

# ServiceLedger Getting Started Guides

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## Getting Started With the Agreement Manager

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The Agreement Manager is where you will create agreements and agreement plans, process agreement recurring work orders, and handle contract expiration and renewal using the Agreement Renewal Manager.

Although many uses of agreements are simple, agreements and agreement plans can be one of the most complicated areas of ServiceLedger. It is strongly advised that you read this guide before setting any agreements up. In particular, make sure you understand:

- How agreements use agreement plans to define coverage
- How the agreement renewal processes work, and which one to use

Understanding these key elements *before* setting up your agreements can save you hours or even days of potentially unnecessary or even counterproductive effort. Once you understand them, agreements are very easy to use, but their flexibility makes it equally easy to get off on the wrong foot without guidance.

### ***Basic Philosophy of Agreements***

There are three kinds of records associated with an agreement, all of which are necessary for agreements to be used properly. These are:

1. The **Item** that the agreement is billed as. This must be an item of type Service Plan or Recurring.
2. The **Plan** that the agreement uses to establish coverage and basic details.
3. The **Agreement** itself, which is built using the plan and item.

You will generally have either the same number of agreement items and agreement plans or a slightly larger number of plans than items.

You will almost always have many more agreements than plans or items.

As an example of how these relate to each other, let's consider an imaginary service company that offers equipment maintenance contracts. This company has two basic kinds of plans: standard contracts, which cover labor only, and

premium contracts, which cover both labor and any parts used. Let's also say that they have two levels of coverage on their standard contracts: Level 1, which covers a certain amount of labor, and Level 2 which covers a greater amount.

To keep track of the two different basic kinds of contracts, they might set up two agreement items: one called **Standard Maintenance Contract**, and one called **Premium Maintenance Contract**. (If necessary, it would also be fine to have a separate item for each different plan below.)

Because there are three possible levels of coverage, they would want to set up three plans: **Standard Maintenance Level 1**, **Standard Maintenance Level 2**, and **Premium Maintenance**.

Finally, assuming each of their customers has one covered piece of equipment, they would have as many agreements as they have customers. Each of these agreements would be set up with the type and corresponding item based on the customer's preference.

Naturally, everyone handles contracts differently, and the above example may not apply directly to your business. You should consult the sections below for much more information on how these three pieces of the agreement system fit together.

### ***Agreement Items***

Agreement items are the items that will appear on any invoices you create when billing your customers for their agreements. ServiceLedger ships with two built-in agreement items: Default Recurring Plan and Default Service Plan. Although it is possible to create agreements using these default items, you will probably want to create your own agreement items for use. Creating and choosing the right agreement items can be important for two reasons:

1. You may want to change the **Item ID** and **Description** that show on the invoices you send to your customers for their agreements
2. You may need to associate agreement billing with a specific item in your accounting system to ensure that agreement invoices are tracked to the correct income account.

You can create agreement items just like any other item; the only difference when creating is that you must set the item type to either Recurring or Service Plan. Items creation is covered in detail in the Inventory Module documentation.

## ***Agreement Plans***

Agreement plans represent the different kinds of agreements you can have with your customers. In ServiceLedger, agreement plans fulfill two major functions:

1. Plans allow you to define agreement coverage. If you intend to have specified coverage and usage tracking, it is *not* possible to specify this directly on the agreement; you must use an agreement plan to set it up.
2. Plans serve as templates for your new agreements. If you are creating a large number of agreements should all have the same or similar billing information, length, renewal settings, and items, you should use a plan to store this information once and save yourself the trouble of manually setting this information on each new agreement.

### **Creating Agreement Plans**

Agreement plans are created from the **Agreement Plan List**. To create an agreement plan, you must open this list by clicking on **Customers | Agreements**. Once you are in this list, you can create an agreement plan by clicking the **Add New Record** button.

Once you do this, a blank agreement plan will appear.

The screenshot shows a software window titled "Agreement Plans" with a standard Windows-style title bar. Below the title bar is a toolbar with icons for "Save & Close", "Save", "Close", "Cancel", "Help", and "Print". The main content area is titled "Agreement Plan" and contains a "Details" section with the following fields:

- Plan Name: Text input field
- Plan Type: Dropdown menu (selected: Usage)
- Response Rate: Dropdown menu (selected: Normal)
- Priority: Dropdown menu (selected: Medium)
- Item: Dropdown menu (with a blue link "Item" next to it)
- Frequency / Cycles: Dropdown menu (selected: Annual) and a text input field (value: 1)
- Amount: Text input field (value: \$0.00)
- Auto Renew: Check box (unchecked) and Renew %: Text input field (value: 0.0%)

Below the details section is a "Covered Items" section with a table. Above the table are buttons for "Add", "Save", "Cancel", and "Delete". The table has the following columns: Item Type, Item #, Coverage, Amount, Contract, Renew Type, and Renew U/A. The first row is highlighted in blue and contains the following data:

Item Type	Item #	Coverage	Amount	Contract	Renew Type	Renew U/A
				\$0.00		0.00

1. Enter a **Plan Name**. This will be used to choose the plan when creating an agreement, and appears by the agreement number on agreement reports.
2. Select the **Plan Type**. Agreement types are for tracking purposes only and have no affect on behavior or coverage.
3. Select the **Response Rate** and **Priority**. These are copied to the agreement when you select this plan, and are ultimately set on any work orders that agreements with this plan are applied to.
4. Select the **Item** that should appear on any invoices generated for agreements with this plan. If you have not yet selected an item and you would like to create a new item specifically for this plan, you can click the blue link to bring up a new item window with the item number, type, and description automatically filled out for you.
5. Set up the **Frequency** of bills, number of billing **Cycles**, and billing **Amount** for agreements using plan. Keep in mind that these are only

- defaults and can be overridden on a per-agreement basis if necessary. For more information on how agreements are billed, see Understanding Agreement Invoicing under the Agreements section below.
6. If desired, check the **Auto Renew** box to cause agreements that use this plan to automatically renew once they expire. If this box is checked, you should also enter a **Renew %** that the amount should automatically increase by when automatic renewal takes place. For more information on how agreement renewals work, see Understanding Agreement Expiration and Renewals under the Agreements section below.
  7. Click the **Save** button to save the agreement plan.

### Setting Plan Coverage

In addition to filling out the basic details of a plan, you should also fill out the plan's coverage in the Covered Items tab. This coverage information is passed on to an agreement when this plan is selected.

Agreements that use covered items and usage tracking will automatically cover items that are set up to be covered under the plan, and can not be used to cover items that are not set up to be covered. Therefore, it is important that you set the coverage on the plan correctly to prevent either billing for items that should have been covered, or inadvertently covering items that should be billed.

Plans can have any number of different combinations of coverages. These are listed one per line in the coverage grid under the **Covered Items** tab.

Coverage is specified in terms of both the **items covered** and the **unit or amount coverage**.

Which items are covered is something that is set by the **Type** and **Item** dropdown columns in the coverage grid. Depending on how broad your coverage is, you can set a line of coverage one of three ways:

1. Lines with no item type selected and no item selected (<All> / <All>) can be used to cover anything and everything.
2. Lines with an item type selected but no item selected (i.e. Part / <All>) will cover any items of the selected type.
3. Lines with both an item type selected and an item selected (i.e. Labor / Equipment Service) will cover only the specific item chosen.

When determining whether an item is covered, and under which line it should be covered, the system looks at each line and chooses the *most specific* line possible.

In addition to which items are covered, the amount of coverage is important. There are two ways of tracking how much of a given line is covered: by **unit** and by **amount**. Unit coverage is used to cover a certain quantity of something, regardless of its price, while amount coverage is used to cover a specific amount of money, regardless of which or how many units contribute to that total.

To add a line of coverage, click the **Add** button above the coverage grid.

1. Choose the **Item Type** to be covered, or leave it blank to cover all items
2. Choose the **Item** to be covered, or leave it blank to cover items of the selected type.
3. Choose the **Coverage** type, either Unit or Amount.
4. Enter the **Amount** covered, in terms of either money or quantity depending on the coverage type.
5. Enter the **Contract** amount that this coverage contributes to the overall price of a contract. Please see below for information on how to set this field up and when it is important.
6. Select the **Renew Type** for this coverage to be used if an agreement using this plan is automatically renewed. Please see below for more information on the different renewal types.
7. If you changed the renewal type, enter a **Renew Usage/Amount** for renewals. Again, more information on this feature is below.
8. Click the **Save** button to save the coverage. You may now click the **Add** button again and repeat this process to add additional coverage.

### *Understanding Contract Amounts*

The **Contract** amount used when setting up agreement coverage is important if you ever need to add coverage to an existing agreement; this amount allows you to specify how much each line of an agreement's coverage contributes to the overall price for the agreement.

Since you often don't know in advance that you will be adding to a plan sometime in the future, it's important to set contract amounts when you initially create your plans. The specific contract amount for each line item is up to you, but the contract amounts from all coverage rows should add up to the plan amount.

For example, let's say you have a \$1,500 plan that has coverage for all parts and up to 5 hours of equipment maintenance:

Agreement Plans

Close Window Save

### Agreement Save

Details

Plan Name:  Item:

Plan Type:  Frequency / Cycles:

Response Rate:  Amount:

Priority:  Auto Renew:  Renew %:

Covered Items

Item Type	Item #	Coverage	Amount	Contract	Renew Type	Renew U/A
Labor		Amount	<u>\$500.00</u>	\$500.00	None	\$0.00
Part		Amount	<u>\$1,000.00</u>	\$0.00	None	\$0.00

The specific amounts don't matter, but you should make sure that the numbers in the **Contract** column add up to the plan's **Amount**. In this case, \$1,000 + \$500 = \$1,500.

### *Understanding Renewal Types*

The **Renew Type** and **Renew Usage / Amount** control what happens to a specific line of coverage whenever an agreement is automatically renewed. They are not important when you don't use auto-renew and instead send out quotes for new agreements each time an agreement expires.

There are three different types of renewal for line items:

1. **None** – coverage does not change with renewal. No matter how many times an agreement is renewed, coverage is never increased.

2. **Reset** – coverage is reset to a specific unit or amount on renewal. Regardless of how much has been used in the last term, the coverage will be reset to the specified amount.
3. **Rollover** – the specific renewal unit or amount is added to the remaining coverage when the agreement is renewed. This works exactly like rollover minutes on a cell phone.

## Copying Plans

When setting up a large number of similar plans or creating a new plan that is similar to an established one, you may find it useful to simply copy an existing plan instead of starting from scratch. This feature can be found in the toolbar on the plan window.



To copy a plan, simply open the plan you wish to copy, and then choose Copy. A new plan will be created that is an exact duplicate of the old plan, except that its **Plan Name** will have the word “Copy” on the end. It is then up to you to alter the plan further if necessary and save the new plan. If you change your mind and haven’t saved the new plan yet, you can simply click the **Cancel** button.

## Agreements

Agreements are used in ServiceLedger for a variety of reasons, including recurring billing, limited coverage and usage tracking, profitability tracking, and, in some cases, scheduled work and equipment warranties or maintenance.

If you are not already familiar with agreement plans and items, please review these earlier sections in this guide before proceeding. You should not set up any agreements until you already have an understanding of these sections and a plan for how to implement agreements in the way that best matches the needs of your organization.

## Overview of Agreement Information & Lifecycle

Agreements can be used to handle a large number of related purposes organized around the idea of a contractual obligation between you and your customers. A brief overview of the significant parts of an agreement is below. For more details, see the section titled Creating Agreements and the following sections below.

Agreement creation begins with the selection of a customer and, optionally, one of the customer’s locations. Agreements with no location chosen are valid at all locations.



Once this basic information has been chosen, you will generally choose an **agreement plan**, which will in most circumstances automatically set the remaining agreement details, billing information, and coverage for usage tracking.

After choosing the plan, you will usually set the agreement's **coverage dates** and review the invoicing information copied from the plan. Typically, you save the new agreement after selecting a plan and verifying the billing details. For many agreements, no further action is necessary.

For some agreements, it may be useful to also indicate which **equipment** is being covered and which if any **scheduled work**, other than equipment PMs, should be automatically made into work orders on a regular basis as part of the agreement.

As the agreement is used, any revenue generated by agreement invoices and cost coming from covered items is tracked under the **agreement ledger**. This tab shows the overall profitability of the agreement based on agreement invoices and covered expenses.

As items are billed to the agreement, the remaining and consumed coverage can be seen in the **usage tracking** tab. Unlike the ledger tab, this tab is not related to cost, revenue, or profitability—it simply shows what is covered, in what amounts, and what has been used.

An agreement will end its life one of two ways: either it will **expire** or become **depleted**. In either case, you can use other sections of the agreement manager to either replace or renew it.

## Creating Agreements

To create an agreement, you can open the **Agreement List** from **Customers | Agreements** and click the **Add New Record** button.

Agreements can also be created automatically from a quote that has been won if it contains agreement items. In this case, the agreement will be brought up for your review and will act like a completely new agreement, except that some fields have already been filled in for you.

Once you've created a new agreement, the agreement window will appear.

The screenshot displays the 'Service Agreements' software window. The title bar includes 'Service Agreements' and standard window controls. Below the title bar is a toolbar with icons for 'Save & Close', 'Save', 'Print', and 'Recharge', along with an 'Actions' dropdown menu. The main content area is titled 'Agreement' and features a 'Status' dropdown set to 'Active' and a 'Class' dropdown. Below these are fields for 'Customer' and 'Service Site', with a 'Summary' field to the right. A tabbed interface is visible, with 'Details' selected. The 'Details' tab is divided into two sections: 'Agreement Details' and 'Invoicing Details'. The 'Agreement Details' section includes dropdowns for 'Type' (Recurring Billing), 'Plan', 'Response', 'Priority' (Medium), 'Payment' (Agreement), and 'W/O Type' (Agreement). It also has date pickers for 'Coverage' (9/27/2011 to 9/27/2012) and 'Start Month' (9, Year 2011, Day 2011). The 'Invoicing Details' section includes 'Item ID', 'Description', 'Frequency' (Monthly), 'Amount' (\$0.00), 'Billing Type' (Fixed), 'Billing Starts' (9/27/2011), 'No. Billing Cycles' (12), 'Auto Renew' (checkbox), and 'Renew Percent' (0.0%). At the bottom of the window, a status bar shows 'Profit Percentage: 0.00%', 'Start Date: 9/27/2011', and 'Expiration Date: 9/27/2012'.

1. Select the **Customer** you are creating the agreement for
2. Select the **Service Site** that agreement coverage is valid at. If the agreement isn't tied to a specific location, you can leave this field blank. This will allow the agreement to be used at all of the customer's locations.
3. Select a **Type** or leave the type alone. Agreement types are for tracking purposes only and have no affect on behavior or coverage.
4. Select the **Plan** that this agreement should use. Although a plan is not required, *we strongly recommend using plans with all of your agreements*. If you're not sure about why you need a plan or which one to choose, please review the Agreement Plans section above and the Using Agreements without Plans section below before proceeding.
5. Confirm the **Response Rate, Priority, Payment Method, and Work Order Type** set by the plan. These fields are used with work orders you apply this agreement to: when you select this agreement on a work order, its priority, payment method, and type will be set to the values selected here.

6. Select the **Coverage** dates. The start date defaults to the current date, and the end date is set automatically based on the invoice frequency and number of cycles, which are generally set by the plan.
7. Confirm the **Item** and **Description** that should appear on invoices for this agreement. This is the item that will appear on any invoices for this agreement, and must be an item with a type of Service Plan or Recurring Billing. The item and description are usually already specified on the agreement plan.
8. Review the **Billing Frequency** and **Amount** per bill. These are usually already set up by the agreement plan.
9. Confirm the **Billing Type**. The default, fixed, allows you to set the billing amount manually. The equipment calculated billing type causes the billing amount to be automatically calculated based on attached equipment, and is discussed in the Understanding Agreement Invoicing section below.
10. If desired, set the agreement to **Auto Renew** and set the **Renew Percent** that the amount should automatically increase by when automatic renewals occur. See Understanding Agreement Expiration and Renewals below for more information on automatic agreement renewal.
11. Click the **Save** button to save the agreement.

## Understanding Agreement Invoicing

ServiceLedger expects you to send an invoice or periodic invoices to your customers for their agreements with you. There are three main ways to invoice an agreement in ServiceLedger:

1. Automatically by cycle using Recurring Invoicing
2. Manually within the cycle using the Create Invoice button
3. Manually outside the cycle using the Create Invoice button

The first of these two methods above are well suited to agreements in which you charge your customer a specific amount on a recurring basis. These methods invoice the agreement based on the item, amount, frequency, and number of cycles chosen under Invoice Details on the agreement. Collectively, they are called recurring invoices.

Based on an agreement's billing start month, start year, frequency, and number of cycles, ServiceLedger determines the months that an agreement should be billed in and makes it available to the Recurring Invoicing or Create Invoice

windows during the appropriate months. (See [Creating Agreement Invoices](#) below for more information on how these methods work.)

All agreements are expected to generate recurring invoices, even if they will only be invoiced once. If an agreement should only be invoiced up front, you should set its frequency to the amount of time the agreement is good for and the number of cycles to 1.

The third method is generally used to supplement the first two, and has nothing to do with the information listed in the agreement's Invoice Details section. This option simply allows you to create an extra invoice for the agreement and put whatever line items you want on it.

Please note that only invoices generated using one of the above three methods will appear in the agreement's Ledger tab and count towards its profitability.

### **Understanding Agreement Expiration and Renewals**

Based on their start date, invoicing frequency, and number of cycles, all agreements have an expiration date. Once an agreement expires, one of two things can happen:

1. The agreement's status changes to Expired. It will no longer be selectable from a work order and it can no longer have charges billed to it.
2. If the auto-renew box is checked, the agreement's start date is changed to the old end date and the agreement remains active.

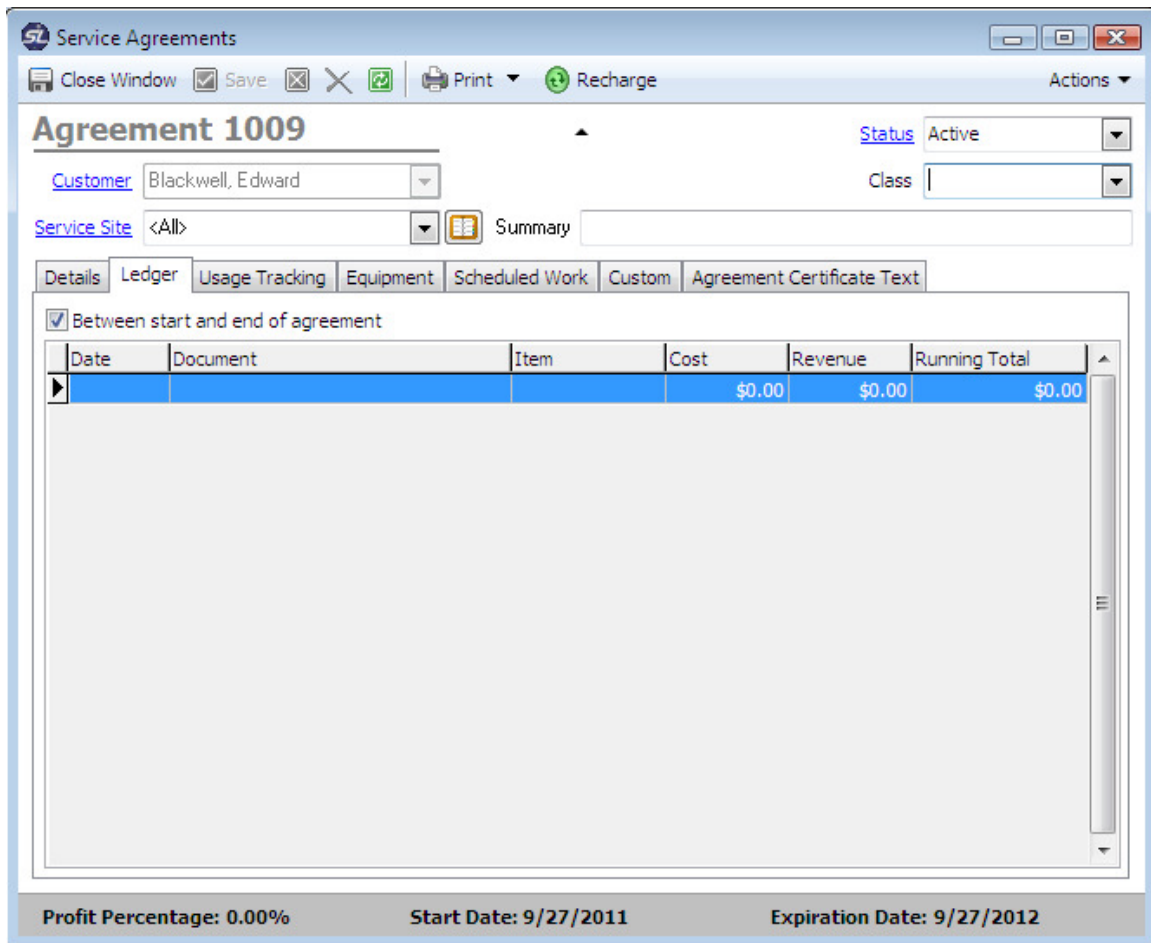
If you use the first method, you can sell replacement agreements using the Agreement Renewal Manager. This method is best for agreements that require customer action to be renewed.

If you use the second method, the original agreement simply remains active continuously unless you do something to stop it. This method can be best for cases when an agreement remains active unless a customer specifically asks to end it. However, there are some important things you should know when using the auto-renew checkbox which may make the first method preferable.

Please see the section titled [How Agreements Auto-Renew](#) for more information on using auto-renewal.

## Reviewing Agreement Profitability with the Agreement Ledger

Over time, your agreements will build up a ledger of activity that can be used to track how much money they are making or costing you. This information can be reviewed under the **Ledger** tab on the agreement window.



The screenshot displays the 'Service Agreements' application window. The title bar shows 'Service Agreements' and standard window controls. The main area is titled 'Agreement 1009' and includes a 'Status' dropdown set to 'Active'. Below this, there are fields for 'Customer' (Blackwell, Edward), 'Service Site' (<All>), and 'Class'. A 'Summary' button is also visible. The 'Ledger' tab is selected, showing a table with columns: Date, Document, Item, Cost, Revenue, and Running Total. A checkbox 'Between start and end of agreement' is checked. The table contains one row with values: Cost: \$0.00, Revenue: \$0.00, Running Total: \$0.00. At the bottom, a status bar displays 'Profit Percentage: 0.00%', 'Start Date: 9/27/2011', and 'Expiration Date: 9/27/2012'.

Date	Document	Item	Cost	Revenue	Running Total
			\$0.00	\$0.00	\$0.00

This tab shows **revenue** from any invoices associated with the agreement if they have any revenue, and **cost** from work order items that were billed to the agreement if they have any cost. Items that do not have any associated cost or revenue for the agreement are *not shown* in this tab.

To quickly get to any of the invoices or work orders listed in the ledger, you can double-click the row in the grid to open the associated record.

A common point of confusion in the agreement module is the rule for whether to look in the Ledger tab or the Usage Tracking tab to find what was billed to an agreement. The answer in this case is the Usage Tracking tab. The Ledger does not necessarily show all items that were billed to the agreement: it only shows those with a cost associated.

On the other hand, if what you're looking for is a running total of what a given agreement is making you and costing, you, the Ledger tab is the perfect place to look for this information, as it shows all (and only) the necessary information related to this total.

## Reviewing Coverage & Plan Usage with the Usage Tracking Tab

When you assign an agreement plan to a new agreement, part of the information that is copied over from the plan includes its coverage, which can be reviewed in the **Usage Tracking** tab.

Type	Item	Coverage	Balance	Contract Price	Renew Type	Renew U/A
▶ Part	<All>	Amount	\$1,000.00	\$1,000.00	None	\$1,000.00
Labor	<All>	Unit	5.00	\$500.00	None	5.00

This tab shows all of the coverages under which items can fall, what they cover, their current balance, contract price & renewal info if relevant, and most importantly, gives you the ability to drill down into a given coverage and see a full log of the balance and all changes to it over time, as well as the reason for each of those changes.

### *Using Agreements without Plans*

It is important to note that it is also possible to create agreements without plans or plans without any coverage. In this case, there will be no information in the usage tracking tab, and if no plan is present, some special rules apply.

Agreements without plans can cover any given charge based on the discretion of the user entering data into ServiceLedger. By default, they will cover all new items added to work orders for the agreement.

Due to the lack of a plan, these items, and the fact that they were covered, do not show in the usage tracking tab (as there is no coverage to track them to!) and may not show in the ledger either.

Because of these facts, ServiceLedger strongly recommends using a plan that contains itemized coverage with all agreements, even those that do or can cover anything. In these cases, a plan with an <All>/<All> coverage line is suggested.

### ***Adding New Coverage***

Sometimes you may need to add new coverage to an existing agreement. You can do this by clicking the Add Amount / Units button in the Usage Tracking tab. This will bring up the Add Agreement Coverage window:

Item Type	Item #	Coverage	Amount	Contract	Renew Type	Renew U/A
				\$0.00		0.00

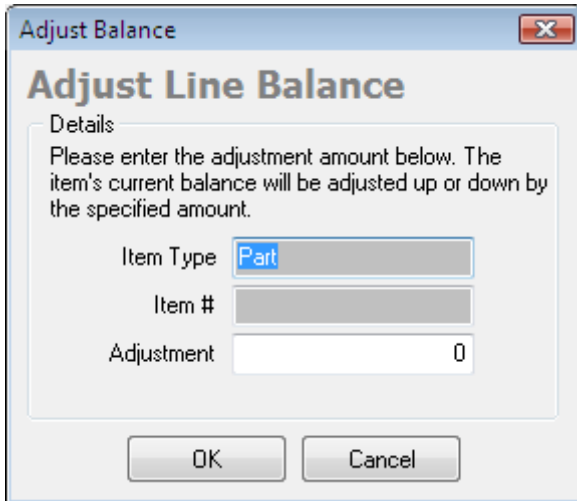
The top half of this window is used to generate an invoice for the new coverage. Choose an item, description, and price that you would like to appear on the invoice. If you do not wish to invoice immediately for the new coverage, you can simply delete the invoice that is generated.

The bottom half of the window works just like the Covered Items section of an agreement plan. Please refer to the Setting Plan Coverage section of this document for more information.

Once you have specified the coverage you wish to add, you can click the OK button to generate the invoice and add coverage. Additionally, you will be given an opportunity to update the agreement's overall amount to include the contract price on the new coverage lines.

### *Adjusting Existing Plan Coverage*

If you simply need to change the balance of an existing coverage line, you can use the Adjust Amount / Units button in the Usage Tracking tab to do so.

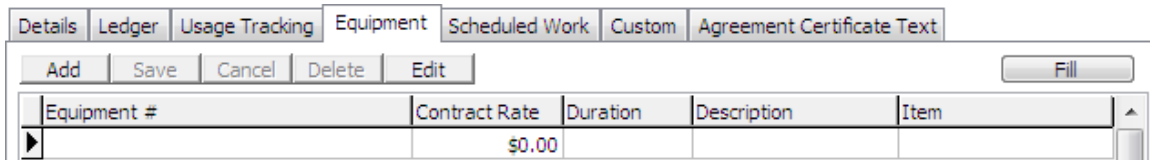


The Adjustment Amount / Usage field indicates the amount the current balance should be adjusted by. It can be either positive or negative.

For example: if you have an agreement that covers labor by amount, and the current balance for labor coverage is 6.10 hours, you could bring the balance up to 10 hours by entering an adjustment for 3.90 hours. ( $6.1 + 3.9 = 10$ )

### **Associating Agreements with Equipment**

It is possible to associate your agreements with one or a number of pieces of equipment using the Equipment tab.



There are three main benefits to associating equipment with your agreements.



First, if you have multiple agreements of the same type for different pieces of equipment, specifying *which* piece of equipment each agreement covers gives you a way to tell the difference between otherwise similar agreements.

Second, if you wish to have an agreement cover multiple pieces of equipment and want the agreement's price to be calculated based on the equipment covered, you can set the agreement's billing type to Equipment Calculated. This causes the amount to be set automatically based on the renewal rate for each piece of equipment in the Equipment tab.

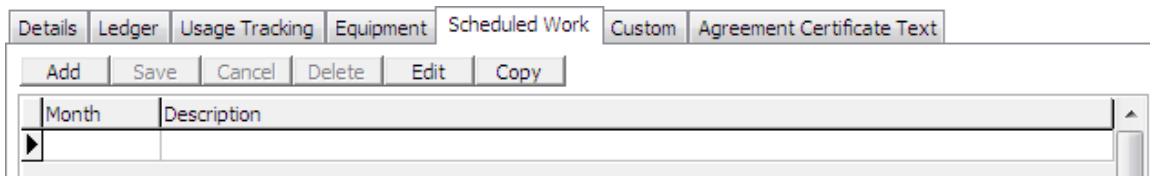
Finally, you can use agreements to control whether Equipment PMs are generated. The Equipment PM Scheduler can be set not to show PMs for equipment whose agreement has a status of Expired. More information on the Equipment PM Scheduler is available in the Getting Started guide for the Equipment module.

### Using Agreements for Scheduled Work

An agreement can be set up to automatically generate work orders during certain months of the year. This is similar to equipment PM tasks, account tasks, and recurring work orders, but less flexible.

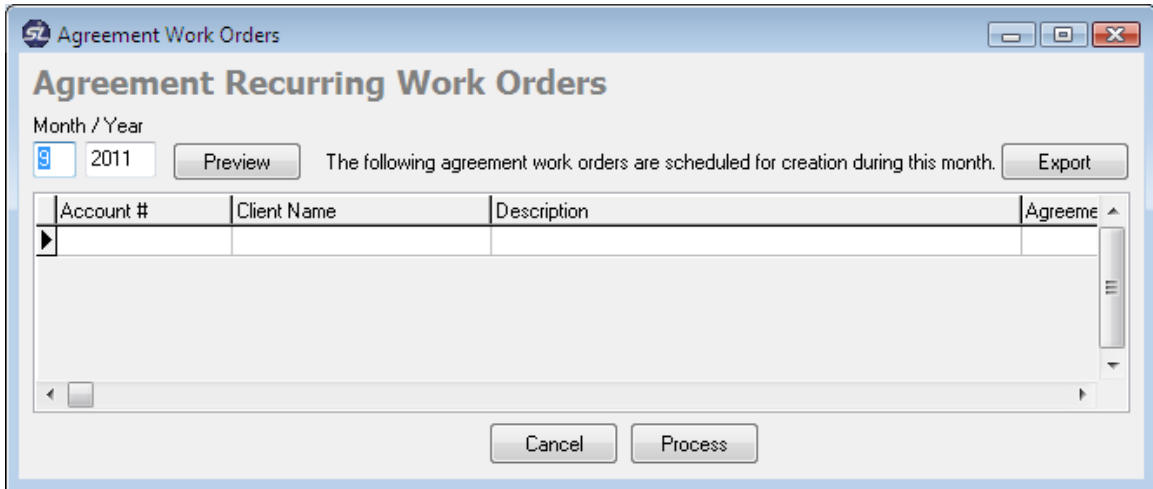
Generally, you should avoid setting up scheduled work on agreements if one of these options is available. For equipment in particular, PM tasks offer much better scheduling and tracking. However, in some circumstances, the agreement's Scheduled Work tab is an ideal solution.

You can set scheduled work up using the Scheduled Work tab.



Click the Add button to add a month, and then type a description of the work that should be performed.

Once you have set agreements up with scheduled work, you can find and create work orders that should be generated each month (a process often called 'harvesting') using the Agreement Recurring Work Orders window.



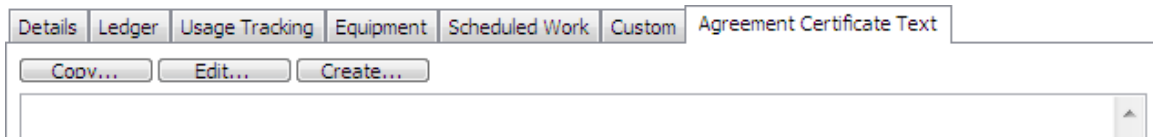
This window can be reached by choosing **Batching | Service/Projects | Batch Agreement Work Orders** in the File menu..

Simply choose the month and year to generate work orders for, click Preview to see a list of work orders that agreements have been set up to require, and Process to actually create these work orders.

### Using Text Templates for Agreement Certificates

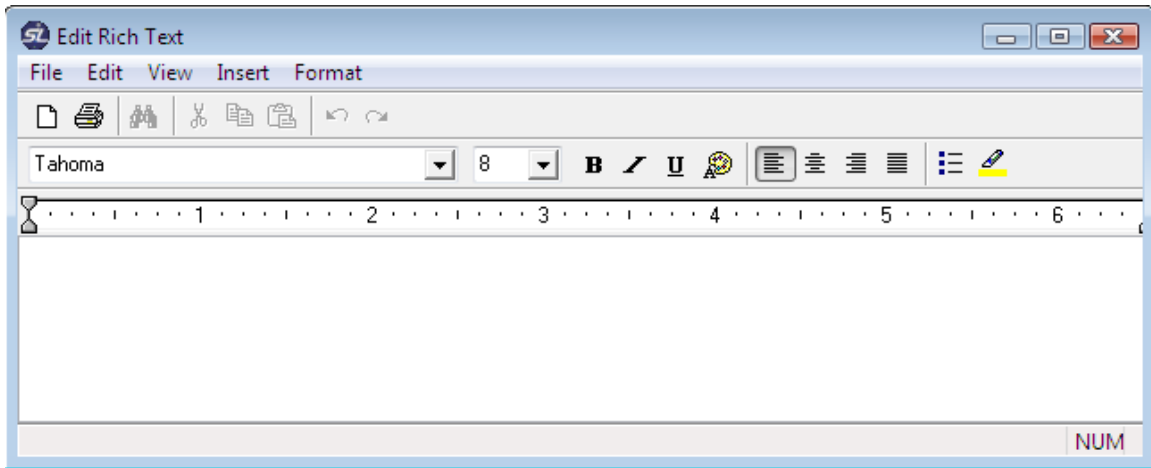
When printing agreement certificates, it is possible to use a text template to print similar text on several agreements and/or fill data from the agreement into your certificate text.

This text is entered in the agreement's Agreement Certificate Text tab.



Use the Copy... button to copy in an existing text template, or to re-copy the current one to update its data.

Use the Edit... button to open the text in a separate window with extra text editing controls. From this window, you can hit Ctrl-S to save the text and return to the agreement window.

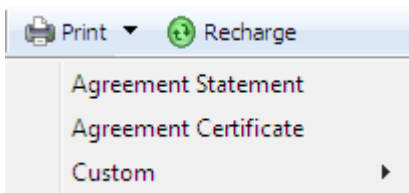


Finally, you can use the Create... button to create a new template for agreements which can then be copied. This template will include all possible data fields, but you can (and are expected to) remove all but a few of them and keep only the fields you want.

Please review the *ServiceLedger Interface Guide* for extended information on how to use text templates and work with data fields.

### Printing Agreement Statements & Certificates

You can use the Print button on the toolbar to print agreement certificates, agreement statements, or custom agreement reports:



The agreement statement is a date-limited report showing all agreement coverage activity during a given range, and includes the agreement certificate text below the activity.

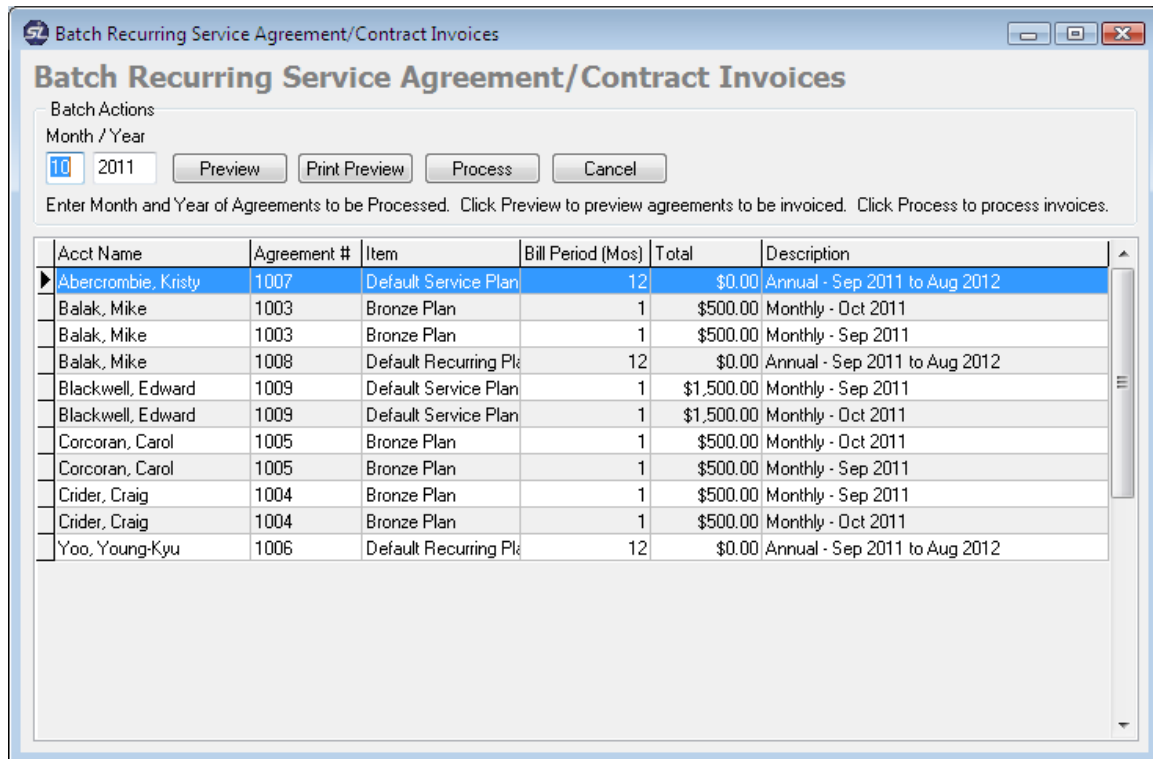
The agreement certificate simply lists the covered items and other important agreement information, and also includes the agreement certificate text below the coverage list.

### Creating Agreement Invoices

Before creating any agreement invoices, be sure you understand how agreements are invoiced. You can review this information in the section titled Understanding Agreement Invoicing above.

## Invoicing Agreements using Recurring Billing

Agreements are typically invoiced using the Recurring Billing window, which can be reached by choosing **Batch | Invoicing/Receivables | Batch Recurring Agreement Invoicing** from the File menu.



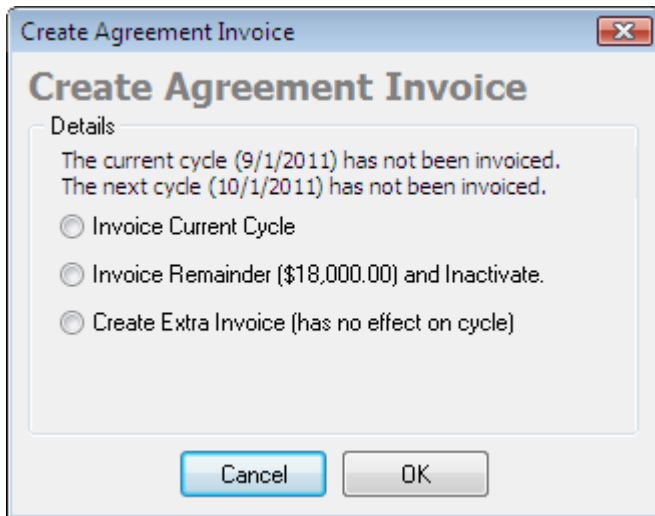
The recurring invoicing window shows all agreements that must be billed in any given month, as well as information about what will be billed and what period each bill is for as set by the agreement's frequency.

Generally, this window shows only agreements for the selected month and year, which by default will always be next month. However, if there are any agreements that should be billed in the month before, they will also appear. This helps give you a second chance in case an agreement for one reason or another escapes billing during its initial month.

If all agreement invoices for a month have already been processed, the list will be empty and the Process button will be disabled.

## Invoicing Agreements Manually

You can also invoice your agreements manually by using **Actions | Create Invoice** button from within the agreement.



Depending on the agreement's current billing state, you will be able to:

1. Either invoice the current or next cycle, just as you would using the Recurring Invoicing window
2. Invoice the remainder of the agreement and inactivate it, which can be useful when a customer has depleted a prepaid agreement and wants to pay it off and start a new one
3. Create an extra invoice that will not interfere with the normal billing cycle

All of these invoicing options will create invoices that are directly tied to the agreement and will show in the agreement's Ledger tab.

### Using Agreements with Work Orders

One of the primary uses of agreements is to cover specific items on work orders and, as a result, remove or reduce the price the customer is expected to pay.

In order for an agreement to be able to cover items on a work order, the work order must be set to use that agreement. This is done using the Agreement dropdown box in the work order's Details tab.

Work Order #1014 - Blackwell, Edward

Save & Close Save Print Post Printed Actions

### Work Order 1014

Status: Scheduled

Customer: Blackwell, Edward

Service Site: Main / Blackwell, Edward

Bill To: Main / Blackwell, Edward

Customer Request: Class

3rd Party Billing

Details | Tasks | Invoice Charges | Job Costing | Equipment | Time Entries | Job Expenses | Notes | Mapping | Custom Fields

Type: Agreement Agreement #: 1009 Active Agreement(s) On File

Priority: Medium Project #:

Payment: Agreement PO/Ref #:

Requested By: Contact Phone #: (415)555-3221 Sales Rep:

Request

Assigned To	Technician	Task	Date	Time	Duration	Status
John	John		2/11/2003	8:00 AM - 10:30	02:30	None

Job Revenue: \$0.00 Job Cost: \$0.00 Job Profitability: \$0.00 Profit: 0%

When you select an agreement on a work order, certain information is copied from the agreement to the work order: Priority, Payment Method, and Work Order Type. Additionally, if any charges already exist on the work order, you will have the option of applying those charges to the agreement if possible.

When a work order is using an agreement, any new invoice charges that are added will be charged to the agreement if possible. If only some of a given invoice charge can be billed, as much as possible will be billed to the agreement and the remainder will remain directly billable.

For example, let's consider an agreement which covers all labor items and has 6.5 hours remaining on that coverage. If you have a work order attached to this agreement and enter an invoice charge for 10 hours of labor at \$100 per hour, 6.5 of those hours will be covered and the remainder will be billable. In this example, the invoice charge's extended price would be \$350 ( $10 - 6.5 = 3.5$ ;  $3.5 * \$100 = \$350$ ).

It's also important to know that this process happens regardless of how invoice charges are created. Many invoice charges are not entered manually, such as charges from service tasks and charges created by work order entries.

One common way to use ServiceLedger that takes advantage of this fact is to set up an item for on-demand labor with a standard rate, but then sell agreements to cover that labor at a cut aggregate rate. When a work order is performed for this labor, the tech simply enters their time in entries and lets the entries automatically create accurate invoice charges for their time. Up to the number of hours sold on the agreement, these invoice charges will be covered and have a price of \$0. However, once the agreement is depleted, hours will be billed at the standard rate.

### *Creating New Work Orders for an Agreement*

A common shortcut when doing work against an agreement is to start by looking up the agreement and then, if everything on the agreement looks good, (say, it's not depleted or about to expire, or it has sufficient or the correct coverage,) create a work order.

Rather than go to the trouble of creating a new work order and then choosing the customer and agreement, the agreement window provides a quick shortcut in the form of the Create Work Order button, which will create a new work order and automatically select the current agreement.

### *Associating Existing Work Orders with an Agreement*

You can also take any existing work order and apply an agreement to it. To do this, simply open the work order and choose the agreement from the work order's dropdown box.

If for some reason you don't see the agreement you wish to use, double-check the following situations:

1. Make sure that the agreement is active and not depleted
2. Make sure the agreement is for the same customer as the work order
3. Make sure that the agreement is at the work order's site, or that the agreement has no specific site chosen

When you choose an agreement, any existing invoice charges will be applied against the new agreement if possible. (If a different agreement was already chosen, they will no longer be applied to that one at all.)

A work order can only use one agreement. If you have some work that needs to be billed to one agreement and some that needs to be billed to another, you will need to split your work order and its invoice charges up into two parts. This can be done manually by using the copy work order button and then removing or

reducing the quantity of invoice charges on both copies so that the correct parts are billed to the correct agreements.

## **Depleting Agreements**

As you use agreement's coverage, the coverage balances will be reduced. If at any point in its life all of an agreement's coverage lines have a balance of zero, the agreement will be marked as depleted. You will no longer see it as an active agreement for the customer.

Unless you add coverage to it, a depleted agreement will remain so until either you inactivate it or it expires naturally. If you need to bill the remainder of a depleted agreement that still has several billing cycles remaining immediately and create a new agreement for the customer, you may wish to use the Create Invoice button to do so. This process will inactivate the agreement.

## **How Agreements Auto-Renew**

If you have an agreement set to auto-renew, the agreement will automatically renew itself once it expires. The start date will be advanced to the previous end date, and the end date will be advanced by the same amount. Depending on how the coverage items are set up, they may have their balances left alone, reset, or have an amount added to them. If the renew percent is set, the agreement's amount will be increased by that percentage.

As far as changes to the agreement go, auto-renewal is fairly straightforward: the above changes are all that happen. However, one area of auto-renewal can be complicated if you don't understand it: billing.

Normally, agreements will show up in the Recurring Invoicing window during the month that the bill needs to be sent out and the month following. Because the Recurring Invoicing window automatically shows you next month's invoices, you will generally generate invoices for you agreements just prior to the month in which they are due.

When an agreement is set to auto-renew, the billing dates and amount will change as soon as possible starting exactly one month before it expires.

The actual start and end date of the agreement and coverage updates will take place as soon as possible once the agreement has actually expired.



These two changes take place at different points in time in order to allow you to continue billing regularly. It's easiest to explain why and how this works by example:

Consider an agreement that starts on January 1, 2007 and is billed monthly for 12 cycles. This agreement will generate bills each month, with the last bill being for December 2007.

Assuming you process your agreement bills *just prior to* the month they're for, you will generate your December bill in late November. Likewise, if the agreement is set to auto renew, you would also want to create the first bill of the renewed period in late December. However, if the agreement's billing dates were left alone, the final billing date would still be 12/07 up until January, which would prevent the agreement from appearing in the recurring invoicing window. In order to facilitate early billing, the agreement's billing dates are updated one month in advance, so that the next period's first invoice can be generated on time.

There is one danger of this system that it is important to be aware of, which is this: if you have not billed the final cycle of an agreement that auto-renews by the time you've reached a month before the agreement's expiry, *you will not be able to!*

Let's consider the example again:

Assuming you process your agreement bills *during* the month they're for, you will generate your December bill sometime during December. Or, at least, you'll try to, but it will not be available for invoicing! This is because the agreement's billing information rolled over to the next period on December 1<sup>st</sup>.

If we alter the agreement a bit and say that it instead starts on January 15<sup>th</sup>, we're granted a little leeway: it will still be possible to bill the December invoice up until December 15<sup>th</sup>. If we start the agreement on January 31<sup>st</sup>, we have even more leeway. But, this may not be desirable if the coverage must start and stop on a specific day.

If you must bill agreements during the month they're due, it may be best to not use auto-renew and instead create new agreements for each period using the Agreement Renewal Manager.

To summarize:

1. If you use auto-renew, create your agreements' invoices during the month prior to the billing cycle.
2. If you must create invoices during the actual month of the billing cycle, either make sure your agreements all start later in the month and bill as soon as possible, or don't use the auto-renew feature and instead use the Agreement Renewal Manager.

## ***The Agreement Renewal Manager***

When your agreements are about to expire, if you do not have them set to auto-renew, you can use the Agreement Renewal Manager to create quotes for new agreements. These quotes can then be won and have the real renewal agreements created automatically.

Process	Agreement #	Name	Account #	Expires On	Status

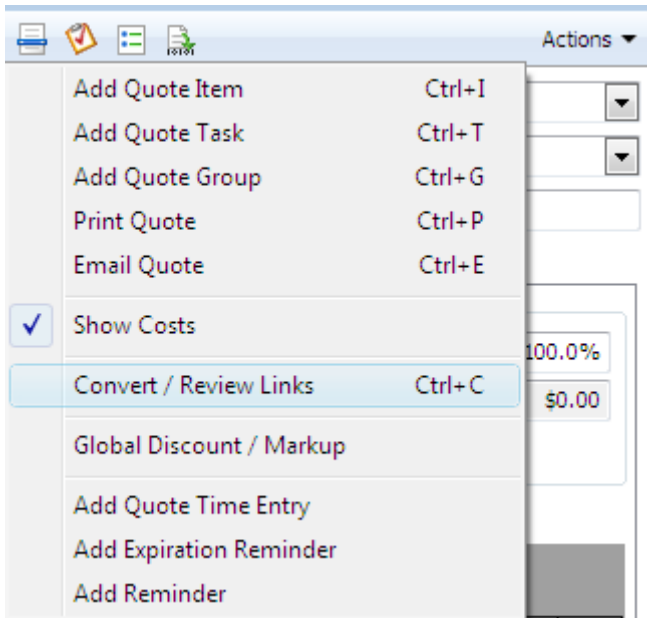
To renew agreements, first set the date ranges you would like to check for. Any agreements that will expire (technically, cease to be billed) during that period will appear as long as they are not already on a quote.

Second, if you wish to apply a text template to the quotes you will generate, choose it from the dropdown box. Finally, once you're satisfied with the agreements you'll be generating renewal quotes for, click the Process button.

This tool works best with agreements that follow a standard plan exactly. If every agreement from year to year is the same, you should have a plan that defines that agreement in order to simplify agreement creation. The quote can then use that plan to set up your new agreement.

If you typically need to alter an agreement's coverage and have that alteration preserved from year to year, you will need to reapply the alteration every time you process renewals, or use the auto-renew feature instead if possible.

Once you win the quotes for these new agreements, you can automatically generate the renewal using the **Convert/Review Links** action on the quote.



This will generate a new agreement for the customer using the plan that was quoted. If you need to update the start dates or any other information, you should do so immediately after generating the new agreement.