

Project - Terms and RMR Billing

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Purpose

This document outlines the new terms and conditions that will be used on Order Acknowledgment Forms (OAFs) and the Master Services Agreement (MSA) starting June 4 2024. It includes the following:

- Overview of possible OAF terms that may be used that will define
 - When a project can start
 - How PMO will notify Operations to bill based upon the OAF terms
- When the RMR should be started based on Project types
- Expiring Hours - no change to the current process
 - Please review [Project Closure - Hours Expired](#)

OAF Terms

The new OAF will list the specific terms for the project:

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- One-Time Fees Billing Terms: When the non recurring fees are due before the project can start, during the delivery of the project, and at project completion.
 - Referenced further in this article as OTFs
- Recurring Fee Start Date: When the Recurring fee for the maintenance and support of the product sold will begin
 - Referenced further in this article as RMR
- Net Payment Terms: The number of days from invoice date that the payment is due
 - For projects with terms with OTFs due during the delivery of the project, any late payments that require the project to be held will be noted by an AR Hold notice at the top of the project. See [Customer AR Support Hold](#) for further information

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Project Start

The project start date is determined by the One-Time Fees Billing Terms box (OTFs). The following options may be

used on the OAF :

- OTF 100% upon contract execution
- OTF 50% upon contract execution/50% upon start of UAT
- OTF 50% upon contract execution/25% upon start of UAT/25% upon project completion
- Government Only Deals - 100% due upon project completion

Based on the terms above:

- The project start date can begin when the OTF percentage due at contract execution is paid.

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OTF Billing

Projects with OTFs that are billed at time of a project milestone will require Project Managers to provide notice to the Operations team when the milestone is reached:

- UAT - will be executed in conjunction with the RMR Billing steps below
 - Projects that have no RMR, or quick turn projects (license only add on) will not have a UAT and balance will be billed at project close
- Project Close - the current process for closing a project provides automated notice to Operations. No additional notice is required

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RMR Billing

Projects with recurring fees (RMR) will now be billed 6 months after execution of contract **OR** 30 days after UAT start, whichever comes first. It is important to note that RMR billing is done first of each month, so the actual billing may be done sooner than 30 days.

Example: if UAT starts on the 20th of a month, per the contract RMR would start about the 20th of the following month. However, AR bills on first of month, so the customer may receive the invoice as early as the 1st of the month following UAT start date.

PMO will be required to inform the customer at the start of the project and at start of UAT of RMR billing time frame using the methods below:

- Project Kickoff slide template:
 - Ensure use of master kick off slide is used [Project - Kick Off Templates](#)
- UAT Notice
 - Each project will have a milestone task named: UAT - Project RMR Billing
 - Set the start date of the task to the start date of the UAT for the project
 - When UAT starts prior to 6 months from contract execution
 - Notify the customer via the task Chatter Activity via email
 - Email Template: [Customer UAT Start Date \(earlier than 6 months from contract](#)

- [execution\)](#)
 - Confirm the email is added to the task activity for future reference
 - Complete the task
- When UAT starts after 6 months from contract execution
 - RMR should already have been billed by Operations
 - Notify the customer via the task Chatter Activity via email
 - Email Template: [Customer UAT Start Date \(Post 6 months from contract execution\)](#)
 - Confirm the email is added to the task activity for future reference
 - Complete the task

Important Note:

Billing will be done by AR team using the report [Project UAT RMR Billing](#). PM's should audit their project UAT - Project RMR Billing task to ensure that they have been scheduled when UAT should take place, and completed at start of customer UAT to allow for accurate billing and forecasting of RMR.

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Expiring Hours

There is no change to the current process for expiring project hours. Please review [Project Closure - Hours Expired](#)

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