

# 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.

Project Editor: Engagement TNT Blast Caps [] -- Project Manager Mode

Engagement: Project: (project 1)

Engagement Info | User Defined Fields | Billing | **Contract** | Budget | Invoice Summary | Projects

(new) + New Contract Line Item

Name: TNT Blast Caps Purchase Order Number:   Inherit

Code: (auto)

Contract Type: (custom)

Contract Terms

Time | Cost

Contract Terms: Fixed Price, Revenue Schedule

Contract Amount: 4,000.00 USD

Model contracted hours and overages

Overage Project: (none)

Start Date	End Date	Scheduled Revenue	Recognized Revenue	Contracted Hours	Actual Hours	Overage Hours	Notes	
<--	...	4,000.00		0.00	0.00	0.00		Delete

Milestones

Name	Project Code	Task	Amount	Planned Date	Achieved Date	Status	Invoice Number
New							
Total of milestones			0.00				

Monetary values in United States Dollars (USD) Actuals shown through 28-Oct-2017

## 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  starting on  for  months (ending 31-Mar-2018)

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

Create a periodic revenue/service schedule

expected to cover  contracted hours per month

Create a recurring billing milestone schedule

with milestones at the  of each period

with a status of

associated with project

OK Cancel

Once created, my contracts tab looked like this:

Project Editor: Engagement TNT Blast Caps [] -- Project Manager Mode

Engagement: Project: (project 1)

Engagement Info | User Defined Fields | Billing | **Contract** | Budget | Invoice Summary | Projects

(new) + New Contract Line Item

Name: TNT Blast Caps Purchase Order Number:   Inherit

Code: (auto)

Contract Type: (custom)

Create Recurring Revenue/Milestone Schedule

Contract Terms

Time | Cost

Contract Terms: Fixed Price, Revenue Schedule

Contract Amount: 4,000.00 USD

Model contracted hours and overages

Overage Project: (none)

View Rev Rec History

Start Date	End Date	Scheduled Revenue	Recognized Revenue	Contracted Hours	Actual Hours	Overage Hours	Notes	
<<	31-Dec-20	1,000.00		5.00	0.00	0.00		Delete
01-Jan-2018	31-Jan-20	1,000.00		5.00	0.00	0.00		Delete
01-Feb-2018	28-Feb-20	1,000.00		5.00	0.00	0.00		Delete
01-Mar-2018	31-Mar-20	1,000.00		5.00	0.00	0.00		Delete

Milestones

Name	Project Code	Task	Amount	Planned Date	Achieved Date	Status	Invoice Number	
Milestone for period st			1,000.00	31-Dec-2017	31-Dec-2017	Achieved		Delete
Description:								
Milestone for period st			1,000.00	31-Jan-2018	31-Jan-2018	Achieved		Delete
Description:								
Milestone for period st			1,000.00	28-Feb-2018	28-Feb-2018	Achieved		Delete
Description:								
Milestone for period st			1,000.00	31-Mar-2018	31-Mar-2018	Achieved		Delete
Description:								
New								
Total of milestones			4,000.00					

Monetary values in United States Dollars (USD) Actuals shown through 28-Oct-2017

Save Cancel

## 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.

Project Editor: Engagement TNT Blast Caps [] -- Project Manager Mode

Engagement: Project: (project 1) | Project: (project 2)

Engagement Info | User Defined Fields | Billing | **Contract** | Budget | Invoice Summary | Projects

(new) (new) + New Contract Line Item

Name: Blast Caps Overage Purchase Order Number:   Inherit

Code: (auto)

Contract Type: (custom)

Create Recurring Revenue/Milestone Schedule

Contract Terms

Time | Cost

Contract Terms Time And Materials

Model contracted hours and overages

Overage Project

View Rev Rec History

Milestones

Name	Project Code	Task	Amount	Planned Date	Achieved Date	Status	Invoice Number
New							
Total of milestones			0.00				

Monetary values in United States Dollars (USD) Actuals shown through 28-Oct-2017

Save Cancel

## Create Second Project

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

Project Editor: Engagement TNT Blast Caps [] -- Project Manager Mode

Engagement: Project: (project 1) | Project: (project 2)

Engagement Info | User Defined Fields | Billing | Contract | Budget | Invoice Summary | **Projects**

Project Code	Project Name	Stage	Contract Line Item	Project Manager	Location
(project 1)	TNT Blast Caps	Opportunity	()	Tom Sherman	Lexington, MA ...
New Project					

Monetary values in United States Dollars (USD) Actuals shown through 28-Oct-2017

Save Cancel

Project Editor: Project [] -- Update Project

Engagement: Project: (project 1) **Project: (project 2)**

**Project Info** | User Defined Fields | Rates | Roles | Task Types | Task Planning | Cost Planning | Resource Scheduling | Budget | Workspace | Notes

Name: TNT Blast Caps Overage  
 Code: (auto)  
 Stage: Opportunity  
 Contract Line Item: **Blast Caps Overage ()**  
 % Likelihood: 50.00%  Base on Stage  
 Location: Lexington, MA  
 Manager: Tom Sherman  
 Begin Date: 01-Nov-2017  
 End Date:  
 Hours/Day: 8.00  
 Description:

Permissions	Can Act as PM	Include on Email List
Tom Sherman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New...		

**Job Accounting**

Time  
 Resources allowed to enter time:  Open for Time  Open for Time Transfers  
 Any resource  
 Resources assigned to a role  
 Resources in cost center  
 Resources may report time only to assigned tasks  
 Require Descriptions on Timecards  
 Time Approver(s): The project's acting PM team

Cost  
 Resources allowed to enter expenses:  Open for Cost  Open for Cost Transfers  
 Any resource  
 Resources assigned to a role  
 Resources in cost center  
 Expense Approver(s): Resource/dispersing cost center-based approver(s)  
 Expense Type Configuration: (all expense types allowed)  
 Purchase Order Number:   Inherit

Scheduling  
 Default Scheduling Mode:  Daily  Weekly

Project Management  
 Enable Detailed Task Management  Enable Project Workspace

Monetary values in United States Dollars (USD) Actuals shown through 28-Oct-2017 Save Cancel

## 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.

Project Editor: Engagement TNT Blast Caps [P001110] -- Update Project

Engagement: P001110 | Project: -001 | Project: -002

Engagement Info | User Defined Fields | Billing | **Contract** | Budget | Invoice Summary | Projects

P001110-CL1 | P001110-CL2 | + New Contract Line Item

Name: TNT Blast Caps | Purchase Order Number: |  Inherit

Code: P001110-CL1

Contract Type: (custom)

Create Recurring Revenue/Milestone Schedule

Contract Terms

Time | Cost

Contract Terms: Fixed Price, Revenue Schedule

Contract Amount: 4,000.00 USD

Model contracted hours and overages

Overage Project: TNT Blast Caps Overage (P001110-002) | View Rev Rec History

Start Date	End Date	Scheduled Revenue	Recognized Revenue	Contracted Hours	Actual Hours	Overage Hours	N
<--	31-Dec-2017	1,000.00		5.00	0.00	0.00	
01-Jan-2018	31-Jan-2018	1,000.00		5.00	0.00	0.00	

Milestones

Name	Project Code	Task	Amount	Planned Date	Achieved Date	Status	Invoice Number
Milestone for period st			1,000.00	31-Dec-2017	31-Dec-2017	Achieved	Delete
Description:							
Milestone for period st			1,000.00	31-Jan-2018	31-Jan-2018	Achieved	Delete
Description:							
Milestone for period st			1,000.00	28-Feb-2018	28-Feb-2018	Achieved	Delete
Description:							
Milestone for period st			1,000.00	31-Mar-2018	31-Mar-2018	Achieved	Delete
Description:							
New							
Total of milestones			4,000.00				

Monetary values in United States Dollars (USD) | Actuals shown through 28-Oct-2017 | Save | Cancel

## 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!

Timesheet for  for week of    

➕ Add a project or task



➤ Collapse projects | ➤ Expand projects

	29 OCT Sun	30 OCT Mon	31 OCT Tue	01 NOV Wed	02 NOV Thu	03 NOV Fri	04 NOV Sat	Week
	—	—	—	8.00	—	—	—	8.00
				8.00				47.00

Save

▼ Billable	29 OCT Sun	30 OCT Mon	31 OCT Tue	01 NOV Wed	02 NOV Thu	03 NOV Fri	04 NOV Sat	
▼ Acme Explosives	—	—	—	8.00	—	—	—	8.00
⚙️ ▼ TNT Blast Caps P001110-001	—	—	—	8.00	—	—	—	8.00 To date
⚙️ 1 Requirements				✓ 8.00				8.00 8.00

## 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.

Contract Line Items

» | 
[Search Again](#) [options ▼](#) | [new search...](#) | [clear customizations](#)

Find Contract Line Items Where:

- ⋮ Client  
- ⋮ Contract Line Item  
- ⋮ Engagement Type  
- ⋮ Engagement Manager  
- ⋮ Engagement Cost Center  

+  

1 of 1 contract line item selected

Actions
Transfer Overages
Recognize Revenue

	Contract Line Item	Contract Line Item Code	Primary Client	Engagement Type Short Name	Engagement Stage Short Name	Engagement Primary Cost Center	Engagement Manager Dis
<input checked="" type="checkbox"/>	TNT Blast Caps	P001110-CL1	Acme Explosives	FP	Open	SouthWest	 Tom Sherman

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
<b>Adjustable contract line items</b>	<b>0</b>
<b>Non-Adjustable contract line items</b>	<b>1</b>
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 determining 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 purposes 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
<b>Adjustable contract line items</b>	<b>0</b>
<b>Non-Adjustable contract line items</b>	<b>1</b>
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.