches. Active transaction batch sources appear as list of values choices in the Transactions, Transactions Summary, and Credit Transactions windows.

You can define two types of transaction batch sources:

- Manual: Use manual batch sources with transactions that you enter manually in the Transaction and Transactions Summary windows.
- Imported: Use imported batch sources to import transactions into Receivables using AutoInvoice.

You can make a batch source inactive by deselecting the Active check box and saving your work. Receivables does not display inactive transaction batch sources as list of values choices or let you assign them to your transactions.

Suggestion: If you have installed multiple organization support (multi–org), define an imported batch source with the same name in each organization (these sources can have the same or different settings). This enables you to import order lines that belong to different organizations in Oracle Order Management into Receivables.

To set up batch transaction sources:

1. From the Responsibilities menu, choose Receivables Manager > Setup > Transactions > Sources.
2. Select the Batch Source tab.
3. Enter OKS_CONTRACTS as the name.
4. Select Imported as the type.

5. Enter a description.
6. Enter the range of Effective Dates for this source. The Start date is the current date, but you can change it. If you do not enter an end date, this transaction batch source will be active indefinitely.
7. If this is a Manual source, and you want to automatically number new batches you create using this source, select the Automatic Batch Numbering check box and enter a Last Number. For example, to start numbering your batches with 1000, enter 999 in the Last Number field. If you are defining an Imported transaction batch source, Receivables automatically numbers the batch with the batch source name – request ID.
8. Select the Automatic Transaction Numbering check box and enter a Last Number to automatically number new transactions you create using this source. You can use automatic transaction numbering with both Imported and Manual sources.
9. Select the Copy Document Number to Transaction Number check box (optional) to use the same value for both the document number and the transaction number for transactions assigned to this source.
10. Enter Invoice-OKS as the Standard Transaction Type for this batch source. When you choose a batch source during transaction entry, this is the default transaction type. You can define new transaction types in the Transaction Types window.
11. Select the AutoInvoice Options tab.
12. Specify how you want AutoInvoice to handle imported transactions that have Invalid Tax Rates. An invalid tax rate is one in which the imported transaction's tax rate does not match its tax code. Enter "Correct" if you want AutoInvoice to automatically update the tax rate that you supplied to the one that you defined previously for the tax code. Enter "Reject" if you want AutoInvoice to reject the transaction.
13. Specify how you want AutoInvoice to handle imported transactions with Invalid Lines by entering either "Reject Invoice" or "Create Invoice."
14. Specify how you want AutoInvoice to handle imported transactions that have lines in the Interface Lines table that are in a closed period. To have AutoInvoice automatically adjust the GL dates to the first GL date of the next open or future enterable period, enter "Adjust" in the GL Date in a Closed Period field. This attribute is called "GL Date in a Closed Period." Enter "Reject" to reject these transactions.

15. Enter a Grouping Rule to use for a transaction line (optional). If you do not enter a grouping rule, AutoInvoice uses the following hierarchy to determine which rule to use:
    - The grouping rule specified in the Transaction Sources window for the batch source of the transaction line.
    - The grouping rule specified in the Customer Profile Classes window for the bill–to customer and bill–to site of the transaction line.
    - The grouping rule specified in the Customer Profile Classes window for the bill–to customer of the transaction line.
    - The default grouping rule specified in the System Options window.
16. If you want AutoInvoice to require that the revenue amount for each transaction line is equal to the selling price times the quantity specified for that line, select the Create Clearing check box. Use this option to distribute revenue on an transaction in an amount that is not equal to the transaction line amount. If you select this check box, AutoInvoice puts any difference between the revenue amount and the selling price times the quantity for a transaction into the AutoInvoice Clearing account that you have defined. Otherwise, AutoInvoice requires that the revenue amount be equal to the selling price times the quantity for all of the transactions it is processing. Define your clearing account in the Automatic Accounting window.
17. Indicate whether sales credits can be entered for transactions using this source by selecting or deselecting the Allow Sales Credit check box. This option and the Require Salesreps option in the System Options window determine whether sales credits are optional or required.
18. Select the Customer Information tab.
19. Select "Id" for each option to indicate that AutoInvoice validates your customer information for this batch source using an identifier. Choose Value if you use this source to import data from a non–Oracle system.
20. Select the Accounting Information tab.
21. Select “Id” to indicate how AutoInvoice validates your Invoice and Accounting Rule data for this batch source.
22. Select “Id” to indicate whether you want AutoInvoice to validate the identifier for this batch source.
23. Select the Derive Date check box to derive the default rule start date and default GL date from the ship date, rule start date, order date and the default date that

you supply when you submit AutoInvoice. If Oracle Inventory is installed, this must be selected.

24. Select "Id" to indicate that AutoInvoice validates your Payment Terms for this batch source using identifiers.
25. Select "Percent" to indicate that AutoInvoice validates your Revenue Account Allocation data for this batch source.
26. Select the Other Information tab.
27. Select "Id" to validate other data except for Agreement, Sales Territory, and Related Document.
28. Select the Sales Credit Validation tab.
29. Select "Id" for first two options to validate information using identifiers for this batch source.
30. Select Percent to validate sales credits based on percent.
31. Save your work.

3.16.5 Setting Up Transaction FlexField Segments

Transaction flexfields are descriptive flexfields that AutoInvoice uses to uniquely identify transaction lines. Receivables lets you determine how to build your transaction flexfield structure and what information you want to capture. To define the line-level Transaction Flexfield, query "Line transaction Flexfield" in the title field of the Descriptive Flexfield Segments window and enter the text and segments associated with this transaction flexfield.

The table below shows the values for the transaction flexfields.

Column Name	Segment Name	Value Set	Req
INTERFACE_LINE_ATTRIBUTE1	CONTRACT_ NUMBER	OKS_K_ NUMBER	Y
INTERFACE_LINE_ATTRIBUTE2	CONTRACT_ MODIFIER	OKS_K_ NUMBER	N
INTERFACE_LINE_ATTRIBUTE3	INSTANCE_NO	CE_ NUMBER30	Y
INTERFACE_LINE_ATTRIBUTE4	BILLED_FROM	CE_DATE	Y
INTERFACE_LINE_ATTRIBUTE5	BILLED_TO	CE_DATE	Y

Column Name	Segment Name	Value Set	Req
INTERFACE_LINE_ATTRIBUTE6	AMOUNT	CE_ NUMBER30	Y

To set up transaction flexfield segments:

1. From the Responsibilities menu, choose System Administrator > Application > FlexField > Descriptive > Segments.
2. Select Oracle Receivables as the application and Line Transaction Flexfield for the Title.
3. Deselect the Freeze Flexfield Definition check box (otherwise you cannot create a new record).
4. Select OKS CONTRACTS in the Context Field Values region.
5. Click Segments to edit the definition.
6. Enter the values listed in the above table. Note: These must be entered in upper case.
7. Compile the flexfield by selecting Compile.
8. Select the Freeze Flexfield Definition check box to freeze the definition.

3.17 Define Print Contract Setup

Service Contracts supports XML reporting in the same manner as Contracts Core. If you are planning to use Electronic Renewals or Autoreminder functionality, you need to set up report templates for cover letters, quote letters, and reminder notices. For guidance on how to create XML reports, see *Oracle Contracts Core Release Notes Release 11.5.6.01 (part no. A97257-01*).

3.18 Setting up System Profile Options

Use this list to identify profile options you need to change for your implementation. You can set these profile options in any order you like. You can access the profile option window by navigating to: Service Contracts Manager > Control > Profile Option.

To change profile options, please follow the standard procedure outlined in the *Oracle Applications Users Guide.*

Option	Sample Values	Required	Description
Sequential Numbering	Partially	Y	Sequential Numbering assigns numbers to documents created by forms in Oracle financial products and provides a method of checking whether documents have been posted or lost. This profile option must be set at the application level to Always Used. Do not set this option at the Responsibility level.
OKC: Batch size		N	Determines the number of records to be updated before they are saved in the database (this parameter should be fine-tuned by the database administrator).
OKC: Change Request Approver	Able, Marsha	N	Default change request approver and overrides the workflow approver.
OKC: Contract Approver	Sysadmin	N	Default contract approver and overrides workflow approver.
OKC: Public Group Creator	Able, Marsha	N	Privilege to create a public group in Oracle Contracts.
OKC: Renewed Contract Identifier	R	N	This identifier will be a prefix attached to the system date and shown as a modifier of the renewed contract.
OKC: Schedule Rule Alert Window	3	N	The number of days before a due task, the user is notified of upcoming task.
OKC: Schedule Rule Escalate	1	N	Escalate number of days after task has missed due date when escalation begins.
OKC: Time UOM Class	Time	Y	Limits the units in the Map Time Units window. Note: This is case sensitive and "Time" should be entered using the exact case.
QP: Time UOM Conversion	Oracle Contracts	N	Allows users to price for service based on the calendar, as used by Service Contracts, or the standard Oracle Applications conversion. If set to Service Contracts, pricing will take the calendar into account, including irregular length months or leap years.
OKS: Billing Schedule Level	Top Level	N	Default level for billing schedule. Options include Equal Amount, Covered Level, Top Level.

Option	Sample Values	Required	Description
OKS: Check Coverage Match	Yes	N	This profile option in used in the renewal consolidation. If set to Yes, the renewal consolidation process will not consolidate lines with different coverage attributes.
OKS: Contract Group for Warranties/Ext. Warranty	Service	Y	This profile option is for setting up the contract groups for contracts created from Order Management.
OKS: Contracts Validation Source	Install Base	N	Allows the user to define the org information that should be referenced when creating a contract via Order Management (e.g. warranty). Values are Ship from Org-Order Management, Sold from Org-Order Management, Install Base, and Master Org.
OKS: Credit Card Privileges	Limited	N	Contract authoring user interface will use these values to determine how much of the credit card number to display on the screen. Valid values are: All: Complete credit card number is displayed. Limited: The last four digits are displayed. None: The card number is not displayed.
OKS: Credit Processing QA Level	Validate	N	The QA process uses this to value to determine whether to validate the entered credit card number by calculating the checksum or obtaining authorization.
OKS: Counter Validate	Yes	N	This profile option is used for the Usage Counter Validate flag.
OKS: Debug Error Log	No	N	If set to Yes, it will generate a debug file. Should remain set to No unless directed by a support analyst.
OKS: Default Line Style	Service	Y	Defines the default line style of a service contract. Must be set to Service or Usage. No other line styles are supported for Service Contracts.

Option	Sample Values	Required	Description
OKS: Default Pricing Date	Subline start date	N	Defines the date to be used to determine the proper price list and pricing effectivity. May be contract subline (covered level) start date, contract signed date, contract (header) start date, sysdate, or top line (service line) start date. If not defined, sysdate will be used.
OKS: Default QA Checklist	Default	Y	The QA checklist specified in this profile option is used as the default when authoring new contracts. This is different from the default QA checklist defined in the Global Contract Defaults form, which would be used to approve the renewed contract. This profile option is for new contracts, created during authoring.
OKS: Default Time Zone	EST	N	Defines default time zone for a coverage while authoring (not required, but recommended).
OKS: Discounting Privileges	Full	N	Defines the discounting privileges for the user. Values are Full, Non-Overridable Only, None, and Unlimited.
OKS: Electronic Renewal URL	http://webpage.yourcorp.com:port/jtflogin.jsp	N	URL for web page that will be provided to Electronic Renewal Customers to allow them to review & respond to renewal notifications.
OKS: Enable Install Base Integration Messages	Y	N	Determines if notifications is enabled when a warranty or extended warranty has been created or updated. If yes, the profile option OKS: User name to send install base integration messages" must be setup.
OKS: Enable Billing	Yes	N	If yes, a negative billing (credit) is generated. If no, negative values are invoiced at zero.

Option	Sample Values	Required	Description
OKS: Enable Sales Credits	Derive	N	If set to Derive, upon renewal of the contract, this profile option will refer to the following other profile options to obtain information with which to populate the new contract: -Sales Person (unless Use JTF - Yes) -Revenue Type Distribution -Revenue Type -Vendor Contact If set to Retain, existing information will be copied into the renewed contract. If this profile option is set to Drop, none of this information will populate in the new contract. Sales person and sales credit information do not copy from the expiring contract.
OKS: Enable Grace Period	Yes	N	Indicates whether users should be able set up a Grace Period when authoring or updating a contract. This site level profile option defaults to No which causes Grace Period fields on the Contracts authoring form to be grayed out. If set to yes, users will be able to populate the Grace Duration and Grace Period fields.
OKS: Item Display Preference	Description	Y	Use this profile option to specify the display order of the Inventory items in Covered Product and Covered Item selection of the list of values, while creating a subline in the Authoring form.
OKS: Mass Change Security Level	Basic	Y	Defines the list of update levels available to the user when making the mass change. If set to Basic then only the Contract and Contract Group level are available to be selected for updates. When set to Advanced the user can perform mass change updates at All levels.
OKS: Minimum Authorized Amount	100	N	Minimum amount to block if QA level is authorize. Refer to profile option OKS: Credit Processing QA Level.
OKS: Minimum Service Duration	1	N	Defines the minimum duration of a service for Order Management.

Option	Sample Values	Required	Description
OKS: Minimum Service Period	1	N	Defines the minimum period of a service for Order Management.
OKS: Notify Contract Admin	Marsha Able	Required for reassign ment of sales reps	If unable to reassign the sales rep on the contract, notification is sent to the contract administrator identified here.
OKS: Notify Setup Admin	Marsha Able	Required for reassign ment of sales reps	If sales rep setup is incomplete, a notification is sent to the user defined here.
OKS: Notify Territory Admin	Marsha Able	Required for reassign ment of sales reps	If the Territory setup is incomplete, a notification is sent to this user.
OKS: Parallel Worker	Yes	N	If set to Yes, will spawn multiple concurrent requests when the Service Contracts Main Billing program is run in order to distribute the billing load for more efficient handling. Only occurs when the billing load exceeds 500 lines.
OKS: Payment Method for Credit Card Transactions	Credit Card	N	Mode of payment required for AR interface.
OKS: Raise Credit Memo for IB Instance Termination	Yes	N	This profile option determines if a credit memo should to be raised when a contract subline is terminated, in case of return, termination of a customer product.
OKS: Reprice Warning Message Y/N	Yes	N	Used to suppress warning message while repricing or manually overriding the final price. If set to NO, warning message “This action is irreversible. Do you wish to Continue? will be suppressed. Seeded default value is YES.
OKS: Revenue Type Dist	100	N	This is used for setting the credit percentage on a renewal contract for a salesrep. In order to pass QA, revenue distribution must equal 100%. If Enable Sales Credits is set to no, this profile option will be ignored.

Option	Sample Values	Required	Description
OKS: Revenue Type	Quota	N	This Profile Option is for setting the Sales Credit type, e.g. quota or non-quota, for creating the sales credits during renewal. If Enable Sales Credits is set to Drop, this profile option will be ignored.
OKS: Sales Person	Able, Marsha	N	This Profile Option sets the default sales person for sales credits on a renewal contract. It also populates this name into the Vendor Contact in the Summary>Parties>Party Contact Role. If OKS: Use JTF = "Y", the sales rep is retrieved from JTF resources instead of from this profile option. If Enable Sales Credits is set to Drop this profile option will be ignored.
OKS: Sales Credit Distribution	Full	N	Allows to define total percentage of distribution among sales credits.
OKS: Service Request Creator	Name	Y (if using automated service request creation)	Sets default username for automated creation of service requests.
OKS: SMTP Domain	oracle.com	Required for e-mail quote	Domain name of the local (sending) host.
OKS: SMTP Host	xyx.oracle.com	Required for e-mail quote	Name of the remote host to which the connection is established.
OKS: SMTP Port	25	Required for e-mail quote	Port number of the remote SMTP server.
OKS: Summary Transactions	Yes	Y	If not specified at the billing profile or contract header level, this determines if the summary or detailed transactions are sent to AR.
OKS: Day UOM Code	-	-	Not in use.
OKS: Month UOM Code	-	-	Not in use.
OKS: Quarter UOM Code	-	-	Not in use.
OKS: Week UOM Code	-	-	Not in use.

Option	Sample Values	Required	Description
OKS: Year UOM Code	-	-	Not in use.
OKS: Use JTF	Y	N	This Profile Option determines whether to use JTF Resources to get the salesrep for a renewal contract. If set to "N", the sales rep is retrieved from OKS: Sales Person.If set to yes it will retrieve the sales person assigned by territory. Must setup territories. Must be set to yes if using the Concurrent Program for Reassigning Resources. If Enable Sales Credits is set to Drop, this profile option is not used to populate the sales person renewal agreement.
OKS: Use QP for Manual Adjustment	Yes	N	Used to control the integration with QP for manual override of the final price. If NO, QP will not be used to create or derive price adjustments. Whatever final price is entered will be stored and no adjustments will be recorded. If YES, QP will be used to derive price adjustments. All adjustments will be stored in OKS, and can be viewed through pricing adjustment window. No manual override is possible if the service item is not priced in the price list. Seeded default value is yes.
OKS: User Name to Send Contract Transfer Messages	Marsha Able	Required for customer product transfers	Identifies user to be notified of customer product transfers.
OKS: User Name to Send Install Base Integration Messages	Able, Marsha	N	Identifies the e-mail address of the person to be notified whenever a warranty or extended warranty has been created or updated.

Option	Sample Values	Required	Description
OKS: Vendor Contact Role	Admin	N	This profile option sets the role for creating contacts during contract renewal. Select any role from the LOV to be added to the party role contacts which will be copied from the expiring contract. This profile option populates only the role. The person assigned to this role is named in the profile option OKS: Sales Person. The Concurrent Process for Reassigning Resources looks to the Vendor Contact Role of SalesPerson to validate the name of the sales rep indicated in the territory assignment. Therefore, consider setting this profile option to SalesPerson. If Use JTF is set to yes and the vendor contact role is SalesPerson, this party role contact name may be changed to match the territory assignment. If Enable Sales Credit is set to no, this profile option will be ignored.
OKS: OM Interface Contract Category	Service	N	This profile option determines the Contract category for the contracts created from Order Management such as Service, Warranty, and Subscription.
OKS: Subscription Item Filter	All	N	This profile option determines which items the user can select in a subscription line under a subscription agreement. If the value is "Subscription", only subscription items can be selected. If the value is "All", the user can select any subscription or products (all items except service warranty and usage items) at subscription line. This is to enable the user to enter charges in subscription lines.
OKS: UOM Code	Each	N	This profile option sets the UOM code for covered party, site, system, and customer.
OKS: Unit Price Precision Type	2	N	This profile option determines the number of digits after the decimal point for Unit price.
OKS: Valueset lookup Filter	-	-	Not in use.
OKS: Workflow Success Notification	-	-	Not in use.
OKS: Tolerance Allowed for Counter Base Reading	-	-	Not in use.

Option	Sample Values	Required	Description
OKS: Check Cov Levels in QA	-	-	Not in use.

3.19 Setup for Service Key Flexfields

This key flexfield allows the storage of pricing attributes at the covered product level in the contract authoring form. This function is available from the Actions menu.

Key Flexfield Registration

To register key flexfields:

1. Log on to Application Developer.
2. Navigate to Flexfields > Key > Register.
3. Double Click Register to open Key Flexfields form.
4. Enter Oracle Inventory as the Application.
5. Enter the code: SERV.
6. Enter the title: ORACLE_SERVICE_ITEM_FLEXFIELD.
7. Enter a description: Item Flex Field that displays segments in different sequence.
8. Enter the Table Application: Oracle Inventory.
9. Enter the Table Name: MTL_SYSTEM_ITEMS_B.
10. Enter the Unique ID Column: INVENTORY_ITEM_ID.
11. Enter the Structure Column: ORGANIZATION_ID.
12. Deselect the Dynamic Inserts Feasible check box.
13. Select the Check Allow ID Value Sets check box.
14. Save your work.

Default Segment Structure

To enter the default segment structure:

1. Navigate to Flexfields > Key > Segments and select View > Query by Example > Enter.
2. Enter the Application: Oracle Inventory.
3. Enter the Title: ORACLE_SERVICE_ITEM_FLEXFIELD.
4. Select View > Query by Example > Run.
5. Deselect the Freeze Flexfield Definition check box.
6. Click Segments.
7. Enter Name: Service Name
8. Enter Column: Segment1
9. Save your work.
10. Close Segment Summary window.
11. Select the Freeze Flexfield Definition check box.
12. Click Compile.

Bug #1408962

Follow this procedure to avoid Bug #1408962

To avoid bug #1408962:

1. Navigate to Flexfields > Key > Segments >View > Query by Example > Enter.
2. Enter the Application: Oracle Inventory
3. Enter the Title: System Items
4. Select View > Query by Example > Run.
5. Deselect the Freeze Flexfield Definition check box.
6. Select the Freeze Flexfield Definition check box.
7. Click Compile.

3.20 Setting Up Global Contract Defaults

If renewal rules are not specified in Order Management, a contract will be created without any renewal criteria. To renew a contract, renewal criteria should be retrieved from the defaults defined at the contract, event, party, organization, and global levels. The Renewal Event evaluates the renewal criteria in the following precedence and applies them to a renewed contract:

- Contract
- Event
- Party
- Organization
- Global

If a specific rule is not found at a given level, it is retrieved at the subsequent level and ultimately at the global level if they do not exist in the other levels. In any case, the renewed contract would have all the elements required for renewal and repricing and to submit the contract for approval.

Use the Renewal Rule Defaults form to set up renewal defaults at the system, party, and organization levels. You can set up the defaults at the system level in the Global region of the form. The defaults at the organization and party levels are set up in the Parties and Organization tabs respectively. The Administration tab is the same for both.

To set up renewal rule defaults:

1. Access the Renewal Rule Defaults form by navigating to Service Contracts Manager > Setup > Contract> Global Contracts Defaults.
2. Select the Renewal Type from the drop down list. The valid values are:
    - Notify Sales Rep: This will sends a notification to the sales rep, based on the territory in which he/she resides, to facilitate the renewal. For example, when the sales rep needs to negotiate the pricing with the customer prior to sending the contract for approval.
    - Submit for Approval: This will create a renewed contract in an entered state awaiting review and approval before it can become active. If the autorenewal process has been implemented, a contract with an Active Contract renewal type will either become signed or active, depending on whether the start date has passed. If the contract has not passed QA however, it will remain in an entered state.

- Active Contract: The renewal event automatically approves and activates the contract.
- Do Not Renew: The contract is allowed to expire.
- Electronic Renewal: Places the renewed contract into the Entered status and sends a notification to both the sales representative and the customer. The customer receives notification in the form of an e-mail with a link to a web page. From that page, the customer can review the quote and accept, reject, or request changes to the contract renewal.

3. Select the PO Required check box to specify that a purchase order is required during the renewal process. If selected, the renewal cannot be sent for approval without a purchase order.
4. Select the Pricing Method from the drop down list. This determines how pricing is to take place in contracts during renewals. The valid values are:
   - Price List: Renewal pricing is based on the current price list.
   - Index: Renewal pricing is based on a markup percentage (%) and a cap price list. For example last year's negotiated markup % is subject to a capped list price.
   - Manual: Renewal pricing uses last year's negotiated price.
5. If either the Price List or Index Pricing methods are selected, then the Price List field is enabled. Select a Price List from the list of values.
6. If the Index Pricing Method is selected, then the Markup% field is enabled. This represents the percentage that is to be used to markup or markdown the contract lines during contract renewal. The value may be entered as a positive or negative percent.
7. Select the Approval Workflow. This workflow is used to approve the renewed contract.
8. Select the QA Checklist. This QA Checklist will be used to QA the renewed contract.
9. Select a Role from the list of values. The valid values include:
   - Customer
   - Merchant
   - Subscriber
   - Third party

10. Select the Help Desk Email account that should receive notifications when an Electronic Renewal contract notification cannot be sent to a customer due to problems with the contract renewal.
11. Select the Template Set that will be used for Electronic Renewals.
12. Select the Billing Profile that will be used for Electronic Renewal contracts.
13. Select a group from the LOV for New Order within the Contract Group region.
14. Select a group from the LOV for Renewal.
15. Enter the percentage revenue for Estimated % within the Revenue region. This is an estimate to be achieved for the renewed contract.
16. Enter Duration. This represents the duration before the expiration of the contract for when it is predicted the percentage revenue will be achieved.
17. Select the period from the list of values.
18. In the Electronic Renewal region, select the Enable check box to enable Electronic Renewals.
19. Use the Payment Terms Credit Card field to set up the default payment terms for credit card orders. When customers log into the portal web page to respond to an Electronic Renewal notification, they may select the Credit Card payment method in the process of accepting the contract renewal. When the Credit Card payment method is selected, the payment term that is entered in this field is defaulted as the payment terms on the contract.
20. Enter the Threshold Currency and Threshold Amount if the Enable check box has been selected. The amount entered will be the threshold amount used to determine whether or not a contract qualifies for Electronic Renewals. All contracts having a total value less than or equal to the amount entered will generate an Electronic Renewal.
21. Use the Grace region to set up a standard grace period for the contracts that are renewed. Enter the Duration and Period type.
22. Use the Credit Card Threshold region to specify a threshold amount that would make credit card the only available method of payment. In the Credit Card Threshold region, enter the threshold Amount and Currency type.
23. You can use the Evergreen Threshold region to set a threshold amount for Evergreen renewals such that all contracts below the threshold amount would renew and invoice customers automatically. In the Evergreen Threshold region, enter the threshold Amount and Currency type.

24. Navigate to the Organizations > Renewal Rules tab. This tab is used to specify the renewal and pricing attributes at the organization level.
25. Select the Organization Number from the list of values. The Organization Name is automatically displayed.
26. Enter the effective Start and End dates for the organization. These fields are mandatory. The end date must be greater than the start date.
27. Select the renewal rules per Global defaults. In this tab, the renewal and pricing rules are optional.
28. Navigate to the Organizations > Admin tab. The Organization Name and effective Start and End dates are displayed.
29. Select the Contract Group, QA Checklist, Approval Workflow, and Role. These values are optional.
30. Navigate to the Organizations > Revenue tab. The Organization Name and effective Start and End dates are displayed.
31. Select the Revenue Estimated %, Duration and Period. These values are optional.
32. Select the Credit Card Threshold Amount and Currency type. These values are optional.
33. Navigate to the Organizations > Electronic Renewal tab. The Organization Name and effective Start and End dates are displayed.
34. Enter the Threshold Amount and Currency, Payment Terms for Credit Card, Help Desk Email, Template Set, and Billing Profile. These values are optional.
35. Navigate to the Organizations > Preferences tab. The Organization Name and effective Start and End dates are displayed.
36. Enter the Evergreen Threshold Amount and Currency type. These values are optional.
37. Enter the Grace Duration and Period type. These values are optional.
38. Use the Parties tab to specify the renewal and pricing attributes at the party level. Navigate to the Parties > Renewal Rules tab.
39. Select the Party Number from the list of values. The Party Name is automatically displayed.
40. Enter the effective Start and End dates. These dates are mandatory. The end date must be greater than the start date.

41. Select the Renewal Type and Pricing Method. If applicable, enter the Markup% and Price List. These values are optional.
42. Navigate to the Parties > Admin tab. This tab has the same administration attributes as the Organization > Admin tab.
43. Select the QA checklist, Approval Workflow and Role. These values are optional.
44. Navigate to the Parties > Revenue tab. The Organization Name and effective Start and End dates are displayed.
45. In the Revenue region, enter the Estimated percent, Duration, and Period. These values are optional.
46. In the Credit Card Threshold region, enter the Currency type and threshold Amount. These values are optional.
47. Navigate to the Parties > Electronic Renewal tab. The Organization Name and effective Start and End dates are displayed.
48. Select the threshold Amount and Currency, Help Desk Email, Template Set, and Billing Profile. These values are optional.
49. Navigate to the Parties> Preferences tab. The Organization Name and effective Start and End dates are displayed.
50. Enter the Evergreen Threshold Amount and Currency type. These values are optional.
51. Enter the Grace Duration and Period type. These values are optional.
52. Save your work

3.21 Setting Up Subscription Templates

Subscription items are created in the Inventory Master Items form. Before creating the subscription items, a Subscription Template must be created. To set up a subscription templates:

1. Open the Subscription Template form by navigating to Service Contracts Manager > Subscription Template.
2. In the Name filed, enter a name for the template.
3. In the Description field, enter a description for the template.

4. In the Subscription Type field, select the type of subscription such as Journals, Magazines, and News Letters from the list of values.
5. In the Media Type field, select the type of medium such as Document, Image, and Audio from the list of values.
6. In the Fulfillment Channel filed, select of one the following options:

- Order Management: for tangible items that need to shipped
- None: for intangible items

7. In the Frequency field, select one of the following subscription frequency options:

- Daily
- Weekly
- Monthly
- Yearly

8. Enter any additional information in the Comments field.

3.22 Service Contracts Setup Report

Service Contracts Setup Report is a diagnostic tool provided to facilitate debugging the issues reported in Oracle Service Contracts module. This report also helps in implementing Service Contracts by summarizing the set ups. A comprehensive report is provided on the setup done in any application environment. This report not only summarizes all the setups at one place, but also provides information on any mandatory setup that need to be done in that environment for Service Contracts to function effectively. This report is part of the Oracle Service Contracts module and is applicable only to Service Contracts.

To run the Service Contract Setup report:

1) From the responsibility menu, choose Service Contracts Manager >

Request >Run> Single Request

2) In Name choose “Service Contracts Setup report.”

3) Click Submit.

The report can be viewed from the “View Output” of the concurrent request. The output of this report is in PDF format and it gives all the setups done for the Service

Contracts Module. If any of the setups are mandatory and are not set, the report will highlight them in red. This report consists of mandatory and non-mandatory settings.

- Profiles Setup: This section provides a list of User Profile Option Names and Values set for them. If any of the mandatory settings are missing or not properly set, they will be highlighted in Red. The Profile Setup values and Mandatory column are as follows.
- Transaction Type Setup: For this setup, the report checks for Batch Transaction Source OKS_CONTRACTS and Transaction Type “Invoice-OKS” and “Credit-OKS.”
- Service Key Flexfield Setup: Verifies whether the key Flexfield Code SERV has been set up.
- Category Setup: Displays the categories and responsibilities that have been setup and the access level for Service and Warranty Categories.
- Oracle Quoting Integration Setup: “OKS” must be set for the Order Quoting Integration.
- Time Units Mapping: The report display the user defined time code units.
- Global Contracts Defaults: The report shows the values in the Global Contracts Defaults setup.
- Coverage Template Setup: Shows any coverage templates that have been defined for warranty as well as service item.
- Statuses and Operations: Displays all the contract statuses and operations for each status type.