

**Oracle® Service Contracts**

User Guide

Release 11i

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# Send Us Your Comments

## **Oracle Service Contracts User Guide, Release 11i**

**Part No. B19140-01**

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# Preface

## Intended Audience

Welcome to Release 11i of the *Oracle Service Contracts User Guide*.

See Related Documents on page xiv for more Oracle Applications product information.

## TTY Access to Oracle Support Services

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## Structure

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## Related Documents

### Related Service Contracts Guides:

*Oracle Contracts Implementation and Administration Guide*

### Other Related Guides:

*Oracle Advanced Pricing User's Guide*

*Oracle Applications User's Guide*

*Oracle Bills of Material User's Guide*

*Oracle Common Application Components User Guide*

*Oracle Complex Maintenance, Repair, and Overhaul User's Guide*

*Oracle General Ledger User's Guide*

*Oracle Install Base User Guide*

*Oracle Inventory User's Guide*

*Oracle Order Management User's Guide*

*Oracle Receivables User Guide*

*Oracle TeleService User Guide*

*Oracle Workflow User's Guide*

*Oracle XML Publisher User's Guide*

## Do Not Use Database Tools to Modify Oracle Applications Data

Oracle STRONGLY RECOMMENDS that you never use SQL\*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL\*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using an Oracle Applications form can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL\*Plus and other database tools do not keep a record of changes.



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# Creating Contracts

This chapter covers the following topics:

- Overview of Oracle Service Contracts
- Elements of a Service Contract
- Managing the Service Contract Life Cycle
- Creating a Contract
- Copying Information from an Existing Contract
- Searching for a Contract or Template
- Creating a Template from a Contract

## Overview of Oracle Service Contracts

Oracle Service Contracts provides a complete contract authoring execution solution to manage warranties, extended warranties, usage, subscription services, as well as complex service agreements. With Oracle Service Contracts you can:

- Sell multiple types of service
- Define pricing and billing schedules
- Ensure timely service entitlement checks
- Automate renewals for recurring revenue opportunities
- Simplify change management
- Minimize service revenue leakage

## Elements of a Service Contract

A contract in Oracle Service Contracts comprises:

- a header, page 1-2
- one or more lines, page 1-2
- one or more sublines, page 1-3

## Header

The header is where you enter a brief description and specify the contract duration. You can default values from the header of a contract down to the lines and, if applicable, to sublines as well.

The header level is composed of the fields at the top of the Service Contracts Authoring form as well as the Summary tab. The Summary tab also includes several secondary tabs. Following is a brief description of these pages:

- **Parties:** Enter information about the customer, including the bill to and ship to information for the contract.
- **Pricing/Billing:** Assign a price list and various accounting rules for pricing and billing contracts. In most cases, Oracle Service Contracts retrieves the contractual prices of services or usage from Oracle Advanced Pricing, however, pricing is done manually in some situations.
- **Renewals:** Define the renewal rules applied during manual or automatic renewal of the contract.
- **Administration:** Define administrative components used to process the contract, such as the QA checklist, contract groups, and workflow.
- **Security/Text:** Grant contract access by the resource group or user level.

**Note:** There are additional topics that provide detailed information on how to default information within a contract:

- Entering Defaults for Lines, page 3-1 explains how to speed up entry of individual contract lines in a contract by making entries at the summary level.
- Entering Defaults for Contracts, page 2-1 explains how to enter information which affects the contract as a whole and cannot be changed at the line level.

## Lines

Lines list the individual service, usage, and subscription items included in the contract. A single contract can have multiple lines.

Each line inherits certain information from the contract header such as effectivity dates, bill to and ship to information, and billing rules and schedules. These can be changed as appropriate to allow the contract to conform to the customer requirements. A contract line may be related to one or more sublines.

There are three line types:

- **Service lines:** Cover a broad category of items that can include activities such as field service, depot repair, call center, technical support, or any other user-defined business activities.

Each service line can cover one or more items that a customer owns.

See Entering Service Lines, page 4-3 for more information on service lines.

- **Usage lines:** Charge customers for usage. For example, a photo copier company might wish to charge for the number of copies made within a period.

See Entering Usage Lines, page 5-1 for more information on usage lines.

- **Subscription lines:** Cover subscriptions for both tangible and intangible items. Tangible items include magazines, collateral, or any other physical item that can be shipped through Oracle Order Management. Intangible items can be collateral sent via e-mail.

See Entering Subscription Lines, page 6-1 for more information on subscription lines.

**Note:** Subscription lines do not have sublines.

The Lines tab includes several secondary tabs, which include:

- Accounts
- Effectivities
- Pricing/Products
- Exemption/Payment Options
- Counters
- Events

**Note:** The fields within each secondary tab are unique to the line type that you select.

For details on entering lines refer to the specific line type topics.

- Entering a Service Line (General Procedure), page 4-3
- Entering a Usage Line in a Contract, page 5-3
- Entering a Subscription Line, page 6-4

## Sublines

Sublines specify what the service covers or the counters where the usage is tracked. You can access this information from the Pricing/Products subtab of the Lines tab.

Following is a description of how each line type utilizes sublines:

- **Service lines:** Sublines for service lines specify what the service covers. A service line can cover a party, a customer, a site, a system, a product, or an item. See Levels of Coverage and Their Uses, page 4-11.
- **Usage lines:** Sublines for usage lines specify the counters where the usage is tracked. See Entering a Counter, page 5-17.
- **Subscription lines:** Subscription lines do not have sublines. See About Subscriptions, page 6-4.

## Managing the Service Contract Life Cycle

Oracle Service Contracts makes it possible for you to manage the entire contract life cycle, including contract creation, renewal, and termination. For detailed information refer to the following procedures:

- Creating a Contract, page 1-4
- Approving Contracts, page 10-1
- Extending and Renewing Contracts, page 14-1

- Terminating Contracts, page 16-1
- Managing the Contract Lifecycle, page 12-1

## Creating a Contract

You can create a contract manually. In addition, a contract can be created automatically through Oracle Order Management or by creating a product that has a warranty in Oracle Install Base. See *About Ordering Service in Oracle Order*, page 7-2.

### To create a contract:

1. Log in under the Service Contracts Manager.
2. Navigate to Launch Contracts.  
The Oracle Contracts window appears.
3. Choose **New** from the Tools menu.  
The Create a New Contract window appears.

The screenshot shows a dialog box titled "Create a New Contract...". It has two radio buttons: "Create a New Contract Manually" (which is selected) and "Create a Contract from a Template". Under the first radio button, there is a text box labeled "Category". Under the second radio button, there are two text boxes labeled "Template" and "Modifier", and a button labeled "Find". At the bottom of the dialog, there are two buttons: "Create" and "Cancel".

4. To create a contract manually:
  1. Select the **Create a New Contract Manually** radio button.
  2. Select a category using the list of values (LOV):
    - If you are creating a contract with service agreements for individual items (covered products) in the customer's installed base, then select **Warranty and Extended Warranty** or **Service Agreement**. Warranty and Extended Warranty category does not permit you to add usage lines or to sell service to other levels of coverage (a party, site, or system).
    - If you are creating a usage contract or a service agreement for levels other than items in the customer's install base (Products), then you must select **Service Agreement**.
    - If your contract includes subscriptions, then select **Subscription Agreement**. Subscription agreements permit you to enter

subscriptions, service, and usage lines. However, they do not permit electronic renewals.

5. To create a contract using a template:
  1. Select the **Create a Contract from a Template** radio button.
  2. Select a template using the Template LOV. If you do not know the template name you can search for the template by description and other criteria by clicking Find. See Searching for a Contract or Template, page 1-8.
6. Click **Create**.

The Service Contracts Authoring window appears. The category you selected appears in the Category field at the top of the window. The start date defaults to today's date.

The application supplies a contract number for you automatically after you first save the contract, but you can instead enter a number of your own. The contract number can be a combination of any characters, but it must be unique.

7. Optionally, enter another short identifier in the Known As field to help you identify the contract later.
8. Specify the dates the contract is effective by entering:
  - The start date or end date
  - Duration and period

The dates you enter here are automatically defaulted to each new line in the contract. The dates individual lines are effective cannot fall outside this range, they cannot have a start date earlier than the contract start date or an end date later than the contract end date. If you enter dates outside this range in a contract line, then you must extend the contract dates accordingly for your contract to pass Quality Assurance (QA).

9. To help you identify the contract later, enter a description in the Short Description field.
10. Save.
11. You are now ready to enter the rest of the contract information required for your contract to become active:

**Note:** To speed up entry, you can copy information from an existing contract. See *Copying Information from an Existing Contract*, page 1-6.

- General contract information about the contract as described in *Entering Defaults for Contracts*, page 2-1. This includes the vendor and customer, what quality check the contract must pass to become active, and how the contract will be renewed.
  - Information that will help speed up the entry of contract lines as described in *Entering Defaults for Lines*, page 3-1.
  - Contract lines according to procedures described in:
    - *Entering a Service Line (General Procedure)*, page 4-3
    - *Entering a Usage Line in a Contract*, page 5-3
    - *Entering a Subscription Line*, page 6-4
12. You can create different versions of the contract for your customer and at different price points and send them out for review. See *Creating Different Contract Versions for Your Customer*, page 12-12.
  13. Check to see if you have entered all the required information in the contract or if there is some external reason why the contract cannot be implemented, by running the quality assurance (QA) check.
  14. The QA check alerts you of any issues with your contract.

Following are examples of issues that are tracked in the QA check:

- Failure to create a billing schedule for the customer.
- Failure to include an e-mail address for the customer contact.
- Sales Credits for contract lines are absent
- Accounting department has placed the customer credit on hold.

Your contract becomes active only after it passes the QA check list and obtains the approvals required by the Oracle Workflow process specified in the contract.

See *About the Quality Assurance Check (QA Check)*, page 9-1 and *Approving Contracts*, page 10-4.

## Copying Information from an Existing Contract

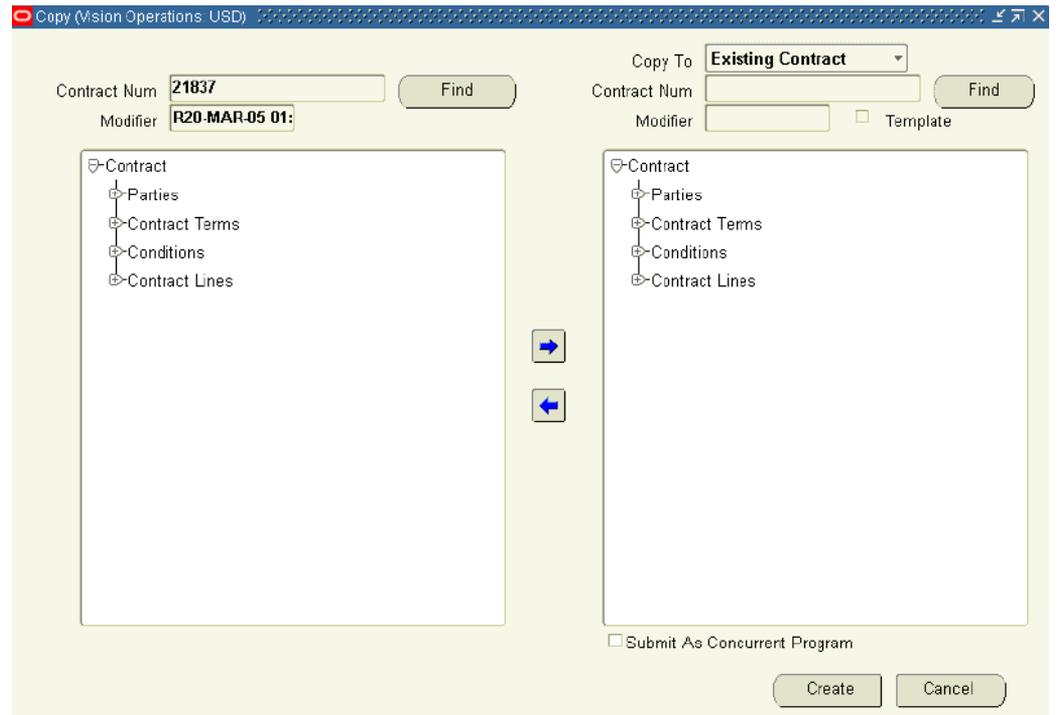
You can copy information from an existing contract into a new contract, an existing contract, or to a new modifier of the existing contract.

**Note:** For existing contracts, you cannot copy the components of a contract across categories. For example, you cannot copy the components from a Warranty into a Service Agreement.

## To copy information from an existing contract:

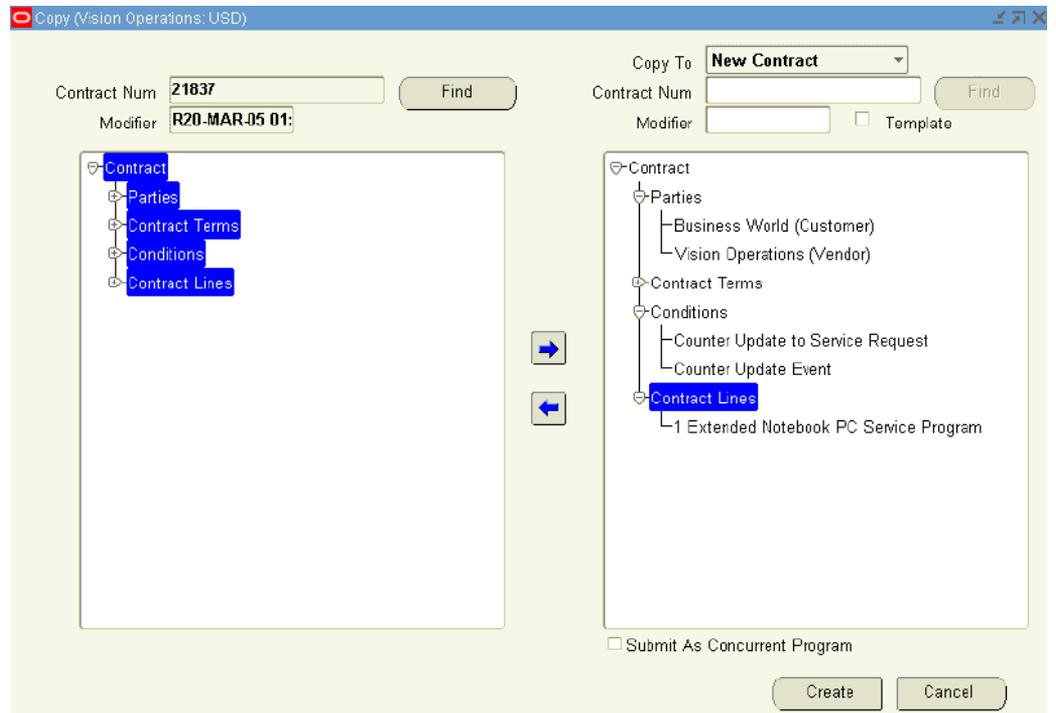
1. From the Contract Navigator window, right click a contract and select **Copy**.

The Copy window appears and is populated with the contract number that you selected.



2. Select the information you wish to copy in the left half of the window.  
You can make multiple selections by holding down the Shift or Ctrl keys on your keyboard. You can expand the tree outlining the information by clicking on any of the nodes.
3. Use the right arrow button to copy information from the left-side of the window to the right (the new contract).
4. From the Copy To field select **New Contract**.

**Note:** To copy into an existing contract or create a new modifier you can select Existing Contract or New Modifier respectively.



5. To copy into a new contract, and make that contract a template, select the Template check box.

When you create a new contract, you will see that template in the list of available template contracts.

6. If you are copying a large contract and you do not want to utilize too many system resources, you can select the Submit as Concurrent Program check box.
7. Click **Create**.
8. From the message window, select **OK** to view the new contract.

**Note:** Your administrator can set the profile OKS: Copy Notes to control whether notes are copied. If this profile is set to yes, the notes within the existing contract are copied into the new contract.

Within the Notes window, the Entered By field indicates **ANONYMOUS** if the note was copied from an existing contract.

## Searching for a Contract or Template

### To search for a contract or template:

1. From the Navigator, choose **Launch Contracts**. The Oracle Contracts window appears.
2. From the View menu, select **Find**.  
The Search Templates and Contracts window appears.

3. Enter your search criteria.

You may wish to select either a contract number or template name from the Contract Number LOV.

Search Templates and Contracts

Contract Number: OKS Coverage Template  
Category: Service Agreement  
Modifier:   
Status:   
Short Desc:   
Known As:   
Start Date: From To End Date: From To  
Select:   
 Group  Unassigned Include Sub Groups   
Party Role: Intent: Party Name:   
Contact Role: Email:   
Contact Name:   
More Clear Search

Results

Number	Modifier	Group	Category	Short D...	Known As	Status ...	Start D...	End Date
--------	----------	-------	----------	------------	----------	------------	------------	----------

Select All Select None Cancel

4. If you have selected the Service Agreement category, click the **More** button for an enhanced search criteria for finding contracts.
1. When you click the More button, the system displays the Service Module Search window. This window provides the ability to search on specific attributes for service contracts, such as agreement names, date signed, order number, bill to address, organization, and e-mail.
  2. Click **OK** to return to the Search Templates and Contracts window.

Service Module Search

Agreement Name

Date Signed

Order Number

Bill To Address

Organization **Vision Operations**

Email

OK Cancel

5. Select **Search**.

A list of contracts that match your search criteria appear in the Results region.

Search Templates and Contracts

Contract Number **OKS Coverage Template** Modifier

Category **Service Agreement** Status

Short Desc  Known As

Start Date From  To  End Date From  To

Select

Group  Include Sub Groups

Unassigned

Party Role  Intent  Party Name

Contact Role  Email

Contact Name  More Clear Search

—Results

Number	Modifier	Group	Category	Short D...	Known As	Status ...	Start D...	End Date
OKS Coverage ...			Service Agreement	OKS Coverage ...		Entered	01-JAN-1900	01-JAN-9999

Select All Select None Cancel

6. Select a contract, right click and select **Open**.

## Creating a Template from a Contract

A template makes it possible for you to speed up the contract creation process by filling in frequently used values.

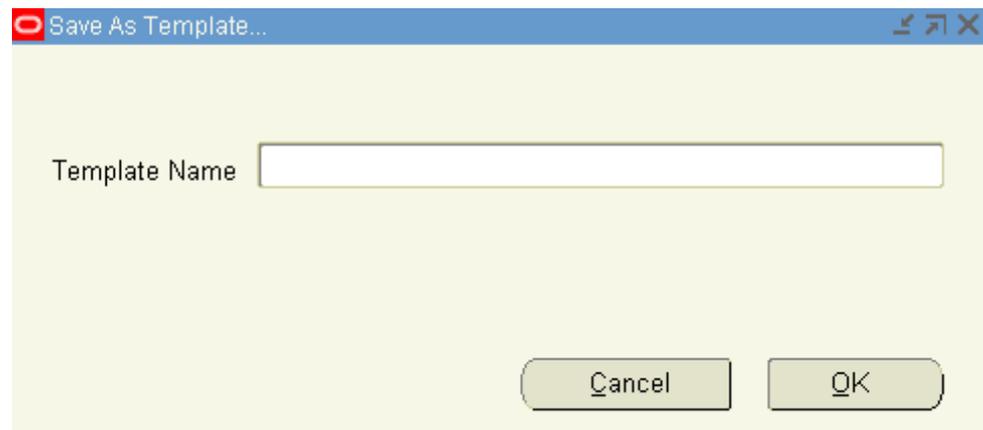
### Prerequisite

Display a contract.

### To create a template from a contract:

1. From the Actions menu, choose **Save as Template**.

The Save As Template window appears.



2. Enter a template name.
3. Click **OK**.

The application responds with a note informing you that the template has been created.

**Note:** You can save any contract as a template.

When you create a new contract from a template, the system creates a new contract in the **Entered** status. The header, lines, and sublines from the template are copied into the new contract.

See *Creating a Contract*, page 1-4.



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## Entering Defaults for Contracts

This chapter covers the following topics:

- Overview of Entering Defaults for Contracts
- Entering Parties to the Contract
- Entering Party Contacts
- Creating or Modifying a Customer Contact Record
- Specifying a Receivables Transaction Type for Payment
- Specifying How Billed Amounts Appear on Invoices
- Suspending Billing for a Contract
- Placing a Hold On Credit Memos
- Requiring and Specifying a Purchase Order for Service Charges
- Specifying How a Contract Will Be Renewed
- Automatically Renewing a Contract on Expiration
- Automatically Sending a Renewal Notice by E-Mail
- Notifying the Sales Representative to Renew the Contract Manually
- Having the Automatically Renewed Contract Submitted for Approval
- Specifying How the Renewed Contract will Be Priced
- Allowing a Grace Period for Renewals
- About Grace Periods
- Specifying a Grace Period for the Current Contract
- Specifying a Grace Period for the Renewed Contract
- Specifying and Launching the Contract Approval Workflow
- Organizing Contracts by Assigning Them to Contract Groups
- Specify a Different Quality Assurance Check List
- Entering an Estimate of Contract Revenue
- Specifying Contract Terms
- Granting Additional Access Privileges
- Entering an Additional Description or Comments

- Setting Up Defaults for Contract Renewal
- Overview of Defaulting Levels
- Entering Default Renewal Rules
- Setting Up System Profiles for Renewal Defaults

## Overview of Entering Defaults for Contracts

This group of topics explains how to enter information which affects the contract as a whole and cannot be changed at the line level. This includes information on how the contract is to be renewed, which quality assurance process verifies a contract's completeness, and the approval process the application uses to get the contract approved.

## Entering Parties to the Contract

Usually entering parties to the contract is limited to your organization and the customer, but you can also enter a third party such as a distributor or a dealer. You can only bill accounts belonging to the parties you enter here or to related accounts as defined in Oracle Receivables.

### Prerequisites

Set up Customers and Third parties

Define profile MO: Operating Unit

### To enter the parties to the contract:

1. From the Service Contracts Authoring window, select the Summary tab and Parties subtab.
2. In the Party region, enter your organization as the vendor:
 

On a new line, select **Vendor** (or **Merchant** for Subscription Agreements) from the Role LOV.

The Operating Unit set up in profile MO: Operating Unit automatically populates in the Name field.
3. Enter the customer:
  1. Choose **Customer** (or **Subscriber** for Subscription Agreements) from the Role LOV.
  2. Enter the customer name using the Name LOV.
4. Enter any third party such as a dealer or distributor:
  1. Select Third Party using the Role LOV.
  2. Enter the third party using the Name LOV.
 

**Note:** You can only enter third parties that do not have an account-level relationship to the customer. Such relationships between accounts can be set up in Oracle Receivables.
5. Save.

## Entering Party Contacts

You can enter contacts for the different parties to the contract, this includes the sales people in your organization (the vendor).

**Note:** You must enter the sales person as a contact for the vendor to run the Service Contracts Bookings report.

### To enter party contacts:

1. From the Service Contracts Authoring window, select the Summary tab and Parties subtab.
2. Select the party for which you wish to enter the contact.
3. Choose the contact's role using the Role LOV.
4. Choose the contact from the Name (LOV). If the contact does not exist in the database or the contact information needs to be modified, you can create a new record or modify the existing one by choosing **Maintain Contact** from the Actions menu. See *Creating or Modifying a Customer Contact Record*, page 2-3 for details.
5. Enter an e-mail address in the Email field or you can modify the existing e-mail address.
6. To modify or verify phone contact information for the contact then choose **Maintain Contact** from the Actions menu. See *Creating or Modifying a Customer Contact Record*, page 2-3 for details.
7. Save.

## Creating or Modifying a Customer Contact Record

Using this feature, you can create or modify only basic contact information such as the contact name, phone number, and e-mail address. You cannot use it to create a new customer address or enter other details. To create a full customer contact record, use the Customer Standard window in Oracle Receivables or the Contact Center window which is available under the Customer Support responsibility. See the contact creation procedures described in the *Oracle TeleService User Guide* and *Oracle Receivables User Guide* for details.

### To create or modify a customer contact record:

1. From the Service Contracts Authoring window, select the Summary tab and the Parties subtab.
2. In the Party region, select the party for which you wish to create the contact. You can create a contact either for the customer or a third party.
3. In the Contacts region, place the cursor in the Role field.
4. Choose **Maintain Contact** from the Tools menu.  
The Contact window appears.

5. If you are creating a new contact, then:
  1. Choose a role for this contact using the Contact Role LOV.
  2. Enter the contact last and first name.
  3. Use the following guidelines for entering other information:
    - Choose the titles and job descriptions from the Titles and Job LOVs. These are preset by your application administrator.
    - Phone, fax, and mobile numbers are composed of three fields: a country code (LOV), an area code, and the number itself. Do not use any delimiters in entering your number.
    - For the contact address, you can only choose one of the existing party locations. You can add a mail stop or a mail box, however, by pressing the Tab key after entering the address.
  
6. If you are modifying an existing contact, then you can:
  - Change the title and job description by selecting a different one from the Title and Job LOVs.
  - Change the phone, fax, and mobile numbers.
  - Change the e-mail address.

**Note:** When modifying existing contact information, be aware that you are modifying the contact record for all Oracle E-Business Suite applications.

You cannot modify the address or mail stop number. to select another address or enter a different mail stop, then you must:

  - Navigate back to the Service Contracts Authoring window.
  - Delete the contact by selecting it and clicking **Delete** in the toolbar.

- Create a replacement contact with the correct address information.
  - Note:** Deleting the contact from the contract does not delete it from the database. Creating a replacement record creates a duplicate.
- 7. If you are modifying an existing contact and wish to revert to the existing record, then click **Reset**.
- 8. Click **OK** to return to the Service Contracts Authoring window.
- 9. Save.

## Specifying a Receivables Transaction Type for Payment

Oracle Receivables uses transaction types to specify which accounts are credited for customer payment.

### Prerequisite

Review the Oracle Receivables transactions types created for your organization.

### To specify a Receivables transaction type for payment:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.
2. Choose the transaction type from the Transaction Type LOV.

## Specifying How Billed Amounts Appear on Invoices

You can have the amounts itemized for each subline or included in the contract line.

### To specify how billed amounts appear on invoices:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.
2. If your organization has implemented a custom invoices solution for billing contracts, then you can use that solution by selecting the Summary check box.
3. To summarize billed amounts by contract line, then select the Summary Transaction check box.
4. To itemize charges by subline, then leave the Summary check box unselected.

**Note:** The contract administrator must set the system profile OKS: Summary Transactions to **No**. If this profile is set to **Yes**, then the application sends the summarized billing details even when you leave this check box unselected.

5. Save.

## Suspending Billing for a Contract

Normally all eligible billing records are automatically passed to Oracle Receivables for invoicing on the invoice date you specify in the billing schedule. An example of when you may wish to suspend billing for a contract is because the customer has disputed the invoice.

### To suspend billing for a contract:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.
2. Deselect the AR Interface check box.
3. Save.

When you wish to resume billing, select this check box again and the customer is billed for all outstanding charges since your suspension started.

## Placing a Hold On Credit Memos

You can place a hold on credit memos until the next billing cycle. This setting does not hold invoices.

By default the holds credit check box is not selected, so the credit memo immediately picks up the billing amount.

### To place a hold on credit memos:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.
2. Select the Hold Credits check box.
3. Save.

Deselect this check box when you wish to credit the customer immediately.

## Requiring and Specifying a Purchase Order for Service Charges

You can specify a purchase order or require an agent to specify a purchase order number for charges not covered by the contract.

To determine which purchase order number appears in invoices, the application first checks the service request associated with the service being performed. It only uses the purchase order you enter here when no number is entered in the service request.

Requiring the entry of a purchase order, prevents the contract from passing the QA check and reaching Active status until the entry is made. It does not prevent the service from being scheduled or performed.

### To require or specify a purchase order for service charges:

1. From the Service Contracts Authoring window, select the Summary tab, Pricing/Billing subtab, and Service Charges region.

2. To require entry of the purchase order number and prevent the contract from becoming active until the entry is made, then select the Purchase Order Required check box.
3. To enter the purchase order number, you can do so in the PO Number field.
4. Save.

## Specifying How a Contract Will Be Renewed

Your application administrator can set up automatic defaults for contract renewals. See *Setting Up Global Defaults for Renewals*. If such defaults exist, then you may not be required to enter renewal information. Check with your application administrator.

To renew the contract, you must also specify how to renew each line. See *Specifying How a Contract Line is to Be Renewed*, page 4-9.

### To specify how the contract is to be renewed:

1. From the Service Contracts Authoring window, select the Summary tab and the Renewals subtab.

The screenshot shows the 'Service Contracts Authoring (Vision Operations: USD)' window. At the top, there are summary fields: Contract Number (21930), Version (0.1), Status (Entered), Subtotal (420.00), Known As, Start Date (17-MAR-2006), End Date (16-MAR-2007), Tax (34.65), Order, Duration (1), Period (Year), Total (454.65 USD), Short Description (Authoring), Category (Service Agreeeme), and Terminated (0.00). Below this is a tabbed interface with 'Summary' and 'Lines' tabs. Under 'Summary', there are sub-tabs: 'Articles', 'Pricing / Billing', 'Renewals', 'Administration', and 'Security/Text'. The 'Renewals' sub-tab is selected, showing a 'Renewal' section with fields for Type (Active Contract), Renew Up To, Notification, Pricing Method, Price List, Billing Profile, PO Required (checkbox), PO Number, Grace Duration, and Grace Period. There is also an 'Estimated' section with Percent and Duration fields. To the right is a 'Renewal History' section with similar fields. At the bottom is a 'Quote To' section with fields for Account / Party, Address, Contact, Area Code, Phone, Area Code, Fax, and Email.

2. Choose the renewal type from the Type LOV and enter information appropriate for each type. The information you must enter differs based on your selection. You can:
  - Prevent a contract from being renewed, by choosing **Do Not Renew**.
  - Have the contract renewed automatically by choosing **Active Contract**. See *Automatically Renewing a Contract on Expiration*, page 2-8 .
  - Have the application automatically notify the customer by e-mail to renew over the Web, by choosing **Electronic Renewal**. See *Automatically Sending a Renewal Notice by E-Mail*, page 2-8.

- Notify the sales agent when the contract comes up for renewal, by choosing **Notify Sales Rep**. See Notifying the Sales Representative to Renew the Contract , page 2-9.
  - Create a renewed contract and submit it for approval, by choosing **Submit for Approval**. See Having the Automatically Renewed Contract Submitted for Approval, page 2-9.
3. To specify a billing schedule for the renewed contract, then select a billing profile using the Billing Profile LOV.  
  
Billing profiles are templates you can use to specify simple periodic billing schedules and accounting and invoicing rules for the renewed contract. This schedule overrides any billing schedule in the contract that is being renewed. Creating Billing Profiles, page 11-3.
  4. Specify how the renewed contract is to be priced. For details, see Specifying How the Renewed Contract will Be Priced, page 2-10.
  5. Save.

## Automatically Renewing a Contract on Expiration

You can have the contract renewed automatically after it expires. The contract continues to renew until a date you specify.

### To automatically renew a contract on expiration:

1. From the Service Contracts Authoring window, select the Summary tab and the Renewals subtab.
2. Choose **Active Contract** from the Type LOV in the Renewal region.
3. Specify a date in the Renew Up To field. The contract will keep on renewing automatically until this date.
4. Save.

## Automatically Sending a Renewal Notice by E-Mail

Electronic renewal is available for Warranty and Extended Warranty and Service Agreement categories of contracts. It is not available for contracts of category Subscription Agreement.

The e-mail the application sends includes a hyperlink the customer can use to access your organization's web site and renew the contract.

### Prerequisite

Confirm the setup of electronic renewal.

### To automatically send a renewal notice by e-mail:

1. From the Service Contracts Authoring window, select the Summary tab and the Renewals subtab.
2. Choose **Electronic Renewal** from the Type LOV in the Renewal region.
3. In the Quote to region, use the LOV to enter the contact, e-mail address, and phone.

**Note:** The contact must have an existing e-mail address. You cannot add new addresses here.

4. Save.

## Notifying the Sales Representative to Renew the Contract Manually

You can have the application automatically send a notification to the Inbox of the sales representative associated with your contract. The application determines the appropriate sales representative based either on sales territories or, if the system profile OKS: Use Territories to Default Sales Person is set to **No**, it notifies the sales representative specified in the system profile OKS: Default Sales Person for Renewal.

**Note:** Setting the renewal type to Notify Salesrep does not necessarily guarantee that the contract will be renewed accordingly. The system may override this option based on the Evergreen and Online renewal types as well as thresholds specified in the Global Contracts Defaults.

### Prerequisites

Confirm the setup of sales territories, or set OKS: Use Territories to Default Sales Person to **No** and specify the sales person who will handle renewal requests in the profile option OKS: Default Sales Person for Renewal.

### To notify the sales representative to renew the contract manually:

1. From the Service Contracts Authoring window, select the Summary tab and the Renewals subtab.
2. Choose **Notify Sales Rep** from the Type LOV in the Renewal region.
3. To require the sales representative to enter a purchase order before the contract can be renewed, select the PO Required check box.

## Having the Automatically Renewed Contract Submitted for Approval

You can have the application create a renewed contract and submit it for approval to the person specified in the system profile OKC: Contract Approver.

### Prerequisite

Specify the approver in OKC: Contract Approver

### To have the automatically renewed contract submitted for approval:

1. From the Service Contracts Authoring window, select the Summary tab and the Renewals subtab.
2. Choose **Submit for Approval** from the Type LOV in the Renewal region.
3. To require the entry of a purchase order before the contract can be approved, then select the PO Required check box.

## Specifying How the Renewed Contract will Be Priced

### To specify how the renewed contract will be priced:

1. From the Service Contracts Authoring window, select the Summary tab and the Renewals subtab.
2. From the Pricing Method LOV, choose a pricing method. The available choices are:
  - **Price List:** Charges the customer based on the price list you enter in the Price List field. The price charged is the current price listed in the price list at the time the contract is renewed.
  - **Manual:** The application retains the price of the original contract for the renewed contract.
  - **Markup Percent:** Automatically adjusts the price up or down by a percentage you enter. (A positive number marks up the price; a negative number discounts it.) Optionally, you can cap the maximum adjustment based on a price list.
3. If you have selected Price List, then enter the price list to be used for the renewal in the Price List field.
4. If you have selected Markup Percent, then:
  1. Enter the percentage you wish the price to be adjusted. Entering a positive number marks up the price. A negative number discounts the contract renewal.
  2. If you are marking up the contract price and wish to put a limit on the maximum price the customer will pay, then enter a price list in the Price List field. The price of the renewed contract cannot go over the price listed in the price list.

For example, if you enter 20% as your markup and the current list price of the service is \$100, then the renewed contract is priced at \$120. If you enter a price list that lists the service at \$110, however, then this price list caps the maximum price for the service at \$110. The customer pays a maximum of \$110 for the renewal.

**Note:** The price cap works only for (positive) markups and not for discounts.

## Allowing a Grace Period for Renewals

By entering a grace period, you can extend the service a customer receives while a renewed contract is in the process of being negotiated and approved. This group of topics explains how grace periods work and how to set them up:

- About Grace Periods, page 2-10
- Specifying a Grace Period for the Current Contract, page 2-11
- Specifying a Grace Period for the Renewed Contract, page 2-12

## About Grace Periods

By specifying a grace period you grant the customer the services of a contract beyond the expiration date at no extra charge. Grace periods ensure the customer does not experience an interruption of service while a contract is being renegotiated, for example.

The actual start and end dates of the contract and the billing schedule are unaffected by the grace period.

If the renewal happens within the grace period, the new contract takes effect the day after the original contract expired and the customer is billed accordingly.

Suppose, for example, that a customer calls on January 15 to renew a service contract that expired on December 31. Because the contract had a one month grace period, the customer did not experience any interruption of service, but the new contract goes into effect and is billed from January 1 rather than from the date of the call or the end date of the grace period.

You can specify a grace period both for the current contract and for the renewed contract.

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

The grace period affects only lines and sublines that expire on the same day as the contract.

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

If you add a 30 day grace period to this contract, services 2 and 3 are eligible for entitlement until 30-JAN-2004. Service 1 is not.

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.

You can delete the grace period from the contract at any time, either before the contract expires, when the grace period goes into effect, or when the renewed contract becomes active.

## Specifying a Grace Period for the Current Contract

You can grant, modify, or deny a grace period for the current contract. During a grace period, the customer continues the same level of service as under the old contract, at no extra charge, if the contract expires.

### Prerequisite

Set the profile option OKS: Enable Grace Period to **Yes** at the Site Level.

### To specify a grace period for the current contract:

1. From the Service Contracts Authoring window, select the Summary tab and the Administration subtab.
2. To grant a grace period:
  1. Enter a number in the Grace Duration field. (For example: 30)

2. Choose the unit of measure from the Grace Period LOV. (For example: Days)
3. To adjust the grace period, make changes in these same fields.
4. To deny an existing grace period, delete the entry in the Grace Duration field.
5. Save.

## Specifying a Grace Period for the Renewed Contract

A grace period becomes effective upon the expiration of the renewed contract.

### Prerequisite

Set the profile option OKS: Enable Grace Period to Yes at the Site Level.

### To specify a grace period for the renewed contract:

1. From the Service Contracts Authoring window, select the Summary tab and the Renewals subtab.
2. To grant a grace period, then:
  1. Enter a number in the Grace Duration field. (For example: 30)
  2. Choose the unit of measure from the Grace Period LOV. (For example: Days)
3. To adjust the grace period, then make changes in these same fields.
4. To deny an existing grace period, then delete the entry in the Grace Duration field.
5. Save.

## Specifying and Launching the Contract Approval Workflow

The approver for the default process supplied with your application is the individual specified in the system profile OKC: Contract Approver.

The application automatically launches the process you specify, when the contract passes the quality assurance check.

### Prerequisite

Confirm the name of the Oracle Workflow process you wish to select.

### To specify and launch the contract approval workflow:

1. From the Service Contracts Authoring window, select the Summary tab and Administration subtab.
2. In the Approval Workflow region, use the Name LOV to select the Oracle Workflow process.
3. Click **Submit**.

The application automatically runs the Quality Assurance check on your contract. You must correct any errors found.

The application automatically launches the Workflow process after the contract passes the check with no errors.

## Organizing Contracts by Assigning Them to Contract Groups

Contract groups organize contracts in the Contract Navigator tab of the Oracle Contracts window.

### To organize contracts by assigning them to contract groups:

1. From the Service Contracts Authoring window, select the Summary tab and Administration subtab.
2. In the Contract Groups region, use the Group Name LOV to select each contract group where you wish this contract to appear.
3. Save.

## Specify a Different Quality Assurance Check List

The application uses the quality assurance check list specified in the system profile OKS: Default QA Checklist to check and validate the contract for errors and completeness before it can become active.

### Prerequisite

Create a QA checklist.

### To specify a different quality assurance check list:

1. From the Service Contracts Authoring window, select the Administration subtab on the Summary tab.
2. Use the Quality Assurance Checklist LOV to select the alternate check list.
3. Save.

## Entering an Estimate of Contract Revenue

The revenue you enter appears in the Service Contracts Forecast Summary Report and the Service Contracts Forecast Management Report.

### To enter an estimate of contract revenue:

1. From the Service Contracts Authoring window, select the Administration subtab on the Summary tab.
2. In the Estimation region, enter the number representing the percentage of revenue you predict is going to be realized from this contract.
3. Enter the date the estimated the revenue will be realized.
4. Save.

## Specifying Contract Terms

### To specify contract terms:

1. From the Service Contracts Authoring window, select the Administration subtab on the Summary tab.
2. Click **Contract Terms**.

The application displays the Contract Terms page in a separate browser window.

Follow the procedures described in *Oracle Contracts Implementation and Administration Guide*.

## Granting Additional Access Privileges

You can grant the ability to modify the contract either to an individual or a resource group.

You cannot use this procedure to restrict access to a contract, only to grant additional access. This is because the ability to view and modify contracts depends on a combination of security privileges granted both by the responsibility and at the individual contract level.

The access level granted by a responsibility takes precedence over the access you grant using this procedure. This means that if users log into the application under a responsibility that permits modification of contracts, then you cannot restrict their right to modify a specific contract.

You can use this procedure if your implementation has created a responsibility with view-only access. In this case, you can grant individual users or members of a resource group the ability to modify a specific contract as well. Your entries affect only users logging in under that responsibility.

**Note:** Users logging in under a view-only responsibility, cannot create new contracts using the Service Contracts Authoring window.

### Prerequisite

Set up a responsibility with read-only access to contracts.

### To grant additional access privileges:

1. From the Service Contracts Authoring window, select the Security/Text subtab on the Summary tab.
2. In the Security region use the Type drop-down list to choose one of the following:
  - **User:** to grant the right to modify this contract to a user.
  - **Group:** to grant the right to modify the contract to a specific sales group.
3. Choose the resource group or user name from the LOV.
4. Choose **Modify** from the Level drop-down list.
5. Save.

## Entering an Additional Description or Comments

### To enter an additional description or comments:

1. Select the Security/Text subtab on the Summary tab.
2. Enter the text in the Text region either in the Description or the Comments fields.
3. Save.

## Setting Up Defaults for Contract Renewal

This group of topics is intended to help application administrators set up default renewal rules for groups of contracts. These rules, which are entered in the Global Contracts Default window, can be overridden by agents for individual contracts.

**Note:** The Global Contracts Default is also used for entering defaults required by contracts generated automatically from Oracle Order Management orders. These defaults are described in *Setting Up New Contract Defaults for Order Management*, page 7-16.

It covers:

- Overview of Defaulting Levels, page 2-15
- Entering Default Renewal Rules for Contracts, page 2-16
- Setting Up System Profiles for Renewal Defaults, page 2-20

## Overview of Defaulting Levels

You can specify how attributes of a contract will be defaulted at the time of renewal at three different levels:

1. Party  
Makes it possible for you to specify different renewal rules for different customers.
2. Organization  
Makes it possible for you to specify different renewal rules for different organizations in your own company.
3. Global  
Specify global defaulting rules that apply to contracts which do not satisfy any of the defaulting rules you have specified for the previous levels.

The application looks for renewal rules in the above order (Party, Organization, and Global) and uses the first applicable set of rules it finds.

For example, suppose you set up your renewal preferences for the customer Business World and your organization Vision Enterprises.

If an agent creates a contract for Business World, the application automatically defaults the preferences you have set up at the party level, regardless of the organization that created the contract.

If an agent at Vision Enterprises creates a contract for ABC Corp., it is subject to the renewal rules you set up at the organization level. A contract for ABC Corp. created by

an agent at Vision Communications, another organization in your enterprise, is subject to the global rules only.

An agent creating or editing a contract, can override the defaults you set at any level by making an entry in the Summary tab and Renewals subtab.

**Note:** Agents specifying renewals in individual contracts, using the Summary tab and Renewals subtab, do not see the default values you enter here.

You enter all of the different levels of default renewal rules in the same Global Contracts Default window. Although the entries you make are almost identical for each defaulting rule level, the user interface layout is different for entering global defaults (in the top half of the window) to defaults at the party or organization level (the tabs in the lower half).

To complete the setup of renewal defaults, you must also set the system profiles described in Setting Up System Profiles for Renewal Defaults, page 2-20.

## Entering Default Renewal Rules

You can specify defaults for contract renewals. The procedure follows the layout of the Organizations and Parties tabs, but you can use it as a guide for entering global defaults as well.

### Prerequisite

To enter rules for organizations, confirm organization codes.

For customer rules, confirm party numbers.

In both cases the lists of values permit you to see the names of organizations or parties, but you can search by number only.

### To enter default renewal rules:

1. Under the Service Contracts Manager responsibility, navigate to Setup > Contract > Global Contracts Defaults.

The Global Contracts Default window appears.

**Global**

Renewal Type: **Notify Salesrep** PO Required  Interface Price Break  Contract Group: New Order: **Warranty and** Renewal: **Service**

Pricing Method: **Manual** Price List:  Approval Workflow: **Approval Process** Revenue: Estimated %: **100.0** Duration: **30** Period: **Day**

Markup%:  Help Desk: **Taylor, Mr. Phill**

QA Checklist: **Default Quality Assur**

Template Set: **US Template Set**

Billing Profile:

Role: **Third Party**

Credit Amount:

Grace: Duration  Period

Credit Card Threshold: Currency  Amount

Active Threshold: Currency  Amount

Electronic Renewal: Enable  Payment Terms for Credit Card:  Threshold Currency: **USD** Threshold Amount: **100000**

**Organizations** | **Parties**

Renewal Rules | Admin | Revenue | Electronic Renewal | Preferences

Organization	Organization Name	Start Date	End Date	Renewal Type	Pricing Method	Markup%	Price List	PO
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>

2. Navigate to the appropriate region of the window, depending on which type of renewal rule set you wish to enter:
  - To specify rules for a customer, select the Parties tab.
  - To specify rules for an organization within your business, select the Organizations tab.
  - To enter global defaults, make entries in the Global Region on the top half of the window.
3. If you are entering a renewal rules for an organization, then select the Renewal Rules subtab and enter the organization code using the Organization LOV.
4. If you are entering renewal rules for a customer on the Parties tab, then select the Renewal Rules subtab and enter the customer number using the Party Number LOV.
5. For organization and party rules, you must specify when you wish the set of rules to become effective by entering a date in the Start Date field. You can terminate a set of rules by entering a date in End Date.
6. Choose the renewal type from the Renewal Type LOV and enter information appropriate for each type. The information you must enter in the remaining tabs or regions differs based on your selection. You can:
  - Prevent contracts from being renewed by default, by choosing **Do Not Renew**.
  - Have contracts renewed automatically at expiration by choosing **Active Contract**.
  - Have the application automatically notify the customer by e-mail to renew over the web, by choosing **Electronic Renewal**.
  - Notify the sales agent when the contract comes up for renewal, by choosing **Notify Sales Rep**.

The application determines the appropriate sales agent to notify based either on sales territories or, if the system profile OKS: Use Territories to Default Sales Person is set to No, it notifies the sales representative specified in the system profile OKS: Default Sales Person for Renewal.

- Create a renewed contract and submit it for approval, by choosing **Submit for Approval**. The application submits the contract for approval to the person specified in the system profile OKC: Contract Approver.
7. From the Pricing Method LOV, choose a pricing method. The available choices are:
    - **Price List**: Charges the customer based on the price list you enter in the Price List field. The price charged is the current price listed in the price list at the time the contract is renewed.
    - **Manual**: The application charges the customer the same price for the renewed contract as they paid for the original contract.
    - **Markup Percent**: Automatically adjusts the price up or down by a percentage you enter. (A positive number marks up the price; a negative number discounts it.) Optionally, you can cap the maximum adjustment based on a price list.
  8. If you have selected Price List as the pricing method, then enter the price list to be used for the renewal in the Price List field.
  9. If you have selected Markup Percent, then:
    1. Enter the percentage you wish the price to be adjusted in the Markup % field. Entering a positive number marks up the price. A negative number discounts the contract renewal.
    2. If you are entering a markup and wish to put a limit on the maximum price the customer will pay, then enter a price list in the Price List field. The price of the renewed contract cannot go over the price listed in the price list.

For example, if you enter 20% as your markup and the current list price of the service is \$100, then the renewed contract is priced at \$120. If you enter a price list that lists the service at \$110, however, then this price list caps the maximum price for the service at \$110. The customer pays a maximum of \$110 for the renewal.

**Note:** The price cap works only for (positive) markups and not for discounts.
  10. To require an agent to enter a purchase order number in the contract before it can become active, select the PO check box (named PO Required in the Global region).
  11. If you are entering rules for a party or organization, then select the Admin subtab.

**Note:** The Contract Group field New Contract (named New Order in the Global region) specifies the contract group for new contracts created automatically from Oracle Order Management orders. It does not apply to renewals. See Setting Up New Contract Defaults for Order Management, page 7-16.
  12. To specify a different contract group for the renewed contract, choose the contract group from the Renewal LOV in the Contract Group region.
  13. A renewed contract automatically inherits the QA checklist from the original contract. To specify a different one, choose it from the QA Checklist LOV.

14. A renewed contract automatically inherits the approval workflow process from the original contract. To specify a different one, choose it from the Approval Workflow LOV.
15. Choose `Third Party` from the Role field LOV. Entry is required only for contracts generated from Oracle Order Management.
16. If you are entering revenue rules for a party or organization, then select the Revenue subtab. For global defaults, make entries in the Revenue region.
17. To indicate the estimated revenue of the renewed contract as a percentage of the original:
  1. Enter a number representing the percentage in the Estimated % field.
  2. Enter the duration and period by which the revenue is realized.
18. To specify the credit card to be the only method of payment for contracts under a certain value, enter the threshold amount and currency in the Credit Card Threshold region.
19. If you have chosen Electronic Renewal as the default renewal method for contracts, then make entries on the Electronic Renewal subtab (or header region):
  1. Make sure the Enable check box is selected in the Global region.
  2. Enter the threshold currency and amount below which electronic renewal is permitted.
  3. Choose the payment terms for the credit card payment from the Payment Terms for Credit Card LOV.
  4. Use the Help Desk LOV to enter the return e-mail address for the electronic notice sent to customers. This address appears in the From: field of the outgoing e-mails.
  5. Specify the templates to be used for the outgoing e-mails using the Template Set LOV.
20. To specify a billing schedule for the renewed contract, select a billing profile using the Billing Profile LOV. (This field is located on the Electronic Renewals subtab).

Billing profiles are templates you can use to specify simple periodic billing schedules and accounting and invoicing rules for the renewed contract. This schedule overrides any billing schedule in the contract that is being renewed. See *Creating Billing Profiles*, page 11-3.
21. If you are specifying renewal rules for organizations or customers (parties), then select the Preferences tab.
22. If you chose **Active Contract** as the default renewal method for contracts (to renew contracts automatically), then, in the Active Threshold region, specify the currency and amount that is the limit for the automatic renewals. Contracts below this amount are automatically renewed. Above this amount, they must be approved first.
23. To specify a grace period beyond the expiration date of a renewed contract at no extra charge, then enter it in the Grace region using the Duration and Period fields.

Grace periods ensure the customer does not experience an interruption of service after a contract has expired and is being renegotiated, for example.
24. Save.

## Setting Up System Profiles for Renewal Defaults

You must also set up the following system profiles to supplement the entry of renewal rules:

- **OKS: Enable Sales Credits:** This system profile determines how sales credits are transferred to the renewed contract.
  - **Retain:** Carries forward the sales credits from the existing contract to the renewed contract.
  - **Derive:** Derives a sales person for the renewal agreement according to the setting of the OKS: Use Territories to Default Sales Person and OKS: Sales Person.
  - **Drop:** The application does not carry forward and default any sales credit information to the renewed contract.
- **OKS: Use Territories to Default Sales Person:** If set to **Yes**, the application determines the default sales person assigned to the renewed contract based on sales territories. If set to **No**, then the application determines the sales person for the contract based on the value entered in OKS: Sales Person.
- **OKS: Sales Person:** If OKS: Use Territories to Default Sales Person is set to **No**, this profile determines the sales person to receive sales credit and to be listed as the vendor contact. You must enter a sales agent in this profile or the contract fails to renew. An agent can manually add additional sales people to the Sales Credits window and assign them sales credits after the renewal agreement has been created.
- **OKS: Revenue Type Distribution for Sales Credit:** This system profile assigns the percentage of revenue you specify to the sales agent determined from the previous two system profiles. Agents can specify additional sales credits in the Sales Credit window, but the total of revenue sales credits must always add up to 100 percent.
- **OKS: Revenue Type for Sales Credits:** The setting of this system profile specifies whether you wish to assign the sales agent revenue credit or non-revenue credit.
- **OKS: Vendor Contact Role:** This system profile specifies the vendor contact role to the renewal agreement. By default this profile option is set to **Salesperson**.
- **OKC: Contract Approver:** Set this system profile to the individual in your organization who is to approve renewed contracts. The application notifies the agent you specify here to approve any contracts renewed under the Submit for Approval renewal type.

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## Entering Defaults for Lines

This chapter covers the following topics:

- Overview of Entering Defaults for Lines
- Speeding Up Contract Line Entry Using Default Values
- Specifying Contract Effectivity and Maximum Duration
- Entering the Default Billing Account and Address
- Entering the Default Shipping Account and Address
- Entering the Default Price List and Payment Terms
- Creating Default Billing Schedules
- Defaulting Billing Schedules Overview
- Creating a Default Billing Schedule Using Billing Profiles
- Creating a Billing Schedule Using Billing Streams
- Entering a Billing Stream
- Using Billing Streams to Handle Irregular Billing Periods
- Specifying a Default Payment Method
- Specifying Payment by Credit Card or Commitment Number
- Requiring a Purchase Order For Contract Lines
- Specifying a Default Purchase Order Number for Invoices
- Assigning Sales Credits
- Defaulting a Customer's Tax Exemption Status
- Applying Default Values to Existing Contract Lines

### Overview of Entering Defaults for Lines

This group of topics explains how to speed up entry of individual contract lines in a contract by making entries in the Summary tab of the Service Contracts Authoring window. Your entries are automatically defaulted into new lines and, if applicable, to sublines as well.

## Speeding Up Contract Line Entry Using Default Values

There are multiple ways of speeding up entry of values to individual contract lines. If you are creating a new contract similar to an existing contract, for example, then you can simply copy the existing contract and modify it. Or for creating multiple similar contracts, you may instead wish to save the original as a template and use that template to create the new contracts.

This group of topics explains how you can default values from the header of a contract down to the lines and, if applicable, to sublines as well.

For example, if you select the corporate price list on the Summary tab and enter a service contract line, that line's price list is automatically set to corporate as well.

With the exception of billing schedules, the defaults you enter on the Summary tab apply only to new contract lines. Existing contract lines are not affected. If you later change the default price list at the header level to the good customer discount price list, for example, that change applies only to new line entries unless you use the cascade attributes procedure to specifically change the existing lines as well.

Default billing schedules, by contrast, apply only to existing contract lines and automatically overwrite any schedules you have entered at the line or subline level. You must apply the default schedule again to any new lines because they do not automatically inherit it.

## Specifying Contract Effectivity and Maximum Duration

You can specify the dates your contract is effective. The dates you enter become the default dates for each new contract line and set a limit to the duration of all lines in the contract.

A contract line cannot have a start date earlier than the contract header start date or an end date later than the contract header end date.

Entering effectivity dates using this procedure affects new lines only. To make the new dates also apply to existing contract lines, you must cascade the values to those lines. See *Applying Default Values to Existing Contract Lines*, page 3-15 for details.

**Note:** If you are using this procedure to modify the dates for a contract with existing lines and your change makes any of the lines fall outside the new date range, then you must cascade the values to existing lines. If you do not, your contract will not pass the default quality assurance check.

You can change the dates you specify here at the individual line or subline level provided the changes do not fall outside this range.

### To specify contract effectivity and maximum duration:

1. From the Service Contracts Authoring window, select the Summary tab and Parties subtab.
2. Specify the dates the contract is effective by entering either:
  - End date
  - Duration and period

3. Save.

## Entering the Default Billing Account and Address

You can select the default billing account and address for new contract lines. You can bill to an account belonging to the customer, to any third party you have entered as a party to the contract, as well as to any account with an established relationship to either of the two in Oracle Receivables.

The billing account number you select here:

- Specifies who is billed for the contract  
If you enter an account belonging to a third party it will be that third party that will receive the invoice.
- Filters the pricing information you enter on the Pricing/Billing tab.  
If you are billing a third party for the contract, then the price list and other required fields are for that third party rather than the party specified as Customer.
- Populates the account number field for each new contract line.

The entry you make here affects new contract lines only. To change existing contract lines based on your entry, you must cascade the changes to them. See *Applying Default Values to Existing Contract Lines*, page 3-15 for details.

### Prerequisite

Enter the parties to the contract.

### To enter the default billing account and address:

1. From the Service Contracts Authoring window, select the Summary tab and Parties subtab.
2. Use the Account/Party LOV in the Bill To region to enter the account that will be billed. The account you select here defaults as the account number for all lines in the contract.

**Note:** The LOV includes customer accounts, accounts for any third party you entered, as well as accounts that have an established relationship to those accounts in Oracle Receivables.

3. Select the billing address where you want invoices to be sent using the Location LOV.
4. Save.

## Entering the Default Shipping Account and Address

Although entry is required only if your contract includes physical items that must be shipped to the customer address, the application also uses the shipping address to estimate taxes on services.

The entry you make here affects new contract lines only. To change existing contract lines based on your entry, you must cascade the changes to them. See *Applying Default Values to Existing Contract Lines*, page 3-15 for details.

### Prerequisite

Enter the parties to the contract.

### To enter the default shipping account and address:

1. From the Service Contracts Authoring window, select the Summary tab and Parties subtab.
2. Use the Account/Party LOV in the Ship To region to enter the account for shipping physical items. The account you select here defaults shipping account number for all new lines in the contract.

**Note:** The LOV includes customer accounts, accounts for any third party you entered, as well as accounts that have an established relationship to those accounts in Oracle Receivables.

3. Select the shipping address using the Location LOV, if physical items need to be shipped or location based tax should be estimated.
4. Save.

### Entering the Default Price List and Payment Terms

You can specify the price list for the contract and payment terms for the account you have selected as the billing account. The payment terms you enter here are automatically defaulted to each new contract line.

To apply these entries to existing contract lines, you must edit each line separately.

#### Prerequisite

Enter the Bill To account.

### To enter the default price list and payment terms:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.

2. If your organization has a Pricing Agreement set up with the party you are billing, then use the Agreement LOV to enter it. This automatically defaults all of the other required fields including the price list, the accounting rule, the payment terms, and the invoicing rule.

Pricing Agreements, which specify prices, discounts, and billing practices for a particular customer, are created in Oracle Order Management. See *Oracle Order Management User's Guide*, "Pricing Tab: Setting Up a Blanket Sales Agreement" for details.

**Note:** The values you enter in the contract by specifying a Blanket Sales Agreement can be changed. For example, if you use a Billing Profile to default billing schedules, the values you enter in the Accounting Rule and Invoicing Rule fields are overwritten by those in the Billing Profile.

3. If no Blanket Sales Agreement is available, or you wish to modify any defaulted values, then:
  1. Use the LOVs provided to enter the price list, accounting rule, and payment terms.
  2. Using the Invoicing Rule LOV, specify if the customer is to be billed at the start of the billing period (Advance Invoice) or at the end of the billing period (Arrears Invoice).

**Note:** Some usage contracts require you to specify arrears invoicing. For example, a customer that is billed each month based on a meter reading must be billed at the end of the month after the counter is read. See *Entering Usage Lines*, page 5-1.

## Creating Default Billing Schedules

This group of topics explains how to create a billing schedule at the contract header level to speed up the entry of multiple service and usage contract lines with similar billing schedules. It covers:

- Defaulting Billing Schedules Overview, page 3-6
- Create a Default Billing Schedule Using Billing Profiles, page 3-7
- Creating a Billing Schedule Using Billing Streams, page 3-7
- Entering a Billing Stream, page 3-8
- About Using Billing Streams to Handle Irregular Billing Periods, page 3-9

**Note:** Do not use the procedures in this section for subscription contracts. Instead, see Specifying a Billing Schedule for Subscriptions, page 6-10.

## Defaulting Billing Schedules Overview

A billing schedule determines when the customer is billed for the services they receive.

For contracts with service lines you can bill the customer either at the line level or the subline level, but for contracts with usage lines you can only bill at line level.

For service lines, this means you can bill at the level of the service sold to the customer (called the Top Level in the application) or individually at the level of each of the items covered by that service (Covered Level), be it an individual item, a system, a covered location, an account, or party.

For usage lines, you can only bill at the usage line level (Top Level).

(Subscription lines represent a special case and so are covered in Entering Subscription Lines, page 6-1).

You can either create an individual billing schedule for each individual line or subline in the contract, or create a billing schedule at the contract header level using either of the two methods described in this section and then apply that schedule to existing contract lines.

**Note:** Unlike the other information you enter in the Summary tab, billing schedules are not automatically defaulted to new lines and sublines. To default a schedule you create at the header, then you must first enter the contract lines and then apply the schedule to them.

You can create billing schedules for defaulting to contract lines by one of the two following methods. Which method you select depends on your implementation and the complexity of the schedule you are creating:

- Using billing profiles, page 3-7

Build a schedule by selecting a schedule template set up by your application administrator. Use this method for setting up simple periodic billing schedules, for example, when a customer orders a year of service and wishes to be billed monthly or quarterly.

- Using billing streams, page 3-7

Using this method you can create complex billing schedules or billing schedules with irregular periods, for example, when a customer orders additional service in the middle of a billing period or requires service only intermittently.

## Creating a Default Billing Schedule Using Billing Profiles

You can create a default billing schedule from a template, called a billing profile.

### Prerequisites

- Confirm the setup of billing profiles.
- Enter the contract lines for which you wish to set up the default billing schedule

### To create a default billing schedule using a billing profile:

1. From the Service Contracts Authoring window, choose **Cascade Attributes** from the Actions menu.  
The Cascade Attributes window appears.
2. Select the Billing Profile check box.
3. Use the LOV in the field to the right to enter the billing profile template.
4. Make sure that **Header to Lines** is selected for the Cascade drop down list at the top of the window and all the lines are selected on the right of the window.
5. Click **Submit**.

The Transaction Log appears.

6. Click **Apply**.

**Note:** The billing schedule overwrites any existing billing schedule at the line and subline level.

If required, you can now edit the schedule at the individual line or subline level.

## Creating a Billing Schedule Using Billing Streams

### Prerequisite

Enter an accounting rule and an invoicing rule on the Pricing/Billing subtab. See Entering the Default Price List and Payment Terms, page 3-4.

### To create a default billing schedule by using billing streams:

1. From the Service Contracts Authoring window, select the Summary tab and the Pricing/Billing subtab.
2. Click **Billing**.

The Billing Schedule window appears.

3. From the Level LOV choose one of the two following levels:
  - **Top Level:** to default a schedule at the line level
  - **Equal Amount:** To bill for equal amounts across sublines over the billing period and have control over the amount.

**Note:** Equal Amount cannot be selected if Usage lines exist on the contract.

4. Create the billing periods by entering one or more billing streams. See *Entering a Billing Stream*, page 3-8.
5. Click **Schedule** to create the schedule.

The application displays a caution notice asking you if you wish to overwrite all existing schedules.

6. Any contract lines you enter to the contract in the future are not defaulted with this schedule. To apply this schedule to them, you must return to this window and click **Schedule** again.

## Entering a Billing Stream

A billing stream is designed to speed up the creation of a set of regular billing periods. You specify that you want your customer billed in 12 periods of one month each, for example, and the application automatically specifies the invoice dates and schedules the billing.

If the dates of the ordered service coincide with billing dates, then you can set up the billing periods with just one billing stream. However, you may need to set up multiple billing streams to handle irregular billing situations (see *About Using Billing Streams to Handle Irregular Billing Periods*, page 3-9).

### Prerequisites

- Display a billing schedule in the Billing Schedule window.
- Enter an accounting rule and an invoicing rule on the Pricing/Billing subtab. See Entering the Default Price List and Payment Terms, page 3-4.

### To enter a billing stream:

1. If this is the first or only billing stream, then:
  1. Enter 1 in the Seq Num field.

The application defaults the start date from the start date of the contract.
  2. Enter either the end date or the duration and period.

The application supplies the missing information.
2. If this is an additional billing stream, then:
  1. In the Seq Num field, enter a number corresponding to the order in which the billing periods are created.

The sequence numbers for billing streams must be in order of the billing period dates. If you want to enter a billing period earlier than an existing billing stream, then you must reorder the entire sequence.

**Note:** If you are reordering or otherwise editing billing stream information, you must click **Cascade Dates** to recalculate and refresh the dates in the Stream Level region.

The application defaults the start date from the end date of the previous billing stream.
  2. Enter either the end date or the duration and period.

The application supplies the missing information.
  3. To adjust the date the customer sees as the invoice date, enter a positive or a negative number of days in the Invoice field. For example, entering +2, shifts the invoice date forward two days. Entering -2 shifts it back two days.
  4. To adjust the date the application sends billing amounts to Oracle Receivables for billing, enter a positive or a negative number of days in the Interface field.
  5. Click **Schedule** to generate the schedule.

## Using Billing Streams to Handle Irregular Billing Periods

You can set up multiple billing streams to handle irregular billing situations. For example, to handle a customer who starts a contract in the middle of a month, but wished to be billed at the beginning of each month.

This section illustrates how to use billing streams for the customer who wants to be billed at the beginning of each month for two services with different durations and incompatible start dates:

- General Service for January 1, 2005 - December 31, 2005
- Premium Service for May 15, 2005 - November 14, 2005

## To use billing streams to handle irregular billing periods:

Here is how to set up the first service:

1. Create a contract with 01-JAN-2005 - 31-DEC- 2005 as the start and end dates. The first line is the longest line in the contract, so you must use its dates.
2. Because the customer wishes to be billed at the start of each month, choose **Advance Invoice** as the Invoicing Rule for the contract. This is done on the Summary tab and Pricing/Billing subtab.
3. Enter the service the customer wishes to purchase as a contract line on the Lines tab.
4. Click **Billing** on the Pricing/Products subtab to open the Billing window.
5. Enter one billing stream:

Seq Num	Number of Periods	Start Date	End Date	Duration	Period
1	12	01-JAN-2005		1	Month

6. Save. The application calculates the end date automatically.
7. Click **Schedule** to generate a billing schedule. The table below shows the generated schedule which bills the customer at the beginning of each month. The table includes the following columns:
  - **Seq Num:** The sequence number is the number of the billing stream. Each row displays 1 in this case as the entire schedule was generated from one billing stream.
  - **Level Seq:** The number of the billing period within a sequence.
  - **Invoice Date:** The date on the invoice. This is the first of the month because we have selected an Advanced Invoice and not entered any invoice offset.
  - **Bill From:** The start date of the billing period.
  - **Bill To:** The End date of the billing period.
  - **Interface Date:** The date the application sends the amount to be billed to Oracle Receivables for billing. This is the same as the Invoice Date as we have not entered any offset.

Seq Num	Level Seq	Invoice Date	Bill From	Bill To	Interface Date
1	1	1-Jan-05	1-Jan-05	31-Jan-05	1-Jan-05
1	2	1-Feb-05	1-Feb-05	28-Feb-05	1-Feb-05
1	3	1-Mar-05	1-Mar-05	31-Mar-05	1-Mar-05
1	4	1-Apr-05	1-Apr-05	30-Apr-05	1-Apr-05
1	5	1-May-05	1-May-05	31-May-05	1-May-05
1	6	1-Jun-05	1-Jun-05	30-Jun-05	1-Jun-05
1	7	1-Jul-05	1-Jul-05	31-Jul-05	1-Jul-05
1	8	1-Aug-05	1-Aug-05	31-Aug-05	1-Aug-05
1	9	1-Sep-05	1-Sep-05	30-Sep-05	1-Sep-05
1	10	1-Oct-05	1-Oct-05	31-Oct-05	1-Oct-05
1	11	1-Nov-05	1-Nov-05	30-Nov-05	1-Nov-05
1	12	1-Dec-05	1-Dec-05	31-Dec-05	1-Dec-05

### Adding a Six-Months Service that Starts in the Middle of a Month

Now suppose the same customer wishes to start an additional six-months of service on May 15, in the middle of a billing period.

Here is how to modify the contract to ensure the customer is billed only one time each month:

1. Enter the service as a second contract line on the Lines tab.
2. Click **Billing** on the Pricing/Products subtab to open the Billing window.
3. Create three billing streams:

Seq Num	Number of Periods	Start Date	End Date	Duration	Period	Invoice Offset Days
1	1	15-MAY-2005	31-MAY-2005			-14
2	5	01-JUN-2005		1	Month	
3	1	01-NOV-2005	14-NOV-2005			

1. Create the first billing stream for the partial month:
  - Enter End Date as 31-May-2005. The application provides the duration and period automatically.
  - Enter -14 in the Offset Days Invoice field, to shift the invoicing date to the beginning of the month. Otherwise, the customer receives

two invoices, one dated on the first of the month and a second dated May 15.

2. Create a second billing stream for the regular monthly periods:
  - The application supplies the start date automatically based on the first billing stream.
  - When you enter 5 periods of 1 month, the application supplies the start and end dates automatically.
3. Enter a third billing stream to cover the partial month at the end of the six-month period:
  - The application supplies the start date automatically based on the second billing stream.
  - Enter the End Date, the application supplies the duration and period values automatically.
4. Click **Schedule** to generate the following billing schedule:

Seq Num	Level Seq	Invoice Date	Bill From	Bill To	Interface Date
1	1	1-May-05	15-May-05	31-May-05	1-May-05
2	1	1-Jun-05	1-Jun-05	30-Jun-05	1-Jun-05
2	2	1-Jul-05	1-Jul-05	31-Jul-05	1-Jul-05
2	3	1-Aug-05	1-Aug-05	31-Aug-05	1-Aug-05
2	4	1-Sep-05	1-Sep-05	30-Sep-05	1-Sep-05
2	5	1-Oct-05	1-Oct-05	31-Oct-05	1-Oct-05
3	1	1-Nov-05	1-Nov-05	14-Nov-05	1-Nov-05

## Specifying a Default Payment Method

This group of procedures explains how to default a payment method for new contract lines:

- Specifying Payment by Credit Card or Commitment Number, page 3-12
- Requiring a Purchase Order For Contract Lines, page 3-13
- Specifying a Default Purchase Order Number for Invoices, page 3-13

The payment method information you enter using the procedures described in this section applies only to new contract lines. You must cascade the entries by selecting the Payment method check box in the Cascade Attributes window to apply them to existing lines as well. See Applying Default Values to Existing Contract , page 3-15 for details.

## Specifying Payment by Credit Card or Commitment Number

Commitments, which are set up in Oracle Receivables, represent a customer's prepayment for goods or services (prepayments) or contractual agreements (guarantees).

### Prerequisite

Confirm the setup of commitments in Oracle Receivables. See the *Oracle Receivables User Guide*.

### To specify payment by credit card or commitment number:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.
2. To specify payment by credit card, then:
  1. Choose **Credit Card** from the Payment Type drop-down list.
  2. Enter the credit card number and expiration date.

**Note:** If the application administrator has set the system profile OKS: Credit Card Validation Level to Validate, a quality assurance (QA) check validates the credit card number using the checksum digit of the card number. Another QA checks authorizes the transaction for the amount specified in OKS: Credit Card Minimum Authorized Amount.

3. To specify payment by commitment, then:
  1. Choose **Commitment Number** from the Payment Type drop-down list.
  2. Enter the commitment number using the LOV.
4. Save.

### Requiring a Purchase Order For Contract Lines

When you require the entry of a purchase order, the contract cannot pass the QA check and become active unless a purchase order is entered for every line.

The requirement does not affect any existing contract lines. You must use the Cascade Attributes window and select the Payment Method check box to enforce the requirement to all lines.

### To require a purchase order number for contract lines:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.
2. Select the Purchase Order Required check box.
3. Save.

### Specifying a Default Purchase Order Number for Invoices

You can default a purchase order number to new contract lines. This number is passed to Oracle Receivables and appears on customer invoices.

The entry does not affect any existing contract lines. You must use the Cascade Attributes window and select the Payment Method check box to copy the number to all lines.

### To enter a default purchase order number for invoices:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.
2. Enter the purchase order number in the PO Number field.
3. Save.

## Assigning Sales Credits

You can assign the default sales credits for each new contract line in your contract. You can assign both revenue and non-revenue credits.

To apply the sales credits to existing contract lines, you must cascade the changes to them. See Applying Default Values to Existing Contract Lines, page 3-15 for details.

### To assign sales credit:

1. From the Service Contracts Authoring window, select the Summary tab.
2. Choose **Sales Credits** from the Actions menu.

The Sales Credits window appears.

The screenshot shows the 'Sales Credits' window with the following details:

- Contract Number: 21227
- Service Name: WR23763
- Party Name: Vision Operations
- Modifier: (empty)
- Start Date: 25-JUN-2003
- End Date: 24-JUN-2005

The 'Sales Credits' table is as follows:

Sales Person	Sales Group	Credit Type	%
<input checked="" type="checkbox"/> Robertson, Ms. Barbara		Quota Sales Credit	100.0000
<input type="checkbox"/>			

Summary Totals:

- Revenue Total: 100 %
- Non Revenue Total: 0 %

Buttons: OK, Cancel

3. Enter the sales agents and the revenue and non-revenue credit they are to receive. Sales group entry is optional. Revenue credit must always add up to 100 percent.
4. Click **OK**.

## Defaulting a Customer's Tax Exemption Status

The entry you make here applies to new contract lines only, to apply a change of status to existing lines you must use the Cascade Attributes window (See Applying Default Values to Existing Contract Lines, page 3-15).

### To default a customer's tax exemption status:

1. From the Service Contracts Authoring window, select the Summary tab and Pricing/Billing subtab.
2. In the Tax Exemption region, select the customer's tax status using the Status LOV.
3. Enter the tax exemption number.
4. Enter a reason for the exemption.
5. Save.

## Applying Default Values to Existing Contract Lines

You can apply values you have entered in the Summary tab of the contract down to existing lines.

### To apply default values to existing contract lines:

1. From the Service Contracts Authoring window, choose **Cascade Attributes** from the Action menu.  

The Cascade Attributes window appears. The window automatically disables contract attributes that have not yet been entered. For example, if you have not entered any sales credits in your contract, the Sales Credits check box is disabled and you cannot cascade sales credits.
2. Choose **Header to Lines** from the Cascade drop-down list.
3. Select the check boxes next to the attributes you wish to apply to the contract lines. You can cascade the following values from the header to existing contract lines:
  - **Effective dates:** The dates you entered in the Start Date and End Date fields.  

**Note:** If you are changing the effective dates of an existing warranty line, this method changes the contract dates only. It cannot be used to change the installed date in Oracle Install Base. To change both the contract and the installed date, then use the procedure describe in Modifying the Dates a Warranty Is Effective, page 7-13.
  - **Accounting Rule:** The accounting rule you entered on the Summary tab and Pricing/Billing subtab.
  - **Bill to Address:** The Bill To account and location you entered on the Summary tab and Parties subtab.
  - **Ship to Address:** The Ship To account and location you entered on the Summary tab and Parties subtab.
  - **Invoicing Rule:** The invoicing rule entered on the Summary tab and Pricing/Billing subtab.

- **Tax Status and Exemption Number:** The tax status and any exemption number you entered on the Summary tab and Pricing/Billing subtab.
- **Payment Method:** The payment method and details you entered in the Billing region of the Summary tab and Pricing/Billing subtab.
- **Sales Credits:** The sales credits you entered at the contract header level.

**Note:** Only those fields in the Cascade Attributes window used to copy values you have already entered on the contract header are listed here. For example, you use the Bill to Contact and Billing Profile fields to enter the values rather than to copy them.

4. In the Lines region, specify which lines you wish to change by selecting the check boxes to the right of those lines. You can use the **Deselect All** and **Select All** buttons to make your selection.

**Note:** By default, all of the check boxes are selected so all lines in the contract will be changed.

5. Click **Submit**.
6. The Transaction Log displays status of the changes you are about to make.
7. Click **Apply**.

**Note:** By default when you select a header attribute to cascade on a contract with multiple lines all lines are selected.

To control which lines inherit specific attributes, select the attribute you wish to cascade and then deselect the lines that should not inherit the attribute value. You can then select the next attribute and deselect the lines that should not inherit the attribute.

For example, if you have a contract with two lines, Service Line 1 and Usage Line 2; and you wish to cascade the Accounting Rules and Bill To Address attributes to Service Line 1 but not to Usage Line 2. You would select the Accounting Rules attribute and deselect Usage Line 2, and then select the Bill To Address attribute and deselect Usage Line 2.

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## Entering Service Lines

This chapter covers the following topics:

- Overview of Entering Service Lines
- About Service Lines
- Entering a Service Line (General Procedure)
- Changing the Billing and Shipping Accounts and Locations
- Entering Billing and Shipping Contacts for a Contract Line
- Creating or Modifying a Contract Line Contact
- Specifying How a Contract Line is to Be Renewed
- Renewing Service Purchased for Seasonal or Peak Periods
- Specifying What a Service Covers
- Levels of Coverage and Their Uses
- Covering Customer Products (Instances in Oracle Install Base)
- Covering Customer Products
- Browsing Oracle Install Base to Identify Item Instances for Coverage
- Entering a Customer Product into Oracle Install Base
- Covering Parties
- Covering Customer Accounts
- Covering Party Sites
- Browsing Through Party Sites
- Covering Systems
- Browsing Through Oracle Install Base Systems
- Covering Inventory Items
- Viewing Details About a Covered Product
- Specifying How the Service Prints on an Invoice
- Omitting a Line or Subline from the Invoice
- Specifying the Invoice Text
- Specifying a Billing Schedule

- Pricing What a Service Covers
- Adjusting the Price of a Service for a Covered Product or an Item
- Repricing a Service by Changing the Price List
- Manually Adjusting the Price
- Changing the Basis for Pricing a Service
- Pricing Service for a Party, Customer Account, Site, or System
- Specifying a Payment Method for a Contract Line
- Specifying Payment by Credit Card or Commitment Number
- Requiring a Purchase Order
- Specifying a Purchase Order Number
- Modifying Coverage Provided by a Service
- Scheduling Preventive Maintenance Activities
- Scheduling Multiple Activities at the Same Time
- Scheduling Individual Activities
- Scheduling Activities at Regular Intervals Using Schedule Streams
- Viewing Maintenance Program and Activity Details
- Ending Service Lines on a Day Specified by the Customer
- About Cotermination
- Applying the Cotermination Date to a Service
- Specifying Tax Status
- Applying Changes from a Service Line to the Covered Sublines
- Assigning Sales Credits for a Contract Line

## Overview of Entering Service Lines

This group of topics explains how to enter service lines into your contract.

### About Service Lines

A service can cover a broad category business processes such as field service, depot repair, call center, technical support, safety inspections, and any other user-defined business activities.

Each service is set up by the application administrator as an item in Oracle Inventory and is associated with a coverage template. The coverage template specifies the business processes covered, the times that the customer is entitled to the coverage, amounts covered and applicable discounts, as well as any resources that are to be used and their pricing.

If preventive maintenance is required as part of the service, the service is also associated with a program of maintenance activities. These activities are scheduled automatically when you enter the service line.

The administrator can also restrict which customers or products are permitted to use this service.

You must be familiar with the details of the services created for your organization before using them in a contract because you choose a service in a service line by its Oracle Inventory name.

A service can cover different types of entities. A safety inspection service can cover individual customer sites or the entire enterprise. A depot repair service can cover individual products, a group of products, all products at a specific location, or all products grouped into a system.

For example, a service may cover field service for all of the computer equipment at site A, or it may instead cover laptops L451, L359 and L863.

A service line can cover multiple entities, each of which you enter as a subline.

When you cover individual customer products (Oracle Install Base item instances or Items in Oracle Inventory), you can have the application price the service automatically and take advantage of Oracle Advanced Pricing features including discounts. Your organization can price the same service differently by setting up multiple price lists and it can offer different prices for the service based on service length. This means your organization can offer discounts if a customer purchases service for a longer period of time.

## Entering a Service Line (General Procedure)

### Prerequisites

Create the contract with the appropriate category:

- To cover products in a customer's installed base, you can use any of the available contract categories: **Warranty and Extended Warranty, Service Agreement**, and **Subscription Agreement**. The first two categories permit electronic renewals, subscriptions do not.
- If your contract includes usage lines, or the service covers other levels including parties, sites, accounts, and inventory items, then you must choose **Service Agreement** or **Subscription Agreement**.
- To include subscription lines in the same contract, then you must choose **Subscription Agreement**.
- Enter the required fields on the header of the contract.

### To enter a service line:

1. From the Service Contracts Authoring window, select Lines tab and Accounts subtab.

The screenshot shows the Oracle Service Contracts application interface. At the top, there are tabs for 'Summary' and 'Lines'. Below these are subtabs: 'Accounts', 'Effectivities', 'Pricing / Products', 'Tag / Payment Options', 'Counters', and 'Events'. The main area contains a table with columns: Line Number, Line Type, Name, Line Ref, Order/Line, Account, Location, Account, and Location. The first row is selected and contains: 1, Service, WR23763, 1608, San Jose (OPS), 1608, San Jose (OPS). Below the table is a 'Customer Contacts' section with columns: Role, Name, Address, Start Date, and End Date. At the bottom, there are two sections: 'Bill To' and 'Ship To'. Both sections show 'Account: Business World' and 'Address: 2391 L Street San Jose Santa Clara CA 95106 United States'.

2. Choose one of the following from the Line Type LOV depending on the contract category:
  - For a service contract of category **Service Agreement** or **Subscription Agreement**, choose **Service**.
  - For a service contract of category **Warranty and Extended Warranty**, choose **Extended Warranty**.

**Note:** Both choices permit you to select from the same list of service offerings.
  
3. Choose the service from the Name LOV which comprises all services your organization offers. You must choose a service that is applicable to what you are covering. Because you choose the service first and what it covers later, the application informs you of a wrong choice only after you enter the items you are covering.
 

**Note:** If the application displays a note that your entry is “Not a valid Service”, then the customer is excluded from using this service by the application administrator.
  
4. Enter billing and shipping contacts specific to this contract line by following the procedure described in *Entering Billing and Shipping Contacts for a Contract*, page 4-7. If a contact does not exist in the database, then you can add one following the procedure described in *Creating or Modifying a Contract Line Contact*, page 4-8.
 

The contacts you enter here are different from the ones you entered in the contract header.
  
5. Select the Effectivities subtab.

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty	UOM	Renewal Type
1	Service	WR23763	Entered	25-JUN-2003	24-JUN-2005	2	Year			Full Duration

Description:  Invoice Text:

Price List:

**Coverage**  
 Name:    
 Description:

**Exception Coverage**  
 Name:    
 Description:

6. Specify the duration of the service.

By default, the start and end date of the service and duration are copied from the contract header.

You can specify a different duration by:

- Clicking **Coterminate** to end the service line on a day preferred by the customer.

This button is enabled only in contracts with a status of Entered for customers to simplify renewals by terminating all contracts on the same day each year, for example at the end of the calendar or fiscal years. This date is called the cotermination date. See Ending Service Lines on a Day Specified by the Customer, page 4-39 for more details.

- Entering either of the following:
  - Start and end dates
  - Duration and period

The application calculates the missing information. If you supply a duration and period, then the start date is the start date of the contract.

**Note:** If your organization prices contracts differently based on different periods, for example offering different prices for a service purchased by month, quarter, and year, then the value in the Period field determines which price applies.

You can change the price basis when you price the service. You may need to do so whenever you sell a service for an unusual service length, for example. By default a customer purchasing a contract for one year and five days is charged based on a daily and not the yearly price because the line length is not divisible by a year, for example.

For more information see About Changing the Basis for Pricing a Service, page 4-30.

If the duration of the service starts earlier than the start date or ends later than the end date of the contract, then you must extend the start and end dates of the contract at the header level before you can make the contract active.

7. If the contract can be renewed (you have not selected **Do Not Renew** on the Summary tab and Renewals subtab), then specify how the line is to be renewed using the Renewal Type LOV. For details see *Specifying How a Contract Line is to Be Renewed*, page 4-9.
8. Select the Pricing/Products subtab and the Effectivity secondary tab.

The screenshot displays the Oracle Service Contracts application interface. The top navigation bar includes tabs for Summary, Lines, Accounts, Effectivities, Pricing / Products (selected), Tag / Payment Options, Counters, and Events. Below this, a table lists contract lines. The first line is highlighted:

Line Number	Line Type	Name	Line Ref	Duration	Period	Last Contract Price	Curr	Subtotal	Tax	Invoice Print Flag	Total
1	Service	WR23763		2	Year	0.00		20,000.00	1,800.00		21,800.00

Below the table are buttons for Price Break, Price Calculation, Reprice, and Billing. The secondary tab 'Effectivity' is active, showing a table for service levels:

Line Number	Level	Name	Line Ref	Start Date	End Date	Duration	Period	Date Terminated
1.1	Customer	Business World		25 JUN 2003	24 JUN 2005	2	Year	

At the bottom, there are fields for Description (1608) and Invoice Text (Extended Notebook PC Service Prog), along with an Product Details button.

9. Specify what the service line covers. For each subline, specify one of the covered levels and then enter what is being covered.

A service can cover:

- A specific **product** the customer owns (an Oracle Install Base item instance)
- A **party**
- A **customer** account (party account)
- A party **site**
- An Oracle Install Base **system**
- An Oracle Inventory **item**

For covered products, you can either enter each subline individually, or you can click the LOV indicator to open a browsing window where you can select multiple sublines at once.

See *Specifying What a Service Covers*, page 4-11 for an explanation of the covered levels and how to enter them.

10. If you are covering an inventory item or a product (instance) the customer owns, then the application prices the service for you. You must, however, price the other covered levels manually. See *Pricing What a Service Covers*, page 4-28.

11. Much of the rest of the information for a service line is defaulted from the defaults you entered in the Summary tab or by the application itself from the coverage template associated with the service. You can make modifications by following these procedures:
  - Changing the Billing and Shipping Accounts and Locations, page 4-7
  - Specifying a Payment Method for a Contract Line, page 4-32
  - Specifying a Billing Schedule, page 4-27
  - Specifying How the Service Prints on an Invoice, page 4-25
  - Modifying Coverage Provided by a Service, page 4-33
  - Scheduling Preventive Maintenance Activities, page 4-34
  - Specifying Tax Status, page 4-40
  - Assigning Sales Credits for a Contract Line, page 3-14
12. Save.

## Changing the Billing and Shipping Accounts and Locations

The billing and shipping accounts and locations are defaulted from the entries you made in the contract header. You can change the values to any account and location related to the parties entered in the contract header.

The Bill To account and location you select for the line is the account that receives the invoice for this line. Your entries also restrict the contacts you can enter for this line.

**Note:** You must choose the location by the application-generated location codes. The corresponding addresses display at the bottom of the tab.

### Prerequisite

Enter the contract line.

### To change the billing and shipping accounts and locations:

1. From the Service Contracts Authoring window, select Lines tab and Accounts subtab.
2. Select the contract line you wish to modify.
3. Use the lists of values to choose a Bill To and Ship To account and location.

## Entering Billing and Shipping Contacts for a Contract Line

The contacts you enter here are separate from those entered for the party on the Summary line.

**Note:** The list of contacts you can select is limited to those at that particular account location. While you can create new contacts according to the procedure described in Creating or Modifying a Contract Line Contact, page 4-8, make sure that you do not create any unnecessary duplicates.

### Prerequisite

Select the shipping and billing accounts.

### To enter billing and shipping contacts for a contract line:

1. From the Service Contracts Authoring window, select the Lines tab and Accounts subtab.
2. Select the service line at the top of the subtab.
3. Place your cursor in an empty record in the Role field in the Customer Contacts region.
4. To enter a contact for the billing account, then choose **Billing Contact** from the Role LOV. This entry limits the available names to contacts for the billing account.
5. To enter a contact for the shipping account, then choose **Shipping Contact** from the Role LOV. This entry limits the available names to contacts for the shipping account.

**Note:** Entering any other available role, such as Technical Contact, makes contact at both accounts available for selection.

6. Enter the contact using the Name LOV.
7. You can specify a start date and end date for a contact using the date fields.
8. To view the phone and other contact information for a contact, select the contact and choose **Maintain Contact** from the Tools menu.

### Creating or Modifying a Contract Line Contact

The contact you create becomes a contact for the bill to account, the ship to account, or both, depending on your selection.

#### Prerequisite

Enter a service contract line

### To create or modify a contract line contact:

1. From the Service Contracts Authoring window, select the Lines tab and the Accounts subtab.
2. Select the contract line where you wish to create a contact.
3. In the Customer Contacts region, place the cursor in the Role field.
4. Choose **Maintain Contact** from the Actions menu.

The Contact window appears.

5. If you are creating a new contact, then:
  1. Choose a role for this contract using the Contact Role LOV. Usually this is either **Billing Contact** or **Shipping Contact**.
  2. Select the Bill To or the Ship To radio button depending on whether you wish to create a contact for the billing or shipping account in the contract line.

The role you selected in the previous step restricts your choices: if you selected the Billing Contact role, then you cannot select the Ship To radio button and vice versa.

3. Enter the contact last and first name.
4. Use the following guidelines for entering other information:
  - Choose the titles and job descriptions from the Titles and Job LOVs. These are preset by your application administrator.
  - Phone, fax, and mobile numbers are composed of three fields: a country code (LOV), an area code, and the number itself. Do not use any delimiters in entering your number.
  - For the contact address, you can only choose one of the existing customer locations associated with the account. You can add a mail stop or a mail box, however, by pressing the Tab key after entering the address.
6. If you are modifying an existing contact, then you can:
  - Change the title and job description by selecting a different one from the Title and Job LOVs.
  - Change the phone, fax, and mobile numbers.
  - Change the e-mail address.

**Note:** When modifying existing contact information, be aware that you are modifying the contact record for all Oracle E-Business Suite applications.

You cannot modify the address or mail stop number after you have saved them. To select another address or enter a different mail stop, then you must:

- Navigate back to the Service Contracts Authoring window.
  - Delete the contact by selecting it and clicking **Delete** in the toolbar.
  - Create a replacement contact with the correct address information.
- Note:** Deleting the contact from the contract does not delete it from the database. Creating a replacement record creates a duplicate.
7. If you are modifying an existing contact and wish to revert to the existing record, click **Reset**.
  8. Click **OK** to return to the Service Contracts Authoring window.
  9. Save.

## Specifying How a Contract Line is to Be Renewed

This procedure applies to lines of all types (Service, Usage, and Subscription).

### Prerequisites

- Enter a contract line.

- You cannot renew a line if you have indicated that the contract is not to be renewed at the header level. See *Specifying How a Contract Will Be Renewed*, page 2-7.

### To specify how a line is to be renewed:

1. From the Service Contracts Authoring window, select the Lines tab and Effectivities subtab.
2. Select the line you wish to set up.
3. Choose one of the renewal options from the Line Renewal Type drop-down list. The choices are:
  - **Do Not Renew:** The line will not be renewed when the contract is renewed.
  - **Full Duration:** The line will be renewed for the whole duration of the new contract. For example, if a customer ordered six months worth of a yearly service in the current contract, but the renewed contract is for a period of one year, then the service line is extended to the full year as well.
  - **Keep Duration:** The duration of this line will remain the same in a renewed contract. Use this setting for intermittent or seasonal service lines. For example, a mountain resort may order special service for peak periods in winter and summer. Using this setting you assure that the renewed contract retains the same structure. See *Renewing Service Purchased for Seasonal or Peak Periods*, page 4-10.

## Renewing Service Purchased for Seasonal or Peak Periods

This topic explains how to set the renewal types for service lines in a contract that includes intermittent or seasonal service.

### Customer Problem

A mountain resort has installed power generators and wishes to purchase two kinds of service:

- Regular service for the whole calendar year that entitles them to repair during regular business hours.
- Premium 24/7 service for peak winter and summer periods.

### Oracle Service Contracts Solution

The following guidelines explain how to structure a contract based on the customer requirements.

### Service Line Entry

Create a contract with three service lines:

- Line 1: Regular service for the whole year.
- Line 2: Premium for the winter
- Line 3: Premium for the summer

## Renewal Information

To keep the same contract structure when the contract is renewed in the future specify the following renewal information for each line:

Line	Renewal Type	Explanation
1. Regular Service	Full Duration	Renewed for the full duration of the new contract.
2. Premium Winter	Keep Duration	Keeps the same duration in the renewed contract.
3. Premium Summer	Keep Duration	Keeps the same duration in the renewed contract.

## Specifying What a Service Covers

A service can cover everything from individual products a customer owns to telephone support for a whole corporation.

**Note:** Contracts of category Warranty and Extended Warranty, restrict you to covering products the customer owns (Oracle Install Base item instances). The other covered levels are available for service lines you enter in the Service Agreement and Subscription Agreement contract categories.

This group of topics explains the different levels of coverage available and provides procedures for entering them.

- Levels of Coverage and Their Uses, page 4-11
- Covering Customer Products, page 4-15
- Covering Parties, page 4-19
- Covering Customer Accounts, page 4-20
- Covering Party Sites, page 4-21
- Covering Systems, page 4-22
- Covering Inventory Items, page 4-24

## Levels of Coverage and Their Uses

Service can cover products on multiple levels. For example, you can have a service cover the repair of an individual product the customer owns or you can use it to provide telephone support for a whole enterprise.

### Covered Levels

The following table lists the different levels of coverage, specifies the contract categories where they are available, and provides a brief explanation of each.

Level LOV Name	What It Covers	Available in Contract Category	Explanation
Party	A party in the database	Service Agreement only	<p>Covers:</p> <ul style="list-style-type: none"> <li>Item instances owned by all accounts belonging to a party in your database. In Oracle Install Base, ownership is defined as a combination of party and account.</li> <li>Business processes performed for the party as defined in service coverage.</li> </ul> <p>Requires manual pricing.</p>
Customer	A customer account (an account belonging to a party in the database)	Service Agreement only	<p>Covers:</p> <ul style="list-style-type: none"> <li>All item instances owned by the customer account.</li> <li>Business processes performed for the account as defined in service coverage.</li> </ul> <p>Requires manual pricing.</p>
Site	A party site	Service Agreement only	<p>Covers:</p> <ul style="list-style-type: none"> <li>All items installed at a particular party site.</li> <li>Business processes performed for the site as defined in service coverage.</li> </ul> <p>Requires manual pricing.</p>

Level LOV Name	What It Covers	Available in Contract Category	Explanation
System	An Oracle Install Base system	Service Agreement only	Covers: <ul style="list-style-type: none"> <li>• Item instances belonging to a specific system. A system is a grouping of item instances created in Oracle Install Base.</li> <li>• Business processes performed for the system as defined in service coverage.</li> </ul> Requires manual pricing.

Level LOV Name	What It Covers	Available in Contract Category	Explanation
Product	An item instance in Oracle Install Base	Warranty and Extended Warranty Service Agreement	<p>Covers:</p> <ul style="list-style-type: none"> <li>• A specific serialized or non-serialized item instance in Oracle Install Base. For a serialized product such as a computer or a printer, the item instance is always an individual product. But an item instance can represent multiple quantities for non-serialized items such as printer cartridges, for example.</li> <li>• Business processes performed for the item instance as defined in service coverage.</li> </ul> <p>Uses the price list you have specified in the contract line to automatically update the price.</p>
Item	An Oracle Inventory item	Service Agreement only	<p>Covers:</p> <ul style="list-style-type: none"> <li>• A serviceable inventory item.</li> <li>• Business processes performed on that inventory item as defined in service coverage.</li> </ul> <p>Uses the price list you have specified in the contract line to automatically update the price.</p>

### How to Use Coverage Levels

Which level you use depends on the type of service you are selling and on the different needs of your enterprise.

The following table provides suggested guidelines. It lists some of the main business uses and lists the recommended covered levels for each.

<b>Business Use</b>	<b>Recommended Levels</b>	<b>Example</b>
Servicing a customer product	<ul style="list-style-type: none"> <li>• Product</li> </ul>	<ul style="list-style-type: none"> <li>• A washing machine manufacturer sells extended warranties for the products it has sold.</li> <li>• Any serialized product</li> <li>• A fire safety equipment vendor sells service for emergency generators installed in a building.</li> </ul>
Servicing high volume and low cost items	<ul style="list-style-type: none"> <li>• Party</li> <li>• Customer</li> <li>• Site</li> <li>• System</li> </ul>	The fire safety equipment vendor services fire sprinklers by customer site because they are too numerous to track in a contract individually.
Providing services not tied to any specific product such as telephone support or safety inspections.	<ul style="list-style-type: none"> <li>• Party</li> <li>• Customer</li> <li>• Site</li> </ul>	<p>Sometimes a service covers a business process rather than any specific product a customer owns.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• A computer manufacturer provides telephone support to troubleshoot all of its products.</li> <li>• A vendor of fire protection equipment offers periodic safety inspections at a particular site or building.</li> </ul>
Providing support for products the customer plans to purchase in the future	<ul style="list-style-type: none"> <li>• Item</li> </ul>	<p>Use the Item level to cover products not yet in the installed base.</p> <p>For example, a customer plans to purchase additional generators in the near future so they wish to include them in the same service agreement in order to receive a discount.</p>

## Covering Customer Products (Instances in Oracle Install Base)

This group of procedures explains how to cover one or more customer products by a service:

- Covering Customer Products, page 4-16 provides the general procedure for entering a product.
- Browsing the Oracle Install Base to Identify Item Instances for Coverage, page 4-17 explains how to use a built-in browsing window to identify the Oracle Install Base item instances you wish to cover if you do not know their serial numbers or item

instance numbers. Here you also learn how the browser speeds up your entries of multiple sublines at the same time.

- Entering a Customer Product into the Installed Base, page 4-19 explains how to create a record in Oracle Install Base so you can cover products a customer has purchased from third parties.

## Covering Customer Products

You can enter one or more products to be covered by the service.

You are not restricted covering products owned by the parties in the contract. You can cover any product belonging to any party that is an item instance in Oracle Install Base. However, Oracle recommends that you restrict the coverage to a party in the contract or any party related to the contract party.

### Prerequisites

- Enter a service line.
- If a product you wish to cover is not entered in Oracle Install Base, for example, if you are selling service for a product the customer purchased from a third party, then you must create an item instance as described in Entering a Customer Product into the Installed Base, page 4-19.

### To cover customer products:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service line that will cover the product.
3. Select the Effectivity secondary tab at the bottom of the window.

The screenshot displays the Oracle Service Contracts Authoring window. The main window has tabs for Summary, Lines, Accounts, Effectivities, Pricing / Products (selected), Tax / Payment Options, Counters, and Events. The Pricing / Products subtab is active, showing a table with columns: Line Number, Line Type, Name, Line Ref, Duration, Period, Last Contract Price, Curr, Subtotal, Tax, and Invoice Print Flag. The first row is highlighted with a blue selection bar and contains the following data: Line Number 1, Line Type Service, Name WR23763, Line Ref, Duration 2, Period Year, Last Contract Price 0.00, Curr, Subtotal 20,000.00, Tax 1,800.00, and Invoice Print Flag checked. Below the table are buttons for Price Break, Price Calculation, Reprice, and Billing. The Effectivity secondary tab is also visible, showing a table with columns: Line Number, Level, Name, Line Ref, Start Date, End Date, Duration, Period, and Date Terminated. The first row is highlighted and contains: Line Number 1.1, Level Customer, Name Business World, Line Ref, Start Date 25 JUN 2003, End Date 24 JUN 2005, Duration 2, Period Year, and Date Terminated. Below this table are fields for Description (1608) and Invoice Text (Extended Notebook PC Service Prog), along with an Product Details button.

4. Enter the product or products to cover by one of the two following methods:

- If you have a small number of products to cover and you know their serial numbers or item instance numbers, you can enter each subline individually making entries directly into the fields on each line:
  1. On a new line on the Effectivity secondary tab, choose Product from the Level LOV.
  2. In the Name field, enter the Oracle Inventory name or a partial name with the percent sign to indicate any missing characters. If the product inventory name is AS45888, for example, then you can enter AS45888 or AS45%.
  3. Press the Tab key.

The LOV search window appears:

4. You can search by complete serial number or the Oracle Install Base item instance number. Enter it after the % sign in the Find field. For example: AS54888%99855.
5. Click **Find**.

If the search identifies a unique customer instance, the application returns you to the authoring window. Otherwise, you have to narrow your search criteria or select an item on the list and click **OK**.

- To select multiple products for coverage at the same time, or if you do not know the serial number or the item instance number of an individual product to cover, you can make your selection from a graphical display of the contents of the customer's installed base by clicking the LOV indicator in the Name field. For details see *Browsing the Oracle Install Base to Identify Item Instances for Coverage*, page 4-17.

A product you enter is displayed in the Name field by its inventory item name. You can see the customer product's serial number, item instance number, or both in the Description field.

5. Save.

The application automatically updates the price of the service line.

**Note:** The application calculates prices based on the quantity attached to the item instance and the price list you have selected for the service line. Most item instances are specified for individual items, but non-serialized items, including consumables such as ink cartridges, can come in any quantity. If the updated price is more than you expected, then check the quantity attached to the item instance by clicking **Product Details**.

## Browsing Oracle Install Base to Identify Item Instances for Coverage

You can browse the customer's Oracle Install Base records and select one or more products for coverage. Each product you select appears as a separate line in the authoring window.

### Prerequisite

Enter a service line.

## To browse Oracle Install Base to identify item instances for coverage:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service line that will cover the product.
3. Select the Effectivity tab at the bottom of the window.
4. Choose **Product** from the Level LOV.
5. Click on the LOV indicator in the Name field.  
The Product window appears.
6. Because the size of your Oracle Install Base can be too large for browsing, there are a number of ways you can restrict view, you can:

- Choose different views.

By making a selection from the Level drop-down list, you can view the item instances by:

- **Item:** Selecting this level displays all of the instances for a particular inventory item.
  - **Model:** If you have configured items in your installed base, you can view them by model.
  - **System:** If your Oracle Install Based item instances are grouped in systems, you can display the instances by system.
  - **Site:** Use this level to display all the item instances at a particular address.
  - **Customer:** Use this level to view item instances by a customer account.
  - **Party:** Organizes the display by customers in your database. This view is most useful if you are selling to consumers.
- Specify which customer records display.

By selecting a Customer Context, you specify what customer records display:

- **Customer:** Limit the display to the party entered as the customer on the Summary tab of the contract.
- **Related Customer:** Parties with a relationship to the customer in the Oracle Trading Community Architecture (TCA) party model.

You can display item instances for:

- **Both:** Both the customer and related parties.
  - **All:** All parties in the database.
- Restrict the list displayed in the window.

Enter a search term in the Name field to restrict what is displayed in the list. You can use partial entries and the percent sign % to represent omitted characters.

For example, to view the installed base by inventory item but not view all items, you can restrict the display to just the item you want by entering it in the Name field.

7. After you have entered the display criteria, click **Find**.

The window displays the installed base in the form of a tree.

8. View the details of any node on the tree, by clicking on it.
9. Select any item instance you wish to add, holding down the CTRL or Shift keys for multiple selections.
10. Click **OK** to return to the Service Contracts Authoring window.

Each selection creates an individual line in the Effectivity secondary tab.

## Entering a Customer Product into Oracle Install Base

You can cover a product that does not have an item instance in Oracle Install Base. You may have to create an instance if you provide service for products a customer purchased from a third party such as a vendor or a dealer, for example.

### Prerequisites

- Set up product as an item in Oracle Inventory.
- Enter a service line.

### To enter a customer product into Oracle Install Base:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service for the product you are about to create.
3. Select the Effectivity tab at the bottom of the window.
4. Choose Product for your Level.
5. Click on the LOV indicator in the Name field.

The Product window appears.

6. Click **New**.

The application opens the Item Instance Creation window for Oracle Install Base in a new browser window.

7. Create the item instance following the procedures described in the *Creating Item Instances* section of the *Oracle Install Base User Guide*.
8. Write down the instance number.
9. Use the instance number to enter the covered product as described in *Covering Customer Products (Instances in Oracle Install Base)*, page 4-15.

## Covering Parties

You can cover one or more parties with a service. A party is a customer in your database. This can be an individual consumer or an organization.

### Prerequisite

Create a contract of category Service Agreement.

## To cover parties:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service.
3. Select the Effectivity tab at the bottom of the window.
4. If you are covering a small number of parties and you know the party names or a partial party names, then make your entries on separate sublines. For each party:
  1. In a new line, choose **Party** as the Level.
  2. Enter the name or partial name in the Name field. (Use the % sign to indicate omitted characters.)
  3. Press the Tab key.

If the application does not find a unique match, it opens a search window where you can refine your search.
5. To enter multiple parties at the same time or you do not know the name of the party, then you can make a selection from a list of the parties in your database displayed in a logical tree:
  1. Click on the LOV indicator in the Name field.

The Party window appears.
  2. Choose **Related Customer** from the Customer Context list.
  3. Click **Find**.

The window displays a list of parties related to the customer on the contract.
  4. Select one or more parties (use the Shift or Ctrl keys for multiple selections).
  5. Click **OK**.
6. Save.

## Covering Customer Accounts

You can select one or more customer accounts (party accounts) to cover with a service. You can cover the accounts belonging to the parties in the contract or to any parties with a relationship to them.

### Prerequisite

Create a contract of category Service Agreement.

## To cover customer accounts:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service.
3. Select the Effectivity tab at the bottom of the window.
4. If you know the party that owns the account you can enter each account individually as a subline. For each subline:

1. Choose **Customer** for your Level.
2. In the Name field, enter the name or partial name of the party.
3. Press the Tab key.

The application displays a list of accounts for the party you specified in a search window.

4. Select the account to cover or refine your search by adding the % sign and the account number to the search term.
5. Click **OK**.

The Name field displays the name of the party. The Description field displays the account number.

5. To enter multiple parties at the same time or if you do not know the party name or account, then you can browse through a list of related parties and accounts:

1. In a new line, choose **Customer** for your Level.
2. Click on the LOV indicator in the Name field.

The Party window appears.

3. Choose **Related Customer** from the Customer Context list.
4. Click **Find**.

The window displays a list of parties related to the customer on the contract.

You can view the accounts for the parties listed, by clicking on the party node.

5. Select one or more accounts (use the Shift or Ctrl keys for multiple selections).
6. Click **OK**.

6. Save.

## Covering Party Sites

You can cover one or more party sites with a service.

### Prerequisite

Create a contract of category Service Agreement.

### To cover party sites:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service.
3. Select the Effectivity tab at the bottom of the window.
4. To enter individual sites where you know the site numbers, enter each site on a separate subline:
  1. On a new line, choose **Site** as the Level.
  2. Enter the site number in the Name field. The site number is the unique identifying number generated by the application for each party address.

5. To cover multiple sites at the same time or if you do not know the site number, then you can find the site to cover by browsing through a list of customers and their sites. See *Browsing Through Party Sites*, page 4-22.

## Browsing Through Party Sites

You can select sites to cover by browsing through a list of sites organized by party.

### Prerequisite

Enter a service line.

### To browse through party sites:

1. Navigate to Lines tab and Pricing/Products subtab.
2. Select the service line.
3. Select the Effectivity tab at the bottom of the window.
4. On a new line, choose **Site** from the Level LOV.
5. Click on the LOV indicator in the Name field.  
The Site window appears.
6. Restrict which parties to display by choosing a Customer Context:
  - To view only the sites for the contract customer, then choose **Customer**.
    - **Related Customer**: Displays the parties with a relationship to the customer in the Oracle Trading Community Architecture (TCA) party model.
    - **Both**: Displays both the customer and related parties.
    - **All**: Displays all parties in the database.
7. To restrict the list displayed to a particular party name, then enter a name or partial name.
8. Click **Find**.  
The window displays a list of parties that meet your criteria.
9. View the sites for any party, by clicking on the party node.
10. Select the sites to cover (hold down the Shift or Ctrl keys for multiple selections).
11. Click **OK** to return to the Service Contracts Authoring window.

## Covering Systems

You can cover one or more systems with a service. A system is a grouping of item instances created in Oracle Install Base.

### Prerequisite

Create a contract of category Service Agreement.

## To cover systems:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service.
3. Select the Effectivity tab at the bottom of the window.
4. To enter systems individually and you know the system names, then for each system:
  1. On a new line, choose **System** from the Level LOV.
  2. Enter the name or partial name in the Name field. Use the % sign to represent missing characters.
  3. Press the Tab key.
5. To enter multiple systems at the same time or you do not know the system names, you can browse through a list of systems by party, party account, or party site. See *Browsing Through Oracle Install Base Systems*, page 4-17.

## Browsing Through Oracle Install Base Systems

You can identify and select systems for coverage by browsing through a list of systems organized by party, party account, or party site.

### Prerequisite

Enter the service line.

## To browse through Oracle Install Base systems:

1. Navigate to Lines tab and Pricing/Products subtab.
2. Select the service line.
3. Select the Effectivity tab at the bottom of the window.
4. Choose **System** from the Level LOV.
5. Click on the LOV indicator in the Name field.  
The System window appears.
6. To limit the number of customer systems to browse through at any one time, you can:
  - Choose different views  
By making a selection from the Level drop-down list, you can view systems by:
    - **Customer account**, by choosing **Customer**.
    - **Party**, by choosing **Party**.
    - **Party site (identified by its number)**, by choosing **Site**.
  - Specify which parties to display by choosing a Customer Context, you specify what customer records display. The choices are:
    - **Customer**: Limit the display to the party entered as the customer in the contract.
    - **Related Customer**: Parties with a relationship to the customer in the Oracle Trading Community Architecture (TCA) party model.

- **Both:** Both the customer and related parties.
- **All:** All parties in the database.
- Restrict the list displayed in the window

Enter a search term in the Name field to restrict what is displayed in the list.

For example, if you have selected Party as the level, you can limit the display to a specific party by enter its name in this field.

7. After you have entered the desired display criteria, click **Find**.

The window displays the systems in the desired view of the installed base systems in the form of a logical tree.

8. View the systems in any node on the tree by clicking on it.
9. Select the systems you wish to cover (use the Shift or Ctrl keys for multiple selections).
10. Click **OK** to return to the Service Contracts Authoring window.

## Covering Inventory Items

You can cover one or more Oracle Inventory items with a service. You can cover multiple quantities of the item on each subline.

### Prerequisites

- Create a contract of category Service Agreement.
- Identify the Oracle Inventory item name of the item to cover.

### To cover inventory items:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service.
3. Select the Effectivity tab at the bottom of the window.
4. Choose **Item** for your Level.
5. Use the Name LOV to enter the item name.
6. Save.
7. Navigate to the Pricing tab.
8. Enter the quantity of item that is being covered in the Qty field.
9. Choose the unit of measure using the UOM LOV.
10. Save.

## Viewing Details About a Covered Product

The products covered by a service line are identified in the Service Contracts Authoring Window by their Oracle Inventory names. You can view the complete details about a covered product (an instance in Oracle Install Base), including the installation address, installation date, and pricing information.

### Prerequisites

- Set up the product as an item in Oracle Inventory.
- Enter a service line.

### To view details about a covered product:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the service covering the product.
3. Select the Effectivity tab at the bottom of the window.
4. Select the covered line to display. (The Level must be of type Product.)
5. Click **Product Details**.

The Product Details window appears with the information.

**Note:** For service contracts of category Warranty and Extended Warranty, you can view details for all of the covered products at the same time, by clicking the **Show All Products** button.

## Specifying How the Service Prints on an Invoice

By default, Oracle Receivables prints both the line and subline on the customer invoice.

You can specify:

- If a service line and subline is omitted from the invoice, page 4-25
- What text gets printed, page 4-26

## Omitting a Line or Subline from the Invoice

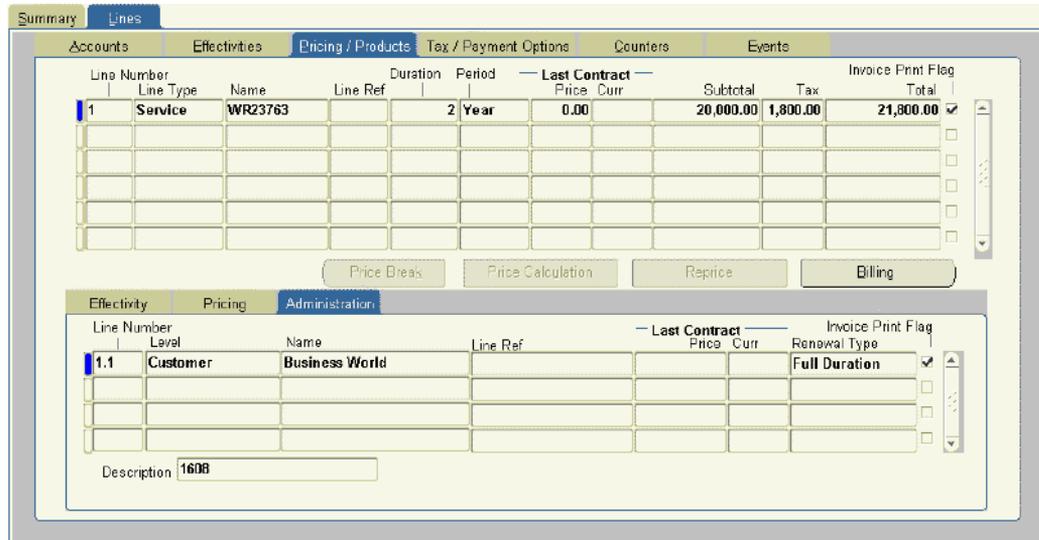
The printing of contract line and subline details is controlled by the Invoice Print Flag check box. By default, this check box is selected and the line and subline is printed. You can prevent a selected line or subline from being printed on the invoice, by deselecting the check box. Omitting the line or subline from the printed invoice does not remove the price from the invoice subtotals.

### Prerequisite

Enter a service line.

### To omit a line or subline from the invoice:

1. From the Service Contracts Authoring window, select the Lines tab, Pricing/Products subtab.



2. To omit a line from the invoice, deselect the Print Flag check box on the right.
3. To omit a subline from the invoice:
  1. Select the line.
  2. Select the Administration secondary tab.
  3. Deselect the Print Flag check box.
4. Save.

## Specifying the Invoice Text

You can specify what text appears on the invoice for the service line and sublines.

The application automatically creates a description of the line and sublines for you. For contract lines, this is the service description and the effective dates separated by colons.

For example, if the service name is Gold Service and the effective dates are 01-JAN-2005 to 31-DEC-2005, then the text invoice reads:

Gold Service:01-JAN-2005:31-DEC-2005.

For covered sublines, the description also includes the name of the item covered.

If you have sold Gold Service, 01-JAN-2005 to 31-DEC-2005, for washing machine SuperWash, then the generated description reads:

Gold Service:01-JAN-2005:31-DEC-2005.

### Prerequisite

Enter a service line.

### To specify the invoice text:

1. From the Service Contracts Authoring window, select the Lines tab and Effectivities subtab.
2. Select the service covering the product.

3. Modify the line descriptions in the Invoice Text field.
4. If you are billing for individual covered items, then:
  1. Select the Pricing/Product subtab.
  2. On the Effectivity tab at the bottom of the window, modify the text in the Invoice Text field.
5. Save.
6. You can copy the description you have entered to the sublines by using the Cascade Attributes option from the Actions menu. See *Applying Changes from a Service Line to the Covered Sublines*, page 4-41.

## Specifying a Billing Schedule

You can specify how and when a customer is billed for a service and when the billing records are sent to Oracle Receivables.

You can bill a customer for a service either at the contract line level or separately for each of the sublines covered by the service. If you are billing separately for each subline, then you can create a different billing schedule for each.

If you have entered a billing schedule at the contract header level, then this schedule is defaulted for you.

### **Prerequisite**

Enter a service line.

### **To specify a billing schedule:**

1. From the Service Contracts Authoring window, select the Lines tab and the Pricing/Products subtab.
2. Select the service line to set up.
3. Click **Billing**.  
The Billing window appears.

The screenshot shows the Oracle Billing: Service WF429769 window with the following configuration:

- Invoicing Rule:** Advance Invoice
- Accounting Rule:** Immediate
- Level:** Top Level
- Start Date:** 25-JUN-2003
- End Date:** 24-JUN-2005
- Amount:** 20,000.00

**Terminated Summary:**

Unbilled	0.00
Credited	0.00
Suppressed	0.00
Total	0.00
Overridden	0.00

**Adjusted Summary:**

Discount	0.00
Surcharge	0.00
Total	0.00
Billed	0.00

**Stream Level Table:**

Seq Num	Number of Periods	Start Date	End Date	Duration	Period	Amount	Total Amount	Offset Days Invoice	Interface
1	2	25-JUN-2003	24-JUN-2005	1	Year		20,000.00		
							Total		20,000.00

**Schedule Table:**

Seq Num	Level Seq	Invoice Date	Bill From	Bill To	Interface Date	Amount
1	1	25-JUN-2003	25-JUN-2003	24-JUN-2004	25-JUN-2003	10,000.00
1	2	25-JUN-2004	25-JUN-2004	24-JUN-2005	25-JUN-2004	10,000.00

4. Choose a billing level from the Level LOV. Choose one of the following:
  - **Equal Amount:** to bill for equal amounts over the billing period and have control over the amount as well as the billing periods.
  - **Top Level:** to bill customers for the service as a whole.
  - **Covered Level:** to bill customers at the level of each subline.
5. Specify the billing schedule by entering one or more billing streams. This is the same procedure as is used for creating schedules at the header level. See *Entering a Billing Stream*, page 3-8 for details.
6. If you chose **Covered Level** you can modify the billing schedule for any of the sublines:
  1. Select the service line on the Lines tab and Pricing/Products subtab.
  2. Select the Pricing secondary tab.
  3. Select the subline you wish to modify.
  4. Click **Billing**.  
The Billing window appears for this subline.
  5. Create a billing schedule for this subline using one or more billing streams.
  6. Click **OK**.

## Pricing What a Service Covers

The application automatically prices a service on an Oracle Inventory item or a product the customer owns (an item instance in Oracle Install Base) based on the price list.

You must price the other covered levels manually. For this reason, you must follow different procedures for entering and adjusting prices:

Adjusting the Price of a Service for a Covered Product or an Item, page 4-29, Pricing Service for a Party, page 4-29.

Additional ways of adjusting prices for your customer are covered in Adjusting Prices, page 8-1.

## Adjusting the Price of a Service for a Covered Product or an Item

The application automatically prices a service for an inventory item or a covered product (an item instance in Oracle Install Base) using the price list you entered on the Effectivities subtab.

To reprice you can:

- Apply preset discounts and surcharges by using the pricing Adjustments window (a selection from the Tools menu). See Entering Price Adjustments.
- Adjust the price manually directly in the Authoring window when you enter the subline. See Manually Adjusting the Price, page 4-29.
- Change the price list on the Effectivities subtab. See Repricing a Service by Changing the Price List, page 4-29 for details.

## Repricing a Service by Changing the Price List

You can reprice the service line or an individual subline by changing the price list.

### Prerequisite

Enter a service line.

### To reprice a service by changing the price list:

1. From the Service Contracts Authoring window, select the Effectivities subtab.
2. Choose a different price list from the Price List LOV.
3. Save.
4. Select the Pricing/Products subtab.
5. Select the line you wish to reprice.
6. To reprice an individual subline, then:
  1. Select the Pricing secondary tab.
  2. Select the subline you wish to reprice using the new price list.
  3. Click **Reprice** to update the price.
7. To reprice the whole line, then click **Reprice** on the subtab itself.
8. Save.

## Manually Adjusting the Price

You can manually adjust the price of a service covering an inventory item or a covered product (Install Base item instance) in one of two ways:

- By applying discounts or surcharges preset by the administrator using the Adjustment window. See Entering Price Adjustments, page 8-3.
- By modifying the price directly in the authoring window as described in this procedure.

**Note:** Your application administrator must set up this item or product with a manual modifier in Oracle Advanced Pricing for you to be able to adjust the price using this method.

### Prerequisite

Enter a service line.

### To manually adjust the price:

1. From the Service Contracts Authoring window, select the Lines tab and the Pricing/Products subtab.
2. Select the service line to adjust.
3. Select the Pricing secondary tab.
4. Select the subline to reprice.
5. Adjust the price using the methods described below:
  - Enter a different price in the Subtotal field and click **Save**. For example, if the service costs \$100, then you can give the customer a 10% discount by entering 90.

**Note:** The application applies the discount you enter here provided the application administrator has set the system profile OKS: Use Advanced Pricing for Manual Adjustment to Yes. You can verify if the item has been discounted by clicking the Price Calculation button. See Viewing Adjustments for the Whole Contract, page 8-5.

- If your organization prices a service based on different time increments, for example charging a different price if the service is purchased by the year, by the quarter, or by the month, then you can use the Price UOM to specify which increment to use to calculate the price. If you do not sell by different increments, then leave this field blank.

To reprice:

1. Choose a length from the Price UOM LOV.
2. Save.

See About Changing the Basis for Pricing a Service, page 4-30 for details on when and how to use this repricing method.

6. If you are not satisfied with the changes you have made, you can restore the original price by clicking **Reprice**.

## Changing the Basis for Pricing a Service

If your organization prices the same service based on different time increments, for example offering different prices for a year contract and a monthly contract, you can

specify which increment price will be the basis for charging the customer by making an entry in the Price UOM field.

This makes it possible for you to:

- Offer a customer any of the available prices for the service.  
For example, you can offer a customer who wishes to purchase a service for nine months either the monthly, the quarterly, or the yearly price.
- Ensure a customer purchasing a contract for an irregular time period is charged the correct price.

If you do not make any entries in the Price UOM field, then the customer is charged based on the value of the Period field on the Lines tab, Effectivities subtab. The period, which is defaulted by the application, may not always be the one you wish to use as the basis for charging the customer.

Suppose your organization offers a service in yearly, quarterly, and daily increments, and a customer wishes to start the service on January 1, 2005 and end it on January 4, 2006. Because this period of one year and five days is not divisible by one year or a quarter, the application defaults a day as the period.

This means that, unless you enter a different basis in the Price UOM field, the customer will pay 370 times the price of a daily contract rather than the price of a yearly contract plus a prorated price for the extra five days.

**Note:** If you specify a unit of measure (UOM) that is not priced on the price list, the application charges the customer based on the price of the UOM the administrator has specified as primary. If the UOM is not priced and there is no UOM designated as primary, then the application returns a price of 0.

## Pricing Service for a Party, Customer Account, Site, or System

You can price a service for covered levels not priced automatically: party, customer (party) account, site, and system. You must price each subline individually.

### Prerequisite

Enter a service line.

### To price a service for parties, customer accounts, sites, and systems:

1. From the Service Contracts Authoring window, select the Lines tab and the Pricing/Products subtab.
2. Select the service line to set up.
3. Select the Pricing secondary tab.
4. Select the subline to price.
5. Enter the price using one of the two following methods:
  - Calculate the extended price for the service based on a quantity and unit price:
    1. Enter the quantity in the Qty field.
    2. Choose the unit of measure from the UOM LOV.
    3. Enter the unit price in Unit Price.

4. Press the Tab key.  
The application calculates the extended amount.
5. You can modify the Subtotal.

**Note:** The entries you make here are optional. They are designed to aid you in making the calculation only.

- Enter the price directly into the Subtotal field.
6. Save.

## Specifying a Payment Method for a Contract Line

This group of procedures explains how to specify a payment method for a specific contract line.

- Specifying Payment by Credit Card or Commitment Number, page 4-32
- Requiring a Purchase Order, page 4-33
- Specifying a Purchase Order Number, page 4-33

To specify the same payment method for all the lines in your contract then instead create a default payment method on the Summary tab according to the procedure describe in Specifying a Default Payment Method, page 3-12.

If you have already set up the default payment method, then payment information is already defaulted for you.

## Specifying Payment by Credit Card or Commitment Number

Commitments, which are set up in Oracle Receivables, represent a customer's prepayment for goods or services (prepayments) or contractual agreements (guarantees).

### Prerequisite

Confirm the setup of commitments, in Oracle Receivables first. See the *Oracle Receivables User Guide*.

### To specify payment by credit card or commitment number:

1. From the Service Contracts Authoring window, select the Lines tab and Exemption/Payment Options subtab.
2. To specify payment by credit card, then:
  1. Choose **Credit Card** from the Payment Type drop-down list.
  2. Enter the credit card number and expiration date.
3. To specify payment by commitment, then:
  1. Choose **Commitment Number** from the Payment Type drop-down list.
  2. Enter the commitment number using the LOV.
4. Save.

## Requiring a Purchase Order

You can require the entry of a purchase order number for the contract line. The contract then cannot pass the QA check and become active unless a purchase order is entered for every line.

### To require a purchase order:

1. From the Service Contracts Authoring window, select the Lines tab and Exemption/Payment Options subtab.
2. In the Payment Method region, select the Purchase Order Required check box.
3. Save.

## Specifying a Purchase Order Number

You can enter a purchase order number in a contract line. This number is sent to Oracle Receivables and appears on customer invoices.

### To specify a purchase order number:

1. From the Service Contracts Authoring window, select the Lines tab and Exemption/Payment Options subtab.
2. In the Payment Method region, enter the purchase order number in the PO Number field.
3. Save.

## Modifying Coverage Provided by a Service

Each service you select as a contract line item comes with a predefined list of what that service covers (terms of coverage). This includes:

- Covered business processes (service fulfilment channels)
- Pricing and discounts
- Time zones covered, and the days and times coverage is available
- Required reaction and resolution times
- Preferred resources to carry out the work

What coverage is provided by a service is defined by the application administrator using a coverage template at the time the service item is defined in Oracle Inventory.

You can modify any of the coverage provided for an individual service line in the contract. For example, you can change the response time, or extend a service providing weekday telephone support to cover weekends as well. However, the contract price is not affected by any of the modifications you make in an individual contract, so your organization may prefer to make any coverage changes in the coverage template itself.

### Prerequisite

Enter a service line.

## To modify coverage provided by a service:

1. From the Service Contracts Authoring window, select the Lines tab and the Effectivities subtab.
2. Select the service line you wish to modify.
3. Click **Edit Coverage**.

The Service Contracts Coverage window appears.

The screenshot shows the 'Service Contracts Coverage' window for a contract with ID 'WR22782'. The coverage is named 'Gold' with a type of 'Gold Coverage' and an importance level of '1'. The effective dates are from 25-JUN-2003 to 24-JUN-2005. The description is 'Gold Support 24x7'. The window includes sections for Warranty, Rules (with 'Free Upgrade' and 'Transfer' options), and Preventive Maintenance. Below these is a table of business processes:

Business Process	Duration	Offset	Period	Start Date	End Date	Price List	Discount
Customer Support				25 JUN 2003	24 JUN 2005	Corporate	
Field Service				25 JUN 2003	24 JUN 2005	Corporate	
Depot Repair				25 JUN 2003	24 JUN 2005	Corporate	

The 'Coverage Times' section shows the time zone set to 'America/Los\_Angeles'. The 'Covered Times' table is as follows:

Start Time	End Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
00:00	23:59	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
00:00	23:59	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
00:00	17:00	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
00:00	17:00	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
00:00	17:00	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Modify the coverage as described in Defining a Coverage Template, page 20-3 section of this guide.

## Scheduling Preventive Maintenance Activities

This procedure is for scheduling periodic activities only. For scheduling activities based on usage, for example, maintaining a printer based on the number of copies made, you must use Oracle Complex Maintenance, Repair, and Overhaul.

If preventive maintenance activities are required as part of the service you have entered in a contract line, then the application includes these along with the other coverage details attached to the item.

The application administrator can set up the application to automatically schedule these maintenance activities for you when you enter the contract line. The scheduled dates are the planned start dates of any service requests the application generates to carry out the work.

You can:

- Specify new dates when each of the activities is to start.

The dates you enter become the planned start dates in any service requests the application generates for these activities.

- Specify a range of dates the maintenance activities are to start.

The start date of each activity is the planned start date in the corresponding service request.

**Note:** The application can automatically generate a schedule based on start dates only. To specify a date range, then you must enter the start and end dates into the contract manually.

#### Prerequisites

- Enter a service line.
- Confirm the setup of the preventive maintenance program and associated activities in Oracle Complex Maintenance, Repair, and Overhaul.

### To schedule preventive maintenance activities:

1. From the Service Contracts Authoring window, select the Lines tab and the Effectivities subtab.
2. Select the service line you wish to modify.
3. Click **Edit Coverage**.

The Service Contracts Coverage window appears.

The preventive maintenance program associated with the service line by your application administrator appears in the Program name field in the Preventive Maintenance region of the window.

The preventive maintenance program encompasses the required maintenance activities for the product. Both the program (also called a maintenance requirement) and its activities are set up in Oracle Complex Maintenance, Repair, and Overhaul.

4. Click **Schedule**.

The Preventive Maintenance Schedule window appears showing the Program Schedule tab. If the application administrator has set up a schedule for this program, then the Schedule region is already populated with dates.

The maintenance activities you must schedule are listed on the Activity Schedule tab.

5. You can schedule the preventive maintenance activities in one of two ways. You can:
  - Create a template schedule on the Program Schedule tab and use that schedule to schedule multiple activities. See *Scheduling Multiple Activities*, page 4-35.
  - Create a separate schedule for each activity. See *Scheduling Individual Activities*, page 4-36.
6. Click **OK** when you are done.

### Scheduling Multiple Activities at the Same Time

You can later modify the default schedule to create a unique schedule for each activity.

#### Prerequisites

- Enter a service line.
- Confirm the setup of the preventive maintenance program and associated activities in Oracle Complex Maintenance, Repair, and Overhaul.

- Associate a preventive maintenance program with a coverage template.

### To create schedule multiple activities at the same time:

1. From the Service Contracts Authoring window, select the Lines tab and the Effectivities subtab.
2. Select the service line you wish to modify.
3. Click **Edit Coverage**.  
The Service Contracts Coverage window appears.
4. Click **Schedule** in the Preventive Maintenance region.  
The Preventive Maintenance Schedule window appears.
5. Select the Program Schedule tab.
6. If the customer must approve scheduled tasks in the service request before they are performed, then select the Confirmation Required check box.
7. Create a default schedule for the activities in the Stream Levels region. See Scheduling Activities at Regular Intervals Using Schedule Streams, page 4-37.
8. To default this schedule to multiple activities, then:
  1. Select the Activity Schedule tab
  2. Make sure only the Select check boxes for the activities you want to set up are selected.
  3. Click **OK**.  
The application asks you if you wish to copy the schedule to the activities.
  4. Click **Yes**.
9. To default this schedule to a single activity, then:
  1. Save.
  2. Select the Activity Schedule tab.
  3. Select the activity by placing your cursor in any field on the line.
  4. Click **Populate from Program**.  
The application copies the default dates or date ranges to the selected activity.

## Scheduling Individual Activities

### Prerequisites

- Enter a service line.
- Confirm the setup of the preventive maintenance program and associated activities in Oracle Complex Maintenance, Repair, and Overhaul.
- Associate a preventive maintenance program with coverage template.

### To schedule an individual activity:

1. From the Service Contracts Authoring window, select the Lines tab and the Effectivities subtab.
2. Select the service line you wish to modify.
3. Click **Edit Coverage**.  
The Service Contracts Coverage window appears.
4. Click **Schedule** in the Preventive Maintenance region.  
The Preventive Maintenance Schedule window appears.
5. Select the Activity Schedule tab.
6. Make sure only the activities you wish to set up are selected using the Select check box to the right of the Activity region.
7. If you have created a default schedule you wish to use to schedule this activity, then click **Populate from Program**.  
The application defaults the schedule you have created on the Program Schedule tab.
8. To create a separate schedule for this activity, then create the schedule in the Stream Levels region. See Scheduling Activities at Regular Intervals Using Schedule Streams, page 4-37.
9. If the customer must approve the tasks in the service request before work starts, then select the **Confirmation Required** check box located to the right of the activity.
10. Save.

## Scheduling Activities at Regular Intervals Using Schedule Streams

You can schedule an inspection every month for a piece of equipment that requires 12 inspections during the year.

Each set of regular dates is called a schedule stream. You can set up any number of such schedule streams using this procedure to handle complex requirements. For example, if a piece of equipment requires two inspections in the first year and six for every year thereafter, you can schedule the semiannual inspections for the first year using one stream and use the second stream to create the schedules for the six inspections in the second year.

You can use this procedure on both on the Program Schedule and the Activity Schedule tabs, depending on whether you are creating a default schedule for all the activities in a program or scheduling individual activities. See Scheduling Multiple Activities at the Same Time, page 4-35 and Scheduling Individual Activities, page 4-36.

### To schedule an activity at regular intervals using a scheduling stream:

1. From the Preventive Maintenance Schedule window, navigate to the Stream Levels region:
2. If this is the first stream, then:
  1. Enter 1 in the Seq Num field.  
The application defaults the start date from the start date of the contract line.

2. Enter the number of times you wish the activity to be performed in the Periods field
3. Enter the length of each period in the UOM/Period and UOM fields. For example, to schedule an inspection once a month, then enter a 1 in the UOM/Period field and select Month from the UOM LOV.

The application supplies the end date.

3. If this is an additional stream, then:

1. In the Seq Num field, enter a number corresponding to the order in which the periods are created.

The sequence numbers for scheduling streams must be in order of the dates in the schedule. To schedule an activity earlier than an existing activity, reorder the entire sequence.

The application defaults the start date from the end date of the previous stream.

2. Enter the length of each period in the UOM/Period and UOM fields. For example, to schedule an inspection once a month, then enter a 1 in the UOM/Period field and select Month from the UOM LOV.

The application supplies the end date.

4. To postpone the scheduled start of the first activity in the stream, then enter an offset period by either of these two methods:

- Enter a different date in the First Date.
- Enter the number of periods in Offset Period and the length of the offset period in Offset UOM.

5. To create a schedule based on individual suggested dates, then select the Auto Schedule check box.

6. To create a schedule base on a date range, then leave the Auto Schedule check box unselected.

7. Click **Schedule** to generate the schedule.

The application displays the generated schedule in the schedule region.

8. If you left the Auto Schedule check box unselected, then the application permits you to enter a date or a date range to replace the automatically generated date.

Enter the date range for any of the scheduled dates in the From and To fields.

9. Save.

## Viewing Maintenance Program and Activity Details

Both the program and activities are set up and maintained in Oracle Complex Maintenance, Repair, and Overhaul. See *Oracle Complex Maintenance, Repair, and Overhaul User's Guide* for details.

### Prerequisite

Enter a service line.

## To view maintenance program and activity details:

1. From the Service Contracts Authoring window, select the Lines tab and the Effectivities subtab.
2. Select the service line you wish to modify.
3. Click **Edit Coverage**.

The Service Contracts Coverage window appears.

- To view details about the program, click **View Program** on either the Program Schedule or the Activity Schedule tabs.

The application opens a new browser window displaying the details of the maintenance requirements.

- To view details about individual activities:

1. On the Activity Schedule tab, select the activity in the Activity region.
2. Click **View Activity**.

The application opens a new browser window displaying the details of the activity. See *Oracle Complex Maintenance, Repair, and Overhaul User's Guide* for details.

- To view the maintenance history of the product the customer owns:

1. On the Program Schedule tab, click **History**.
2. The application displays the Search Unit Maintenance Plan page in a separate browser window. Search for the maintenance history for the product according to procedures described in *Oracle Complex Maintenance, Repair, and Overhaul User's Guide*.

## Ending Service Lines on a Day Specified by the Customer

You can define a cotermination date, which is a date that has been chosen by the customer as the end date for all service lines:

- About Cotermination, page 4-39
- Applying the Cotermination Date to a Service, page 4-40

## About Cotermination

To simplify renewals and accounting customers sometimes request all contracts to terminate on the same date, such as the end of the calendar or fiscal year. This date is called the cotermination date.

Your application administrator can set up a cotermination date for a customer account. The customer account for the service line is the bill to account you enter on the Lines tab, Accounts subtab.

You can tell a cotermination date exists for the service line, when the Coterminate and Coterminate All buttons are enabled.

**Note:** You cannot apply the cotermination date for contracts with a status of Active.

If the cotermination date falls too close to the start of the service in your contract, the application automatically extends the service until the same cotermination date the following year. For example, if a customer purchases six months of service in December 1 and the cotermination date is December 31 then the application extends the service until December 31 of the following year instead of selling just one month-worth of service. Just what minimum service length triggers the extension is determined by the values in system profiles OKS: Minimum Duration and OKS: Minimum Period.

## Applying the Cotermination Date to a Service

### Prerequisites

- Enter a service line.
- Confirm the contract is in Entered status.

### To apply the cotermination date to a service:

1. From the Service Contracts Authoring window, select the Lines tab and the Effectivities subtab.
2. Select the service line to end on the cotermination date.
3. Click **Cotermiante**.

The new end date you have entered does not automatically apply to the items already covered by the service. If you have already specified what the service covers, then you must copy the new end date using the Cascade Attributes window.

## Specifying Tax Status

You can:

- Enter tax exemption information
- Specify that the price includes tax

If you have already set up a default tax status for all lines, then the tax status fields are already populated for you.

### Prerequisite

Enter a service line.

### To specify tax status:

1. From the Service Contracts Authoring window, select the Lines tab and Exemption/Payment Options subtab.
2. In the Tax Exemption region, choose the customer's tax status from the Status LOV.
3. If you entered **Exempt**, then enter the tax exemption number.
4. If the price already includes taxes, then select Tax Inclusive Flag.
5. Save.

## Applying Changes from a Service Line to the Covered Sublines

If you change the length of a service, for example by applying a cotermination date, you must apply them to any existing sublines. You can also use this procedure to copy the following line attributes to the sublines:

- Invoice text
- Renewal type
- Printing preferences (the setting of the Invoice Print Flag)

### Prerequisite

Identify a contract with sublines (what the service covers) and modify the dates for the service later.

### To apply changes from a service line to the covered sublines:

1. From the Service Contracts Authoring window, choose **Cascade Attributes** from the Actions menu.

The Cascade Attributes window appears.

2. Choose **Lines to Sublines** from the Cascade list.
3. Select the check boxes for the line attributes you wish to apply.
4. Select the sublines you wish to copy to on the right side of the window. You can use the check boxes to the right to select individual sublines, or the **Select All** button.
5. Click **Submit**.

## Assigning Sales Credits for a Contract Line

You can assign both revenue and non-revenue credits.

### To assign sales credits for a contract line:

1. From the Service Contracts Authoring window, select the Lines tab and select the service to enter sales credits for on any of the subtabs.

2. Choose **Sales Credits** from the Actions menu.

The Sales Credits window appears.

**Sales Credits**

Contract Number  Service Name  Party Name   
 Modifier  Start Date  End Date

**Sales Credits**

<input type="checkbox"/>	Sales Person	Sales Group	Credit Type	%
<input checked="" type="checkbox"/>	Robertson, Ms. Barbara		Quota Sales Credit	100.0000
<input type="checkbox"/>				

Revenue Total  %  
 Non Revenue Total  %

3. Enter the sales agents and the revenue and non-revenue credit they are to receive. Sales group entry is optional. Revenue credit must always add up to 100 percent.
4. Click **OK**.

---

## Entering Usage Lines

This chapter covers the following topics:

- Overview of Entering Usage Lines
- Charging a Customer for Usage
- Entering a Usage Line
- Specifying How the Customer is Charged
- Charging Based on a Fixed Quantity of Usage Regardless of the Actual Usage
- Charging a Flat Fee Regardless of the Actual Usage
- Charging for Reported or Estimated Usage Per Period
- Charging Based on Reported Usage
- Entering a Counter
- Entering the Starting Counter Reading
- Creating Special Price Breaks
- Point and Range Price Breaks
- Deleting Special Price Breaks
- Prorating Price Breaks to Apply to Multiple Periods
- How Price Breaks Are Prorated
- Specifying a Billing Schedule for a Usage Line
- Recording Usage by Updating a Counter Reading

### Overview of Entering Usage Lines

This group of topics explains how to charge customers for usage.

### Charging a Customer for Usage

To charge a customer for usage, you must enter:

- A usage item as a contract line, page 5-2. This is where the prices for usage are defined.
- One or more counters as sublines, page 5-2. These track usage.

## About Usage Items

The usage item specifies the price list and the price breaks used to charge the customer.

The application administrator sets up the usage items themselves as items in Oracle Inventory, and prices them using price lists in Oracle Advanced Pricing.

For example, a bank may create price breaks on the corporate price list that offers customers 10 free support calls per month and then charges \$1.50 for each call. A copier distributor may set up a price list to charge customers based on the volume of copies made, for example, charging \$0.05 for the first 1000 copies, charging \$0.03 for the next thousand, and then \$0.02 for copies above 2000.

You have the option of modifying the pricing and the price break ranges for each contract.

## About Counters

Customer use is recorded in counters. These can represent real devices that measure usage such as a counter in a copier, automobile odometers and electric meters. The counters can also be purely logical constructs used to record the number of phone calls to a call center, for example.

Counters are created automatically by the application each time you order a service or a customer product is entered as an item instance in Oracle Install Base.

For example, if a bank's application administrator has set up the Gold service to track phone calls made to the call center, then each time you add the Gold service as a line in your contract, the application automatically creates a counter where the number of calls can be tracked. For physical objects, such as the copier, the application creates a counter that is linked to the Oracle Install Base instance.

Although the counters are created automatically by the application for you, for each usage line you must enter the counters you wish to use to charge the customer as sublines. This may be just one counter, to track phone calls to a call center or to charge for copies made on one printer, for example, or many counters to charge for the copies made in a building, for example.

The actual usage is entered into the counters manually either by agents in Oracle Service Contracts (See *Entering the Starting Counter Reading*, page 5-18), Oracle TeleService, Oracle Field Service, and by customers themselves via a Web portal created with Oracle iSupport.

## How Usage Lines and Counters are Entered

Here are the basic steps you must follow to charge for usage:

1. If you are charging for usage as part of a service (for phone calls made to a call center, for example), then you must enter the service as a line in your contract first.
2. Enter the usage item as a line in the contract.
3. Enter the counters as sublines.
  - You identify counters attached to a service by the service name, the contract number, and the line number where you entered the service.
  - You identify physical counters by the inventory name of the product where the counter is located and by that product's serial number and/or Oracle Install Base item instance number.

**Note:** Because of the way counters are named, you can only have one counter per service line in a contract and one counter per item instance in Oracle Install Base.

You can specify various options on how to charge and bill the customer.

You can charge the customer for the actual usage recorded in the counter each month and have the application estimate any missing counter readings, for example, or you can choose to charge a flat rate no matter what the counter readings are.

You can also specify minimum amounts charged and the details of how customers are credited for any overcharges.

## Entering a Usage Line

### Prerequisites

- Create the contract with the **Service Agreement** or **Subscription Agreement** category.
- Enter required information in the contract header and Summary tab.
- If you are charging a customer for usage tied to a service you are selling, enter the service line first.
- Identify the prices and price breaks for the items set up within your organization.

### To enter a usage line:

1. From the Service Contracts Authoring window, select the Lines tab and Accounts subtab.

Line Number	Line Type	Name	Line Ref	Order/Line	Account	Location	Account	Location
1	Service	WR23763			1608	San Jose (OPS)	1608	San Jose (OPS)
2	Usage	OP-LPTR-U			1608	San Jose (OPS)	1608	San Jose (OPS)

Customer Contacts	Role	Name	Address	Start Date	End Date

Bill To	Ship To
Account: Business World	Account: Business World
Address: 2391 L Street San Jose Santa Clara CA 95106 United States	Address: 2391 L Street San Jose Santa Clara CA 95106 United States

2. Choose **Usage** from the Line Type LOV.
3. Choose the usage item from the Name LOV.
4. The party accounts you selected on the Summary tab and Parties subtab appear as the Bill to and Ship to accounts. (The Account fields display the account numbers. The Location fields display the city. The account parties and addresses

for those accounts appear at the bottom of the window.) You can select different accounts for this contract line using the LOVs provided.

- Optionally, enter billing and shipping contacts specific to this contract line by following the procedure described in *Entering Billing and Shipping Contact for a Contract Line*, page 4-7. If a contact does not exist in the database, then you can add one following the procedure described in *Creating or Modifying a Contract*, page 4-8.

The contacts you enter are different from the ones you entered in the contract header.

- Select the Effectivities subtab.

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	City UOM	Renewal Type
1	Service	WFR23763	Entered	21.AUG.2003	20.AUG.2005	2	Year		Full Duration
2	Usage	OP-LPTR-U	Entered	21.AUG.2003	20.AUG.2007	4	Year		Full Duration

Description: Usage Item for laser printers  
 Invoice Text: Usage Item for laser printers:21.AUG.2003:20  
 Price List: Corporate  
 Usage Type:  Fixed Per Period,  Actual Per Period,  Actual by Quantity,  Negotiated Price  
 Period: Year  
 Average and Settlement: Averaging Interval, Settlement Interval  
 Termination Method:

- The price list is defaulted from the entry made on the Summary tab. Make sure the price list displayed in the Price List field matches the price list used by the usage item.
- Specify the duration of the usage line.

By default, the start date, end date, and duration are copied from the contract header.

You can specify different values by entering either of the following:

- Start and end dates
- Duration and period

The application calculates the missing information. If you supply a duration and period, then the start date is the start date of the contract.

**Note:** If the duration of the usage line starts earlier than the start date or ends later than the end date of the contract, then you must extend the start and end dates of the contract at the header level before you can make the contract active.

- If the contract can be renewed (you have not selected **Do Not Renew** on the Summary tab and Renewals subtab), then specify how the line is to be renewed using the Renewal Type LOV. The renewal options are the same for usage lines as they are for service lines. See *Specifying How a Contract Line is to Be Renewed*, page 4-9.
- Specify how the customer is to be charged and any counters required to capture the usage. Different ways of charging the customer require different combinations of

entries in the Effectivities and Pricing/Products subtabs. See Specifying How the Customer is to be Charged, page 5-5.

11. Much of the rest of the information for a service line is defaulted from the information you entered in the Summary tab. You can make modifications by following these procedures:
  - Specifying a Billing Schedule for a Usage Line, page 5-27
  - Changing the Billing and Shipping Accounts and Locations, page 4-7
  - Entering Billing and Shipping Contacts for a Contract Line, page 4-7
  - Specifying a Payment Method for a Contract Line, page 4-32
  - Specifying Tax Status, page 4-40
  - Assigning Sales Credits for a Contract Line, page 4-41
12. Save.

## Specifying How the Customer is Charged

You can charge customers in four different ways, depending on the selection you make in the Usage Type region of the Lines tab, Effectivities subtab.

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty	UOM	Renewal Type
1	Service	WR23763	Entered	21-AUG-2003	20-AUG-2005	2	Year			Full Duration
2	Usage	QP-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year			Full Duration

Description: Usage Item for laser printers  
 Invoice Text: Usage Item for laser printers:21-AUG-2003:20  
 Price List: Corporate  
 Usage Type:  
 Fixed Per Period  
 Actual Per Period  
 Actual by Quantity  
 Negotiated Price  
 Period: Year  
 Average and Settlement:  
 Averaging Interval:   
 Settlement Interval:   
 Termination Method:

The following table lists the different methods and the selection you must make for each.

Method for Charging the Customer	Usage Type
For a fixed quantity of usage every period, regardless of the actual usage recorded	Fixed Per Period
A flat fee regardless of the actual usage recorded	Negotiated Price
For reported or estimated usage in each billing period	Actual Per Period
For usage whenever usage is reported	Actual by Quantity

Follow the procedure corresponding to the method you wish to use:

- Charging Based on a Fixed Quantity of Usage Regardless of the Actual Usage , page 5-6
- Charging a Flat Fee Regardless of the Actual Usage, page 5-8
- Charging for Reported or Estimated Usage Per Period, page 5-9
- Charging Based on Reported Usage, page 5-14

## Charging Based on a Fixed Quantity of Usage Regardless of the Actual Usage

You can charge a customer for making 100 phone calls to the call center, regardless of the number of calls actually made. The price the customer pays for the 100 phone calls is determined by the usage item's price list and its price breaks.

### Prerequisite

Enter a usage item.

### To charge a customer based on a fixed quantity of usage regardless of the actual usage:

1. From the Service Contracts Authoring window, select the Lines tab and Effectivities subtab.

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty UCM	Renewal Type
1	Service	WR23763	Entered	21-AUG-2003	20-AUG-2005	2	Year		Full Duration
2	Usage	QP-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year		Full Duration
3	Usage	FS-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year		Full Duration

Description: Usage item for PM Laser Printers  
 Invoice Text: Usage item for PM Laser Printers:21-AUG-2003  
 Price List: Corporate

**Usage Type**  
 Fixed Per Period  
 Actual by Quantity  
 Actual Per Period  
 Negotiated Price  
 Period: Year

**Average and Settlement**  
 Averaging Interval:   
 Settlement Interval:

Termination Method:

2. In the Usage Type Region, select **Fixed Per Period**.
3. From the Period LOV, choose the period you wish to use as the basis for the entries you will make.
4. Save.
5. Select the Pricing/Products subtab.

6. Using the Name field LOV on the Effectivity secondary tab, enter the counter used to record the usage. See Entering Counters, page 5-17 for details.
7. Select the Counter Details secondary tab.

8. Enter the quantity on which you are going to be charging in the Fixed field. The fixed quantity is based on the period you selected on the Effectivity subtab. The period acts as a unit of measure for your entry.

Suppose you are billing the customer monthly.

If you chose a year as the period, then entering 1200 here means the customer is charged for the usage of 100 each month.

If you chose a month as the period and enter 1200, then the customer is charged 1200 per month.

9. Save.
10. Repeat steps 6 through 8 for each additional counter you wish to use to calculate usage.
11. Optionally, enter the counter reading to use to start calculating usage:
  - If you have already captured previous readings with this counter, then choose the start reading from the Reading LOV. This LOV includes all historical readings for this counter.

- If there is no historical reading available to select, the application assumes the initial reading for the contract is 0. To enter another initial reading, then follow the procedure described in Entering the Starting Counter Reading, page 5-18.

## Charging a Flat Fee Regardless of the Actual Usage

You can charge a customer \$100 for making phone calls to the call center, regardless of the number of calls actually made. In this case, the customer is charged the price you enter here rather than the price in the price list.

### Prerequisite

Enter a usage item.

### To charge a flat fee regardless of the actual usage:

1. From the Service Contracts Authoring window, select the Lines tab and Effectivities subtab.
2. In the Usage Type Region, select **Negotiated Price**.

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty	UCM	Renewal Type
1	Service	WR23763	Entered	21-AUG-2003	20-AUG-2006	2	Year			Full Duration
2	Usage	OP-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year			Full Duration
3	Usage	FS-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year			Full Duration
	Usage	U-Z100	Entered	21-AUG-2003	20-AUG-2007	4	Year			Full Duration

Description:  Invoice Text: 
Price List:

**Usage Type**

Fixed Per Period       Actual by Quantity  
 Actual Per Period       Negotiated Price  
 Period:

**Average and Settlement**

Averaging Interval:   
 Settlement Interval:

Termination Method:

3. Save.
4. Select the Pricing/Products subtab.
5. Using the Name field on the Effectivity secondary tab, enter the counter used to record usage. See Entering a Counter, page 5-17 for details.
6. Optionally, enter any text you wish to display in the invoice regarding this subline. As invoice formats are specific to each implementation, contact your application administrator to determine if this text is used in the invoice.
7. Select the Pricing secondary tab.

Effectivity		Pricing		Counter Details		
Line Number	Name	Reference	Line Reference	Subtotal	Tax	Total
	U-LPTR-100	Product;70012		150.00		

Price Break

8. Enter the total currency amount on which you are going to be charging the customer in the Subtotal field.
9. Save.
10. Repeat steps 5 through 9 for all counters you are using to track usage for this usage item.
11. Optionally, enter the counter reading you wish to use to start calculating usage:
  - If you have already captured previous readings with this counter, then choose the start reading from the Reading LOV. This LOV includes all historical readings for this counter.
  - If there is no historical reading available to select, the application assumes the initial reading for the contract is 0. To enter another initial reading, then follow the procedure described in Entering the Starting Counter Reading, page 5-18.

## Charging for Reported or Estimated Usage Per Period

You can charge the customer for actual or estimated usage within a period. This usage type permits you to have the application create an estimate for any missing or partial counter readings and bill the customer based on these estimates.

### Prerequisites

- Enter a usage item.
- Confirm billing is set to arrears.

### To charge for reported or estimated usage per period:

1. From the Service Contracts Authoring window, select the Lines tab and Effectivities subtab.

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty	UCM	Renewal Type
1	Service	WR23763	Entered	21-AUG-2003	20-AUG-2005	2	Year			Full Duration
2	Usage	QP-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year			Full Duration
3	Usage	FS-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year			Full Duration
4	Usage	U-Z100	Entered	21-AUG-2003	20-AUG-2007	4	Year			Full Duration
5	Usage	U-Z101	Entered	21-AUG-2003	20-AUG-2007	4	Year			Full Duration

Description: Usage Item for Zeo Laser Printer II  
 Invoice Text: Usage Item for Zeo Laser Printer II:21-AUG-2  
 Price List: Corporate  
 Usage Type:  Fixed Per Period  Actual by Quantity  
 Actual Per Period  Negotiated Price  
 Period: Year  
 Average and Settlement: Averaging Interval:   
 Settlement Interval:   
 Termination Method:

2. In the Usage Type region, select **Actual Per Period**.
3. From the Period LOV, choose the period to use as the basis for the entries you will make on the Counter Details secondary tab..
4. To charge customers based on an average of usage in a particular number of periods, then enter the number of periods in the Averaging Interval field.

**Note:** The entry you make here is based on the period you selected on this tab rather than the period in the billing schedule.

Billing based on an average usage makes it possible to offer customers with uneven usage a different set of price breaks from that they would get if they are charged based on actual use.

To have usage averaged, the application administrator must periodically run the Service Contracts Usage Averaging concurrent program. See Running the Service Contracts Usage Averaging Program , page 11-10.

5. Specify when the application settles any customer undercharges or overcharges using the Settlement Interval LOV. The choices are:
  - **Billing Period:** The application settles at the end of each period. The customer receives a credit memo or is invoiced for the difference in the next billing period. This action is performed automatically by Oracle Receivables.
  - **End of Usage:** The application settles all undercharges and overcharges at the end of the contract. The customer receives one credit memo or invoice for the difference. The application administrator must regularly run the Service Contracts Usage Settlement concurrent program which calculates the settlement.
6. From the Termination Method LOV, choose one of the two methods for charging the customer for usage when the line is terminated:
  - **Amount Based Termination**

Charges the customer based on the amount of usage recorded when the contract is terminated. The customer is charged based on the actual usage. This is the default method for all usage types.

See About Crediting a Customer in Terminations, page 5-13 .

- **Counter Based Termination**

The application credits the unused portion of the service based on price the customer would pay if they continued consumption at the same rate for the rest of the period. This means that the customer receives any price break based on the estimated usage.

7. Save.
8. Select the Pricing/Products subtab.
9. Using the Name field on the Effectivity secondary tab, enter the counter used to record the usage. See Entering a Counter, page 5-17 for details.
10. Entry in the Line Ref field is for your information only. It is not used in by the application.
11. Optionally, enter any text to display in the invoice regarding this line. As invoice formats are specific to each implementation, contact your application administrator to determine if this text is used in the invoice.
12. Select the Counter Details secondary tab.

Line Number	Name	Reference	Minimum Fixed	UOM	Fill	Method	Estimation Start Date	Default	Level	Reading	Net Reading
	U-1 PTR-10	Product;7		Each	<input type="checkbox"/>				<input type="checkbox"/>		
					<input type="checkbox"/>				<input type="checkbox"/>		
					<input type="checkbox"/>				<input type="checkbox"/>		
					<input type="checkbox"/>				<input type="checkbox"/>		

Description: Zeo Laser Printer II

13. In the Default field, enter the reading the application uses to charge a customer if no counter reading is entered manually and there is no estimate. For example, the application uses the default quantity to charge a customer at the beginning of a contract when no historical data exists to calculate an estimate.

**Note:** The entries you make in the Default and Minimum fields are based on the period you selected in the Effectivities tab.

The period acts as a unit of measure.

Suppose you are billing the customer monthly.

If you chose year as the period, and enter 1200 as the minimum, then the customer is billed for a minimum of 1200 in any month.

If you chose month as the period, then entering 1200 as the minimum bills the customer for a minimum of 100 units in any month.

14. Optionally, enter a minimum counter value in the Minimum field. A customer is charged this minimum if a counter reading or estimate falls below this number in any billing period.

15. You can have the application estimate usage for a billing period when there is no reading entered or the reading does not cover the whole period. To do so:
  1. Choose an estimation method from the Estimation Method LOV:
    - **Average Monthly Counter Volume**

Averages historical readings to calculate any missing values within a billing period.
    - **Counter Estimation**

Your application administrator can set up additional estimation methods using the Counters module of Oracle Install Base.

For an explanation of the available methods see About Estimation Methods, page 5-12.
  2. If you chose Counter Estimation as your method, then enter a date you wish to use as the start date for the estimation in the Start Date field. The counter estimation bases the estimates on all readings since the start date.

**Note:** You must choose an estimation method before entering any counter readings. The estimation method will not work if you have already made an entry.
  3. Set the Fill check box:
    - When unselected, the application estimates usage only when there is no reading during the period.
    - Selecting the check box also estimates usage for any remaining days in a billing schedule period since the reading was entered.

For example, if the you are billing the customer monthly, and a reading is entered on 15 January, then selecting the Fill check box causes the application to estimate usage for the remaining half of January.
16. If you are billing a customer based on the usage recorded in multiple counter values, to average out all of the counter readings each period, select the **Level** check box.

For example, a copier manufacturer charging a customer by the number of copies made, may charge for all the copiers in a building at the same time and apply minimums and discounts based on average volumes rather than per copier.
17. Enter the counter reading to use to start calculating usage:
  - If you have already captured previous readings with this counter, then choose the start reading from the Reading LOV. This LOV includes all historical readings for this counter.
  - If there is no historical reading available to select, the application assumes the initial reading for the contract is 0. To enter another initial reading, then follow the procedure described in Entering the Starting Counter Reading, page 5-18.
18. Save.
19. Repeat steps 8 through 18 to enter any additional counters.

#### **About Estimation Methods**

You can have the application estimate the missing counter values for you and bill the customer accordingly. If the customer is overcharged, you can generate a credit later.

You can use one of the following two methods for estimating usage for a given billing period:

- **Average Monthly Counter Volume**

Oracle Service Contracts uses a simple averaging method, Average Monthly Counter Volume (AMCV), to calculate missing readings within each scheduled billing period.

**Note:** Although the name suggests otherwise, this estimation method creates averages based on any billing schedule period you are using be it month, quarter, week, or day.

The AMCV sums up all historical counter readings and averages them by dividing them by the number of billing periods.

- **Counter Estimation**

Your application administrator can set up additional estimation methods using the Counters module of Oracle Install Base. The module makes it possible to set up additional methods for estimating usage, including:

- Fixed value estimation
- Estimation based on percent usage of the associated counter

#### *Charging a Customer With No Estimation Method*

The selection of an estimating method is optional. If you do not choose an estimation method and no counter reading is available for the billing period, then the application bills the amount entered in the Default field.

If any counter reading is entered within the billing period, the application bills based on the reading. If the counter reading is lower than the amount entered in the Minimum field, then the application bills based on the minimum instead.

#### *Charging with Estimation*

The application uses the estimation methods as follows:

- If no reading is available for the billing period and you chose the Average Monthly Counter Volume estimation method, then the application uses the historical average to estimate the usage. If you chose Counter Estimation, then the application uses the method set up by the application administrator to calculate missing readings from the date you entered in the Start Date field.
- If there are no readings to extrapolate from, for example, at the beginning of the contract when no historical data exists to make an estimate, then the application uses the number entered in the Default field.
- If the reading covers only a part of the period and you have selected the Fill check box, then the application estimates the rest of the period and adds this estimate to the partial counter reading.
- If the reported and estimated amount is less than the amount you entered in the Minimum field, then the application bills for the minimum.

#### **About Crediting a Customer in Terminations**

You can have the application credit a customer for any disputed amount of usage that has already been billed when a customer terminates a usage line.

Suppose, for example, a customer is being billed based on monthly usage of a copier. The customer calls after receiving the invoice for February to complain that the copier has not been working properly since February 10. For this reason, the customer does not wish to pay for all the copies made that month and wants to terminate the contract for the copier.

You can have the application use the previous month's reading to estimate the amount the customer should be charged from February 1 until February 10 and credit him for the rest.

How the application calculates the usage and credits the customer depends on the termination method you select:

- **Counter Based Termination**

The application estimates how much the customer used based on the quantity the customer used in the previous billing period.

- **Amount Based Termination**

The application estimates how much the customer used based on the currency amount the customer used in the previous billing period.

## Charging Based on Reported Usage

Here is an example of how this method applies to a copier customer being billed monthly based on the number of copies made:

Billing Period	Counter Reading Reported	Minimum	Default	Number of Copies Charged that Month
December	No counter reading in December.	90	100	100 The customer is charged the default as there is no recorded usage for the month.
January	1,000 on January 10	90	100	1,000 The customer is charged for usage based on the recorded usage.
February	No counter reading in February.	90	100	100 The customer is charged the default as there is no usage recorded for the month.
March	50 on March 1	90	100	90 Because the recorded usage is less than the minimum, the customer is charged the minimum. If you do not set a value as the minimum, then the customer is charged based on the recorded usage.

### Prerequisite

Enter a usage item.

### To charge based on reported usage:

1. From the Service Contracts Authoring window, select the Lines tab and Effectivities subtab.
2. In the Usage Type Region, select **Actual by Quantity**.

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty	UOM	Renewal Type
1	Service	WR23763	Entered	21.AUG.2003	20.AUG.2005	2	Year			Full Duration
3	Usage	FS.LPTR.U	Entered	21.AUG.2003	20.AUG.2007	4	Year			Full Duration
4	Usage	U-Z100	Entered	21.AUG.2003	20.AUG.2007	4	Year			Full Duration
5	Usage	U-Z101	Entered	21.AUG.2003	20.AUG.2007	4	Year			Full Duration
6	Usage	OP.LPTR.U	Entered	21.AUG.2003	20.AUG.2007	4	Year			Full Duration

Description: Usage item for laser printers  
 Invoice Text: Usage item for laser printers:21.AUG.2003:20  
 Price List: Corporate  
 Usage Type:  Fixed Per Period  Actual by Quantity  Actual Per Period  Negotiated Price  
 Period: Year  
 Average and Settlement: Averaging Interval: [ ] Settlement Interval: [ ]  
 Termination Method: [ ]

3. Save.
4. Select the Pricing/Product subtab.
5. Using the Name field on the Effectivity secondary tab, enter the counter used to record usage. See Entering a Counter, page 5-17 for details.
6. Optionally, enter any text to display in the invoice regarding this subline. As invoice formats are specific to each implementation, contact your application administrator to determine if this text is used in the invoice.
7. Select the Counter Details secondary tab.

Line Number	Name	Reference	Minimum	UOM	Fill	Method	Estimation Start Date	Default	Level	Reading	Net Reading
WR23763	Service;2			Each	<input type="checkbox"/>				<input type="checkbox"/>		
					<input type="checkbox"/>				<input type="checkbox"/>		
					<input type="checkbox"/>				<input type="checkbox"/>		
					<input type="checkbox"/>				<input type="checkbox"/>		

Description: Extended Notebook PC Service

8. In the Default field, enter the reading the application uses to charge a customer if no counter reading is entered manually or the estimated reading is 0. The entry you make here is based on the time period you selected in the Effectivities tab.
9. Optionally, enter a minimum counter value. A customer is charged this minimum if a counter reading or estimate falls below this number in any billing period.
10. If you are billing a customer based on the usage recorded in multiple counter values, to average out all of the counter readings each period, select the **Level** check box.  
 For example, a copier manufacturer charging a customer by the number of copies made, can charge for all the copiers the customer owns at the same time and apply minimums and discounts based on average volumes rather than per copier.
11. Save.

12. Repeat steps 5 through 11 to enter any additional counters for this usage item.
13. Enter the counter reading to use to start calculating usage:
  - If you have already captured previous readings with this counter, then choose the start reading from the Reading LOV. This LOV includes all historical readings for this counter.
  - If there is no historical reading available to select, the application assumes the initial reading for the contract is 0. To enter another initial reading, then follow the procedure described in *Entering the Starting Counter Reading*, page 5-18.

## Entering a Counter

You can enter a counter used to track usage for either a physical item, such as a printer, or the usage of a service, such as the number of telephone support calls.

**Note:** If you are entering multiple counters for a usage line, then each counter must be associated with a different Oracle Install Base item instance number or a different service line. The application cannot distinguish between two counters attached to the same item. For example, if your organization sets up copiers with two different counters to register the number of copies, one for color copies and the other for black and white, you cannot distinguish between these two counters.

### Prerequisites

You must be in the process of entering a usage line.

Identify the item to which the counter will be attached.

### To enter a counter:

1. From the Service Contracts Authoring window, select the Lines tab, Pricing/Products subtab and Effectivities secondary tab, click on the LOV indicator in the Name field in a new line.  
The Counter window appears.
2. Enter a partial or complete inventory item name in the Find field. You can use the % sign to represent missing characters.
3. Click **Find**.  
The window displays the list of counters for the inventory item.
  - For physical items, the References field includes a concatenation of the two unique identifiers:
    - Product serial number
    - Oracle Install Base item instance number
  - For service items, this field displays the concatenation of the contract number and line number of the contract you are specifying the usage line for.
4. Enter the identifying information for the counter after the % sign and click **Find** again.
5. Select the counter to enter and click **OK**.

The Name field displays the inventory item name of the product or service to which the counter is attached. The Reference field shows the identifying information including the product serial number and the counter number.

## Entering the Starting Counter Reading

You must do this if the counter you are using does not start at 0.

### Prerequisite

Enter a usage line.

### To enter the starting counter reading:

1. From the Service Contracts Authoring window, select the Lines tab and Counters subtab.
2. Select the usage line you wish to update.

The screenshot shows the Oracle Service Contracts Authoring window with the 'Lines' tab selected. The 'Counters' subtab is also visible. The main table displays the following data:

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period
1	Service	WR23763	Entered	21-AUG-2003	20-AUG-2005	2	Year
3	Usage	FS-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year
4	Usage	U-Z100	Entered	21-AUG-2003	20-AUG-2007	4	Year
5	Usage	U-Z101	Entered	21-AUG-2003	20-AUG-2007	4	Year
6	Usage	QP-LPTR-U	Entered	21-AUG-2003	20-AUG-2007	4	Year

Below the main table, the 'Counters' region is visible, showing a table with the following data:

Name	Type	Source Det	Serial	Refer	Uam	Net Reading	Timestamp
Counter Grou...	REGULAR	-21605			Ea	0	

3. Select the counter for the usage line in the Counters region.
4. From the Actions menu, choose **Counter Setup**.  
The Setup Counters window appears.
5. Enter the initial counter reading in the Initial Reading field.
6. Click **OK**.
7. Save.

## Creating Special Price Breaks

Each usage item is associated by the application administrator with a list of default price breaks. You can modify these default price breaks and create special price breaks for your customer. You can offer special price breaks at the usage line level, for all the items covered by the usage line, or at the subline level, for individual counters.

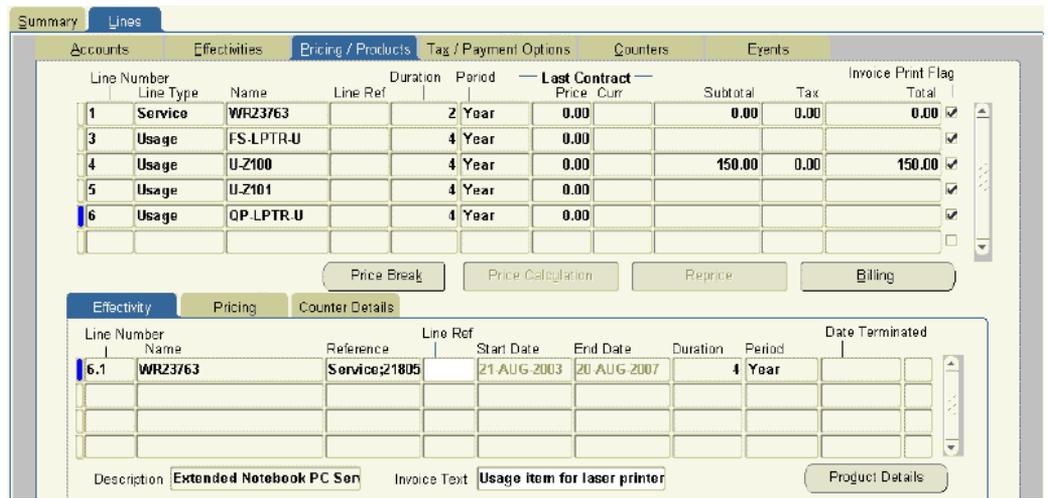
By modifying the price breaks, you are creating a locked copy of the price list attached to the line or subline where you create it. This means that any future changes to the price list are not be reflected in the copy.

**Prerequisite**

Enter a usage item.

**To create special price breaks:**

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the usage item to set up.
3. To set up a price break for all of the items covered by the usage line, click **Price Break** on the Pricing/Products subtab.



4. To set up a price break for a specific counter covered by a usage line, then:
  1. Select the Pricing secondary tab.
  2. Select the counter.
  3. Click **Price Break**.

The Price Break window appears.

If the Locked check box is unselected, this means that the price breaks in effect are the same as those set up by the application administrator.

Price Break dialog box showing configuration options. The **Locked** checkbox is unchecked. The **Method** is set to **Point**, **Break UOM** is **Year**, and **Prorate** is empty. A table lists price breaks with columns **From**, **To**, and **Price**.

From	To	Price
1	1000	.05
1001	5000	.04
5001	10000	.03
10001	9999998	.02

Buttons: **Lock**, **Cancel**

A selected **Locked** check box indicates the price breaks have already been modified. The prices are now determined by the locked price list.

Price Break dialog box showing configuration options. The **Locked** checkbox is checked. The **Method** is set to **Point**, **Break UOM** is **Year**, and **Prorate** is empty. A table lists price breaks with columns **From**, **To**, and **Price**.

From	To	Price
1	1000	.05
1001	5000	.04
5001	10000	.03
10001	9999998	.02

Buttons: **Update**, **Delete**, **Cancel**

**Note:** The appearance of this variation of the Price Break window is different:

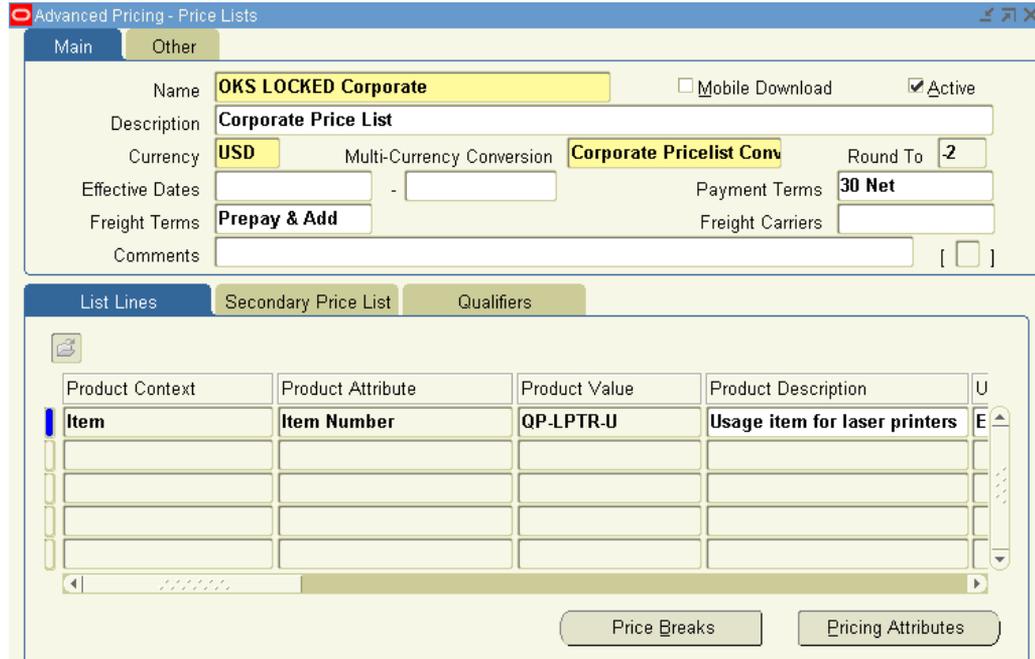
- The **Update** button replaces the **Lock** button.
- The **Delete** button restores the original price list.

5. Click **Lock** or **Update**.

The first time you modify the price breaks, the application creates a copy of the price list where the price breaks are defined. This action locks the prices for usage to their values at the time the copy is made.

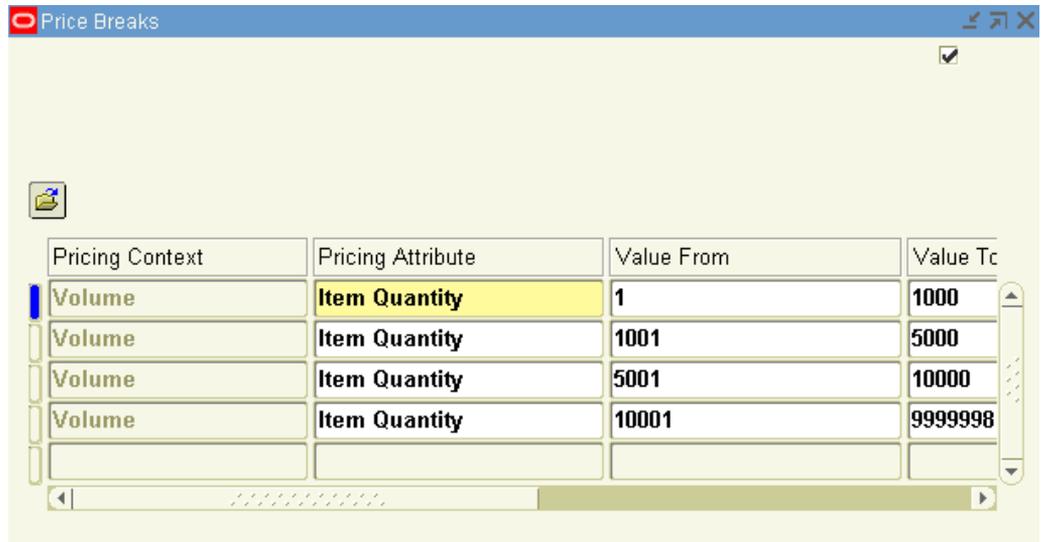
The Advanced Pricing - Price Lists window appears.

**Note:** Although the application displays a full copy of the price list, you can only modify the price-break related information. Entries effect only the copy. They have no effect on the price list itself.



6. To change the price break type from point to range or vice versa, then scroll to the right in the List Lines tab and change the type using the Price Break Type LOV. See Point and Range Price Breaks, page 5-22 for an explanation of the two price break types.
7. To change the price break ranges themselves:
  1. Click **Price Breaks**.

The Price Breaks window appears.



2. You can modify the ranges as desired by:
  - Entering different values in the Value From and Value to fields. You must enter whole numbers and the ranges of values cannot overlap.
  - Modifying the prices for each range in the Pricing field.

**Note:** You may have to scroll to the right or maximize the window to see the Pricing field.

3. Save and close the window.
8. Save and close the Advanced Pricing Price Lists window.

## Point and Range Price Breaks

You can have the application apply price break discounts based on one of the two following methods:

- Point
- Range

The following example explains the difference between the two methods for a customer reporting they made 3500 copies in the billing period.

The following table lists the price breaks:

<i><b>Price Breaks</b></i>	
<b>Break</b>	<b>Price</b>
0-1000	\$.05
1001-3000	\$.04
3001-5000	\$.03
5001-10000	\$.02

### **Point Method**

The point method gives the customer the best price based on the total amount of copies made:

<i><b>Point Method</b></i>	
<b>Point Calculation</b>	<b>Amount</b>
3500 Xs \$.03	\$105.00
<b>Total Invoice:</b>	<b>\$105.00</b>

### **Range Method**

The range method charges based on all of the price break ranges up to the level corresponding to the counter reading.

### Range Method

Range Calculation	Amount
1000 Xs \$.05	\$50.00
2000 Xs \$.04	\$80.00
500 Xs \$.03	\$15.00
<b>Total Invoice:</b>	<b>\$145.00</b>

## Deleting Special Price Breaks

### To delete the special price breaks:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the usage item to modify.
3. To delete a special price break created for all of the items covered by the usage line, then click **Price Break** on the Pricing/Products subtab.
4. To revert the special price break created for a specific counter covered by a usage line, then:
  1. Select the Pricing secondary tab.
  2. Select the counter.
  3. Click **Price Break**.

The Price Break window appears.

The screenshot shows a window titled "Price Break" with the following fields and controls:

- Locked
- Method: **Point**
- Prorate:
- Break UOM: **Year**
- Table with columns: From, To, Price
- Buttons: Update, Delete, Cancel

From	To	Price
1	1000	.05
1001	5000	.04
5001	10000	.03
10001	9999998	.02

5. Click **Delete**.

## Prorating Price Breaks to Apply to Multiple Periods

Price breaks are set up in each price list based on one specific period. A customer is offered a discount if they purchase so many units in each quarter, for example.

You may turn proration on to enable the price breaks to be prorated for other periods as well. This way a customer receives the same price breaks for purchasing 1/3 the amount within one month as the full amount in the quarter. When you turn proration on using this procedure, it is available for all periods including one week and one day.

You can use this procedure to turn proration on or off. By default, proration is turned off.

See How Price Breaks Are Prorated, page 5-26 for an explanation of how the proration is calculated and how it takes rounding errors into account.

Prorating price breaks is independent from price list locking.

### Prerequisites

- Confirm the setup of price breaks or the price list.
- Confirm system profile QP: Break UOM Proration Allowed is set to **Yes**

### To prorate price breaks to apply to multiple periods:

1. From the Service Contracts Authoring window, select the Lines tab and Pricing/Products subtab.
2. Select the usage item to set up.
3. To turn on or off proration for all of the items covered by the usage line, then click **Price Break** on the Pricing/Products subtab.

**Note:** Turning price breaks on or off at the line level does not affect any sublines where proration has been set.

Line Number	Line Type	Name	Line Ref	Duration	Period	Last Contract Price	Subtotal	Tax	Invoice Print Flag	Total
1	Service	WR23763		2	Year	0.00	0.00	0.00	0.00	0.00
3	Usage	FS-LPTR-U		4	Year	0.00				
4	Usage	U-Z100		4	Year	0.00	150.00	0.00		150.00
5	Usage	U-Z101		4	Year	0.00				
6	Usage	QP-LPTR-U		4	Year	0.00				

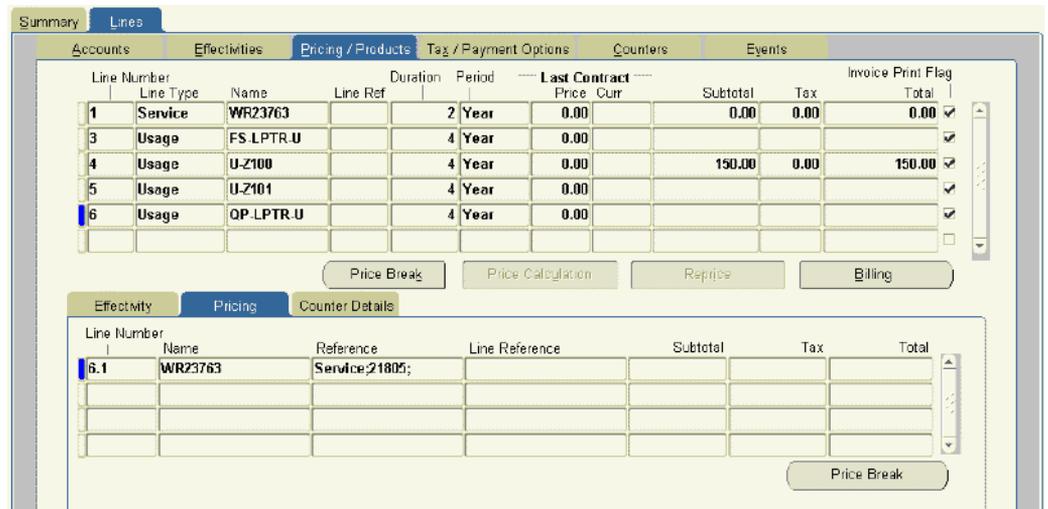
  

Line Number	Name	Reference	Line Ref	Start Date	End Date	Duration	Period	Date Terminated
6.1	WR23763	Service:21805		21-AUG-2003	20-AUG-2007	4	Year	

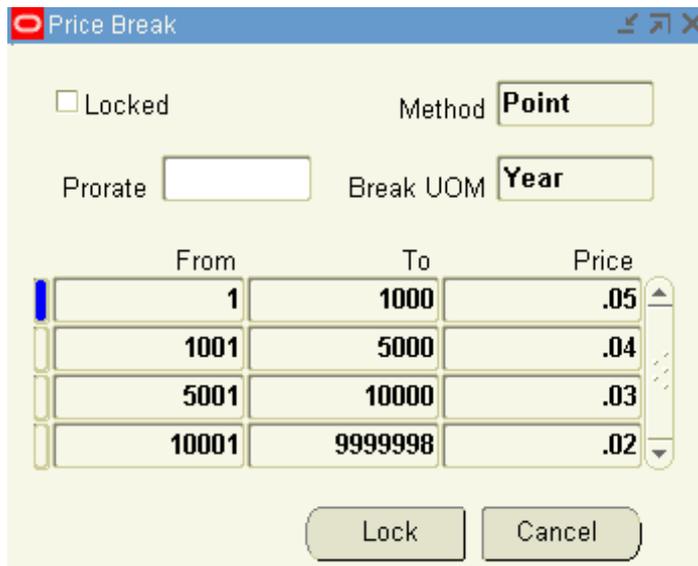
Description: Extended Notebook PC Son      Invoice Text: Usage item for laser printer

4. To enable or disable price break proration for a specific counter covered by a usage line, then:
  1. Select the Pricing secondary tab.
  2. Select the usage line.

3. Click **Price Break**.



The Price Break window appears.



**Note:** The appearance of this window is different if the price break ranges have already been modified. In this case, the Locked check box is selected and the Update button replaces the Lock button.

5. To turn price break proration on, then choose **All** from the Prorate LOV.
6. To turn price break proration off, then choose **None** from the Prorate LOV.
7. Save.
8. To modify the price break ranges, then click **Lock** or **Update** and follow the procedure described in Creating Special Price Breaks for Your Customer, page 5-18.

## How Price Breaks Are Prorated

This topic explains how the application calculates prorated price breaks. This is important for understanding how rounding errors can result in minor discrepancies in how customers are charged using the prorated amounts.

Suppose, for example that the price breaks set up in the price list are based on quarterly usage as shown in the following table:

<b>Price Breaks</b>	
<b>Units/Quarter</b>	<b>Price per Unit</b>
0-1000	\$.05
1001-3000	\$.04
3001-5000	\$.03
5001-999999999	\$.02

Now suppose, you extend the same price breaks to a customer billed based on monthly usage by turning proration on.

Here is how the application calculates the monthly price breaks. It:

1. Divides the ranges by a third
2. Because the unit ranges must be whole numbers the application rounds off the result. The following table shows the calculated ranges:

<b>Calculated Ranges</b>	
<b>Quarterly Ranges/3</b>	
0-333	
333-1000	
1000-1666	
1666-333333333	

3. Because the new ranges cannot overlap, the application adds 1 to the appropriate lines to yield the final prorated price breaks listed in the following table:

<b>Prorated Price Breaks</b>	
<b>Units/Month</b>	<b>Price per Unit</b>
0-333	\$.05
333-1000	\$.04
1000-1666	\$.03
1666-333333333	\$.02

## Specifying a Billing Schedule for a Usage Line

You can bill a customer for usage at the usage line level.

If you have entered a billing schedule at the contract header level, then this schedule is defaulted for you.

### Prerequisite

Enter a usage line.

### To specify a billing schedule for a usage line:

1. From the Service Contracts Authoring window, select the Lines tab and the Pricing/Products subtab.
2. Select the service line to set up.
3. Click **Billing**.

The Billing window appears.

The screenshot shows the 'Billing: Usage - QP-LPTR-U' window with the 'Schedule' tab selected. The window is divided into several sections:

- Top Section:** Contains fields for Invoicing Rule (Arrears Invoice), Accounting Rule (Immediate), Level (Top Level), Start Date (21 AUG 2003), End Date (20 AUG 2007), and Amount.
- Terminated Summary:** A box showing Unbilled (0.00), Credited (0.00), Suppressed (0.00), Total (0.00), and Overridden (0.00).
- Adjusted Summary:** A box showing Discount (0.00), Surcharge (0.00), Total (0.00), and Billed (0.00).
- Stream Level Table:** A table with columns: Seq Num, Number of Periods, Start Date, End Date, Duration, Period, Amount, Total Amount, Offset Days Invoice, and Interface. The total amount is 0.00.
- Schedule Table:** A table with columns: Seq Num, Level Seq, Invoice Date, Bill From, Bill To, Interface Date, and Amount.
- Buttons:** Cascade Dates, Prorate, Schedule, OK, and Cancel.

**Top Level** is selected as the Level.

4. Choose the appropriate accounting rule for invoicing from the Invoicing Rule LOV. You must choose **Arrears Invoice** for the two usage types that charge customers based on recorded counter values in a period: Actual Per Period and Actual by Quantity.
5. Specify the billing schedule by entering one or more billing streams. This is the same procedure as is used for creating schedules for service lines. See Entering a Billing Stream, page 3-8 for details.
6. Click Schedule to generate the schedule.
7. Click **OK**.

## Recording Usage by Updating a Counter Reading

Counter values can also be captured in other Oracle E-Business Suite applications including Oracle Depot Repair, Oracle Field Service, and Oracle TeleService.

### To record customer usage by updating a counter reading:

1. From the Service Contracts Authoring window, select the Lines tab and Counters subtab.
2. Select the usage line to update.
3. From the Actions menu, choose **Counter Capture**.  
The Counter Capture Reading window appears.
4. Follow the Capturing Counter Reading procedure described in the *Oracle Install Base User Guide* to enter your reading.

**Note:** If your application administrator has set the system profile OKS: Counter Validate to **Yes**, then you must select the Valid Flag check box if you wish the customer to be billed based on your entry. If set to **No**, the application bills for the entry you make whether or not you select this check box.

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# Entering Subscription Lines

This chapter covers the following topics:

- Overview of Entering Subscription Lines
- About Subscriptions
- Entering a Subscription Line
- Specifying a Schedule of Product Shipments
- Adjusting the Subscription Price
- Viewing Pricing Details
- Specifying a Billing Schedule for Subscriptions
- Viewing the Shipment Status of a Subscription Order

## Overview of Entering Subscription Lines

This group of topics explains how to enter subscriptions.

## About Subscriptions

You can use Oracle Service Contracts to sell subscriptions for both tangible and intangible items. Tangible items include magazines, collateral, or any other physical item that can be shipped through Oracle Order Management. Intangible items can be collateral sent via e-mail.

**Note:** While tangible items are fulfilled through Oracle Order Management, the current release includes no fulfillment method for intangible items. This must be set up individually by each implementation.

Subscription lines differ from service and usage lines in the way they are entered:

- Service and usage lines require you to enter sublines, subscriptions do not.  
To sell a service or usage, you enter the service or usage item as a contract line and then enter sublines to specify what the service covers or the counters where the usage is tracked. Subscriptions require you only enter the line.
- Subscriptions for tangible items require you set up a subscription schedule.

A subscription schedule specifies when the application creates booked orders in Oracle Order Management.

- The billing schedule invoices customers equal amounts in each billing period.

Just as for other contract lines, you must set up a billing schedule for invoicing the customer, but you are restricted to billing the customer in equal amounts in each period.

The application takes the total price and divides it equally among the invoices you specify. It does not matter how many billing periods you set up, however. You can invoice customers at the beginning of the subscription for the total amount, for example, or have them pay in equal installments over the entire length of the subscription.

## How Subscription Items Are Set Up

The item you enter in a subscription line is an inventory item.

For tangible items, the inventory item is actually the product in inventory that is being shipped out. For intangible subscriptions, the application administrator must set up a new item in inventory representing the subscription itself.

What determines the inventory item is tangible or intangible is the attached subscription template.

The item is tangible when fulfillment is done through Order Management. It is intangible when fulfillment is done through a customized solution.

The subscription template also specifies the period for the subscription.

For a tangible item, the period is used for setting up the schedule for creating orders in Oracle Order Management.

For an intangible item, the period is used as the unit of measure for the price for the subscription. If the price of the subscription in the price list is \$10 and the period in the subscription template is a week. Then the subscription is priced at \$10 per week.

## Pricing and Credit for Tangible Subscriptions

When you enter a subscription line for a tangible item such as a magazine, you are actually entering the very inventory item that is shipped to the customer. (The inventory item becomes a subscription item with extra setup from the application administrator.)

The application calculates the price for the subscription period based on the price of the item in the price list, not on the length of the subscription. Suppose, for example, that a publisher of a monthly magazine publishes an issue every month except for December. A customer purchasing a year's subscription is charged not by the year but for purchasing 11 issues. If the magazine is priced at \$3 per issue, then the customer pays  $11 \times \$3 = \$33$ . Customers that cancel the subscription before the year is over get credited on the basis of any items they have not yet received. This means customers cancelling before the November issue is shipped, get a credit of \$3, customers who cancel after the issue is shipped pay the full amount because they have received all of the issues for the year.

Your application administrator can set up price breaks based on the number of products shipped, not on the length of the subscriptions or the quantity you enter in the line. For example, if the application administrator at the monthly magazine publisher sets up price breaks at 12 and 23 issues to give discounts to subscribers who purchase two- and three-year subscriptions, then a customer who purchases two one-year subscriptions

gets the same discount as the customer who purchases a one two-year subscription because the number of items ordered by both is the same.

### **Pricing and Credit for Intangible Subscriptions**

The price a customer pays for a contract line for an intangible subscription is based on the subscription period length and quantity of subscriptions you enter.

The price of a subscription is based on the price for a specific period. (The price comes from the price list and the period from the subscription template).

The period of a subscription becomes important for pricing partial periods and for assigning credit for those partial periods when the customer terminates the subscription.

The price customers pay and the credit they receive for partial periods depends on the period and the setting of the system profile OKS: Intangible Subscription Pricing Method.

The application administrator can set this profile to either Effectivity Based or Subscription Pricing:

- **Effectivity Based**

The application charges and credits the customer for partial periods.

Suppose for example, that a customer subscribes to an online newsletter for a period starting January 15, 2005 through February 1, 2006, a period that is 16 days longer than one year.

If the service is priced at \$30 per month, then the application charges the customer \$375.48: \$360 for twelve months (12 x \$30) and then \$15.48 (16\* \$30/31) for the partial last month in the contract, January 16 through February 1, 2006.

If the customer cancels on January 3, 2006, then the application issues a credit based on the number of unused days, in this case: 29 days \* \$30/31 = \$28.06.

- **Subscription Pricing**

The application charges the full amount for the period even if the subscription ends in the middle of that period.

The same customer purchasing the subscription for one year and 16 days, is charged \$390 for 13 months (\$360+\$30).

If the customer cancels on January 3, 2006, the application issues a credit for one month.

### **Billing Schedule Independent of Price Paid or Credit Given**

The price the customer pays or the credit they receive is independent of the billing schedule you set up for either tangible or intangible items. It does not matter if you set up a billing schedule to invoice the customer for the full subscription duration at the beginning of the subscription or invoice them monthly. The billing schedule just divides the total price into however many billing periods you desire.

### **Selling Service on Subscription Lines**

When you enter a subscription line, the application automatically creates an Oracle Install Base item instance. This means that you can sell a service for the subscription by entering a service line and covering the subscription at the covered product level. (You must know its item instance number.)

Each time Oracle Order Management ships one of the physical items, the application also automatically creates a child item instance. This makes it possible for an agent to identify a particular item for reorder, exchange, or credit.

To create the item instances, the application administrator must run the Service Contracts Instance Relationship Program concurrent program after the order is fulfilled.

## Entering a Subscription Line

Follow the references for details about any step.

### Prerequisite

Create the contract with the Subscription Agreement category.

### To enter a subscription line:

1. From the Service Contracts Authoring window, select the Lines tab and Accounts subtab.

Line Number	Line Type	Name	Line Ref	Order/Line	Account	Location	Account	Location
1	Subscription	Weekly Vision			1608	San Jose (OPS)	1608	San Jose (OPS)

Role	Name	Address	Start Date	End Date

Bill To		Ship To	
Account	Business World	Account	Business World
Address	2391 L Street San Jose Santa Clara CA 95106 United States	Address	2391 L Street San Jose Santa Clara CA 95106 United States

2. Choose **Subscription** from the Line Line Type LOV.
3. Choose the subscription item from the Name LOV.  
The party accounts you selected on the Summary tab and Parties subtab appear as the Bill to and Ship to accounts.
4. Optionally, enter billing and shipping contacts specific to this contract line by following the procedure described in Entering Billing and Shipping Contacts for a Contract Line, page 4-7. If a contact does not exist in the database, then you can add one following the procedure described in Creating or Modifying a Contract, page 4-8.  
The contacts you enter are different from the ones you entered in the contract header.
5. Select the Effectivities subtab.

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty	UOM	Renewal Type
1	Subscription	Weekly Vision	Entered	07-JUL-2003	06-JUL-2004	1	Year	1	Each	Full Duration

Description:  Invoice Text:

Price List:

Template

Name:

Description:

6. Specify the duration of the subscription.

By default, the start and end dates are copied from the start and end dates for the contract.

You can specify different dates by entering either of the following:

- Start and end dates
- Duration and period

The application calculates the missing information. If you supply a duration and period, then the start date is the start date of the contract.

**Note:** If the duration of the subscription starts earlier than the start date or ends later than the end date of the contract, then you must extend the start and end dates of the contract at the header level before you can make the contract active.

7. Enter the number of subscriptions you are ordering in the Qty field.
8. If the contract can be renewed (you have not selected **Do Not Renew** on the Summary tab and Renewals subtab), then specify how the line is to be renewed using the Renewal Type LOV. The renewal options are the same for subscription lines as they are for service, and usage lines. See Specifying How a Contract Line is to Be Renewed, page 4-9.
9. If the subscription is for a physical item, then specify the schedule of orders placed through Oracle Order Management by clicking **Edit Schedule**. See Specifying a Schedule of Product Shipments, page 6-6.
10. The price of the subscription is calculated automatically by the application based on the price list specified in the Price List field.

You can modify the price by choosing a different price list, by entering a new price manually in the Pricing/Products subtab, or by using the price Adjustment window. For details, see Adjusting the Subscription Price, page 6-9.

11. Optionally, modify the text the customer sees on the invoice by editing the defaulted text in the Invoice Text field.
12. Create a billing schedule. For details, see *Specifying a Billing Schedule for Subscriptions*, page 6-10. Because the billing schedule for a subscription line is based on the price of the line, you must recreate the billing schedule for a subscription any time you modify the price.
13. Much of the rest of the information for the subscription line defaults from the information you entered in the Summary tab. You can make modifications by following these procedures:
  - *Changing the Billing and Shipping Accounts and Locations*, page 4-7
  - *Entering Billing and Shipping Contacts for a Contract Line*, page 4-7
  - *Specifying a Payment Method for a Contract Line*, page 4-32
  - *Specifying Tax Status*, page 4-40
  - *Assigning Sales Credits for a Contract Line*, page 3-14
14. Save.

## Specifying a Schedule of Product Shipments

You can specify a schedule of shipments for physical items in the subscription through Oracle Order Management. The application books each order automatically on the date you specify here. This is called the interface date. The order must still be picked and shipped using Oracle Order Management, however.

### Prerequisite

Enter a subscription line.

### To specify a schedule of product shipments:

1. From the Service Contracts Authoring window, select the Line tab and the Pricing/Products subtab.
2. Select the subscription line to set up.
3. Click **Edit Schedule**.

The subscription schedule window appears.

Weekly Vision

**Subscription Template**

Name: **Weekly Vision** Description: **Weekly Vision Subscription**

Subscription Type: **Magazines** Media Type: **Document**

Fulfillment Channel: **Order Management** Frequency: **Weekly**

Comments: **Weekly Vision Subscription**

Start Date: **07-JUL-2003** End Date: **06-JUL-2004** Offset Days: **-6**

**Schedule Pattern**

Year	Month	Week	Week Day	Day
*	*	*		

Refresh Schedule OK Cancel

**Interface Schedule**

Start Date	End Date	Interface Date	Qty	UOM	Order Number	Order Status
13-JUL-2003	19-JUL-2003	07-JUL-2003	1	Each		
20-JUL-2003	26-JUL-2003	14-JUL-2003	1	Each		
27-JUL-2003	02-AUG-2003	21-JUL-2003	1	Each		
03-AUG-2003	09-AUG-2003	28-JUL-2003	1	Each		
10-AUG-2003	16-AUG-2003	04-AUG-2003	1	Each		
17-AUG-2003	23-AUG-2003	11-AUG-2003	1	Each		

Total Quantity: **52**

- By default, the application creates the order in Oracle Order Management on the same date as the start date of each subscription period. This is called the interface date.

To move the interface date, then enter a number in the Offset Days field. A negative number creates the order before the start date. For example, entering -2 creates the order 2 days before the start of each period.

- Use the Schedule Pattern region to specify the shipping periods:
  - To ship an item every period specified in the Frequency drop-down list, then click **OK**. The application creates a shipping schedule automatically. If the frequency specified is weekly, then the application schedules one item for shipment every week, if monthly, then every month and so on.
  - If the subscription schedule is not regular, then you can specify the schedule you want by entering multiple sets of regular periods.

  - Enter each set of regular periods on a separate line. For examples, see How to Use Schedule Sets to Enter Complex Subscriptions, page 6-8.

**Note:** The fields available for entry are limited by the period for the subscription. For example, if the period for the subscription is a week, then you can only make entries in the Week, Month, and Year fields.

You can use the following symbols for your entries:

Symbol	Meaning	Examples
*	All periods	Entering a * in the Month column means that an order is created ever month.
-	Indicates a range of periods	Entering 1-3 in the Month column means that an order is created only in January, February, and March.
,	Indicates a series of periods	Entering 1, 2, 4 in the Month column means that an order is created only in January, February, and April.

2. When you are done, click **Refresh Schedule** to generate the schedule. If you are not satisfied with the result, you can reenter the schedule and refresh again.
6. Click **OK**.

#### How to Use Schedule Sets to Enter Complex Subscriptions

The following two examples illustrate how you can use multiple schedule pattern lines to handle complex subscription schedules.

In both cases the schedules are for a customer that purchases a one year subscription for a tangible item from February 1, 2005 through January 31, 2006.

#### Example 1: A periodical that publishes every week except December when it publishes only the first week

You can create this schedule by entering the following two lines:

Year	Month	Week
*	1-11	*
*	12	1

#### Example 2: A newsletter that publishes twice a month except in November and December when it published only one issue at the beginning of the third week.

You can create this schedule by entering the following two lines:

Year	Month	Week
*	1-10	1,3
*	11-12	3

**Note:** For both of the above examples, the administrator must set up the subscription template for the subscription item with a frequency of **Weekly**.

## Adjusting the Subscription Price

The application automatically prices a subscription based on the price list entered on the Effectivities subtab.

You can modify the price either by changing the price list or entering a different price manually on the Pricing/Products subtab.

### Prerequisite

Enter a subscription line.

### To adjust the subscription price:

1. From the Service Contracts Authoring window, select the subscription line.
2. Adjust the subscription price using any one of the three following methods:
  - Changing the price list. To do so:
    1. Select the Line tab and Effectivities subtab.
    2. Select the subscription line you wish to reprice.
    3. Choose a different price list from the Price LOV.
    4. Select the Pricing/Products subtab.
    5. Click **Reprice**.  
The application recalculates the price based on the new price list.
  - Entering a different price manually:
    1. Select the Lines tab, Pricing/Products subtab.
    2. Enter the modified price in the Subtotal field.  
**Note:** Modifying the price manually may or may not be permitted in your application implementation.
  - Applying available discounts using the Adjustments window.
3. Save.
4. If you are repricing a line with an existing billing schedule, then you must recreate the billing schedule for the new price. See *Specifying a Billing Schedule*, page 6-10.

## Viewing Pricing Details

### Prerequisite

Enter a subscription line for tangible items and create the subscription schedule.

### To view the pricing details:

1. From the Service Contracts Authoring window, select the Line tab and the Pricing/Products subtab.
2. Select the subscription line to view.
3. Click **Price Calculation**.

The Price Calculation window appears.

It displays the quantity, list price, any adjustments made to the price, and the extended price.

4. To view any price breaks the application administrator may have set up for this item, then click **Price Breaks**.

## Specifying a Billing Schedule for Subscriptions

You can specify a billing schedule for an individual subscription line in a contract or for a multiple subscription lines in a contract at the same time.

Billing schedules for subscriptions are different from those you create for service or usage lines:

- You must choose **Equal Amount** as the schedule level.
- You bill customers only at the line level. (There are no covered products as for service lines and individual usage counters as for usage lines.)
- You can only bill the customer in equal amounts per period over the length of a single billing stream.

If a market research company charges \$1,200 for a one-year subscription to a newsletter, for example, it can bill the customer the whole amount in one invoice, invoice them \$100 per month every month, invoice them \$200 every other month, or even invoice them at different intervals over the length of the subscription.

You can use multiple billing streams to invoice the customer at different intervals over the length of the subscription with the amounts billed proportional to the length of the billing interval. For example, the same market research company can invoice the customer \$100 every month for the first three months, and then send one invoice for \$300 every quarter (three months) for the remainder of the subscription period. You can set up this scenario using the following two billing streams:

<b>Stream Sequence Number</b>	<b>Number of Periods</b>	<b>Duration</b>	<b>Period</b>
1	3	1	Month
2	3	1	Quarter

### Prerequisite

Enter a subscription line.

### To specify a billing schedule for subscriptions:

1. To create the same schedule for multiple subscription lines within the same contract, create a schedule at the header level.

From the Service Contracts Authoring window, select the Summary tab and the Pricing/Products subtab.

2. To create a billing schedule for an individual subscription line:

1. From the Service Contracts Authoring window, select the Line tab and the Pricing/Products subtab.

2. Select the subscription line you wish to set up.
3. Click **Billing**.

The Billing window appears.

**Terminated**

Unbilled	0.00
Credited	0.00
Suppressed	0.00
Total	0.00
Overridden	0.00

**Adjusted**

Discount	0.00
Surcharge	0.00
Total	0.00
Billed	0.00

**Stream Level**

Seq Num	Number of Periods	Start Date	End Date	Duration	Period	Amount	Total Amount	Offset Days	Invoice	Interface
1	12	07-JUL-2003	06-JUL-2004	1	Month	10.00	120.00			
							Total	120.00		

**Schedule**

Seq Num	Level Seq	Invoice Date	Bill From	Bill To	Interface Date	Amount
1	1	19-MAY-2005	07-JUL-2003	06-AUG-2003	07-JUL-2003	10.00
1	2	19-MAY-2005	07-AUG-2003	06-SEP-2003	07-AUG-2003	10.00
1	3	19-MAY-2005	07-SEP-2003	06-OCT-2003	07-SEP-2003	10.00
1	4	19-MAY-2005	07-OCT-2003	06-NOV-2003	07-OCT-2003	10.00
1	5	19-MAY-2005	07-NOV-2003	06-DEC-2003	07-NOV-2003	10.00

4. The invoicing and accounting rules are defaulted from those entered in the Summary tab, Pricing/Billing subtab. If desired, you can choose different rules from the Invoicing Rule and Accounting Rule LOVs.
5. For subscriptions, choose **Equal Amount** as the Billing Level.
6. Specify the billing schedule by entering one or more billing streams. This is the same procedure as is used for creating schedules for service lines. See Entering a Billing Stream, page 3-8 for details.
7. Click **Schedule** to generate the schedule.
8. If you are creating a schedule on the Summary tab, the application displays a message warning you that you are about to replace any existing billing schedules at the line level. Click **OK**.

The application divides the total price for the line equally for each billing period within each billing stream.

**Note:** You can manually enter an amount in the Amount field before clicking **Schedule** and have the application charge that amount each period instead. In this case, the application automatically reconciles any discrepancy with the total in the last billing period. The customer is always billed for the same total amount.

9. Click **OK** to return to the authoring window.

## Viewing the Shipment Status of a Subscription Order

Use this procedure to view the Oracle Order Management shipment status for tangible items ordered in a subscription line.

### Prerequisite

Confirm the order has been created in Oracle Order Management.

### To view the shipment status of a subscription order:

1. From the Service Contracts Authoring window, select the Lines tab and the Effectivities subtab.
2. Click **Edit Schedule**.

The subscription schedule window appears. This window is named according to the name of the subscription item.

The Interface Schedule region displays order numbers and status for any orders that have been placed with Oracle Order Management.

3. To view more details about the order, including the date any shipment occurred, then click the drill-down indicator on the left of the schedule line.

The Fulfillment History window displays details about the order.

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# Ordering Service in Oracle Order Management

This chapter covers the following topics:

- Overview of Ordering Service in Oracle Order Management
- About Ordering Service in Oracle Order Management
- Ordering Service in a Sales Order
- Adding Service Lines to an Existing Contract
- Specifying Renewal and Other Details for a New Contract Created for Your Order
- Running Concurrent Programs to Generate Contracts Automatically
- Reprocessing Orders that did not Create Contracts
- Viewing Created Contracts by Sales Order Number
- Viewing Contracts by Sales Order Number in Oracle Service Contracts
- Viewing Contracts by Sales Order in Oracle Install Base
- Modifying the Dates a Warranty Is Effective
- Changing Only the Dates a Warranty is Effective
- Changing Both the Warranty Dates and Installed Date
- Setting Up New Contract Defaults for Oracle Order Management

## Overview of Ordering Service in Oracle Order Management

You can order service using Oracle Order Management and have the application create the appropriate contracts automatically.

Your administrator can define the profile OKS: Category for Order Management Originated Contracts, which determines the contract category for Order Management originated contracts.

This group of topics covers both sales agent and application administrator procedures for adding service agreements to a sales order, generating contracts automatically, and troubleshooting any errors.

This group of topics covers only steps relating to service contracts. For detailed information on how to create and manage orders, please see the *Oracle Order Management User's Guide*.

## About Ordering Service in Oracle Order Management

This topic explains:

- Selling services in Oracle Order Management
- The contracts created from the order and when they are created
- Warranties that are created automatically when you order products
- The differences between creating service contracts from orders and from the Service Contracts Authoring window

### Selling Services in Oracle Order Management

You can sell service in an Oracle Order Management sales order just as you do any physical product. However, there are a few differences.

Each service line must refer to either an item already in a customer's installed base or an item in an order (the item can be either in the same order or in a different order altogether). For steps detailing how to add service lines, see *Ordering Service in a Sales Order*, page 7-4.

For a service you must enter the service duration. If you are ordering service for an item in an order, then you can have the application automatically calculate the start date of that item based on the expiration of the warranty for that item. (You supply the duration of the service but leave the start and end dates blank.)

The application does not supply a start date for an item a customer already owns, however. If you are ordering service for an installed base item, you must enter the start date manually, taking the length of any existing warranty into account.

### What Contracts are Created from Your Order

By default, the application automatically creates a single contract for all the service lines in your order. You can add renewal and contact information for the new contract using the procedure outlined in *Specifying Renewal and Other Details for a New Contract Created for Your Order*, page 7-8.

The contract becomes effective on the earliest start date and expires on the latest end date.

Suppose your order has the following three lines:

- Service 1: One year contract starting January 1, 2005
- Service 2: Two year contract starting February 1, 2005
- Service 3: Two year contract starting January 15, 2005

In this case the application creates a contract with a start date of January 1, 2005 and an end date of January 31, 2007.

Alternately, by using the Contract Details window, you can instead choose to merge the service lines in your order into an existing contract. See *Adding Service Lines to an Existing Contract*, page 7-6.

### When a Service Contract is Created

The application generates a new contract from the service lines in your order, or appends the lines to an existing contract only when the item the service covers is entered into the installed base. For tangible items this means the order must be booked, picked, and shipped.

To generate contracts from sales orders, your application administrator must also:

1. Run the Service Contracts Order Capture Integration, and Workflow Background Process concurrent programs at regular intervals.

See *Running Concurrent Programs to Generate Contracts Automatically*, page 7-10.

2. Reprocess any contracts generated with errors. See *Reprocessing Orders that did not Create Contracts*, page 7-11.

You can view the generated contracts by sales order number from within Oracle Service Contracts or Oracle Install Base. See *Viewing Created Contracts by Sales Order Number*, page 7-12.

## Warranties

Warranties, which are offered to customers free of charge, are created by the application automatically when the item is shipped to a customer based on an entry the application administrator makes in the bill of materials (BOM).

Warranties go into effect on the shipment date. The administrator can add an automatic delay to the warranty start date to account for the shipment or installation delay and ensure the customer receives the full benefit of the warranty. You can specify a different date for the warranty to become effective by following the procedure *Modifying the Dates a Warranty is Effective*, page 7-13.

## Selling Service Through Oracle Order Management vs. Oracle Service Contracts

If you have the application create a new contract from your order (rather than adding the lines to an existing order), you should be aware of some key differences between the contract created for you automatically and one you create in Oracle Service Contracts application.

Contracts created in Oracle Order Management:

- Are restricted to service that covers products the customer owns (Oracle Install Base item instances) or products the customer is in the process of buying (items in Oracle Inventory). You cannot use them to sell service that covers larger sets of inventory items, or to sell service at the system, site, or party levels.
- Are automatically created in the Active status.
- Do not have to pass the usual quality assurance check list and approval process as contracts created in Oracle Service Contracts.
- Are billed through Oracle Order Management. This means that the customer is billed in one invoice and you cannot take advantage of the flexible billing schedules you set up in Oracle Service Contracts. (To add flexibility, you can instead set up Payment Terms in Oracle Receivables to set up incremental billing over time.)
- Cannot have their coverage modified. Agents can only modify the coverage for contracts created in Oracle Service Contracts.

For renewals, the contracts generated in Oracle Order Management become just like any contract created in Oracle Service Contracts.

## Ordering Service in a Sales Order

You can order service for an item a customer has on order or already owns. You can use it to order service for:

- An item in the same order
- An item in a different order
- An item in the customer's installed base

### Prerequisites

- If you are ordering service for an item in a separate order, then you must know:
  - That order's number.
  - The line number and shipment number for the item to cover.
  - The date to start the service, taking into account any other existing service agreements and warranties.
- If you are ordering service for an item the customer already owns, then the item must be already entered in your customer's installed base and you must know the item instance number (referred to in Oracle Order Management as the Reference Number) or its serial number.

The item instance number is automatically generated by the Oracle Install Base application when the item is added to a customer's installed base.

If the item does not exist in the customer's installed base, you must create it using procedures described in the *Oracle Install Base User Guide*.

### To order service in a sales order:

1. Under the Order Management Super User responsibility, navigate to Orders, Returns > Sales Orders.

The Sales Orders window appears.

**Note:** If you are tracking sales credits, and your organization is using Oracle Service Contracts territories to assign sales agents to service contracts, then the application does not use the sales agent you enter in the Salesperson field on the Order tab, Main subtab to the contract itself. If your organization is not using territories for sales agent assignment, then the agent you enter is entered as a vendor contact in the new contract.

2. If you are ordering a service agreement for an item in the same order, then enter that item first.
3. In the Sales Order window, select the Line Items tab and the Main subtab.
4. Use the Ordered Item LOV to enter the inventory item number of the service you are ordering.
5. Leave the Qty field blank. The application supplies the correct quantity automatically:

- If you are ordering service for a line in an order, then the application copies the quantity from that line. For example, if you are ordering service for an order line with 3 widgets, then the service quantity is 3.
  - If you are ordering service for an item in the customer's installed base.
    - Note:** The quantity field specifies the number of services you are ordering. It is not related to the length of the agreement specified in the UOM (Unit of Measure) field. If you enter 5 as the quantity and the UOM field shows YR (year), you are not ordering one five-year contract.
6. Select the Services tab.
  7. If the service is for an item either in this or another customer order, then:
    1. Choose Order from the Service Reference Type LOV.
    2. Use the Service Order Type LOV to enter the order type of the sales order. If you are ordering service for an item in this order, then enter the same type you entered in the Main tab of the Sales Order form.
    3. In Service Ref Order Number, enter the number of the sales order. If you are ordering service for an item in this order, then enter the sales order number that appears in the title bar of the Sales Order window.
    4. Use the Service Ref Line Number LOV to choose the line number and shipment number. (The shipment number appears in the Service Ref Shipment Number field).
    - Note:** You must scroll to view all required fields.
  8. If you are ordering service for an item the customer already owns, then:
    1. Choose Customer Product from the Service Reference Type LOV.
    2. Scroll to the Service Ref Cust Product field and use the LOV to enter the customer product instance you wish to cover with the service. You can search either by the Oracle Install Base instance number (labeled Reference Number in this LOV) or, if the item is serialized, by the item's serial number.
      - Note:** The application automatically checks to see if the service is valid for the item you have just entered. If the application informs you that it is not, then you must go back and enter another service.
  9. To simplify renewals, a customer may end all contracts on a single day each year (called the cotermination day). Selecting the **Service Coterminate Flag** check box sets the end date to that day. If the application administrator has set up the cotermination day for the customer, that entry overrides any end date you enter for this agreement. See About Cotermination on page xx for more information.
  10. Enter service dates and duration:
    - If you are ordering service (an extended warranty) for an item in an order, you can have the application automatically fill in the start and end dates by entering the duration only. The application starts the service the day after any warranty

for the product expires. The application fills in the dates only after the order is fulfilled and the contracts are created.

- If you are ordering service for an installed base item, then enter either:
  - The service start and end date: The application calculates the duration.
  - The start date and duration: The application calculates the end date.

**Note:** If you selected the Service Coterminate Flag check box, the application may override the end date you enter here.

11. Save.
12. To add the services in the order to an existing contract or specify renewal information for a new contract, click **Actions** and choose Service Contract Details from the LOV. See Adding Service Lines to an Existing Contract, page 7-6 or Specifying Renewal and Other Details for a New Contract Created for Your Order, page 7-8 for details.
13. Book the order.
14. If you have created a mixed order, then you must also pick and fulfill the order for a new contract to be created or an existing contract to be modified.
15. You can view any new contracts created for the customer by following the procedure described in Viewing Created Contracts by Sales Order Number, page 7-12.

**Note:** Contracts are created by concurrent processes set up by the application administrator to run on a periodic basis, and so may not be available for viewing immediately.

## Adding Service Lines to an Existing Contract

By default, the application creates a new contract for the service lines in your order. You can have an individual line, or all the lines in your order, added to an existing contract instead. The destination contract must be:

- For the same customer.
- Active or signed.
- Be of the contract category specified by the application administrator in the profile option OKS: Category for Order Management Originated Contracts.

### Prerequisites

- Create your order first and open it in the Oracle Order Management Sales Order window.
- Confirm the contract number.

### To add service lines to an existing contract:

1. In the Sales Order window, select the service line to add to an existing contract. To add all lines in the order to the same contract, then select the first service line in the order.

Click **Actions**.

2. Choose Service Contract Details.

The Contract Details window appears.

3. To apply all the rules selected in the Contract Details form to all the service lines, then select the **Apply All** check box. Leaving this check box unselected, adds only the current line.

If it is checked for one service line, you cannot check it for other service lines.

4. Use the Line Renewal Type list to specify how to renew the contract line:

- **Do Not Renew:** The line will not be renewed when the contract is renewed.
- **Full Duration:** The line will be renewed for the duration of the whole contract.

If your order includes multiple service lines, the contract duration begins on the earliest start date and ends on the latest end date from all the lines.

- **Keep Duration:** The duration of this line will remain the same in a renewed contract. Use this setting for intermittent or seasonal service lines. For example, a mountain resort may wish to order special service for peak periods in winter and summer. Using this setting you assure that the renewed contract retains the same structure. See Seasonal or Peak Period Service.

Contract Details

Order Number: 56935    Order Line Number: 1    Customer Name: Business World  
Service Ordered: WR16533    Start Date: 22.FEB.2005    End Date: 21.FEB.2006

Apply All     Line Renewal Type: Full Duration

**Merging Rules**

New

**Renewal**  
Renewal Type:     PO Required     Billing Profile:

**Repricing Details**  
Renewal Pricing Type:     Price List:     Markup(%):

**Quote To**  
Contact:     Address:   
Email:     Phone:     Fax:

**Customer Contacts**

Role	Name	Address

Existing

Type	Contract Number	Start Date	End Date
Contract			

5. Select the **Existing** radio button.
6. To restrict the choice of available contracts to those already entered in this order, then select Order from the Type drop-down list.
7. Otherwise, select Contract. This displays all active (entered) contracts in the Contract Number LOV.
8. Use the Contract Number LOV to enter the contract number.

**Note:** If a contract has been already renewed, then its number appears more than once in the Contract Number column. In this case, pay attention to entry in the Contract Number Modifier column to choose the correct contract.

- To have all remaining service lines in the order added to the same contract, then select the **Apply All** check box. This setting does not affect any service lines that already have a contract specified for them.

## Specifying Renewal and Other Details for a New Contract Created for Your Order

You can choose to specify the information for a single service line or for all service lines in the order. Your administrator can set up default renewal settings for different customers or organizations within your enterprise. The entries you make here override those defaults.

### Prerequisite

Create your order and open it in the Oracle Order Management Sales Order window.

### To specify renewal and other details for a new contract created for your order:

- In the Sales Order window, select the service line for which you wish to create a new contract. To have the information apply to the whole order, then select the first service line.

Click **Actions**.

- Choose Service Contract Details from the menu.

The Contract Details window appears.

- If you plan to permit contract renewal, then use the Line Renewal Type list to specify how to renew the current service line:
  - Do Not Renew:** The line will not be renewed when the contract is renewed.
  - Full Duration:** The line will be renewed for the whole duration of the contract.

If your order includes multiple service lines, the contract duration is as long as the length of the longest service line.

- **Keep Duration:** The duration of this line will remain the same in a renewed contract. Use this setting for intermittent or seasonal service lines. For example, a mountain resort may order special service for peak periods in winter and summer. Using this setting you assure that the renewed contract retains the same structure.
4. To add the information you enter here to all lines in the order, select the **Apply All** check box.
  5. Select the **New** radio button.
  6. Select the Renewal type for the contract as a whole. The choices are:
    - **Active Contract:** The application renews the contract automatically when it expires and creates a new contract with the status set to Active.
    - **Do Not Renew:** The contract does not renew. Choosing this setting supersedes any setting you have made for the Line Renewal Type.
    - **Electronic Renewal:** Automatically sends an e-mail asking the customer contact you enter in the Quote To region of this window to renew the contract. The e-mail includes a hyperlink the customer can use to access your organization's web site and renew the contract. Before choosing this option, verify that the electronic renewal has been set up by your application administrator.
    - **Notify Salesrep:** The application automatically sends a notification to the Inbox of the sales representative associated with this contract. The application determines the appropriate sales representative based either on sales territories or, if the system profile OKS: Use Territories to Default Sales Person is set to **No**, it notifies the sales representative specified in the system profile OKS: Default Sales Person for Renewal.
    - **Submit For Approval:** The application creates a renewed contract and the new contract is submitted for approval to the person specified in the system profile OKC: Contract Approver.
  7. If a purchase order is required for the contract to be renewed, then select the **PO Required** check box. This selection is available only for the Notify Salesrep and Submit For Approval renewal options.
  8. To specify a billing schedule for the renewed contract, then select a billing profile using the Billing Profile LOV.
  9. Specify how to price the renewed contract by making a selection from the Renewal Pricing Type list in the Repricing Details region:
    - **Price List:** Charges the customer based on the price list you enter in the Price List field. The price charged is the current price listed in the price list at the time the contract is renewed.
    - **Manual:** The application charges the customer the same price for the renewed contract as they paid for the original contract.
    - **Markup Percent:** Automatically adjusts the price up or down by a percentage you enter. Optionally, you can cap the maximum adjustment based on a price list.
  10. If you have selected Markup Percent, then:

1. Enter the percentage you wish the price to be adjusted. Entering a positive number marks up the price. A negative number discounts the contract renewal.
2. If you are marking up the contract price and wish to put a limit on the maximum price the customer will pay, then enter a price list in the Price List field. The price of the renewed contract cannot go over the price listed in the price list.

For example, if you enter 20% as your markup and the current list price of the service is \$100, then the renewed contract is priced at \$120. If you enter a price list that lists the service at \$110, however, then this price list caps the maximum price for the service at \$110. The customer pays a maximum of \$110 for the renewal.

**Note:** The price cap works only for markups and not for discounts.

11. If you have selected an electronic renewal, then, in the Quote to region, enter the contact to be notified by e-mail:

**Note:** The contact must have an existing e-mail address. You cannot add new addresses here.

1. Enter the contact using the Contact LOV.
2. If the contact has multiple e-mail addresses, then select the address where you wish to send the notification.

**Note:** The application administrator must enter a return (From:) e-mail address in the Global Contracts Defaults window as described in Setting Up New Contract Defaults for Order , page 7-16.

12. Optionally, enter customer contacts for this contract in the Customer Contacts region.
13. Select the Apply All check box to have all of the remaining service lines in the order added to the same contract. This setting does not affect any service lines that already have a contract specified.
14. Save.

## Running Concurrent Programs to Generate Contracts Automatically

You must run the following two concurrent programs to generate contracts from Oracle Order Management sales orders:

- Service Contracts Order Capture Integration
- Workflow Background Process

For more information on running and troubleshooting concurrent programs see the *Oracle Applications User's Guide*.

### To run concurrent programs to generate contracts automatically:

1. Under the Order Management Super User responsibility, choose **Requests** from the View menu.

The Find Requests window appears.

Click **Submit a New Request**.

The Submit a New Request window appears.

2. Select the Single Request radio button.
3. Click **OK**.

The Submit Request window appears.

4. In the Name field, enter `Workflow Background Process` and press the tab key.  
The Parameters window appears.
5. Enter the following parameters:

Prompt	Entry
Item Type	OM Order Line
Process Deferred	Yes
Process Timeout	Yes
Process Stuck	No

6. Click **OK**.
7. Click **Submit**.
8. Change responsibility to Service Contract Manager.
9. Submit the Service Contracts Order Capture Integration concurrent program according to the steps outlined.  
No parameters are required for this program.

## Reprocessing Orders that did not Create Contracts

### Prerequisite

Run the Workflow Background Process and Service Contracts Order Capture Integration concurrent processes as described in Running Concurrent Programs to Generate Contracts Automatically, page 7-10.

### To reprocess orders that did not create contracts:

1. Navigate to Reprocess Order.  
The Reprocess Order window appears.
2. Use the Query By Example in the View menu to query all errors:
  1. From the View menu, select Query By Example > Enter.
  2. Enter Error in the Status field.
  3. From the View menu, select Query By Example > Run.  
The window displays all errors.
3. Click **Select All**.

4. Click **Submit**.

The application displays a note informing you of the process number.

## Viewing Created Contracts by Sales Order Number

You can view the contracts generated by the application from your sales orders in either Oracle Service Contracts or Oracle Install Base.

## Viewing Contracts by Sales Order Number in Oracle Service Contracts

### To view contracts by sales order number in Oracle Service Contracts:

1. Navigate to the Oracle Contracts navigator (Launch Contracts).
2. Click **Search** in the toolbar.  
The Search Templates and Contracts window appears.
3. From the Category LOV, choose the contract category set in the profile OKS: Category for Order Management Originated Contracts, for example Warranty and Extended Warranty.
4. Click **More**.  
The Service Module Search window appears.
5. Enter the order number using the Order Number field LOV.
6. Click **OK** to return to the Search Templates and Contracts window.
7. Click **Search**.
8. Select the warranty to display in the authoring window.
9. Right-click and choose **Open** from the pop-up menu.

## Viewing Contracts by Sales Order in Oracle Install Base

### To view contracts by sales order in Oracle Install Base:

1. Switch responsibility to Oracle Install Base User.
2. On the Navigator, double-click on Oracle Installed Base to launch Oracle Install Base in a separate HTML window.  
The Search Item Instances page appears in a separate browser window.
3. Select Sales Order Number from the Quick Find drop-down box.
4. Enter the Sales Order number.

ORACLE Oracle Installed Base

Quick Find Sales Order Number 72370 Go Advanced Search

Search Item Instances

Saved Searches Go Personalize

Select Transaction Type In Service Go

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Select	Description	Item	Item Instance	Serial Number	Lot Number	System	External Reference	Status	Quantity	Owner Party Name	View Details
--------	-------------	------	---------------	---------------	------------	--------	--------------------	--------	----------	------------------	--------------

5. Click **Go**.

The application displays all of the instances included in the sales order.

Select Transaction Type In Service Go

Download

Select	Description	Item	Item Instance	Serial Number	Lot Number	System	External Reference	Status	Quantity	Owner Party Name	View Details
<input type="checkbox"/>	Sentinel Standard Desktop	AS54888	119946					Repaired 1		Business World	Contracts Go

First | Previous 1 - 1 of 1 Next | Last

6. Select an instance corresponding to the line in your order using the Select check box.
7. Select Contracts from the View Details drop-down list.
8. Click **Go**.

The application displays contracts that apply to that instance.

## Modifying the Dates a Warranty Is Effective

Oracle Service Contracts calculates the start date of a warranty date by adding an optional delay to the shipment date. The same date is also used by Oracle Install Base as the installed date of the product.

The purpose of the delay, which the application administrator enters at the time the item is created in Oracle Inventory, is to account for the time the item is in transit and being installed. This ensures customers receive the full benefit of the warranty.

Your organization may instead specify the actual warranty start date to ensure that customers are charged for all of the services they receive.

**Note:** Oracle Service Contracts does not allow a change in warranty dates if a service request is opened during the period.

You can:

- Change the warranty start and end dates only, page 7-14

Use this procedure for products, such as toasters or cameras, that do not require installation or where the installed date is not important.

If a user changes the installed date in Oracle Install Base, the warranty does not get updated automatically.

- Change the installed date and have the application adjust the warranty accordingly, page 7-14.

Use this method if your organization records and tracks installed dates. When you change the installed date in Oracle Install Base, Oracle Service Contracts automatically adjusts the start date of the warranty for you. This method ensures that installed date and warranty start date remain synchronized.

**Note:** For the installed date to automatically change the warranty start date, the application administrator must check the Synchronize Date Installed check box in the Warranty region of the Coverage template. (You can check if this check box has been selected in any warranty by clicking the Edit Coverage button on the Lines tab and Effectivities subtab.)

## Changing Only the Dates a Warranty is Effective

This procedure does not change the installed date for the item in Oracle Installed Base.

### Prerequisites

- Confirm the order is processed and that a warranty is created by the concurrent processes run by the administrator.
- Confirm the order number.

### To change only the dates a warranty is effective:

1. Find the warranty by order number using the Search Templates and Contracts window and display it in the Service Contracts Authoring window. See Viewing Contracts by Sales Order Number in Oracle Service Contracts, page 7-12.
2. Choose **Cascade Attribute** from the Actions menu.  
The Cascade Attributes window appears.
3. Enter the new dates for the warranty in the Effective Dates fields in the Header Attributes region.
4. Select the **Effective Dates** check box.
5. Check to make sure **Header to Lines** is selected for Cascade.
6. Click Submit.  
The Transaction Log appears.
7. Click **Apply**.

## Changing Both the Warranty Dates and Installed Date

### Prerequisite

- Confirm a warranty has been created before you modify the installed date.

- Confirm the order number.

**To both the warranty dates and installed date:**

1. Switch responsibility to Oracle Install Base User.
2. On the Navigator, double-click on Oracle Installed Base to launch Oracle Install Base in a separate HTML window.

The Search Item Instances page appears in a separate browser window.

3. Select Sales Order Number from the Quick Find drop-down box.
4. Enter the Sales Order number.

5. Click **Go**.

The application displays all of the instances created from the sales order.

6. Click on the description of the instance you wish to modify.

The Item Instance page appears.

7. Scroll down to the Installed At region and enter a date in the Installed Date field.

Creation Completed

**Owner**

Party Type Party  
 Party Name: Business World Party Number: 2813  
 Account Number: 1608 Account Name

**Current Location**

\* Type Party Site   
 Party Name Business World  Party Number 2813   
 \*Line 1 2391 L St  Location Number 2227   
 Address 2391 L St  
 San Jose, CA, 95106, US

**Installed At**

\* Installed Date 28-JUL-2004  Installed Time 12:00

Time format is HH24:MM

8. Save.

## Setting Up New Contract Defaults for Oracle Order Management

Application administrators must use this procedure to enter information required to create new contracts from orders in Oracle Order Management. This information is required for contracts to be created successfully and is not entered by the agent in the order.

You can also default renewal information for these contracts, see *Specifying How a Contract Will Be Renewed*, page 4-9.

### To set up new contract defaults for Oracle Order Management:

1. Under the Service Contracts Manager responsibility, navigate to Setup > Contract > Global Contracts Defaults.

The Global Contracts Default window appears.

2. In the Global region, the upper half of the window, make the following entries:
  1. Use the Contract Group LOV to enter the contract group under which the new contracts appear in the contracts navigator.
  2. Use the QA Checklist LOV to choose the checklist used to test contract completeness before the contract can become active.
  3. Use the Approval Workflow LOV to choose the Oracle Workflow process used to approve contracts.
  4. Use the Help Desk LOV to choose the return e-mail address for electronic renewals. This address appears on the From: field of the e-mail notification sent to customers.
  5. Use the Role LOV to enter `Third Party`. This entry is used to define the party role when the sold-to party is not the same as the ship to party for contracts created from Oracle Order Management.
  6. Select the Interface Price Break check box if you want price break details to be sent to Oracle Receivables during billing. This includes quantity, unit price, and amount.
  7. Use the Credit Amount LOV to choose what credit a customer receives if service is terminated. The options are:
    - **Full:** The customer receives full credit.
    - **Calculate:** The credit is prorated based on the Date Terminated.
    - **None:** The customer does not receive credit.
3. Save.

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# Adjusting Prices

This chapter covers the following topics:

- Overview of Adjusting Prices
- Entering Price Adjustments
- Getting Help in Picking Adjustments
- Viewing Total Adjustment Amounts
- Viewing Adjustments for the Whole Contract
- Viewing The Total Adjustments for An Individual Line or Subline
- Reverting to the Original Price List Price
- Cascading Service Price

## Overview of Adjusting Prices

This group of topics explains how you can adjust prices of service, subscription, and usage lines in your contract by applying adjustments set up by the application administrator.

Use the procedures in this group of topics to adjust prices for service lines that are automatically priced by the application based on a price list you have entered. The pricing of other lines are based on an agreement between the agent and a customer, so they should already include any discounts.

Contract lines that the application prices based on the price list include:

- Usage lines of all types except Negotiated Price.

You manually enter a price for Negotiated Price lines, so you must change that price directly to reflect any additional discounts.

- Service lines for Item and Product levels.

Service lines covering Customers, Sites, Parties, and Systems are also priced manually.

- Subscription lines.

If your contract includes a mix of lines priced on the price list and priced manually, and you decide to adjust the price at the contract level, then the adjustments you enter apply only to those lines that are priced based on the price list.

## About Price Adjustments

Using Oracle Advanced Pricing application administrators can set up discounts or surcharges (called price modifiers) for the services, usage contracts, and subscriptions you sell in Oracle Service Contracts. The price modifiers provide adjustments either in percentages or in currency amounts.

The modifiers can be of two types:

- Automatic price adjustments. The application automatically applies the discount or surcharge if the customer qualifies. For example, a company may choose to give an automatic 15% discount to all existing customers.
- Price adjustments you can select manually while authoring a contract. For example, you can choose to offer a customer 10%, 15%, or 20% off the list price.

The administrator can set up either type of adjustment so that you can change the amount of the discount manually. You can identify this type of modifier by the Y value in the Update Allowed field. If you are applying an adjustment manually, this field appears in the Modifier Number LOV.

If the administrator has set up such a modifier to apply to the line automatically, then you are permitted to enter an entirely new price for the contract line. You can do so either in the line itself or in the price Adjustment window itself.

### Different Levels of Discounts

The administrator can set up different price adjustments to apply at the contract, line, and subline levels. For example, a copier manufacturer may offer a 10% discount on a particular service and a 15% sale for all customers purchasing service contracts worth \$1,000 or more (contract-level discount).

Price adjustments applied at different levels are cumulative and are applied against the price list price.

Suppose a customer purchases a service contract with a list price of \$1000 and receives the following two levels of discounts:

- An automatic 10% preferred customer discount at the contract level
- A 15% discount at the line level because of a promotion on the specific service they are purchasing

The resulting price is \$750 ( $\$1000 - \$100 - \$150$ ).

The application deducts any currency adjustments after the percentage adjustments are made. If an agent entered -\$30 in the above example, then the final price the customer pays is  $\$750 - \$30 = \$720$ .

## Adjustment Methods

There are two ways you can adjust prices:

- Change the price list and reprice the line or contract. (This method is discussed in the chapters describing how you enter contract lines).
- Choose price adjustments using the Adjustments window.
- Directly override the price.

Optionally, you can enter any information that may help a customer qualify for an adjustment and let the application suggest valid adjustments for you.

For example, you can use this method to find out what discounts are available for a customer who calls Support. Or perhaps the customer wants the same discounts as a colleague from another company.

## Entering Price Adjustments

You can enter price adjustments (discounts or surcharges). You can only adjust prices on lines that have been priced using the price list.

You can have the application suggest appropriate adjustments for contract lines by first entering qualifying information. See Getting Help in Picking Adjustments, page 8-4.

### To enter price adjustments:

1. Indicate the level where you wish to apply or review adjustments:
  - **Header:** Select the Summary tab.
  - **Line:** Select the Lines tab, the Effectivities subtab, and the line you want to adjust.
  - **Subline:** Select the Lines tab, the Pricing/Products subtab, the line, and the subline you want to adjust.
2. Choose **Pricing Adjustment** from the Tools menu.

The Adjustment window appears listing any discounts that have been applied at this level.

**Note:** Remember that, although adjustments are cumulative, adjustments at one level do not show up in the windows at other levels.

The heading at the top of the window indicates whether you are adjusting the price at the header or line level.

The screenshot shows the 'Adjustments' window. At the top, there's a 'Line' section with the following fields: Line Number (1), Start Date (01-MAR-2001), End Date (28-FEB-2002), Amount (400.00), Reference, Line Name (WR23763), and Extended Notebook PC Service Program. Below this are three tabs: 'Adjustments', 'Reason', and 'Accruals'. The 'Adjustments' tab is active, showing a table with the following columns: Level, Modifier Number, Modifier Type, List Line, Rate, Amount Red, New Price, Lumpsum, and Exter. The table is currently empty. At the bottom of the window, there are three buttons: 'Save', 'Save and Reprice', and 'Cancel'.

**Note:** The Adjustment window interface does not distinguish between line and sublines adjustments. It views them all as lines. If

you are adjusting prices at the subline level, then the Line Number field actually refers to the subline number and the Level field lists Line as your adjustment level although you are adjusting the subline.

3. Choose any additional price adjustments using the Modifier Number LOV. A DLT in the Modifier Type field indicates a discount; SLT indicates a surcharge.
4. If the modifier you selected can be updated manually (Y appears in the Manual Override field in the LOV), then you can enter either:
  - Percentage adjustment in the Rate field.
  - Currency amount adjustment in the Price Reduction field.

Whether the modifier permits you to enter an amount or percentage adjustment depends on the way it has been set up by the administrator.

For a discount, entering a positive number reduces the price. Entering a negative number applies a surcharge.

5. Enter any reasons for the adjustment on the Reason tab.
6. To apply the adjustments you have chosen, click **Save and Reprice**. **Save** saves your choice but does not reprice.

The billing schedule automatically reflects the new prices.

## Getting Help in Picking Adjustments

You can enter qualifying information that permits the application to suggest appropriate adjustments for your customer. This feature is available only at the line level.

### Prerequisite

Confirm the qualifying information used in your application. You can contact your application administrator for more information.

### To get help in picking adjustments:

1. Select the Lines tab, the Effectivities subtab, and the line you want to adjust.
2. Choose **Pricing Qualifier** from the Tools menu.

The Qualifiers window appears listing any qualifiers entered previously.



## Viewing The Total Adjustments for An Individual Line or Subline

You can view the total price adjustment for a line and subline.

### To view the total adjustments for an individual line or subline:

1. Select the Lines tab and Pricing Products subtab.
2. Select the line (and optionally the subline) you wish to view.

The Pricing Calculation button is only active for lines that have no sublines such as subscriptions.

3. Select the Pricing secondary tab.
4. Click **Pricing Calculation**.

The total adjustments for the line and subline display in the Pricing Calculation window.

You can review the details related to the Covered Level:

- **List price**
- **Quantity**
- **UOM**
- **Extended Amount**

In addition, you can review the details related to the Top Line level:

- **List price**
- **Operator**: represents how the service is priced (amount based or percentage based).
- **Quantity**
- **UOM**
- **Adjusted Price**: reflects the adjusted price if modifiers have been applied.
- **Extended amount**
- **Status Text**: represents the status of the pricing, such as Success.

## Reverting to the Original Price List Price

You can remove any adjustments you have made and revert an adjusted price of a line or subline to the price listed on the price list. This removes the adjustments you have added manually, by calling the pricing application for the most up-to-date price on the price list, along with any automatic modifiers.

### To revert to the original list price:

1. Remove price adjustments at any of the three levels:
  - For a line (This removes all subline adjustments.):
    1. Select the Lines tab and Pricing/Products subtab.
    2. Select the line you wish to change.

3. Click **Reprice** on the Pricing/Products subtab.
    - For a single subline:
      1. Select the Lines tab and Pricing/Products subtab.
      2. Select the line and subline you wish to change.
      3. Click **Reprice** on the Pricing secondary tab.
        1. The entire contract:
          1. Select the Summary tab and Pricing/Billing subtab
          2. Click **Reprice**.
    - The reprice Decision dialog box appears.
      - Choose one of the two repricing methods:
        - To remove the adjustments for the entire contract and return the prices to those listed in the price list attached to each contract line, then click **Reprice Only**.
        - To remove the adjustments for the entire contract and reprice the entire contract based on the price list entered in the Price List field of the Pricing/Billing subtab, then click **Cascade and Reprice**.
    - The Repricing results window appears.
2. If all lines are repriced successfully, then click **Apply** to make the changes. If some lines fail and show a severity of Error or Unexpected Error, the Apply button is disabled. In this case, you must correct the error before attempting to reprice.

## Cascading Service Price

You can access the Cascade Service Price window from the Actions menu and use it to cascade the service line price to the covered level prices at the same proportions. For example in the following table, the current service line price is \$2,000 and in this case, the percentage of the service price applied to lines L1 and 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. Select the contract line to which you want to make a price change.
2. From the Authoring window navigate to Actions > Cascade Service Price.
3. Review Service, Start Date, End Date, and Current Price fields. These are display-only fields.
4. Enter the New Price that is to be allocated across the sublines.
5. Click Apply to save. The new price is cascaded in the appropriate proportions to the final price of each covered level.

Refresh the billing schedule to reflect the new values.

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# Running Quality Assurance Results and Troubleshooting

This chapter covers the following topics:

- About the Quality Assurance Check (QA Check)
- Running the Quality Assurance Check from the Actions Menu
- Submitting the Contract for Approval from the Actions Menu
- Running the Quality Assurance Check from the (Summary) Administration Subtab
- Running the Contracts QA Program
- Troubleshooting Errors

## About the Quality Assurance Check (QA Check)

This group of topics explains how to use quality assurance results to troubleshoot issues within your contract.

The QA Check is an automated process that verifies the validity of a contract.

A default QA checklist is seeded in the application. However, if required, the default QA checklist may be modified to include other checks. The default is set with the profile option OKS: Default QA Checklist. You can override the default checklist from the Summary Administration tab of the Service Contracts Authoring form.

A QA checklist consists of one or more processes that are defined in the Process Definitions form prior to selecting them for the QA checklist.

A process within the QA checklist can be defined with two severity levels, error and warning. Errors must be corrected before submitting the contract for approval.

You can launch the QA checklist as follows:

- **Actions menu:** Launching the QA checklist from the Actions menu shows the results for an individual contract immediately in the Quality Assurance Results window, but does not submit the contract to the Approval workflow. See *Running the Quality Assurance Check from the Actions Menu*, page 9-2.
- **Actions menu:** Submitting the contract for approval runs the QA check and shows the results immediately in the Quality Assurance Results window, and allows you to submit the contract to the Approval workflow. See *Submitting the for Approval from the Actions Menu*, page 9-3.

- **Summary Administration subtab:** Launching the QA checklist from the Summary Administration subtab shows the results for an individual contract immediately in the Quality Assurance Results window, and allows you to submit the contract to the Approval workflow. See Running the Quality Assurance Check from the (Summary) Administration Subtab, page 9-4.
- **Contracts QA Report concurrent program:** Launching the QA checklist from the Contracts QA Report allows you to run a QA check on multiple contracts. The process produces a report listing the results of each contract. This process can optionally launch the approval workflow after the QA is complete. See Running the Contracts QA Program, page 9-5.

**Note:** After the QA Results appear you must fix the errors. For a listing of errors and the corrective actions see Troubleshooting Errors, page 9-6.

## Running the Quality Assurance Check from the Actions Menu

### To run the Quality Assurance Check from the Actions menu:

1. From the Service Contracts Authoring window, choose the Actions menu and select **Check QA**.

The Quality Assurance Results window appears.

**Note:** The Continue Approval box is not active. If you would like to continue with the approval process from the QA check, then you will need to submit the contract for approval from the Summary Administration tab.

Process Name	Description	Severity	
Check Covered Levels OKS	Check Covered Levels	Error	At least one covered level line is required for contract
Check Covered Levels OKS	Check Covered Levels	Error	OKC REQUIRED LINE FIELD (COL NAME=Quota Sales
Check Covered Levels OKS	Check Covered Levels	Error	OKC REQUIRED LINE FIELD (COL NAME=Quota Sales
Check Covered Levels OKS	Check Covered Levels	Error	OKC REQUIRED LINE FIELD (COL NAME=Quota Sales
Check Email Address	Check Email Address	Warning	This Contract is missing at least one party contact with
Check Required Values	Check Required Values	Success	The contract QA process has completed successfully.
Check Effectivity Dates	Check Effectivity Dates	Success	The contract QA process has completed successfully.
Check Address	Check Address	Success	Contracts QA process has completed successfully.
Check Contract Terms	Check Contract Terms (11.5.10	Success	The contract QA process has completed successfully.
Check Required Values OKS	Check Required Values for OK	Success	Contracts QA process has completed successfully.

2. Verify the following:
  - Contract Number
  - Default QA Checklist
  - Results

For information on fixing errors, see Troubleshooting Errors, page 9-6.

**Note:** You can change the default QA checklist by selecting a different checklist from the Default QA Checklist LOV within the Summary tab and Administration subtab tab. After making the change, you must select the Check QA action again.

## Submitting the Contract for Approval from the Actions Menu

### To submit the contract for approval from the Actions menu:

1. From the Service Contracts Authoring window, choose the Actions menu and select **Submit for Approval**.

The Quality Assurance Results window appears.

**Note:** If errors appear in the results, the Continue Approval box is not active. If you would like to continue with the approval process you must fix the errors and resubmit the contract.

Process Name	Description	Severity	
Check Email Address	Check Email Address	Warning	This Contract is missing at least one party contact with
Check Required Values	Check Required Values	Success	The contract QA process has completed successfully.
Check Effectivity Dates	Check Effectivity Dates	Success	The contract QA process has completed successfully.
Check Address	Check Address	Success	Contracts QA process has completed successfully.
Check Contract Terms	Check Contract Terms (11.5.10	Success	The contract QA process has completed successfully.
Check Required Values OKS	Check Required Values for OP	Success	Contracts QA process has completed successfully.
Check Covered Level Overlap	Check Covered Level Overlap	Success	Contracts QA process has completed successfully.
Check Tax Exemption	Check Tax Exemption	Success	Contracts QA process has completed successfully.
Check Customer Credit Hold	Check Customer Credit Hold	Success	Contracts QA process has completed successfully.
Check Credit Card Sum	Check Sum of Credit Card Nu	Success	Contracts QA process has completed successfully.

2. Verify the following:
  - Contract Number
  - Default QA Checklist
  - Results

For information on fixing errors, see Troubleshooting Errors, page 9-6.

3. If all results indicate Success, select **Continue Approval** to submit the contract to the approval workflow.

If there are warning messages, you can review the messages and determine if the issues should be fixed. If you determine that they do not need to be fixed, you can choose to ignore them.

**Note:** You can change the default QA checklist by selecting a different checklist from the Default QA Checklist LOV within the Summary Administration tab. After making the change, you must select the Submit for Approval action again.

## Running the Quality Assurance Check from the (Summary) Administration Subtab

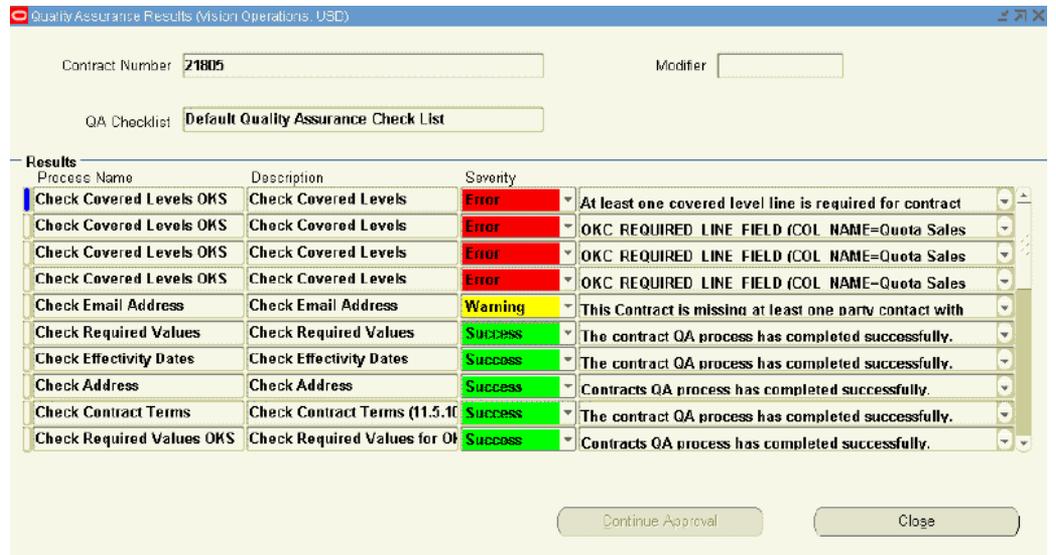
To run the Quality Assurance Check from the (Summary) Administration subtab:

1. From the Service Contracts Authoring window, select the Summary tab and the Administration subtab. Select **Submit**.

The screenshot shows the 'Administration' subtab of the 'Service Contracts Authoring' window. The top section contains contract details: Contract Number 21805, Version 0.5, Status Entered, Subtotal 0.00, Start Date 01.APR.2004, End Date 31.MAR.2005, Duration 1, Period Year, Category Service Agreement, and Total 0.00 USD. The 'Administration' subtab is active, showing the 'Quality Assurance Checklist' set to 'Default Quality Assurance C'. The 'Effective' section includes fields for Date Approved, Date Signed, Date Canceled, Date Terminated, Date Renewed, Grace End Date, Grace Duration, and Grace Period. The 'Contract Groups' section shows a table with 'Service' as the selected group. The 'Approval Workflow' section shows the Name 'Approval Process' and Process 'K\_APPROVAL\_PROCESS', with a 'Submit' button and 'Monitor' and 'Stop' buttons.

The Quality Assurance Results window appears.

**Note:** If errors appear in the results, the Continue Approval box is not active. If you would like to continue with the approval process you must fix the errors and resubmit the contract.



2. Verify the following:

- Contract Number
- Default QA Checklist
- Results

For information on fixing errors, see Troubleshooting Errors, page 9-6.

3. If all results indicate Success, select **Continue Approval** to submit the contract to the approval workflow.

If there are warning messages, you can review the messages and determine if the issues should be fixed. If you determine that they do not need to be fixed, you can choose to ignore them.

**Note:** You can change the default QA checklist by selecting a different checklist from the Default QA Checklist LOV within the Summary Administration tab. After making the change, you must select Submit again.

## Running the Contracts QA Program

This report allows you to run a QA check on multiple contracts. This is particularly useful when run immediately before the billing process to help identify issues on contracts before they are submitted to Accounts Receivable.

Use this option for very large contracts, when you do not wish to wait for the entire QA process to complete.

### To run the contracts QA program:

1. From the View menu, select **Requests**.  
The Find Request window appears.
2. Select **Submit a New Request**.

The Submit a New Request window appears.

3. Select the Single Request radio button and click **OK**.

The Submit Request window appears.

4. From the Name LOV, select **Contracts QA Report** and click **OK**.

The parameters window appears.

5. Set the following parameters as required:

- From Contract Number (required)
- To Contract Number
- From Start Date (required)

**Note:** When running the report, the From Start Date and To Start Date will both default to the current date. If your contracts start prior to this date, you will not see a report. Be sure to check your start dates.

- To Start Date
- Contract Status
- Level of Details (required)

You can choose a report that details all contracts selected, all contracts that pass the QA check, or all contracts that fail the QA check.

- Submit for Approval: If this parameter is set to Yes, the contract is automatically submitted for approval if it passes QA.
- Ignore QA Warning: If this parameter is set to Yes, QA warnings are ignored

6. Click **OK**.

The Submit Request window appears with a concatenated listing of the parameters.

7. Select **Submit**.

A Decision window appears with the request id. You should make a note of this id.

8. Click **No**.

The Find Request window appears. You can use this window to track your request.

9. Verify the **View All My Request** radio button is selected, and click **Find**.

The Request window appears.

10. After your request is completed, you can view the details by selecting **View Output**.

## Troubleshooting Errors

After you run the QA Check, you must review the Quality Assurance Results window. The results show any errors or warnings associated with the contract.

Following is a list of errors and a list of warnings that may appear in the Quality Assurance Results window.

## Error Messages

You must correct all errors listed in the Quality Assurance Results. Error messages will prevent you from passing the QA check and submitting the contract for approval.

### Error Messages Summary

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Address	Bill to address is required on top line number Line 1.	<p><b>This message validates the following:</b> a bill to address exists for service, usage and extended warranty lines.</p> <p><b>It occurs when:</b> the bill to address is missing on service, usage or extended warranty lines.</p> <p><b>To fix the error:</b> add a bill to account that has a billing address on the reported line.</p>
Check Address	Bill to address is invalid on top line number 1	<p><b>This message validates the following:</b> if bill to address is active for service, usage and extended warranty lines.</p> <p><b>It occurs when:</b> bill to address is not active on service, usage or extended warranty lines.</p> <p><b>To fix the error:</b> change the bill to address on the reported line.</p>
Check Address	Bill to address is invalid at header level	<p><b>This message validates the following:</b> if bill to address is active at the header.</p> <p><b>It occurs when:</b> bill to address is not active on header.</p> <p><b>To fix the error:</b> change the bill to address at the header level.</p>
Check Address	Subscription line 1 should have a ship to address.	<p><b>This message validates the following:</b> if ship to address exists for subscription line.</p> <p><b>It occurs when:</b> ship to address is missing on subscription line.</p> <p><b>To fix the error:</b> add a ship to account that has a shipping address on the reported line.</p>

<b>Process Name</b>	<b>Error Message</b>	<b>What does this error message mean and how can I fix it?</b>
Check Address	Ship to address is invalid on top line number Line 1.	<p><b>This message validates the following:</b> if ship to address is active for service, usage and extended warranty lines.</p> <p><b>It occurs when:</b> ship to address is not active on service, usage or extended warranty lines.</p> <p><b>To fix the error:</b> change the ship to address on the reported line.</p>
Check Address	Ship to address is invalid at header level	<p><b>This message validates the following:</b> checks if ship to address is active at the header.</p> <p><b>It occurs when:</b> ship to address is not active on header.</p> <p><b>To fix the error:</b> change the ship to address at the header level.</p>
Check Billing Schedule	Top line Line 1 Stream Level should be entered.	<p><b>This message validates the following:</b> checks the Stream Level Line of the top line billing schedule.</p> <p><b>It occurs when:</b> top line Stream Level Line has not been entered.</p> <p><b>To fix the error:</b> enter the Stream Level Line of the top line billing schedule.</p>
Check Billing Schedule	Line 1 billing schedule should be entered.	<p><b>This message validates the following:</b> the top line level elements.</p> <p><b>It occurs when:</b> the level elements are missing.</p> <p><b>To fix the error:</b> enter the level elements for the reported line.</p>
Check Billing Schedule	Sub line SLL period not same as bill schedule period.	<p><b>This message validates the following:</b> reports an error if for Equal Amount and Covered level billing type the top line period is not the same as the sum of level elements.</p> <p><b>It occurs when:</b> the top line period is not the same as the sum of level elements for Equal Amount and Covered level billing type.</p> <p><b>To fix the error:</b> change the Stream Level Line period on the reported line.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Billing Schedule	For Line 1 there is a mismatch between line amount and total billing schedule amount (sum of level elements).	<p><b>This message validates the following:</b> for Equal Amount billing type there should not be a mismatch between line amount and billing schedule amount.</p> <p><b>It occurs when:</b> the billing type is Equal Amount and the line amount is different than the billing schedule amount.</p> <p><b>To fix the error:</b> change the billing schedule amount on the reported line.</p>
Check Billing Schedule	Line 1 Stream level effectivities should be within line effectivities	<p><b>This message validates the following:</b> reports an error if billing cycle end date is less than top line end date or billing cycle start date is not equal to top line start date.</p> <p><b>It occurs when:</b> billing cycle end date is less than top line end date or when billing cycle start date is not equal to top line start date.</p> <p><b>To fix the error:</b> change the billing cycle end date if it is less than top line end date or change the billing cycle start date if it is not the same as top line start date.</p>
Check Billing Schedule	Line 1 Stream level effectivities should be within line effectivities.	<p><b>This message validates the following:</b> if billing type is Equal Amount or Covered Level then billing cycle end date should not be greater than top line end date.</p> <p><b>It occurs when:</b> billing type is Equal Amount or Covered Level and billing cycle end date is greater than top line end date.</p> <p><b>To fix the error:</b> Make the billing cycle end date equal to top line end date or change the billing type to Top Level.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Billing Schedule	Subscription line 1 with final price can not be less than billed amount.	<p><b>This message validates the following:</b> reports an error for subscription line if negotiated price is less than billed amount.</p> <p><b>It occurs when:</b> negotiated price is less than billed amount in a subscription line.</p> <p><b>To fix the error:</b> change the negotiated price on the reported line.</p>
Check Billing Schedule	Sub line billing flag should be same as top line billing flag.	<p><b>This message validates the following:</b> subline billing type should be the same as top line billing type.</p> <p><b>It occurs when:</b> subline billing type is different from top line billing type.</p> <p><b>To fix the error:</b> make both subline and top line billing type the same.</p>
Check Billing Schedule	Start date and end date of sub line should be same as top line in equal amount.	<p><b>This message validates the following:</b> start date and end date of sub line should be same as top line in Equal Amount.</p> <p><b>It occurs when:</b> start date or end date of the sub line is not the same as the top line for Equal Amount billing type.</p> <p><b>To fix the error:</b> change the start date and/or end date of the reported subline or top line.</p>
Check Billing Schedule	Sub line 1 Stream Level Line should be entered.	<p><b>This message validates the following:</b> reports an error if subline stream level line is not found.</p> <p><b>It occurs when:</b> sub line stream level line is not found.</p> <p><b>To fix the error:</b> enter the stream level line on the reported subline billing schedule.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Billing Schedule	Line 1 billing schedule should be entered.	<p><b>This message validates the following:</b> reports an error if level element (billing schedule) is not found in the sub line.</p> <p><b>It occurs when:</b> level element is not found in the subline.</p> <p><b>To fix the error:</b> enter the level element on the reported subline.</p>
Check Billing Schedule	Sub line 1 SLL period 1 not same as bill schedule period 1.	<p><b>This message validates the following:</b> reports an error if for Equal Amount and Covered level billing type the sub line billing period is not the same as the sum of level elements.</p> <p><b>It occurs when:</b> billing type is Equal Amount or Covered level and the sub line billing period is not the same as the sum of level elements.</p> <p><b>To fix the error:</b> fix the stream level line period for the reported sub line.</p>
Check Billing Schedule	Sub line 1 Product final price not same as total bill schedule amount.	<p><b>This message validates the following:</b> subline level element total should be equal to sub line price negotiated.</p> <p><b>It occurs when:</b> covered line's billing schedule amount is not equal to the covered line's price negotiated.</p> <p><b>To fix the error:</b> change the covered line's billing schedule amount.</p>
Check Billing Schedule	Sub line 1 Product final price can not less than billed amount.	<p><b>This message validates the following:</b> subline final price cannot be less than billed amount.</p> <p><b>It occurs when:</b> subline final price is less than billed amount.</p> <p><b>To fix the error:</b> make the final price equal or greater than the billed amount.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Billing Schedule	Subline 1 SLL effectivities should be within sub line effectivities.	<p><b>This message validates the following:</b> checks for Product billing cycle end date equal to lines end date for Equal Amount and Covered Level billing type</p> <p>This check is not done for Top level billing type because the stream level line end date in that case might go beyond the line end date.</p> <p><b>It occurs when:</b> billing type is Equal Amount and Covered Level and product billing cycle end date is not equal to lines end date.</p> <p><b>To fix the error:</b> change the billing cycle end date.</p>
Check Billing Schedule	Subline 1 SLL effectivities should be within sub line effectivities.	<p><b>This message validates the following:</b> For Top Level billing type the billing cycle start date and subline start date should be the same.</p> <p><b>It occurs when:</b> billing type is Top Level and subline billing cycle start date is not equal to sub line start date.</p> <p><b>To fix the error:</b> change the sub line billing cycle start date to the subline start date.</p>
Check Covered Levels OKS	Please enter a value for Covered Level Name in contract line 1.	<p><b>This message validates the following:</b> if a covered level is entered.</p> <p><b>It occurs when:</b> covered level is missing.</p> <p><b>To fix the error:</b> enter the covered level.</p>
Check Covered Levels OKS	Please enter a value for Final Price in contract line 1.	<p><b>This message validates the following:</b> negotiated amount at covered levels is required.</p> <p><b>It occurs when:</b> negotiated amount is missing from covered levels.</p> <p><b>To fix the error:</b> enter a negotiated amount at covered levels.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Covered Levels OKS	Please enter a value for Sales Quota in contract line 1.	<p><b>This message validates the following:</b> sales credits must be defined for the line.</p> <p><b>It occurs when:</b> sales credits have not been defined for the line.</p> <p><b>To fix the error:</b> enter sales credits for the lines.</p>
Check Covered Product Quantity	Item instance item 1 for line 1 is not found in installedbase.	<p><b>This message validates the following:</b> checks if the item instance is in installed base.</p> <p><b>It occurs when:</b> the item is not found in installed base.</p> <p><b>To fix the error:</b> select a new product.</p>
Check Covered Product Quantity	Covered product quantity and unit of measure on line 1 does not match the quantity and unit of measure in installedbase.	<p><b>This message validates the following:</b> checks the covered product quantity and unit of measure against the quantity and unit of measure in installed base.</p> <p><b>It occurs when:</b> the covered product quantity and unit of measure is different than the quantity and unit of measure in installed base.</p> <p><b>To fix the error:</b> select a different product from the installed base or update the product quantity.</p>
Check Covered Product Quantity	Covered product quantity on line 1 does not match quantity in installedbase.	<p><b>This message validates the following:</b> checks the covered product quantity against the quantity in installed base.</p> <p><b>It occurs when:</b> the covered product quantity is different than the quantity in installed base.</p> <p><b>To fix the error:</b> select a different product from the installed base or update the product quantity.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Covered Product Quantity	Covered product unit of measure on line 1 does not match the value stored in installedbase.	<p><b>This message validates the following:</b> checks the covered product unit of measure against the unit of measure in the installed base.</p> <p><b>It occurs when:</b> the covered product unit of measure is different than the unit of measure in installed base.</p> <p><b>To fix the error:</b> select a different product from the installed base or update the unit of measure</p>
Check Customer Availability	Bill to customer account is inactive on line number 1.	<p><b>This message validates the following:</b> checks if bill to customer account is active.</p> <p><b>It occurs when:</b> bill to customer account is not active.</p> <p><b>To fix the error:</b> change the bill to customer on the reported line.</p>
Check Customer Availability	There is no customer in the contract. Please define a party with the role of customer for the contract.	<p><b>This message validates the following:</b> checks if the contract header has a customer or third party.</p> <p><b>It occurs when:</b> the contract header has no customer or third party.</p> <p><b>To fix the error:</b> add a customer or subscriber or third party to the contract.</p>
Check Customer Availability	At least one bill to account on the contract lines belongs to Account 1. The Customer/Third party on the contract header is not related to this account.	<p><b>This message validates the following:</b> checks if the customer account stored in the contract lines belongs to the customer, third party or related customer.</p> <p><b>It occurs when:</b> customer account stored on the contract top line does not belong to the customer, third party or related customer.</p> <p><b>To fix the error:</b> change the customer account on the reported line.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Item Instance Is Valid	Service line 1 is covering an invalid subscription product.	<p><b>This message validates the following:</b> checks if the subscription item being covered belongs to an active/signed contract.</p> <p><b>It occurs when:</b> a subscription item being covered as a covered product in contract A belongs to contract B but contract B is not active or signed.</p> <p><b>To fix the error:</b> select another subscription item or make contract B active.</p>
Check Product Availability	Service 1 is not available for product 1.	<p><b>This message validates the following:</b> if line status is Entered then it checks if service is available for the covered product or item.</p> <p><b>It occurs when:</b> line status is Entered and service is not available for the covered product or item.</p> <p><b>To fix the error:</b> select another covered product or item.</p>
Check Required Values	QA Check list is required for contract header 1.	<p><b>This message validates the following:</b> the contract has a QA check list.</p> <p><b>It occurs when:</b> a QA check list has not been selected for a contract.</p> <p><b>To fix the error:</b> select a QA check list from the Administration subtab.</p>
Check Required Values	Only one party role, may be attached to the contract.	<p><b>This message validates the following:</b> Only one CUSTOMER/SUBSCRIBER may be attached to a contract.</p> <p><b>It occurs when:</b> the contract has more than one party of role type customer/subscriber.</p> <p><b>To fix the error:</b> verify that you have only one customer/subscriber.</p>

<b>Process Name</b>	<b>Error Message</b>	<b>What does this error message mean and how can I fix it?</b>
Check Required Values	Only one party role, may be attached to the contract.	<p><b>This message validates the following:</b> Only one VENDOR/MERCHANT may be attached to a contract.</p> <p><b>It occurs when:</b> the contract has more than one party of role type vendor/merchant.</p> <p><b>To fix the error:</b> verify that you have only one vendor/merchant.</p>
Check Required Values	Short description is required for contract header 1.	<p><b>This message validates the following:</b> a short description is in contract header.</p> <p><b>It occurs when:</b> you do not have a short description on the contract header.</p> <p><b>To fix the error:</b> add a short description.</p>
Check Required Values	Either the price list is inactive or the price list is invalid for the contract currency. Select a valid price list for the contract currency.	<p><b>This message validates the following:</b> checks that price list is active or valid for the contract currency.</p> <p><b>It occurs when:</b> the price list is inactive, missing, or is invalid for the contract currency.</p> <p><b>To fix the error:</b> select a valid price list.</p>
Check Required Values	Price list Id is required for contract header 1.	<p><b>This message validates the following:</b> a price list Id is in contract header.</p> <p><b>It occurs when:</b> you do not have a price list under Pricing/Billing subtab.</p> <p><b>To fix the error:</b> add a price list under the Pricing/Billing subtab.</p>
Check Required Values	Contract group must be entered for contract header 1	<p><b>This message validates the following:</b> a contract group is entered in the contract header.</p> <p><b>It occurs when:</b> contract group is not entered on the contract header.</p> <p><b>To fix the error:</b> add a contract group under the Administration sub tab.</p>

<b>Process Name</b>	<b>Error Message</b>	<b>What does this error message mean and how can I fix it?</b>
Check Required Values	An approval workflow must be selected for the contract.	<p><b>This message validates the following:</b> an approval workflow is selected for the contract.</p> <p><b>It occurs when:</b> an approval workflow is missing.</p> <p><b>To fix the error:</b> Should add an approval workflow under the Administration subtab.</p>
Check Required Values	Line 1 UOM code and values should be entered.	<p><b>This message validates the following:</b> if profile option OKS: Use Advanced Pricing for Manual Adjustment is set to <b>Yes</b>, then a value should be entered on the subline for unit price or uom.</p> <p><b>It occurs when:</b> profile option OKS: Use Advanced Pricing for Manual Adjustment is set to <b>Yes</b>, and unit price or uom code is missing from subline.</p> <p><b>To fix the error:</b> add a unit price or uom code to the reported subline.</p>
Check Required Values	Line 1 UOM code and values should be entered.	<p><b>This message validates the following:</b> If profile option OKS: Use Advanced Pricing uom is set, UOM becomes a required field on the subline.</p> <p><b>It occurs when:</b> profile option OKS: Use Advanced Pricing for Manual Adjustment is set to <b>No</b> and uom code is missing from subline.</p> <p><b>To fix the error:</b> add a uom code to the reported subline.</p>
Check Required Values	Please enter the PO number for billing.	<p><b>This message validates the following:</b> the PO flag and number under the billing section. If Purchase Order Required check box is checked then PO number is required.</p> <p><b>It occurs when:</b> the PO check box is checked but PO number is missing under the billing section under the Pricing/Billing subtab.</p> <p><b>To fix the error:</b> add a PO number under the billing section under the Pricing/Billing subtab or uncheck the PO check box.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Required Values	Service PO number is missing.	<p><b>This message validates the following:</b> the PO flag and number under the Service Charges section. If Purchase Order Required check box is checked then PO number is required.</p> <p><b>It occurs when:</b> the PO flag is checked under the Service Charges section under the Pricing/Billing subtab but the PO number is not entered.</p> <p><b>To fix the error:</b> add the PO number under the Service Charges section under the Pricing/Billing subtab or uncheck the PO check box.</p>
Check Required Values	Conversion information is required for this contract.	<p><b>This message validates the following:</b> the currency conversion type is entered if the From Currency and the To Currency are different.</p> <p><b>It occurs when:</b> the to and from currencies are different and the currency conversion type is missing.</p> <p><b>To fix the error:</b> add a currency conversion type under the Pricing/Billing subtab.</p>
Check Required Values	Price list currency, does not match header currency.	<p><b>This message validates the following:</b> compares price list currency with contract header currency.</p> <p><b>It occurs when:</b> the price list currency is not the same as the header currency.</p> <p><b>To fix the error:</b> change the price list under the Pricing/Billing subtab</p>
Check Service Effectivity	Please enter a value for Inventory item status not active in contract line 1.	<p><b>This message validates the following:</b> whether the inventory item status is active.</p> <p><b>It occurs when:</b> When inventory item is no longer valid.</p> <p><b>To fix the error:</b> change the inventory item on the reported line.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Service Effectivity	Item: line 1 Not a valid Service	<p><b>This message validates the following:</b> whether service or extended warranty is a valid item in the inventory table.</p> <p><b>It occurs when:</b> the service or extended warranty is not a valid item.</p> <p><b>To fix the error:</b> select another service or extended warranty line on the Accounts subtab or delete the line.</p>
Check Service Effectivity	Item: line 1 Not a valid Usage	<p><b>This message validates the following:</b> if the usage item is valid.</p> <p><b>It occurs when:</b> the usage is not a valid item.</p> <p><b>To fix the error:</b> select another usage on the Accounts subtab or delete the line.</p>
Check Service Effectivity	The Product Item is not a Serviceable Product.	<p><b>This message validates the following:</b> if covered product is serviceable.</p> <p><b>It occurs when:</b> a covered product is not serviceable.</p> <p><b>To fix the error:</b> select another covered product from the Effectivities secondary tab (Products/Pricing subtab).</p>
Check Service Effectivity	Please enter a value for Covered item status not active in contract line 1.	<p><b>This message validates the following:</b> the covered item status is active.</p> <p><b>It occurs when:</b> covered item status is not active.</p> <p><b>To fix the error:</b> select another covered item from the Effectivities secondary tab (Products/Pricing subtab).</p>
Check Service Effectivity	Please enter a value for Covered party status not active in contract line 1.	<p><b>This message validates the following:</b> if covered party status is active.</p> <p><b>It occurs when:</b> covered party status is not active.</p> <p><b>To fix the error:</b> select another covered party.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Service Effectivity	Please enter a value for Covered product status not active in contract line 1.	<p><b>This message validates the following:</b> reports an error if covered product status is not active and contract status is not QA hold. Reports an error if covered product status is not active and the covered product has a future termination date and the contract status is QA hold.</p> <p><b>It occurs when:</b> the covered product status is not active and contract status is not QA hold or when the covered product status is not active and the covered product has a future termination date and the contract status is QA hold.</p> <p><b>To fix the error:</b> select another covered product.</p>
Check Service Effectivity	Please enter a value for Covered system status not active in contract line 1.	<p><b>This message validates the following:</b> reports an error if Covered System status is not active.</p> <p><b>It occurs when:</b> covered system status is not active.</p> <p><b>To fix the error:</b> select another covered system.</p>
Check Service Effectivity	Please enter a value for Covered site status not active in contract line 1.	<p><b>This message validates the following:</b> Reports an error if Covered Site status is not active.</p> <p><b>It occurs when:</b> covered site status is not active.</p> <p><b>To fix the error:</b> select another covered site.</p>
Check Subscription Element Exist	Subscription line 1 should have at least one subscription element.	<p><b>This message validates the following:</b> for tangible items there is a delivery schedule.</p> <p>If the subscription line has a tangible item then it should have at least one subscription element (delivery schedule).</p> <p><b>It occurs when:</b> delivery schedule is missing for a tangible subscription.</p> <p><b>To fix the error:</b> enter a delivery schedule.</p>

Process Name	Error Message	What does this error message mean and how can I fix it?
Check Subscription is Shippable	Subscription line 1 should have a ship to rule.	<p><b>This message validates the following:</b> if subscription item is shippable then ship to rule is required for that subscription line.</p> <p><b>It occurs when:</b> subscription item is shippable but ship to rule is missing from the subscription line.</p> <p><b>To fix the error:</b> enter a ship to rule for the subscription line</p>
Check Subscription is Shippable	Subscription line 1 should have a ship to address.	<p><b>This message validates the following:</b> if subscription item is shippable then ship to address is required for that subscription line.</p> <p><b>It occurs when:</b> subscription item is shippable but ship to address is missing from the subscription line.</p> <p><b>To fix the error:</b> enter a shipping address for the subscription line.</p>
Check Sum of Credit Card Numbers	Credit Card Number is invalid	<p><b>This message validates the following:</b> checks if the credit card numbers are valid based on sum calculations.</p> <p><b>It occurs when:</b> credit card numbers are invalid.</p> <p><b>To fix the error:</b> change the credit card number.</p>
Check Tax Exemption	Tax Exemption 1 on Line 1 is not effective for all billing periods in the billing schedule. The Tax Exemption will not be applicable after invoice date.	<p><b>This message validates the following:</b> reports an error if tax exemption is invalid.</p> <p><b>It occurs when:</b> tax exemption is invalid.</p> <p><b>To fix the error:</b> select another tax exemption under the Exemption/Payment Options subtab.</p>

## Warning Messages

You should review all warning messages before submitting the contract for approval. However, warning messages will not prevent you from passing the QA check and submitting the contract for approval.

### Warning Messages Summary

Process Name	Warning Message	What does this warning message mean and how can I fix it?
Check Covered Level Overlap	Line 1 is also in Contract 1	<p><b>This message validates the following:</b> if the current contract has covered lines whose dates overlap with the covered lines of an existing contract that is not cancelled, terminated or expired.</p> <p><b>It occurs when:</b> the current contract has lines that overlap with an existing contract that is not cancelled, terminated or expired.</p> <p><b>If the warning should be fixed:</b> delete the lines that are overlapping.</p>
Check Email Address	This Contract is missing at least one party contact with email address.	<p><b>This message validates the following:</b> party contact has an e-mail address.</p> <p><b>It occurs when:</b> the party contact is missing an e-mail address.</p> <p><b>If the warning should be fixed:</b> add an e-mail address to the party contact.</p>
Check Preventive Maintenance	Contract line 1; The definition of Preventive Maintenance Program or Activities is no longer valid.	<p><b>This message validates the following:</b> checks if preventive maintenance program or activities have been terminated in AHL.</p> <p><b>It occurs when:</b> preventive maintenance program or activities have been terminated in AHL.</p> <p><b>If the warning should be fixed:</b> choose a different program name in coverage that is not terminated.</p>
Check Preventive Maintenance	Contract line 1; No Preventive Maintenance Schedule is defined for any activity	<p><b>This message validates the following:</b> checks if there are any schedules defined in Contracts for the Preventive Maintenance Program or Activities.</p> <p><b>It occurs when:</b> there are no schedules defined in contracts for the Preventive Maintenance Program or Activities</p> <p><b>If the warning should be fixed:</b> navigate to the Program Schedule or Activity Schedule tab as appropriate and define stream levels and schedules.</p>

Process Name	Warning Message	What does this warning message mean and how can I fix it?
Check Preventive Maintenance	Contract line 1; The definition of Preventive Maintenance Program has been modified.	<p><b>This message validates the following:</b> new activities have been associated to the preventive maintenance program in AHL.</p> <p><b>It occurs when:</b> new activities have been associated to the preventive maintenance program in AHL.</p> <p><b>If the warning should be fixed:</b> choose the same Program Name from the LOV.</p>
Check Price Lock	Price locks are removed during contract renewal or copy. To re-lock the price list for contract line 1, refer to contract 1 line 1 for the previous locked price.	<p><b>This message validates the following:</b> checks if price lock is present on the original contract lines and not on the copied/renewed lines.</p> <p><b>It occurs when:</b> price lock is present on the original contract lines and not on the copied/renewed lines.</p> <p><b>If the warning should be fixed:</b> review the prior prices if necessary and relock prices on the current contract on the reported line.</p>
Check Required Values for Preventive Maintenance	Contract line 1; The effective start date of the Preventive Maintenance Program / Activities should be less than or equal to the line start date.	<p><b>This message validates the following:</b> the effective start date of the Preventive Maintenance Program or Activities should be after the contract line start date.</p> <p><b>It occurs when:</b> the effective start date of the Preventive Maintenance Program or Activities is after the contract line start date.</p> <p><b>If the warning should be fixed:</b> choose a different Program Name in Coverage that is effective.</p>



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## Approving Contracts

This chapter covers the following topics:

- Approving Contracts
- Submitting Contracts for Approval
- Tracking Contracts During the Approval
- Approving Contracts
- Signing Contracts

### Approving Contracts

This group of topics explains the contract approval process.

Oracle Service Contracts leverages Oracle Workflow to automate the contract approval process. After you author a contract you must:

- Submit the contract for approval.
- Secure approval on the contract.
- Obtain a signature on the contract.

The Submit for Approval function launches the quality assurance (QA) check. If the QA check is successful you can continue the approval process, which submits the contract to the approval workflow. See *About the Quality Assurance Check*, page 9-1.

Following the contract approval and signing, the system updates the contract status to Signed or Active, depending on whether or not the start date has passed.

### Submitting Contracts for Approval

#### To submit contracts for approval:

1. From the Service Contracts Authoring window, select the Summary tab and the Administration subtab.

Service Contracts Authoring (Mision Operations: USD)

Contract Number: 21639 | Version: 0.3 | Status: Entered | Subtotal: 1,200.00  
 Known As: | Start Date: 03 NOV 2003 | End Date: 02 NOV 2006 | Tax: 108.00  
 Order: | Duration: 3 | Period: Year | Total: 1,308.00 USD  
 Short Description: Service Contract on Customer Level | Category: Service Agreeme | Terminated: 0.00

Summary | Lines

Porties | Pricing / Billing | Renewals | Administration | Security/Text

Effective: Date Approved, Date Signed, Date Canceled, Date Terminated, Date Renewed, Grace End Date, Grace Duration, Grace Period

Quality Assurance Checklist: Default Quality Assurance CI

Estimadon: Percent, Date

Contract Groups: Group Name: Service, Description: Service, Public:

Approval Workflow: Name: Approval Process, Process: K\_APPROVAL\_PROCESS, Active:

Submit | Monitor | Stop

2. Click the **Submit**.

The Quality Assurance Results window appears. You must confirm there are no errors on the report. See About the Quality Assurance Check, page 9-1.

Quality Assurance Results (Mision Operations: USD)

Contract Number: 21639 | Modifier: | QA Checklist: Default Quality Assurance Check List

Process Name	Description	Severity	Results
Check Address	Check Address	Success	Contracts QA process has completed successfully.
Check Required Values OKS	Check Required Values for OI	Success	Contracts QA process has completed successfully.
Check Tax Exemption	Check Tax Exemption	Success	Contracts QA process has completed successfully.
Check Customer Credit Hold	Check Customer Credit Hold	Success	Contracts QA process has completed successfully.
Check Credit Card Sum	Check Sum of Credit Card Nu	Success	Contracts QA process has completed successfully.
Check Credit Card Authorizati	Check Credit Card Authorizati	Success	Contracts QA process has completed successfully.
Check Address	Check Address	Success	Contracts QA process has completed successfully.
Check Service Effectivity	Check Service Effectivity	Success	Contracts QA process has completed successfully.
Check Billing Schedule	Check Billing Schedule	Success	Contracts QA process has completed successfully.
Check Product Availability	Check Product Availability	Success	Contracts QA process has completed successfully.

Continue Approval | Close

3. From the Quality Assurance Results window, click **Continue Approval**.

The Contract Authoring page returns with the Summary Administration subtab selected. You have submitted the contract to the approval workflow that is selected in the Approval Workflow region.

Review the following procedures:

- Tracking Contracts During the Approval, page 10-3.

- Approving Contracts, page 10-4.
- Signing Contracts, page 10-6.

Alternatively, you can submit the contract by selecting Submit for Approval from the Actions menu.

**Note:** Contracts that have been submitted to the approval workflow are locked for further authoring. However, communications and attachments can still be added to the contract after it has been submitted for approval.

## Tracking Contracts During the Approval

To track contracts during the approval:

1. From the Service Contracts Authoring window, select the Summary tab and the Administration subtab.

The screenshot shows the 'Service Contracts Authoring (Vision Operations: USD)' window. At the top, there are several input fields and summary statistics:

- Contract Number: 21639
- Version: 0.3
- Status: Entered
- Subtotal: 1,200.00
- Known As: (empty)
- Start Date: 03-NOV-2003
- End Date: 02-NOV-2006
- Tax: 108.00
- Order: (empty)
- Duration: 3
- Period: Year
- Total: 1,308.00 USD
- Short Description: Service Contract on Customer Level
- Category: Service Agreeme
- Terminated: 0.00

The main area is divided into tabs: Summary, Lines, Parties, Pricing / Billing, Renewals, Administration (selected), and Security/Text. The Administration subtab contains several sections:

- Effective:** Fields for Date Approved, Date Signed, Date Canceled, Date Terminated, Date Renewed, Grace End Date, Grace Duration, and Grace Period.
- Quality Assurance Checklist:** Default Quality Assurance CI, Estimation (Percent, Date), and a Contract Terms button.
- Contract Groups:** A table with columns for Group Name, Description, and Public. One row is visible with Group Name 'Service' and Description 'Service'.
- Approval Workflow:** Name 'Approval Process', Process 'K\_APPROVAL\_PROCESS', and an Active checkbox. Buttons for Submit, Monitor, and Stop are at the bottom.

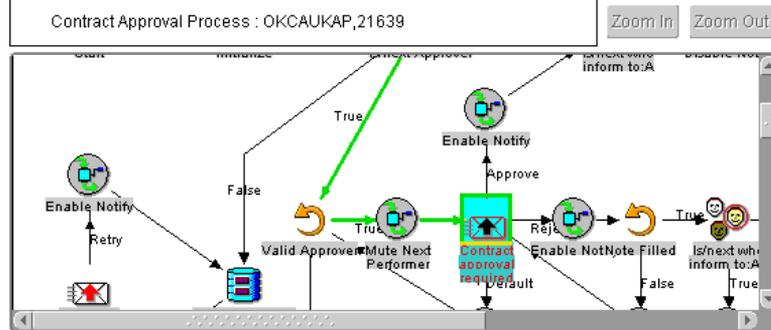
2. Select **Monitor**.

Status Diagram: OKCAUKAP, 21639

Workflow Type **Contract Approval** Started **06-Apr-2005 11:28:28**  
 Status **Active** Completed

Current Status

TIP Status Diagram Time Zone Pacific Time



Definition Usage Status Notification

Current Location : Contract Approval Process/Contract approval required  
 Item Type : Contract Approval  
 Activity Name : Contract approval required  
 Description : Contract approval required  
 Activity Type : Notice  
 Result Type : Approval

The Monitor Diagram page appears in a new browser window.

Beneath the Current Status heading, you can view the current status and a visual diagram of the workflow approval process.

3. Follow the green arrow within the diagram to determine where the contract is in the approval process.

For example, if the contract requires approval the green arrow leads to the Contract Approval Required process.

4. To view details for a given process step, select the process icon within the diagram.

The tabs beneath the diagram show status information for the selected process. Tabs include Definition, Status, Usage, and Notification.

For more information on monitoring workflows, refer to the *Oracle Workflow User's Guide*.

**Note:** You can stop the approval process by selecting the **Stop** button within the Administration subtab.

## Approving Contracts

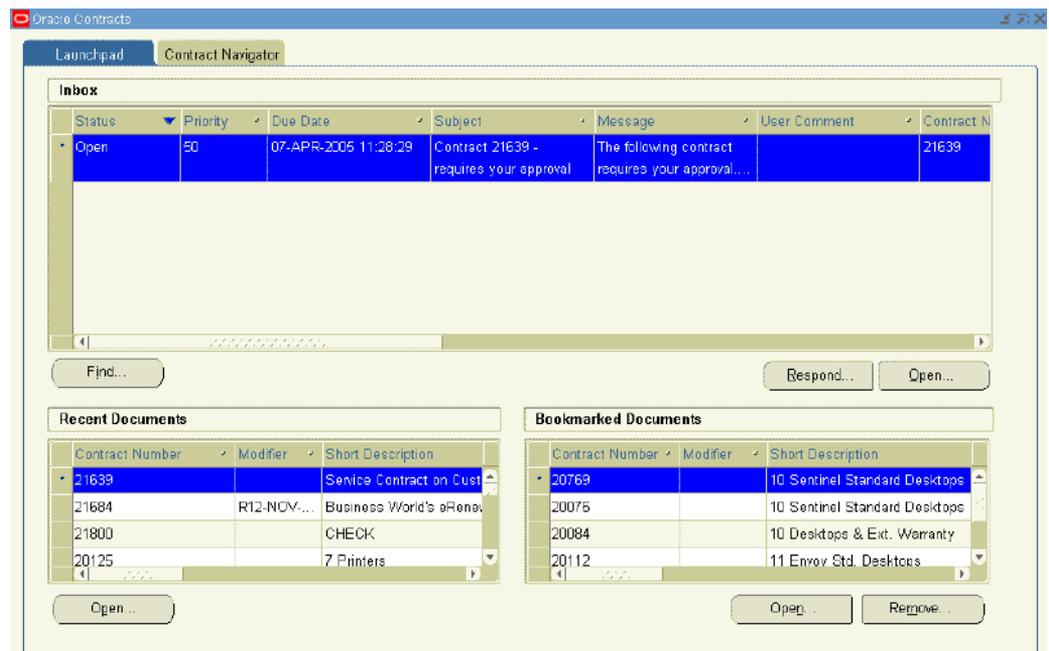
### To approve a contract:

1. Navigate to the Launchpad.

- In the Inbox region, click **Find**.  
The Inbox Find window appears.
- From the Select Notification Type list, select **Contract Approvals**.



- Select **Find**.  
The Inbox is refreshed with contracts that require approval.
- Highlight the contract you would like to approve.



6. Select **Respond**.

The screenshot shows the Oracle Workflow interface. At the top left is the Oracle Workflow logo. On the top right are navigation icons for Diagnostics, Preferences, Help, and Close Window. The main heading is "Contract 21639 - requires your approval". Below this are four buttons: Approve, Reject, Reassign, and Request Information. The message content includes: To: Able, Ms. Marsha; Sent: 06-Apr-2005 11:28:29; Due: 07-Apr-2005 11:28:29; ID: 847162. It states "The following contract requires your approval." and lists contract details: Contract Number: 21639, Contract Number Modifier, Description: Service Contract on Customer Level, Forwarded from: Able, Ms. Marsha, and Requestor: Able, Ms. Marsha. A Note section says "If you reject, you must provide an explanation in the note." Below is an Action History table with columns Num, Action Date, Action, From, To, and Details. The table contains one row: 1, 06-APR-2005 11:28:29, Submit, Able, Ms. Marsha, Able, Ms. Marsha. A Response section has a Note field. At the bottom are a "Return to Worklist" link and the same four action buttons as above.

A worklist page appears within a new browser window. You can either approve, reject, reassign the approval to someone else, or request information.

You may add a note to the Response region.

7. Select **Approve**.

The Worklist summary appears. The message indicates, **Contract requires your signature**. You can select the **Contract requires your signature** link and sign the contract.

## Signing Contracts

### To sign a contract:

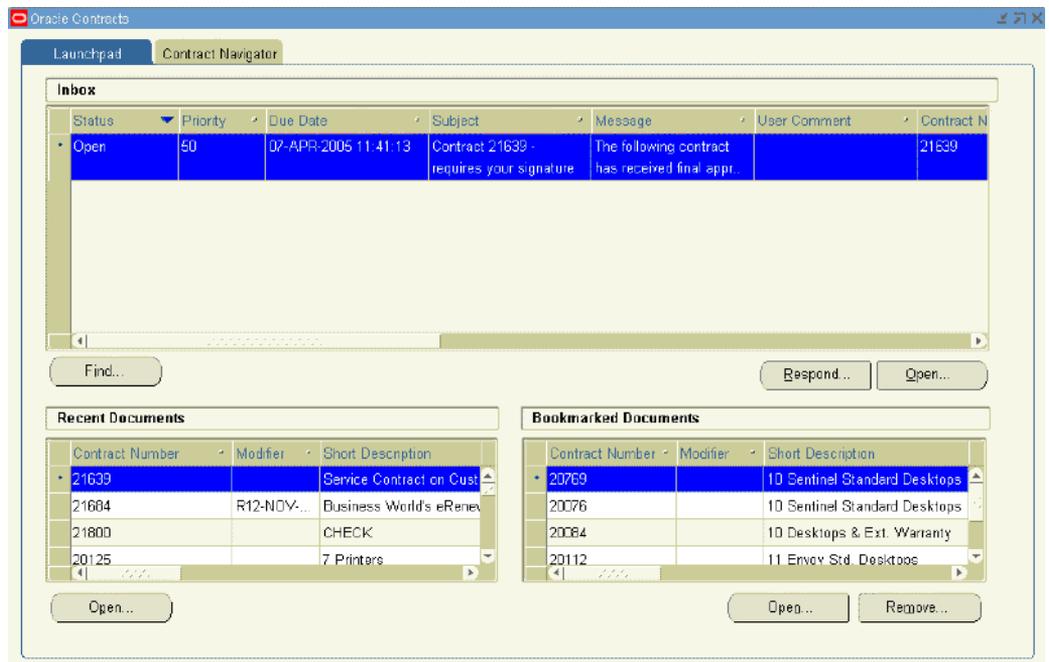
1. Navigate to the Launchpad.
2. In the Inbox region, click **Find**.  
The Inbox Find window appears.
3. From the Select Notification Type list, select **Contract Requiring Signature**.



4. Select **Find**.

The Inbox is refreshed with contracts that require a signature.

5. Highlight the contract you would like to sign.



6. Select **Respond**.

**Contract 21639 - requires your signature**

To **Able, Ms. Marsha**  
 Sent **06-Apr-2005 11:41:13**  
 Due **07-Apr-2005 11:41:13**  
 ID **847167**

The following contract has received final approval.  
 Contract Number: 21639  
 Contract Number Modifier:  
 Description: Service Contract on Customer Level  
 Finally approved by: Able, Ms. Marsha

Signed Date: 06-APR-2005

Note:

If you reject, you must provide an explanation in the note.

**Action History**

Num	Action Date	Action	From	To	Details
1	06-APR-2005 11:41:13	Submit	Able, Ms. Marsha	Able, Ms. Marsha	

**Response**

Date Signed

Note

[Return to Worklist](#)

A worklist page appears within a new browser window. You can either sign, not sign, reassign, or request additional information.

You may add a note to the Response region.

7. Select Yes.

The Worklist summary appears. The message indicates, **Contract has been Signed.**

This chapter covers the following topics:

- Overview of Billing
- Understanding Billing Levels
- Creating Billing Profiles
- Billing Customers Based on Usage
- Billing Using Credit Cards or Commitments
- Specifying Multiple General Ledger Accounts for Contract Revenue Streams
- Executing Billing Through Concurrent Programs
- Running the Service Contracts Main Billing Program
- Running the AutoInvoice Import Program
- Running the Service Contracts Fetch Receivables Info for Billing Program
- Running the Service Contracts Usage Averaging Program
- Running the Service Contracts Usage Settlement Program
- Viewing Invoice Details
- Viewing Invoice History
- Reviewing Invoice Transactions in Oracle Receivables
- Understanding Bill Presentment Architecture

## Overview of Billing

This group of topics explains how billing works.

A billing schedule determines when the customer is billed for the services they receive. You must specify billing schedules for each contract that you author in Oracle Service Contracts.

**Note:** Contracts can be indirectly created from Oracle Order Management. You do not need to create billing schedules for such contracts.

Billing schedules can be defined at the contract header, the contract line, or the subline level.



- **Top Level:** allows you to define the billing periods. The billing engine calculates the bill amounts, so the amount fields and Prorate button are disabled. With Top Level, line level start and end dates can differ from the sublines. When creating billing schedules at this level, the total stream level amounts from the sublines roll-up to the line levels. Also, once a line level billing schedule exists, all new sublines added will automatically update the billing amount per period without needing to revisit the line level and click Schedule again.

Whenever the duration of the line is increased, an additional billing stream is 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 automatically 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.

Top Level can be set at the header, service line, or usage line level:

- header, see *Creating a Default Billing Schedules*, page 3-6
  - service lines, see *Specifying a Billing Schedule*, page 4-27
  - usage lines, see *Specifying a Billing Schedule for a Usage Line*, page 5-27
- **Covered Level:** when the covered level effective dates are not the same as the service line effective dates, you have the option to create a covered level specific billing schedule. As a prerequisite, the service line billing schedule level must first be set to the Covered Level. By default, all the covered level lines inherit the service line billing schedule. If required, the billing schedule can be modified and updated for a given covered level. Amounts can be entered for every period and the Prorate button may be used.

Covered Level can be set at the service line level:

- service lines, see *Specifying a Billing Schedule*, page 4-27

**Note:** You can select a billing level default by setting the profile OKS: Billing Schedule Level. If the level you select is not available to the header or the line, the defined value will not default.

For example, if the default is set to Top Level and you create a subscription line, the defaulted value will not be Top Level, despite the setting. This is because subscription lines must be Equal Amounts not Top Level.

## Creating Billing Profiles

All customer account information is set up in Oracle Receivables, which includes a single billing profile that is applicable when invoicing all customers. 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.

For example, you could set up a billing profile, called Monthly Interval, which defaults a monthly billing schedule with specific accounting and invoicing rules. You could

use this profile to default information and also when renewing contracts if the billing durations are not the same between the original and renewed contracts.

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 create billing profiles:

1. From the Navigator, choose Service Contracts Manager > Setup > Contract > Billing Profile.

The Billing Profile window appears.

The screenshot shows the 'Billing Profile' window with the following fields and options:

- Profile Number: [Text Field]
- Description: [Text Field]
- Party: [Text Field]
- Party Number: [Text Field]
- Accounting Rule: [Text Field]
- Invoicing Rule: [Text Field]
- Billing Level: **Top Level** [Dropdown]
- Bill To Address: [Text Field]
- Billing Type**:
  - One time
  - Recurring
  - Interval: [Text Field]
- Offset(Days)**:
  - Invoice: [Text Field]
  - Interface: [Text Field]

2. Enter an alphanumeric profile number.
3. Enter the profile description.
4. Optionally select a party, such as Business World.

When a billing schedule is assigned to a party, the profile is limited to that party. If you are creating a contract for another party, you will not see this billing profile in the LOV when you cascade attributes.

5. Select an Accounting Rule from the LOV.
6. Select an Invoicing Rule from the LOV.
7. Select a Billing Level from the LOV.
8. Select One Time or Recurring as the Billing Type option.  
For the Recurring billing, select a billing Interval from the LOV, 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.
11. Save.

The screenshot shows the 'Billing Profile' form with the following values:

- Profile Number: BP-BW1
- Description: Business World Profile 1
- Party: Business World
- Party Number: 2813
- Accounting Rule: Immediate
- Invoicing Rule: Arrears Invoice
- Billing Level: Top Level
- Bill To Address: San Jose (OPS)
- Address: 2391 L Street San Jose, Santa Clara CA 95106, United States
- Billing Type: Recurring (selected), Interval: Month
- Offset(Days): Invoice, Interface

**Note:** 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.

## Billing Customers Based on Usage

For usage lines you can bill customers using different methods. Some of these methods are fixed, others are based on counter readings or estimation values.

To understand how a customer can be charged for usage lines, see *Specifying How Customer is Charged*, page 5-5.

## Billing Using Credit Cards or Commitments

Oracle Service Contracts integrates with Oracle Receivables to support multiple billing methods.

When you enter billing terms for a contract, you can select a method of payment from a LOV. These methods include Credit Card and Commitment (prepayment). This is done from the Pricing/Billing subtab of the Summary tab.

If you select the Credit Card method, you must enter also credit card information such as credit card number, and credit card expiration date.

If you select the Commitment method, then the Authoring process requires the entry of a commitment number. Customer commitments must be set up in Oracle Receivables prior to use as a method of payment in Oracle Service Contracts. See:

- (header) Specifying Payment by Credit Card or Commitment Number, page 3-12.
- (lines) Specifying Payment by Credit Card or Commitment Number, page 4-32.

## Specifying Multiple General Ledger Accounts for Contract Revenue Streams

There may be situations where you wish to distribute revenue for a contract line to one or more general ledger accounts other than the default account specified during the implementation.

You can change the default revenue distribution for an Entered contract. You can also open an Active contract for update, or create a change request. If you are changing the revenue distribution for a contract after a line has been billed, you 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 specify multiple general ledger accounts for contract revenue streams:

1. From the Service Contract Authoring window, select a line to specify multiple general ledger accounts.
2. From the Tools menu, select Revenue Distribution.

The Revenue Distribution window appears for the line.

Service : WR18533

GL Account

Override Account	Percent

Total %

3. Review the account defaulted in the GL Account field.
4. Select the LOV for the Override Account field.

The Operations Accounting Flex window appears.

Operations Accounting Flex

Account Alias  Payables

5. Select the LOV for the Account Alias field.
6. Select an Account Alias.

The Account Alias window appears.

The account number for the account alias appears in the Override Account field.

**Note:** For some accounts, the Operations Accounting Flex window appears. You can choose the overriding account by selecting the segment values, or by choosing from the list of combinations.

For more information refer to the *Oracle General Ledger User Guide*.

7. Enter the percentage to be allocated to the account in the Percent field.

After you have entered all the override accounts, the Total % field must equal 100%.

8. To add additional override accounts, repeat steps three through seven.

Service : WR18533

GL Account

Override Account	Percent
01-000-2210-0000-000	55.00
01-580-7740-0000-000	45.00

Total %

9. Click OK.

## Executing Billing Through Concurrent Programs

In order to initiate and complete the billing process, you must run the following concurrent programs:

- Service Contracts Main Billing
- AutoInvoice Import Program
- Service Contracts Fetch Receivables Info for Billing

**Note:** You should run contracts through the quality assurance check prior to submitting them for billing. This helps to ensure the billing process is successful. See .

## Running the Service Contracts Main Billing Program

This program is owned by Oracle Service Contracts. It generates a log file of the total value processed, total value successful, and total value rejected for billing. For a description, see About Concurrent Programs, page 18-7.

For usage lines, the Service Contracts Main Billing program calculates billing amounts based upon the usage type. See *Specifying How the Customer is Charged*, page 5-5.

### To run the Service Contracts Main Billing program:

1. From the Navigator, navigate to 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 one or more of 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:** 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 to send these transactions to special preview tables to enable you to review the invoice details before you submit them to Oracle Receivables. Leave it at no if you want the transactions interfaced to Oracle Receivables.
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 could 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.

### Running the AutoInvoice Import Program

This program is owned by Oracle Receivables. It imports the billing transactions from the Service Contracts Main Billing Program into Oracle Receivables and generates the invoice details.

### To run the AutoInvoice Import Program:

After you run the Service Contracts Main Billing Program, you must run the Autoinvoice Import Program to import the billing transactions into Oracle Receivables for processing.

For more information on how to run this program, see the *Oracle Receivables User Guide*.

## Running the Service Contracts Fetch Receivables Info for Billing Program

This program is owned by Oracle Service Contracts. For a description, see About Concurrent Programs, page 18-7.

### To run the Service Contracts Fetch Receivables Info for Billing

1. From the Navigator, navigate to 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, select **Service Contracts 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. The invoice number and tax appear in the billing details.

## Running the Service Contracts Usage Averaging Program

Usage averaging is used to give price benefits to the user for higher consumption in a period. This feature allows the user to distribute consumption evenly in multiple billing periods. After distributing the consumptions evenly, price breaks are applied to these consumptions to get new billing amount for the period.

This program is owned by Oracle Service Contracts. For a description, see About Concurrent Programs, page 18-7.

For information on usage lines, see Entering Usage Lines, page 5-1.

### To run the Service Contracts Usage Averaging program:

1. In the Navigator, navigate to Control > Requests > Run.  
The Submit New Request window appears.
2. Choose Single Request and click OK.  
The Submit Request window appears.
3. In the Name field, select **Service Contracts Usage Averaging**.
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. In the Submit Request window, click Submit Request.

## Running the Service Contracts Usage Settlement Program

Usage billing supports settlement features for Actual Per Period. This feature is used to settle the discrepancies between actual consumption and actual billed amount. This type of situation may arise when consumption for billing period is captured after running the main billing for that billing period. Currently there is a separate settlement program to do settlements of usage lines.

Settlement can also be done by billing program at the time of invoice generation.

This program is owned by Oracle Service Contracts. For a description, see About Concurrent Programs, page 18-7.

For information on usage lines, see Entering Usage Lines, page 5-1.

### **To run the Service Contracts Usage Settlement program:**

1. In the Navigator, navigate to Control > Requests > Run.  
The Submit New Request window appears.
2. Choose Single Request and click OK.  
The Submit Request window appears.
3. In the Name field, select **Service Contracts Usage Settlement**.
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. In the Submit Request window, click Submit Request.

## **Viewing Invoice Details**

You can use the Invoice Details function to review payment, credit, and adjustment information applicable to the contract, lines, and sublines.

### **Prerequisite**

Run the necessary concurrent programs to generate billing transactions. See Executing Billing Through Concurrent Programs, page 11-8.

### **To view invoice details:**

1. From the Service Contracts Authoring window, choose the Tools menu and select Invoice Details.  
The Invoice Details window appears with the Invoice Number, Date, Source, Transaction Type, and Amount.



2. Select a line.
3. Click on the Billing button  
The Billing window appears.
4. Select the History tab.

Trx Type	Invoice/Credit	Invoice/Credit	Bill From	Bill To	Amount	Tax	Currency
Regular Invoice	513	17-MAR-2005	12-NOV-2003	11-NOV-2004	420	37.6	US
Termination Credit	742	14-APR-2005	11-APR-2004	11-NOV-2004	-246.72	-22.2	US

You can view the billing history from this tab, including invoice information and billing dates.

**Note:** If summary transactions are selected with either a profile option or the contract check box, the history contains one transaction line per billing period. However, if detail transactions are being sent to Oracle Receivables, the billing history will show the details for each subline per billing period. You can view the details of that billing transaction by right clicking on any line in the billing history.

## Reviewing Invoice Transactions in Oracle Receivables

For detailed information on using Oracle Receivables, see the *Oracle Receivables User Guide*.

### To review invoice transactions in Oracle Receivables:

1. From the Navigator, select the **Receivables, Vision Operations (USA)** responsibility.
2. Navigate to Transactions > Transactions.  
The Transactions window appears.
3. From the toolbar, select the Flashlight icon.  
The Find Transactions window appears.
4. In the Sales Order Number field, enter the contract number.



Transactions (Vision Operations: USD)

<b>Transaction</b> Source: <b>OKS_CONTRACTS</b> Number: <b>613</b> Class: <b>Invoice</b> Type: <b>Invoice OKS</b> Reference: <b>21604</b>		Date: <b>17-MAR-2005</b> GL Date: <b>12-NOV-2003</b> Currency: <b>USD</b> Document Number: Transaction: <input checked="" type="checkbox"/> Complete	<b>Balance Due</b> Line: <b>173.28</b> Tax: <b>15.60</b> Freight: <b>0.00</b> Charges: <b>0.00</b> Total: <b>168.88</b> <input type="button" value="Details"/> <input type="button" value="Refresh"/>
--	--	---	---

Main More Notes Commitment Reference Information

<b>Ship To</b> Name: <b>Business World</b> Number: <b>1608</b> Location: <b>San Jose (OPS)</b> Address: <b>2391 L Street</b> <b>San Jose, CA 95106 United States</b> Contact:	<b>Bill To</b> Name: <b>Business World</b> Number: <b>1608</b> Location: <b>San Jose (OPS)</b> Address: <b>2391 L Street</b> <b>San Jose, CA 95106 United States</b>	<b>Sold To</b> Name: <b>Business World</b> Number: <b>1608</b>
---	---	--

Commitment: Salesperson: <b>Richardson, Mr. John</b> Invoicing Rule: <b>In Advance</b> Payment Term: <b>IMMEDIATE</b> Due Date: <b>17-MAR-2005</b>	Payment Method: <b>Automatic Receipts</b> Customer Bank: <b>Bank of America</b> Bank Branch: <b>New York</b> Account Number: <b>921</b> Expiration Date:
--	--

## Understanding Bill Presentment Architecture

Bill Presentment Architecture (BPA) allows you to customize the content and formatting of billing data that your customers view online or print. Oracle Service Contracts is one of the data sources that can be used by the BPA framework.

There are a number of setups required to enable this functionality. For more information, see the *Oracle Receivables User Guide*.



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## Managing the Contract Lifecycle

This chapter covers the following topics:

- Overview of Managing the Contract Lifecycle
- Modifying Multiple Contracts at the Same Time (Mass Change)
- Handling Change Requests
- Entering Contract Changes
- Reviewing and Approving Changes
- Updating Contracts Online
- Creating Different Contract Versions for Your Customer
- Viewing Contract History
- Handling Returns and Granting Credit
- Changing Contract Status

### Overview of Managing the Contract Lifecycle

This group of topics explains how you can manage the contract lifecycle.

After the contract authoring process is complete, you must manage your contracts on an ongoing basis. You may need to change coverages, durations, versions, and other aspects your contracts.

You can streamline and control administrative processes, by leveraging functionality that manages updates and changes.

For information on contract extensions and renewals, see *Approving Contracts*, page 10-1.

### Modifying Multiple Contracts at the Same Time (Mass Change)

You can change one attribute of multiple contracts with a single request using mass change functionality. Mass change is allowed for contracts that are in appropriate status, where the operation *update online* is permitted.

Mass Change supports 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.

The Mass change window allows you to enter the scope of the mass change request and selection criteria. It determines which contracts are to undergo a mass change. 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:

- Category
- Contracts Group
- Organization
- Party
- Contract

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 LOV in the Mass Change header:

- Accounting Rule
- Agreement
- Business Process Price List
- Contract End Date
- Contract Group
- Contract Line Ref
- Contract Start Date
- Contract Renewal Type
- Coverage End Time
- Coverage Start Time
- Coverage Timezone
- Coverage Type
- Header Bill to Address
- Header Ship to Address
- Invoicing Rules
- Known As
- Party Billing Contact
- Party Shipping Contact
- Payment Term
- PO Numbering for Billing
- PO Required for Renewal
- Preferred Engineer
- Preferred Resource Group

- Price List
- Product Line Ref
- Reaction Time
- Resolution Time
- Revenue Account
- Salesperson
- Summary Print

**Note:** if the billing schedule is defined with Equal Amount or Covered Level, you cannot use Mass Change to modify either the contract start date or the contract end date, since the billing schedule has to be adjusted for each individual contract.

### To modify multiple contracts at the same time:

1. Navigate to Mass Change from the Navigator.  
The Mass Change Operation window appears.

2. Enter the Name of mass change.
3. From Mass Change Details select the value Update Level from the LOV, such as Party.
4. Select Value from the LOV, such as Business World.
5. Select an appropriate Attribute from the LOV, such as Price List  
Attributes supported by mass change are listed in this list.
6. Select an Old Value, such as Corporate.
7. Select a New Value, such as Business World.

Mass Change Operation

Criteria

Mass Change  
Name:  Operation Status:

Mass Change Details  
Update Level:  Value:   
Attribute:   
Old Value:  New Value:

Request  
Request Id:   
Requester:   
Request Date:

Results

Contract Number	Modifier	Description	Party	Contract Status	Start Date	End Date	Old Value	Process Status	Check QA
15550		Service Contract	Business World	Expired	03-AUG-2001	02-AUG-2003	Corporate	Available for Proc	<input checked="" type="checkbox"/>
15551		Service Contract	Business World	Entered	03-AUG-2001	02-AUG-2003	Corporate	Available for Proc	<input checked="" type="checkbox"/>
15588		Service Contract	Business World	Expired	03-AUG-2001	02-AUG-2003	Corporate	Available for Proc	<input checked="" type="checkbox"/>
15608		SERVICE CONTR	Business World	Expired	08-AUG-2001	07-AUG-2003	Corporate	Available for Proc	<input checked="" type="checkbox"/>
15620		Service Agree	Business World	Expired	01-AUG-2001	31-JUL-2002	Corporate	Available for Proc	<input checked="" type="checkbox"/>
15648		Service Contract	Business World	Terminated	14-AUG-2001	13-AUG-2002	Corporate	Available for Proc	<input checked="" type="checkbox"/>
15649		Service Contract	Business World	Terminated	14-AUG-2001	13-AUG-2002	Corporate	Available for Proc	<input checked="" type="checkbox"/>

Contract Description:

8. Click **Search** or click **Cancel** and start over.

If Search button is clicked, all the contracts that meet the criteria are displayed in the Result region. By default all the records are selected.

Mass Change Operation

Criteria

Mass Change  
Name:  Operation Status:

Mass Change Details  
Update Level:  Value:   
Attribute:   
Old Value:  New Value:

Request  
Request Id:   
Requester:   
Request Date:

Results

Contract Number	Modifier	Description	Party	Contract Status	Start Date	End Date	Old Value	Process Status	Check QA
OKSRT1110965980		Test	Business World	Entered	12-OCT-2004	11-OCT-2005	Corporate	Available for Proc	<input type="checkbox"/>
OKSRT1110966862		Test	Business World	Terminated	12-OCT-2004	11-OCT-2005	Corporate	Available for Proc	<input type="checkbox"/>
OKSRT1110967757		Test	Business World	Active	12-OCT-2004	11-OCT-2005	Corporate	Available for Proc	<input checked="" type="checkbox"/>
OKSRT1110967814		Test	Business World	Active	17-OCT-2004	16-OCT-2005	Corporate	Available for Proc	<input checked="" type="checkbox"/>
OKSRT1110967814	R16-MAR	Test	Business World	Entered	17-OCT-2004	16-OCT-2005	Corporate	Available for Proc	<input checked="" type="checkbox"/>
OKSRT1110968286		Test	Business World	Entered	17-OCT-2004	16-OCT-2005	Corporate	Available for Proc	<input checked="" type="checkbox"/>
OKSRT1110969080		Test	Business World	Active	16-MAR-2004	15-MAR-2005	Corporate	Available for Proc	<input checked="" type="checkbox"/>

Contract Description:

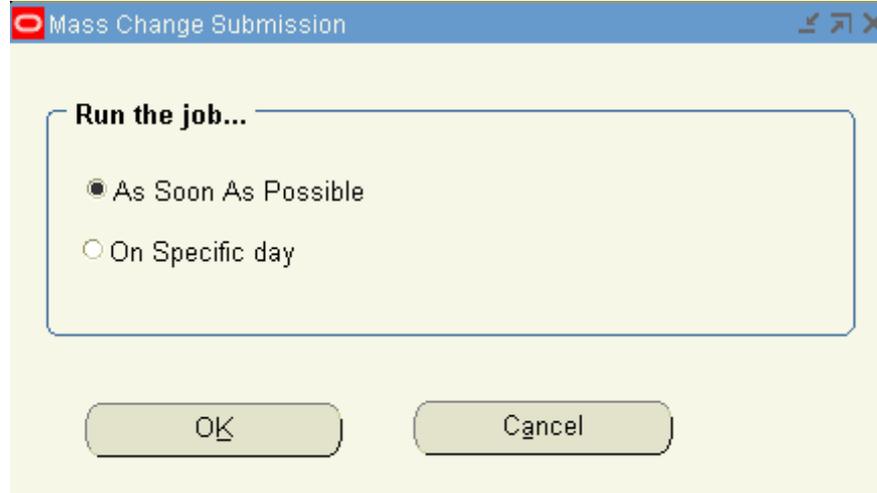
9. To deselect a contract, check the Select check box.

**Note:** You can deselect all contracts by clicking **Deselect All** or you can select all contracts by clicking **Select All**.

10. To run the QA check first, select the Check QA check box.
11. To preview the request without submitting it, click **Preview**.

The Mass Change Submission window appears.

Because the Mass Change is a powerful process, you may preview a report. This ensures that you do not update any contracts that you did not mean to update. To do so, you can run a preview, review the report, then submit it when you are confident the changes are correct.



1. Select either As soon as possible or On Specific Day.
2. Click OK.

A note appears, indicating the Mass Change request was successfully submitted. You should make a note of the request id.

You are returned to the Mass Change window. The Operation Status field provides the status for the mass change.

The Request region is populated with details of the request.

12. To submit the request, click **Submit the Request**.

The Mass Change Submission window appears.

1. Select either As soon as possible or On Specific Day.
2. Click OK.

A note appears, indicating the Mass Change request was successfully submitted.

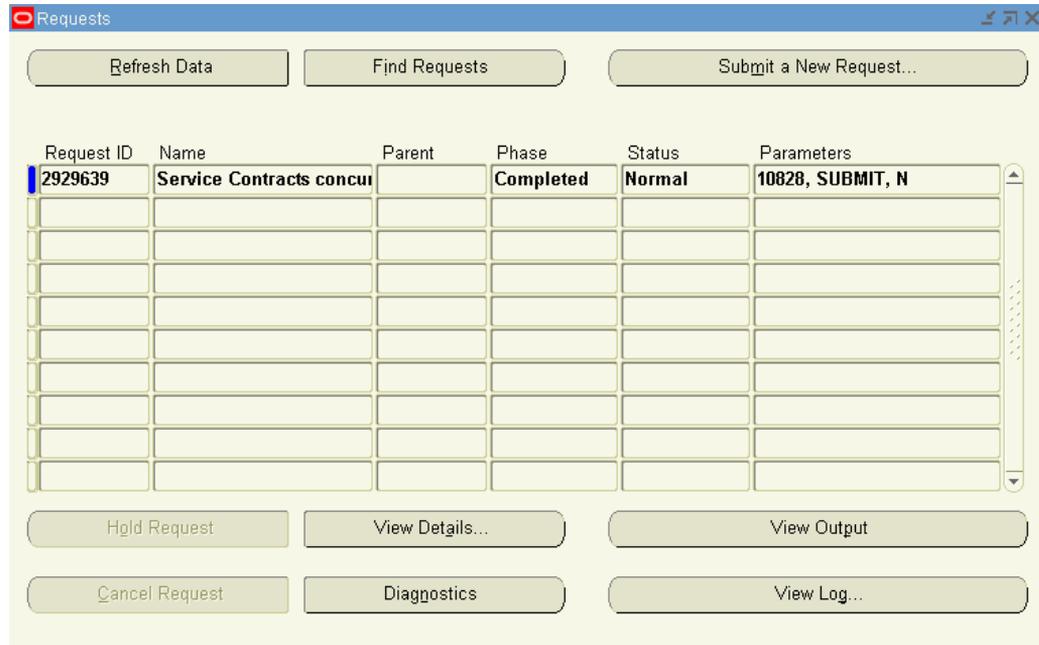
You are returned to the Mass Change window. The Operation Status field provides the status for the mass change.

The Request region is populated with details of the request.

**Note:** While submitting the mass change request, if one of the requests 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 until all the contracts in the mass change request are successfully processed.

13. To view the details for the request, select **View Request**.

The Requests window appears.



14. After the request is completed, query the Mass Change request window to view the updated Operation Status and Request information in the Mass Change Operation window.

## Handling Change Requests

Your administrator can set a contract to a status that does not allow changes to be made online 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 its lifecycle.

If the Active status does not allow *online updates*, then any changes to the contract would have to go through the change request process. After a change request has been approved, a notification is sent to the Contract Administrator. From the Inbox, you can open the contract for update. In this situation the Open for Update button is not visible in the contract itself.

After you complete the contract updates, you can run the contract through the QA Check and if everything passes, the contract status is set back to Active.

## Entering Contract Changes

### Prerequisite

Confirm the status and operations setup allows changes for the category and status.

### To enter contract changes:

1. From the Navigator, choose **Launch Contracts**.

2. Select the Contract Navigator tab.
3. Highlight the contract you want to change.
4. Right-click the contract and choose the **Create Change Request** option.

The Create Change Requests window appears.

Contract Number  Modifier  Version Applied

Request Name  Status

Description

Requested By  Request Date

Effective

Start Date  End Date

Version Contract

Signature Required

Changes

Line	Description	Change Text
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

5. Enter the request name and a description.
6. Confirm the requester's name in the Request By field.  
This person receives a workflow notification when changes are approved and can be applied to the contract.
7. Enter the request date.
8. Enter the effective dates.
9. To version the changed contract, select the Version check box.
10. To require signature, select the Signature Required check box.
11. Record the lines where you are requesting a change and the exact nature of the change, for example, apply an extra 10% discount.

Create Change Requests (Vision Operations: USD)

Contract Number **21815**    Modifier     Version Applied **0.1**  
 Request Name **Change Price List - Line 1**    Status **Entered**  
 Description **To change the price list for line 1 from Corporate to Business World.**

**Details**    **Admin**

Requested By **CONMGR**    Request Date **29-APR-2005**

**Effective**  
 Start Date **29-APR-2005**    End Date     Version Contract   
 Signature Required

**Changes**

Line	Description	Change Text
<b>1</b>	<b>Change Price List</b>	<b>To change the price list for line 1 from Corporate to Business World.</b>

12. Select the **Admin** tab.
13. In the Workflow Name field, select the approval workflow.
14. Select an Administrator.
15. Select Party Approvals (optional).
16. Save.

Create Change Requests (Vision Operations: USD)

Contract Number **21815**    Modifier     Version Applied **0.1**  
 Request Name **Change Price List - Line 1**    Status **Entered**  
 Description **To change the price list for line 1 from Corporate to Business World.**

**Details**    **Admin**

**Approval**

Workflow Name **Change Approval Process**    Active   
 Approval Process **CHK\_APPROVAL\_PROCES**

**Date**

Approved   
 Applied   
 Rejected

Administrator **ABLE, MS. MARSHA**   

**Party Approvals**

Party	Role	Date Accepted
<b>Business World</b>	<b>Customer</b>	<b>29-APR-2005</b>
<b>Vision Operations</b>	<b>Vendor</b>	<b>29-APR-2005</b>

17. Click **Submit for Approval**.

A Note message appears, indicating *Submitted for approval*

18. Click OK.

## Reviewing and Approving Changes

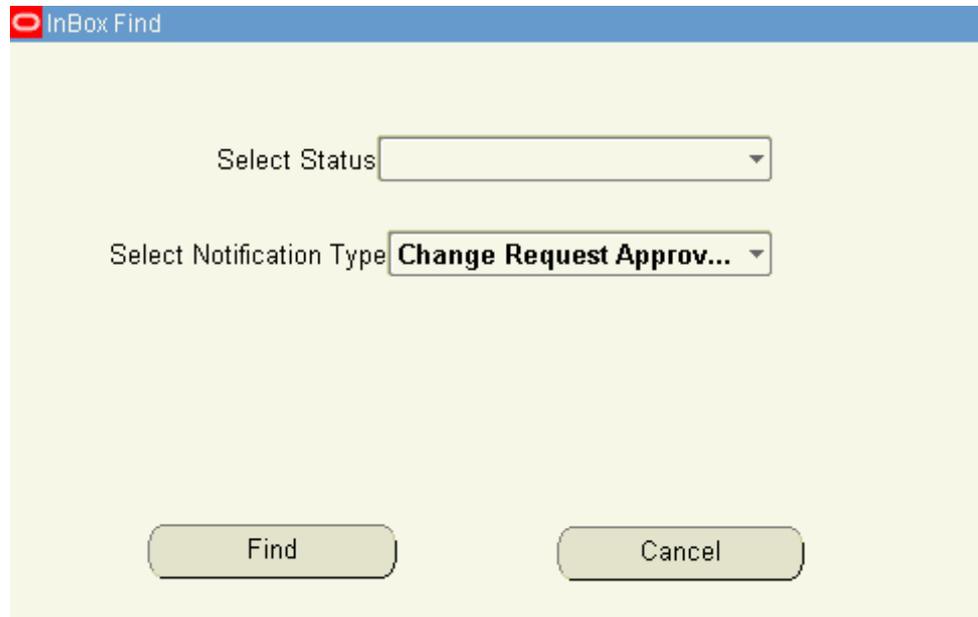
The change request must first be approved before you can change the contract. After the change request has been approved, you can open the contract and apply the changes as described in the change request notification. After you start editing the contract, you automatically lock the contract for other users with an approved change request.

### Prerequisite

Open the change request notification in your Inbox and confirm no other change requests are in process.

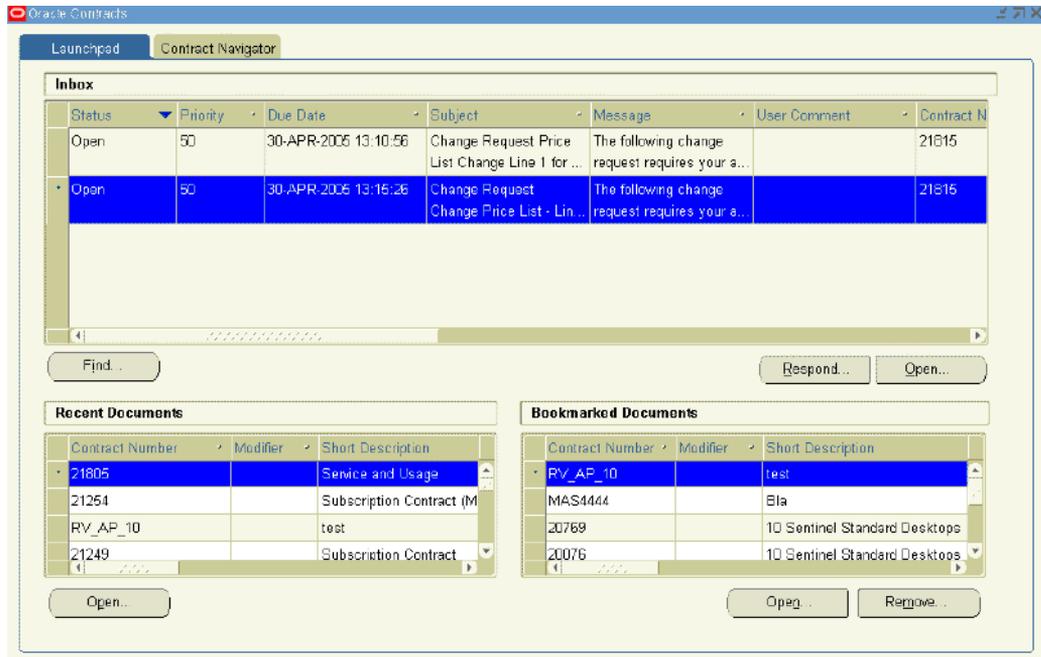
### To review and approve changes:

1. From the Navigator, choose **Launch Contracts**.
2. From the Launchpad, click **Find**.  
The Inbox Find window appears.
3. From Select Notification Type, select **Change Request Approvals**.
4. Click **Find**.



The screenshot shows the 'InBox Find' dialog box. It features a blue title bar with a red 'X' icon and the text 'InBox Find'. The main area is light yellow and contains two dropdown menus. The first dropdown is labeled 'Select Status' and is currently empty. The second dropdown is labeled 'Select Notification Type' and has 'Change Request Approv...' selected. At the bottom of the dialog, there are two buttons: 'Find' and 'Cancel'.

The contracts with open change requests appear.



5. Highlight the contract from the Inbox and click **Respond**.

The Notification Details window appears.



6. Click **Approve**.

The worklist window shows the change request has been approved.

Close the worklist.

7. From the Launchpad Inbox select **Find**:

- From the Select Notification Type list, select **Change Requests Approved**.

- Click **Find**.

The approved change requests appear.

- Highlight the change request and select **Open**.  
The contract opens in status of QA Hold (or Open for Update).  
After you make changes you must submit the contract for a QA check.
8. From the Actions menu select **Check QA**.
- The Quality Assurance Results window appears. If the contract passes QA, select **OK**.
- The status changes to Active.
- A new version of the contract will be created if that option was selected in the change request.

## Updating Contracts Online

After the contract has gone through the approval process, you can update a contract through the Update Online operation, as long as the status and operations definition allows it.

### Prerequisites

- Set the OKC: Global Update Privileges profile option to Yes.
- Grant the Update Online function to the user responsibility
- Confirm other users do not have the Change Request lock on the contract.

### To update contracts online:

1. From the Service Contracts Authoring window, select the Summary tab and select **Open for Update**.

The Contract Status should change from **Active** to **QA Hold**. This locks the contract.

The screenshot displays the 'Service Contracts Authoring (Vision Operations: USD)' window. The top section shows contract metadata: Contract Number 21811, Version 0.7, Status QA Hold, Subtotal 5,000.00, Start Date 12 JAN 2005, End Date 11 JAN 2006, Tax 0.00, Order 1, Duration 1, Period Year, Total 5,000.00 USD, Category Service Agreeome, and Terminated 0.00. The Short Description is 'Negotiated Renewal'. Below this, there are tabs for 'Summary' and 'Lines'. The 'Summary' tab is active, showing sub-tabs for 'Parties', 'Pricing / Billing', 'Renewals', 'Administration', and 'Security/Text'. The 'Parties' sub-tab is selected, displaying a table with columns for Role, Name, Party Number, and GSA. The table contains two rows: 'Customer' with Name 'Business World' and Party Number '2813', and 'Vendor' with Name 'Vision Operations'. Below the table are sections for 'Contacts', 'Bill To', and 'Ship To'. The 'Bill To' section shows 'Account / Party' as 'Business World / Business World' and 'Location' as 'San Jose (OPS)', with the address '2391 L Street San Jose Santa Clara CA 95106 United States'.

2. Make changes to the contract.
3. Save.
4. From the Actions menu, select **QA Check**.
5. Review the quality assurance results.

Quality Assurance Results (Vision Operations: USD)

Contract Number: 21811      Modifier:

QA Checklist: Default Quality Assurance Check List

Process Name	Description	Severity	
Check Email Address	Check Email Address	Warning	This Contract is missing at least one party contact with
Check Covered Level Overlap	Check Covered Level Overlap	Warning	1.1, Installed Item is also in Contract: 21810/1.1, Installed
Check Required Values	Check Required Values	Success	The contract QA process has completed successfully.
Check Effectivity Dates	Check Effectivity Dates	Success	The contract QA process has completed successfully.
Check Address	Check Address	Success	Contracts QA process has completed successfully.
Check Contract Terms	Check Contract Terms (11.5.1)	Success	The contract QA process has completed successfully.
Check Required Values OKS	Check Required Values for OI	Success	Contracts QA process has completed successfully.
Check Tax Exemption	Check Tax Exemption	Success	Contracts QA process has completed successfully.
Check Customer Credit Hold	Check Customer Credit Hold	Success	Contracts QA process has completed successfully.
Check Credit Card Sum	Check Sum of Credit Card Nu	Success	Contracts QA process has completed successfully.

OK      Cancel

6. If the QA results are clean, click OK.
7. The Contract Status changes from **QA Hold** to **Active**.

Service Contracts Authoring (Vision Operations: USD)

Contract Number: 21811      Version: 0.8      Status: Active      Subtotal: 5,000.00

Known As:       Start Date: 12-JAN-2005      End Date: 11-JAN-2006      Tax: 0.00

Order:       Duration: 1      Period: Year      Total: 5,000.00 USD

Short Description: Negotiated Renewal      Category: Service Agreeeme      Terminated: 0.00

Summary      Lines

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty	UOM	Renewal Type
1	Usage	QP LPTR.U	Active	12-JAN-2005	11-JAN-2006	1	Year			Full Duration

Description: Usage item for laser printers      Invoice Text: Usage item for laser printers:12-JAN-2005:11

Price List: Business World

Usage Type:  Fixed Per Period       Actual by Quantity

Actual Per Period       Negotiated Price

Period:

Termination Method:

Average and Settlement: Averaging Interval:       Settlement Interval:

## Creating Different Contract Versions for Your Customer

The contract version consists of a major version and a minor version. The major and minor versions are separated by a period. When a contract is created, the version is set to

0.0. The minor version increases incrementally each time the contract is changed. When you create a new version, the major version number of a contract is changed from its most recent value to the next increment. The minor version changes each time the contract is changed, but the major version will not change again unless you create another contract version.

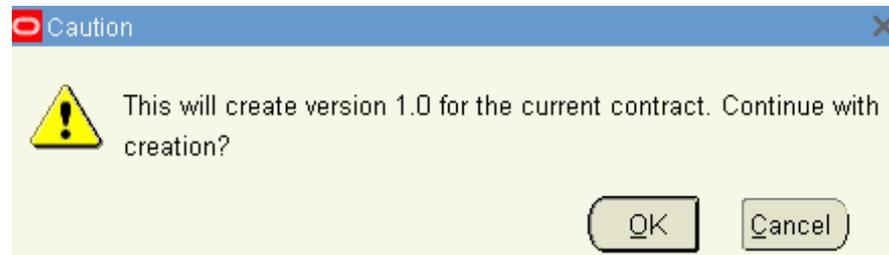
For example:

Contract Changes	Version
Initial creation	0.0
First save with changes	0.1
Second save with changes	0.2
Create new version	1.0
First save after new version	1.1
Second save after new version	1.2

### To create different contract versions for your customer:

1. From the Service Contracts Authoring window, choose the Tools menu and select **Create New Version**.

A caution window appears indicating a new version will be created.



2. Click **OK**.

A note appears, indicating that a new version has been created successfully.



3. Click **OK**.

In the Version field, the digit in front of the period or the major version number, increases by one. The minor version is reset to zero.

## Viewing Contract History

### To view contract history:

1. In the **Contract Navigator** tab of the Oracle Contracts window, select a contract.
2. Double-click the contract.

The Contract Execution window appears.

The screenshot shows the Oracle Contract Execution window for contract 21811. The window title is "21811". The contract details are as follows:

Contract Number	21811	Modifier	
Short Description	Negotiated Renewal		
Status	Active	Start Date	12-JAN-2005
Category	Service Agreement	End Date	11-JAN-2006
Amount	5,000.00 USD	Terminate Date	
		Renew Date	12-JAN-2005

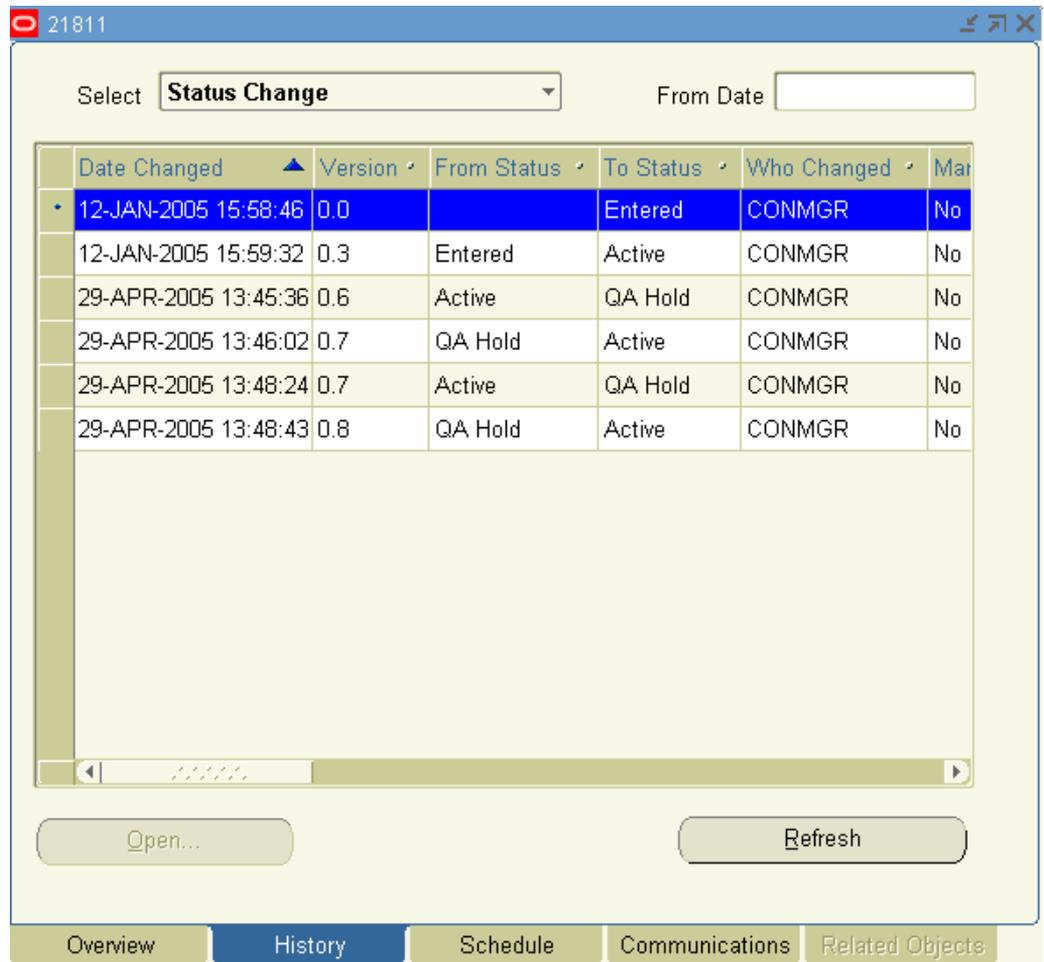
Below the details are two text areas: "Description" and "Comments".

At the bottom, there is a table with the following data:

Line...	Status M...	Name	Start Date	End Date	Line Style
1	Active	Usage item fo...	12-JAN-2005	11-JAN-2006	Usage

The window has a tabbed interface at the bottom with the following tabs: Overview, History, Schedule, Communications, and Related Objects. The "History" tab is currently selected.

3. Select the History tab.



4. From the Select list choose an option:
  - Status Change
  - Contract Versions
  - Change Requests
  - Change Requests and Contract Versions
5. To open a contract version or change request, highlight the version and select **Open**.  
Depending on what you select, the Service Contracts Authoring window or the Create Change Request window appears.

## Handling Returns and Granting Credit

Credits are determined by the RMA line type in Oracle Order Management. When a product is returned from Oracle Order Management, Oracle Install Base makes a call to Oracle Service Contracts with the parameter `raise_credit`, which determines if a full, a partial, or no credit is to be issued.

- **Full:** Product line in Oracle Service Contracts is terminated as of the start date of the product line and a full credit is issued.

- **Calculated (Partial):** Product line in Oracle Service Contracts is terminated as of the return date of the product. A partial prorated credit is issued based on the return date.
- **None:** Product line in Oracle Service Contracts is terminated as of return date and no credit is issued.

If there is a null value and nothing is passed in the parameter `raise_credit`, then Oracle Service Contracts uses the credit option rule set in the Credit Amount field of the Global Contracts Defaults window. You can set the credit option to Full, Calculated, or None. For more information on the Global Contracts Default window, see Setting Up Defaults for Contract Renewal, page 2-15.

If the credit option rule is not defined in Global Contracts Defaults, then Oracle Service Contracts uses the value set in the profile option, OKS: Raise Credit Memo for IB Instance Termination, and prorates the credit based on the return date.

## Changing Contract Status

### To change a contract status:

1. In the Contract Navigator, right click a contract and choose **Change Status**.

The Contract Status window appears.

Contract Status (Vision Operations: USD)

Current Status:       Current Status Type:

New Status:       New Status Type:

Reason:

Comments:

Selected Contracts				
Contract Number	Modifier	Status	Start Date	End Date
21811		Active	12-JAN-2005	11-JAN-2006

Ok      Cancel

2. Select the New Status from the LOV.
3. Select a Reason from the LOV.

If you need to add more reasons for the status change, your system administrator can add more options in the Lookup Codes.

4. Use the Comments field to enter any additional information.

Contract Status (Vision Operations: USD)

Current Status: **Active**      Current Status Type: **Active**  
 New Status: **Bankruptcy Hold**      New Status Type: **Hold**  
 Reason: **Contract terminated**  
 Comments: **Customer is having financial issues.**

**Selected Contracts**

Contract Number	Modifier	Status	Start Date	End Date
21811		Active	12-JAN-2005	11-JAN-2006

Ok      Cancel

5. Click **OK**.
6. A Status window appears, indicating the status change was successful.
7. Click **OK**.
8. In the Contract Navigator tab, right click the contract and select **Refresh**.

The contract shows the new status.

**Note:** Certain status transitions are made based upon the start date or end date on a contract or on a contract line. There are two concurrent programs used to automatically change the status of a contract:

- Contract Status Change by Range
- Contract Status Change by Contract

These programs are used when the status transitions are not manual.

For example, a contract:

- expires when an end date is reached.
- becomes active from the signed status at the start date.



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## Using Notes

This chapter covers the following topics:

- Communicating Using Notes
- How Notes are Used in Oracle Service Contracts
- Adding Service Contract Notes
- Adding Service Coverage Notes to a Coverage Template
- Adding Service Coverage Notes to a Service Coverage (Instantiated Coverage)
- Viewing Notes

### Communicating Using Notes

This group of topics explains how you can use notes to add additional information to a contract.

For detailed information on using Notes refer to the *Oracle Common Application Components User Guide*.

You can use notes to communicate with other contract administrators, service agents, and sales representatives regarding the details of a contract. For example, you can include notes for contract administrators regarding the management of the contract, or to service agents regarding the services provided under the contract.

A note can contain any free format text and can be attached to either a:

- service contract, see Adding Service Contract Notes, page 13-3.
- coverage template, see Adding Service Coverage Notes to a Coverage Template, page 13-5.
- service coverage (which is the instantiated coverage of a particular service line), see Adding Service Coverage Notes to a Service Coverage (Instantiated Coverage), page 13-8.

**Note:** Because Notes is a context based menu, Service Contract notes or Service Coverage notes are invoked based on where you place your cursor within the application.

You can define a note status so that:

- all users can view it.
- you and other users can read and write to it.

- only you can view it.

## Note Types Used in Oracle Service Contracts

There are two seeded note types used by Oracle Service Contracts:

**Note:** Although there are two seeded note types, note types are user extensible. You can always add your own note type to the contract note source.

For detailed information on using Notes refer to the *Oracle Common Application Components User Guide*.

1. **Contracts Admin:** allows you to add further information to the contract at the contract header level, to the coverage template, or at the service level.

Contracts Admin notes indicate how to manage the contract itself and are more useful for the sales representative or contract administrator.

Contracts Admin notes can be seen at the header level and at the line level

2. **Contract Coverage:** allows you to add further information to the coverage template or the service coverage.

Contract Coverage notes generally relate to a specific service and explain any relevant details of how the service is to be carried out. These notes are most useful to the users who review entitlements.

You can also add Contract Coverage notes to a coverage template, which will be copied over to the actual instantiated coverage that is tied to the contract line. These notes can be viewed from the service coverage on the contract.

Contract Coverage notes can only be seen at the line level.

## How Notes are Used in Oracle Service Contracts

The following provides examples of how notes are used within Oracle Service Contracts:

### **Contracts Admin Notes Added to a Service Contract**

*Include Jane Smith in renewal discussions on this contract, as well as other designated resources.*

*Spoke to Harry Jones 24 June 2004, confirmed that products A, B and C require upgraded coverage next year.*

See Adding Service Contract Notes, page 13-3.

### **Contracts Coverage Note Added to a Coverage Template**

*Perform inspection 3 times per month for this particular service on these products.*

See Adding Service Coverage Notes to a Coverage Template, page 13-5.

### **Contracts Coverage Notes Added to a Service Coverage**

*Every time service is performed at site A, the engineer must contact the Security Patrol to obtain a key.*

*Ensure that John Doe signs the work orders when performing any work against under this service.*

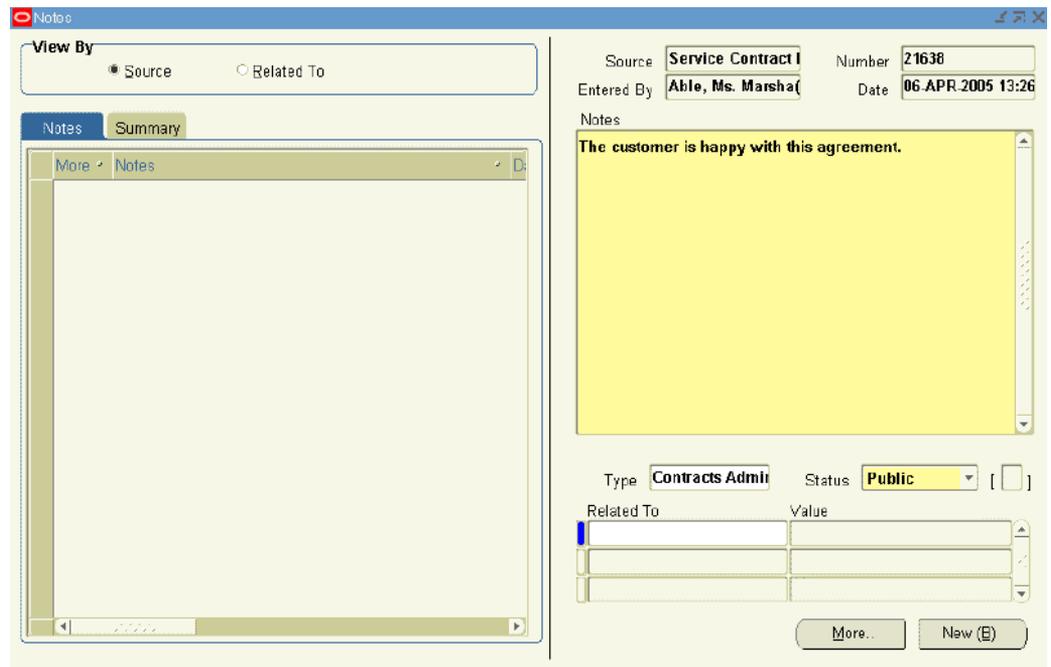
See Adding Service Coverage Notes to a Service Coverage (Instantiated Coverage), page 13-8.

**Note:** Notes are part of the Oracle Common Application Components that are leveraged by applications across the Oracle E-Business Suite. For more information on Notes, refer to the *Oracle Common Application Components User Guide*.

## Adding Service Contract Notes

### To add a service contract note:

1. From the Service Contracts Authoring window, select the Summary tab. From the Tools menu select **Notes**.



The screenshot shows the Oracle Notes window. The window title is "Notes". At the top, there are two radio buttons: "Source" (selected) and "Related To". Below this, there are two tabs: "Notes" (selected) and "Summary". The main area is a large text field containing the text "The customer is happy with this agreement." To the right of the text field, there are several fields: "Source" (Service Contract I), "Number" (21638), "Entered By" (Able, Ms. Marshal), and "Date" (06 APR 2005 13:26). Below these fields, there are two dropdown menus: "Type" (Contracts Admin) and "Status" (Public). At the bottom right, there are two buttons: "More..." and "New (E)".

The Notes window appears. The application populates the note with the following:

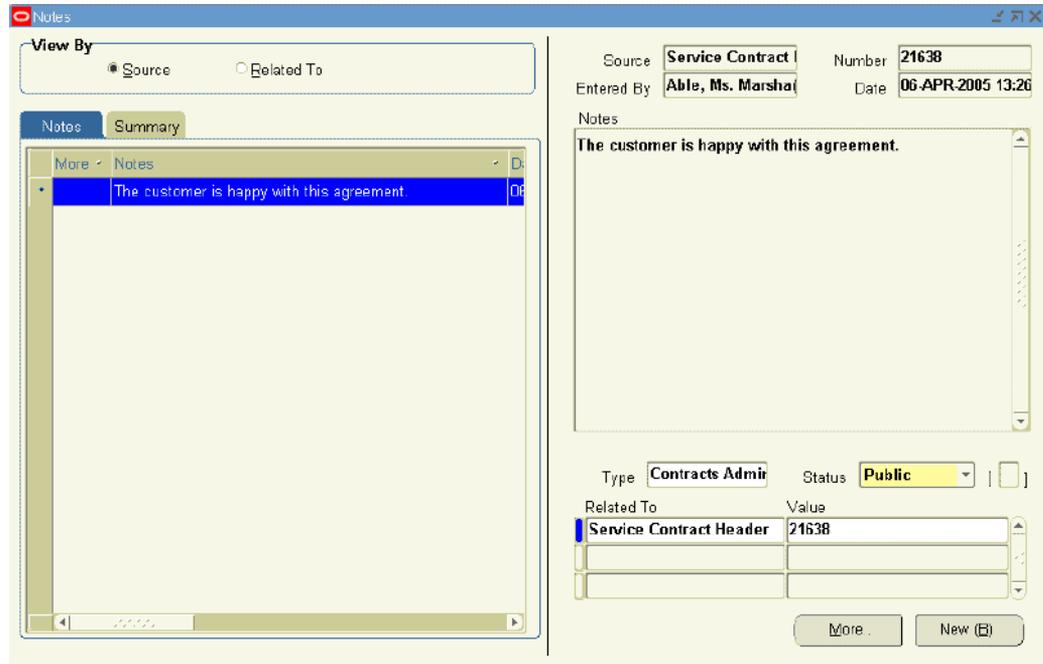
- **Source:** Service Contract Header
- **Number:** The contract number
- **Entered By:** The user entering the note
- **Date:** A time stamp of when the note was created

**Note:** If there is an existing note you will need to click New to add a new note.

2. Enter the note text in the Notes field.
3. Select **Contracts Admin** from the Type LOV.
4. Select a Status:
  - **Publish:** All users can view it.
  - **Public:** The creator and other users can read and write to it.

- **Private:** Only the creator can view it.

5. Save.

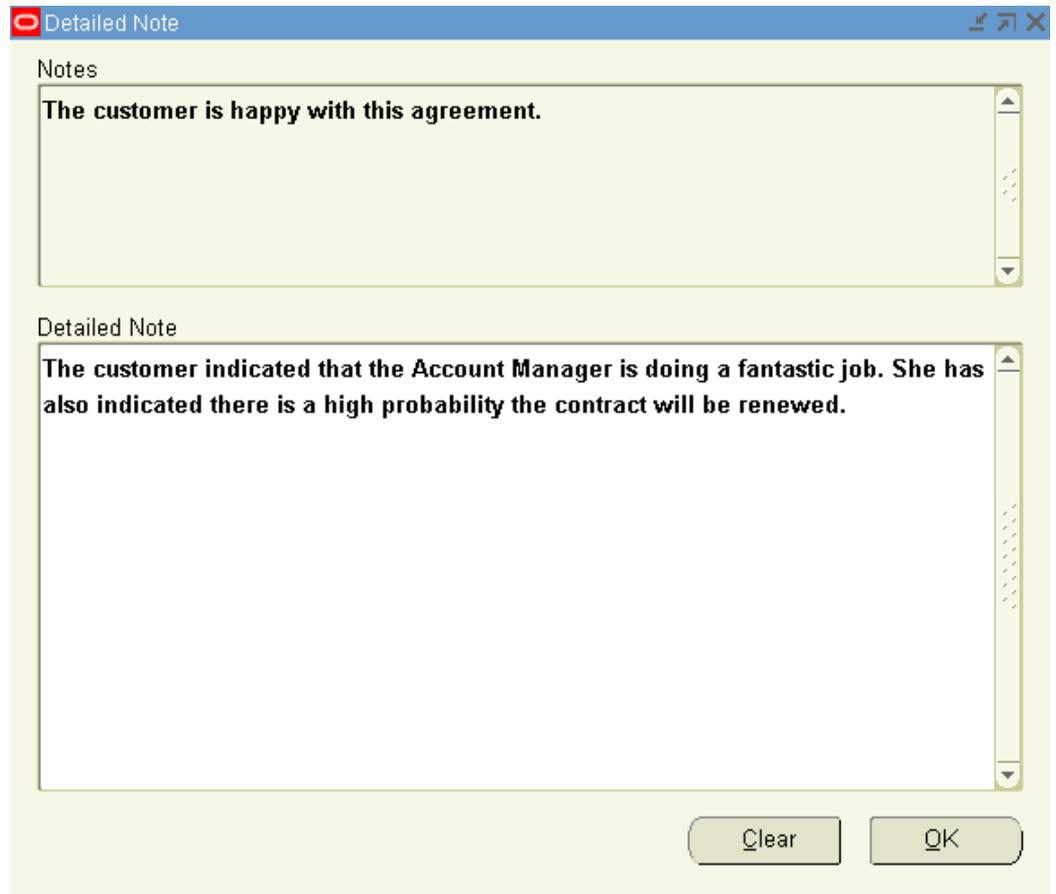


The note appears in the Notes tab.

The Related To field is populated with the Service Contract Header value from the Source field.

The Value field is populated with the contract number.

6. To enter additional information, click **More**.
- The Detailed Note window appears.
7. Enter the text in the Detailed Note field.



8. Click **OK**.

The additional information is attached to the note.

**Note:** You can view a summary listing of all notes by selecting the Summary tab.

**Note:** Only Oracle Service Contracts users can view notes of Contracts Admin type.

## Adding Service Coverage Notes to a Coverage Template

**To add service coverage notes to a coverage template:**

1. From the Service Contracts Coverage Template window, select **Notes**.  
The Notes window appears.

**Coverage**

Name: **STB Gold** Type: **Gold Coverage** Importance Level: **1** Effective Dates: **20-APR-2005**

Description: **STB Gold Coverage** Exception:   Suitable as Exception

**Warranty**  Warranty Inheritance: **Full New Durati**  Synchronize Date Installed

**Rules**  Free Upgrade Transfer: **Terminate**

**Preventive Maintenance** Program Name: **PM Maintenance for** Program Description:  Schedule

Business Process	Duration	Period	Start Date	End Date	Price List	Discount
<b>Depot Repair</b>	<b>1</b>	<b>Month</b>			<b>Corporate</b>	<b>10% discount</b>

**Coverage Times** Reaction Times Resolution Times Resources Billing Types

Time Zone: **Pacific/Pitcairn** Default:   Apply Default to other Time Zones

Start Time	End Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<b>00:00</b>	<b>23:59</b>	<input checked="" type="checkbox"/>						

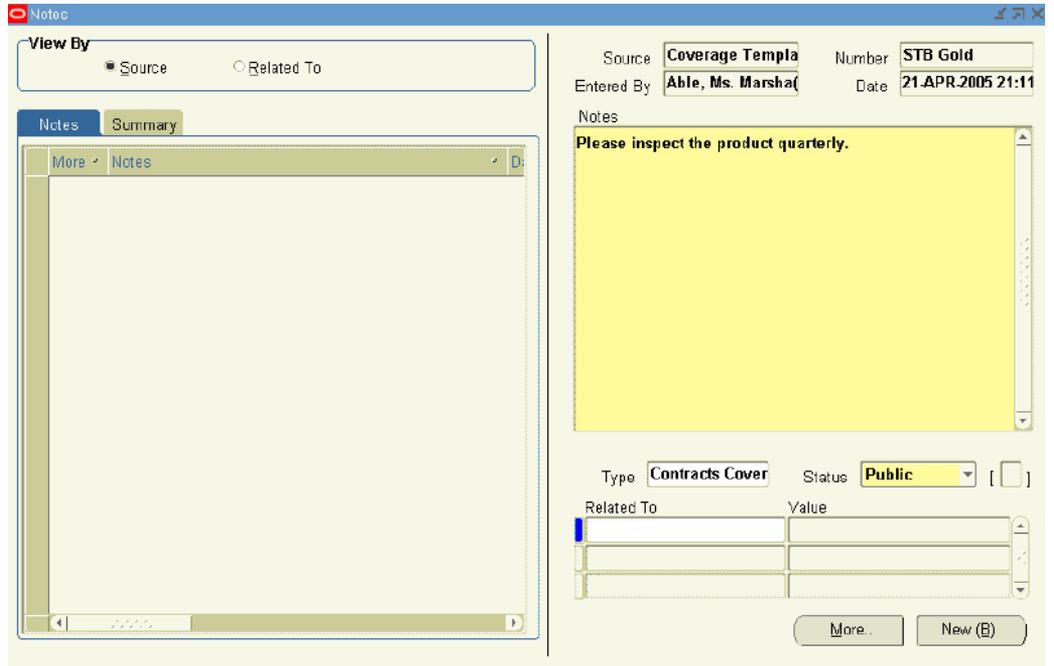
Always Covered

The Notes window appears. The application populates the note with the following:

- **Source:** Coverage Template
- **Number:** The coverage name, such as Gold
- **Entered By:** The user entering the note
- **Date:** A time stamp of when the note was created

**Note:** If there is an existing note you will need to click New to add a new note.

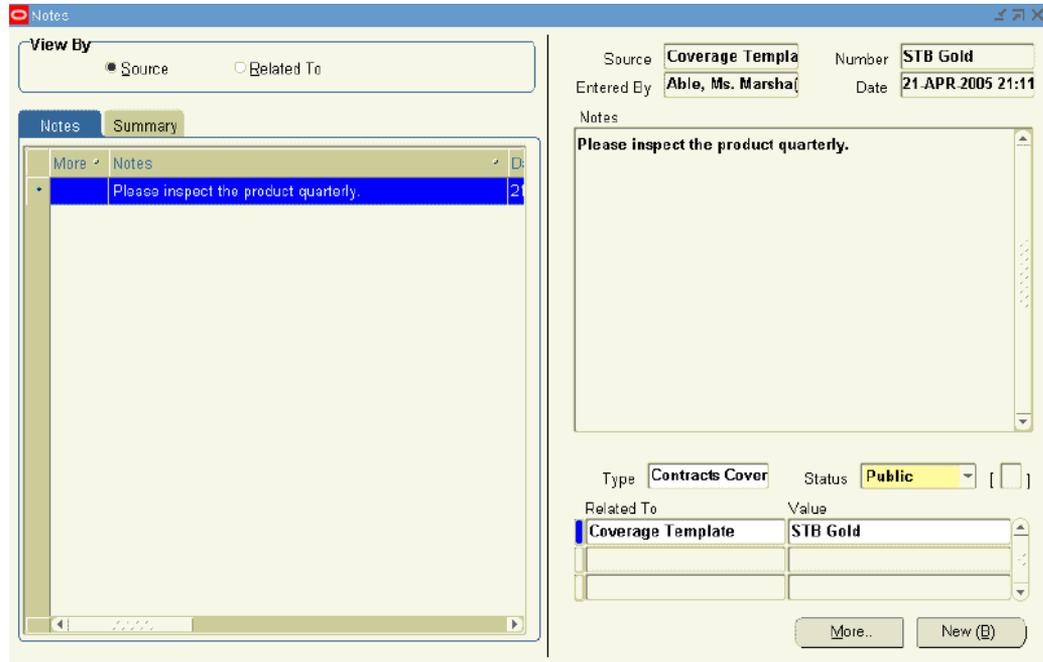
2. Enter the note text in the Notes field.



3. Select **Contracts Coverage** from the Type LOV.
4. Select a Status:
  - **Publish**: All users can view it.
  - **Public**: The creator and other users can read and write to it.
  - **Private**: Only the creator can view it.
5. Save.

The note appears in the Notes tab.

The Related To field is automatically populated with the Coverage Template value and the Value field indicates the coverage template.



6. To enter additional information, click **More**.

The Detailed Note window appears.

7. Enter the text in the Detailed Note field.
8. Click **OK**.

The additional information is attached to the note.

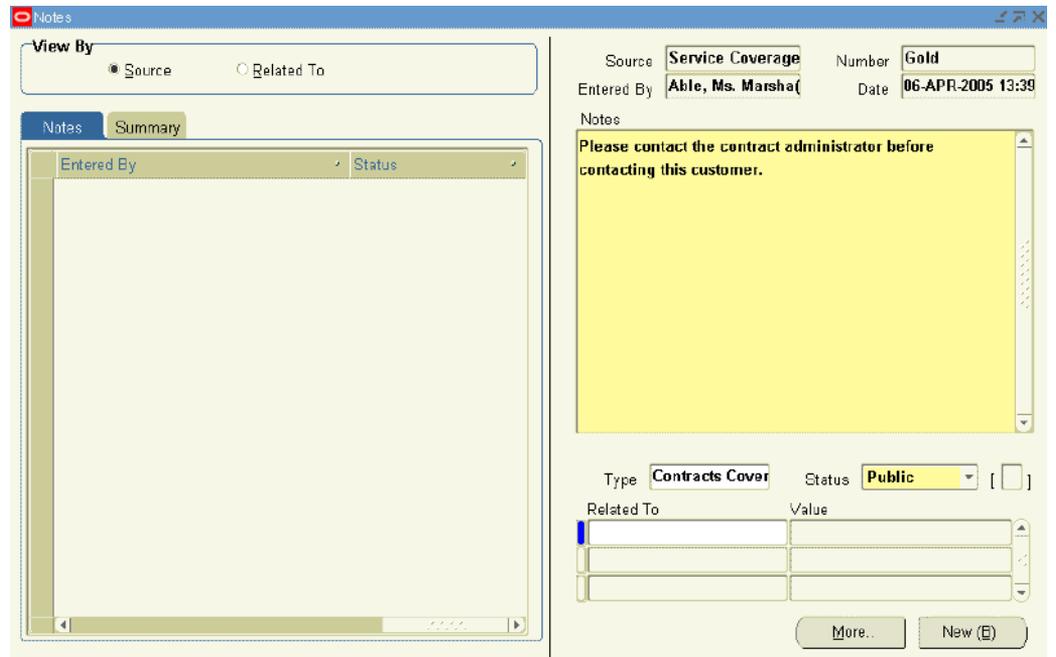
**Note:** With the exception of Private notes, if you add a service coverage note to the coverage template the note appears whenever the coverage template is instantiated to a service line.

**Note:** Service coverage notes added to a service coverage template can be viewed by Service Contracts application users as well as Service application users

## Adding Service Coverage Notes to a Service Coverage (Instantiated Coverage)

### To add a service coverage note to a service coverage:

1. From the Service Contracts Authoring window, select the Lines tab. From the Tools menu select **Notes**.

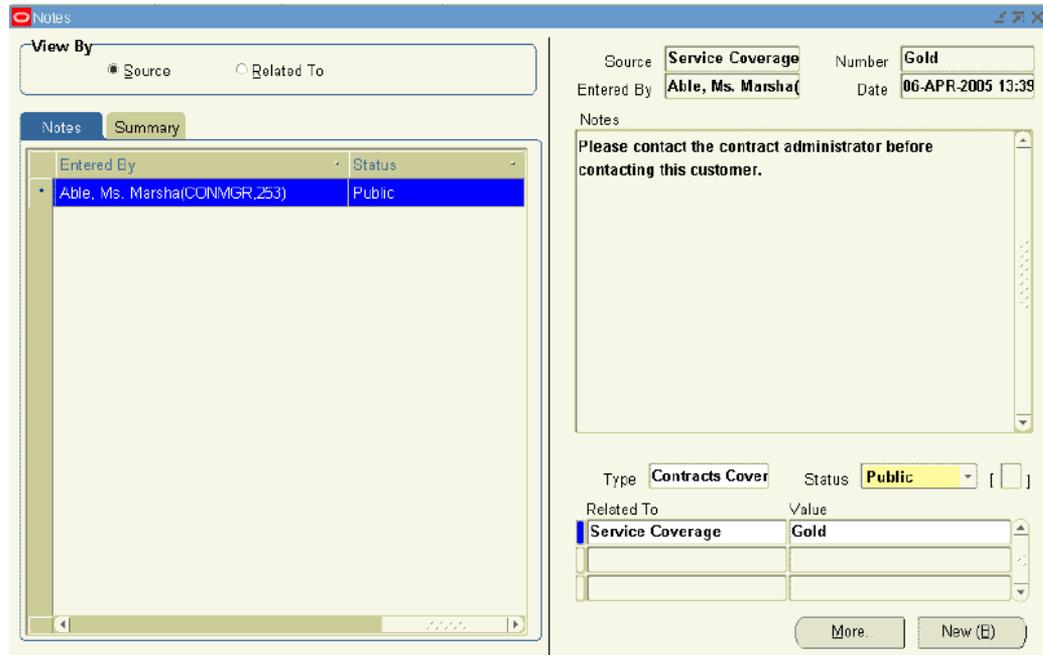


The Notes window appears. The application populates the note with the following:

- **Source:** Service Coverage
- **Number:** The coverage name, such as Gold
- **Entered By:** The user entering the note
- **Date:** A time stamp of when the note was created

**Note:** If there is an existing note you will need to click New to add a new note.

2. Enter the note text in the Notes field.
3. Select **Contracts Coverage** from the Type LOV.
4. Select a Status:
  - **Publish:** All users can view it.
  - **Public:** The creator and other users can read and write to it.
  - **Private:** Only the creator can view it.
5. Save.



The note appears in the Notes tab.

The Related To field is automatically populated with the Service Coverage value and the Value field indicates the coverage template.

6. To enter additional information, click **More**.

The Detailed Note window appears.

7. Enter the text in the Detailed Note field.
8. Click **OK**.

The additional information is attached to the note.

**Note:** If you enter a service coverage note for an instantiated coverage of a service line, the note is attached to that specific coverage.

If you have more than one service line in your contract, remember that the note is added only to the instantiated coverage for the selected service line and not to all service lines.

**Note:** Service coverage notes added to a service line can be viewed by Service Contracts application users as well as Service application users

## Viewing Notes

### Prerequisites

Notes for the contract and coverage notes for a service line are managed and viewed separately. You will access these notes from different points within the application.

- **Prerequisite for viewing notes for a contract:** Select the Summary tab.

- **Prerequisite for viewing notes for a service coverage:** Select the Lines tab and choose a service line.

### To view notes:

1. From the Service Contracts Authoring window, choose the Tools menu and select **Notes**.

The Notes window appears. Within the Notes tab you will see a listing of the available notes.

2. Highlight the note you wish to view.

The note details appear in the right-hand side of the window.

3. To verify if additional details are included on the note, select **More**.

**Note:** To view the notes that are attached to coverage template, you must navigate to the Service Contracts Coverage Template form, and select the Notes button.



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## Extending and Renewing Contracts

This chapter covers the following topics:

- About Contract Extensions and Renewals
- Extending a Contract without Repricing
- Repricing an Extended Contract
- Extending a Contract Line
- How Billing Schedules Are Updated for Extended Contracts
- Understanding Contract Renewals
- Explaining the Pricing of Renewed Contracts
- Renewing Contracts Manually
- Managing the Automatic Renewal Process
- Understanding Billing Schedules on Renewed Contracts
- Consolidating Multiple Contracts for Renewal
- Sending Quote Letters by E-mail

### About Contract Extensions and Renewals

This group of topics explains how you can extend and renew contracts.

#### Contract Extensions

Oracle Service Contracts allows you to extend the duration of a contract or a contract line without having to submit the contract to the approval workflow.

A contract must be in a status of Active, Signed, or Expired to be extended. Contracts in a status of Entered, Canceled, or Terminated are examples of contracts that cannot be extended.

When you extend the duration of a contract, the contract lines are automatically extended, as long as the end date of the line is the same as the end date of the contract. If the end date for the line is different than the end date for the contract, the line will not change if the contract is extended. This ensures that a service with a duration, which is deliberately different than the contract duration, retains its intended duration.

You can either extend the contract without repricing it, or you can choose to reprice it. For example, you may:

- Provide a customer with an additional six months of coverage, because they are a good customer and you would like to show your appreciation. In this scenario you choose not to reprice the contract. See *Extending a Contract without Repricing*, page 14-3.
- Extend a contract by three months because of a customer request. Although you have agreed to extend the contract, you have advised the customer that they will be charged for the extension. In this scenario you would choose to reprice the contract. See *Repricing an Extended Contract*, page 14-4.

You can also manually extend the duration of a contract line. See *Extending a Contract Line*, page 14-7.

After you have extended a contract, you should review any changes to the billing schedules. See *How Billing Schedules Are Updated for Extended Contracts*, page 14-9

**Note:** You cannot extend the original contract if it has already been renewed. However, you can extend the renewed contract, as long as another contract does not follow it.

## Contract Renewals

The process of renewing a contract involves making a copy of an existing, active contract at a point in time. The dates are changed 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.

Contracts can be renewed either manually or automatically. You can manually renew a contract from the Contract Navigator, or your administrator can set up the application to automatically submit a contract for renewal. Regardless of whether you plan to renew contracts manually or automatically, you can define renewal rules within the contract and you can also define global defaults for renewals:

- Define renewal rules within a contract. See *Specifying How a Contract Will Be Renewed*, page 2-7.
- Create global defaults. See *Setting Up Defaults for Contract Renewal*, page 2-15.

After a contract has been renewed, 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. If changes have not been made on the renewal contracts and it is still in an Entered state, you can:

- delete the renewal contract.
- make changes to the original contract.
- renew it again, so that the latest changes are incorporated on the renewal contract.

**Note:** When renewing a Subscription contract:

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

To upsell a contract by adding additional services or covered goods, you may do so at renewal. To upsell a contract, you must work with a sales representative when there is an opportunity to open and update the contract.

For information on creating and enabling templates for e-mails to customers, see About Templates for E-Mails to Customers, page 15-1.

## Extending a Contract without Repricing

### To extend a contract without repricing:

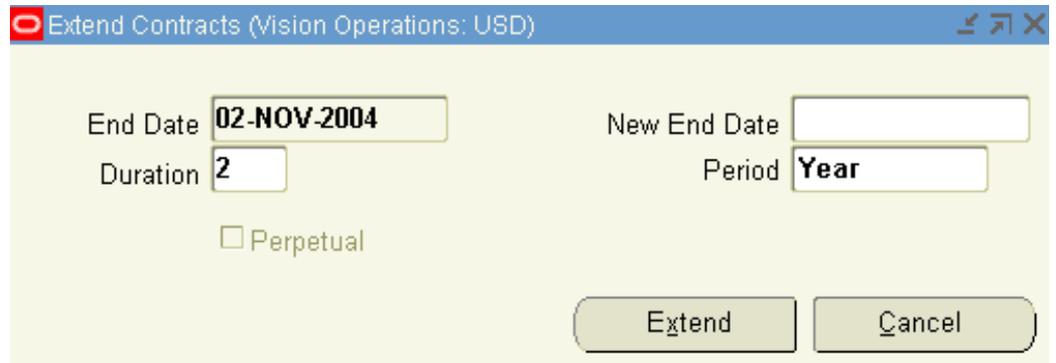
1. From the Contract Navigator, highlight a contract and right mouse click.

2. Select **Extend**.

The Extend Contracts window appears.

3. Select a Duration and Period.

The End Date Field is populated based on the duration and period.



Extend Contracts (Vision Operations: USD)

End Date 02-NOV-2004

Duration 2

New End Date

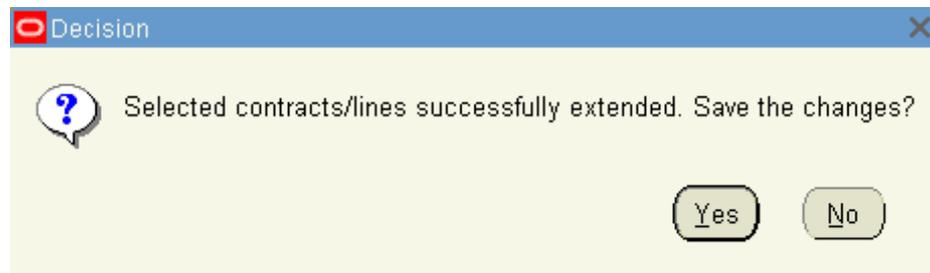
Period Year

Perpetual

Extend Cancel

4. Select **Extend**.

5. A decision message indicating that the contract was successfully extended appears. Click **Yes** to save changes.



Decision

Selected contracts/lines successfully extended. Save the changes?

Yes No

6. To verify if that the contract has been extended, highlight the contract and right click.

7. Select **Open**.

The contract authoring window appears.

8. Check the duration of the header to verify whether the contract has been extended.

Service Contracts Authoring (Vision Operations: USD)

Contract Number: 21637    Version: 0.13    Status: Active    Subtotal: 0.00  
 Known As:    Start Date: 03-NOV-2003    End Date: 02-NOV-2006    Tax: 0.00  
 Order:    Duration: 3    Period: Year    Total: 0.00 USD  
 Short Description: Service Contract on Covered System Level    Category: Service Agreeme    Terminated: 2,000.00

Summary    Lines

Parties    Pricing / Billing    Renewals    Administration    Security/Text

**Party**

Role	Name	Party Number	GSA
Customer	Business World	2013	<input type="checkbox"/>
Vendor	Vision Operations		<input type="checkbox"/>

**Contacts**

Role	Name	Sales Group	Email	Start Date	End Date
Contract Administrator	Beaulie, Andre		andrebeaulie@busin		

**Bill To**

Account / Party	Location
Business World / Business World	San Jose (OPS)
2391 L Street San Jose Santa Clara CA 95106 United States	

**Ship To**

Account / Party	Location
Business World / Business World	San Jose (OPS)
2391 L Street San Jose Santa Clara CA 95106 United States	

Open for Update

9. Select the Lines tab and Effectivities subtab to verify whether the lines have been extended.

Service Contracts Authoring (Vision Operations: USD)

Contract Number: 21637    Version: 0.13    Status: Active    Subtotal: 0.00  
 Known As:    Start Date: 03-NOV-2003    End Date: 02-NOV-2006    Tax: 0.00  
 Order:    Duration: 3    Period: Year    Total: 0.00 USD  
 Short Description: Service Contract on Covered System Level    Category: Service Agreeme    Terminated: 2,000.00

Summary    Lines

Accounts    Effectivities    Pricing / Products    Tax / Payment Options    Counters    Events

Line Number	Line Type	Name	Status	Start Date	End Date	Duration	Period	Qty	UCM	Renewal Type
1	Service	WVR18533	Active	03-NOV-2003	02-NOV-2006	3	Year			Full Duration

Description: Extended Desktop PC Service Program    Invoice Text: Extended Desktop PC Service Program:03-N  
 Price List: Corporate

**Coverage**

Name	Description
Gold	Gold Support 24x7

**Exception Coverage**

Name	Description

Compare    Compare All

## Repricing an Extended Contract

### To reprice an extended contract:

1. From the Service Contracts Authoring window, select the Summary tab and Parties subtab, select **Open for Update**.

**Note:** If you do not see the Open for Update button, your administrator may not have set the status and operations to allow online updates.

The status of the contract changes to QA hold.

Service Contracts Authoring (Vision Operations: USD)

Contract Number: 21882    Version: 0.6    Status: Signed    Subtotal: 105.00  
 Known As:    Start Date: 17-MAR-2006    End Date: 16-SEP-2006    Tax: 8.66  
 Order:    Duration: 2    Period: Quarter    Total: 113.66 USD  
 Short Description: Business World Agreement    Category: Service Agreeeme    Terminated: 0.00

Summary    Lines

Parties    Pricing / Billing    Renewals    Administration    Security/Text

**Party**

Role	Name	Party Number	GSA
Customer	Business World	2813	<input type="checkbox"/>
Vendor	Vision Operations		<input type="checkbox"/>

**Contacts**

Role	Name	Sales Group	Email	Start Date	End Date

**Bill To**

Account / Party	Location
Business World / Business World	New York (OPS)
8475 Elk Grove Road New York New York NY 10000 United States	

**Ship To**

Account / Party	Location
Business World / Business World	San Jose (OPS)
2391 L Street San Jose Santa Clara CA 95106 United States	

Open for Update

- To reprice the contract line by line, navigate to the Lines tab and Pricing/Products subtab.

Service Contracts Authoring (Vision Operations: USD)

Contract Number: 21882    Version: 0.6    Status: QA Hold    Subtotal: 105.00  
 Known As:    Start Date: 17-MAR-2006    End Date: 16-SEP-2006    Tax: 8.66  
 Order:    Duration: 2    Period: Quarter    Total: 113.66 USD  
 Short Description: Business World Agreement    Category: Service Agreeeme    Terminated: 0.00

Summary    Lines

Accounts    Effectivities    Pricing / Products    Tag / Payment Options    Counters    Events

Line Number	Line Type	Name	Line Ref	Duration	Period	Last Contract Price	Curr	Subtotal	Tax	Invoice Print Flag
1	Service	WVR23763		2	Quarter	0.00		105.00	8.66	113.66 ✓

Price Break    Price Calculation    Reprice    Billing

Effectivity    Pricing    Administration

Line Number	Level	Name	Line Ref	Start Date	End Date	Duration	Period	Date Terminated
1.1	Product	ASS4808		17-MAR-2006	16-SEP-2006	2	Quarter	

Description: Sentinel Standard Desktop;9    Invoice Text: Extended Notebook PC Service Prog    Product Details

3. Select **Reprice**.

The Repricing Results window appears.

Name	Description	Message	Severity
WR23763	AS54888	1.1 Success	Success

Apply    Cancel

4. Click **Apply**.

Verify the pricing has been updated. You may also wish to review the billing streams. The application adds an additional stream level sequence to cover the extended duration.

Contract Number: 21882    Version: 0.7    Status: QA Hold    Subtotal: 210.00  
 Known As:    Start Date: 17-MAR-2006    End Date: 16-SEP-2006    Tax: 0.00  
 Order:    Duration: 2    Period: Quarter    Total: 210.00 USD  
 Short Description: Business World Agreement    Category: Service Agreeme    Terminated: 0.00

Line Number	Line Type	Name	Line Ref	Duration	Period	Last Contract Price	Subtotal	Tax	Invoice Print Flag
1	Service	WR23763		2	Quarter	0.00	210.00	0.00	210.00

Price Break    Price Calculation    Reprice    Billing

Line Number	Level	Name	Line Ref	Start Date	End Date	Duration	Period	Date Terminated
1.1	Product	AS54888		17-MAR-2006	16-SEP-2006	2	Quarter	

Description: Sentinel Standard Desktop;    Invoice Text: Extended Notebook PC Service Prog    Product Details

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

5. From the Actions menu, select **Check QA** to run the QA check.  
The Quality Assurance Results window appears.
6. Click **Continue**.

7. The contract status updates to the original status.

**Note:** You can also reprice the entire contract, by navigating to the Summary tab and Pricing/Billing subtab and selecting **Reprice**.

## Extending a Contract Line

### To extend a contract line:

1. From the Contract Navigator, select the contract that contains the line to extend.
2. Double click the contract to open the Contract Execution window.

Contract Number: 21882  
Short Description: Business World Agreement  
Status: Signed  
Category: Service Agreement  
Amount: 210.00 USD  
Start Date: 17-MAR-2006  
End Date: 16-SEP-2006

Line...	Status M...	Name	Start Date	End Date	Line Style
1	Signed	Extended Not...	17-MAR-2...	16-SEP-20...	Service
2	Signed	Usage item fo...	17-MAR-2...	16-JUN-2006	Usage

3. Select the Overview tab. The lines of the contract are displayed in the lower portion of this tab.
4. Highlight the line you wish to extend, right mouse click and select **Extend Line**. The Extend Contracts Line window appears.
5. Enter a duration and period.

Extend Contract Lines (Vision Operations: USD)

End Date **16 JUN 2006**

Duration **1**

Perpetual

New End Date

Period **Quarter**

Extend Cancel

6. Click **Extend**.
7. A decision box appears, indicating the line has been successfully extended.

Decision

? Selected contracts/lines successfully extended. Save the changes?

Yes No

8. Select **Yes** from the decision box.
9. Close the Contract Execution window and return to the Contract Navigator.
10. To verify if that the contract line has been extended, return to the Contract Execution window.
11. Select the line, right click and select refresh.

Contract Number: 21882  
Short Description: Business World Agreement  
Status: Signed  
Category: Service Agreement  
Amount: 210.00 USD  
Start Date: 17-MAR-2006  
End Date: 16-SEP-2006

Line...	Status M...	Name	Start Date	End Date	Line Style
1	Signed	Extended Not...	17-MAR-2...	16-SEP-20...	Service
2	Signed	Usage item fo...	17-MAR-2...	16-SEP-20...	Usage

## How Billing Schedules Are Updated for Extended Contracts

After the contract is extended an additional billing stream sequence appears in the billing schedule, which covers the extended duration. Depending on the billing schedule, the total amounts for any unbilled periods are updated to reflect the remaining duration of the contract.

### Billing Schedules for Extended Contracts without Repricing

If you do not reprice the contract, the total amount of the contract remains unchanged. However for each line, a new billing stream sequence is added with the same billing period as the preceding stream sequence. The number of periods for the new billing stream sequence reflects the duration of the extension.

Although the total amount of the contract has not changed, the billing stream sequences for any unbilled total amounts are also updated to reflect the remaining duration of the contract. The billing schedule is also updated.

For example, if you have a one year contract with a service line that is priced at \$100 and is scheduled to be billed one time during the one-year duration, and you extend that contract without repricing it; a second billing stream sequence is added with the same billing period as the previous billing stream sequence. Because the contract has not

been billed, the amount for each billing stream sequence is now \$50. However, the total amount of the service line remains \$100.

**Billing Stream Before Contract Extension**

Seq	Number of Periods	Start Date	End Date	Duration	Period	Amount	Total Amount
1	1	01-MAR-2005	28-FEB-2006	1	Year		100

**Billing Stream After Contract Extension**

Seq	Number of Periods	Start Date	End Date	Duration	Period	Amount	Total Amount
1	1	01-MAR-2005	28-FEB-2006	1	Year	50	
2	1	01-MAR-2006	28-FEB-2007	1	Year	50	

**Billing Schedules for Extended Contracts with Repricing**

If you reprice the contract, the total amount of the contract is updated to reflect the new pricing. For each line a new billing stream sequence is added with the same billing period as the previous stream. The number of periods for the new billing stream reflects the duration of the extension. Because the total amount of the contract has changed, the billing streams for any unbilled amounts are updated to reflect the new amount and the new billing stream. The billing schedule is also updated.

For example, if you have a one year contract with a service line that is priced at \$100, and is scheduled to be billed one time during the one-year duration, and you then extend the contract and reprice the service line to \$200; a second billing stream sequence is added with the same billing period as the previous billing stream sequence. Because the contract has not been billed, the amount for each billing stream is now \$100 and the total amount of the service line is \$200.

**Billing Stream Before Contract Extension**

Seq	Number of Periods	Start Date	End Date	Duration	Period	Amount	Total Amount
1	1	01-MAR-2005	28-FEB-2006	1	Year		100

**Billing Stream After Contract Extension**

Seq	Number of Periods	Start Date	End Date	Duration	Period	Amount	Total Amount
1	1	01-MAR-2005	28-FEB-2006	1	Year		100
2	1	01-MAR-2006	28-FEB-2007	1	Year		100

## Understanding Contract Renewals

Contracts can be renewed either manually or automatically.

You can set up renewal rules that apply to both the manual renewals and the automatic renewals. See *Specifying How a Contract Will Be Renewed*, page 2-7.

Renewal types include the following:

- **Active Contract**, see *Understanding How Active Contract Renewals Work*, page 14-11.
- **Electronic Renewals**, see *Understanding How Electronic Renewals Work*, page 14-12.
- **Notify Salesrep**, see *Understanding How Notify Salesrep Renewals Work*, page 14-13.
- **Submit for Approval**, see *Understanding How Submit for Approval Renewals Work*, page 14-13.
- **Do Not Renew**, see *Understanding How Do Not Renew Works*, page 14-14.

Regardless of which renewal type you define on a contract, you can either manually renew the contract or have the contract renew automatically.

The following table provides an overview of how the renewals for each renewal type are typically initiated:

Renewal Type	How is renewal typically initiated?	Can it be Used in Automatic Renewals?	Can it be Used in Manual Renewals?
Active Contract	Automatic renewal	Yes	Yes
Electronic Renewals	Automatic renewal	Yes	Yes
Notify Salesrep	Automatic renewal	Yes	Yes
Submit for Approval	Manual renewal	Yes	Yes

### Understanding How Active Contract Renewals Work

By setting the renewal type of a contract to Active Contract, the contract is renewed in a status of Active.

Following is a description of how the process works:

- Contract is renewed in Active status.

With this renewal type, no approval or human intervention is required. It is also referred to as Evergreen.

This renewal type is mostly used in automatic renewals, but it also can be used for manual renewals.

See *Automatically Renewing a Contract on Expiration*, page 2-8.

See *Renewing Contracts Manually*, page 14-16.

## Understanding How Electronic Renewals Work

By setting the renewal type of a contract to Electronic Renewals, an e-mail notification is sent to the customer to renew the contract over the Web.

The following describes how the process works:

- The contract is renewed with a status of Entered.
- A QA Check is run against the contract.
- If the QA Check fails, a notification is sent. The hierarchy for the notification is as follows:
  - Sales representative, if defined on contract;
  - Helpdesk, set up in Global Contract Defaults;
  - Contract Administrator, defined in the system profile option OKS: Notify Contract Administrator;
  - Contract Approver, defined in the system profile option OKC: Contract Approver
- After the contract has been corrected, the contracts administrator can resubmit it, so it will be picked up by the Autorenew workflow.
- An e-mail notification is sent to the customer. This is the Quote To contact on the contract. The e-mail contains the following:
  - A cover letter, which is defined in OKC Print Contracts Setup
  - A URL for customer to view Quote Letter, which is defined in OKC Print Contracts setup.
  - An account and password that are required to log into the web page and view quote. Account and Password are stored in FND USERS and associated with the Quote To contact.

**Note:** The first e-mail sent to the Quote To user, contains a password in a readable format. For security, the password will be encrypted in the subsequent e-mails sent to the same user.

- 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.
- Payment by PO - the customer provides a PO Number.

The following occurs:

- The renewal status is updated to Quote Accepted.
- The contract is updated with the credit card or PO number.
- A notification is sent depending on hierarchy.
- An interaction is logged.
- The contract administrator must initiate the approval process by manually submitting the contract for approval.
- 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 and the contract is placed in Canceled status. The hierarchy for the notification is as follows:
  - Sales representative, if defined on contract;
  - Helpdesk setup in Global Contract Defaults;
  - Contract Administrator;
  - Contract Approver
- Changes to the quote may be requested by sending an e-mail to the help desk e-mail account.

This renewal type is mostly used in automatic renewals, but it also can be used for manual renewals.

See Automatically Sending a Renewal Notice by E-Mail, page 2-8.

See Renewing Contracts Manually, page 14-16.

### **Understanding How Notify Salesrep Renewals Work**

By setting the renewal type of a contract to Notify Salesrep, a notification is sent to the Inbox of the sales representative associated with your contract.

The following describes how the process works:

- Contract is renewed in Entered status.
- A notification is sent to the Inbox of the sales representative.
- The sales representative reviews the contract and makes any necessary changes.
- The sales representative submits the contract for approval.

This renewal type is mostly used in automatic renewals, but it can also be used in manual renewals.

See Notifying the Sales Representative to Renew the Contract Manually, page 2-9.

See Renewing Contracts Manually, page 14-16.

### **Understanding How Submit for Approval Renewals Work**

By setting the renewal type of a contract to Submit for Approval, you can have the application create a renewed contract and submit it for approval to the person specified in the system profile OKC: Contract Approver.

The following describes how the process works:

- Contract is renewed in Entered status.

- The contract is automatically submitted for approval.
- A notification is sent to the person specified in the system profile OKC: Contract Approver.

This renewal type is mostly used in manual renewals, but it also can be used for automatic renewals.

**Note:** If you do not see the Submit button, your administrator may not have set the status and operations to allow online updates.

See *Having the Automatically Renewed Contract Submitted for Approval*, page 2-9.

See *Renewing Contracts Manually*, page 14-16.

### Understanding How Do Not Renew Works

By setting the renewal type of a contract to Do Not Renew, you can prevent a contract from being renewed.

## Explaining the Pricing of Renewed Contracts

You can set up renewal rules that apply to both manual renewals and automatic renewals. Pricing methods specify how the contract will be priced at renewal. There are three pricing methods:

- **Price List:** Charges the customer based on the price list you enter in the Price List field. The price charged is the current price listed in the price list at the time the contract is renewed.
- **Manual:** The application retains the price of the original contract for the renewed contract.
- **Markup Percent:** Automatically adjusts the price up or down by a percentage you enter. (A positive number marks up the price; a negative number discounts it.) Optionally, you can cap the maximum adjustment based on a price list.

For more information on defining pricing methods for renewals, see:

- *Specifying How the Renewed Contract will Be Priced*, page 2-10.
- *Setting Up Defaults for Contract Renewal*, page 2-15.

### Understanding the Price List Pricing Method

The following is intended to help you understand how the Price List pricing method works.

A contract using the Price List pricing method has the Corporate price list assigned. For the original contract the list price of item X is \$150. Before the contract is renewed, item X on the corporate price list is changed to \$200. Item X on the renewed contract will be \$200.

### Understanding the Manual Pricing Method

The following is intended to help you understand how the Manual pricing method works.

A contract using the Manual pricing method contains item X. For the original contract the list price of item X is \$150. Before the contract is renewed, item X on the price list is

changed to \$200. When the contract is renewed, item X will be \$150, not the increased price of \$200.

## Understanding Renewal Markup Pricing

The following is intended to provide some scenarios to help you understand how renewal markup pricing works.

In calculating the amount of a contract for a renewal agreement using Renewal Markup Pricing, begin with the original year contract **Con03**. This agreement has a final price that is comprised of the year 2003 price list plus any discounts or surcharges that are applied (modifiers).

The contract contains a renewal markup that indicates that the final price of the contract should be increased or decreased by a certain percentage when that contract is renewed. Also identified is a renewal price list **Cap04**. This price list is generally used to assure that renewal customers are not being asked to pay more for their renewal agreements after markups than new customers are paying for their original service contracts.

When renewing the contract, any modifiers carried over from **Con03** to the renewal agreement are applied to the **Cap04** list price to calculate the final price. Service Contracts compares this amount to value of **Con03** plus the renewal markup percentage. The renewal markup value is used unless it exceeds the cap pricing value. The application, effectively, selects the lower of the two values and that amount becomes the new contract final price for the renewal agreement.

### Example 1: Markup pricing does not exceed cap (using surcharges)

#### Con03

List price of item X \$1,000

Modifier: 10% surcharge

Contract Final price: \$1,100

Renewal markup: 5%

#### Con03R04

Cap List price of item X \$1,500

Modifier: 10% surcharge

- **Comparison:**

Markup Pricing: \$1,155

Cap Pricing: \$1,650

**New Contract Final Price \$1,155**

### Example 2: Markup up pricing exceeds cap (using surcharges)

#### Con03

List price of item X \$1,000

Modifier: 10% surcharge

Contract Final price: \$1,100

Renewal markup: 5%

#### **Con03R04**

Cap List price of item X \$1,000

Modifier: 10% surcharge

- **Comparison:**

Markup Pricing: \$1,155

Cap Pricing: \$1,100

**New Contract Final Price \$1,100**

**Example 3: Markup pricing does not exceed cap (using discounts)**

#### **Con03**

List price of item X \$1,000

Modifier: 10% discount

**Contract Final price: \$900**

Renewal markup: 5%

#### **Con03R04**

Cap List price of item X \$1,200

Modifier: 10% discount

- **Comparison:**

Markup Pricing: \$945

Cap Pricing: \$1,080

**New Contract Final Price \$945**

## **Renewing Contracts Manually**

### **To renew contracts manually:**

1. From the Contract Navigator, highlight an active contract.
2. Right mouse click to select Renew.

The Renew Contract window appears with the following fields are populated:

- **New Number:** new contract number.
- **New Modifier:** a modifier to differentiate the old and renewed contract.
- **New Start date:** new start date.

Renew Contracts (Vision Operations: USD)

New Number: 21279

New Start Date: 21-JUL-2008

Duration: 1

New Modifier: R15-APR-05 08:59

New End Date: 20-JUL-2009

Period: Year

Perpetual

Submit Request

Renew Cancel

3. Enter the Duration and Period.

The New End date field populates after you enter the duration and period.

**Note:** If your contract is a large contract, you may wish to process the contract in the background. You can do this by selecting the Submit Request check box.

4. Click **Renew**.
5. A decision message appears indicating that the contract successfully renewed. Click **Yes** to save changes.

The Contract Navigator appears.

6. On the right hand side of the form, right mouse click to select Refresh.

You should be able to identify the contract with the new modifier.

Oracle Contracts

Launchpad Contract Navigator

Contr ...	Modifier	Category	Short Description	Status	Start Date
21636		Service Agreement	Service Contract on...	Active	03-NOV-2003
21634		Service Agreement	Service Contract on...	Active	03-NOV-2003
21633		Service Agreement	Service Contract on...	Active	03-NOV-2003
21632		Service Agreement	Service Contract on...	Active	03-NOV-2003
21413		Service Agreement	Service and Usage ...	Active	21-AUG-2003
21279	R15-APR...	Service Agreement	Service Contract for...	Active	21-JUL-2003
21279	R15-APR...	Service Agreement	Service Contract for...	Entered	21-JUL-2008
21278		Service Agreement	Service Contract for...	Active	21-JUL-2003
21276		Service Agreement	Service Contract for...	Active	21-JUL-2003
21276	R18-MAR...	Service Agreement	Service Contract for...	Entered	21-JUL-2008
21252		Service Agreement	Service Contract be...	Entered	03-AUG-2001
21227		Service Agreement	Service Contract for...	Entered	25-JUN-2003
21226		Service Agreement	Service Contract for...	Entered	25-JUN-2003
21221		Warranty and Ex...	e-Renewal Contract...	Active	25-JUN-2003
21172	R24-MAR...	Service Agreement	Service Contract for...	Entered	10-JUN-2004
21079	R18-MAR...	Service Agreement	Service Contract	Entered	07-MAY-2004
20752		Service Agreement	Service Contract for...	QA Hold	01-JAN-2002

7. On the right hand side of the form, highlight the contract with the New Modifier from above and right mouse click to select Open.

The screenshot displays the 'Revised Contracts Authoring (Vision Operations - USD)' window. At the top, contract details include Contract Number 21279, Version 0.1, Status Entered, and Subtotal 5,000.00. The start date is 21 JUL 2008 and the end date is 20 JUL 2009. The short description is 'Service Contract for Business World'. Below this, there are tabs for Summary, Lines, Parties, Pricing/Billing, Renewals, Administration, and Security/Text. The 'Parties' tab is active, showing a table with columns for Role, Name, Party Number, and GSA. The table lists 'Customer' for 'Business World' (Party Number 2813) and 'Vendor' for 'Vision Operations'. Below the parties table, there is a 'Contacts' section with columns for Role, Name, Sales Group, Email, Start Date, and End Date. A contact is listed as 'Contract Administrator' for 'Beaulie, Andre' with email 'andrebeaulie@busin'. At the bottom, there are 'Bill To' and 'Ship To' sections, both pointing to 'Business World / Business World' at 'San Jose (OPS)' with the address '2391 L Street San Jose Santa Clara CA 95106 United States'.

## Managing the Automatic Renewal Process

There are a number of implementation setups that are required to define and trigger the renewal process.

## Understanding Billing Schedules on Renewed Contracts

If the renewed contract has the same duration as the original contract, a copy is made of the original contract, which also includes a copy of the billing schedule.

If the renewed contract has a duration that is different than the original contract, then the billing schedule does not appear on the renewed contract. The renewed contract fails the QA check because the billing schedule does not adjust itself to the new duration. This also happens when you renew a one year contract for six months. Even if the renewal type is Active Contract, the renewed contract stays in Entered status because it fails the QA check.

If you are considering using the Active Contract renewal type, you should also consider using billing profiles. When a billing profile is defined in the global defaults, the billing schedule for the renewed contract is created according to that billing profile.

## Consolidating Multiple Contracts for Renewal

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, which 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 invoices sent to the customer.

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 following lines are displayed:

- Service lines
- Sublines or covered levels, for example, Party, Customer, Site, Product, Item, and 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.

Merging occurs if the following conditions are met:

- Target and source lines have the same:
  - Service Item
  - Organization ID
  - Renewal Type
  - Bill-To site
  - Start and End Dates

In addition, 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 coverage is 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, that is, after the concurrent request has processed 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 is created and the time it is 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 Service Contracts excludes the source line from the consolidation.

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.

**Note:** An Extended Warranty line can be consolidated into a Service line. However, a Service line cannot be consolidated into an Extended Warranty line. This is because an Extended Warranty line supports only a product while a Service line supports party, customer, site, product, item, and system.

## To consolidate multiple contracts for renewals:

1. From the Contract Navigator, select a target contract, right mouse click to select Renewal Consolidation.

The Renewal Consolidation window appears.

**Note:** The Renewal Rules region references the rules that will be applied to all lines, which are consolidated into the target contract.

Renewal Consolidation

Contract Num: 21279      Modifier: R15-APR-05 08:59:13      Description: Service Contract for Bu  
 Category: Service Agreement      Status: Entered      Amount: 5000  
 Start Date: 21-JUL-2008      End Date: 20-JUL-2009

**Renewal Rules**

Renewal Type: Notify Salesrep      Pricing Method: Manual      Price List:   
 Markup%:   
 PO Number:   
 Revenue Estimation %: 100      Estimation Duration: 30      PO Required:    
 Period: Day

Query Source

**Source Contracts**

\*\*\* = Selected      ## = Processed      ?? = Error

Select Line      Deselect Line      Submit      Save      Cancel

2. 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.

3. To select a line, highlight the branch and click **Select Line**.

If selected the source line is identified with \*\*.

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 \*\*.

You can reselect the Source lines by highlighting the line and clicking the Select Line button.

**Note:** 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.

5. Verify source lines are valid for consolidation.
6. To save and retrieve the consolidation at a later review, click **Save**. You can leave this window and when your changes are reflected in the Renewal Consolidation window.
7. To submit the Renewal Consolidation, click **Submit**.  
A Note window with a concurrent request id appears.
8. Save.

You can refresh the window by clicking **Refresh Source** to monitor the processing. After the line has been consolidated the ## appears next to the line, which indicates Processed.

9. Open the target contract and verify all source contracts have been consolidated successfully.
10. Submit contract for approval.

## **Sending Quote Letters by E-mail**

You can generate quote letters and e-mail them 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.

### **Prerequisites**

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

- OKS: Wallet Path
- OKS SMTP Host
- OKS: SMTP Port

### **To send quote letters by e-mail:**

1. From the Service Contracts Authoring window, choose the Tools menu and select **Email Quote**.

The Email Quote window appears.

The To field defaults 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.

You can use different From and Reply To e-mail addresses depending on which address the e-mail should come from, and which address you wish to route the e-mail replies.

The screenshot shows a window titled "Email Quote" with a blue header bar. The window is divided into three main sections: "Addresses", "Message", and "Attachment".

- Addresses:** Contains four input fields: "From" (jrichard@vision.com), "To" (andrebeaulie@businessworld.com), "Cc" (empty), and "Reply-To" (empty).
- Message:** Contains two input fields: "Subject" (Quote Details For Contract Number: 21279-R15-APR-05 08:) and "Text" (Attached is the quote for the renewal.).
- Attachment:** Contains two input fields: "Report Name" (Service Contracts Quote Printing Program For US) and "Type" (empty).

At the bottom right of the window, there are three buttons: "Send", "Clear", and "Cancel".

2. In the addresses region, add additional recipients as desired.
3. In the message region, enter any text that you wish to appear in the body of the e-mail.
4. In the Attachments region, select the quote printing report.  
The reports are specific to the environment.  
This report summarizes the contents of the renewal contracts.
5. Click Send.  
A Note window indicating a concurrent request has been submitted appears.  
See also *Creating and Enabling Templates for E-Mails to Customers*, page 15-3.

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# Creating and Enabling Templates for E-Mails to Customers

This chapter covers the following topics:

- About Templates for E-Mails to Customers
- Overview of Templates for E-Mails to Customers
- Creating and Enabling Templates for E-mail Attachments Sent by Agents
- Creating and Enabling Templates for Communications Generated by Electronic Renewals
- Contract-Specific Data Available for Inclusion in Template Documents
- Viewing the Data Definition Structure
- Uploading and Registering a Template in Oracle XML Publisher
- Creating the Set of Templates Used for a Specific Renewal Flow
- Specifying How the Template Sets Are to Be Used
- Viewing PDF Attachments
- Viewing Sample Marked-Up Documents Provided with the Application

## About Templates for E-Mails to Customers

This group of topics explains how application administrators can take advantage of the Oracle Service Contracts integration with Oracle XML Publisher to create and enable templates for personalized e-mail communications with customers.

Overview of Templates for E-Mails to Customers, page 15-1 describes the two types of e-mail communications you can create. The topics that follow provide the general steps for creating each:

- Creating and Enabling Templates for E-mail Attachments Sent by Agents, page 15-3
- Creating and Enabling Templates for Communications Generated by Electronic , page 15-3

## Overview of Templates for E-Mails to Customers

Using the procedures in this section, you can create templates for e-mail communications with customers that can be used:

- By agents to send quotes and other communications as e-mail attachments
- For e-mail renewal notices generated automatically during electronic renewals

### About E-mail Attachments Sent by Agents to Customers

Agents can send e-mails to contacts from the Service Contracts Authoring window by choosing **E-Mail Quote** from the Tools menu. The agent types the e-mail address, the subject, and the body, and can attach a PDF communication that is automatically generated from the template you create using the procedures in this section.

This PDF can be either a report about the current contract, or any other communication such as a general announcement.

### About E-mails Generated by Electronic Renewals

You can also have the automatic renewal process use the template for one or more of the e-mail communications generated by the automatic renewal process. These are:

- An initial renewal notification (called a Cover Letter in this application) (HTML)
- One or more reminder notices (HTML)
- One or more cancellation notices (HTML)
- The PDF attachment sent with all of the above e-mails (called a Quote Letter in this application)

For each e-mail communication, the application generates an HTML e-mail body from the template and attaches the PDF attachment.

The subject line for each e-mail type is preset and cannot be modified. The following table lists the subject lines for the three types of e-mail communications:

<b>E-mail Communication Type</b>	<b>Automatically-generated Subject Line Text</b>
Cover letters	Contract <contract number and modifier> requires your approval.
Reminder notices	Reminder notice for contract <contract number and modifier>.
Cancellation notices	Cancellation notice for contract <contract number and modifier>.

The application sends all communications to the e-mail address the agent enters into the contract authoring window (the Quote To region of the Summary tab, Renewals subtab).

You can create multiple sets of templates for use on different dates, by different internal organizations, or targeted to different customers.

### Process Overview

You must complete the following two steps to create both e-mail attachments and electronic renewal communications:

1. Create the template documents, using Microsoft Word (or another application capable of saving files in the RTF format), following the procedures described in the *Oracle XML Publisher User's Guide*.

In the document you can embed codes (XML data elements) which the application uses to supply contract-specific information including:

- Details about the contract
- The URL the customer can use to log into an application-generated Web page. There they can review the quote, indicate their acceptance, or request changes.
- The user name and password for the login.

For a complete list of contract data you can include see *Contract-Specific Data Available for Inclusion in Template Documents*, page 15-4. You can view sample documents provided with this application by following the instructions described in *Viewing Sample Marked-Up Documents Provided with the Application*, page 15-20.

2. Upload the document and register it as a template in Oracle XML Publisher. See *Uploading and Registering a Template in Oracle XML Publisher*, page 15-15 for details.

To create templates for e-mails sent automatically by the electronic renewals feature of this application you must also complete these two additional steps:

1. Specify the set of templates that are going to be used for a specific renewal flow. See *Creating the Set of Templates Used for a Specific Renewal Flow*, page 15-17.
2. Specify how the template set is to be used. See *Specifying How the Template Sets Are to Be Used*, page 15-18.

## Creating and Enabling Templates for E-mail Attachments Sent by Agents

### Prerequisite

Confirm system profile OKS: Layout Template Source is set to **XML Publisher** at the Site level.

### To create and enable templates for e-mail attachments sent by agents:

1. Create the RTF document according to the procedures in the *Oracle XML Publisher User's Guide*.
2. Change responsibility to XML Publisher Administrator.
3. Upload and register the document as a template in Oracle XML Publisher. See *Uploading and Registering a Template in Oracle XML Publisher*, page 15-15.

The document is now available for agents to send as a PDF attachment when they send out an e-mail from the Oracle Service Contracts Authoring window.

## Creating and Enabling Templates for Communications Generated by Electronic Renewals

You can create and enable the templates the electronic renewal process uses to generate e-mail communications with the customer.

**Note:** Electronic renewals are available only for contracts of categories Service and Warranty and Extended Warranty.

## To create and enable templates for communications generated by electronic renewals:

1. Create the RTF document according to the procedures in the *Oracle XML Publisher User's Guide*.
2. Change responsibility to XML Publisher Administrator.
3. Upload and register the document as a template in Oracle XML Publisher. See *Uploading and Registering a Template in Oracle XML Publisher*, page 15-15.
4. Change responsibility back to Service Contracts Manger.
5. Group the templates into sets and specify when renewal and cancellation notices are to be sent. *Creating the Set of Templates Used for a Specific Renewal* , page 15-17.
6. Specify how you wish to use the template sets. See *Specifying How the Template Sets Are to Be Used*, page 15-18.
7. Optionally, you can preview the communications generated by the template set for a specific contract, for a party, or for an entire internal organization by running the *Generate Quotes* concurrent program. See *Viewing PDF Attachments*, page 15-19.

## Contract-Specific Data Available for Inclusion in Template Documents

The data definition supplied by Oracle, OKSCONDATA, makes it possible for you to include information about the following aspects of the contract in the e-mail body or PDF quote attachment:

- Basic contract information from the contract header
- Recipient of e-mails generated by the electronic renewal process
- Sales agent on the contract
- Customer name and number
- Default contract billing schedule
- Contract billing address
- Contract shipping address
- Contract taxes
- Contract line information
- Contract line taxes
- Contract line billing schedule
- Contract line billing contact
- Contract sublines (what the line covers)
- Login information for the URL for customer renewals
- Current date
- Contract payment terms

**Note:** For this release, you are restricted to the data definition provided by Oracle. You can view the structure of the data definition by following the procedure described in *Viewing the Data Definition Structure*, page 15-14.

## Contract Header

The following table lists XML data elements you can use to insert information from the contract header (basic information about the contract the agent enters at the top of the Service Contract Authoring window).

You must preface any of the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/
```

For example, to insert the contract number into your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/ContractNumber
```

Contract Header Field	XML Data Element
Contract Number	ContractNumber
Contract Modifier	ContractModifier
Start Date	StartDate
End Date	EndDate
Status	Status
Short Description	ShortDescription
Currency	Currency
Contract Amount	ContractAmount

## Electronic Renewal Recipient Information

The following table lists the XML data elements for inserting information about the recipient of electronic renewals communications.

Agents enter this information in the Quote To region of the contract. This region is found either on the Summary tab, Renewals subtab of the Service Contracts Authoring window or, if you are generating contracts automatically from Oracle Order Management, in the Contract Details window.

**Note:** Some of the XML data elements are derived from information entered by agents in applications other than Oracle Service Contracts. For example, address details are entered in Oracle TeleService, Oracle Receivables, Oracle TeleSales and other applications.

You must preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/QuoteToContDtlsVO/QuoteToContDtlsVORow/
```

For example, to insert the full name of the recipient into your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/QuoteToContDtlsVO/QuoteToContDtlsVORow/FirstLast
```

Quote to Contact Attributes	XML Data Element
First Name	FirstName
Middle Name	MiddleName
Last Name	LastName
Full Name	FirstLast
Job Title	JobTitle
Phone Area Code	PhoneAreaCode
Phone Number	PhoneNumber
Email	EmailAddress
Address1	Address1
Address2	Address2
Address3	Address3
Address4	Address4
City	City
Postal Code	PostalCode
State	State

## Sales Agent Information

The following table lists the XML data elements for information you can insert in your documents regarding the sales agent on the contract.

This sales agent can be:

- The vendor contact of role Salesperson entered on the Summary tab, Parties subtab of the Service Contracts Authoring window.
- If you are using Oracle Order Management to create contracts, the sales agent in the Sales Order window.
- Assigned by the application automatically if your organization has implemented territories.

You must preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/SalesRepVO/SalesRepVORow/
```

For example, to insert the full name of the sales agent into your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/SalesRepVO/SalesRepVORow/FullName
```

<b>Sales Representative Attributes</b>	<b>XML Data Element</b>
First Name	FirstName
Middle Name	MiddleName
Last Name	LastName
Full Name	FullName
Phone Area Code	PhoneAreaCode
Phone Number	PhoneNumber
Email	EmailAddress
Job Title	JobTitle
Manager Name	ManagerName
Address1	Address1
Address2	Address2
Address3	Address3
Address4	Address4
City	City
Postal Code	PostalCode
State	State

## Customer Name and Number

The following table lists the XML data elements for the customer name and number you can insert in your documents. The customer for the contract is the party of role customer.

You must preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/CustomerVO/CustomerVORow/
```

For example, to insert the customer name into your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/CustomerVO/CustomerVORow/PartyName
```

<b>Customer Attributes</b>	<b>XML Data Element</b>
Party Number	PartyNumber
Party Name	PartyName

## Default Contract Billing Schedule Information

The following table lists the XML data elements you can use to insert information on the default billing schedule.

Agents set up the default billing schedule on the Summary tab, Pricing/Billing subtab of the Service Contracts Authoring window. Agents use this contract-level billing schedule to default schedules to contract lines, so entry is optional.

If you have only one billing period in the schedule, preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrBillSchdVO/HdrBillSchdVO  
Row/
```

For example, to insert the date of start date of the billing period in your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrBillSchdVO/HdrBillSchdVO  
Row/StartDate
```

If your billing schedule has multiple billing periods, follow the instructions described in the *Oracle XML Publisher User's Guide*.

Header Billing Schedule Attributes	XML Data Element
Start Date	StartDate
End Date	EndDate
Invoice Date	TransactionDate
Interface Date	DateToInterface
Amount	Amount

## Contract Billing Address

The following table lists the XML data elements for contract billing address information. Agents select the billing address in the Bill To region of the Summary tab, Parties subtab. The address itself must be entered in other applications.

You must preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrBillToAddrVO/HdrBillToAd  
drVORow/
```

For example, to insert the city in your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrBillToAddrVO/HdrBillToAd  
drVORow/City
```

Header Bill To Address Attributes	XML Data Element
Address1	Address1
Address2	Address2
Address3	Address3
Address4	Address4
City	City
Postal Code	PostalCode
State	State
Province	Province
County	County

## Contract Billing Contact Information

The following table lists the XML data elements you can use to insert information about the contract's billing contact. Agents enter the billing contact by entering a customer or a third party contact with the role of Billing in the Contact region of the Summary tab, Parties subtab.

You must preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrBillToContDtlsVO/HdrBillToContDtlsVORow/
```

For example, to insert the last name of the contact in your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrBillToContDtlsVO/HdrBillToContDtlsVORow/LastName
```

Header Billing Contact Attributes	XML Data Element
First Name	FirstName
Last Name	LastName
Phone	BillToPhone
Fax	BillToFax
Email	BillToEmail

## Contract Shipping Address

The following table lists the XML data elements for the contract shipping address information. Agents select the shipping address in the Ship To region of the Summary tab, Parties subtab. The address itself must be entered in other applications.

You must preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrShipToAddrVO/HdrShipToAddrVORow/
```

For example, to insert the city in your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrShipToAddrVO/HdrShipToAddrVORow/City
```

Header Ship to Address Attributes	XML Data Element
Address1	Address1
Address2	Address2
Address3	Address3
Address4	Address4
City	City
State	State
Province	Province
County	County
Postal Code	PostalCode

## Contract Taxes

To enter the amount of taxes for the contract as a whole into your document, then enter the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/HdrTaxAmountVO/HdrTaxAmountVORow/TaxAmount
```

The contract tax amount is calculated by the application and appears in the Tax field on the Service Contracts Authoring window header.

## Contract Line Information

The following table lists the XML data elements you can use to insert information about the lines in your contract.

If you have only one contract line, preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/
```

For example, to insert the name of the service, usage, or subscription in your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/Name
```

To insert information from multiple lines, follow the instructions described in the *Oracle XML Publisher User's Guide*.

<b>Contract Line Attributes</b>	<b>XML Data Element</b>
Line Number	LineNumber
Line Name	Name
Start Date	StartDate
End Date	EndDate
Line Amount	LineAmount

## Contract Line Taxes

If you have only one line in your contract, you can display the tax for that line in your document, by entering the following string and the XML data element:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/LineTaxAmountVO/LineTaxAmountVORow/TaxAmount
```

To insert information from multiple lines, follow the instructions described in the *Oracle XML Publisher User's Guide*.

## Contract Line Billing Schedule

The following table lists the XML data elements you can use to enter information about billing schedules for individual contract lines into your document.

If you have only one line in your contract, preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/LineBillSchdVO/LineBillSchdVORow/
```

For example, to insert the date of the invoice in your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/LineBillSchdVO/LineBillSchdVORow/TransactionDate
```

To insert information from multiple lines, follow the instructions described in the *Oracle XML Publisher User's Guide*.

<b>Line Billing Schedule Attributes</b>	<b>XML Data Element</b>
Start Date	StartDate
End Date	EndDate
Invoice Date	TransactionDate
Date To Interface	DateToInterface
Amount	Amount

## Line Billing Contact

The following table lists the XML data elements you can use to enter into your document billing contact information for individual contract lines. Agents enter the billing contact by entering a customer contact of role Billing Contact on the Lines Tab, Accounts subtab of the Service Contracts Authoring window.

If you have only one contract line, then preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/LineBillToContDtlsVO/LineBillToContDtlsVORow/
```

For example, to insert the name of the contact in your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/LineBillToContDtlsVO/LineBillToContDtlsVORow/Name
```

To insert information from multiple lines, follow the instructions described in the *Oracle XML Publisher User's Guide*.

Line Billing Contact Attributes	XML Data Element
Name (first and last name)	Name
Email	Email
Address1	Address1
Address2	Address2
Address3	Address3
Address4	Address4
City	City
State	State
Province	Province
County	County
Postal Code	PostalCode

## Sublines

The following table lists the XML data elements you can use to enter information about sublines. For service lines, this is what the service covers (for example, a product, or a customer site). For usage lines, this is the individual counter used to track usage.

If you have only one subline in your contract, then preface the XML data elements with the following string:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/SubLinesVO/SubLinesVORow/
```

For example, to insert the level of coverage for a service line in your document you must enter:

```
/ContractDetails/HeaderVO/HeaderVORow/LinesVO/LinesVORow/SubLines
VO/SubLinesVORow/CoveredLevel
```

To insert information from multiple sublines, follow the instructions described in the *Oracle XML Publisher User's Guide*.

<b>SubLine Attributes</b>	<b>XML Data Element</b>
SubLine Number	SubLineNumber
Name	Name
Covered Level	CoveredLevel
Start Date	StartDate
End Date	EndDate
Quantity	Quantity
UOM	Uom
SubLine Amount	SubLineAmount

## Login Information for Electronic Renewals

The following table lists the XML data elements you can use to include in your document information users can use to log into an automatically generated HTML page where they can review and renew their contract.

The URL for that page must be entered by the application administrator in the system profile OKS: Electronic Renewals URL.

The application automatically creates a user name and password which you can insert in the renewal e-mail by including the XML names tags listed below. If you include the password tag name, the application sends the automatically generated password with the first communication to the customer and encrypts the password as a series of stars in all subsequent e-mails.

You must preface the XML data elements with the following string:

```
/ContractDetails/
```

For example, to insert the user name into your document you must enter:

```
/ContractDetails/UserName
```

<b>Web UI Login Attributes</b>	<b>XML Data Element</b>
User Name	UserName
Password	Password
Web UI Login URL	WebUILoginURL

## Current Date

To insert the current date (sysdate) into your document, then enter the following string as the XML tag name:

```
/ContractDetails/HeaderVO/HeaderVORow/ReportGeneratedDate
```

## Contract Payment Terms

To insert the contract payment terms into your document, then enter the following string as the XML tag name:

```
/ContractDetails/HeaderVO/HeaderVORow/PayTermVO/PayTermVORow/PaymentTerms
```

## Viewing the Data Definition Structure

You can display a sample document with all of the available data elements.

### To view the data definition structure:

1. Log into Oracle Applications under the XML Publisher Administrator responsibility.
2. Click **Data Definitions** in the Navigator.

The Data Definitions search page appears in a new browser window.

ORACLE XML Publisher [Home](#) [Logout](#) [Preferences](#) [Help](#) [Personalize Page](#) [Diagnostics](#)

[Templates](#) [Data Definitions](#)

### Data Definitions

**Search**

Name  Code

Application  Active

[Personalize Region](#)

Name	Application	Start Date	End Date	Update
<a href="#">Service Contract Data</a>	Service Contracts	28-Oct-2004		

[Personalize Region](#)

[Personalize Region](#)

3. Enter `Service Contracts` in the Application field.
4. Click **Go**.
5. Select the `Service Contract Data` link.

The View Data Definition page appears.

[Data Definitions](#) >

## View Data Definition: Service Contract Data

[Update](#)

Name	Service Contract Data	Code	OKSCONDATA
Application	Service Contracts	Start Date	28-Oct-2004
XML Schema		End Date	
Preview Data	<a href="#">OKSCONDATA.xml</a>		

Description: Sample data of a Service Contract.

[Return to Data Definitions](#)[Update](#)

6. Click the OKSCONDATA.xml link in the Preview Data field to view or save the file.

## Uploading and Registering a Template in Oracle XML Publisher

This step is required to use your document for electronic renewals.

### Prerequisite

Create the template as an RTF document.

### To upload and register a template in Oracle XML Publisher:

1. Log into Oracle Applications under the XML Publisher Administrator responsibility.
2. Click **Templates** in the Navigator.  
The Templates search page appears in a new browser window.
3. Click **Create Template**.  
The Create Template page appears.

Templates &gt;

**Create Template**

Start Date and End Date define when the Template is active. The Name can be translated while the Code is identical for all languages.

**General**

* Name	<input type="text"/>	* Code	<input type="text"/>
* Application	<input type="text"/>	* Data Definition	<input type="text"/>
* Type	<input type="text"/>	* Start Date	<input type="text" value="11-Nov-2004"/>
		End Date	<input type="text"/>
		Subtemplate	<input type="text"/>
Description	<input type="text"/>		

**Template File**

* File	<input type="text"/>	<input type="button" value="Browse..."/>
* Language	<input type="text"/>	<input type="button" value="Browse..."/>
* Territory	<input type="text"/>	<input type="button" value="Browse..."/>

4. In the Name field, enter a user-friendly name for your template.
5. In the Code field, enter a code (no longer than 10 characters) for the template. start with this product's short code (OKS) and a descriptive ending. For example: OKS\_cover.
6. Choose **Service Contracts** from the Application LOV.
7. Choose **OKSCONDATA** from the Data Definition LOV. This is the data definition supplied by Oracle. In this release, you are restricted to using this data definition only.
8. Choose **RTF** from the Type LOV.
9. In Start Date, enter the date from which the template will be active.
10. In the End Date, enter the date when this template becomes inactive. This is optional.
11. Sub-templates are not supported in this release.
12. Optionally, enter a description in the Description field.
13. Click **Browse** and select the RTF template file.
14. Choose the language of the template you have uploaded from the Language LOV.
15. Language territories are not supported in this release, so you can leave the Territory field blank.
16. Click **Apply**.
17. You can preview a PDF of your template to validate your work by navigating to the View Template page and selecting the **Preview** icon. See the Viewing and Updating section of the *Oracle XML Publisher User's Guide* for details.

## Creating the Set of Templates Used for a Specific Renewal Flow

In the template set, you specify which RTF template is used for which communication. For reminder and cancellation notices, you also specify when they will be sent. For example, you may wish to send one renewal reminder 30 days before the contract expires and, if the customer does not respond, send out another 15 days before expiration. If the customer has not responded two weeks after the expiration date, you may wish to send a reminder that the contract is being cancelled.

You can set up just one template set to be used for communications for all renewals. Or you can set up different sets to go to different customers or to be used by different organizations within your company.

This step is required to use your document for electronic renewals.

### Prerequisites

Create and upload into Oracle XML Publisher RTF templates for:

- The cover letter (the HTML body of the initial renewal e-mail)
- The quote letter (the PDF attachment)

Reminder and cancellation notices are optional.

### To create the set of templates used for a specific renewal flow:

1. Navigate to Setup > Define Electronic Renewal Template.  
The Template Set window appears.
2. Enter a name for the template set in the Name field.
3. Optionally, enter a start and end date to restrict the availability of this template set.
4. Using the Quote Letter LOV, choose the Oracle XML Publisher template the application will use to generate the PDF attachment sent with every e-mail to the customer.
5. Using the Cover Letter LOV, choose the Oracle XML Publisher template the application will use to generate the HTML body for the initial renewal e-mail.
6. To send one or more reminder notices if the contact does not reply to the initial e-mail. Then for each reminder notice:
  1. Choose **Reminder Notice** from the Report Type LOV.
  2. From the Report Name LOV, choose the template the application will use to generate the HTML body of the reminder.
  3. To restrict the use of this reminder to a specific time period, then enter a start date, an end date, or both.
  4. Specify when you wish the reminder to be sent in relationship to the start date of the renewed contract. This is done by entering a negative number in the Duration field and choosing the time unit of measure from the Period LOV. For example, to send the reminder two weeks before the start date of the renewed contract, then enter **-2** as the duration and choose **Week** as the period.
  5. You can have the application reset the status of the contract after the notice is sent. To do so, choose a status from the Status LOV.

You can set a contract to any status of type Entered.

7. To send one or more cancellation notices to the contact if the customer does not renew the contract the end date, then, for each cancellation notice:
  1. Choose **Cancellation Notice** From the Report Type LOV.
  2. From the Report Name LOV, choose the template the application will use to generate the HTML body of the cancellation notice.
  3. To restrict the use of this cancellation notice to a specific time period, then enter a start date, an end date, or both.
  4. Specify when to send the cancellation notice in relationship to the planned start date for the renewed contract. This is accomplished by entering a positive number in the Duration field and choosing the time unit of measure from the Period LOV. For example, to send the cancellation notice two weeks after the planned start date of the renewed contract, then enter 2 as the duration and choose **Week** as the period.
  5. You can have the application reset the status of the contract after the cancellation notice is sent. To do so, choose a status from the Status LOV.

You can set a contract to any status of type Cancelled.

**Note:** The application must periodically run the concurrent request Service Contracts Autorereminder program to send reminder and cancellation notices.

## Specifying How the Template Sets Are to Be Used

You can:

- Specify a single template set for all electronic renewals, the global level.
- Specify different template sets for use by different organizations within your company.
- Specify different template sets to be used for different individual customers.

The application looks for an appropriate template set from the most specific to the global. If the application does not find a template set specified at the customer level, it looks at the organization level, if none is found at the organization level either, it uses the template specified at the global level.

For example, if you specify Set 1 of renewal e-mail communications to be used at the global level, and specify Set 2 to be used for customers A and B. Then any contract for customers A and B will use Set 2, and contracts for all other customers will use Set 1.

**Note:** For electronic renewals to work, you must at least associate a template set at the global level.

### Prerequisite

Create the template sets used to generate the renewal communications.

### To specify how the template sets are to be used:

1. Navigate to Setup > Global Contracts Defaults.  
The Global Contracts Defaults window appears.

2. Choose a template set to be used for electronic renewals at the global level using the Template Set LOV in the Global region at the top of the window.
3. To specify different template sets for individual customers, then for each customer:
  1. Select the Parties Tab and Electronic Renewal subtab.
  2. Choose the customer from the Party Name LOV.
  3. Choose the template set from the Template Set LOV.
4. To specify different template sets for organizations in your own company, then for each organization:
  1. Select the Organizations tab and Electronic Renewal subtab.
  2. Choose the organization from the Organization Name LOV.
  3. Choose the template set from the Template Set LOV.
5. Save.

## Viewing PDF Attachments

The application automatically generates and e-mails the PDF attachment with every electronic renewal communication. You can view the PDF to be sent for a single contract, all the PDFs being sent to a customer, or all the PDFs generated for an internal organization.

### To view PDF attachments:

1. Navigate to Control > Requests > Run.  
The Submit a New Request window appears.
2. Select the **Single Request** radio button.
3. Click **OK**.  
The Submit Request window appears.
4. Enter **Generate Quote** in the Name field using the LOV.  
The Parameters window appears.
5. Choose the template set name from the Quote Template LOV.
6. Enter any of the following to limit the number of contracts to be generated:
  - Note:** If you do not enter any values, the application generates the communications for the entire database of contracts.
  - To generate communications for an internal organization, then enter the organization name using the Org LOV.
    - For a single customer, choose the customer from the Party LOV.
    - For a single contract, choose the contract number from the Contract Number LOV.
7. Click **OK** to exit the Parameters window.
8. Click **Submit**.

The Decision window appears with the identification number of the request you have submitted. Use this number to monitor the progress of your request.

9. Click **No** if you do not wish to submit another request.

10. Choose **Requests** from the View menu.

The Find Requests window opens.

11. Click **Find** to find the requests you have submitted.

The Requests window appears showing the status of your concurrent requests.

The Generate Quotes process you have submitted automatically launches the Service Contracts Quote request. Both have to complete successfully for the communications to be generated successfully.

12. Place your cursor in the line displaying the Service Contracts Quote process status.

13. Click **View Output** to display the generated communications in a separate browser window.

## Viewing Sample Marked-Up Documents Provided with the Application

Oracle supplies sample templates in Oracle XML Publisher with XML name tags already embedded.

### To view the sample documents provided with the application:

1. Log into Oracle Applications under the XML Publisher Administrator responsibility.
2. Click **Templates** in the Navigator.

The Templates search page appears in a new browser window.

ORACLE XML Publisher

Home Logout Preferences Help Personalize Page Diagnostics

Templates Data Definitions

Search

Name: %sample% Code:

Application: Service Contracts Data Definition:

Type:  Active: Yes

Go Create Template

Name	Application	Data Definition	Type	Start Date	End Date	Duplicate
<a href="#">Cancellation Notice - Sample</a>	Service Contracts	Service Contract Data	RTF	29-Oct-2004		
<a href="#">Cover Letter - Sample</a>	Service Contracts	Service Contract Data	RTF	29-Oct-2004		
<a href="#">Quote Letter - Sample</a>	Service Contracts	Service Contract Data	RTF	29-Oct-2004		
<a href="#">Reminder Notice - Sample</a>	Service Contracts	Service Contract Data	RTF	29-Oct-2004		

Personalize Region

3. Enter %sample% in the Name field.
4. Choose **Service Contracts** from the Application LOV.
5. Click **OK**.
6. The window displays the sample documents.
7. To download a document:

1. Select a link in the Name column.  
The View Template page opens.
2. Click **Download**.



---

## Terminating Contracts

This chapter covers the following topics:

- Overview of Terminating Contracts
- About Terminating Contracts
- How Termination Works?
- Terminating a Contract
- Restrictions for Terminating a Contract
- Terminating a Contract Line
- Terminating a Contract Subline
- Terminating Multiple Contracts at the Same Time
- Viewing the True Value of a Contract
- About Prorating Terminated Contracts

### Overview of Terminating Contracts

This group of topics explains how you can terminate contracts, contract lines, and contract sublines.

### About Terminating Contracts

You can terminate a contract, a contract line, or a contract subline. The termination date must fall between the start and end date of the service or services being terminated. You cannot terminate a service or contract that has already been terminated. For example, if you have a future Date Terminated, you cannot change it to an earlier date.

You can terminate multiple contracts and contract lines at one time.

During the termination process a credit amount is calculated by the system. You have the ability to:

- override the credit
- provide a full credit
- suppress the credit

## How Termination Works?

The following describes various termination scenarios. These scenarios will help you understand the termination methods that can be used and their impact on the true value of the contract. See *Viewing the True Value of a Contract*, page 16-11.

**Assumptions for all examples:** Your customer has a one year contract valued at \$1,200. The contract start date is December 1 and the termination date is March 1. The contract has two billing periods, which bill in advance. Billing period 1 has been billed, billing period 2 has not.

**Override the credit example :** The customer is due a credit of \$300, which is for the unused portion of the billed amount. However, you and the customer have mutually agreed to deduct \$100 from the credit.

An override amount of \$200 is entered during the termination. The customer is issued a credit of \$200.

The contract total is updated to \$400 and the terminated amount is updated to \$800. The terminated amount is equal to the override amount plus the unbilled amount in billing period 2.

**Provide a full credit example:** The customer is due a credit of \$300, which is for the unused portion of the billed amount. Because this is a very good customer, you allow a credit for the full amount, not just the unused portion.

The full amount is \$600 for the billed amount. The customer is issued a credit of \$600. The contract total is updated to \$0 and the terminated amount is updated to \$1,200. The terminated amount is equal to the full credit amount plus the unbilled amount in billing period 2.

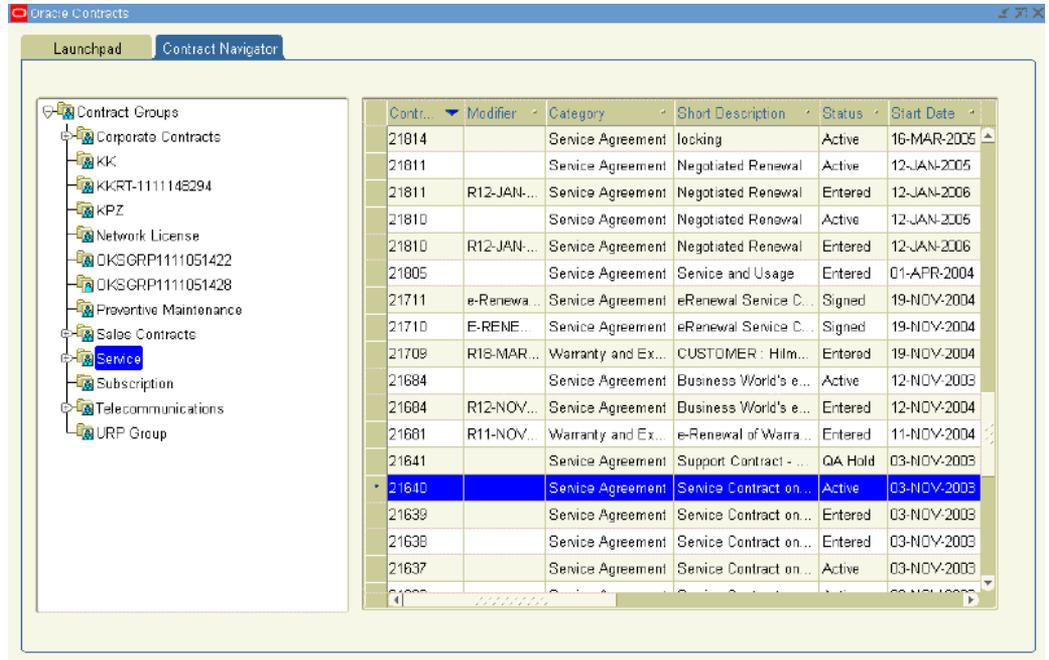
**Suppress the credit example:** the customer is due a credit of \$300. However, the contract is being terminated for a breach and your company policy is that credit is not issued when there is a contract breach.

You can suppress the credit, so that the customer receives no credit, which ensures the credit is not processed by Accounts Receivable. The contract total is updated to \$300 and the terminated amount is updated to \$900. The terminated amount is equal to the amount suppressed plus the unbilled amount in billing period 2.

## Terminating a Contract

### To terminate a contract:

1. From the Contract Navigator, highlight the contract you wish to terminate.



- From the Tools menu, select **Terminate**.

The Terminate Contracts window appears.

- Select the following:

- Date:** the termination date, which must be within the contract start and end dates.
- Reason:** the reason for terminating the contract.

Your administrator can define reasons by navigating to Setup > Contracts > Termination Reasons.



- Select **Review**.

If the customer is due a credit for amounts paid prior to the termination date, the credit amount, which is prorated based on the Date Terminated and the amount billed, appears in the Amount field.

- Optionally, you can use the Override Amount field to override the calculated amount.

The amount entered for override cannot be negative or 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.

- To issue a full credit during termination, check the Full Credit checkbox.

The Amount field displays the total amount that was billed for contract at the time of termination.

**Note:** The Full Credit check box gives you greater flexibility to control the credit amount. You can also use this check box in situations where you wish to credit more than the prorated amount but not the full credit amount, by selecting the Full Credit checkbox and then entering a value in the Override Amount field.

For example, if the prorated amount is \$500 and the Full Amount is \$1,000 and you wish to credit \$800, you can select the Full Credit check box and enter \$800 in the Override Amount field.

7. If you do not wish to generate a credit memo, check the Suppress Credit checkbox.

**Note:** If credits are suppressed in error, you can run the Service Contracts Program to Process Suppress Credits. This program allows users to generate credits for contract terminations for which credits have been suppressed. See About Concurrent Programs, page 18-7.

8. Click **Terminate**.



9. A Decision window appears, indicating the contract was successfully terminated. Click **Yes** to save your changes.

**Note:** After you terminate the contract, you can run the Main Billing program to generate the necessary billing transactions as a result of the termination.

## Restrictions for Terminating a Contract

Be aware of the following restrictions relating to the contract status. If the contract status is:

- **QA Hold:** You cannot perform a termination.
- **Hold:** You can perform a termination irrespective of the status and operation setting, Eligible for Invoicing.
- **All Other Statuses:** You cannot perform a termination if the status and operation setting, Eligible for Invoicing, is not enabled.

## Terminating a Contract Line

### To terminate a contract line:

1. From the Contract Navigator, double click the contract.

The Contract Execution window appears.

Contract Number: 21635  
Short Description: Service Contract on Covered Product Level  
Status: Active  
Category: Service Agreement  
Amount: 400.00 USD  
Start Date: 03-NOV-2003  
End Date: 02-NOV-2006  
Description: [Empty]  
Comments: [Empty]

Line...	Status M...	Name	Start Date	End Date	Line Style
1	Active	Extended Des...	03-NOV-2...	02-NOV-2...	Service

Overview | History | Schedule | Communications | Related Objects

2. From the Overview tab, highlight the contract line you wish to terminate. You can select multiple lines if you wish.
3. Right click the mouse, and select **Terminate Line**.  
The Terminate Contract Lines window appears
4. Select the following:
  - **Date:** the termination date, which must be within the contract start and end dates.
  - **Reason:** the reason for terminating the contract line.

Terminate Contract Lines (Vision Operations: USD)

Date: 14-APR-2005  
Reason: Non-compliance  
Description: Non-compliance

Amount:   
Override Amount:

Full Credit  Suppress Credit

Review Terminate Cancel

5. Select **Review**.

If the customer is due a credit for amounts paid prior to the termination date, the credit amount appears in the Amount field.

6. Optionally, you can use the Override Amount field to override the calculated amount.

7. To issue a full credit during termination, check the Full Credit checkbox.

The Amount field displays the total amount that was billed for the line at the time of termination.

8. If you do not wish to generate a credit memo, check the Suppress Credit checkbox.

**Note:** If credits are suppressed in error, you can run the Service Contracts Program to Process Suppress Credits. This program allows users to generate credits for contract terminations for which credits have been suppressed. See About Concurrent Programs, page 18-7.

9. Click **Terminate**.

Terminate Contract Lines (Vision Operations: USD)

Date: 14-APR-2005  
Reason: Non-compliance  
Description: Non-compliance

Amount: 400.00  
Override Amount:

Full Credit  Suppress Credit

Review Terminate Cancel

A Decision window appears, indicating the contract line was successfully terminated. Click **Yes** to save your changes.

The Status Meaning for the line shows as Terminated.

21635

Contract Number **21635** Modifier

Short Description **Service Contract on Covered Product Level**

Status **Active** Start Date **03-NOV-2003**

Category **Service Agreement** End Date **02-NOV-2006**

Amount **400.00 USD** Terminate Date

Renew Date

Description Comments

Line...	Status M...	Name	Start Date	End Date	Line Style
1	Terminated	Extended Des...	03-NOV-2...	02-NOV-2...	Service

Overview History Schedule Communications Related Objects

**Note:** After you terminate the contract line, you can run the Main Billing program to generate the necessary billing transactions as a result of the termination.

## Terminating a Contract Subline

### To terminate a contract subline:

1. From the Service Contracts Authoring window, select the Line tab, Pricing/Products subtab, and the Effectivity secondary tab, then choose the subline to terminate.

2. From the Tools menu, select Terminate Subline.  
The Terminate Sublines window appears.

3. Select the following:
  - **Date:** the termination date, which must be within the contract start and end dates.
  - **Reason:** the reason for terminating the contract subline.
4. Select **Review**.  
If the customer is due a credit for amounts paid prior to the termination date, the credit amount appears in the Amount field.
5. Optionally, you can use the Override Amount field to override the calculated amount.  
The amount entered for override cannot be negative or 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.
6. To issue a full credit during termination, check the Full Credit checkbox.  
The Amount field displays the total amount that was billed for the covered level or usage at the time of termination.
7. If you do not wish to generate a credit memo, check the Suppress Credit checkbox.

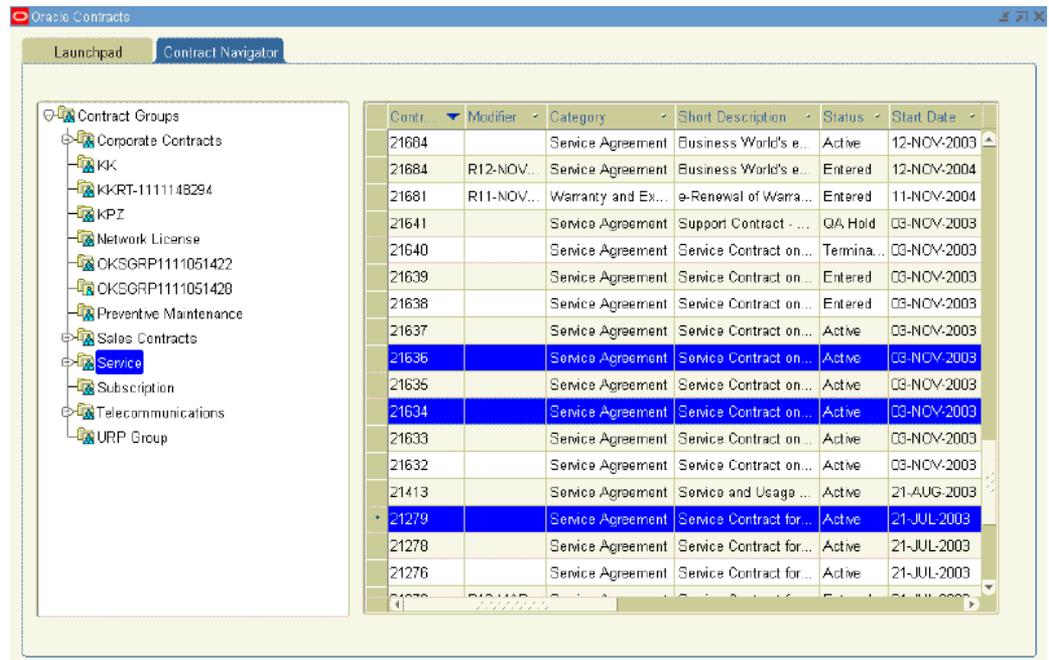
- Click **Terminate**.

## Terminating Multiple Contracts at the Same Time

### To terminate multiple contracts at the same time:

- From the Contracts Navigator, highlight the contracts to terminate.

To select multiple contracts hold down the Control key and select the contracts you wish to delete. To select a block of rows, select the first contract row, hold down the Shift key, and then select the last contract row.

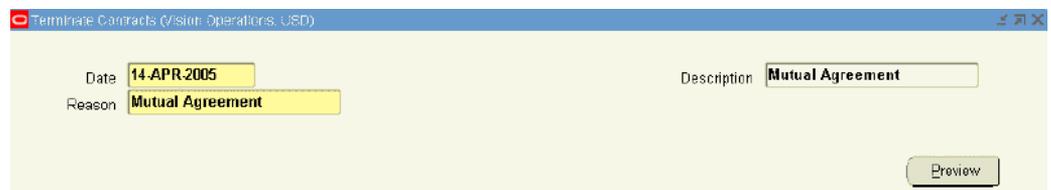


- From the Tools menu, select **Terminate**.

The Terminate Contracts window appears.

- Select the following:

- Date:** the termination date, which must be within the contract start and end dates.
- Reason:** the reason for terminating the contract.



- Select **Preview**.

The Selected Contracts for Termination region appears with a listing of the contracts that you have selected to be terminated.

5. Confirm whether the customer is due a credit for amounts paid prior to the termination dates. The amount is indicated in the Amount field for each associated contract number.
6. Optionally, you can use the Override Amount field to override the calculated amount. The amount entered for override cannot be negative or 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.
7. For each contract, you can enter a different:
  - Termination Date
  - Reason
8. To issue a full credit during termination, check the Full Credit checkbox for the associated contract number.

The Amount fields display the total amount that was billed for the associated contract number at the time of termination.

9. If you do not wish to generate a credit memo, check the Suppress checkbox for the associated contract number.

**Note:** If credits are suppressed in error, you can run the Service Contracts Program to Process Suppress Credits. This program allows users to generate credits for contract terminations for which credits have been suppressed. See About Concurrent Programs, page 18-7

10. Click **Terminate**.

Selected Contracts for Termination				Termination			Full Credit	
Contract Number	Modifier	Version	End date	Date	Reason	Amount	Override Amount	Suppress
21636		.9	02-NOV-2004	14-APR-2005	Mutual Agree	0		<input type="checkbox"/>
21634		.9	02-NOV-2004	14-APR-2005	Mutual Agree	0		<input type="checkbox"/>
21279		.9	20-JUL-2006	14-APR-2005	Mutual Agree	1342.47	1000	<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>
								<input type="checkbox"/>

A Decision window appears, indicating the contracts were successfully terminated. Click **Yes** to save your changes.

**Note:** After you terminate the contracts, you can run the Main Billing program to generate the necessary billing transactions as a result of the terminations.

## Viewing the True Value of a Contract

When you terminate a contract, a contract line, or a subline, the contract Total in the header is automatically adjusted to reflect the terminated amount.

### To view the true value of a contract:

1. From the Service Contracts Authoring window, review the following in the header:
  - **Total:** reflects the true value of the contract incorporating any price adjustments or credits that have been applied to the contract.
  - **Terminated:** reflects a sum of the following after a termination is submitted:
    - the unbilled amount for the original contract
    - the termination credit issued
    - any termination amounts that were suppressed
2. Alternatively, navigate to the Summary tab and Pricing/Billing subtab.
3. Select **Billing**.

The Billing window appears.

The screenshot shows the 'Billing' window with a 'Schedule' tab. It contains several data fields and summary tables.

Invoicing Rule	Advance Invoice	Start Date	17-MAR-2005
Accounting Rule	Immediate	End Date	16-MAR-2006
Level		Amount	3.39

Terminated	
Unbilled	385.00
Credited	31.61
Suppressed	0.00
<b>Total</b>	<b>416.61</b>
Overridden	0.00

Adjusted	
Discount	0.00
Surcharge	0.00
<b>Total</b>	<b>0.00</b>

Billed	35.00
--------	-------

4. Review the following:
  - **Amount:** reflects the true value of the contract.
  - **Total field in the terminated region:** reflects the amount credited, after the termination was submitted.
  - **Billed:** reflects the amount originally billed.

## About Prorating Terminated Contracts

If a contract is terminated during a billing period, credits are prorated by the application. The calculation of the prorated amount varies among line types. Following are descriptions of how the prorated amount is handled for each line type.

### Service Lines

For service lines, the line is prorated based on the date terminated and the amount billed. For example, if \$100 was billed for April, and the line was terminated in the middle of the month, a \$50 credit is due.

For information on service lines, see About Service Lines, page 4-2.

## Usage Lines

For usage lines, you must define the termination method that the application will use to calculate the usage and credit the customer upon termination. You can choose between the Amount Based Termination and Counter Based Termination method.

### **Amount Based Termination**

Charges the customer based on the amount of usage recorded when the contract is terminated. The customer is charged based on the actual usage. This is the default method for all usage types.

### **Counter Based Termination**

The application credits the unused portion of the service based on price the customer would pay if they continued consumption at the same rate for the rest of the period. This means that the customer receives any price break based on the estimated usage.

For information on usage lines, see About Crediting a Customer in Terminations, page 5-13.

## Subscription Lines

For subscription lines, how the terminated contract is prorated depends on whether it is for a tangible or an intangible subscription.

### **Tangible Subscription Termination**

Termination for tangible subscriptions can only be done for quantities (or fulfillment periods), that have not been interfaced to Oracle Order Management. The termination amount correlates to the quantity terminated. For example, if there are 12 fulfillment periods for the subscription line, then the line can only be terminated in 1/12th increments of the total line value. If the end date of the latest fulfilled period is greater than termination date, the termination date for the subscription line will be moved forward to be equal to the end date of the latest fulfilled period.

Suppose you have a 12 month subscription with a start date of January 1. The billing amount for each month is \$10. The months of January, February, and March have interfaced with Oracle Order Management. If a termination date of February 15 is entered, the termination date is moved to March 31 because this is the end date of the latest fulfilled period. The months of April through December are included in the terminated amount, which is \$90.

### **Intangible Subscription Termination**

Termination for intangible subscriptions can be either fulfillment based or effectivity based, depending on if the system profile, OKS: Intangible Subscription Pricing Method is set to Effectivity Based or Subscription Based. Effectivity Based is the same as the termination functionality for terminations performed against Service Lines. Subscription Based, is the same as the termination of tangible subscriptions.

For information on subscription lines, see About Subscriptions, page 6-1.

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## Managing Your Work

This chapter covers the following topics:

- Overview of Managing Your Work
- Finding Contracts by Status or Notification Type
- Finding Your Most Recently Accessed Contracts
- Bookmarking Contracts
- Finding Bookmarked Contracts
- Creating Groups
- Organizing Contracts by Group and Subgroup
- Finding Contracts Using the Contract Groups Hierarchy
- Removing a Contract from a Group
- Searching for Contracts Using the Entitlements Search Window
- Using the Index to Navigate through Contracts

### Overview of Managing Your Work

This group of topics explains how to manage your work in Oracle Service Contracts.

You can access contracts from multiple points within the application. Oracle Service Contracts provides the ability to find contracts by status or notification type, and to open recently accessed, or bookmarked contracts.

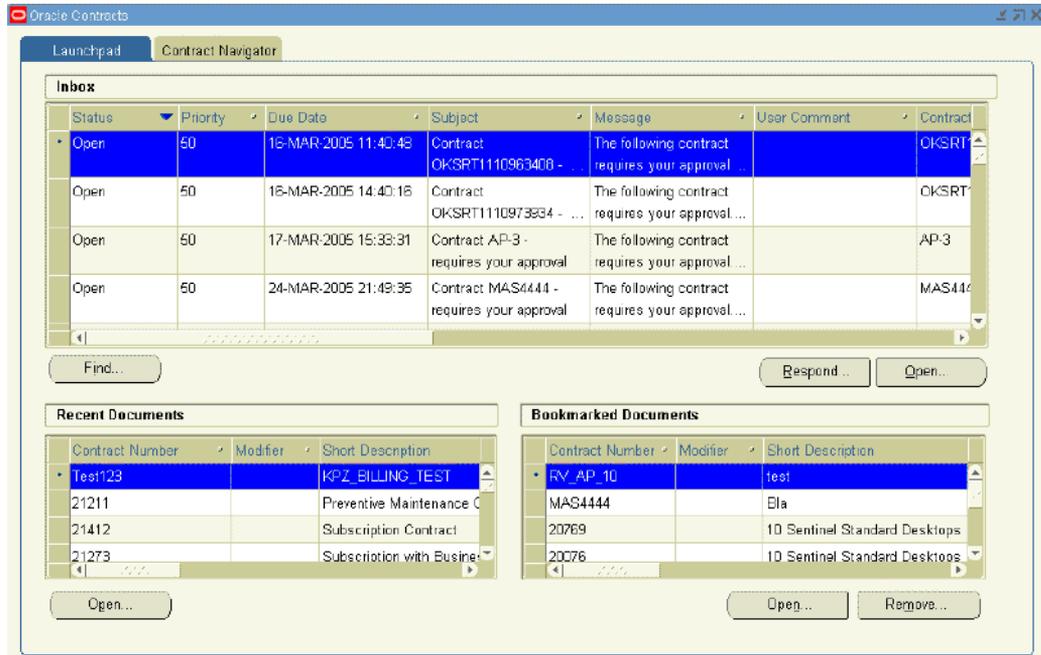
You can also organize your contracts into a hierarchy of groups, which can be viewed from the Contract Navigator. Contract groups provide a convenient way to organize contracts using any criteria. They are similar to folders and can be created for private or public use.

You will generally access contracts from either the Launchpad or the Contract Navigator.

### Finding Contracts by Status or Notification Type

**To find a contract by status or notification type:**

1. Navigate to the Launchpad.



2. In the Inbox region, click **Find**.  
The Inbox Find window appears.
3. Select your search criteria:
  1. To find a contract with a particular status, select a status from the Select Status list.
  2. To find a contract with a particular notification type, select a notification type from the Select Notification Type list.

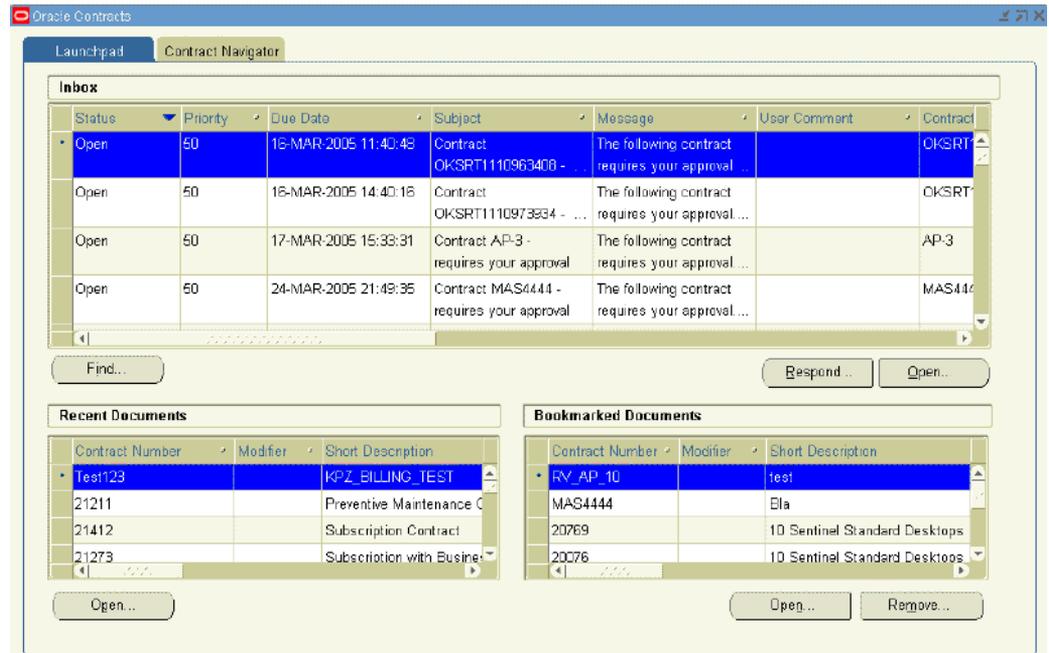
For example, you could perform a search for contracts with an open status that require contract approvals or you could simply search for contracts that require contract approval.
4. Select **Find**.  
The Inbox is refreshed with contracts that meet your criteria.
5. To sort the results, click the column heading by which you would like the results sorted.  
You can sort columns in ascending or descending order.
6. Highlight the contract to review.
7. From the Inbox region, select **Open**.  
The contract appears in the Service Contracts Authoring window.

**Note:** For information on responding to notifications, see Approving Contracts, page 10-1.

## Finding Your Most Recently Accessed Contracts

### To find your most recently accessed contracts:

1. Navigate to the Launchpad.



2. In the Recent Documents region, scroll through the listing of contracts. These are the contracts that you have most recently accessed.
3. To sort the list, click the column heading by which you would like the list sorted. You can sort columns in ascending or descending order.
4. Highlight the contract to review.
5. From the Recent Documents region, select **Open**.

The contract appears in the Service Contracts Authoring window.

**Note:** You can also double click the contract number to open the Service Contracts Authoring window.

## Bookmarking Contracts

### To bookmark contracts:

1. From the Service Contracts Authoring window, select the Actions menu and choose **Bookmark**.

A note appears, indicating that the contract has been successfully bookmarked. This adds the bookmark to the Bookmarked Documents region in the Launchpad. The Bookmarked Documents region is a personal listing of contracts that you can access quickly.

2. To review bookmarked contracts, see Finding Bookmarked Contracts, page 17-4.

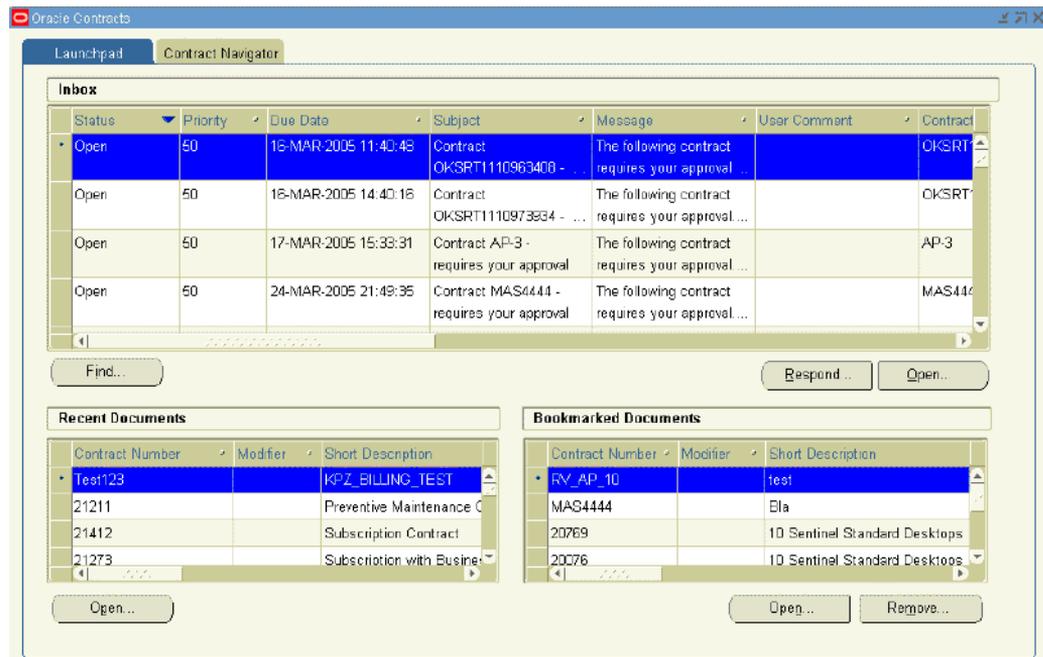
**Note:** You can also bookmark a contract from the Contract Navigator by:

- Highlighting a contract in the right panel
- Selecting **Add Bookmark** from the Tools menu.

## Finding Bookmarked Contracts

### To find bookmarked contracts:

1. Navigate to the Launchpad.



2. In the Bookmarked Documents region, scroll through the listing of contracts.

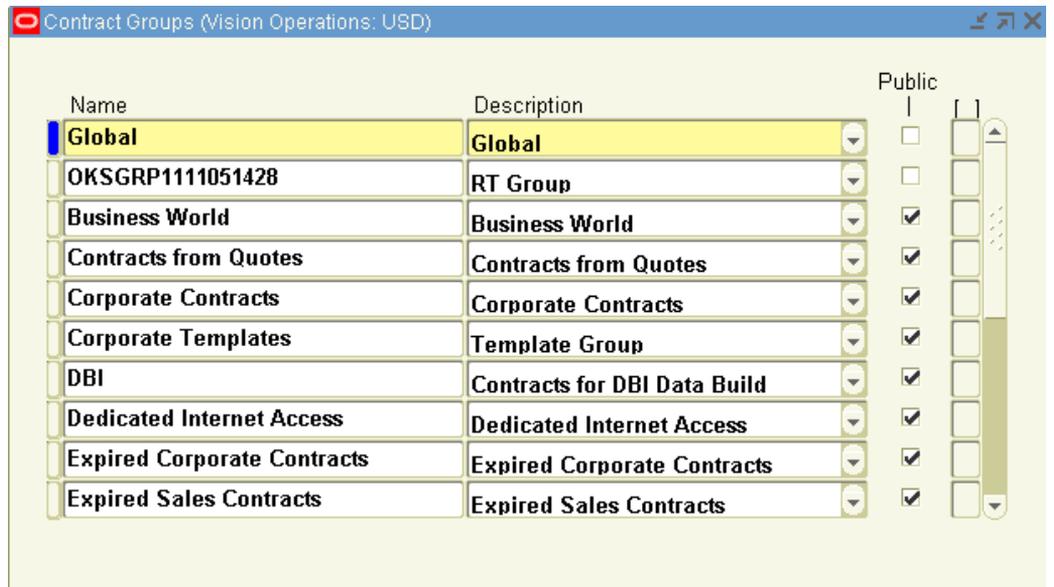
## Creating Groups

Groups help you to organize and find contracts more efficiently. A contract can be in more than one group at a time. For example, a contract can be in your personal group My Contracts and also be in the public group Business World Contracts. You can also use groups to help you identify contracts that can be processed through actions such as mass change, or reports.

### To create a group:

1. From the Navigator, navigate to Contract Groups > Contract Groups.

The Contracts Groups window appears.



2. In the Name field enter the group name. For example, Service Agreements.
3. In the Description field, provide a description of the group.
4. If you would like for this folder to be public, select the Public check box.

**Note:** If you do not check the public check box, you will create a private folder that only you will see.

In order to have the ability to create public folders, your administrator must set the profile OKC: Public Group Creator to **Yes**.

5. Save.

**Note:** If you would like to see a listing of all groups, you can use the query function to display the groups in the Contracts Groups window.

- From the View menu select **Query by Example** and then choose **Enter**. The form changes to query mode.
- Enter% in the Name field.
- From the View menu select **Query by Example** and then choose **Run**. A complete listing of the Contract Groups appears.

## Organizing Contracts by Group and Subgroup

### To organize contracts by group and subgroup:

1. From the Navigator, navigate to Contract Groups > Assign Contract Groups.

The Contracts Groupings window appears. The Groupings region on the left provides a hierarchy you can use to navigate the contract groups.



You can click the + icon to expand a node

You can click the - icon to collapse a node.

2. Select a node from the Global region, for example, Service.

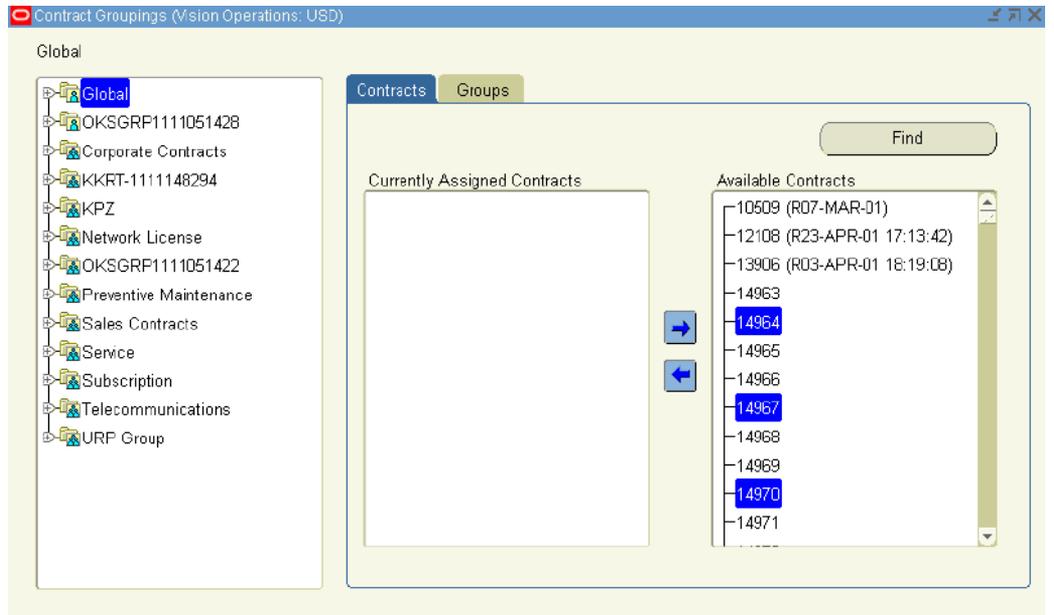
The contracts that are currently a part of the group appear in under the Currently Assigned Contracts heading.

3. Click **Find**.

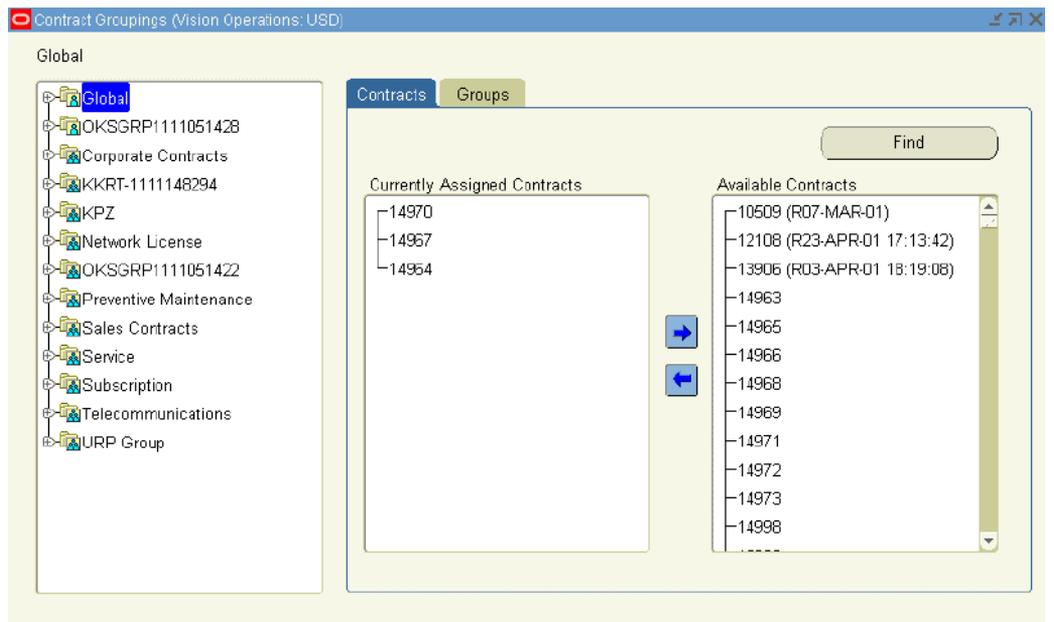
The Search templates and Contracts window appears. You can use this window to search for contracts that you would like to add to the criteria.

4. Enter your search criteria and click **Search**.

The results appear in the Available Contracts region of the Contract Groupings window.



- To add a contract to the group highlight the contract in Available Contracts and select the left arrow.

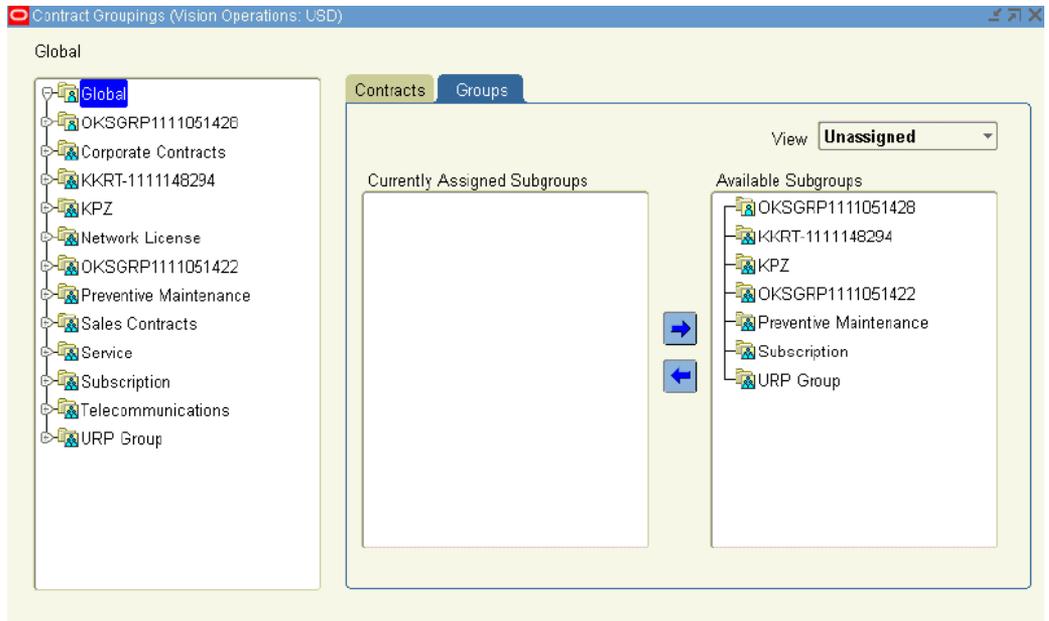


The contract is moved to Currently Assigned Contracts, which indicates that it is a part of the group.

- To remove a contract from the group, highlight a contract in Currently Assigned Contracts region and select the right arrow.

The contract is moved to Available Contracts, which indicates that it is not a part of the group.

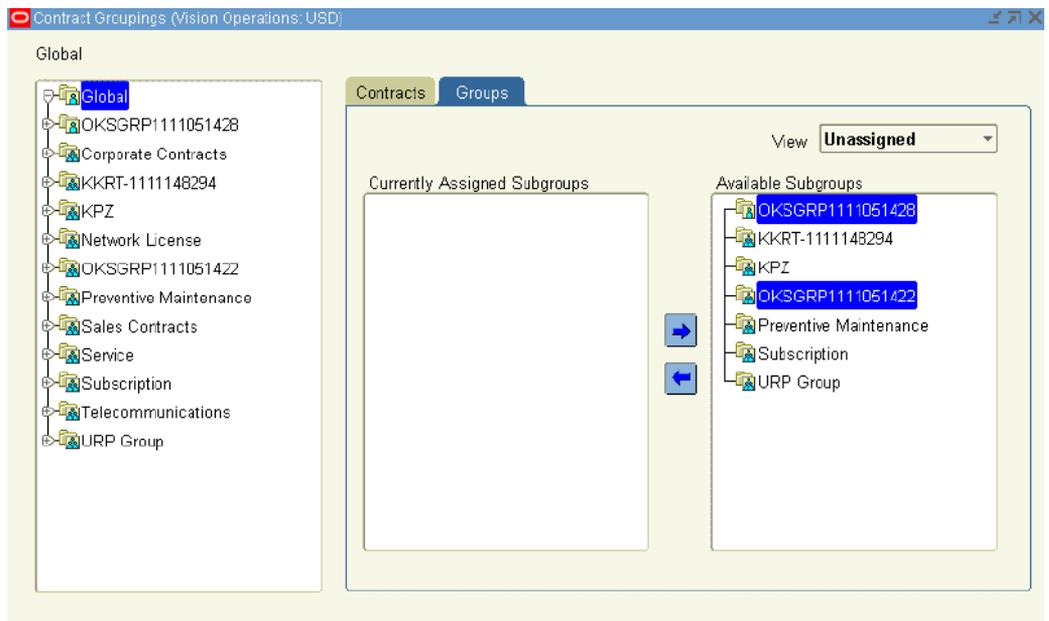
- To add a subnode to the Group, select the Groups tab.



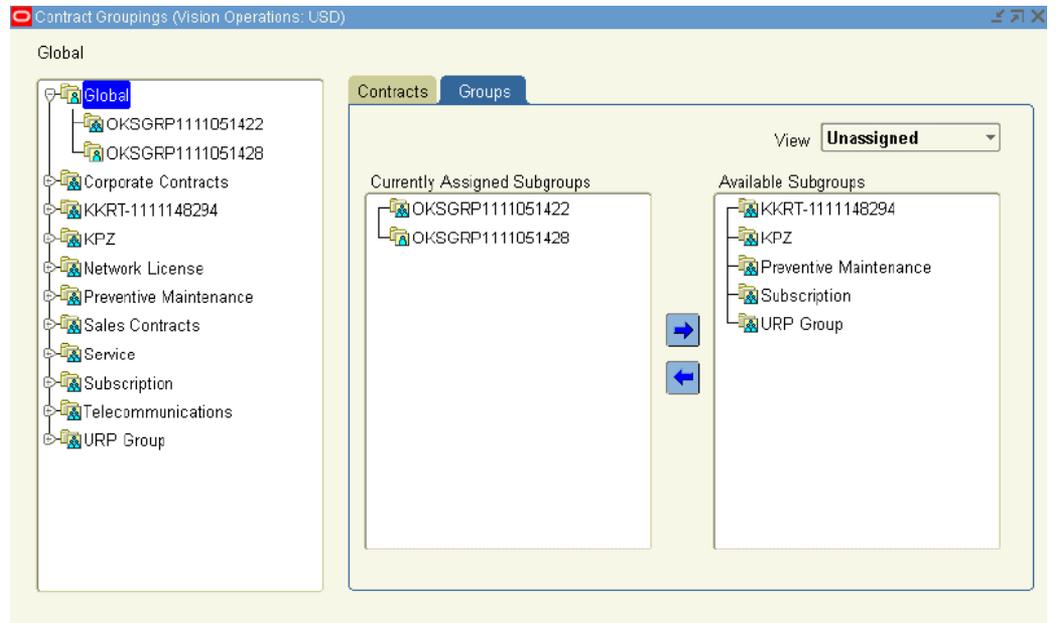
The Currently Assigned Groups and Available Subgroups regions are populated with a listing of subgroups.

You can change the view of the Available Subgroups by selecting either Unassigned or All Groups from the View list.

8. To add a subgroup to the group, highlight the subgroup in the Available Subgroups region and select the left arrow.



The subgroup is moved to Currently Assigned Groups, which indicates that it is a subgroup of the group.



9. To remove a subgroup from the group, highlight a subgroup in Currently Assigned Groups region and select the right arrow.

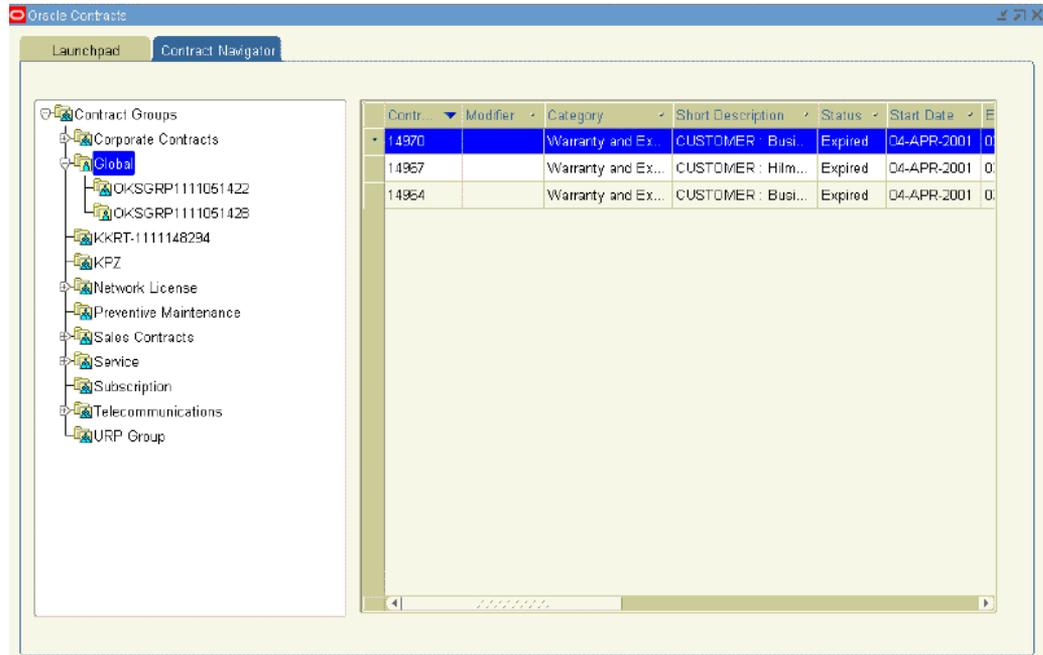
The contract is moved to Available Subgroups, which indicates that it is not a part of the group.

10. Save.

## Finding Contracts Using the Contract Groups Hierarchy

### To find a contract using the contract groups hierarchy:

1. Navigate to the Contract Navigator.
2. In the left panel, review the group hierarchy.  
You can expand a node by selecting the + icon. You can collapse a node by selecting the - icon.
3. Select a node to view the contracts, in that contract group node.



For example, you could select the Global node to view all contracts within that node.

The contracts included in this group appear in the right hand panel.

4. To sort the results, click the column heading by which you would like the results sorted.

You can sort columns in ascending or descending order.

5. Highlight the contract you wish to review.
6. Right click and select **Open**.

The contract appears in the Service Contracts Authoring window.

**Note:** You can double click the contract number if you would like to open the Contract Execution window.

## Removing a Contract from a Group

### To remove a contract from a group:

1. Navigate to the Contract Navigator.
2. In the left panel, select a Group such as Service.  
A listing of contracts appears.
3. Highlight the contract to remove from the group.
4. You can either:
  1. Right click the contract and select Remove from Group, or;
  2. From the Tools menu, select Remove from Group.

A decision box appears, asking whether you are sure you wish to remove the contract from the group.

3. Click Yes.

The contract is removed from the group.

**Note:** You can also add or remove a contract from a group by updating the Contracts Group region within the Administration subtab of the contract.

## Searching for Contracts Using the Entitlements Search Window

### To search for contracts using the Entitlements Search window:

1. From applications navigator, navigate to **Entitlements Search**.

The Entitlements Search window appears.

The screenshot shows the 'Entitlements Search' window. It is divided into several sections: 'Criteria' with a 'Search Option' dropdown (set to 'All Contracts'), 'Contract Covered Levels' with multiple input fields for product, item, site, system, account, and party details, and 'Contracts Additional Search' which includes 'Lines' and 'Header' sections with various search criteria like service name, coverage type, dates, and status. The 'Service Name' field in the 'Lines' section contains the value 'WR23763'. At the bottom of the window are 'Search', 'Clear', and 'Cancel' buttons.

You can use this window to search for all contracts that match your search criteria, or limit the search to Entitled contracts.

You can search for contracts based on their covered levels attributes, header attributes, or line attributes, or a combination of these.

2. From the Search Option region, select whether you want to search all contracts or entitled contracts.

Entitled contracts are those that are within their start and end date as of the time of the search, and are in a status that has the operation Eligible for Entitlement set to Yes.

3. From the Contract Covered Levels region, specify the contract covered levels to use in your search.

You can search by the following covered levels: product, item, site, system, account, and party.

This region has specific attributes associated with each covered level, which are separated by rows. For example, if you select a product, the row with the Product Name field also contains a Serial Number field and Reference Number field. These additional attributes are used to narrow your search.

- From the Lines region, specify lines attributes.

For example, you could add a service name, a status, and a duration to the search criteria.

- From the Header region, specify header attributes.

For example, you could add a contract status, party, and duration.

**Note:** To clear the form and re-enter your search criteria, you can select **Clear**.

- Select **Search**.

The Results window appears, which shows the details of the contract lines that match the search criteria.

Contract Number	Modifier	Number	Type	Name	Line Start Date	End Date	Status	Coverage Name
10265		1	Service	WR23763	25-SEP-00	24-SEP-01	Terminated	Gold
10266		1	Service	WR23763	25-SEP-00	24-SEP-01	Entered	Gold
Business World Te		1	Service	WR23763	25-SEP-00	24-SEP-01	Entered	Gold
10283		1	Service	WR23763	25-SEP-00	24-SEP-01	Terminated	Gold
10464		1	Service	WR23763	25-SEP-00	24-SEP-01	Expired	Gold
10509		1	Service	WR23763	03-OCT-00	02-OCT-01	Expired	Gold
10524		2	Service	WR23763	25-SEP-00	24-SEP-01	Expired	Gold
10584		2	Service	WR23763	25-SEP-00	24-SEP-01	Entered	Gold
RB-1003		1	Service	WR23763	25-SEP-00	24-SEP-01	Terminated	Gold

Contract Description: Service Agreement

View Coverage Open

- To view the coverage for a specific contract and line, select the line and click **View Coverage**.

The Coverage Template appears in read-only form.

- To open the contract, select the contract line and click **Open**.

The Service Contracts Authoring window appears. From this window, you can manually adjust Warranty Start and End dates on installed products.

**Note:** If the entitlements search is used for any application other than Oracle Service Contracts, the Line Detail window appears in read-only mode. For example, a service agent could use entitlement search from Oracle TeleService.

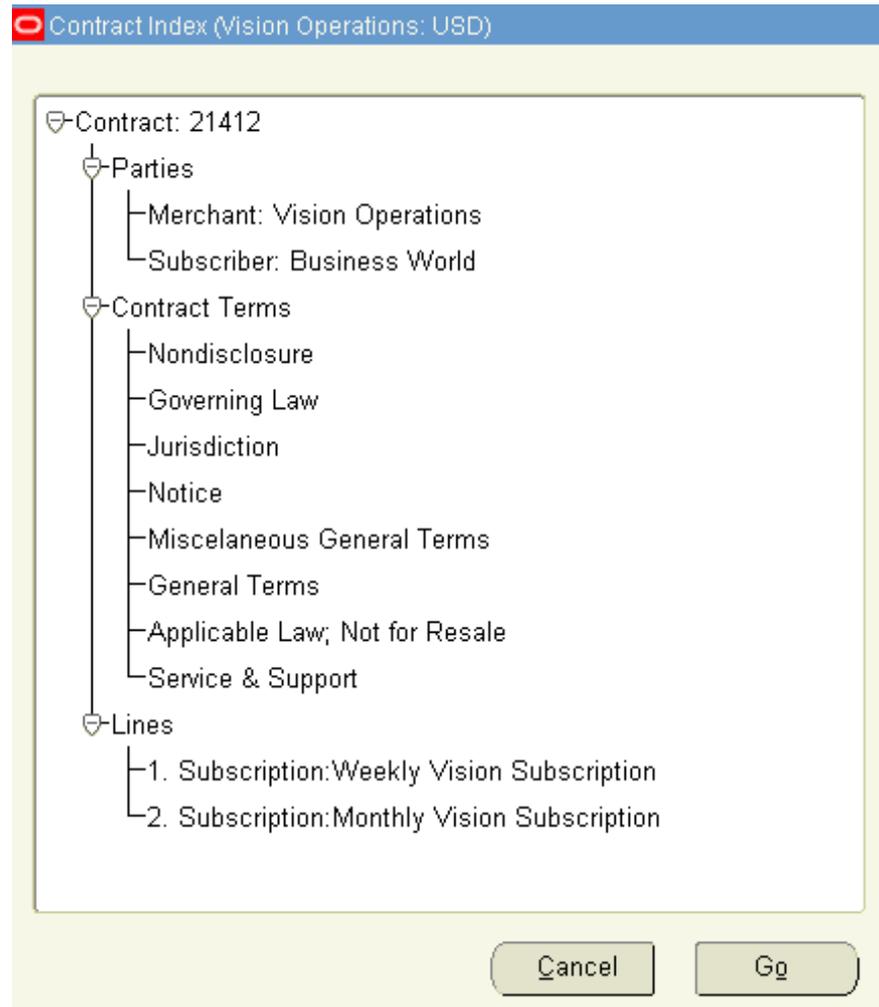
## Using the Index to Navigate through Contracts

The index helps you find parts of the contract and allows you to navigate to them directly, for example, to a particular line number.

## To use the index to navigate through contracts:

1. From the Service Contracts Authoring window, choose the Actions menu and select **Show Index**.

The Contract Index window appears.



From this window you can view details of the contract such as the parties, line level service items, the covered level products at the sublines, and the names of any terms attached to the contract.

You can expand the hierarchy by selecting the + icon next to the node.

You can collapse the hierarchy by selecting the - icon next to the node.

2. To navigate to a specific point within the contract:
  1. Highlight the node.
  2. Click **Go**.

For example, if you highlight the Lines node and click **Go**, the Service Contracts Authoring window displays the Lines tab.

3. Optionally, you can close the Contract Index window, by selecting **Cancel**.



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# Running Reports and Programs

This chapter covers the following topics:

- Overview of Running Reports and Concurrent Programs
- About Reports
- About Concurrent Programs
- Running Reports and Programs

## Overview of Running Reports and Concurrent Programs

This group of topics explains the reports available in Oracle Service Contracts.

Oracle Service Contracts provides several reports and concurrent programs designed to help you analyze information and manage the application.

## About Reports

The following provides a high level description of various reports that are available in Oracle Service Contracts and describes the parameters that are available for each. Some parameters are required while other parameters can optionally be used to narrow the scope of the information that is included in the report.

Reports also create output information, that can be used to analyze your contracts.

For information on how to submit a report, see Running Reports and Programs, page 18-11.

### Contracts QA Report

This report allows you to run a QA check on multiple contracts. This is particularly useful when run immediately before the billing process, to help identify issues on contracts before they are submitted to Accounts Receivable.

With this report, you can define the following parameters:

- From Contract Number (required)
- To Contract Number
- From Start Date (required)

**Note:** When running the report, the From Start Date and To Start Date will both default to the current date. If your contracts start prior to this date, you will not see a report. Be sure to check your start dates.

- To Start Date
- Contract Status
- Level of Details (required)

You can choose a report that details all contracts selected, all contracts that pass the QA check, or all contracts that fail the QA check.

- Submit for Approval: If this parameter is set to Yes, the contract is automatically submitted for approval if it passes QA.
- Ignore QA Warning: If this parameter is set to Yes, QA warnings are ignored

The report output includes details of the data checked including whether the checked data had warnings and errors and if so, what results were found.

### **OKS Products Not Renewed Report**

This report helps the sales representative identify customer products that have extended warranties in an Expired or Terminated status. The extended warranty must have a valid customer and vendor, and must also include a vendor contact role of sales person or support sales. In addition, the product must not have been renewed to any other extended warranty with in a Signed or Active status.

You can define the following parameters:

- Contract Group
- Org
- Sales Rep
- Customer
- From End Date
- To End Date

The report output includes a listing the part number, product description and serial number, along with details of the line amount and the installed base start and end dates.

### **Service Contracts Bookings Report**

This report lists the value of all service agreements, warranties and extended warranties, in an Active, Approved, or Signed status with a valid customer or vendor role specified. To be included, contracts must also have a valid vendor contact role of sales person or support sales.

Contracts are grouped by the sales representative assigned to the contract.

You can define the following parameters:

- Contract Group
- Organization
- Sales Rep

- Start Date From (required)
- Start Date To (required)
- Approved Date From
- Approved Date To
- Value Exceeding
- Sort By

You can choose to sort the report output by any of the preceding parameters or by contract number, contract value, currency, customer name, date approved, invoice date, invoice number, invoice value, modifier, sales representative, or start date.

### **Service Contracts by Status Report**

This report allows sales representatives to track contracts by status. It includes service agreements, warranties and extended warranties with a valid customer and vendor role specified. To be included, contracts must also have a valid vendor contact role of sales person or support sales.

You can define the following parameters:

- Contract Group
- Organization
- Sales Rep Name
- Customer Number
- Customer Name
- To Start Date (required)
- From Start Date (required)
- To End Date
- From End Date
- Status Code
- Status Type
- Currency Code
- Detail Report

The report output provides a listing of service contracts by status. It is sorted by sales representative and provides status, customer, and start and end dates as well as the contract value, selected status product value, and the annual rate.

### **Service Contracts Detail Report**

This report displays key details of the contract headers, contract lines, and covered products for contracts in the warranty and extended warranty categories. The report does not extract all Service Agreement information. The report focuses on covered products.

You can define the following parameters:

- Contract Group
- Contract #

- Customer
- Status Type
- Status Code
- Start Date From
- End Date From
- Start Date To
- End Date To

The report output provides a listing of:

- header level details such as the contract number, modifier, vendor, start and end dates, customer, status, total value, currency code.
- service level details for each line such as the line number, the service, start and end dates, and total value.
- product level details for each line such as line number, product name, start and end dates, installed base number, serial number, reference number, quantity, pricing attributes, and final price.

### **Service Contract Forecast Management Report**

This report allows the sales representative and management to track the anticipated close of contract renewals. It checks service agreements, warranties, or extended warranties in an Entered status with a valid and customer role specified. To be included, contracts must also have a valid vendor contact role of sales person or support sales.

You can define the following parameters:

- Contract Group
- Org
- Sales Rep
- Status Code
- Currency Code
- Minimum Contract Value
- Maximum Contract Value
- Forecast Start Period
- Forecast End Period
- Recognized Revenue Date

The report output provides a listing of forecast information by sales representative, such as customer, contract number, modifier, status, start and end date, forecast percentage, forecast date, last update date, contract value, contract forecast, revenue to be recognized, and currency code.

### **Service Contracts Forecast Summary Report**

This report lists the contracts eligible for renewal for a given period as well as the recognized revenue date. It checks service agreements, warranties and extended warranties in an Entered status with a valid customer and vendor role specified. To

be included, contracts must also have a valid vendor contact role of sales person or support sales.

You can define the following parameters:

- Contract Group (required)
- Org
- Currency Code
- Start Date (required)
- End date (required)
- Minimum Contract Value
- Maximum Contract Value
- Recognized Revenue Date (required)

The report output provides a listing of the following information by status type and status code, such currency code, number of contracts, contract value, booking forecast, revenue recognized value, forecast value.

### **Service Contracts Setup Report**

This report is a diagnostic tool that facilitates debugging of implementation issues. It also summarizes the setups and provides information on mandatory setup items. The report provides a comprehensive overview of the setup performed in any application environment and highlights the incomplete mandatory setups in red.

The report output is a PDF which can be seen by clicking View Output on the concurrent request form after the report is complete.

#### **Profile Setup:**

Provides a list of User Profile Option Names and the values set for them. If any of the mandatory settings are missing or not properly set, they are highlighted in red.

#### **Transaction Type Setup:**

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:**

Displays the categories and responsibilities set and the access level for Service and Warranty Categories.

#### **Order Capture Integration Setup:**

Validates that OKS is set for Order Capture Integration.

#### **Time Units Mapping:**

Displays the user-defined time code units.

#### **Global Contract Defaults:**

Shows the values set in the Global Contract Defaults form.

**Coverage Template Setup:**

Shows if a coverage template is defined for:

- Warranty
- Service

**Statuses and Operations:**

Displays all the contract statuses and operations for each status type.

**Service Contracts Summary Report**

This report allows the sales representative to track all contracts by customer. It includes service agreements, warranties and extended warranties with a valid customer and vendor role specified. To be included, contracts must also have a valid vendor contact role of sales person or support sales.

You can define the following parameters:

- Contract Group
- Org
- Rep Name
- Customer Number
- Customer Name
- Form Date
- To Date
- Currency Code

The report output provides a summary listing of contracts for each customer, which is sorted by sales representative. The report includes customer number, customer name, contract number, modifier, status type, start and end dates, total value, currency code, and when the contract was last updated.

**Service Contracts Quote Printing Program for US**

This report allows you to print the quotes or draft contracts along with a cover letter, after the contracts have gone through the renewal process. It checks service agreements or extended warranties with a valid customer and vendor role specified. Contracts must also have a customer account at the line level. For service agreements, the covered level should be System or Customer Account. For extended warranties covered level should be covered product.

You can define the following parameters:

- Party
- Org
- Contract Number

The report output provides a sample letter that can be tailored to meet the needs of the organization.

## Generate Quote

This report integrates with XML Publisher, to generate a PDF file using the quote template that you specify in the parameters.

You can define the following parameters:

- Quote Template (required)
  - Cancellation Notice - Sample
  - Cover Letter - Sample
  - Quote Letter - Sample
  - Reminder Notice - Sample
- Org
- Party
- Contract Number

The report output provides a PDF file based on the quote template that you select.

## List of Contracts By Contract Group

This report provides a list of contracts by contract group. You can define the following parameters:

- Group
- Role (required)
- Category
- Start Date From
- Start Date To
- Status
- Currency
- Order By Amount

The report output lists the contract number, modifier, short description, date signed, currency code, estimated amount and the status. The output is sorted by the contract group and the role, such as customer.

## About Concurrent Programs

The following provides a high level description of concurrent programs that are available in Oracle Service Contracts and describes the parameters that are available for each. Some parameters are required while other parameters can optionally be used to narrow the scope of the information processed. These programs are used to initiate processes that enable particular functionality in the application.

For information on how to submit a report, see *Running Reports and Programs*, page 18-11.

## Service Contracts Main Billing

This program generates a log file of the total value processed, total value successful, and total value rejected for billing. For all unsuccessful transactions, further contract information will be displayed so that you can pinpoint the contract and/or line that caused the issue.

You can define the following parameters:

- Contract Number
- Default Date
- Organization
- Customer Name
- Category
- Group
- Preview

## AutolInvoice Import Program

This program is owned by Oracle Receivables. It imports the billing transactions from the Service Contracts Main Billing Program into Oracle Receivables.

You can define the following parameters:

- Transaction Source (required)
- Default Date (required)
- Transaction Type
- (Low) Bill To Customer Number
- (High) Bill to Customer Number
- (Low) Bill to Customer Name
- (High) Bill to Customer Name
- (Low) GL Date
- (High) GL Date
- (Low) Ship Date
- (High) Ship Date
- (Low) Transaction Number
- (High) Transaction Number
- (Low) Sales Order Number
- (High) Sales Order Number
- (Low) Invoice Date
- (High) Invoice Date
- (Low) Ship To Customer Number
- (High) Ship To Customer Number
- (Low) Ship To Customer Name

- (High) Ship To Customer Name
- Base Due Date on Trx Date
- Due Date Adjustment Days

For more information on this program, refer to the see the *Oracle Receivables User Guide*.

### **Service Contracts Fetch Receivables Info for Billing**

This program fetches the invoice number and tax from Oracle Receivables and updates the contract billing history. There are no parameters to define for this report.

### **Service Contracts Concurrent Program for Reassigning Resources**

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

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 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.

The following prerequisites are required to run this program:

- The JTF Territory assignments must be set up.
- The profile option OKS: Use Territories to Default Sales Person should be set to Yes to use this process.
- The profile option OKS: Enable Sales Credits should be set to Derive.
- The resource must be assigned to the contract on the Summary Parties tab in the Contacts region for the vendor.

You can define the following parameters:

- Contract Number
- Contract Status
- Organization
- Sales Person

### **Service Contracts Program to Process Suppress Credits**

This program is used to send credits to Oracle Receivables in cases where the suppress credit check box was selected during termination.

You can define the following parameters:

- Contract Number
- Organization

- Category

### **Service Contracts Usage Averaging**

This program is used to calculate usage averaging based upon the averaging interval defined for each usage line in a contract.

Usage averaging allows you to give price benefits to customers for higher consumption, by allowing you to average invoices over multiple periods. This ensures the consumption is evenly distributed and customers can take advantage of price breaks.

See *Charging for Reported or Estimated Usage Per Period*, page 5-9.

You can define the Contract Number parameter.

### **Service Contracts Usage Settlement**

This program is used to calculate usage settlement based upon settlement frequency defined for each usage line in a contract. It calculates the settlement of any customer undercharges or overcharges using the value defined in the Settlement Interval LOV.

Usage settlement reconciles discrepancies between actual consumption and the estimated billed quantity. Discrepancies may arise if consumption is not captured before you run the Service Contracts Main Billing program. When the consumption is not captured before the billing program runs, the billing program estimates the consumption for the period. Because the consumption captured for the billing period after running the billing program may be greater or less than the actual billed quantity, you can use this program allows to settle the discrepancies.

Your administrator should determine how frequently to run this program, monthly, quarterly, or at the end of the contract.

See *Charging for Reported or Estimated Usage Per Period*, page 5-9.

You can define the Contract Number parameter.

### **Service Contracts Instance Relationship Program**

This program is used to associate the parent instance created for a subscription line with any child instances that are created when a tangible subscription ships.

You can define the Contract Number parameter.

### **Contracts Status Change by Contract**

This program allows you to execute contract status change programs for a given contract. This process changes the contract status if the selected contract qualifies for a status change.

You can define the following parameters:

- Contract Number (required)
- Contract Number Modifier

### **Contracts Status Change by Range**

This program allows you to execute contract status change programs for a range of contracts. This process changes the contract status if the selected contracts qualify for a status change.

You can define the following parameters:

- Category
- from Number
- to Number
- from modifier
- to modifier
- Last Run Date

## Running Reports and Programs

### To run to reports and programs

1. From the View menu, select **Requests**.

The Find Request window appears.

Find Requests

My Completed Requests

My Requests In Progress

All My Requests

Specific Requests

Request ID

Name

Date Submitted

Date Completed

Status

Phase

Requestor

Include Request Set Stages in Query

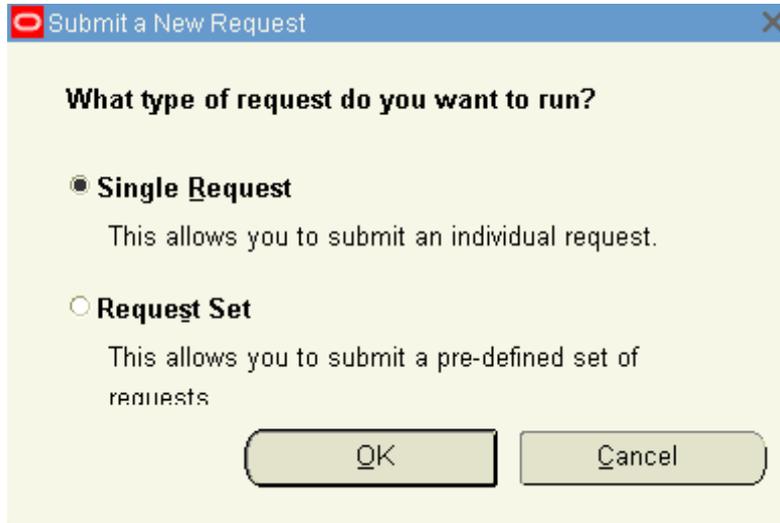
Order By **Request ID**

Select the Number of Day(s) to View:

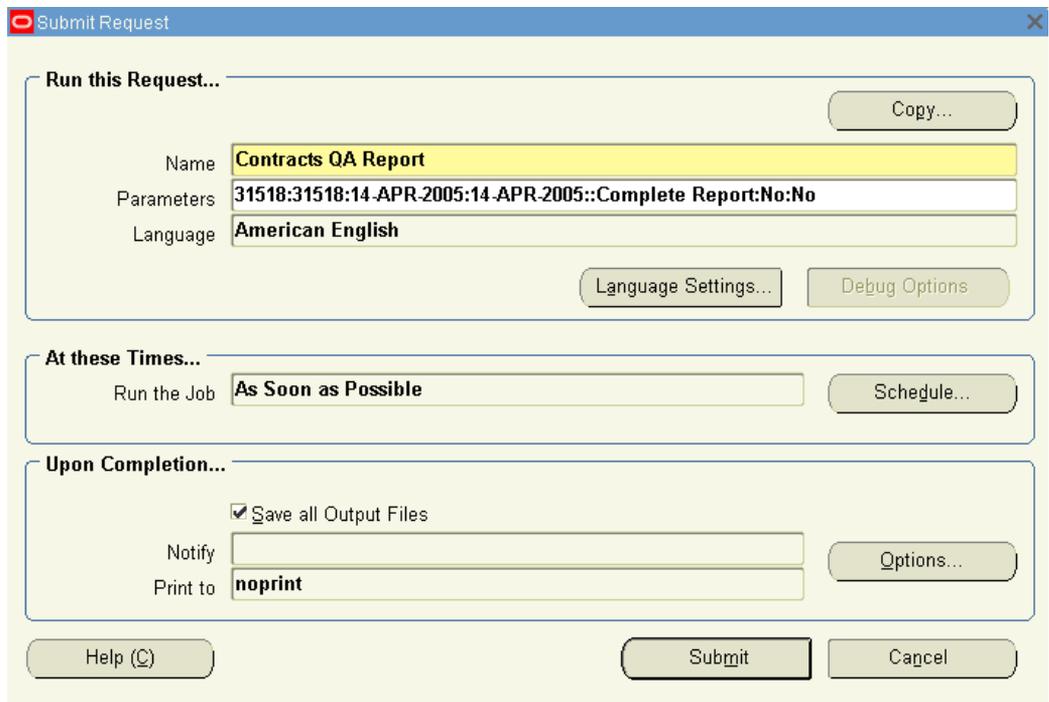
Submit a New Request... Clear Find

2. Select **Submit a New Request**.

The Submit a New Request window appears.



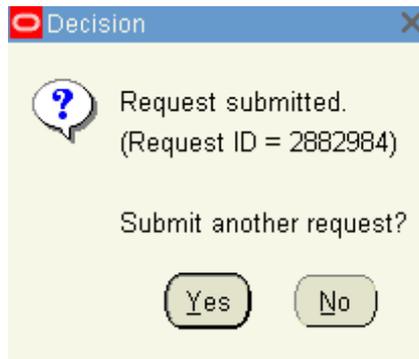
3. Select the Single Request radio button and click **OK**.  
The Submit Request window appears.
4. From the Name LOV, select the report you would like to submit, for example, **Contracts QA Report** and click **OK**.  
The parameters window appears.
5. Define all mandatory parameters.



6. Click **OK**.  
The Submit Request window appears with a concatenated listing of the parameters.

7. Select **Submit**.

A Decision window appears with the request id. You should make a note of this id. The application asks if you wish to submit another request.



8. Click **No**.

The Find Request window appears. You can use this window to track your request.

9. Verify the **View All My Request** radio button is selected, and click **Find**.

The Request window appears.



---

## Creating Contract Items in Oracle Inventory

This chapter covers the following topics:

- About Contract Item Types
- Creating Service Items
- Creating Warranty Items
- Creating Subscription Items
- Creating Usage Items
- Defining Serviceable Products
- Restricting How Items Can be Used

### About Contract Item Types

This group of topics explains how set up items in Oracle Inventory for use in contracts.

Whether a contract is authored in Oracle Service Contracts or created automatically from Oracle Order Management or Oracle Install Base, a contract must include lines.

The line types used in a contract are items that are created in Oracle Inventory. For example, a computer manufacturer could set up a service item WR23763 to cover the Extended Notebook PC Service Plan.

Items are classified into four contract item types, including service, subscription, usage, and warranty. How you classify these items restricts which contract categories can use them. See *Restricting How Items Can be Used*, page 19-16.

Because an item must be defined as a serviceable item to be covered on a contract, you must also ensure that there are items in the Item Master, which are serviceable. See *Defining Serviceable Products*, page 19-15.

### Creating Service Items

Services are items defined in the item master that determine the coverage terms that are given or sold to a customer.

You must define service items in the item master.

This procedure highlights an example of how a service item can be set up, for additional information on setting up product items in Oracle Inventory refer to the *Oracle Inventory User's Guide*.

For information on entering service lines, see About Service Lines, page 4-2.

### Prerequisite

Confirm that a Coverage Template is defined. See Defining a Coverage Template, page 20-3.

### To create a service item:

1. Open Oracle Inventory and Navigate to Inventory > Items > Master Items.  
The Master Items window appears.
2. Enter an Item.
3. Enter a Description.
4. From the Main tab:
  1. Select the User Item Type, Service Pgm / Warranty.
  2. Select a Unit of Measure, from the Primary LOV.

**Note:** A service must have a time Unit of Measure, such as Year. For example, you should not set up a service item with a quantity Unit of Measure, such as Each.

The screenshot shows the Oracle Master Item (V1) window. The Organization is V1 (Vision Operations) and the Item is WR23763. The Description is Extended Notebook PC Service Program. The Display Attributes are set to All. The Main tab is selected, showing the Unit of Measure section with Primary Year, Tracking Primary, Pricing Primary, Secondary, and Defaulting. The Conversions section has Standard, Item specific, and Both options. The User Item Type is Service Pgm / Wa and the Item Status is Active. The Long Description field contains Extended Notebook PC Service Program.

5. Select the Order Management tab:

Organization: V1 Vision Operations  
 Item: WR23763  
 Description: Extended Notebook PC Service Program

Display Attributes: Master, Org, All

Order... Invo... Service Web O...

Customer Ordered  
 Internal Ordered (J)  
 Pick Components (Q)  
 Assemble to Order (X)  
 Ship Model Complete (Y)  
 Returnable (Z)  
 RMA Inspection Required  
 Financing Allowed

Customer Orders Enabled  
 Internal Orders Enabled (K)  
 Shippable (G)  
 OE Transactable (M)

Check ATP: None  
 ATP Rule:   
 ATP Components: None  
 Picking Rule:   
 Default Shipping Organization:   
 Default SO Source Type: Internal  
 Shipping SubInventory:

**Tolerances**  
 Over Shipment:  Over Return:   
 Under Shipment:  Under Return:

1. Select the **Customer Ordered** check box.  
 The **Customer Orders Enabled** check box is automatically selected.
2. Select the **OE Transactable** check box.
3. Select the **Internal Ordered** check box.  
 The **Internal Ordered Enabled** check box is automatically selected.
6. Select the Invoicing tab:

Organization: V1 Vision Operations  
 Item: WR23763  
 Description: Extended Notebook PC Service Program

Display Attributes: Master, Org, All

Recei... Physi... Gener... MPS/M... Lead ... Work ... Order... Invo... Service Web O...

Invoiceable Item  
 Invoice Enabled

Accounting Rule:   
 Invoicing Rule:   
 Tax Code:   
 Sales Account: 01-510-4110-0000-000  
 Payment Terms:

- Select the **Invoiceable Item** and **Invoice Enabled** check boxes

7. Select the Service tab.

The screenshot shows the Oracle Master Item (V1) form with the following details:

- Organization:** V1 Vision Operations
- Item:** WR23763
- Description:** Extended Notebook PC Service Program
- Display Attributes:** Master, Org, All (All is selected)
- Service Tab:**
  - Service Request: Inactive
  - Enable Contract Coverage:
  - Enable Defect Tracking:
  - Enable Provisioning:
- Service Contracts:**
  - Contract Item Type: Service
  - Duration: 1
  - Duration Period: Year
  - Template: Gold
  - Starting Delay (Days): 0
- Installed Base:**
  - Track in Installed Base:
  - Create Fixed Asset:
  - Instance Class: [Dropdown]
- Debrief and Charges:**
  - Recovered Part: [Dropdown]
  - Disposition: [Dropdown]
  - Enable Service Billing:
  - Billing Type: [Dropdown]

1. In the Contract Item Type, select **Service** from the LOV.

2. Select a Duration and Duration Period.

The Duration and Duration Period are used for defaulting service duration for the service item, when it is selected in the Quoting application.

3. From the Template LOV, select a coverage template.

8. Save.

## Creating Warranty Items

Warranties are 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.

You must define warranty items in the item master.

This procedure highlights an example of how a warranty item can be set up, for additional information on setting up product items in Oracle Inventory refer to the *Oracle Inventory User's Guide*.

For information on warranties, see About Ordering Service in Oracle Order Management, page 7-2.

The following table distinguishes between warranties and services. Extended warranties are considered services:

Warranties	Services
Non-orderable and managed automatically	Can be sold on a quote, order or a service contract
Cannot be authored, can only be created when products under warranty are sold from Oracle Order Management or are manually created in the Install Base	Can be authored or created via the Order Management interface
Do not have a price	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
Cannot be renewed, can be extended or terminated	Can be renewed, extended or terminated

### Prerequisite

Confirm that a Coverage Template is defined. See Defining a Coverage Template, page 20-3.

### To create warranty items:

1. Open Oracle Inventory and Navigate to Inventory > Items > Master Items.  
The Master Items window appears.
2. Enter an Item.
3. Enter a Description.
4. From the Main tab, select the User Item Type, Service Pgm/Warranty.

The screenshot shows the Oracle Master Item (V1) window. The Organization is V1 Vision Operations. The Item is WR11531 and the Description is Desktop PC Warranty. The Display Attributes are set to All. The Main tab is selected, showing the Unit of Measure section with Primary Year, Tracking Primary, Pricing Primary, Secondary, and Defaulting. The Conversions section has Standard, Item specific, and Both options, with Both selected. The User Item Type is Service Pgm / Wa and the Item Status is Active. The Long Description field is empty.

5. Select the Order Management tab:
  - Select the **OE Transactable** check box.

The screenshot shows the Oracle Master Item (V1) form for item WR11531, 'Desktop PC Warranty'. The 'Order...' tab is selected. In the 'Display Attributes' section, the 'All' radio button is selected. The 'OE Transactable (M)' checkbox is checked. Other visible fields include 'Customer Ordered', 'Internal Ordered (J)', 'Pick Components (Q)', 'Assemble to Order (X)', 'Ship Model Complete (Y)', 'Returnable (Z)', 'RMA Inspection Required', 'Financing Allowed', 'Customer Orders Enabled', 'Internal Orders Enabled (K)', 'Shippable (G)', 'Check ATP' (set to None), 'ATP Rule', 'ATP Components' (set to None), 'Picking Rule', 'Default Shipping Organization', 'Default SO Source Type' (set to Internal), 'Shipping Subinventory', and 'Tolerances' (Over/Under Shipment and Return).

6. Select the Invoicing tab:

The screenshot shows the Oracle Master Item (V1) form for item WR11531, 'Desktop PC Warranty'. The 'Invoi...' tab is selected. In the 'Display Attributes' section, the 'All' radio button is selected. The 'Invoiceable Item' and 'Invoice Enabled' checkboxes are checked. Other visible fields include 'Accounting Rule', 'Invoicing Rule', 'Tax Code', 'Sales Account' (set to 01-510-4110-0000-000), and 'Payment Terms'.

- Select the **Invoiceable Item** and **Invoice Enabled** check boxes.
7. Select the Service tab.

Master Item (V1)

Organization: V1 Vision Operations

Item: WR11531

Description: Desktop PC Warranty

Display Attributes:  Master  Org  All

Recei... Physi... Gener... MPS/M... Lead ... Work ... Order... Invoi... **Service** Web O...

**Service**

Service Request: Inactive

Enable Contract Coverage

Enable Defect Tracking

Enable Provisioning

**Service Contracts**

Contract Item Type: Warranty

Duration: 1

Duration Period: Year

Template: OKSWRT111436102

Starting Delay (Days): 0

**Installed Base**

Track in Installed Base

Create Fixed Asset

Instance Class: [ ]

**Debrief and Charges**

Recovered Part: [ ]

Disposition: [ ]

Enable Service Billing

Billing Type: [ ]

1. In the Contract Item Type, select **Warranty** from the LOV.
2. Select a Duration and Duration Period.
3. From the Template LOV, select a coverage template.
4. You may enter Starting Delay (Days).

For Warranty items, you can enter Starting Delay (Days), which will affect the start date for the contract. The start date for the contract is equal to the ship date plus the value entered in the Starting Delay (Days) field. The same date is also used by Oracle Install Base as the installed date of the product.

For information on modifying warranty dates, see *Modifying the Dates a Warranty Is Effective*, page 7-13.

The screenshot shows the Oracle Master Item (V1) form for item AS54888, 'Sentinel Standard Desktop'. The 'Service' tab is active, displaying the following settings:

- Organization:** V1 Vision Operations
- Item:** AS54888
- Description:** Sentinel Standard Desktop
- Display Attributes:** Master, Org, All (All is selected)
- Service Request:** Enabled
- Service Contracts:**
  - Contract Item Type: [Empty]
  - Duration: [Empty]
  - Duration Period: [Empty]
  - Template: [Empty]
  - Starting Delay (Days): 0
- Installed Base:**
  - Track in Installed Base:
  - Create Fixed Asset:
  - Instance Class: [Empty]
- Debrief and Charges:**
  - Recovered Part Disposition: Fast Return
  - Enable Service Billing:
  - Billing Type: Material

8. Save.

**Note:** 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 User's Guide* for further information.

When that product is shipped or is manually created in the installed base, the warranty is automatically created in Oracle Service Contracts. Warranties allow a support service to be automatically associated with a product. The warranty is automatically associated with the customer product in the installed base upon ordering and fulfillment of the product to the customer.

Each serviceable product can be fulfilled with one or more base warranties defined as components in the product's bill of material.

9. Select the **Enable Contract Coverage** check box.

This makes the product serviceable. The **Track in Installed Base** check box is automatically selected.

10. If defects for this item are to be tracked, then select the **Enable Defect Tracking** check box.

11. Select the **Enable Service Billing** check box.

12. Select the Billing Type field. For example, Material, Labor, or Expense.

13. Select the **Recovered Part Disposition** speed.

This indicates if replaced parts are to be recovered and how quickly.

14. Save.

The product item is now a serviceable product.

## Creating Subscription Items

For subscription items to be priced and sold on a contract, they must be defined in the item master.

A Subscription Item Type can either be selected as a contract line item on subscription agreement, or as a subline to a service line.

- When a subscription is on a line, you are selling that subscription. An example is a magazine subscription, delivered once per month for a year.
- If you want to sell service that provides coverage on a subscription, an example is a subscription used to track the duration that a user has access to a web based service. The service coverage on that subscription would be used to provide support if the customer has problems with the service, such as a login issue.

This procedure highlights an example of how a subscription item can be set up, for additional information on setting up product items in Oracle Inventory refer to the *Oracle Inventory User's Guide*.

For information on entering subscription lines, see About Subscriptions, page 6-1.

### Prerequisite

Confirm that a Subscription Template is defined. See Setting Up a Subscription Template, page 20-12.

### To create subscription items:

1. Open Oracle Inventory and Navigate to Inventory > Items > Master Items.  
The Master Items window appears.
2. Enter an Item.
3. Enter a Description.
4. From the Main tab, select the User Item Type.

The screenshot shows the Oracle Inventory Master Item window for item 'Annual Vision'. The Organization is 'V1 Vision Operations'. The Item is 'Annual Vision' and the Description is 'Annual Vision Subscription'. The 'Display Attributes' section has 'All' selected. The 'Main' tab is active, showing the 'Unit of Measure' section with 'Each' as the Primary unit, 'Primary' for Tracking and Pricing, and '0' for Deviation Factors. The 'Conversions' section has 'Both' selected. The 'User Item Type' is 'Purchased item' and the 'Item Status' is 'Active'. A 'Long Description' field is visible at the bottom.

5. From the Order Management tab:
  1. Select the **Customer Ordered** check box.

The screenshot shows the Oracle Master Item (V1) form. The top section displays the Organization as 'V1 Vision Operations', the Item as 'Annual Vision', and the Description as 'Annual Vision Subscription'. The 'Order...' tab is selected. The form contains several sections of settings:

- Customer Ordered:**  Customer Ordered,  Internal Ordered (J),  Pick Components (Q),  Assemble to Order (X),  Ship Model Complete (Y).
- Customer Orders Enabled:**  Customer Orders Enabled,  Internal Orders Enabled (K).
- Shippable:**  Shippable (G),  OE Transactable (M).
- Check ATP:** None (dropdown), ATP Rule (text field).
- ATP Components:** None (dropdown), Picking Rule (text field).
- Default Shipping Organization:** Seattle Manufacturing (text field).
- Default SO Source Type:** Internal (dropdown), Shipping Subinventory (text field).
- Returnable:**  Returnable (Z),  RMA Inspection Required,  Financing Allowed.
- Tolerances:** Over Shipment (text field), Under Shipment (text field), Over Return (text field), Under Return (text field).

The **Customer Orders Enabled** check box is automatically selected.

2. For tangible subscriptions, select the **Shippable** check box.
3. Select the **OE Transactable** check box.
4. From the Contract Item Type LOV, select **Subscription**.
5. Select the Subscription Template that should be associated with this item.

This defines the fulfillment schedule defaults.

**Note:** You must select a Subscription template. If you do not select a template, the subscription cannot be used on the authoring form, it will display an error.

6. Select the Invoicing tab.

Master Item (V1)

Organization: V1 Vision Operations

Item: Annual Vision

Description: Annual Vision Subscription

Display Attributes:  Master  Org  All

Recei... Physi... Gener... MPS/M... Lead ... Work ... Order... Invoi... Service Web O...

Invoiceable Item

Invoice Enabled

Accounting Rule: Immediate

Invoicing Rule: Advance Invoice

Tax Code:

Sales Account: 01-510-4110-0000-000

Payment Terms:

- Select the **Invoiceable Item** and **Invoice Enabled** check boxes.
7. From the Service tab:
1. To enable the ability to file service requests against this item, select **Enabled** from the Service Request list.
  2. Select the **Enable Contract Coverage** check box to identify this product as being serviceable.

The **Track in Installed Base** check box is automatically selected.

Master Item (V1)

Organization: V1 Vision Operations

Item: Annual Vision

Description: Annual Vision Subscription

Display Attributes:  Master  Org  All

Recei... Physi... Gener... MPS/M... Lead ... Work ... Order... Invoi... Service Web O...

**Service**

Service Request:

Enable Contract Coverage

Enable Defect Tracking

Enable Provisioning

**Service Contracts**

Contract Item Type: Subscription

Duration:

Duration Period:

Template: Annual Vision

Starting Delay (Days):

**Installed Base**

Track in Installed Base

Create Fixed Asset

Instance Class:

**Debrief and Charges**

Recovered Part:

Disposition:

Enable Service Billing

Billing Type:

3. From the Contract Item Type LOV, select **Subscription**.
4. Select the Subscription Template that should be associated with this item.

This defines the fulfillment schedule defaults.

**Note:** You must select a Subscription template. If you do not select a template, the subscription cannot be used on the authoring form, it will display an error.

8. Save.

The subscription item is now an inventory part as well as a serviceable product.

## Creating Usage Items

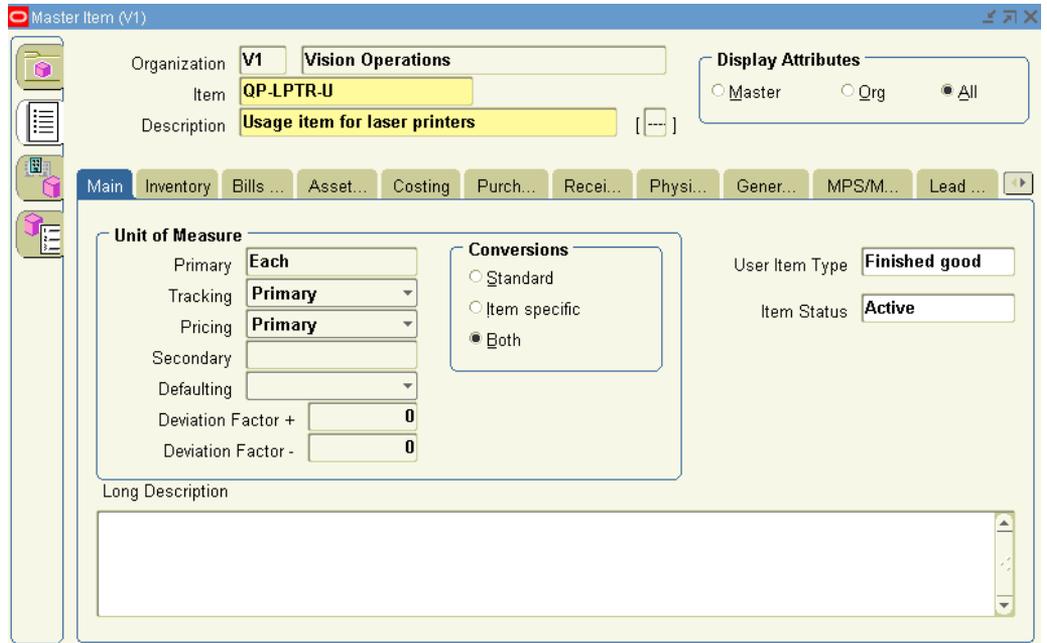
For usage items to be priced and sold on a contract, they must be defined in the item master. Usage includes things such as the number of copies made on a printer or the number of calls made to Support.

This procedure highlights an example of how a usage item can be set up, for additional information on setting up product items in Oracle Inventory refer to the *Oracle Inventory User's Guide*.

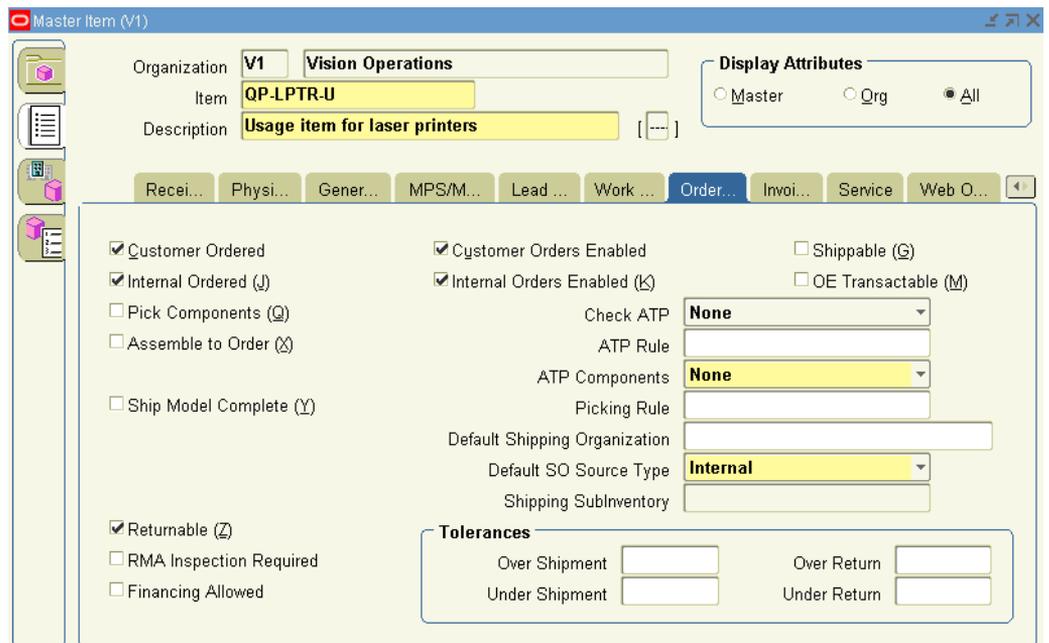
For information on entering usage lines, see About Charging a Customer for Usage, page 5-1.

### To create a usage items:

1. Open Oracle Inventory and Navigate to Inventory > Items > Master Items.  
The Master Items window appears.
2. Enter an Item.
3. Enter a Description.
4. From the Main tab, select a User Item Type.



5. Select the Order Management tab.
  1. Select the **Customer Ordered** check box.  
The **Customer Orders Enabled** check box is automatically selected.
  2. Select the **Internal Ordered** check box.
  3. The **Internal Orders Enabled** check box is automatically selected.



6. Select the Invoicing tab.

Master Item (V1)

Organization: V1 Vision Operations

Item: QP-LPTR-U

Description: Usage item for laser printers

Display Attributes:  Master  Org  All

Recei... Physi... Gener... MPS/M... Lead ... Work ... Order... Invoi... Service Web O...

Invoiceable Item

Invoice Enabled

Accounting Rule:

Invoicing Rule:

Tax Code:

Sales Account: 01510-4110-0000-000

Payment Terms:

- Select the **Invoiceable Item** and **Invoice Enabled** check boxes.

7. Select the **Service** tab.

Master Item (V1)

Organization: V1 Vision Operations

Item: QP-LPTR-U

Description: Usage item for laser printers

Display Attributes:  Master  Org  All

Recei... Physi... Gener... MPS/M... Lead ... Work ... Order... Invoi... Service Web O...

**Service**

Service Request: Inactive

Enable Contract Coverage

Enable Defect Tracking

Enable Provisioning

**Service Contracts**

Contract Item Type: Usage

Duration: 0

Duration Period:

Template:

Starting Delay (Days): 0

**Installed Base**

Track in Installed Base

Create Fixed Asset

Instance Class:

**Debrief and Charges**

Recovered Part:

Disposition:

Enable Service Billing

Billing Type:

1. In the Contract Item Type, select Usage from the LOV.

8. Save.

## Defining Serviceable Products

For a product to be covered by a service item, subscription item, warranty item, or extended warranty item, the product item must be classified as a serviceable product.

### Prerequisites

Confirm product items exist in Oracle Inventory.

For additional information on setting up product items in Oracle Inventory refer to the *Oracle Inventory User's Guide*.

### To define a serviceable product:

1. Open Oracle Inventory and Navigate to Inventory > Items > Master Items.

The Master Items window appears.

2. Query an item.

1. From the View menu, select **Query By Example > Enter**

2. Enter a value in the Item field, for example **%AS5%**.

3. From the View menu, select **Query By Example > Run**

The queried item appears in the form, You can arrow down to see additional items that matched your query.

3. Select the Service tab.

The screenshot shows the Oracle Inventory Master Item form for item AS54888. The Organization is V1 (Vision Operations) and the Description is Sentinel Standard Desktop. The Service tab is selected, showing the following settings:

- Service Request:** Enabled
- Enable Contract Coverage
- Enable Defect Tracking
- Enable Provisioning
- Service Contracts:**
  - Contract Item Type: [Dropdown]
  - Duration: [Text Field]
  - Duration Period: [Text Field]
  - Template: [Text Field]
  - Starting Delay (Days): 0
- Installed Base:**
  - Track in Installed Base
  - Create Fixed Asset
  - Instance Class: [Dropdown]
- Debrief and Charges:**
  - Recovered Part Disposition: Fast Return
  - Enable Service Billing
  - Billing Type: Material

4. To enable the ability to file service requests against this item, select **Enabled** from the Service Request list.

5. Select the **Enable Contract Coverage** check box.

This makes the product serviceable. The **Track in Installed Base** check box is automatically selected.

6. If defects for this item are to be tracked, then select the **Enable Defect Tracking** check box.
7. Select the **Enable Service Billing** check box.
8. Select the Billing Type field. For example, Material, Labor, or Expense.
9. Select the **Recovered Part Disposition** speed.  
This indicates if replaced parts are to be recovered and how quickly.
10. Save.  
The product item is now a serviceable product.

## Restricting How Items Can be Used

Contract categories restrict the line types that can be added to a contract. Accordingly, how you classify an item in Oracle Inventory impacts which contract categories can use the item.

The following table shows the contract line items that can be used by each of the contract categories.

<b>Contract Line Item</b>	<b>Service Agreement</b>	<b>Subscription Agreement</b>	<b>Warranty and Extend Warranty</b>	<b>Warranty (automatically generated from Oracle Order Management)</b>
Service contract item type	Yes	Yes	Yes. Line Type indicates Extended Warranty rather than Service.	No
Subscription contract item type	Cannot be used as a contract line, but can be used as a subline	Yes	Cannot be used as a contract line, but can be used as a subline	No
Usage contract item type	Yes	Yes	No	No
Warranty contract item type	No	No	No	Yes

---

# Setting Up Coverage and Subscription Templates

This chapter covers the following topics:

- Overview of Coverage and Subscription Templates
- Specifying What is Covered in a Coverage Template
- Defining a Coverage Template
- Setting Up a Subscription Template

## Overview of Coverage and Subscription Templates

This group of topics explains how can set up coverage and subscription templates.

Oracle Service Contracts enables you to define a standard set of templates, to create offerings for a common set of agreements used by your organization, and modify them to meet your customers' requirements.

In order to create a:

- Service item in Oracle Inventory, you must first define a Coverage Template.
- Subscription item in Oracle Inventory, you must first define a Subscription Template.

### Coverage Template

A coverage template contains attributes, that can be associated to a Service Item in Oracle Inventory. It provides key information on how service should be carried out on products covered under the contract. For each business process covered, it defines the times of coverage, days of coverage, reaction and resolution times for a service request, preferred resources, and the discounted rates that would be applied when work is performed on covered products, see *Specifying What is Covered in a Coverage Template*, page 20-2.

You can use a coverage template to define warranty inheritance rules and transfer rules.

You can also link a Preventive Maintenance (PM) program to a coverage template, which includes the schedule to perform a particular set of activities, such as changing toner in a copy machine.

**Note:** The preventive maintenance schedule is created in a manner similar to the billing schedule. Multiple maintenance streams can be defined for a preventive maintenance program. Preventive Maintenance programs are defined in Oracle Complex Maintenance, Repair, and

Overhaul. For more information, see the *Oracle Complex Maintenance, Repair, and Overhaul User's Guide*.

The following topics and procedures define and describe how to set up a coverage template:

- Specifying What is Covered in a Coverage Template, page 20-2
- Defining a Coverage Template, page 20-3

## Subscription Template

A subscription template contains attributes, that are associated to a subscription item in Oracle Inventory. The attributes include Subscription type, Media and Property type, Fulfillment Channel, and Frequency.

A subscription item can be a tangible item like a magazine, or an intangible item like a membership.

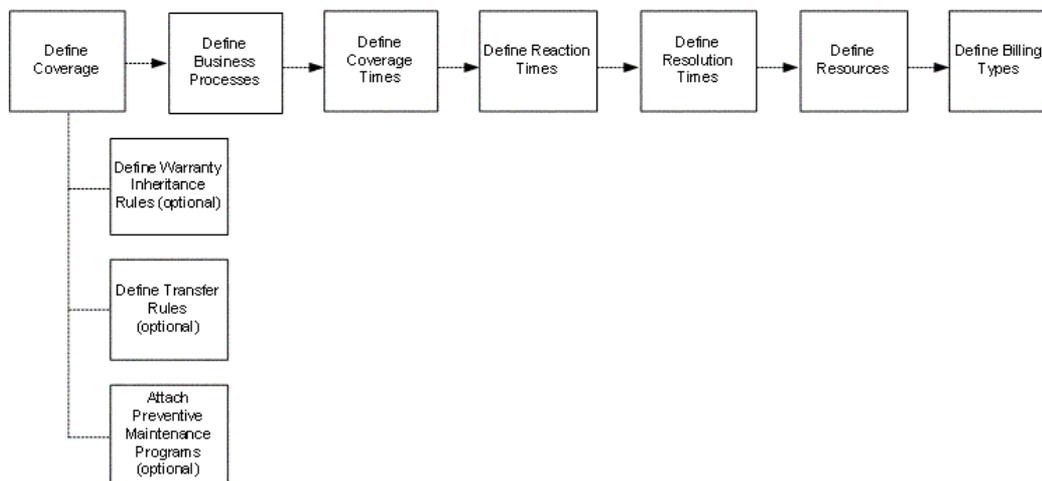
Currently Oracle Order Management is supported as the fulfillment channel. If no fulfillment channel is specified, it is considered an intangible item, and no delivery schedule is created for that item. Subscription Frequency such as Yearly, Monthly, Weekly, and Daily identifies how often an item should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

The following procedure describes setting up a subscription template, Setting Up a Subscription Template, page 20-12.

## Specifying What is Covered in a Coverage Template

Service coverage describes the situations under which the customer is covered for service. Services are broken down into business processes, which are related the service, such as Depot Repair. Coverage Terms are then defined for these business processes.

### Creating a Coverage Template



The preceding diagram represent the steps necessary to complete a coverage template. Following is a description of the steps and an example:

- **Define Coverage:** Specify coverage name, type, importance level, effective dates, warranty inheritance, transfer rules, or attach a preventative maintenance program.
- **Define Business Process:** Specify the business processes that the coverage template will use.

For example, select the Field Service business process. You will need to define coverage times, reaction times, resources, and billing types for each business process that you add.

- **Define Coverage Times:** Specify the days of the week and hours used to calculate reaction and resolution times. A customer can request service anytime. If they call up support, the service agent will not turn down the call if the call is beyond the coverage times. The coverage times simply determine the starting point from where you start counting reaction and resolution times. For example, if coverage ends at 5 p.m. on a Monday and starts again at 9 a.m. on a Tuesday, with a two hour response time; if the call comes in at 4 p.m., the respond by time will be 10 a.m. on the Tuesday (assuming work through is not checked). If the coverage is 24 hours per day and seven days a week, the respond by time would be 6pm. Coverage times are defined for each business process as part of coverage terms, and are applicable to one time zone.
- **Define Reaction Times:** Specify the amount of time allowed by which action must be initiated for a particular process being requested.

For example, set up reaction times of two hours Monday through Sunday, which means that you must respond within two hours of being notified by the customer.

Reaction times are tied to severity.

- **Define Resolution Times:** Specify a fixed time per contract by which a normal operation should be restored. The Resolution Times will be made available to other functions, such as Service Request.

For example, you could set up resolution times of eight hours Monday through Friday, which means if the customer calls Monday through Friday you must resolve the issue within eight hours.

Resolution times are tied to severity.

- **Define Resources:** Specify the list of resources that are eligible to work on a specific task when a service request is created. Resources can be classified as Primary, Preferred, or Excluded.

For example, identify a primary service engineer that responds to service calls.

This information is used by Assignment Manager to assign a service engineer.

- **Define Billing Types:** Specify for each Business Process, what type of work is covered, to what limit, and at what rate. The billing types and rates are used when calculating the amount to charge a customer when work has been performed.

For example, define a replacement transaction type where the customer is charged for material and labor.

## Defining a Coverage Template

### Prerequisites

The following must be defined as part of your implementation:

- Coverage Type Lookup Code (Oracle Service Contracts)
- Business Processes (Oracle TeleService)
- Price List (Oracle Order Management)
- Time Zone
- Service Request Severity (Oracle TeleService)
- Resource Types (Oracle TeleService)
- Resources (Oracle TeleService)
- Billing Types (Oracle TeleService)
- Billing Rates (Oracle TeleService)
- Preventive Maintenance Program (Oracle Complex Maintenance, Repair and Overhaul)

### To define a coverage template:

1. From the Navigator select the Coverage Templates function.  
The Service Contracts Coverage Template window appears.
2. In the Coverage region, enter the following:

**Name:** Enter the name of the coverage.

**Type:** Select the type of coverage such as Gold, Silver, or Bronze from the LOV.

After you select a coverage type, the Importance Level field and start dates for the Effective Dates fields are populated with values.

The effective Start Date is required and the End date is optional.

**Note:** When reviewing a service request, a service agent can click the Line Details button to open the Line Details form, which enables the service agent to view the covered level details and compare the products covered under the contract with those that are related to the service call.

The Line Details button is active only when the contract coverage is viewed from the Service Request form. It is disabled when you create or update a coverage template.

Access to the Line Details option is controlled by application function security so that only authorized users are able to see the contract line details. You must ensure that your administrator has added the Service Contracts function named **Covered Level Details** to the appropriate user menus.

**Description:** Enter a brief description for the coverage.

**Exception:** Optionally, enter an exception coverage for the period between when the contract is expired and when it is renewed.

**Suitable as Exception check box:** Select this check box if you want this coverage template to be used as an exception coverage for other coverage templates.

**Note:** You can add a note to the coverage template, by selecting the Notes button. This opens the Notes window.

For information on notes, see Communicating Using Notes, page 13-1.

1. Define warranty inheritance rules as follows:

**Warranty check box:** Select this check box to define warranty inheritance, which allows the warranty to continue if the product is replaced. This check box controls whether or not this coverage can be selected against a warranty item in the item master.

**Inheritance:** Select value if the warranty should continue when the product is replaced.

**Remaining Duration:** Replacement product's warranty is the remaining duration of the original warranty.

**Full New Duration:** Replacement product's warranty is a brand new warranty duration.

**Note:** The Warranty check box can be updated. 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.

**Synchronize date installed check box:** Select this check box, if you want to set the warranty start date to be the same as the installation date.

When a product installation date is changed, Service Contracts checks for contracts that cover that product. For every service that covers the product, the coverage definition is checked for warranty coverage that has the attribute set to allow the installation date synchronization.

If this option is selected, Service Contracts checks whether any service request has been logged on dates that would be outside the warranty period if it were changed to start on the new installation date. If no service request exists, the warranty start date is changed to the installation date. To preserve the original duration of the warranty, the end date is also changed. The effect of the change is automatically cascaded to the coverage definition.

Define other coverage template rules as follows:

**Free upgrade check box:** Select this check box if you want to track this coverage as having a free upgrade.

This flag does not provide any automated functionality at this time.

**Transfer:** Determine the status of the contract in case a customer product is transferred from one owner to another. This is a required field.

**No Change:** There would not be any changes in the existing owners contract. No new contract is created for the new owner.

**Terminate:** The current contract subline is terminated. The termination date would be the transfer date. No new contract is created for the new owner.

**Terminate if Not Related:** If the new owner is related to the current owner, no changes are made to the contract. If the parties are not related, the current contract is terminated. The termination date would be the Transfer date.

**Transfer:** The current contract subline is terminated with the Termination date set to Transfer date. If the Contract Transferred is a Warranty Contract, then a Contract for the new Owner is created in Active Status. If the Contract transferred is an Extended Warranty or Service Contract, a contract is created for the new owner in the status defined by the profile option OKS: Transfer Status. The contract will have a one-time billing schedule and advance billing.

**Transfer if Not Related:** If the new owner is related to the current owner, this option keeps the current owners contract in force. If the owners are not related, the current contract is terminated and a contract for the new owner is created. If the contract transferred is a Warranty contract, then the new contract is created in the Active status. If the contract transferred is an Extended Warranty or Service type contract, the contract will have an advance one-time billing schedule and the status of the contract would be defined by the profile option OKS: Transfer Status.

Define Preventive Maintenance programs as follows:

**Program Name:** Select a Preventive Maintenance Program.

The program description displays after you select a program name.

Preventive Maintenance programs are setup in Oracle Complex Maintenance, Repair, and Overhaul.

**Note:** You can open the Preventive Maintenance Schedule form and view or modify the information related to the selected Preventive Maintenance program., by selecting the Schedule button.

For more information on setting up Preventive Maintenance programs, see the *Oracle Complex Maintenance, Repair, and Overhaul User's Guide*.

3. In the Business Process region, enter the following:

**Business Process:** Select a Business Process from the LOV, such as Depot Repair.

**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:** Specify the unit of measure for the offset duration, such as hour or day.

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.

**Price List:** Select the default price list that should be used when billing service charges.

**Discount:** Select the percentage of discount allowed for the transaction group, for example 10%, from the LOV.

4. From the Coverage Times tab, enter the following:

**Timezone:** Select a Time Zone from the LOV.

You can define more than one time zone for each business line. However, you must define at least one time zone for every business process line.

**Default check box:** Select a timezone as the default for the selected business process.

**Apply Default to Other Time Zones check box:** To have the Default coverage times applied to any other timezone for which you have not entered any coverage times, select the Apply Default to Other Time Zones check box

**In the Covered Times region:** Enter a Start Time, End Time, and select the check boxes for the applicable days for each time zone.

For a given business process, the coverage time for at least one day must be entered.

You can enter multiple coverage times for a specific time zone.

You can also define multiple coverage times for the same day, as long as the coverage time records do not overlap.

**Note:** You can select the Always Covered button, to set to set the Start Time and End Time for all days to 00:00 and 23:59 respectively.

- From the Reaction Times tab, enter the following:

**Coverage**

Name: **A Level Service** Type:  Importance Level:  Effective Dates: **21-APR-2005**

Description: **A level Service Coverage** Exception: **STB Gold**  Suitable as Exception

**Warranty**

Warranty Inheritance:   Synchronize Date Installed

**Rules**

Free Upgrade Transfer: **Transfer**

**Preventive Maintenance**

Program Name: **PM Maintenance for** Program Description:

Business Process	Duration	Period	Start Date	End Date	Price List	Discount
<b>Field Service</b>					<b>Corporate</b>	<b>20% discount</b>

**Coverage Times** **Reaction Times** **Resolution Times** **Resources** **Billing Types**

Severity Name	Severity	Work Through Active	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<b>Highest</b>	<b>High</b>	<input checked="" type="checkbox"/>	1:00	1:00	1:00	1:00	1:00	1:00	1:00
<b>Average</b>	<b>Medium</b>	<input type="checkbox"/>	3:00	3:00	3:00	3:00	3:00		
<b>Lowest</b>	<b>Low</b>	<input checked="" type="checkbox"/>	8:00	8:00	8:00	8:00	8:00		

Workflow: **OKSEVENT**

**Severity Name:** Enter a name for the severity definition, for example, Level 1 or Important.

**Severity:** Select the level of severity, for example High, from a LOV.

**Workthrough check box:** If selected, this check box overrides the normal coverage times for that transaction.

For example, suppose you have support, Monday through Friday from 9 a.m. to 5 p.m., with a 2 hour reaction time. If a customer calls midweek for support at 4:45 p.m., and Work Through is checked, the customer is entitled to receive support by 6:45 p.m. that evening. If the Work Through option is not selected, then the support representative has until 10:45 a.m. the next morning to respond to the call.

**Active check box:** If selected, this check box indicates this severity level is active and makes the reaction times available through an entitlements call.

**Reaction Times for days of the week:** Enter specific reaction times, in hours, for each applicable day.

For example, 2:00 in the Monday field, indicates a service call must be made within two hours if there is a call on Monday.

**Workflow:** Select the applicable workflow for each reaction time name specified.

- From the Resolution Times tab, enter the following:

The screenshot shows the 'Resolution Times' tab in the Oracle Service Contracts Coverage Template window. The 'Severity Name' column lists 'Highest', 'Average', and 'Lowest'. The 'Severity' column lists 'High', 'Medium', and 'Low'. The 'Work Through' and 'Active' columns have checkboxes. The 'Resolution Times' table shows resolution times in hours for each day of the week: Monday (4:00, 8:00, 12:00), Tuesday (4:00, 8:00, 12:00), Wednesday (4:00, 8:00, 12:00), Thursday (4:00, 8:00, 12:00), Friday (4:00, 8:00, 12:00), Saturday (4:00), and Sunday (4:00).

Severity Name	Severity	Work Through	Active	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Highest	High	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4:00	4:00	4:00	4:00	4:00	4:00	4:00
Average	Medium	<input type="checkbox"/>	<input checked="" type="checkbox"/>	8:00	8:00	8:00	8:00	8:00		
Lowest	Low	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12:00	12:00	12:00	12:00	12:00		

**Severity Name:** Defaults from the Severity Name on the Reaction Times tab.

**Severity:** Defaults from the Severity on the Reaction Times tab.

**Workthrough check box:** If selected, this check box overrides the normal coverage times for that transaction.

**Active check box:** If selected, this check box indicates this severity level is active and makes the resolution times available through an entitlements call.

**Resolution Times for days of the week:** Enter specific resolution times, in hours, for each applicable day.

For example, 4:00 in the Monday field, indicates the issues must be resolved with four hours if there is a call on Monday.

- From the Resources tab, enter the following:

The screenshot shows the 'Resources' tab in the Oracle Service Contracts Coverage Template window. The 'Resources' table lists two resources: 'Preferred Engineer' with name 'Abbott, Ms. Rhonda' and classification 'Primary', and 'Preferred Engineer' with name 'Abraham, Mr. John' and classification 'Preferred'.

Type	Name	Classification
Preferred Engineer	Abbott, Ms. Rhonda	Primary
Preferred Engineer	Abraham, Mr. John	Preferred

**Type:** Select a resource type from the LOV. For example, Engineer.

**Name:** Select the resource by name.

**Classification:** Select the proper classification for the resource from the LOV.

You can classify a resource as Preferred, Primary or Excluded.

If you classify a resource as Excluded, the Assignment Manager removes the resource from the list of available resources.

8. From the Billing Types tab, enter the following:

Service Activity Billing Type	Up To Amount	% Covered
Field Service Return:Material:Material	250,000.00	10.00
Labor Transaction-Labor-Labor	250,000.00	50.00
Expense Transaction:Expense:Expense	250,000.00	5.00

**Service Activity Billing Type:** Select the billing type from the LOV.

Duplicates are not allowed.

If the billing type is Labor, then the Billing Rates button is enabled.

**Up To Amount:** 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 the % Covered field.

**% Covered:** Enter the percentage covered or discount.

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.

**Allow Full Discount check box:** If selected, this check box 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 check box.

**Billing Rates:** Select this button to open the Billing Rates form.

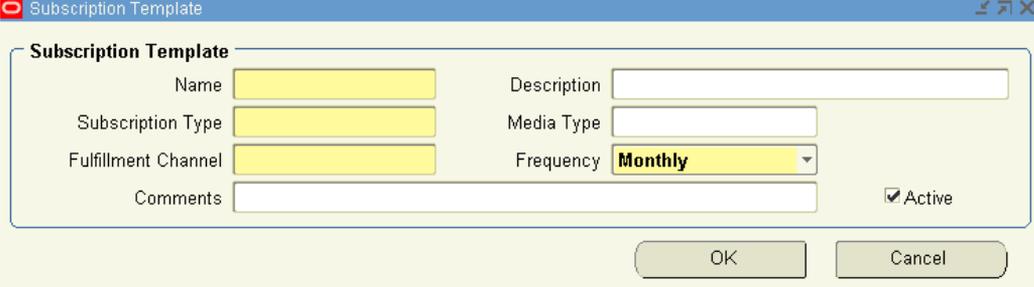
9. Save.

## Setting Up a Subscription Template

### To set up a subscription template:

1. From the Navigator select the Subscription Template function.

The Subscription Template window appears.



The screenshot shows a dialog box titled "Subscription Template". It contains the following fields and controls:

- Name:** A text input field.
- Description:** A text input field.
- Subscription Type:** A text input field.
- Media Type:** A text input field.
- Fulfillment Channel:** A text input field.
- Frequency:** A dropdown menu with "Monthly" selected.
- Comments:** A text input field.
- Active:** A checked checkbox.
- Buttons:** "OK" and "Cancel" buttons at the bottom right.

2. In the Name field, enter a name for the template.  
Examples of names include Monthly or Yearly.
3. In the Description field, enter a description for the template.  
Examples of descriptions include Monthly Subscription or Yearly Subscription.
4. In the Subscription Type field, select the type of subscription from the LOV.  
Examples of subscription types include journals, magazines, or news letters.
5. In the Media Type field, select the type of medium from the LOV.  
Examples of medium include document, image, and audio.
6. In the Fulfillment Channel field, select one of the following options:
  - Order Management: for tangible items that need to be shipped
  - None: for intangible items
7. In the Frequency field, select a subscription frequency:
  - Daily
  - Weekly
  - Monthly
  - Yearly
8. Enter any additional information in the Comments field.
9. Verify the Active check box is selected, to ensure the subscription template is active.

Subscription Template

**Subscription Template**

Name	Monthly Vision	Description	Monthly Vision Subscription
Subscription Type	Magazines	Media Type	Document
Fulfillment Channel	Order Management	Frequency	Monthly
Comments	Monthly Vision Subscription		<input checked="" type="checkbox"/> Active

OK Cancel

10. Select **OK**.

