Service Contracts Setup

Projector has the concept of a service contract with overages. In this contract scenario, there is typically a base amount of hours that are pre-purchased and then hours over that fixed amount are billed at a different rate. A common example might be 10k for 100 hours of support a month. When the 100 hours is exceeded, the client is charged on a T&M basis for additional hours.

This help page will assist you in modeling a service contract.

Before we get started on the tutorial, it is helpful if you understand the structure of Projector service contracts. You'll need to have one engagement with at least two contract line items (CLIs) and two projects. Each project will be tied to a different CLI. On the first CLI, you'll define a start and end date for service periods as well as the number of contracted hours. For example, you might create a service period for each month and bucket 100 hours. The second project will be the destination of any overage hours. Overage hours are not automatically transferred. You will manually transfer the overage hours over to the new project.

Projector does not have any built-in concepts of underage hours, borrowing hours from later periods, or the expiration of hours. These are possible, however, they must be done manually.

Permissions and Settings

To set up a service contract you will need to be able to edit the Engagement Contract Tab. The following users can edit contracts:

- Engagement manager and have the stage permission **Edit Contract Terms**
- Have the cost center permission **Maintain Projects and Engagements**
- Be a project manager and have the stage permission **Edit Milestones**. If the milestone is for the whole engagement, then the PM must have the stage permission for all projects in the engagement. If the milestone is for a specific project, then the PM only needs the stage permission for that one project.

The projects involved with a service contract have limitations:

- Cannot use DTM
- Base project must be T&M or FP, Revenue Schedule

To transfer overage hours from the base project to the overage project, the following must be true:

- Both the base and overage project are open for time transfers
- The base and overage project have matching role names and resources assigned to those roles. If there is no role on the overage project, we'll create one. If there is a role, but there is a mismatch in either role name or assigned resource then we won't let you transfer the hours and we won't create a matching role for you.
- You have permission to transfer time through at least one of the following permissions-
  - User has the cost center permission **Make Pre-Invoicing Adjustments**
  - User is a project manager with the stage based permission **Project Managers can Adjust Time and Cost**
  - User is a project manager with the stage based permission **Project Managers can Transfer Time Among Projects**

When you create milestone only invoices, you should make sure you start with a blank invoice. Reason being, invoices created with the Create Invoices screen are automatically tied to a service period. That service period will then be locked for edits which is typically undesirable.

Introduction

For this example we are going to use a Fixed Price base project and a T&M overage project. This to the most common service contract scenario that we see.

Create First CLI and Project

I started with a new fixed price engagement. I made sure the project had Detailed Task Management disabled (Project Info tab) and that it was using a Fixed Price, Revenue Schedule contract.

Define Service Periods and Milestones

I chose to use our Create Recurring Revenue or Milestone Schedule wizard to make my service periods and milestones all at once. You can manually define these or use the wizard.

Create Recurring Revenue/Milestone Schedule ‒ □ ✕

Create a revenue or service schedule and multiple recurring billing milestones. These are often used for work that generates recurring revenue such as service contracts, managed services work, or retainers.

Create a recurring schedule per [Month ▼] starting on [01-Dec-2017 📅] for [4] months (ending 31-Mar-2018)

worth [1,000.00] USD per month, for a total additional contract value of 4,000.00 USD

☑ Create a periodic revenue/service schedule

expected to cover [5.00] contracted hours per month

☑ Create a recurring billing milestone schedule

with milestones at the [end ▼] of each period

with a status of [Achieved ▼]

associated with project [▼]

[OK] [Cancel]

Once created, my contracts tab looked like this:

Create Second CLI

Make sure you create your second CLI prior to creating your second project. Reason being, the proper CLI needs to be associated with a project on creation. You can't change it afterwards.

Create Second Project

Again, make sure that Detailed Task Management is turned off.

Link Overage Project to First CLI

If you haven't saved your new projects yet, do so. Then go back to your first CLI and link the overage project.

Create Overages

If you followed all the above directions you should now have a properly set up engagement with two contract line items, two projects, and a link between the two via the Overages Project dropdown. You can start testing the overages feature by entering time against the first project. In this case I put in 8 hours which exceeds my 5 hours for the month.

Make sure that you approve the time!

Transfer Overages

Go to Topics | Contract Line Items in Projector Web and find your contract. Use the **Transfer Overages** button to move hours to your overage project.

You'll probably get this error message.

Projector cannot perform this action

None of the selected contract line items can be adjusted. Problems are summarized below:

Summary	contract line items
Adjustable contract line items	0
Non-Adjustable contract line items	1
This action cannot be completed because no service period exists prior to the cutoff date.	1

OK

What that message is trying to tell you is that the cutoff date for determing when overage hours should be transferred is after your cutoff date. Since this is a new project, your cutoff date likely defaulted to something before your first service period end date. You can manually set the date into the future for the purpsoes of testing by clicking the

icon in Projector Web. You should now be able to transfer the hours.

Customize details grid layout

1. Options | **2. Fields**

Time ⓘ
☐ Include requested hours in projections
☐ Include unapproved hours in actuals

Expense ⓘ
☐ Include unapproved expenses in actuals

General Preferences

Set the Actuals Cut Off Date
(ACOD) to: ⓘ
`01 Jan 2018` 📅 ▾
<-- 01 Jan 2018

Set reporting currency to: ⓘ
`USD: United States Dollars` ▾

Show totals: ⓘ
☐ Show checked totals
☑ Show grand totals

Show flagged values: ⓘ
◉ Show all records
○ Show only flagged records

If you get the following error message, then see this help page for a list of possible reasons:

Projector cannot perform this action

None of the selected contract line items can be adjusted. Problems are summarized below:

Summary	contract line items
█ **Adjustable contract line items**	0
█ **Non-Adjustable contract line items**	1
This action cannot be completed because there are no overage minutes identified.	1

OK

Invoicing Milestones

When you create milestone only invoices, you should make sure you start with a blank invoice. Reason being, invoices created with the Create Invoices screen are automatically tied to a service period. That service period will then be locked for edits which is typically undesirable.