Service Contracts

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Service Contracts Overview

ServiceCEO enables you to track basic Service Contracts. Service Contracts allow users to separate the sale of goods or services from the act of providing the goods or services. A service contract consists of a number of Service Contract Lines. Each Service Contract Line contains two things:

1. The **Billable Amount** - The amount the customer pays for the coverage
2. The **Coverage Amount** - What the customer receives for their money

The following are some examples of contract lines that can be created in ServiceCEO:

- Customer pays $5,000 for 100 hours of HVAC service.
- Customer pays $10/hour for 50 hours of any service.
- Customer pays $10,000 for unlimited coverage of products and services/labor delivered or performed over a three-month period.
- Customer pays $500 for unlimited coverage of *only one* of their Dell computers (serial number 12345B).
- Customer pays $500 in advance for $700 worth of labor to be performed over the next two months.

As demonstrated by these examples, contracts may have an expiration date beyond which they may not be applied to jobs. Service contracts may also be restricted to covering only:

- Specific parts (Master Products)
- Specific Labor (Master Services)
- Specific customer equipment (On-Site Equipment)

The term Service Contract is customizable. For more, see the Defining Vocabulary section.

Before you can use a service contract, you must first enable them in ServiceCEO. See the Enabling Service Contracts section.

Creating a Service Contract

To add a new service contract:

1. Open the appropriate customer record.
2. Click the Service Contracts tab.
3. Click **New Service Contract**. The Properties tab of the Service Contract dialog box appears.

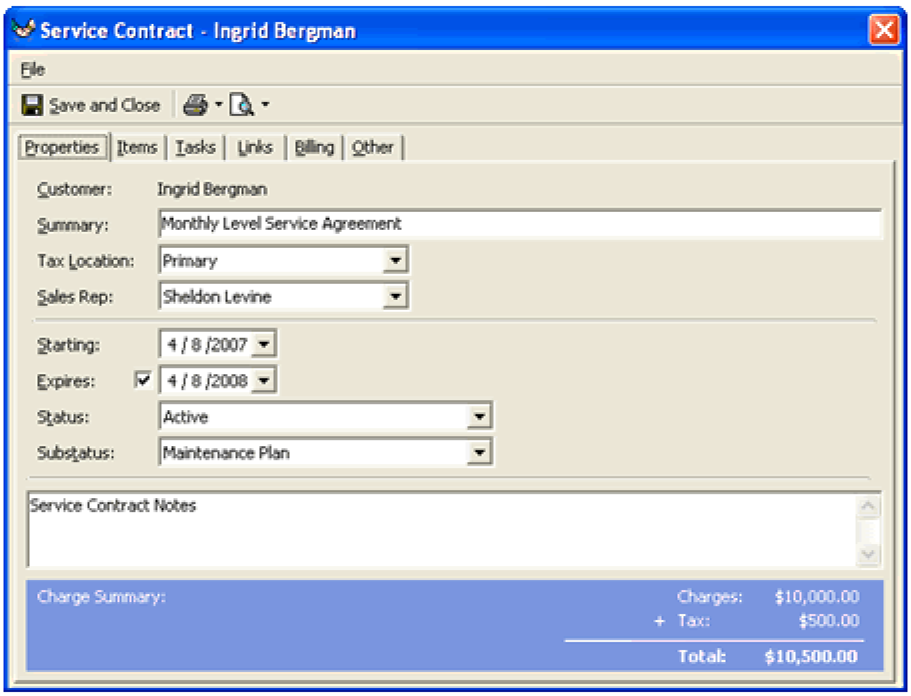
For details about each tab of the Service Contract dialog box, please see the appropriate sections:

- Service Contract Properties Tab
- Service Contract Items Tab
- Service Contract Tasks Tab
- Service Contract Links Tab
- Service Contract Billing Tab
- Service Contracts Usage Tab
- Service Contract Other Tab

4. When complete, click **Save and Close**. The contract is now saved.

The Properties tab of a Service Contract

The Properties tab contains basic information about the service contract.



1. Type a summary of the service contract in the **Summary** field.

2. Select the customer location from which you want to use taxes from the **Tax Location** drop-down list. In other words, the tax codes you applied to the customer address you select here will be used to calculate taxes on this service contract.

3. Select the contract's sales representative from the **Sales Rep** drop-down list.

4. If necessary, select a new starting date from the **Starting** calendar box.

5. If you are defining an expiration date for the contract, select the **Expires** check box and select the date the contract ends from the calendar box.

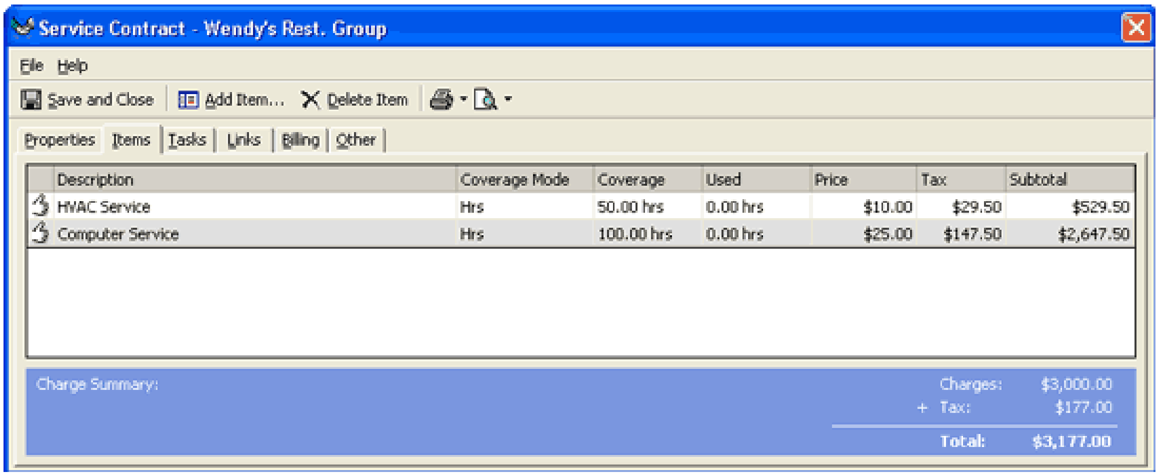
6. Select the contract's status from the **Status** drop-down list.

7. If enabled, select the contract's substatus from the **Substatus** drop-down list.

The Items Tab of the Service Contracts dialog box

The Items tab contains a listing of everything the service contract will cover.

When creating a service contract, the Service Contract Line dialog box will automatically appear when accessing the Items tab for the first time. For details on this dialog box, see the Adding an Item to a Service Contract section.



To enter additional line items, click **Add Item**. The Service Contract Line dialog box appears. For more, see the Adding an Item to a Service Contract section.

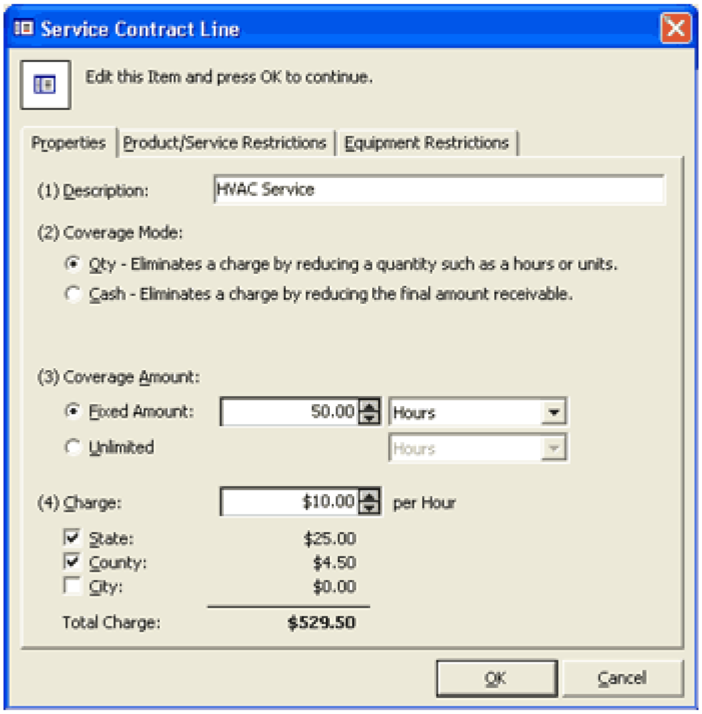
For instructions on viewing the current usage of an existing service contract line, see the Current Usage tab of a Service Contract Line section.

Adding an Item to a Service Contract

To add an item to a service Contract:

1. Click **Add Items** from the Items tab of the Service Contract dialog box. The Service Contract Line dialog box appears.

Note:
When creating a service contract, the Service Contract Line dialog box will automatically appear when accessing the Items tab for the first time.



2. Type a description of this line item into the **Description** field.

3. Select the appropriate **Coverage Mode** option button for this line item. Your options are:

    - **Qty** - covers a charge based on a unit quantity, such as hours or units.
    - **Cash** - covers a charge based on the dollar amount of the charge.

4. Select the appropriate **Coverage Amount** option button for this line item.

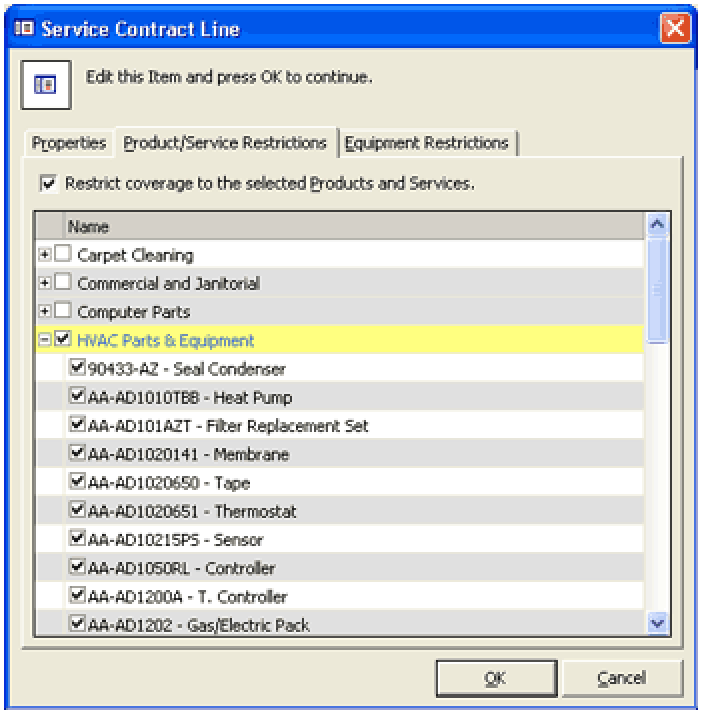
5. If you selected the **Fixed Amount** option button, enter the amount you want to cover in the spin box.

6. Select the coverage units from the drop-down list. The units that appear are defined in Service Units dialog box. For details, see the Defining Service Units section.

7. Enter the amount the customer will be charged for this service contract item in the **Charge** spin box.

8. Select the appropriate tax check boxes as necessary.

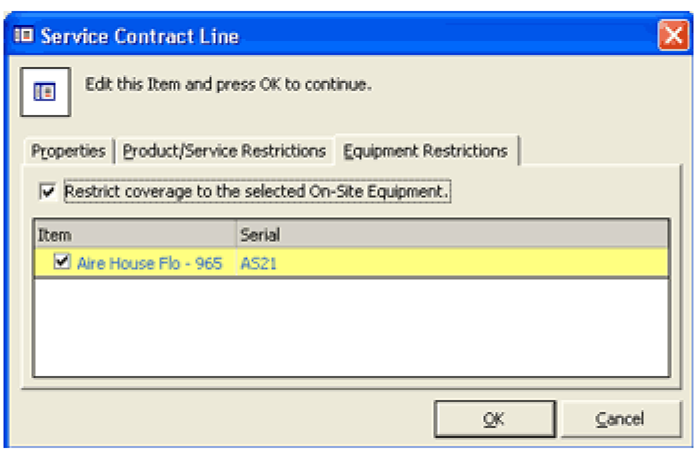
9. To limit this item to specific products and/or services, click the **Product/Service Restrictions** tab. If you do not want to limit the service contract, skip to step 12.



10. Click the **Restrict coverage to the selected Products and Services** check box. A list of products and services appears.

11. Expand the list and select the appropriate check boxes to limit this line to the selected products and/or services.

12. To limit the item to specific items of equipment, click the **Equipment Restrictions** tab. If you do not want to limit the service contract, skip to step 15.



13. Click the **Restrict coverage to the selected On-Site Equipment** check box. A list of equipment items appears.

14. Select the appropriate check boxes to limit this line to the selected equipment items.

15. Click **OK**. The new line item appears on the Items tab of the Service Contract dialog box.

The Tasks Tab of the Service Contracts dialog box

This tab of the Service Contract dialog box enables you to create a task for the Service Contract in the usual manner. See the Creating a Task section for details on creating a task.

The Links Tab of the Service Contract dialog box

This tab of the Service Contract dialog box enables you to create a link for the Service Contract in the usual manner. See the Adding a Link to a Record section for details on creating links for a service contract.

The Billing Tab of a Service Contract

The Billing Tab contains details about customer billing for the service contract.

The core concept behind service agreements is that your customer is paying for the agreement so that they will not be billed for parts or labor in the future. Thus, the billing of the service agreement is entirely independent of the billing or scheduling services provided under that agreement.

Note:
All or part of the billing for specific job line items can be handed by attaching an existing service contract to the job. See the Covering Jobs with Service Contracts section for details.

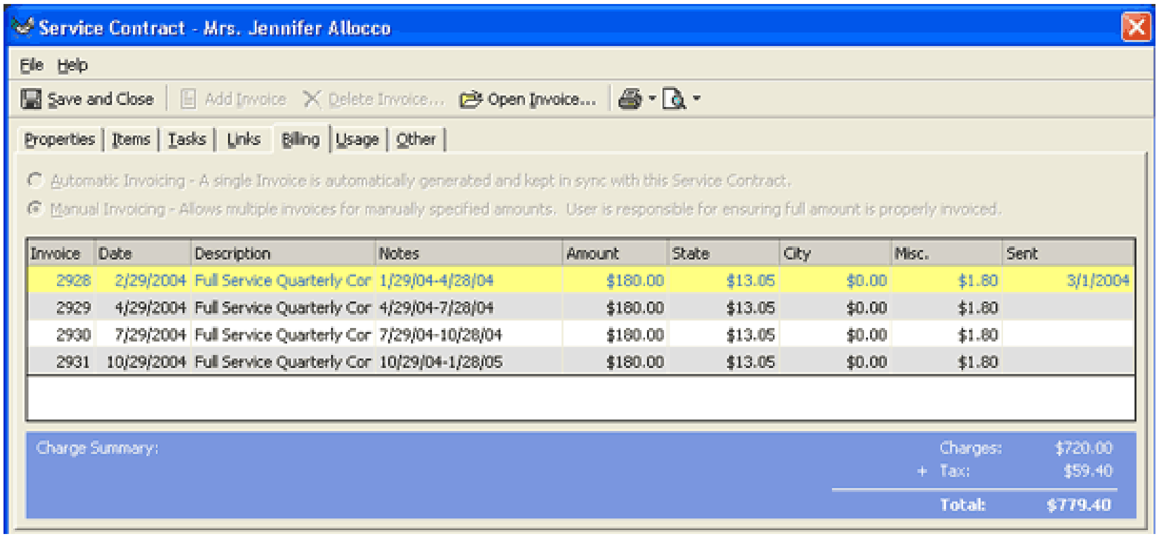
ServiceCEO supports two methods for invoicing and billing service agreements:

- **Automatic Invoicing** - ServiceCEO generates a single invoice, dated on the contract's start date, for the full amount of the contract.
- **Manual Invoicing** - Enables the creation of multiple invoices so you can manually break up the billing of the contract over multiple invoices.

Note that if you enable manual invoicing, you must manually define the date and amount of each invoice.

Caution:
Using the manual invoicing mode means that you are responsible for insuring that the full amount of the invoice is billed. ServiceCEO will not warn you if you over- or under-bill an invoice.

All of the invoices for the service contract are displayed on the Billing tab of the Service Contract dialog box.



In either billing mode, you may add or edit an invoice's Notes by clicking in the appropriate **Notes** field and typing the new value.

Managing Manual Invoices

If you want to bill the service contract on more then one invoice, you will need to use manual invoicing. Manual invoicing involves 3 steps:

1. Creating Invoices.
2. Editing invoice values.
3. Sending invoices.

To manage manual invoicing:

1. Select the Manual Invoicing check box. The Add Invoice, Delete Invoice buttons will activate.
2. Click **Add Invoice** to add additional invoices. Add the number of invoices you want for this contract. For example, if you want to bill the customer on a monthly basis for a year, create 12 invoices, one for each month of the year.
3. Edit the date of the invoice to reflect when you want to send the invoices to the customer. To continue our previous example, you would edit the month of all twelve invoices so you have one invoice for every month of the year.
4. If needed, edit the notes for each invoice. These notes will appear on the invoice when printed.
5. Edit the Amount of each invoice. The total of the all invoices should equal the total charges as indicated at the bottom of the page. An easy breakdown is to divide the total charges by the number of invoices. For example, if you have a service contract that is costing your customer $3000, and you are sending the customer 12 invoices, each invoice should be for $250.
6. Edit the taxes for each invoice. Just like the invoice amount, the total of all taxes should equal the taxes as displayed at the bottom of the page.

Note:
At any point, you can remove a manually-created invoice by highlighting the invoice you want to remove and clicking **Delete Invoice**.

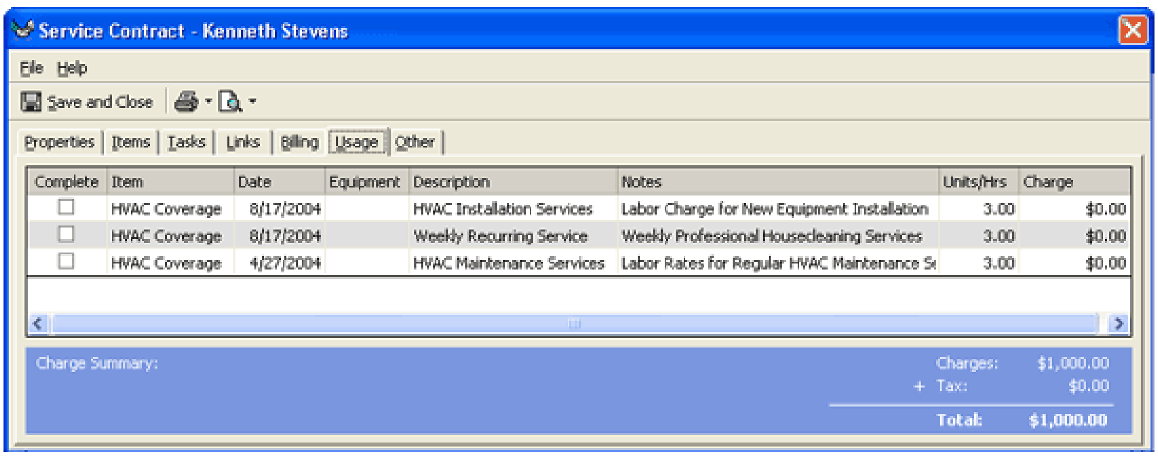
7. Click **Save and Close**. The service contract and the invoice will be saved. The invoices will be assigned numbers at this point.

8. Once the invoices have been created, they can be open and sent to the customer like any regular invoice. For details, see the Ready to Send Workflow section.

Caution:
If you are integrated with a General Ledger (GL) program (like QuickBooks), note that ServiceCEO does not export the amount of the Service Contract to GL account. You will need to enter this amount manually in the proper GL account. For more on GL integration, see the Accounting Integration section.

The Usage Tab of the Service Contract dialog box

The Usage tab displays the different items to which the service contract has been applied.



The Other Tab of the Service Contracts dialog box

The Other tab of the Service Contracts dialog box contains custom fields you can use for various reasons. For more on custom fields, see the Edit Custom Fields section.

Viewing Service Contracts

To view the existing service contracts for a customer:

1. Open the appropriate customer record.

2. Click the **Service Contracts** tab.

3. Double-click on a Service Contract to view its details. The Service Contracts dialog box appears.

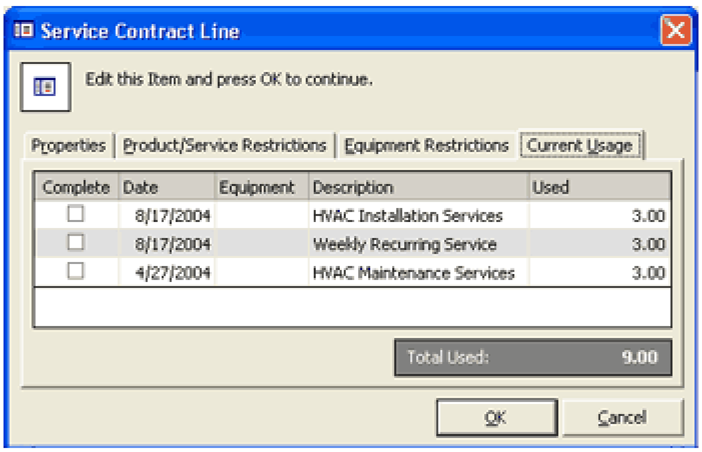
The Current Usage Tab of the Service Contract Line dialog box

The Current Usage tab of the Service Contract Line dialog box displays the ways in which the service contract line is being used. Note that service contract lines that have not yet been used to cover a job or product/service will not have a Current Usage tab.

To view the current usage of a service contract line:

1. From the Items tab of the Service Contract dialog box, double-click the service contract line whose current usage you want to display. The Service Contract Line dialog box appears.

2. Click the **Current Usage** tab.



This tab's columns display the following information:

- **Complete.** Indicates if the product or service is located on a job that is completed.
- **Date.** The date the product or service was covered.
- **Equipment.** The covered item of equipment, if any.
- **Description.** A description of the covered product or service.
- **Used.** The amount of the product or service that was used.

3. Click **OK**.

Service Contract Reports

From the Service Contract dialog box, you can run three reports:

- **Service Contract** - This report displays details about the specific service contract.
- **Costing Report** - This report displays details about service contracts and what products, services, or equipment have been linked to them.
- **Invoice Report** - Available only on the Billing tab, this report displays the invoice(s) for the service contract

To run a report about a specific service contract:

1. Open the service contract on which you want to report.

2. Click the arrow next to the button and select the report you want to run.

3. If you made changes to the service contract, you will be prompted to save them now. The report appears.

Note:
By default, job invoices do not display service contract information. To display this information on the invoice report, you must configure ServiceCEO to use a different report definition file – **rptInvoice-ServCon.rpt** – for the invoice report. This report will group charges by the contract under which they are covered. For detailed instructions on switching the default report definition file, see the Managing the Report List section.

Billing Jobs with Service Contracts

By default, ServiceCEO assumes that the customer will be billed for the full charge of the all of their jobs when the job is completed. However, if the customer has purchased a service contract, then that contract may cover some or all of a job's charges, reducing the amount owed a specific job’s invoice.

Each line-item charge on a job can be covered either entirely or partially by a service contract line. To do this:

1. Open the appropriate customer record.

2. Click the Jobs tab.

3. Open the job record that you want to cover (or partially cover) with a service contract.

4. To cover the entire job (all products, services, and kits) with a service contract, select the service contract you want to use from the **Default Service Contract** drop-down list. A prompt will appear, stating: "Would you like to update all existing Products and Services to use this Service Contract?"

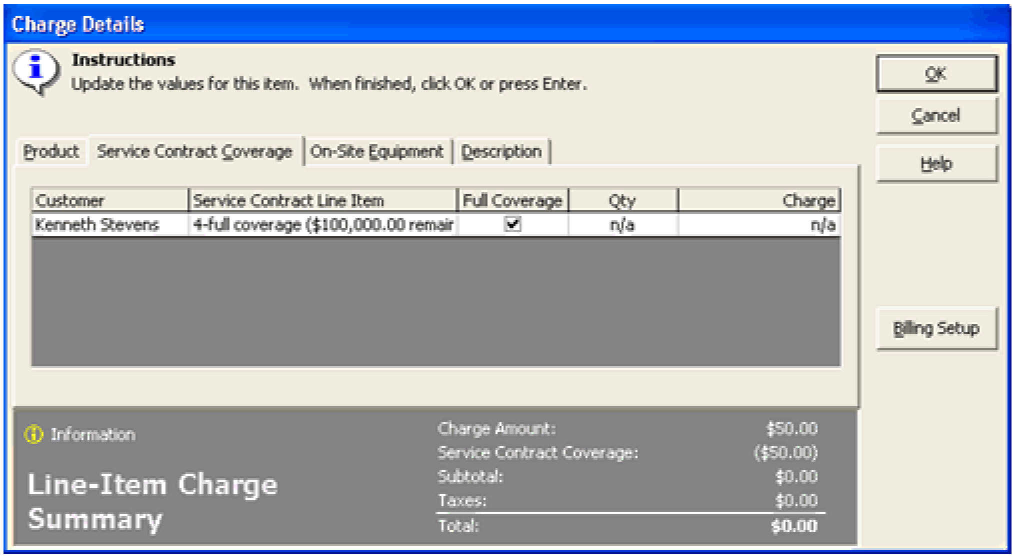
5. Click Yes to cover all products and services already added to the job with the selected service contract. Click No to not cover existing products and services.

Caution:
If you select No, the service contract will still appear in the **Default Service Contract** drop-down list. All products and services that are added to the job in the future will automatically be covered by this service contract.

6. To cover individual products/services with a service contract, click the **Services/Products** tab.

7. Double-click the line-item that you want to cover with a service contract from the right side of the page (the **Step 2** section). The Charge Details dialog box appears.

8. Click the Service Contract Coverage tab.



If this charge is being covered by a service contract, it will appear in the Service Contract Line Item column. If it is not, no service contract will appear.

9. To cover this charge with a service contract, select it from the **Service Contract Line Item** drop-down list. To remove service contract coverage from this charge, select **<None>** from this drop-down list.

Caution:
If you do not see a service contract in the drop-down list, there may be a coverage restriction on the service contract.

10. By default, the line item will not be covered by the service contract selected from the Service Contract Line Item drop-down list. To apply the service contract, perform one of two actions:

    - **Full Coverage.** To cover the entire product/service with the service contract, select the **Full Coverage** check box.
    - **Partial Coverage.** To cover only a portion of the product/service with the service contract, enter the exact amount you want covered in either the **Qty** or **Charge** fields.

    Regardless of the option you select, the Service Contract Coverage line in the Line-Item Charge Summary section will display the amount of the charge that is being covered. In addition, the total will reflect the new total, minus the service contract coverage.

11. Click **OK**.

12. Repeat steps 7-11 to cover additional line-items.

13. Click **Save and Close**.

Note:
You can also define a service contract for a charge via the completion wizard. See the Adding a Charge via the Completion Wizard section for details.

Covering an Entire Job with a Service Contract

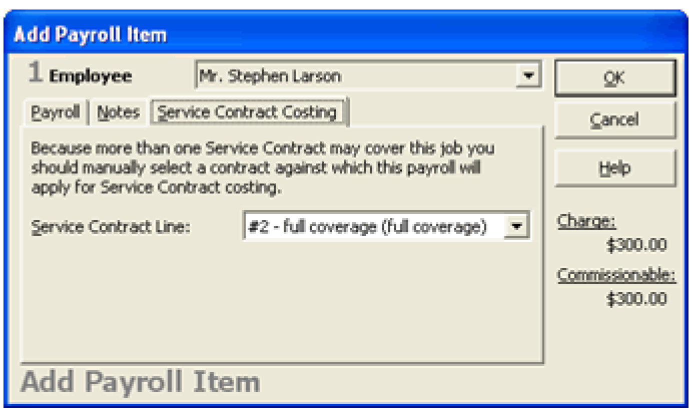
To cover an entire job with a single service contract:

1. Open the appropriate customer record.
2. Click the Jobs / Schedules tab.
3. On the General tab, select the service contract you want to apply to the job from the **Default Service Contract** drop-down list. The Updated Existing Changes dialog box appears, asking you if you'd like to update all of the existing Products and Services to this service contract.
4. Click **Yes** to update all existing Products and Services. If you click **No**, none of the existing charges will be covered by this service contract.
5. Click **Save and Close**.

Adding Employee Payroll to Service Contract Costing

If you are covering either an entire job, or just a product or service on that job, with a Service Contract, you can select the employee whose payroll should count against the costing of the Service Contract. To do so:

1. From the Payroll page of the Completion Wizard, double-click the employee that you want to add to Service Contract costing. The Add a Payroll Item dialog box appears.
2. Click the Service Contract Costing tab.



3. Select the service contract for which you want the employee's payroll to count against from the Service Contract Line drop-down list.

If a service contract is selected, the employee's payroll will be displayed for that contract on the Service Contract Costing report.

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