



Contracts

Planon Software Suite

Version: L105

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About this Document

Intended Audience

This document is intended for *Planon Software Suite* users.

Contacting us

If you have any comments or questions regarding this document, please send them to: support@planonsoftware.com.

Document Conventions

Bold

Names of menus, options, tabs, fields and buttons are displayed in bold type.

Italic text

Application names are displayed in italics.

CAPITALS

Names of keys are displayed in upper case.

Special symbols



	Text preceded by this symbol references additional information or a tip.
	Text preceded by this symbol is intended to alert users about consequences if they carry out a particular action in Planon.

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About Contracts

The Contracts TSI is used to create and manage various types of contracts, such as service contracts and lease contracts.

If you have Rentable Units , you can link rentable units to a (lease) contract in the Contracts TSI.



For details on working with lease accounting contracts in Contracts , see [Lease accounting](#). For details on adding and maintaining rentable units, see [Rentable units](#).

For details on SLA services and SLAs, see [Service Level Agreements](#).

Contracts - Concepts

This section describes the key concepts and their relation with each other to understand how Contracts is used in Planon ProCenter .



For details on the basic principles of using Planon ProCenter , see the *Fundamentals* documentation.

Apportionment

A division of financial obligations that is triggered by an amount change within a period, or applied when the period is a 'broken' period.

'Broken' period

A 'broken' period is a time period that includes a part of a period, for example: 2,5 months. When calculating a financial obligation for a 'broken' period, apportionment can be applied.

Contracts

Contracts are the main elements. A contract is an agreement between two parties for the deliverance of goods or services. A contract contains:

- General agreements that apply to the contract as a whole.
- Agreements on the items/services to be delivered like the property, rentable unit, space, asset etc., to which it applies.
- Price agreements for each item/service that is delivered. These price agreements can vary in time.

A contract is a hierarchical element and can therefore contain subcontracts.

For details on adding contracts in Planon ProCenter, see [Adding contracts](#).

Contract actions and contractual terms

A contract action is an event relating to a contract that is scheduled to take place at a particular point in time, such as a contract review. You can link contract actions to a contract.

Furthermore, you can link contractual terms to a contract. An example of an agreement that can be linked to a contract is a declaration of costs for refuse collection.

For details on adding actions and contractual terms to a contract, see [Linking actions to a contract](#) and [Linking contractual terms to a contract](#).



You can archive the obsolete contract actions to remove them from the element section.

Contract categories

A contract category is an element used to group any type of contract. **Contract categories** are non-hierarchical elements. Examples are:

- Annual contract
- Temporary contract
- Service contracts with periodic maintenance
- Service contracts with incidental maintenance

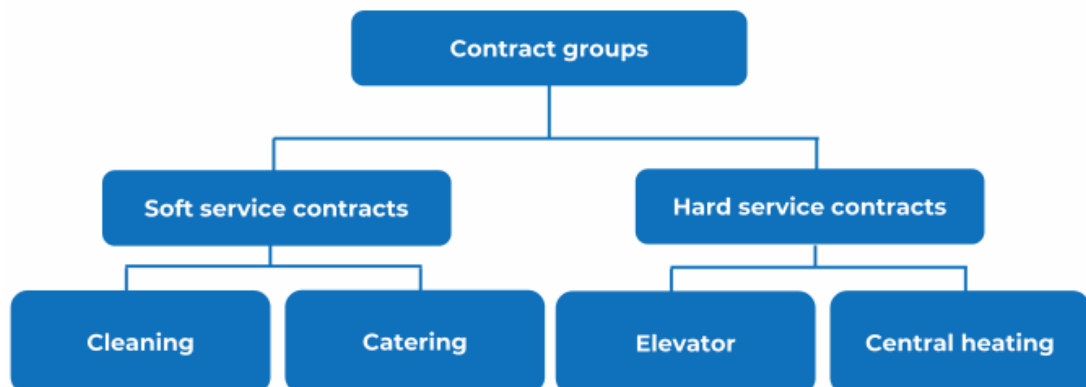
For more details, see [Defining contract categories](#).

Contract groups

Contract groups are elements that are used to group contracts into categories such as service contracts, purchase contracts or lease contracts. Since a contract group is a hierarchical element, it can be divided into subgroups. As a contract group is not linked to a specific property, the categorization of contracts into groups is therefore identical for all properties.

Example

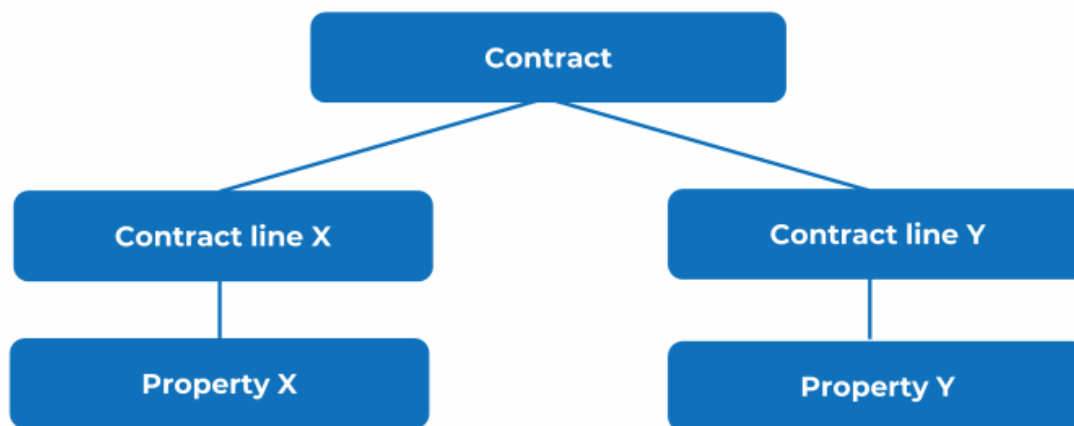
A Contract group can be divided into **Hard service contracts** and **Soft service contracts** based on the type of work. The **Soft service contracts** group can contain the subgroups **Cleaning** and **Catering**. The **Hard service contracts** group can contain the subgroups **Elevator** and **Heating**.



For details on groups, see [Defining contract groups](#).

Contract lines

The agreements associated with each contract are specified via contract lines. A contract line is always linked to one specific property. Contracts on the other hand can apply to one or several properties. As a contract can contain several contract lines, it can be linked to several properties.



Contract line statuses

Contract lines can have various statuses. The possible status transitions available to a contract line depend on the current contract status.

For an overview of the available contract line statuses, refer to [Contract line statuses fields](#).

Contract options

A contract option is a feature included in a contract that enables a contracting party to extend a contract for a specific period of time, or to shorten or end it. Several options can be linked to a contract:

Renewal options can be used to extend the contract's end date. Renewal options can be applied multiple times.

Shortening options can be used to shorten the contract's end date. Shortening options can be applied multiple times.

Termination options can be used to terminate the contract and make the end date final (this an action which cannot be reversed).

For details on adding and using contract options, see [Using contract options](#).

Contract statuses

Contracts can exist in various statuses. The possible status transitions available to a contract depend on the current contract status.

For details on contract statuses in Planon ProCenter, refer to [Contract statuses fields](#).

For details on changing the contract status manually, refer to [Manually changing a contract status](#).

Contracting parties

Contracting parties are the ones involved in the contractual agreement.

Contracting parties can be linked to a contract, contract actions and contractual terms. Planon ProCenter enables you to define your own contracting parties. For details, see [Adding contracting parties](#).

Addresses from Addresses and persons from Personnel can be linked to a contracting party, and thus to a contract. For details on linking addresses and/or people to contracting parties, see [Contracting party data fields](#).

Communication logs

Communication logs are records of communication regarding an item that is added to Planon ProCenter . These records are added manually in the respective TSIs and they can include all types of communication such as emails, faxes, reports, transcriptions of phone calls and so on.

You can upload documents as reference or even include a link to a URL, which will always open in a separate browser window.

Communication logs can be added for many elements, for example orders (all order types), properties, visitors, budgets, invoices, and so on.

For communication logs that are automatically created for alerts or forms through the **Log to communication log** field, the **Action** field will be updated to reflect the source. For more information, see [Communication log fields](#).



You can create an action definition in Alerts to automatically delete communication logs based on a schedule.

Four eyes principle

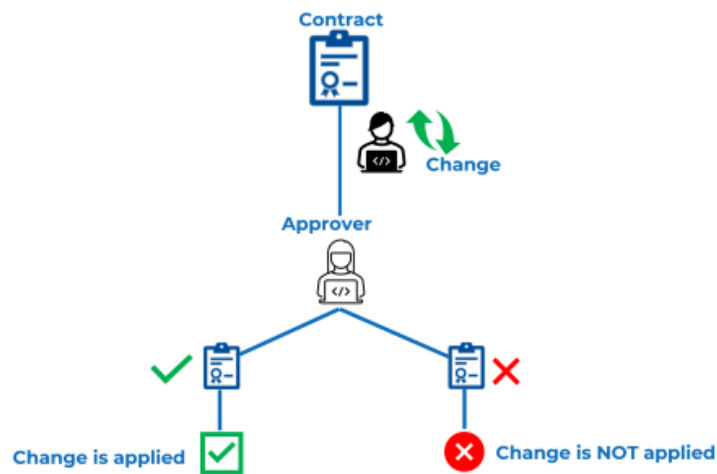
The *four eyes principle* is a requirement that a certain business transaction must be reviewed, double-checked and approved by a second person. With the **Approval** feature

in Planon, important changes always have to be approved by a second person before the changes are actually implemented. For more information, see [Using approvals](#).

In Planon, the four eyes principle can be used for the following business objects:

- Contracts
- Contract lines
- Special lease amounts
- Contract options
- Properties and property details
- Free business objects 46, 47 and 48 (Open Module)

i By default, Planon supports an approval process with one approver. If your organization wants to use more approvers, you have to configure this (TMS).
Planon also supports the approval process for changes imported through data import tools such as Enterprise Talk and SDI. The imported changes trigger approvals when they meet the approval conditions.



History

Planon ProCenter enables you to display a history of changes made to a contract. This includes the user who changed the value in a field, the old and new values of the field and the time and date at which the value was changed. You can select which data fields of an active contract or contract line you want to keep a history on. For details see [Maintaining a contract's history](#).

Journal entries

A journal entry is logging of transactions in the general ledger. It details all the financial transactions of a business and the accounts these transactions effect.

Journal entries are created for financial commitments, accounting commitments and orders for which budgets are registered and need to be updated.

Life cycle

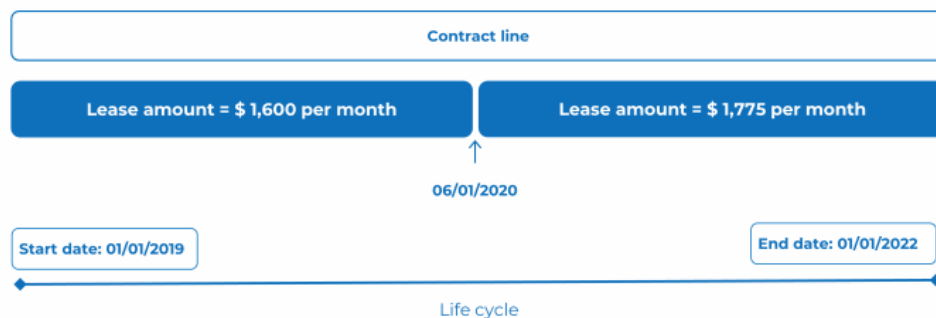
Planon's life cycle concept allows you to keep track of changes that have been made to a contract in the course of time. A contract life cycle can be defined as a series of stages through which a contract passes during its lifetime. A contract has a start date and an end date. In the period in-between, a contract can enter various stages depending on the changes that are applied to its data. Changes can be applied to:

- General contract data, such as contract period, accepting and offering contracting parties etc.
- Contract line data, such as the price agreement, indexation method and cost center etc.

The **Contract lines > life cycle** selection step provides information on a contract line's life cycle.

The **Reference date** feature allows you to view a contract's progress on a specific date for a particular contract or a contract line.

For details on using reference dates, see [Reference date](#).



Posting

In Planon, a posting is a set of journal entries that belong together and are balanced, which means that the sum of the debit entries is equal to the sum of credit entries. Postings and their related journal entries can be viewed in the **General ledger TSI**.

Price indexation

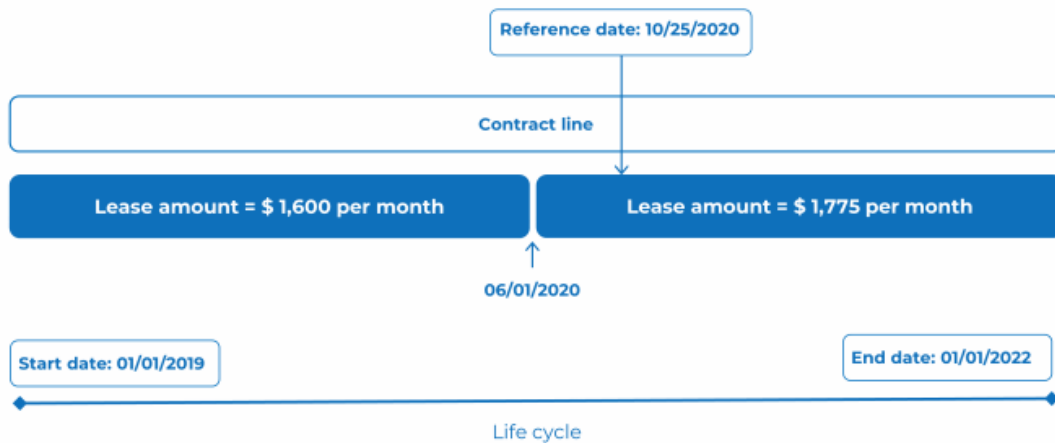
In Contracts , you can index contract prices according to an indexation method you defined in Supporting data . Planon ProCenter supports price indexation based on:

- Percentage
- Index groups
- Base amount

Reference date

You can use a reference date to access time-dependent data. Setting a reference date allows you to only display elements that are valid either on, before or after this date. For example, you can specify that elements are only displayed if their start date is earlier than or equal to the reference date and whose end date is later than or equal to the reference date.

You can use the reference date to reveal the progress of a contract or contract line at a specific point in time.



i By default, the system date is the reference date, but you can select any other date from the calendar, regardless of whether it is in the past or future.

The filter on the reference date feature is activated by default. You can deactivate the reference date by clicking **Deactivate reference date**.

Supplement

For accounting and invoicing purposes, Planon ProCenter allows you to close contract amounts up to and including a specified date. For changes to amounts that have already

been closed, Planon ProCenter automatically creates a supplement. For details on supplements, see [Supplements](#).

Working with Contracts

This section identifies the processes and tasks that can be performed in the Contracts TSI.

Defining contract groups

You can define your own contract groups at the Components > Contract groups selection step. A maximum of four levels can be defined.

For a description of the contract group fields, refer to [Contract group data fields](#).

Defining contract categories

You can define your own contract categories at the Components > Contract categories selection step.

Adding contracting parties

This section generally explains how to add new contracting parties.


Procedure


1. Go to Components > Contracting parties.
2. On the action panel, click Add.
3. Complete the fields in the data panel.

For details on the available fields, see [Contracting party data fields](#).

4. Click Save.

You have now added a new contracting party.

 A contracting party is generated whenever a new address is added to the Addresses TSI.

 For more information, see [Adding an address](#).

Adding contracts

You can add various types of contracts such as service contracts and lease contracts at the **Contracts** selection level.
Follow the steps given below to add a contract.

Procedure

1. Go to the Contracts selection level.
2. On the action panel, click Add service contract/Add lease contract.
3. Complete the fields in the data section.

For details on the available fields, refer to [Contract data fields](#).

4. Click Save.

You have now added a new contract.

For data fields specifically for lease contracts, refer to [Additional fields for lease contracts](#).

A new contract is automatically assigned the **In preparation** status. This status indicates that data is not yet finalized and it therefore allows changes to be made. If a contract is validated, its status must be manually set to **Active**.

For details on changing a contract's status, see [Manually changing a contract status](#).



If the reference date is active, the expired contracts (i.e. contracts whose end date has already passed or contracts that are terminated) are not visible in the elements list.

Making contracts invoiceable

Copying a contract

To add a contract that is similar to an existing contract which is either in the **In preparation**, **Active**, **Renewed**, **Terminated** or **Expired** statuses, you can use the **Copy** option on the action panel.




You cannot copy a contract whose date effective is empty.

Procedure


1. At the Contracts selection level, click the contract you want to copy.
2. On the action panel, click Copy.

The **Copying...** window appears. You can see these options in the copying window.

- a. Copy as of is an option to specify the date as of which contract data must be copied.

 This is not the start date of the copied contract, but rather, since contract data varies over time, the date on which the data you want to copy is valid for the selected contract.

- b. Copy modifications is an option if you also want to copy future modifications.

 The modifications are only included if their start dates are after the date specified in the **Copy as of** field.


If required, you can also copy the related subcontracts, contract actions, contract options, contractual terms, contract lines and SLA data, by selecting the relevant option.

3. Click OK.

The selected contract is now copied and is automatically assigned the **In preparation** status.

Linking actions to a contract

Actions can be linked to the currently selected contract via the **Contract details** > **Contract actions** selection step.

 You can keep a history of contract actions at the **Life cycle contract lines** > **History of contract actions** selection step. For details on the history functionality, see [Life cycle modifications](#).

A number of data fields are available at the **Contract actions** selection step. For information on the fields, refer to [Action data fields](#).


Linking contractual terms to a contract



Contractual terms can be linked to the selected contract via the **Contract details** > **Contractual terms** selection step.












Several data fields are available for contractual terms. For information on the fields, refer to [Contractual terms data fields](#).


Adjusting the view of the contracts list







To find relevant information more quickly, you can adjust the view of the elements list at the **Contracts** level in several ways, using the toggle buttons that are available at the top of the elements list.


 These toggle buttons - also referred to as 'step actions' - are available to all users by default. However, you may want to hide some toggle buttons from some users when these are not relevant to them. For more information, see [Step actions](#).


The **Show list**  / **Show tree**  toggle button allows you to switch between the tree view and list view of the elements list at the **Contracts** level. In list view you can sort the elements list in descending or ascending order by column header. In the following example, the elements list is sorted by name, in descending order:


Status	Code	Name
☑ Contracts (60)		
 ▶	H&S_001	Annual fire inspections - Chubb
 ▶	Cate_001	Catering - Avenance
 ▶	Clea_001	Cleaning - Sodexo
	14.CA	Columbus Square
	14.TA	Columbus Square
 ●	0007	Columbus Square unit 1 - Carbon Smart (out)
 ●	0008	Columbus Square unit 2 - Carbon Smart (out)
 ▶	0009	Columbus Square unit 3 - Carbon Smart (out)
 ●	0010	Columbus Square unit 4 - City of London (out)
 ▶	0011	Columbus Square unit 5 - City of London (out)
 ▶	WF002	External project team




The **Show related contracts**  toggle button allows you to show all the related contracts of the main contract/subcontract. If contracts are filtered, the related subcontracts or main contracts may not be displayed. If you want to view the contracts in their 'family' context, irrespective of the selection you have made, click the **Show related contracts** toggle button to display the related main contracts or subcontracts. If the button is activated, contracts which are a member of the selected contract's 'family' are also displayed in the elements list, in a lighter shade, even though these contracts do not belong to your current selection.


 Contracts (2)


▼

▶
Grou_001, Grounds maintenance - Greenfingers


▶
S0106, Grass cutting

- The **Contracts without contract lines**  toggle button allows you to either show all contracts or only the contracts without contract lines. By default, all contracts are shown. Click the **Contracts without contract lines** button to only show contracts without contract lines.
- The **Show color based priority**  toggle button allows you to switch on/off the priority-based coloring of contract and contract action descriptions in the elements list. For more information, see [Using priority coloring for contracts and contract actions](#).
- The **Show contracts with approval**  toggle button allows you to quickly retrieve all contracts with an approval. For more information, see [Filtering on open approvals](#).

Show where documents are attached

To easily identify (sub)contracts that have linked documents through communication logs, you can use the **Show where documents are attached**  button located in the element list toolbar. If there are any documents attached, a paperclip icon will be displayed next to the contract description in the element list, providing a visual cue. To access the attachments, navigate to [Contract details > Communication logs - contracts](#), where you can view them.


 The icon is only displayed if one of the following fields in **Communication logs - contracts** has a value:

- **Document**
- **Secure document**
- **PAL document**
- **Invoice document**

The **Show where documents are attached** feature is also available for **Contractual terms**. The paperclip icon is shown if a (secure) document is linked to contractual terms.


Adding contract lines

After creating a contract, you can add the corresponding contract lines. Contract lines are added at the **Contract details > Contract lines** selection step.

 If the reference date is active, the expired contract lines (i.e. contract lines whose end date has already passed or contract lines that are terminated) are not visible in the elements list.


Procedure

1. At the Contracts selection level, click the contract to which you want to add contract lines.
2. Go to Contract details > Contract lines.
3. On the action panel, click Add.

 Contract lines of the type SLA can be used to link Service Level Agreements (SLAs) to a contract.
For details, see the *SLA Management documentation*.


4. Complete the fields in the data panel.

For details on the available fields, see [Contract line data fields](#).

 Although it is possible to link a budget to a lease accounting contract line via the **Budget definition** field, this has *no* effect on the budget.

5. Click Save.


You have now added a new contract line.

 A contract is always linked to a property via a contract line.

Making contracts invoiceable

Copying contract lines

To add a contract line that is similar to an existing contract line that is either in the **Inactive**, **Active** or **Terminated** status, you can simply use the **Copy** option from the action menu.


 You cannot copy a contract line whose date effective is empty.

Procedure


1. Go to Contract details > Contract lines.
2. Select the contract line you want to copy.
3. On the action panel, click Copy.

The **Copying...** window appears. You can see many options in the copying window.

- a. Copy as of: Specify the date as of which contract data should be copied.

 This is not the start date of the copied contract, but rather, since contract data varies over time, the date on which the data you want to copy is valid for the selected contract.

- b. Copy modifications: option if you also want to copy future modifications.

 the modifications are only included if their start dates are after the date specified in the **Copy as of** field.


If required, you can also copy the related SLA data by selecting the **Copy linked SLAs** and, subsequently, the **Copy SLA scopes** and/or **Copy SLA contract line costs** check boxes.

Note that you can copy SLA scope if the **Copy linked SLAs** option is enabled.

For contract service plans, you can copy **Contract service plan linked to asset** and its associated costs, by selecting the relevant option.

- c. Select Copy Linked properties to copy contract lines along with properties.
d. Click OK.

The selected contract line is now copied and added to the same contract as the original contract line and the copy is automatically assigned the **Inactive** status.

 • If you linked a rentable unit to a lease contract line, the **Rentable unit** field and all related calculated fields are cleared in the contract line's copy.
• If the original contract line has already been indexed, the **Indexation method** field is cleared in the contract line's copy.

Deleting contracts/contract lines

You can delete contracts with the **In Preparation** status (before the **Active** status).


Procedure

1. Select the contract/contract line.
2. On the action menu, click Delete.
Click Proceed in the confirmation message.
The selected contracts/contract lines will be removed.

Using - Advance delete

You can delete a contract even after it is moved to the **Active** status. For example, if a mistake is discovered after the activation of the contract/contract line.

Note that no invoices should be present on the contract.

 Contracts and contract lines with closed lease accounting commitments cannot be deleted.

Procedure

1. Select a contract/contract line in the Active status.

2. On the action menu, click Advance delete.
3. Click OK in the confirmation message.

The selected contracts/contract lines will be removed.

However, deleting a contract in the **Active** status is restricted by the setting **Restrict deletion of contracts** in **Field Definer > Contracts > Business object settings**.

If **No** is selected, the **Advance delete** action will be available on the contracts. **Yes** is selected by default.



For more information on the setting, see *Field Definer > Settings for the contracts business object*.

The user should also be authorized to use the **Advance delete** feature.



For more information on authorization, refer to *Authorization > Function profiles*.

Manually changing a contract status

Various statuses can be assigned to contracts. The possible status transitions available for a contract depend on the current contract status.

- Every contract added is automatically assigned the **In preparation** status.
- A contract's status changes automatically from **Active** to **Renewed** as soon as an option for renewal is applied.
- A contract's status changes to **Terminated** as soon as an option for termination is applied.
- If a contract is not terminated by either party before its end date, its status can be manually set to **Expired** once the end date is reached. If you set a contract's status to **Expired**, any linked active contract lines are automatically assigned the **Expired** status.

For details on contract options, see [Using contract options](#).





A contract status can only be changed if the reference date is active. For details on using reference dates, see Reference date.
You can also set individual contract lines to Expired.

The procedure to manually change a contract's status is as follows.

Procedure



1. At the Contracts selection level, click the contract(s) whose status you want to change.

-  To change the status of several contracts simultaneously, use the **Action on selection** option.
-  For details on using the **Action on selection** option, see the *Fundamentals* documentation.

The available status transitions are displayed on the **Status transitions** action menu.


2. On the Status transitions action menu, click the required status.

The status will be changed. The **System status** field is automatically populated with the new contract status.

-  Activating a contract by clicking the **Active** status causes the contract to become active from the contract's date effective, irrespective of the reference date. Once you have activated a contract (line), the data fields become read-only. For details on modifying the data of an active contract (line), see [Modifying contract \(line\) data](#).
-  You can only activate a contract if either the **Customer** or the **Accepting contracting party** field is populated.

Modifying contract (line) data

To modify active contract data proceed as described below. You can follow the same procedure to change active contract line data at the **Contract details > Contract lines** selection step.

-  Some changes in contracts, contract lines and contract options must first be approved by a group of responsible persons before they can be applied. In Planon, you can specify which contract changes require approval. For more information, see [Using approvals](#).

Active contracts are contracts that are in one of the following statuses:

- **Active**
- **Renewed**
- **Terminated**

Procedure

1. Select the contract (line) to modify the data.
2. On the action panel, click Add modification.


The **Add modification** dialog is displayed. Here you can specify the date on which the change is to become effective. By default, the reference date is selected in the **Add modification on:** field. Click **OK** if you want to use this date.

3. To select another date, click Select a date button in the Add modification on: field.
4. Click OK.
5. In the dialog, make the required change(s) to the amounts.
6. Click OK.

The contract (line) is now modified.

Changes made to an active contract or to an active contract line are automatically added at the respective life cycle selection step or level (**Contracts - life cycle** or **Contract lines - life cycle**), together with a modification record. Refer to the example below.



The fields indicated by the  icon are life cycle aware fields and changes in these fields are added at the life cycle selection level / step.

Example: Life cycle of a contract with 2 modification records

Record 1

From 01/06/2021 until 30/09/2021:

Cost center = Research and Development

Department = Research and Development

Record 2

As from 01/10/2021 onwards:

Cost center = Sales & Marketing

Department = Sales & Marketing

If you want to keep track of changes made to contracts in the **In preparation** status and contract lines in the **Inactive** status, set the **Suppress modification records during In Preparation status** option to **No** in Field definer . For each change made to a contract or contract line, Planon now creates a record in the respective life cycle level or step.

If a life cycle-aware field is set to mandatory, an error message prompting about empty life cycle fields will appear. To fix this issue, fill out this specific field for every life cycle, starting at the first one.

If an intermediate life cycle already contains a value, Planon ProCenter cannot determine what the value of this field should subsequently be.

As a workaround:

7. Temporarily set the life cycle field to not mandatory.
8. Fill out the fields manually.
9. Set the field to mandatory again.



Do not use selection step filters on life cycle steps. Such a filter does not have any added value on these steps, as it is not possible to drill down from them. Moreover, and more importantly, the drill down results will be adversely affected by the step filter.

Making life cycle modifications

The following business objects support life cycles:

- Contracts
- Contract lines
- Rentable units
- Usage with rating

At the **Contract details** level you can add or undo modifications to existing life cycles.

For enhanced flexibility, it is possible to add modifications to a contract's life cycle.

Procedure

1. Go to Contracts and select the active contract to which you want to add a modification.
2. At the Contract details selection level select the Contracts life cycle step.
3. Select a life cycle from the list.
4. On the action panel, click Add modification.
A dialog box displaying the reference date is shown.
5. Select the date for which you want to apply the modification.
6. Click OK.

A new life cycle is added to the list.


The previous life cycle is automatically ended on the day prior to the new life cycle's start date. The new life cycle will adopt the previous life cycle's end date. The **Add modifications** action is available on all business objects that support life cycles.

Undoing a life cycle modification

By undoing a life cycle modification, you rollback the changes made to the previous life cycle.

To undo a life cycle modification


1. On the **Contract details** selection level, select the **Contracts life cycle** step.
2. Select the life cycle whose modifications you want rollback.
3. On the action panel, click **Undo life cycle changes**.


 **Undo life cycle changes** does not revert the last changes to the life cycle. Instead, the selected life cycle adopts the life cycle field data of the previous life cycle.

A life cycle field is identified by the icon  preceding the field name.


Maintaining a contract's history

The **Contract history** selection step displays a contract's history by listing the changes made to values in specified fields belonging to an active contract. Similarly, the **Contract line history** selection step displays a contract line's history by listing the changes made to values in specified fields belonging to an active contract line.

 For non-life cycle fields of contracts in the **In preparation** status and contract lines in the **Inactive** status, you can choose whether or not Planon ProCenter maintains history. By default, Planon ProCenter does not maintain a history of changes made during the **In Preparation** and **Inactive** statuses. If you want to keep track of changes made to contracts in the **In preparation** status and contract lines in the **Inactive** status, you can use the **Log history - In preparation status** setting in **Field Definer**.

 For more information on this setting, refer to the **Field Definer** documentation.

In **Field Definer**, you can enable an automatic **History** option for individual fields belonging to contracts and contract lines. Once this option is enabled for a field, changes to that field's value are saved automatically. These changes can then be viewed on the **History** selection step. For a description of these fields, refer to [History fields](#).

 For details on changing the field attributes, see the *Field Definer* documentation.

Using priority coloring for contracts and contract actions

If the **Show color based priority** setting is applied in **Contracts**, the contract and contract action descriptions in the elements list are displayed in different colors, indicating their priority. Contracts are colored based on the **next notice date offering party/accepting party**; contract actions are colored based on the **action date**. The descriptions are colored in accordance with the settings made in **Supporting data** and with the **Date-time coloring** set on the contract / contract action.



For more information on coloring based on priority settings, see Supporting data > *Priority coloring*.

Procedure

1. Make sure that the color settings in the Priority coloring TSI in Supporting data are configured.
2. In Contracts go to the Contracts / Contract actions selection step and click the Show color based priority button to enable priority coloring for contracts / contract actions.
3. In the pop-up, specify the number of preceding and subsequent days (with respect to the current date) for which the contracts / contract actions need to be colored.



This setting is set *per user*. each user can have his specific setting based on his role and responsibilities.

Using deviating currencies

In [System settings](#) you can specify the standard currency you want to use in all money fields in Planon. Planon also supports the use of a currency that deviates from the standard system currency. For service contract lines and lease contract lines, you can define a contract currency that is different from the default system currency. All amounts for these contract lines are then calculated and displayed in this deviating currency.



The contract currency feature cannot be used in combination with budgets, orders and invoices.

Procedure

1. Make sure that the currency you want to use is registered in Supporting data > Currencies.
2. Add the required contract and the corresponding contract line(s) (see Adding contracts and Adding contract lines).
3. Go to the Contract currency field on the contract line and select the currency you want to use.

For details on the other available contract line fields, see [Contract line fields](#)

4. Click Save.

Price indexation

Price indexation adjusts contract prices based on factors like inflation, market changes, or specific indices. In Planon, you can use the **Index** action to index contract prices. This action is available at:

- the **Contracts** selection level to index an entire contract. All contract lines linked to the selected contract are indexed up to and including the specified date.
- the **Contract lines** selection step to index individual contract lines. The selected contract line is indexed up to the specified indexation date.

For more information, see [Indexing contract prices](#).

You can index contract prices according to an indexation method based on a:

- [percentage](#)
- [index group](#)
- [base amount](#)

Before starting the indexation, please make sure that an indexation method is specified for the contract lines linked to the contracts for which you want to index prices. For more information, see [Indexing contract prices](#) and [Contract line data fields](#). Indexation methods are defined in Supporting data . For more information, see [Indexation methods](#).

Planon ProCenter automatically recalculates indexed prices if one of the following contract line items is changed before or on the last indexation moment:

- the amount
- the base amount for indexation
- the year or month of base amount indexation
- the indexation method

If you change the indexation method in the course of time, the indexation method you most recently selected is applied in future indexations. If you manually change an amount on an indexation moment, the amount is not indexed. Planon ProCenter saves the amount you entered manually and no indexation is performed. If you want to reverse a manual price change and get the amount indexed again, you can do this by changing the amount back to its previous value. Please refer to the following example.

Example

The amount is subjected to a monthly 10% indexation, starting from February 1st. Indexation moments: February 1st and March 1st .

	January	February	March
Amount	100	110	121

	January	February	March
--	---------	----------	-------

Case 1: Manual price change on indexation moment

Amount is manually changed to 150 on February 1st (= indexation moment). The amount is *not* indexed on February 1st:

	January	February	March
Amount	100	150	165

To undo this manual price change, change the amount back to its previous value of 100 as of February 1st. The amount will then be indexed as of February 1st.

Case 2: Manual price change on a non-indexation moment

Amount is manually changed to 150 on January 10th (no indexation moment). The amount is indexed on the next indexation moment:

	January	February	March
Amount	100	150	165
			181,50

To undo this manual price change, change the amount back to its previous value of 100 as of January 10th.

Indexing contract prices

You can index an entire contract or individual contract lines in Planon.

Procedure

1. Go to Contracts > Contract lines.
2. Select the relevant contract line(s).
3. Select the required indexation method in the **Indexation method** field.
4. Enter the date of the first indexation in the **Next indexation date** field.
5. Activate the contract line(s).

The indexation method is registered from the start date of the contract line. In cases where the contract line has not yet been indexed, you can adjust the next indexation date. Once indexed, Planon will automatically calculate the next indexation date.

6. Depending on what you want to do:

- If you want to index an entire contract, go to **Contracts** and select the contract(s) for which you want to index prices.
If you want to index a large set of contracts, you can perform the indexation as a [background action](#). In the **Indexed up to and incl.** field, select a date that applies to all contracts. For more information on the actions that can be run as a background action for contracts, see [Using background actions](#).
- If you want to index individual contract lines, go to **Contract lines** and select the contract line(s) for which you want to index prices.

7. On the action panel, click Index.

The **Enter values** window is displayed. By default, the last day of the current month is selected in the **Indexed up to and incl.** field. Click **OK** if you want to use this date.

8. To select another date, click  in the Indexed up to and incl. field.

The date picker appears.

9. Select the required date.



If you prefer not to use the built-in indexing feature, you can also manually add amounts in Planon that have been indexed by another tool or application. The **Add indexed amount manually** action allows you to directly register a new amount on a specific reference date. For more information, see [Manually adding an indexed amount](#).

Indexation based on a percentage

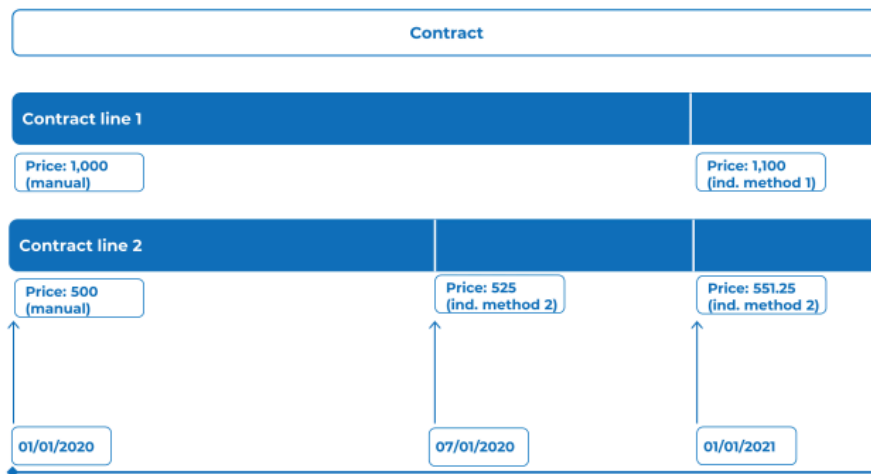
The following examples illustrate how price indexation based on a percentage is used.

Example 1 - Indexation based on a percentage

For contract X, the following are defined:

- Contract's start date: 1/1/2020
- 2 contract lines with start date 1/1/2020
- **Indexation method 1:**
indexation percentage = 10%
indexation period = every year
- **Indexation method 2:**
indexation percentage = 5%
indexation period = every 6 months
- For contract line 1, price indexation based on method 1 is started at 1/1/2021.
For contract line 2, price indexation based on method 2 is started at 7/1/2021.

Indexation is executed up to and including 1-1-2021. The following figure provides an overview after indexation:

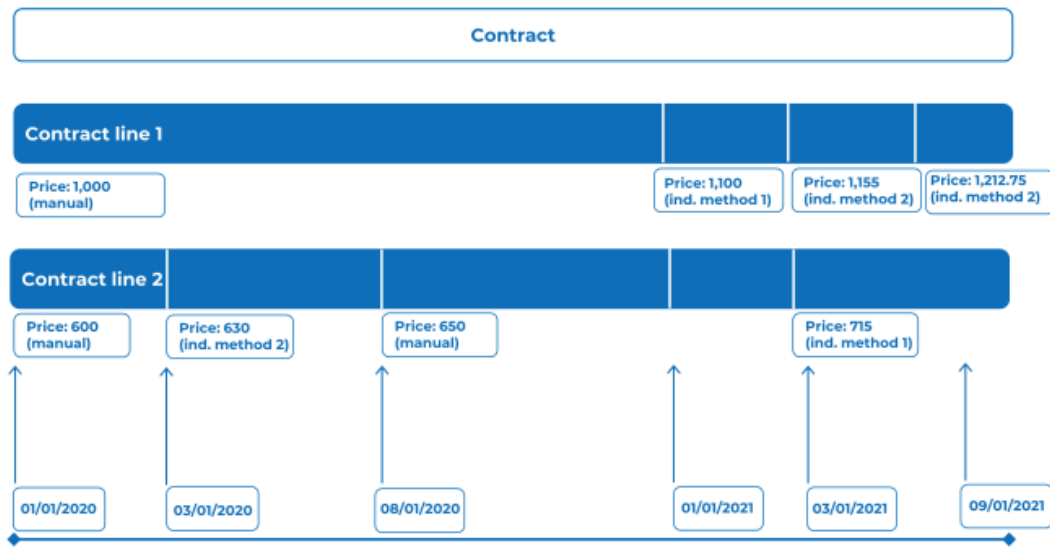


Example 2 - Indexation based on a percentage

For contract Y, the following has been defined:

- Contract's start date: 1/1/2020
- 2 contract lines with start date 1/1/2020
- **Indexation method 1:**
indexation percentage = 10%
indexation period = every year
- **Indexation method 2:**
indexation percentage = 5%
indexation period = every 6 months
- For contract line 1, price indexation based on method 1 is started at 1/1/2021;
At 3/1/2021, the indexation method is changed from method 1 to method 2.
- For contract line 2, price indexation based on method 2 is started at 3/1/2020.
At 8/1/2020 the price has been manually changed to 650. At 3/1/2021, the indexation method is changed from method 2 to method 1.

Indexation will be executed up to and including 1-1-2022. The following figure illustrates the scenario after indexation:



- i** When a contract line based on lease accounting is activated with predefined indexation (based on percentage), the indexation is applied for the whole contract line at activation and then the initial set of accounting commitments are generated. This means that the indexation process takes place at the activation of the contract.
- i** For details on working with lease accounting in Planon, refer to *Lease accounting*.

Indexation based on index groups

When you index prices according to an indexation method based on index groups, the new price is calculated as follows:

$$\frac{\text{Index number numerator}}{\text{Index number denominator}} * \text{Old price} = \text{New price}$$

In Supporting data, you can specify the required index numbers and indicate which index numbers should be used as numerator/denominator. For more information, see [Defining index groups and index numbers](#).

- i** For more information on defining indexation methods, see [Adding an indexation method](#).


The following example illustrates how price indexation based on index groups works.

Example

- The price specified in the contract line is 200. This price must be indexed.
- In Supporting data , the following index numbers are specified for index group X:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2021	105		107									
2020		104		105								

- In Supporting data > **Indexation Methods** > **Add index group method**, you have defined a numerator and denominator.
- The indexation date is set to 01/01/2022.
The index number of January 2021 is used as the numerator (105).
The index number of February 2020 is used as the denominator (104).
- The new price is calculated as follows:
 $105 / 104 * 200 = 201.92$

 If no index numbers are defined, the indexation process is stopped and the price is not indexed.

Reindexation

As a contract manager, you have the flexibility to choose your preferred action when index numbers change retrospectively. You can either opt for automatic acceptance of reindexation or choose to retain the old indexation. The **Automatic reindexation?** setting on the contract line allows you to exclude already indexed contracts from recalculation when adjusting index numbers.

This setting is set to **Yes** by default. You can switch the setting from **Yes** to **No** or vice versa any time. This setting is taken into account at the moment a reindexation is triggered based on index numbers.

- Contract lines with **Automatic reindexation?** set to **Yes** are reindexed.
- Contract lines with **Automatic reindexation?** set to **No** are marked as **Decide on reindexation**. The decision is left to you as a contract manager. Based on the **Decide on reindexation** setting and the date of impact, you can decide what to do with the changed index number: ignore the indexation or reindex. At the moment the index number gets changed, Planon will automatically mark the contract line as **Decide on reindexation** and populate in the date of reindexation and the impact for reindexation in a field. At a later moment, you can filter the contract lines based on the field **Decide on reindexation** and decide what to do:
 - Reindex: the contract line will automatically be reindexed from the reindexation date and based on the latest index number.
 - Skip the reindexation: the contract line remains unchanged.



You can check the impact of a reindexation in the **Impact on reindexation** field (automatically populated by Planon). The **Impact on reindexation** only has a value if the **Decide on reindexation** setting is pending:

*Indexation per date xx/xx/xxxx: 100 * 104 / 102; Change for reindexation: 100 * 105,5 / 102*

Base amount indexation

When you index prices according to an indexation method based on a base amount, the new price is calculated as follows:

$$\frac{\text{Index number numerator}}{\text{Index number denominator}} * \text{Base amount} = \text{New price}$$

You can specify base amount indexation methods in Supporting data > **Indexation methods**. For more information on defining indexation methods, see [Indexation methods](#).

The following example illustrates the working of base amount indexation.

Example

- An index group and index number(s), in this case a year index number
- A base amount indexation method
- The year index number is used as denominator and the index number of the relative year (the year of the index group –1) as numerator. The index number for 2017 is 105 and the index number for 2018 is 110.
- A base amount indexation method and a base amount are entered in Contracts > **Contract details** > **Contract lines**. The base amount is 200. The chosen year for indexation is 2018. The base amount is used to calculate the indexed price.
- After you have indexed the contract, for example for a period of one year, the new price will be: $105/110 * 200 = 190.91$

A new contract line and life cycle is subsequently added. The new price is specified in the contract line.




In case of a base amount indexation where the indexed amount has been adjusted due to a minimum indexation, a maximum indexation or a correction factor, the base amount and the base index number are redefined by Planon. The old base amount and number will no longer be applied to future indexations. The base amount will be set to newly indexed amount after adjustment, the base amount index number will be set to the index number used in the last indexation. If the indexation changes retrospectively and the base amounts of the last indexation should not have been changed after all, Planon will restore the original base amounts. Planon advises to check the base amounts.

Using minimum and maximum indexation values

If you are using a base amount indexation method or an indexation based on index groups, you can also specify a minimum and maximum indexation value in the appropriate fields at the **Contract details > Contract lines** step.

If the calculated indexation percentage is greater than the percentage you specified in the **Maximum indexation value** field, amounts are indexed based on the percentage entered in the **Maximum indexation value** field. If the calculated indexation percentage is less than the percentage you specified in the **Minimum indexation value** field, amounts are indexed based on the percentage entered in the **Minimum indexation value** field. If the calculated indexation percentage is between the minimum and maximum indexation percentage, amounts are indexed based on the calculated percentage.

 For decreasing indexed amounts, you can specify negative indexation percentages in these fields.

Example

Maximum indexation value = 6%

Minimum indexation value = 3%

Consider the following scenarios:

Scenario 1: The calculated indexation percentage (6.3%) is greater than the maximum indexation value specified in the contract line. The amount in the contract line will be indexed by 6%.


Scenario 2: The calculated indexation percentage (2.8%) is below the minimum indexation value specified in the contract line. The amount in the contract line will be indexed by 3%.

Scenario 3: The calculated indexation percentage (4.2%) is between the minimum value and the maximum value specified in the contract line. The amount in the contract line will be indexed by 4.2%.

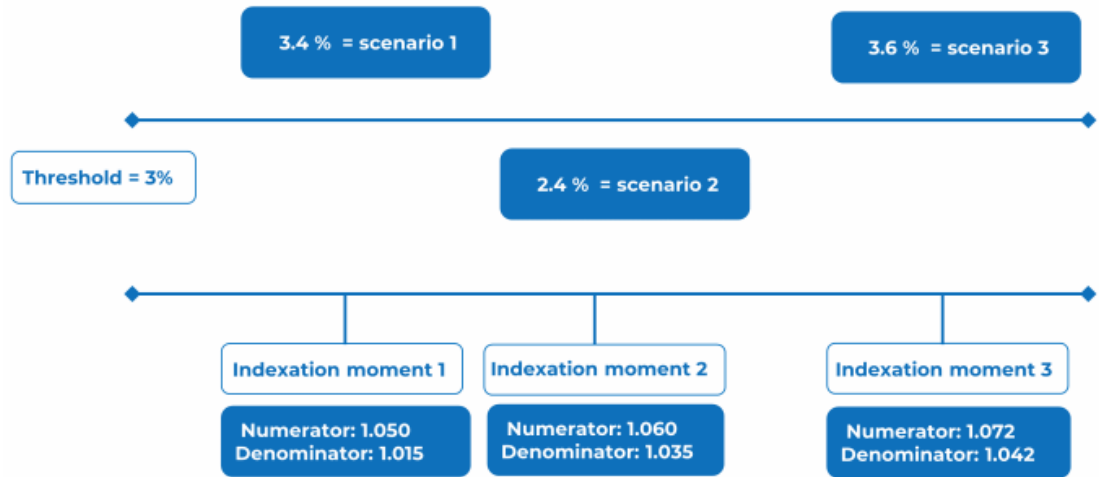
Using a threshold value

If you are using a base amount indexation method or an indexation based on index groups, you can also specify a threshold value in the appropriate field at the **Contract details > Contract lines** step.

If the calculated indexation percentage is less than the threshold value specified, no indexation takes place. However, Planon ProCenter notes the date and time at which indexation was attempted and the denominator of this failed indexation is carried over to be used as the denominator in the next indexation attempt. In the calculation of the next indexation, the denominator of the previous indexation attempt and the numerator of the current indexation are used.

 You can also enter a negative value in the **Indexation threshold %** field.

Example



Scenario 1: The calculated indexation percentage (numerator = 1.050 / denominator = 1.015 = 3.4%) is greater than the threshold value specified in the contract line. The amount in the contract line will be indexed by 3.4%.

Scenario 2: The calculated indexation percentage (numerator = 1.06 / denominator = 1.035 = 2.4%) is below the threshold value specified in the contract line. Therefore, the amount in the contract line **will not** be indexed. Planon ProCenter will only register the indexation moment (=indexation moment 2).

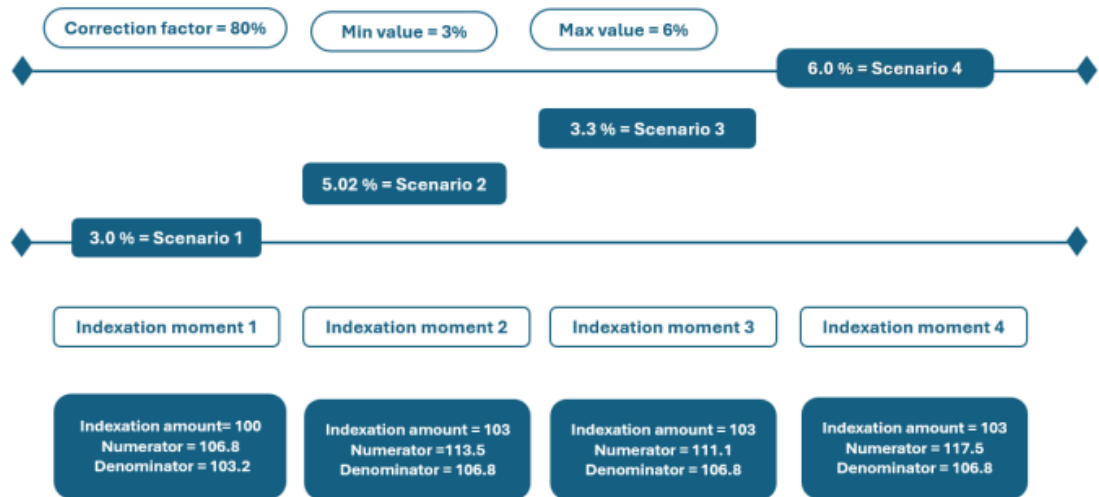
Scenario 3: The calculated indexation percentage (numerator 1.072 / denominator = 1.035 = 3.6%) is greater than the threshold value specified in the contract line. The amount in the contract line will be indexed for indexation moment 3. Note that the denominator used is not the denominator of indexation moment 3 but the denominator of indexation moment 2!

Using a correction factor

If you are using a base amount indexation method or an indexation based on index groups, you can also specify a correction factor on the indexation percentage in the appropriate field at the **Contract details > Contract lines** step.

The calculated indexation percentage will be multiplied by the correction factor. The result of this calculation is used to index the amount in the contract line.

Example



Scenario 1: The calculated indexation amount is 3.5. After the correction factor is applied, the indexation percentage is 2.8 ($80\% \times 3.5 = 2.8$). Comparing this number with indexation amount, the percentage lies below the minimum value, the amount on the contract line will be indexed by minimum value (=3%). As the correction factor is occurred because of minimum indexation is applied, for the future indexations the calculated new Amount (103) is taken as indexation amount and numerator of the current indexation (106.8) will be set as index number for future indexations.

Scenario 2: The calculated indexation amount is 6.4. After the correction factor is applied, the indexation percentage is 5.04 ($80\% \times 6.4 = 5.02$). Comparing this number with indexation amount, the percentage lies between the minimum value and maximum value, the amount on the contract line is indexed by 5.02% ($80\% \times 6.4 = 5.02$).

Scenario 3: The calculated indexation amount is 4.1. After the correction factor is applied, the indexation percentage is 3.3 ($80\% \times 4.1 = 3.3$). Comparing this number with indexation amount, the percentage lies above the minimum value, the amount on the contract line will be indexed by 3.3% ($80\% \times 4.1 = 3.3$).

Scenario 4: The calculated indexation amount is 10.3. After the correction factor is applied, the indexation percentage is 8.2 ($80\% \times 10.3 = 8.0$). Comparing this number with indexation amount, the percentage lies above the maximum value, the amount on the contract line will be indexed by maximum value (= 6%). As the correction factor is occurred because of maximum indexation is applied, for the future indexations.

Registering a price level amount

You can use price level amounts to register future price increases during the life of a contract. Planon will automatically index and adjust these amounts whenever the contract is indexed between the **Price level date** and the **Date effective**.

i This feature is available for all types of lease contract lines, but not for service contract lines and SLA lines.

1. Go to the Contracts / Lease contracts (lease accounting) TSI.

2. Select the contract line for which you want to register a price level amount.
3. On the action panel, click Add price level amount.

The Price level amount wizard opens.

4. On the Price level amount changes step of the wizard, specify the Price level date. The amount has a specific value on this date.
5. Specify the date as of which the price applies in the Date effective field.
6. Enter the amount in the Price level amount field.
7. Click Next in the wizard to go to the Price level amount details step.

The screenshot shows a window titled "Price level amount" with a close button (X) in the top right corner. On the left, there are "Selection steps": "1. Price level amount changes" and "2. Price level amount details" (which is highlighted in blue). The main area is titled "2. Price level amount details" and contains a table with the following data:

Price level date	1/22/2021
Date effective	5/19/2021
Price level amount	€ 75,000.00
Old amount	€ 60,000.00
New amount on 'Date effective'	€ 75,000.00

At the bottom of the window, there are three buttons: "Previous", "Complete", and "Cancel".

This read-only overview displays the Price level date and the Date effective you specified in the previous step of the wizard. The other fields are automatically populated by Planon. The Old amount field displays the old price and the New amount on 'Date effective' field displays the new price, as specified in the previous step of the wizard.

8. Click Complete to confirm your settings and close the wizard.

The price level date and price level amount are stored on the contract line. The new amount is stored in the Amount field on the contract line. Planon will automatically recalculate the amount whenever the contract is indexed or re-indexed between the price level date and the date effective.

Example

The following example shows how price level amounts in combination with indexation works in Planon.

- o Start of the lease in April 2020 with a rent-free period
 - October 15, 2020: the amount becomes 2,000 EUR/month (price level 2020)
 - October 15, 2021: the amount becomes 2,500 EUR/month (price level 2020)

- October 15, 2022: the amount becomes 3,000 EUR/month (price level 2020)
- The contract will be indexed with 103/100 as of January 1, 2021
 - October 15, 2021: the amount becomes 2,575 EUR/month
 - October 15, 2022: the amount becomes 3,090 EUR/month
- The contract will be indexed with 105/103 as of January 1, 2022
 - October 15, 2022: the amount becomes 3,150 EUR/month
- The contract will be re-indexed with 106/103 as of January 1, 2022
 - October 15, 2022: the amount becomes 3,180 EUR/month
- As of October 15, 2023, there will be an additional amount change (price level is 3,500 in 2021). Given the indexation of 106/103 as of January 1, 2022, the amount becomes 3,601.94 as of October 15, 2023.

Amount changes and indexation

The amount registered on a contract line is the agreed amount that you receive or pay in exchange for the usage of an asset. An amount can change over time, by manual adjustment or by indexation. Planon supports the indexation of amounts during the life of a lease, based on several indexation methods. Historical changes in amounts based on manual changes or indexations are registered by Planon in separate [life cycles](#).

Planon's **Price level amounts** feature allows you to register future price changes at the current price level. Planon will automatically index and adjust these amounts whenever the contract is indexed. For more information, see [Registering a price level amount](#).

When indexing or re-indexing a lease, Planon checks all amount changes after the indexation date. In case of an indexed amount or a price level amount, Planon will (re)index the amount.

Planon automatically populates the **Reason for price change** field on the contract line with the one of the following values:

- Manual indexation
- Amount changes due to indexation
- Price level amount
- Price level amount changes due to indexation
- Not indexed: threshold value not reached



For more information on price indexation, see [Adjusting contract prices using indexation](#).

Using contract options - renew, shorten, terminate

Linking contract options enables you to:

- Renew a contract

- Shorten a contract
- Terminate a contract

In addition to the above-mentioned contract options, Planon ProCenter also supports general contract options. You can use these to add your own contract options.

You can maintain a history of contract options at the **Life cycle contract lines > History of contract options** selection step. For details on the history functionality, see [Maintaining a contract's history](#).



You can also terminate a contract by setting its status to **Terminated**. For details on this subject, see [Terminating a contract](#).

Linking contract options to a contract

Proceed as follows to link contract options to a contract:

Procedure

1. On the Contracts selection level, select the contract to which you want to link a contract option.
2. Go to the Contract details > Contract options selection step.
3. On the action panel, click the required Add option.
4. In the data section, complete the relevant fields.

For a description of these fields, refer to [Contract options fields](#).

5. Click Save.

You have created a contract option and linked it to the selected contract. A contract option is assigned the **In preparation** status by default. To activate an option, click **Active** on the **Status transitions** action panel. For details on applying contract options, see [Applying contract options](#).

Applying contract options

Options that have been added to a contract can be applied if the contract's status is either **Active** or **Renewed**. An option can only be applied if the reference date is active. For details on using reference dates, see [Reference date](#).

Proceed as follows to apply contract options:

Procedure

1. At the Contracts selection level, select the contract to which you want to apply a contract option.
2. Go to Contract details > Contract options.
3. Select the contract option you want to apply.

4. On the Status transitions action panel, click Applied. The contract option's status is now set to Applied.

Depending on the contract option type you are using, the following takes place:

- If you are using a renewal option, this option is now applied. Planon ProCenter automatically changes the contract's status from **Active** to **Renewed** while modifying the end date. The new end date is calculated as follows: current end date + renewal term.
- If you are using a shortening option, this option is now applied. Planon ProCenter automatically changes the contract's end date.
- If you are using a termination option, the following question is displayed:

The contract will be terminated, with <actual end date calculated by Planon> as end date. Would you like to continue? (Please select No to change the date).

If you select **Yes**, Planon ProCenter automatically changes the contract's status to **Terminated** while populating the contract's **Actual end date** field. The actual end date is calculated as follows:

Date specified in the option's **Ultimate notification date** field + term of notice.

If you select **No**, a dialog box is displayed allowing you to choose another actual end date for the contract.

Notice dates on contract options

Notice dates can be used in notifications, so that a contract manager can take timely action on a contract or contract option before the notice date expires. Notice dates are automatically calculated and updated by Planon.

A notice date is shown at:

- Contracts level
- Contract options level (renewals and terminations)

When calculating the notice date on a contract, any linked active terminations and renewals are also included. The notice date that is shown on the contract is always the smallest date, i.e. the date closest to the current date.

You can use the **Tentative contract end date** and **Tentative notice date** fields on renewal options and termination options for reporting purposes or for filtering the elements list. This way you can quickly and easily see when you need to take action, based on the list of active contract options.

For renewal options, the **Tentative notice date** is determined as follows:

- options based on priority: **Contract end date** + renewal term of active renewal option - **Notice date accepting party**
- options without priority: **Tentative notice date** = **Valid up to and including date**

Examples of calculating the notice date

Contract with a renewal option without priority:

- Contractual end date = 31-Dec-2021
- Renewal term = 2 months
- Valid up to including date = 30-Nov-2021
- Tentative notice date = 30-Nov-2021
- Tentative contract end date = 31-Dec-2021 + 2 months = 28-Feb-2022

Contract with two renewal options with priority:

- Contractual end date = 31-Dec-2021
- Renewal option 1: priority 1, renewal term = 3 months
- Notice term acc. party = 2 months
- Tentative notice date = 31-Dec-2021 - 2 months = 31-Oct-2021
- Tentative contract end date = 31-Dec-2021 + 3 months = 30-Mar-2022
- Renewal option 2: priority 2, renewal term = 4 months
- Notice term acc. party = 2 months
- Tentative notice date = 31-Dec-2021 + 3 months - 2 months = 31-Jan-2022
- Tentative contract end date = 31-Dec-2021 + 3 months + 4 months = 31-Jul-2022

Further reading

For more information on working with contract options, see:

- [Automated processing of contract options](#)
- [Examples of using renewal options](#)
- [Examples of using termination options](#)

Automated processing of contract options

Planon ProCenter supports automated processing of the following types options:

- [Renewal options](#)
- [Termination options](#)

Automated processing of renewal options

1. In the Contracts TSI, on the Contracts selection level, select the Automatic renewal? check box. This is a precondition for automatically processing renewal options.
2. In the Alerts TSI, define an action definition. The action definition consists of:
 - An alert condition based on a specific business object (either service contract or lease contract), and a filter to automatically select the contract
 - An action (Automatic renew)
 - A schedule
 - A start date-time



For more information on alerts functionality, refer to the *Alerts* documentation.

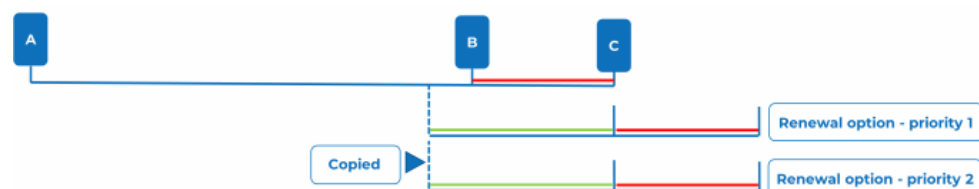
3. Click Save and, on the Action definitions action menu, set the action definition to Active.

When defined, Planon's automatic scheduling mechanism will process the definition based on the specified schedule, and it will process renewal options in the following order:

- Planon ProCenter will check whether the date specified in the renewal option's **Ultimate notification date** field has passed and whether the option is active and has not yet been applied. If this is the case, the renewal option will be applied.



- If the next notice date (Contract end date – Term of notice) has passed, Planon ProCenter will apply the active renewal option with the highest priority.



Legend:

- A: Contract start date
- B: Next notice date (Contract end date – Term of notice)
- C: Contract end date
- Green color: Renewal period - Term of notice
- Red color: Term of notice

Automated processing of termination options

Termination options can be processed based on the value of one of the following fields:

- Calendar
- Month(s)
- Interval

If either of these fields is filled, Planon ProCenter will detect and automatically process the termination options.

There can only be one active termination option per contracting party (offering and accepting). This means that each contracting party can individually have an active automatic termination option, or they can have a shared automatic termination option. The value in the **Exercising possible by** field determines to whom the termination option applies:

- Accepting party
- Offering party
- Both

For contracts with a recurring termination option, automatic processing of the termination option ensures that the contract and contract options always display the latest end dates for both the offering and the accepting party. Automatically processing the termination option does not terminate the contract, but updates the contract's termination dates.

At all times you can click **Recalculate notice dates** on the action panel, but you can also set up a scheduled action to do this regularly and automatically.

Automatic processing

1. In Alerts, define an action definition. The action definition consists of:
 - An alert condition based on the contract's business object (or specifically on service contract or lease contract), and a filter to automatically select the contract option.
 - An action (Recalculate notice dates)
 - A schedule
 - A start date-time



For more information on the alerts functionality, refer to the Alerts documentation.

2. Click Save and, on the action menu, set the action definition to Active.

When defined, Planon's automatic scheduling mechanism will process the definition based on the specified schedule.

When the action definition is processed, the contract data is updated.

How does it work?

Let's assume a contract has two termination options: A and B.



At the current date, indicated by the red arrow, termination option A is valid, and its details are filled on the contract.

When time has progressed and termination option A is no longer valid, the scheduled action will notice this and will automatically update the termination dates by executing the **Recalculate notice dates** action.



Example

Situation before automatically processing the termination option

- September 9, 2020, is the accepting party's next end date.
- A new termination option is ready to become effective
 - Next end date - Accepting party: 09/09/2020
 - Next end date - Offering party: January 31/01/2020
 - Next notice date - Accepting party: 08/09/2010
 - Next notice date - Offering party: 31/10/2020

Situation after automatically processing the termination option

The scheduled action has detected that the end date has passed and executes the **Recalculate notice dates** action which updates the next end date and next notice date.

Next end date - Accepting party: 30/09/2020

Next end date - Offering party: January 31/01/2021

Next notice date - Accepting party: 23/09/2020

Next notice date - Offering party: 31/10/2020

Specifics about automatically processing termination options

- The termination options are processed based on a next notice date that has passed and an alerts action definition plus schedule.
- Both the offering party and the accepting party can have multiple termination options, but only one option (per party) will be processed automatically.
- Options apply per contract party (or both). When saving an active termination option, an action is triggered to check whether the end dates specified on

Users can filter on or specify a notification on the fields displaying the various end dates. In this way, users will always know or be informed about the upcoming end dates.

Examples of using renewal options

The examples in this section describe several possibilities for registering and using renewal options. All combinations of the listed examples are permitted. Executing options can be done in three ways:

- Manually: by changing the status of the option from **Active** to **Applied**;
- Manually: by using the **Automatic renew** action on the **Contracts** selection level (if the *proposed expiration date – term of notice* is before the current system date, the option with the highest priority will be executed.);
- Automatically: by using an action definition in the Alerts TSI (if the *proposed expiration date – term of notice* is before the current system date, the option with the highest priority will be executed.).

Renewal options - example 1

Case: contract with an end date (specified duration). The duration of the contract is five years, with two renewal options for five years. After that, a repeated renewal of one year.

Contract 5 years	Renewal: 5 years Priority 1 Repeat: No	Renewal 5 years Priority 2 Repeat: No	Renewal: yearly Priority 3 Repeat: Yes	Yearly renewal	Yearly renewal
---------------------	--	---	--	----------------	----------------

The following settings are used:

Contract

Field	Field value
Start date contract	1/1/2011
Duration	5 years
Notice term	3 months
Proposed expiration date	31/12/2015

Renewal option 1

Field	Field value
Description	Renewal 5 years
Priority	1
Renewal term	5 years
Repeat renewal	No
Status	Active

Renewal option 2

Field	Field value
Description	Renewal 5 years
Priority	2
Renewal term	5 years
Repeat renewal	No
Status	Active

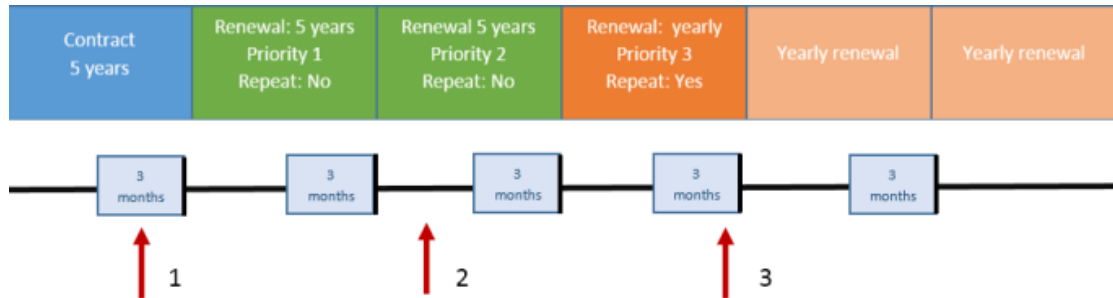
Renewal option 3

Field	Field value
Description	Yearly renewal
Priority	3
Renewal term	1 year
Repeat renewal	Yes
Status	Active

Applying the option

The renewal option can be applied:

- manually by choosing the **Automatic renew** option from the action menu at the **Contracts** selection level
- or automatically by executing the action defined in Alerts .



The red arrow is the current system date. The option will be applied if the *proposed expiration date – term of notice* is before the current system date.

1. *Proposed expiration date – term of notice* is before the current system date. Option 1 will be applied.
2. *Proposed expiration date – term of notice* is after the current system date. Option 3 will not be applied.
3. *Proposed expiration date – term of notice* is before the current system date. Option 4 will be applied and a new option will be active (because of repeated renewal)

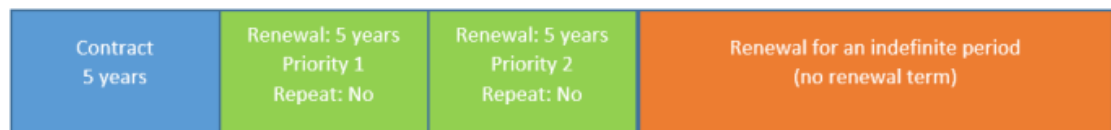
After the renewal is applied the following fields will be changed:

Field	New value
Status	Renewed
Duration	+ duration renewal term
Proposed expiration date	+ duration renewal term
Option counter	1

i The contract lines (=amounts) will also be renewed if the **Renew together with contract** field is set to **Yes**.

Renewal options - example 2

Case: contract with an end date (specified duration). The duration of the contract is five years, with two renewal options for 5 years. Subsequently, it becomes a contract of indefinite duration.



The following settings are used:

Contract

Field	Field value
Start date contract	1/1/2011
Duration	5 years
Notice term	3 months
Proposed expiration date	31/12/2015

Renewal option 1

Field	Field value
Description	Renewal 5 years
Priority	1
Renewal term	5 years
Repeat renewal	No
Status	Active


Renewal option 2

Field	Field value
Description	Renewal 5 years
Priority	2
Renewal term	5 years
Repeat renewal	No
Status	Active

Renewal option 3

Field	Field value
Description	Renewal for indefinite period of time
Priority	3
Renewal term	-
Repeat renewal	No

Field	Field value
Status	Active


 For information on applying the option and viewing the results on the **Contracts** selection level, see [Renewal options - example 1](#).

Renewal options - example 3

Case: contract with an end date (specified duration). The duration of the contract is five years. After five years, there is a choice to renew the contract with 5+5 years or 2+2+2+2+2 years.

Contract 5 years	Renewal: 5 years			Renewal: 5 years	
	Renewal: 2 years	Renewal: 2 years	Renewal: 2 years	Renewal: 2 years	Renewal: 2 years

Since the organization can choose after five years which renewal option they want to use, it is possible to add both renewal 'methods' to the contract. In Planon, it is mandatory to populate either the **Priority** field or the field **Valid up to and including**. In that respect, it is important to leave the status of the option **In preparation**. Once the organization has decided which options they will use, those options can be set to **Active**. The options that are not used, have to be assigned the **Canceled** status.

 For information on applying the option and viewing the results on the **Contracts** selection level, see [Renewal options - example 1](#).

Examples of using termination options

The examples in this section describe several possibilities for registering and using termination options. All combinations of the listed examples are permitted. Termination options can be used for two reasons:

- To terminate a contract
- For contracts with a recurring termination option, automatic processing of the termination option ensures that the contract and contract options always display the next possible end dates (next end date) and the next possible notice date (next notice date) for both the offering and the accepting party. These dates are displayed on the **Contracts** selection level.

To calculate the **Next end date** or the **Next notice date**, a recurring termination option is required. To display the latest dates on the **Contracts** level you can use the **Recalculate notice dates** action or use **Alerts** to check options on a scheduled base. With this action the contract will NOT be terminated. Only the fields **Next end date** and **Next notice date** will be updated.

If you want to terminate the contract you can apply a termination option or use the **Terminated** status on the **Contracts** selection level.

Termination options - example 1

Case: contract without an end date (without a specified duration). Possibility to end the contract after one year, with a term of notice of three months for both the offering and the accepting party.



The following settings are used:

Contract

Field	Field value
Start date contract	1/1/2015
Duration	-
Notice term	3 months
Proposed expiration date	-

Termination option

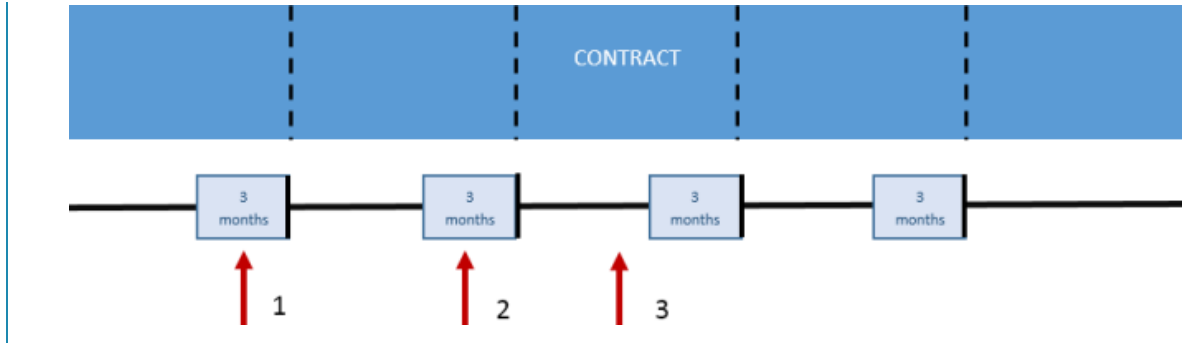
Field	Field value
Description	Yearly termination
Exercising possible by	Both
Based on	End date
Next possible end date	31/12/2015
Notice term	3 months
Ultimate notification date	30/09/2015 (calculated automatically)
Recurrence - Interval	1 year
Status	Active



All kinds of recurrence settings are possible. The result and functionality is the same.

Result of the option in Active status.

When the option's status is **Active** and the initial **Valid up to and including** date or the date in the **Ultimate notification date** field is in the past, Planon will automatically change the dates to the next possible dates.



By using the **Recalculate notice dates** action on the **Contracts** selection level or using alerts to check active options on a scheduled basis, the **Next end date** and **Next notice date** fields are updated. The red arrow is the current system date.

1. The **Next notice date** and **Next end date** have passed. Planon will display the new **Next notice date** and **Next end date**:
 Next end date - Accepting party: 31/12/2015
 Next end date - Offering party: 31/12/2015
 Next notice date - Accepting party: 30/09/2015
 Next notice date - Offering party: 30/09/2015
 Notice term: 3 months
2. The **Next notice date** and **Next end date** have passed. Planon will display the new next notice date and next end date. (in this example: Next end date = 31/12/2015 and Next notice date = 30/9/2012)
3. The **Next notice date** and **Next end date** have not passed. In this case, the next notice date and next end date will be the same.

Applying the termination option

Applying the termination option can be done in two ways:

- By setting the status of the termination option to **Applied**. The suggested date will be the **Actual end date**. This date is the same as the date in the **Next end date** field. It is possible to change the date.
- By setting the status of the contract to **Terminated**. The suggested date will be the **Actual end date**. This date is the same as the date in the **Next end date** field. It is possible to change the date.

When applying termination options, contract lines (amounts) will be terminated as well. As long as the **Actual end date** is after the current system date, all functionality (invoicing, indexing, etc.) on the contract is possible.

Termination options - example 2

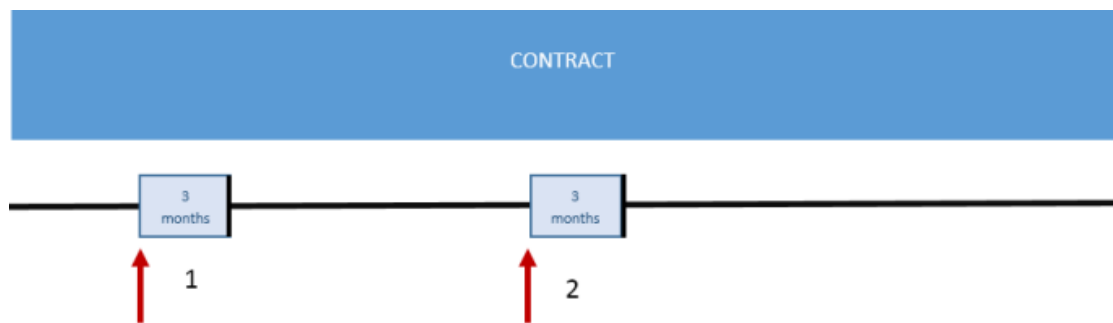
Case: contract without an end date (without a specified duration). The contract can be terminated at any moment, but Planon has to take the term of notice of three months into account.

The following settings are used:

Contract

Field	Field value
Start date contract	1/1/2015
Duration	-
Notice term	3 months
Proposed expiration date	-

In this case, do not use an option, but use the **Terminated** status change on the **Contracts** selection level. There is a field available to display the current system date + term of notice: **Proposed termination date**.



The red arrow is the current system date.

1. System date is 1-4-2015. Planon calculates: current system date + term of notice (1-4-2015 + 3 months). The **Proposed termination date** will be 30-6-2015.
2. System date is 10-8-2015. Planon calculates: current system date + term of notice (10-8-2015 + 3 months). The **Proposed termination date** will be 10-11-2015.

Examples of using shortening options

A shortening option can be applied to correct the duration of on an active contract.

Shortening options - example 1

Case: contract start date is 1/1/2015; the contract has a duration of five years. The contract is active. You want to shorten the contract by two years.

The following settings are used:

Contract

Field	Field value
Start date contract	1/1/2015

Field	Field value
Duration	5 years
Notice term	3 months
Proposed expiration date	31/12/2019

Shortening option

Field	Field value
Description	Shortening with 2 years
Ultimate notification date	31/12/2017
Brought backward contract end date	31/12/2017

Applying the shortening option

Set the status of the option to **Applied**. The **Proposed termination date** field will be populated with the same date as the **Brought forward contract end date** (31/12/2017). The contract status is still **Active**.

Shortening options - example 2

Case: contract start date is 1/1/2015; the contract has a duration of 5 years. A renewal option of 5 years is applied. The status of the contract is **Renewed**. You want to shorten the contract by 4 years.

The following settings are used:

Contract

Field	Field value
Start date contract	1/1/2015
Duration	10 years (after applying the renewal option)
Notice term	3 months
Proposed expiration date	31/12/2024

Shortening option

Field	Field value
Description	Shortening with 4 years
Ultimate notification date	31/12/2020

Field	Field value
Brought backward contract end date	31/12/2020

Applying the shortening option

Set the status of the option to **Applied**. The **Proposed termination date** field will be populated with the same date as the **Brought backward contract end date** (31/12/2020). The contract status is still **Renewed**.

Extending or shortening individual contract lines

You can extend or shorten the duration of individual contract lines by changing the contract line's end date.

Procedure

1. At the Contract lines selection step, select the contract line you want to extend or shorten.
2. On the action menu, click Change end date.

The **Enter values** window is displayed. By default, the current end date is selected in the **End date** field.

3. In the Enter values window, click  in the End date field to select another end date.

 If you clear the **End date** field of the **Enter values** window, the contract line's **End date** field is cleared too.

4. Click the required date and click OK.

The contract line's end date has now been changed.

 If a contract line is extended, the corresponding costs, if any, are also extended.

Terminating a contract

There are two ways to terminate a contract:

- By using a termination option.
For details, see [Using contract options](#).
- By setting the contract's status to **Terminated**.

The following procedure describes how to terminate a contract by setting its status to **Terminated**.

Procedure

1. Select the contract that you want to terminate.

To terminate multiple contracts in one go, use Action in selection. For more information, see [Action on selection](#).

2. Select the Terminated status from the action panel.

A pop-up will appear in which you must confirm the termination of the contract. You can optionally choose a different termination date.

3. In this pop-up, click Yes to use the proposed date as termination date or click No to select another date.
 - If you selected multiple contracts, you can specify an end date for each contract separately.
 - If you terminate a contract, the corresponding contract lines are terminated as well. For more information on terminating individual contract lines, see [Terminating individual contract lines](#).



If you specified a term of notice for the contract, Planon ProCenter automatically calculates the next possible end date based on the end date and the term of notice.

Terminating contracts will update the termination date on active contract lines based on the following conditions:

- If the contract line's actual end date is *before* or *on* the contract's termination date, Planon does not change the actual end date of the contract line, but only sets the status of the contract line to **Terminated**. Contract lines with the status **Inactive**, **Precalculate** and **Expired** will remain unchanged.
- If the contract line's actual end date is *after* the contract's termination date, Planon will change the contract line's end date to the specified termination date. Commitments are recalculated and the status of the contract line is set to **Terminated**. The termination date is updated for contract lines with the status **Inactive**, **Precalculate** and **Expired**.

Terminating individual contract lines

You can terminate one or multiple contract lines by using a status transition.

Procedure

1. Go to Contract details > Contract lines.
2. Select the contract line(s) that you want to terminate.

To terminate multiple contract lines in one go, use Action in selection. For more information, see [Action on selection](#).

3. On the Status transitions action panel, click Terminated.

A pop-up will appear in which you must confirm the termination of the contract line(s). You can optionally choose a different termination date.

4. In this pop-up, click Yes to use the proposed date as termination date or click No to select another date.

If you selected multiple contract lines, Planon asks you if you want to terminate all selected contract lines with the same end date. If you choose Yes, all selected contract lines will be terminated with the same end date. If you choose No, you can specify an end date for each contract line separately.

Contract communication logs


You can add or view memos of all relevant communications regarding the selected contract, such as emails, telephone calls, reports.

 For more information on communication logs, see [Fundamentals](#).

Procedure


1. Go to Contracts.
2. Select the contract to which you want to add the communication log.
3. On the action panel, click Add communication log.
The Add Communication log dialog box appears.

If there are multiple user-defined communication logs available, use the drop-down to select a specific user-defined communication log.

 In order to be able to select a user-defined communication log in the drop-down list of the communication log pop-up, a layout must be defined for the communication log, with **Yes** selected at the **For use in pop-up** option and the **Add** action present on the layout.

 For more information on adding actions to a layout, see [Layouts](#).

4. Type the message you want to communicate.

 When adding a note to a communication log, you can enter the description of the communication log directly in the **Description** field of the **Add communication log** dialog box.

5. Click Send.
6. Click **Close** to close the Add Communication log dialog box.

At the Contract details > Communication logs - contracts step, you can view the already added communication logs of a contract or add new communication logs. For information on the fields, see [Communication logs fields](#).

Calculating and displaying financial commitments

Contract lines generate financial commitments in Planon. Financial commitments are always related to payments or revenues. Based on the agreements made on amounts, payment frequency and commitment periods, Planon calculates the corresponding commitments and the dates at which these should be paid / received. In **Contracts**, go to **Contracts > Contract line details > Financial commitments** to view the financial commitments.



For lease accounting contract lines, Planon calculates accounting commitments. For more information, see [Accounting commitments](#).

- Financial commitments generate [postings](#) in Planon for journal entries in your financial system. See [Generating postings and journal entries](#).
- Financial commitments can be calculated and shown for all types of contracts, provided that the contracts are in the **Active, Renewed, Terminated, Expired** or **Blocked** status.
- If a contract line has an end date, the financial commitments are calculated and displayed until the end date. If a contract line does not have an end date, the number of financial commitments displayed is based on the setting **Cash flow calculation – years** in Field definer . Here, you can specify the number of years in advance for which Planon should calculate and display financial commitments on the **Financial commitments** selection step. The maximum value is 100 years.
If the **Cash flow calculation – years** setting is changed, the financial commitments are not updated automatically, to do this, go to the **Contracts** selection level and click **Recalculate commitments** on the action panel.
When an amount related change is applied, the financial commitments are re-calculated automatically, taking the **Cash flow calculation – years** setting in to account. For more information on this setting, see [Contract settings](#).
- Financial commitments are calculated individually for each contract line, based on the amount specified in the contract line.

Planon automatically recalculates the financial commitments if:

- A contract is terminated or renewed.
- Contract prices are adjusted (manually, via indexation, via a discount percentage or via a tax rate).
- If the payment frequency has changed.

For changes to amounts that have already been closed, Planon automatically creates a supplement. For details on closing amounts, see [Closing amounts](#). For details on supplements, see [Supplements](#).

Several data fields are available for financial commitments. For a description of these fields, see [Financial commitments data fields](#).

Precalculating commitments for inactive contracts

You can use the **Precalculate** status to generate commitments for inactive contract. This allows you to check the configuration of your contract lines before activating them. Contract lines with the **Precalculate** status are *not* taken into account when indexing a contract or when closing amounts. Additionally, *no* postings are created for these commitments and they are *not* sent to the financial system. You can modify contract lines with the **Precalculate** status and recalculate commitments or activate the contract line.

Procedure

1. Go to Contracts selection level and select the required contracts.
2. Go to Contract lines.
3. Select the inactive contract lines for which you want generate commitments.
4. On the Status transitions action panel, click Precalculate.

Financial overview

A tabular overview of financial commitments is displayed by clicking the **Financial overview** button at the Contract details > Financial commitments selection step. The data in this overview is not displayed by default when you navigate to the **Financial commitments** step. Use the **Show data** button to display the data. Each time you change a setting, you must generate the overview again.

The screenshot shows a table with columns for months, contract line types, and financial values. Callouts 1-6 point to: 1. Months dropdown, 2. Year dropdown (2021), 3. Contract line types overview dropdown, 4. Tax selection (Incl. tax selected), 5. Show data button, 6. Print button.

Months	2021	Contract line types overview	Incl. tax	Excl. tax	Lease	Service	SLA	Generating expe...	as...	Totals
2021.01			<input checked="" type="radio"/>	<input type="radio"/>	€ -67,701.95	€ 217.80		€ 0	€ 0	€ 0 € -67,484.15
2021.02			<input checked="" type="radio"/>	<input type="radio"/>	€ -705,153....	€ 217.80		€ 0	€ 0	€ 0 € -704,935....
2021.03			<input checked="" type="radio"/>	<input type="radio"/>	€ -47,340.91	€ 217.80		€ 0	€ 0	€ 0 € -47,123.11
2021.04			<input checked="" type="radio"/>	<input type="radio"/>	€ -75,718.60	€ 217.80		€ 0	€ 0	€ 0 € -75,500.80
2021.05			<input checked="" type="radio"/>	<input type="radio"/>	€ -705,153....	€ 217.80		€ 0	€ 0	€ 0 € -704,935....
2021.06			<input checked="" type="radio"/>	<input type="radio"/>	€ -47,340.90	€ 217.80		€ 0	€ 0	€ 0 € -47,123.10
2021.07			<input checked="" type="radio"/>	<input type="radio"/>	€ -75,718.61	€ 217.80		€ 0	€ 0	€ 0 € -75,500.81
2021.08			<input checked="" type="radio"/>	<input type="radio"/>	€ -705,153....	€ 217.80		€ 0	€ 0	€ 0 € -704,935....
2021.09			<input checked="" type="radio"/>	<input type="radio"/>	€ -47,340.91	€ 217.80		€ 0	€ 0	€ 0 € -47,123.11
2021.10			<input checked="" type="radio"/>	<input type="radio"/>	€ -75,718.60	€ 217.80		€ 0	€ 0	€ 0 € -75,500.80
2021.11			<input checked="" type="radio"/>	<input type="radio"/>	€ -705,153....	€ 217.80		€ 0	€ 0	€ 0 € -704,935....
2021.12			<input checked="" type="radio"/>	<input type="radio"/>	€ -47,340.90	€ 217.80		€ 0	€ 0	€ 0 € -47,123.10
Totals			<input checked="" type="radio"/>	<input type="radio"/>	€ -3,304,83...	€ 2,613.60		€ 0	€ 0	€ 0 € -3,302,22...

- 1 Financial commitments can be shown per year / quarter / month / week. If indicated in the contract settings (see [Contract settings](#)), you can also show

financial commitments per English / (Old) Scottish / Irish years, English / (Old) Scottish / Irish quarters.

- 2 Select the year for which you want to display financial commitments. You can choose between **All years** and **Current year**. After you have generated the overview, all other years will become available as options in this drop-down list.
- 3 Financial commitments can be displayed in different views. Select from:
 - **Contract line types overview** - financial commitments are grouped by contract line type: Lease, Service and SLA.
 - **Overview including payments** - This view can be used by customers using Cashflow . It provides a clearer overview of financial data than the financial commitments list view. The financial commitments are grouped by commitments, cashflow and balance.



The commitments displayed in this view are cumulative. If you double click a line, it opens a detailed view of all commitments incurred against the contract. The **Cashflow**, **Balance** and **Cumulative Balance** columns only show data from the start date of the cashflow. For an overview of these fields, refer to [Overview including payments - fields](#).

- **Contract lines overview** - financial commitments are grouped by contract line.
- **Contract line groups overview** - financial commitments are grouped by contract line group.



Contract line groups can be defined in Supporting data . For more information, see the Supporting data documentation.

- 4 Select if the financial commitments displayed must include tax or exclude tax. By default, the displayed values are always including tax.
- 5 Use the **Show data** button to display the data in the overview. Each time you change a setting, you must generate the overview again.
- 6 Financial commitments can be exported to Microsoft Excel using the **Export** button.

Selecting a cell in the financial overview displays a pop-up with a detailed overview of the relevant month or week. This pop-up also includes an **Export** button for Microsoft Excel.

The official start day of the week is determined by the language in which you use in Planon ProCenter . If you use US English, a week starts on Sunday and ends on Saturday. For other languages, a week can begin on Monday and end on Sunday. This is why the data shown in the Financial overview can differ per user language.

When drilling down directly from the **Properties** level to the **Financial overview** step, not all the contracts may be displayed since the reference date is taken into account. To

display all contracts, go to **Properties > Contracts** level and click **Deactivate reference date** on the toolbar, and then proceed to the **Financial overview** step.



In Field definer >Contracts > Business object settings you can specify how amounts of the type 'Pay' and 'Receipt' should be displayed in the Financial overview. For both types of amounts, you can specify if they should be shown as positive (+) or negative (-). For more information on this, see the Field definer documentation.

Interpreting values

The sign prefixing the commitments in the overview indicate whether money is paid or received. For an explanation of the meaning of these signs, please refer to following table. The explanation in this table is based on the default display settings as defined in Field definer >Contracts > Business object settings.

Contract line type	Sign	Meaning
Payment	positive	Cash in (receipt)
	negative	Cash out (payment)
Receipt	Positive	Cash in (receipt)
	negative	Cash out (payment)

Interpreting values – example

The following examples explain how to interpret the data in the **Overview including payments** view.

Example 1

- Payment (defined on contract line)
- No cashflow start balance
- Cashflow start date = 01 January 2010

	Commitments	Cashflow	Balance	Cumulative Balance
2010.01	-100	0	100	100
2010.02	-100	0	100	200

An amount of 100 is required to be paid on 2010.01, no cashflow is registered (nothing is paid), hence the balance and cumulative balance (money to be paid) is 100.

On 2010.02, again an amount of 100 is to be paid. No cashflow is registered, so the balance for the line is 100 (to be paid). Now, the cumulative balance is 200 (adding up the previous cumulative balance and the current balance).

Example 2

- Payment (defined on contract line)
- Cashflow start balance = 200 (to be paid – no money is registered in Planon ProCenter yet)
- Cashflow start date = 01 January 2010

	Commitments	Cashflow	Balance	Cumulative Balance
2010.01	-100	0	100	300
2010.02	-100	-200	-100	200

On 2010.01, 100 is due, no cashflow is registered (nothing is paid), so the balance is 100 (debit). The cumulative balance is 200 (cashflow start balance) + current balance = 300.

On 2010.02, 100 is due. 200 is paid, so the balance for this month is -100 (credit). The cumulative balance is 300 – 100 = 200.

Example 3

- Receipt (defined on contract line)
- No cashflow start balance
- Cashflow start date = 01 January 2010

	Commitments	Cashflow	Balance	Cumulative Balance
2010.01	100	0	-100	-100
2010.02	100	0	-100	-200

On 2010.01, 100 is due to be received. No cashflow is registered (nothing is paid), so the balance is -100 (credit), and the cumulative balance is -100.

On 2010.02, again 100 is due to be received. No cashflow is registered, so the balance for that month is -100. The cumulative balance is -100 + -100 = -200 (credit).


Example 4


- Receipt (defined on contract line)
- Cashflow start balance = -200 (to be received)
- Cashflow start date = 01 January 2010

	Commitments	Cashflow	Balance	Cumulative Balance
2010.01	100	0	-100	-300
2010.02	100	200	100	-200

On 2010.01, 100 is due to be received, but no cashflow was registered. Consequently, the balance is -100 (credit). Taking into account the cashflow start balance of -200, this brings the cumulative balance to #300.


On 2010.02, again 100 is due to be received, and 200 is paid. The balance for that month is 200 (paid) -100 (due) =100. The cumulative balance is -300 + 100 = -200.

 For a correct and complete overview we recommend not to filter out any data as this may render an incorrect view.

 You can pay money against contract commitments via invoices or via cashflow. For more information, see [Invoices](#) or [Cashflow](#) .

Reporting price changes via a price announcement letter

If a contract in the active status contains contract lines in which changes have occurred, you can create a price announcement letter to send to the accepting contracting party of that contract. Before you can do this, you must first create a [mail merge report definition and template file](#) for the price announcement letter. After you specify the period for which you want price changes to be reported, Planon ProCenter is able to merge the respective price change data into the report template you have already created.

 If the letter template is HTML-based, you can directly view the contents of the price announcement letter within the email body.

Procedure

1. At the Contracts selection level, select the contract for which you want to create a price announcement letter.
2. On the Report action panel, click Add price announcement form.
3. In the Price announcement forms dialog box, in the Price announcement forms action panel, click Add.
4. In the data panel, complete the relevant fields. For a description of these fields, see Price announcement letter fields. For an overview of how the Yes/No field settings in the price announcement letter dialog box determine which contract lines are included, refer to Yes/No field settings.
5. Click Save.

On the **Report** action panel, you can now click options such as **Edit email**, **Preview**, **Print**, **Send email** as required. Furthermore, if you only want to create the price announcement letter, to be sent at a later point of time, click **Create only**.

- When a contract line amount is indexed using index numbers, the specific index numbers used for the indexation can be shown in the price announcement letter, as well as the corresponding year, month, and group. This information is available as fields on the contract line: **Numerator - month**, **Numerator - year**, **Denominator - month**, **Denominator - year**. See [Contract line fields](#).

- Price announcement letters are saved in the location specified in **System Settings > File locations**.
- If required, a **View communication log** navigation action can be added to the price announcement form dialog box. Clicking this action will then take you to **Contract details > Contracts – price announcement form details** where you can view the details of a price announcement letter. To add this navigation action, please contact your Planon administrator.
- Once a price announcement letter form exists, you can use it to report changes to several contracts. To do this, select the contracts for which you want to report changes and use **Action on selection**.
- If you want to report changes for contract line group combinations (group combinations):
 1. Include fields from **PALs — group combination totals** as a subreport in your report template.
 2. In the **Price announcement forms** dialog box, select the price announcement form you want to use.
 3. Click **Link contract line group combination** on the **Links** action panel.
 4. In the **Link contract line group combination** dialog box, select the group combinations you want to link to your price announcement form.

For more information on adding contract line group combinations and contract line groups, see [Contract line groups and group combinations](#).

Emailing price announcement letters in bulk

In Planon you can send multiple price announcement letters in one go.

This feature uses bulk mail merge functionality



- Optionally, you can configure Planon to automatically fill in the email subject. To do so, you must make sure that the **Email subject report** references a data only report to be used for specifying the email subject.
- If you want to send price announcement letters as PDF, make sure that on **Price announcement forms** the **Save as PDF** is set to **Yes**

1. Select a number of contracts for which you want to send price announcement letters and click **Action on selection > Price announcement letter**.

The Price announcement forms dialog box appears.

2. Select the mail merge report that you want to use and specify a date range.
3. Click **Send email**.

- If you click **Print**, all price announcement letters will be downloaded (docx) or shown (html template).
- If you click **Create only**, the price announcement letters will be created, but will not be processed further.

Emails containing price announcement letters are now sent.

In contrast to bulk emailing, you can also email a single price announcement letter, in which case the **Edit email** option is also available.

Generating postings and journal entries

Prerequisites

Planon creates postings and journal entries for both financial commitments and accounting commitments. In order for the system to be able to generate journal entries, you must first do the following:

- define the [financial year\(s\)](#) for which you want to create journal entries.
- execute the **Generate journal entries for contracts** [action](#) to trigger generating journal entries for financial commitments (the **Generate journal entries for contracts** action refers to non lease accounting contract lines).
- perform a [trial amount closure](#) or [final amount closure](#).

If the above prerequisites are met, you can view the generated postings and their related journal entries in the **General ledger** TSI.

Postings can be provisional (**PRV**) or final (**FIN**). Both the provisional and final postings are always linked to their corresponding commitments. Planon updates the provisional postings to final postings after you have performed a final amount closure.

When does Planon generate journal entries and the related postings?

Planon generates journal entries and their related postings when financial commitments are closed at trial closure or at a final closure.

- For contract lines with the **Payment?** field set to **Yes** (=the contract amount is to be paid), Planon creates :
 - a **PRV** (provisional) posting, type CASH_OUT. The posting changes to **FIN** (final) at final closure.
 - two journal entries: CASH amount (credit) and ESUSP amount (debit)
- For contract lines with the **Payment?** field set to **No** (=the contract amount is to be received), Planon creates at trial closure: two journals (cr ISUSP amount, dr CASH amount). The posting changes to Fin at closure.
 - a **PRV** (provisional) posting, type CASH_IN. The posting changes to **FIN** (final) at final closure.

- two journal entries: ISUSP amount (credit) and CASH amount (debit)

Closing amounts

For accounting and invoicing purposes, Planon ProCenter allows you to close contract amounts up to and including a specified date. Since this financial data is used for payments, accounting and invoicing, it is vital that it is correct. For this reason, Planon ProCenter enables you to first run a trial closure of amounts to provide a preview on the financial data so that you can check for any mistakes. As soon as you have approved this data, the amounts can be closed definitively.



You can automate the process of closing amounts through action definitions. For more information, see [Adding an action definition](#) and [Action definition - business objects](#).

Financial data and accounting data can be closed separately. You must always close the financial data first, before you can close the accounting data. For more information on closing accounting data, see [Lease Accounting](#).



For changes to amounts that have already been closed, Planon ProCenter automatically creates a supplement. For details, see [Supplements](#)

For contract lines based on lease accounting, any changes on the amount after the contract is financially closed will generate additional accounting commitments. These commitments are registered in the next open period.

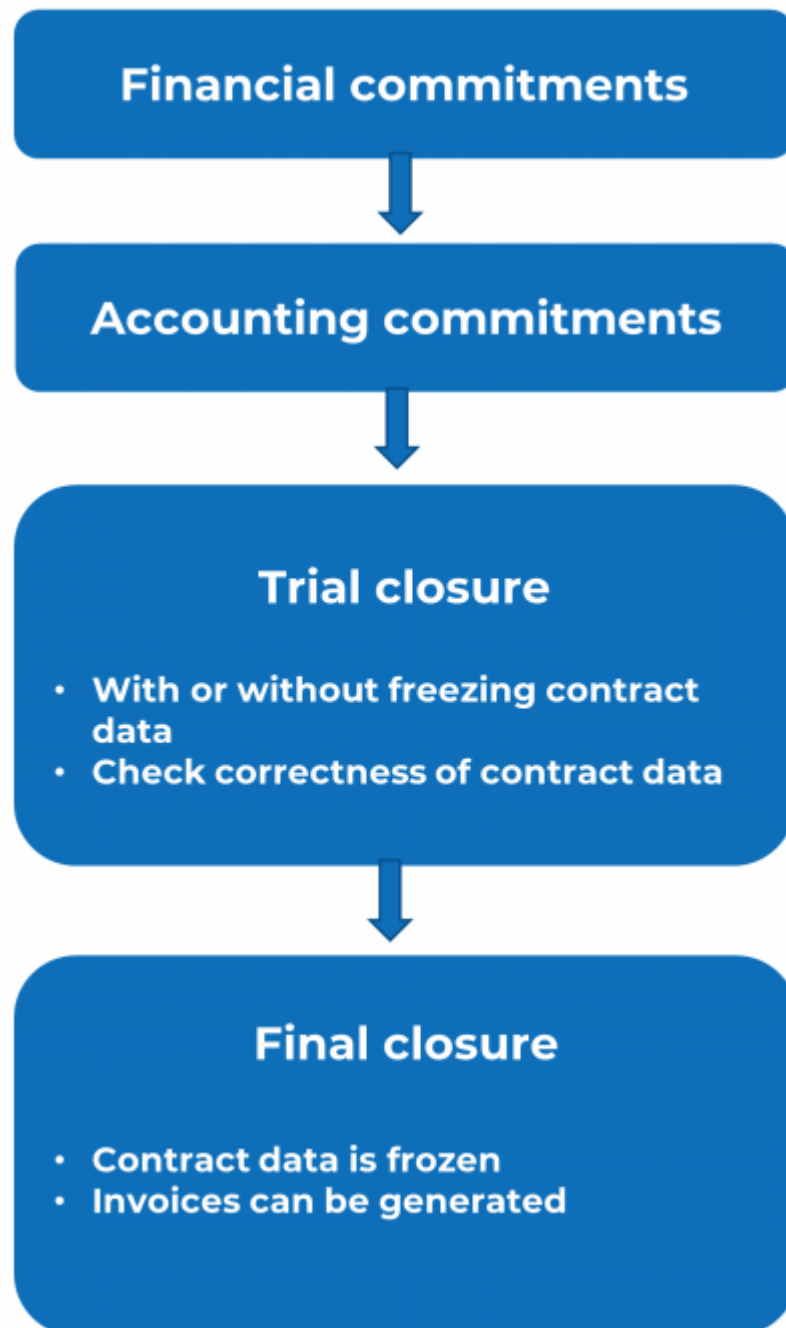
From release L95 Planon ProCenter allows for retrospective payments closure. The closure date of a financial commitment can now be set to the start date or end date of a supplement based on payment in advance or arrears and not the next open period. This functionality works as follows:

- Retroactive payments enabled (**Take retrospective payments into account** field set to **Yes**): When retroactive payments are enabled and any supplements are created, the closure date will be set as the start date of the commitments. This means, if a payment is made for a commitment that is due in the past, the closure date will be set to the start date of that commitment.
- Retroactive payments disabled (**Take retrospective payments into account** field set to **No**): When retroactive payments are disabled and any supplements are created, the closure date will be set as the start date of the next open commitment. This means, if a payment is made for a commitment that is due in the past and retroactive payments are not allowed, the closure date will be set as the start date of the next open commitment.

For more information, see [Amount changes in a financially closed period](#).

[Making contracts invoiceable](#)

The amount closure process



Running a trial amount closure

The purpose of trial amount closure is to allow you to check if the contract data and the financial data that will be generated for a certain period is correct. It is also possible

to temporarily freeze contract (line) data, for example if you want to make a last check before the final amount closure is run. In this case, use the **Trial close & freeze data** option. The procedure to run a trial closure is as follows.

Procedure

1. At the Contracts selection level, click the contract for which you want to perform a trial amount closure.
2. On the action panel, click Trial close or Trial close & freeze data.



In a situation where you are absolutely certain that financial data will not be changed, you can use **Trial close**. This will result in faster results, but you have to be absolutely sure that data is not changed. This situation might fit a small business. If financial data changes on the fly, it is best to perform a **Trial close & freeze**. By doing this, the data is locked for the set of contracts for which you are performing a trial closure. The trial closure run will take a bit longer, but your data remains unchanged. This situation better fits a medium/larger business.

The **Enter values** window is displayed. By default, the last day of the current month is selected in the **Trial closure until** field. Click **OK** if you want to use this date.

3. To select another date, click  in the Trial closure until field.
4. Select the required date.

The contract data and financial data now are automatically available in the **Closure date overview** TSI of the Contracts launch group. **Closure date overview** allows you to check the correctness of the data. For details on this TSI, see [Closure date overview](#).

After you have checked and approved the correctness of the financial and contract data, you can run a final amount closure. For details, see [Running a final amount closure](#).

Running a final amount closure

The procedure to run a final amount closure is as follows.

Procedure

1. At the Contracts selection level, click the contract for which you want to close the amounts.
2. On the action menu, click Close amounts.

All amounts of contract lines linked to the selected contract are now closed up to and including this date. The data in the **Closure date overview** TSI now becomes final. For details on this TSI, see [Closure date overview](#).

Closure date overview

After you have ran a trial amount closure, the invoice information of a contract is automatically available in the **Closure date overview**. This enables you to check the

correctness of the financial data and contract data before the final amount closure is run and before invoices are actually created and sent to customers.



The field settings in Field definer for the Contracts and **Closure date overview** TSIs must be identical. This is maintained automatically by Planon.



For details on field settings, see [Making field settings](#).

The **Closure date overview** TSI contains the following data:

- The **Closures dates** selection level displays all closures dates. For a description of these fields, see [Closure date fields](#).
- The **Contracts** selection level displays all contract data as it is on the closure date. Most fields on this selection level are equal to the fields on the **Contracts** selection level of the Contracts TSI. For details on these fields, see [Contract data fields](#). For a description of the fields that are specific for the **Closure date overview** TSI, see [Closure date overview - contracts](#).
- The **Contract lines** selection level displays all contract line data as it is on the closure date. Most fields on this selection level are the same as the fields on the **Contract lines** selection level of the Contracts TSI. For details on these fields, see [Contract line data fields](#). For a description of the fields that are specific for the **Closure date overview** TSI, see [Closure date overview - contract lines](#).
- The **Financial commitments** selection level displays all financial data as it is on the closure date. Most fields on this selection level are the same as the fields on the **Financial commitments** selection step of the Contracts TSI. For details on these fields, see [Financial commitments data fields](#). For a description of the fields that are specific for the **Closure date overview** TSI, see [Closure date overview- financial commitments](#).
- The **Accounting commitments** selection level displays all lease accounting data as it is on the closure date. For details on these fields, see [Accounting commitment data](#). For a description of the fields that are specific for the **Closure date overview** TSI, see [Closure date overview - accounting commitments](#).
- The **Postings** selection level displays the postings for the financial data (**Postings - financial commitments** step) and the postings for the accounting data (**Postings - accounting commitments** step).
- The **Ledgers** selection level displays the journal entries for the financial data (**Ledgers - financial commitments** step) and the journal entries for the accounting data (**Ledgers - accounting commitments** step).

For more information on the available fields, see [Posting and journal entry fields](#).



Note that the data in the **Closure date overview** TSI is read-only. You can run as many trial closures as needed. The previous trial closure data will be then deleted and replaced with

the new data. You can also manually delete the closure data and run a new trial closure.

To manually delete trial closure data, use one of the following options:

- The **Delete trial closure** option at the Contracts > **Contracts** selection level
- or
- The **Delete** option at the **Closure date overview** > **Contracts** selection level
 - After you have run a final closure, the data will be marked as final and can no longer be deleted.

Financial overview based on closure date

Displays the total commitments and supplements of a contract based on the closure date or start/end date on the Financial overview.

The Financial overview depends on the **Display financial overview based on the closure date** setting in **FieldDefiner** > **Contracts** > **Business object settings**.



For more information on contracts business object settings, see *FieldDefiner* > *Settings* for the Contracts business object.

For example, there is a financial commitment of 800 Euros per month from 1st April 2014 to 31st March 2015. The commitments for April & May 2014 are closed. In June 2014, due to a change in the commitment from 800 to 1000 Euros (from the beginning of the contract line), supplements of 200 Euros per month are generated for the closed months (April & May 2014).

The overview based on the closure date shows 1400 Euros in June, that is, 800 commitment for the month of June and additional 400 as previous months supplement amounts. Whereas, the overview based on start/end date shows commitments and supplements belonging to the corresponding months.

See the following tables for further illustration of the changed financials:

Overview based on closure date:

Date	Financial commitments
1st April 2014	800
1st May 2014	800
1st June 2014	1400
1st July 2014	1000

Overview based on start/end date:


Date	Financial commitments
1st April 2014	1000
1st May 2014	1000

Date	Financial commitments
1st June 2014	1000
1st July 2014	1000

Supplements

Supplements are generated over a period that is financially frozen, i.e. a period of which the amounts have already been closed. If you change an amount of a frozen period, Planon ProCenter automatically creates a supplement. The amount of the supplement is calculated as follows:

new amount – original amount = supplement amount.

 A supplement is calculated per commitment period. If the amount change is so far in the past that more commitment periods are influenced, then a supplement will be generated for each commitment period.


Supplements are shown on the **Contract line details > Financial commitments** selection step.

Example

For Contract X the following is defined:

- Contract period: 1 year (01/01/2008 – 12/31/2008)
- Amount specified in contract line: \$100 per month
- Amounts closed up to and including: 01/20/2008
- On 02/01/2008, the amount changes from \$100 to \$125

Planon ProCenter will now automatically create a supplement (\$25).

 Supplements related to financial commitments in the past must be paid immediately. Whereas, supplements related to financial commitments in the future can be paid on the same date as the regular financial commitments.

Changing payment date for supplements

It is possible to manually change payment date for the supplements using the following procedure.

Procedure

1. In Contract line details > Financial commitments, select the supplements for which you want to change the payment date.
2. On the action menu, click Change payment date.
3. Enter values dialog box appears. Select the changed date on which you want to pay the supplements.

4. Click OK.

A message is displayed that the payment date has been changed.



You can manually overrule the payment date of a supplement. However, when you regenerate a supplement (e.g. after changing the price again) while it is still in the initial status, the previous change will be lost.



To change payment dates of multiple supplements at a time, **Action on selection** can be used.

Using budgets



Contracts based on lease accounting cannot be used in combination with budgets. Although it is possible to link a budget (definition) to a lease accounting contract line, this has *no* effect on the budget. A lease accounting contract line linked to a budget (definition) will not be posted to the budget.


Depending on the setting of the **Payment?** field on the contract line, budgets can be income or expenditure. If this field is set to **Yes**, it is an expenditure, if set to **No**, it is an income. In service contract lines and non-lease accounting contract lines, the amounts can be defined as *positive* numbers or as *negative* numbers. However, Planon only takes the **Payment?** setting on the contract line into account, the sign of the amount (positive or negative) is irrelevant.

The contract line field **Payment?** determines how an amount should be registered: if it should be deducted from the budget or added to the budget. For example, money is deducted from an expenditure budget if the **Payment?** contract line field is set to **Yes**. Money will be returned to the budget if the **Payment?** contract line field is set to **No**.

Budgets on a contract line can be registered via:


- **A Budget definition**
 - first you have to enable journal entry generation for the contract for the open financial years. You can do this by clicking the **Generate journal entries for contracts** action in the **Financial year** TSI.
 - make sure that the **Budget definition** and the **Budget** have the same **Code** and are linked to the same **Cost group**.
 - The **Budget** must be in the **Open** status.
 - The **Budget category** and the **Contract line** must be linked to the same property.
- Budgets are now initially registered and further financial changes of amounts are allowed.
- **A Capital project** and **Cost group** combination

Budgets on capital projects can be registered and updated by linking a capital project and a cost group to a financial year.

 The **Update budgets on basis of budget definition** setting in Field definer > Contracts > Business object settings should be set to **Yes** to be able to register contract line amounts on budgets.


Every financial change on a contract line results in an update of the corresponding budget. For example, activating a contract line, closing an amount on the contract line, price changes on the contract line. If a budget definition is linked to a contract line:

- Activation of the contract line and recalculation of the financial commitments due to an updated amount updates the total committed costs on a budget.
- Final closure of the financial commitments (see [Closing amounts](#)) updates the total invoiced costs on a budget.

 For more information on working with budgets, see the Budgets user documentation.

Shifting contract dates

The **Shift contract dates** option allows you to shift the dates of a contract, together with the dates of all related subcontracts and contract lines. The dates of contract options, contract actions and contractual terms are automatically moved with the contract. It is recommended that you carefully check the new dates after you have shifted contract dates.

 If you work with [turnover rent](#) and you use the **Shift contract dates** option, the start date and end date of linked turnover profiles will also be shifted. For more information, see [Adding lease contracts](#).

If, initially, the contract's **Date effective** and the Planon > calculation start date were equal, and the contract's date effective is shifted forward, the Planon calculation start date is moved too. This is only applies to contracts with status **In preparation**.

Procedure

1. At the Contracts selection level, click the contract whose dates you want to shift. The Shift contract dates option is only available for contracts that are in the In Preparation status.
2. On the action panel, click Shift contract dates.

The Enter values window is displayed. The Enter values window contains the current start date and the current end date by default. If you want to move the contract forward a month, you simply specify a start date that is one month later. The end date is automatically adjusted.

3. Click OK.

The contract dates, including those for subcontracts and contract lines, are now shifted.

Example

In this scenario, the contract line and the subcontract have a different start date or end date than the contract.

Current situation:

Contract	
Start date	04/28/2022
End date	04/27/2023
Contract period	1 year

Contract line	
Start date	06/01/2022
End date	04/27/2023
Contract line period	6 months

Subcontract	
Start date	07/01/2022
End date	12/30/2022

Situation after shifting the contract's start date by one month:

Contract	
New start date	05/28/2022
New end date	05/27/2023
Contract period	1 year

Contract line	
New start date	07/01/2022
New end date	04/27/2023
Contract line period	6 months

Subcontract	
New start date	08/01/2022

Subcontract

New end date

01/30/2023

Making contracts invoiceable

Procedure

1. From the Contracts list, select an existing contract or add a new contract (see Adding contracts).
2. In the data panel, fill the mandatory fields with relevant information to make a contract invoiceable. For a description of these fields, see Invoiceable contract - fields.
3. Click Save.
4. Go to Contract details > Contract lines. You will see all the corresponding contract lines for the selected contract.
5. Select the contract line for which you want to create an invoice.



A contract should be in **Active** status to be able to add an invoice. For more information about invoices, see [Invoices](#).

6. In the data panel, verify the mandatory fields.
7. You should perform a trial closure and close the amounts for the contract before you can add an invoice to it. For more information, see Closing amounts.
8. Select an address from Payment - address of external party if there are contract lines for which invoices are to be sent to another address than the invoice address specified on the contract.
A separate invoice will be created for the closed amounts of this contract line. If there are several contract lines with the same deviating invoice address, they will be grouped into one invoice.

In rare cases, you may need to delete a contract (line) that has an invoice linked to it. The following will happen:

- if the invoice has the status **Approved** or **Awaiting approval**: The contract can only be deleted if you first delete the invoice. Set the status of the invoice to **Edit**, delete all the invoice lines and the invoice.
- if the invoice has the status **Final** or **Invoiced**: Planon will remove the link between the contract and the invoice. The **Final invoice changed?** field on the invoice is automatically set to **Yes**. This setting indicates that the invoice is no longer complete.

[Adding contracts](#)

[Adding contract lines](#)

Closing amounts

Contractual maintenance

If you use multiple contracts to maintain assets or building elements in specific properties, you can prepare your contractual maintenance in the Contracts TSI. After all necessary preparations are made, such as:

- Adding contract service plans,
- Adding contract activity definitions,
- Adding expected costs.

You can compile a maintenance plan in the **Maintenance Planner** TSI and all contractual maintenance activities are included in your maintenance plan. Subsequently, maintenance orders can be generated in the Work Orders TSI to execute the maintenance activities on the appropriate dates.



For information on the **Maintenance Planner** TSI, see the Maintenance Manager documentation. For information on the Work Orders TSI, see the Work Orders documentation.

Contract activity definition

A contract activity definition is an element that represents a maintenance activity (or a series of maintenance activities) and includes detailed data on the contractual maintenance of an asset. Contract activity definitions are linked to the contract service plan of a contract and can be added at SLA scopes / Contract activities > Contract activity definitions.

Contract checklist items

Checklist items contain additional technical or other information on a maintenance activity. The information is intended for a tradesperson carrying out the contractual maintenance. When maintenance orders are generated in Work Orders , the checklist information can be included in a ticket or report for the person carrying out the maintenance. Field engineers working with the Planon AppSuite - Field Services app, will receive the checklist information on their mobile devices.

There are three ways to 'link' checklist items for contractual maintenance to a contract activity definition:

- you can add them directly to the contract activity definition in Contracts , at Contract activity details > Checklist items.
- when you apply a standard activity definition from the **Maintenance Library**, you can select an option in the **Apply standard service plans** dialog to either:

- *use* the standard checklist items. In that case, the checklist items taken over from the standard activity definition on generating orders.
- *copy* the standard checklist items. By doing this, you make the checklist items *contract specific*. The set of items can be expanded or narrowed down to fit your specific contractual requirements.

See [Applying a standard service plan to create a contract service plan](#) for more information on applying standard service plans.

Contract service plan

A contract service plan is a complete maintenance package that contractually applies to one or more assets or building elements. Contract service plans are linked to the contract lines of a contract and can be added at **Contract details > Contract service plans**.



You can link assets to contract service plans in the **Contracts** TSI and - vice versa - in the **Assets** TSI.

Expected costs

The costs that are expected to occur for each contractual maintenance activity belonging to a contract activity definition. Expected costs can be one of three types: additional costs, material costs and labor hour costs.

Expected costs are added to the selected maintenance activity definition at **Contract activity details**. Each type of maintenance cost is represented by its own icon in the elements list.

When maintenance orders are generated for a contract activity definition, any associated expected costs are copied to the estimates of the generated maintenance orders in Work Orders .

For the Contract maintenance activity definition costs, you can define, if the actual price (as defined on the product) should be used or the material costs of the purchase item should be used.

Select **Yes** on the **Contract activity definitions - expected costs > Use actual price** field. The actual product price is applied, only when the **Product requisition process** is applied on the **SLA scopes & activities > Contract activity definitions** level. However, if the **Product requisition process** is not applied, the **Use actual prices** is disabled and the price as defined on the material costs are used.

Adding / copying contract service plans

If you do not use standard service plans from **Maintenance Manager > Maintenance Library** for the contractual maintenance of your assets, or if you need a specific service plan for a particular contract, you can add contract service plans in Contracts .

Procedure

1. In **Contracts**, select the contract to which you want to add a contract service plan.
2. Go to **Contract line details > Contract service plans**.
3. On the action panel, click **Add**.
4. In the data section, complete the **Code**, **Description** and **Contract line fields**.
5. Click **Save**.

Once you have completed adding the contract service plan, you can start linking relevant assets via the **Link assets** action on the action panel. Next you must add contract activity definitions to this contract service plan at **SLA scopes / Contract activities > Contract activity definitions**.



- Instead of adding a new service plan, you can save time and effort by creating a copy of an existing contract service plan. You can even make a 'deep copy' that will include associated items such as: **Linked assets**, **Contract checklist items**, **Hour costs**, **Material costs** and/or **Additional costs**. Upon clicking the **Deep copy** action, a dialog is displayed where you can select the items you want to include in the deep copy. The contract service plan and all contract activity definitions are copied (including their frequencies), in accordance with the selected options.
- You can also archive / de-archive a service plan. For more information, see [Archiving / de-archiving service plans](#).

Linking assets to a contract service plan

In **Contracts**, you can link multiple assets to a contract service plan. Vice versa, you can also link contract service plans to assets in the **Assets TSI**.



See the information in **Assets > Asset data fields** for more information on asset data that are relevant in maintenance.



In contract-based maintenance, the asset's **Maintenance start date** field is important, because this date is used to determine the start date of the contract activity definition. The associated activity definition is planned starting from this date, according to the specified frequency. Even if the asset's Maintenance start date is before the start date of the contract line, this is taken into account in the contract service plan. Maintenance activities can never start before the asset's maintenance start date. The system will automatically calculate the first activity within the contract service plan.

Procedure

1. At **Contract line details > Contract service plans**, in the elements list, select the contract service plan to which you want to link assets.

2. On the Links action panel, click Link assets. The Link assets dialog box appears. The Available section displays the assets available in Planon ProCenter and the In use section displays the assets already linked to the contract service plan.
3. Click the arrow buttons to move assets from Available to In use or vice versa as required.
4. Click OK to close the dialog box.

The assets listed in **In use** are now linked to the contract service plan.



Use the filter options to filter out assets in the context that you require:

All: filters out all assets that are in use and not archived;

Property: filters out all assets that are linked to the property of the associated contract line;

Property with subs: filters out all assets that are linked to the subproperty of the associated contract line.

Adding / copying contract activity definitions

If you do not use standard activity definitions from **Maintenance Planner > Maintenance Library** for asset maintenance, or if you need a specific activity definition for a particular contract, you can add contract activity definitions in Contracts at **SLA scopes / Contract activities > Contract activity definitions**.

You can add material costs directly to contract activity definitions through product requisition processes.

In **Maintenance Planner**, once a maintenance plan is compiled for a property's assets, the corresponding contract service plans and contract activity definitions are included in this maintenance plan. Subsequently, maintenance activities and maintenance orders can be generated.

After having set a schedule (time-based, condition-based or predictive-based) for the selected contract activity definition, you can add expected costs to the asset activity definition at **Contract activity details**.



Instead of adding a new contract activity definition, you can save time and effort by creating a copy of an existing contract activity definition. You can even make a 'deep copy' that will include associated items such as: **Contract checklist items, Hour costs, Material costs** and/or **Additional costs**.



- For information on the product requisition process, see the *Assets* user documentation.
- For information on adding contract activity definitions, see the procedure for adding specific activity definitions in *Planned Maintenance > Features - Setting up Maintenance Planner*.

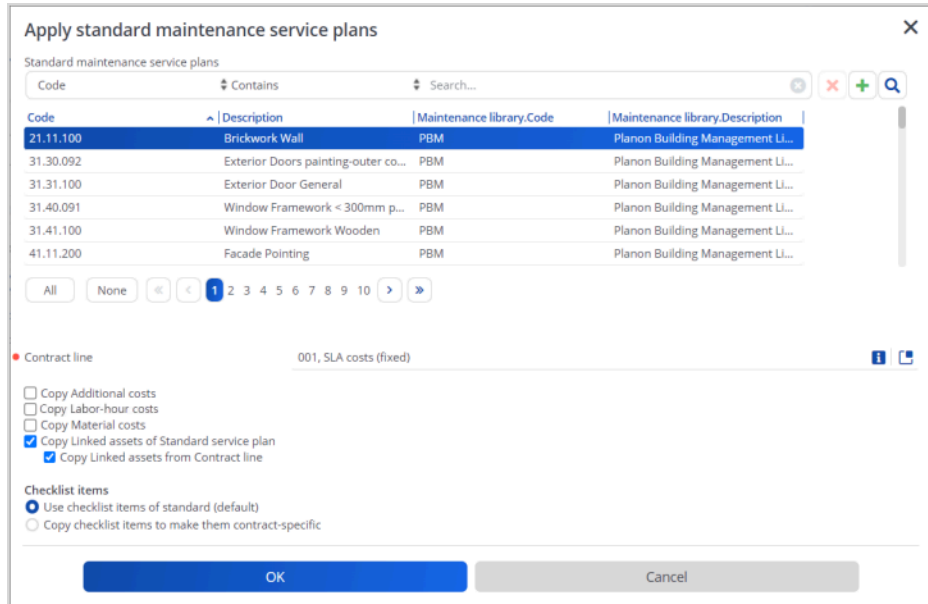
- For more information on expected costs, see the *Planned Maintenance > Features - Setting up Maintenance Planner* part of the user documentation.

Applying a standard service plan to create a contract service plan

If you want to apply a 'template' or standard service plan to pre-populate a contract service plan with data, you can use the **Apply standard service plan** option on the action panel.

Procedure

1. In *Contracts*, select the relevant contract and go to *Contract line details > Contract service plans*.
2. On the action panel, click *Apply standard service plan*.
3. In the *Apply standard maintenance service plans* dialog box, select the standard service plan you want to apply to create a contract service plan.
4. In the *Contract line* field, select the contract line for which you want to create a contract service plan.
5. Click the relevant check box options.
 - **Copy Additional costs:** click this check box to copy the additional costs.
 - **Copy Material costs:** click this check box to copy the material costs.
 - **Copy labor hour costs:** click this check box to copy the labor hour costs.
 - **Copy Linked assets of Standard service plan:** click this check box to copy the linked assets.
 - **Copy Linked assets from Contract line:** Click this additional check box if you specifically want to filter out and copy assets associated with the selected contract line (through the linked property).



6. At Checklist items select the relevant option.

- If you select the option **Use checklist items of standard (default)**, the checklist items will be taken over from the standard service plan upon generating orders.
- If you select the option **Copy checklist items to make them contract specific**, you make them *contract specific* and independent of the standard service plan.

i If you generate orders from a contract service plan, the system will first check whether there are *contract specific* checklist items. If they exist, they are copied to the generated order(s). In that case, the checklist items in the standard service plan are ignored. If no contract specific checklist items exist, the system checks the linked standard service plan for checklist items and copies these to the order.

7. Click OK.

A contract service plan, based on a standard service plan is added.

Apportionment calculation

The amount of the financial obligation is calculated through the apportionment calculation method, in case of a 'broken' financial obligation (that is either its amount should change within the period, or the period is not a full period (does not correspond with the payment frequency)).

In calculating the apportionment, the amount in the 'broken' period is determined by multiplying the number of days in that period by a day-price.

This day price is based either on the price per year, month or quarter as defined in the **Apportionment calculation method** field of the contract line.

The apportionment calculation method is selected depending on the payment frequency and quarter type. For calculating apportionment, a day price is determined based on either the price per month or price per year.

In case of English / (Old) Scottish / Irish quarters, the apportionment calculation is based upon a price per quarter or a 3 monthly payment frequency. If you are using one of these quarter types, the **Apportionment calculation method** can only be **Quarter** (see [Contract line fields](#)).

To calculate apportionment, you must first know if the frequency of rent payment is annual, half yearly, quarterly, monthly, or other.

Apportionment is calculated if any of the following cashflow influencing fields of the contract line has changed or is ended within the period of a financial obligation:

- **Amount**
- **Discount/Surcharge %**
- **VAT**
- **Payment frequency**
- **Amount per**
- **Payment date offset to next possible closure date (in days)**
- **Payment in advance?**
- **Actual end date** (can be changed indirectly by terminating the contract line or ending/renewing the contract (for example, through an option))
 - If a contract (line) starts before the date of the first payment.
 - If a contract (line) ends before the end date of the last payment.




If you are working with English / (Old) Scottish / Irish quarters, it is better to use the **Payment date offset to next possible closure date (in days)** field instead of the **Payment pattern start date** field.

Calculating apportionment

Apportionment

The apportionment calculation varies depending on whether you are using a Yearly, Quarterly or Monthly payment frequency. To include apportionment, the period is converted to a daily interval to be able to take into account a “broken” period.

 The daily price is calculated based on the number of days in the period, multiplied by the period amount.

When using a **yearly calculation**, the apportionment is calculated as follows:

Yearly

Payment frequency	Yearly	
Period	1 January	15 March
Amount (period)		1200
Number of days in a year		365
Actual number of days in period	$31 + 28 + 15 =$	74
Amount (apportionment)	$74 / 365 * 1200 =$	243,28

Quarterly

Payment frequency	Quarterly	
Period	1 January	28 February
Amount (period)	$1200 / 4 =$	300
Number of days in period	$31 + 28 + 31$	90
Actual number of days in period	$31 + 28 =$	59
Amount (apportionment)	$59 / 90 * 300 =$	196,67

 If an amount of 200 is expected as quarterly payment (because there are two months * 100), the calculation should be set to **Monthly**.

Monthly

Payment frequency	Monthly	
Period	1 January	15 March
Amount (period)	$1200 / 12 =$	100
Number of full months in period	$2 * 100$	200
Additional number of days	$15 / 31 * 100$	48,39
Amount (apportionment)		248,39

When using a **monthly calculation**, the apportionment is the same for all payment frequencies.

Payment frequency	Yearly/Quarterly/Monthly	
Period	1 January	15 March
Amount (period)		1200
Number of full months in period	2 * 100	200
Number of days in broken month	15 /31 * 100	48,39
Amount (apportionment)		248,39

Calculating the day price

For calculating the day price based upon the price per year, the value in **Amount per** field is re-calculated in order to obtain the amount per year.
For instance, the amount per month is multiplied by 12.


For calculating the day price based upon the price per month, the **Amount per** is recalculated in order to obtain the amount per month.
For example, the amount per year is divided by 12.

In case of English / (Old) Scottish / Irish quarters, the day price can also be determined based upon the price per quarter, the **Amount per** is recalculated in order to obtain an amount per quarter.
For example, the amount per year is divided by 4.

Calculating the number of days

Calculate the number of days between the start date of the lease and the first payment date and multiply this by the daily rate.

In calculating the day price based upon the price per quarter (English / (Old) Scottish / Irish quarters), the number of days in the involved quarter as is given in [Quarters - comparative overview](#) is used.

 If the (original) period for which the apportionment has to be calculated contains February 29 (Leap year), then this day is taken into account in calculating the day price. For instance, the day price will then be equal to the price per year divided by 366. Note that for a monthly apportionment and a yearly payment frequency, only the month in which the change takes place is recalculated using the day price. All other months still have the 'normal' month price.

Apportionment calculation using Modern quarters

Case I Apportionment day price based on a year

Start date	01/01/2012
Price per MONTH (excl VAT)	1000

Start date	01/01/2012
Payment frequency	1 month
Quarter type	Modern
Start payment frequency	15/01/2012
Start / end calculation based on price of	Year
VAT	19%

Contract line does not end in a period containing Feb 29

In this example, the payment frequency is monthly with the apportionment day price based on a year.

Start date	End date	Amount (excl. VAT)	Amount (incl. VAT)
01/01/2012	14/01/2012	$(1000 * 12) * (14 / 365) = 460,27$	$460,27397 * 1,19 = 547,73$
15/01/2012	14/02/2012	1000	1190
15/02/2012	14/03/2012	$(1000 * 12) * (15 / 366) = 491,8033$ $+ (1,02 * 1000 * 12) * (14 / 366) = 468,1967$ $= 960$	$960 * 1,19 = 1142,40$
15/03/2012	4/14/2012	$(1,02 * 1000) = 1020,00$	$1020,00 * 1,19 = 1213,80$
15/04/2012	30/04/2012	$(1,02 * 1000 * 12) * (16 / 365) = 536,55$	$536,5479 * 1,19 = 638,49$

- Here, the financial commitment period begins on 01/01/2012, however, the payment starting date is 15/01/2012. Hence, the apportionment is calculated for the first 14 days based on the day price.
- The monthly payment for the period 15/01/2012 to 14/02/2012 is normal.
- The monthly payment between 15/02/2012 to 14/03/2012 has two changes happening within this period:
 - it has the February 29, an extra day, to be included in the calculations (that's the reason why 366 days are considered for calculations.)

- There is a price change within this period. While the first half of the payment period (15/02 /2012 to 29/02/2012) continues to have the same price, the later part of the month has a new (2%)increased price.

- The monthly payment for the period 15/03/2012 to 14/04/2012 is normal.
- An apportionment is calculated for the period between 15/04/2012 to 30/04/2012, when only 365 days are taken into consideration for calculations. This is because this period falls within the second modern quarter (01/04/2012 to 30/06/2012.)

Apportionment calculation using English quarters

Start date	01/06/2011
Price per YEAR (excl VAT)	12000
Payment frequency	3 months
Quarter type	English
Start payment frequency	24/06/2011
Start / end calculation based on price of	Year
VAT	19%


Contract line ends in a period containing Feb 29

Start date	End date	Amount (excl VAT)	Amount (incl VAT)
01/06/2011	23/06/2011	$3000 * (23 / 91) = 758.24$	$758.24175 * 1.19 = 902.30$
24/06/2011	28/09/2011	3000	3570
29/09/2011	24/12/2011	3000	3570
25/12/2011	28/12/2011	$3000 * (4 / 91) = 131,87$	$131.86813 * 1,19 = 156.92$

Explanation of the above example:

- If you are using non-standard quarters, such as English quarters, the **Apportionment calculation method** is always **Quarter**.
- The payment frequency is done quarterly and the apportionment calculation is done on the basis of the English quarters.

- Here, the payment start date is 01/06/2011. The apportionment calculation is done for the period between 01/06/2011 and 06/23/2011. The payment calculations for the next two quarters are normal.
- As the period between 25/12/2011 to 28/12/2011 is the beginning of the first English quarter (25/12/2011 to 3/24/2012), the calculations done in this period take February 29th into consideration.
- The amounts for the first and last quarter are calculated as follows:
 - $3000 \text{ (amount for a full quarter)} * 23 \text{ (\# days of contract line)} / 91 \text{ (\# days of full quarter)} = 758.24$
 - $3000 \text{ (amount for a full quarter)} * 4 \text{ (\# days of contract line)} / 91 \text{ (\# days of full quarter in leap year (2012) or 90 days for non-leap year)} = 131.87$

 For more information on start and end dates of **English quarters**, see [Quarters - comparative overview](#).

Quarters - comparative overview

Quarter	Q. date	No. of days	Q. date	No. of days	Q. date	No. of days	Q. date	No. of days
Modern	01 / 01	90 (91)	04 / 01	91	07 / 01	92	10 / 01	92
English	03 / 25	91	06 / 24	97	09 / 29	87	12 / 25	90 (91)
Scottish	02 / 28	89 (90)	05 / 28	92	08 / 28	92	11 / 28	92
Old Scottish	02 / 02	102 (103)	05 / 15	78	08 / 01	102	11 / 11	83
Irish	08 / 01	92	11 / 01	92	02 / 01	89 (90)	05 / 01	92

 The numbers of days in brackets includes the 29th of February.

Rounding off numbers in commitments calculations

Financial commitments, Operating lease accounting commitments and Additional accounting commitments are calculated very precisely. The calculation will always take the exact numbers into account. The amounts are calculated without rounding off the numbers. This means that fractions are stored in the memory and will be used in every next calculation step. Only the last amount is rounded off, based on the remainder of the latest calculation.

If an amount of 1,000 euros has to be paid in 12 months, the amounts are calculated as in the below example. If the system would round off each amount individually, all amounts would be rounded off to 83.33 but this doesn't add up to 1,000 at the end. By adding the remaining fractions, the system will now add 1 to the last digit of the amount if the sum of remainders is ≥ 1 .

The remainder is changed with -1; this algorithm will be repeated until the end. The remainder at the end will be used to round off the latest amount. If the sum of the remainders ≥ 0.5 after the last calculation, 1 is added, else nothing is added. The same applies if the sum of the remainders will be ≤ -1 and ≤ -0.5 .

Month	Payment per month (1,000 euros per year)	Payment +Remainder fraction	Remainder fraction	Sum remainder
January	83.33	$83.33 + 1/3$	1/3	1/3
February	83.33	$83.33 + 1/3$	1/3	2/3
March	83.34	$83.33 + 1/3$	1/3	1 ($\Rightarrow -1$)
April	83.33	$83.33 + 1/3$	1/3	1/3
May	83.33	$83.33 + 1/3$	1/3	2/3
June	83.34	$83.33 + 1/3$	1/3	1 ($\Rightarrow -1$)
July	83.33	$83.33 + 1/3$	1/3	1/3
August	83.33	$83.33 + 1/3$	1/3	2/3

Month	Payment per month (1,000 euros per year)	Payment +Remainder fraction	Remainder fraction	Sum remainder
September	83.34	$83.33 + \frac{1}{3}$	$\frac{1}{3}$	1 (==>-1)
October	83.33	$83.33 + \frac{1}{3}$	$\frac{1}{3}$	$\frac{1}{3}$
November	83.33	$83.33 + \frac{1}{3}$	$\frac{1}{3}$	$\frac{2}{3}$
December	83.34	$83.33 + \frac{1}{3}$	$\frac{1}{3}$	1 (==>-1)


Because a calculation based on fractions is very precise, the performance will drop if the calculations take a lot of steps; the fraction of the remainder will be based on exponentially large numbers.

To avoid performance issues, the rounding off of calculations for financial lease accounting commitments and for the present value is not based on the calculation with fractions. Some numbers are rounded off in intervals. For the present value calculation, the system will round off the interest percentages per period. Based on the calculated present value, the depreciation is calculated based on big fractions, as these are easy calculations. The interest percentages for calculating the interest, based on the liability / receivable for every accounting period, will also be rounded off. Since rounding off is based on a very large number of digits, it will have no impact on the outcome and it will improve the performance significantly.

Contracts - Statuses and field descriptions

Action data fields

Field	Description
Contract	A read-only field in which Planon automatically indicates the contract number and the description of the contract to which the action has been linked.
Action date	Enter the date the action has to be executed.
Action applied on	Enter the date on which the action was actually applied.
Action type	Select the required action type from a picklist, for example contract review, conditions adjustment, discuss price change.
Person responsible	Enter the person who is responsible for executing this action. The required person can be selected from a picklist containing persons that were added in the Personnel TSI.
Contracting party	Enter the required contracting party from a picklist containing contracting parties that were defined at the Components > Contracting parties step. For details on adding and maintaining contracting parties, see Adding contracting parties .

 You can archive the obsolete contract actions to remove them from the element section.


Additional fields for lease contracts

Field	Description
Deposit amount	Enter the amount used for a deposit.
Interest amount on deposit	Enter the interest accumulated on the deposit amount.

Field	Description
End date of deposit	The date at which the deposit can be ended.
Start date of deposit	Enter the date on which the deposit was received.
Return date of deposit	The date on which the lessor repays the amount of the deposit to the lessee at the end of the lease.
Guarantee type	Enter the relevant guarantee type from a pick list containing the guarantee types defined in Supporting data .
Guarantee number	The number under which the guarantee has been added.

Communication logs fields

Field	Description
Code	Enter a unique code for the communication log.
Description	Enter a relevant description to briefly describe the communication log.
Action	When a communication log is created by an alert or a form (via the Log to communication log field), the value in this field will reflect this accordingly: <ul style="list-style-type: none"> • Form generated • Alert generated
Start date-time	Specify the start date and time of the communication log.
End date-time	Specify the end date and time of the communication log.
Responsible contact (Addresses)	Specify an address.
Responsible person (Personnel)	Specify a person responsible for the communication.
Version	Specify a version number.

Field	Description
Document reference	Browse and upload the file that you want to add as a reference document (if any).
Document (secure)	Select a secure document (if any).
URL	Specify a URL if the information you want to add is available on a website.
Image	Select an image for reference related to the order.
Mail merge document	This read-only field shows the contents of the sent mail merge document.
	<div style="border: 1px solid red; padding: 5px; display: inline-block;">  This field must be added to the communication logs layout in order to save forms as files to the communication logs. </div>
Communication owner	Enter any communication in the text box.
Communication reader	In the comments box, the reader can enter communication related to the order.

Closure date fields

Field	Description
Closure date	Displays the date until which amounts have been closed

Closure date overview fields - contracts

Field	Description
Closed until date	Displays the date until which contract amounts are closed
Closure date of contract	Displays the date from which the contract data is retrieved. This date is equal to the Closed until date .
Trial closure Y/N	Indicates if the amount closure is a trial closure.


Closure date overview fields– contract lines




Field	Description
Closure date of contract line	Displays the date from which the contract line data is retrieved. This date is equal to the Closed until date .
Contract data	Indicates the contract the contract line belongs to.
Trial closure Y/N	Indicates if the amount closure is a trial closure.


Closure date overview fields – financial commitments


Field	Description
Contract line data	Indicates the contract line the financial commitment belongs to.
Batch ID	Use this field to indicate that the financial data has been processed in the financial system. This is the only field in the Closure date overview TSI that users can edit.
Closure date of financial commitment	Displays the date from which the amount closure data is retrieved. This date is equal to the Closed until date .

Contract data fields

Field	Description
Customer	This field displays the name of the customer to whom services are provided. <div data-bbox="488 1539 1312 1623" style="border: 1px solid #0070C0; padding: 5px; margin-top: 10px;"> The customer cannot be changed once the contract is active.</div>
Contract ID of other party	Enter the other party's contract ID (that is the code used to represent the other contracting party).
Contract group	Enter the code group and the group name that apply to the contract. A pick list is available for this field. The value in this field can be overwritten.



Field	Description
Contract category	Enter the contract category. For example, a contract could be a service contract or an all-in-one contract. A pick list is available for this field, and can be maintained by your organization.
Parent level	If a subcontract is added to a main contract, this field automatically shows the name of the main contract.
Project	Enter one of the available projects from a pick list containing the projects. <div style="border: 1px solid #0070C0; padding: 5px;">  For details on creating and maintaining projects, see Work Orders. </div>
Risk category	Enter the relevant risk category from a pick list containing the risk categories.
Automatic renewal?	Specify whether automatic contract renewal applies to the contract. When selected, the renewal process automatically processes renewal options based on either priority or on date. <div style="border: 1px solid #0070C0; padding: 5px;">  The Automatic renewal feature is <i>not</i> supported for Lease accounting. </div>
Payment contract?	This Yes/No field enables you to define if the amount specified in a contract is to be paid to or received from the other party. Once you have activated the contract, it is no longer possible to change this setting. <div style="border: 1px solid #C00000; padding: 5px;">  If you change the setting on a lease contract, the rentable unit is removed from all the linked lease contract lines and a warning message appears. </div>
Option counter	This read-only field indicates the number of times the contract has been renewed.
Contract date	Enter the date the contract was drawn up.
Date effective	Enter the contract's start date.
Planon calculation start date	Enter the date from which Planon ProCenter can use the amounts entered for its own calculations. Initially, Planon ProCenter inherits this value from the Date effective field. This date can then be modified manually, however it should never be set to a value that is earlier than that in Date effective . For more information, see Planon calculation start date in lease accounting .
Contract period	Select a contract duration from the list: <ul style="list-style-type: none"> Unknown


Field	Description
	<ul style="list-style-type: none"> • Day • Week • Month • Year • Undefined <p>Specify the quantity for Day, Week, Month, and Year.</p> <p>Depending on the period and duration selected, the End date is automatically calculated and updated using the formula given below:</p> <ul style="list-style-type: none"> • End date = Date effective + Contract period – 1 day <p>Example: An annual contract is valid from 1-1-2007 up to 31#12-2007.</p> <p>If you select Unknown or Undefined, the end date is not specified.</p>
	<div style="border: 1px solid black; padding: 5px;">  After you have activated the contract, this field becomes read-only. </div>
Horizon date	<p>Specify the horizon date for lease calculations. The Horizon Date is used to determine the calculation date until which Planon creates commitments.</p> <p>A contract can be for an undefined period of time, but lease calculations must have an end date. You can use the horizon date in Planon to set an end date for the lease calculations. For more information, see Using a horizon date.</p>
End date	<p>The contract's end date. If a value is entered for Contract period, the end date is automatically calculated and displayed in this field. You can also manually enter an end date in this field, which will cause the Contract period to be adjusted automatically. Note that after you have activated the contract, this field becomes read-only.</p> <p>If you change the Date effective, the End date is adjusted accordingly.</p> <p>If you change the End date, the values in the Contract period, Next end date (for accepting and offering party), and Next notice date (for accepting and offering party) fields are adjusted accordingly.</p> <p>If the contract is renewed with a renewal option, the End date is adjusted accordingly.</p>

Field	Description
Actual end date	This field is only populated if a contract is terminated with a termination option and indicates the date on which the contract actually ends. The Actual end date occurs before the End date .
In possession as of	Indicates the date from which the tenant is granted access to the property / space / rentable unit.
Occupancy as of	Indicates the date on which the property / space / rentable unit was formally occupied.
Previous reconciliation date of contract amounts	Indicates the date on which the contract amounts in Planon were last compared to accounting records.
Accepting / offering contracting party	Use these fields to specify the contracting party to whom the service/goods are delivered (accepting party) and the contracting party that delivers the service/goods (offering party). The required contracting party can be selected from a pick list containing contracting parties that were defined at the Components > Contracting > parties selection step.
	<div style="border: 1px solid black; padding: 5px;"> <p> Users of the Service Providers solution must take note of the following:</p> <ul style="list-style-type: none"> • Use the Customer field instead of the Accepting contracting party field • If it is not desirable that the address of the Offering contracting party is automatically copied to the external tradesperson on the order, change the corresponding setting in Field definer . See: General order setting fields. </div>
Closed until date	Indicates the date until which contract amounts have been closed.
Trial closure date - acct.	Displays the date up to which the trial closure of contract amounts is valid.
Trial closure until	Indicates the date up to which a trial closure of amounts is valid.
Closed until date - acct.	Displays the date up to which contract amounts were closed.
Cost center	Select the cost center that applies to the contract from a pick list containing the cost centers.



A cost center is a hierarchical element. This means it can be divided into sub-cost centers. The maximum number of levels in the hierarchical structure is six.

Field	Description
Department	Select the department the contract was drawn up with from a pick list. This list contains the departments added to Planon ProCenter .
External coordinator address	Select the address of the external person responsible for coordinating the task from the pick list containing the addresses of external persons.
External coordinator contact	Select the contact details of the external person responsible for coordinating the task from the pick list containing the contact details of external.
External tradesperson address	Select the company address, if an external company completes the order from the pick list containing the addresses of external companies.
External tradesperson contact	Select the contact details of the external person responsible for carrying out the task from the pick list containing the contact details of external persons.
Internal coordinator	Select the internal employee in the organization responsible for coordinating execution of the order from the pick list containing the internal employees in the organization.
Internal tradesperson	Select the internal employee in the organization responsible for carrying out the order from the pick list containing the internal employees in the organization.
Subcontractor	Select the relevant subcontractor from the list. Selecting a subcontractor indicates that the contract is a 'subcontractor' contract.
<div style="border: 1px solid black; padding: 5px;">  This field is editable only in Service Providers solution mode. </div>	
Standard cost category	Select the relevant standard cost category from a pick list containing standard cost categories.
Standard cost type	Select the relevant standard cost type from a pick list containing the standard cost types.
Indexed up to (date)	Indicates the date until which contract amounts have been indexed. This field is automatically populated.
<div style="border: 1px solid black; padding: 5px;">  For more information on Indexing and modifying the index numbers, see Supporting data. </div>	
Notice term - accepting party	Select the term of notice required by the accepting party when terminating a contract. You can choose the relevant unit of time (Day, Week, Month, and Year), together with the desired quantity of the selected unit.

Field	Description
Notice term - offering party	<p>If you change the value in this field, the value of the Next notice date - accepting party field is calculated automatically on saving the contract.</p> <p>Select the term of notice required by the offering party when terminating a contract. You can choose the relevant unit of time (Day, Week, Month, and Year), together with the desired quantity of the selected unit.</p> <p>If you change the value in this field, the value of the Next notice date - offering party field is calculated automatically on saving the contract.</p>
Next notice date – accepting/ offering party	<div data-bbox="488 646 1312 737" style="border: 1px solid #00a0e3; padding: 5px;">  The notice term specified in this field will also be used as a default when adding a termination option. </div> <p>The value of the Next notice date field is calculated automatically in either of the following ways or a combination of both:</p> <ul style="list-style-type: none"> • Specifying a Notice term on the contract • Defining contract options <p>If you add a contract termination option (together with a notice term on the contract), and then activate it, the next notice date is calculated automatically when you save the contract. You can also click Recalculate notice dates on the action panel to update the dates if the contract end date has passed. The earliest next notice date is taken into account.</p> <p>If you apply a contract renewal or contract shortening option (together with a notice term on the contract), the next notice date is calculated automatically.</p>
Proposed termination date	<p>Indicates the proposed termination date for the contract. Default this is the current date + the term of notice. Note that if the In Use option of the Proposed termination date field has been set to No in Field Definer, it is not possible to terminate a contract. For details on setting field attributes in Field Definer, see Field Definer.</p>
Prices announced up to	<p>Indicates the date up to which prices have been announced in a price announcement letter for the selected contract.</p>
Cash flow start date	<p>The date from which we start recording cash flow on the contract. The payment date of cash flow assigned to this contract must be on or after this date.</p>



Field	Description
Cash flow start balance	This is the payment balance on the cash flow start date.

Contract group data fields

Field	Description
Code	Enter the code of the contract group
Description	Enter a description of the contract group.
Code group	<p>Automatically displays the code of the contract group and all groups at the parent level. Codes of different groups are separated by a dot.</p> <p>Example</p> <p>The group Technical contracts (code 2) contain the subgroup Central Heating (code 10). The value 2.10 for the Central Heating group is displayed in the Code group field.</p>

Contract statuses


Status	Description
In preparation	Each newly added contract is assigned this status automatically. All contract data can still be changed as long as a contract is in this status.
Active	Changing a contract status to Active must be done manually. If a contract is set to this active status, any changes to the contract should be made through Add modifications action on the Contracts BO. For more information see Modifying contract (line) data .
Renewed	A contract's status automatically changes from Active to Renewed as soon as an option for renewal is applied. For details on using options, see Applying contract options .
Blocked	A contract that is in the status Active , Renewed or Terminated can be manually blocked by assigning it the Blocked status. In the Blocked status, any modifications or actions on the contract are not allowed. You can resume making changes, only if you move the contract to the previous status.

Status	Description
	 To unblock a contract, you have to move only to the status present at the time of blocking the contract.
Terminated	<p>A contract's status automatically changes to Terminated as soon as an option for termination is applied. A contract can also be terminated by a state change on the contract. The system will suggest a termination date but this date can be overruled. A contract in the Terminated status can no longer be changed. For details on using options, see Applying contract options.</p>
Expired	<p>A contract's status can be changed to Expired by the user if the end date of the contract is in the past. This status change is given manually to be certain that the contract cannot be renewed later.</p>
	 A contract that is in the In preparation, Blocked, Terminated or Expired status cannot be used.



Invoicable contract - fields

Field	Description
Payment contract?	Set the option as No since Planon supports sales invoices currently.
Is invoiceable from	Enter a valid date to indicate the date from when the closed amounts of a contract can be invoiced. When creating a new contract, set this date as Planon > calculation start date.
Invoice address	Enter a valid address of the receiver of the invoice. If an address is already specified for an accepting contract party in Planon ProCenter, by default, it is displayed in this field.



Contract line fields


Field	Description
	 Depending on the Payment in advance? option, the commitments are grouped based on their start or end date and are displayed on the financial overview.

Field	Description
Advance?	<p data-bbox="638 254 1318 333">i The payment pattern start date cannot be changed after the first commitment is closed.</p> <p data-bbox="764 352 1325 447">This Yes/No field enables you to specify if the payment is based on a fixed amount (an advance) per period and a payment afterwards.</p>
Also see: Taking over contract line settings to an order	
Amount	The commercial price of the service or goods delivered. Note that this is the price per unit of time (day, week, month, year, or once-only). The amount period must be specified in the Amount per field.
Amount per	<p data-bbox="764 800 1351 888">Enter the unit of time to which the amount applies (day, week, month, quarter, year) or indicate a once-only amount.</p> <p data-bbox="764 894 1328 1014">If you have linked a rentable unit to the contract line, the value in this field is inherited from the rentable unit. You can manually change this value.</p>
Amount per year	<p data-bbox="764 1052 1351 1182">This field is automatically calculated and populated by Planon. An amount can be specified in various units of time (in the Amount per field), for example a price per month, quarter or year.</p> <p data-bbox="764 1188 1336 1245">To ensure that you can easily compare amounts, Planon converts them into an Amount per year.</p>
Appointment booking?	<p data-bbox="764 1276 1328 1434">Click Yes if the PMFS order for the contract line must appear as an appointment booking on the mobile device of the field engineer (internal tradesperson). Once the order is made into an appointment booking, its start date is fixed.</p>
	<p data-bbox="638 1455 1318 1696">i If you are working with <i>multiple work assignments</i> (licensed feature), this field is set to Yes if one of the order's work assignments is an appointment booking (its Appointment booking? field is set to Yes). See the <i>Work Assignments</i> documentation for information on the relation between orders and work assignments.</p>
	<p data-bbox="638 1717 1318 1848">i If the Start date-time of the order is not filled in, the order will not show as appointment booking on the mobile device. In the PMFS app, field engineers can recognize appointment bookings by their icon. They</p>

Field	Description
Apportionment calculation method	<p data-bbox="670 249 1318 323" style="border: 1px solid black; padding: 5px;">should not start earlier or work longer on the order without consulting the customer first.</p> <p data-bbox="768 342 1357 405">The default setting in this field is No (no fixed start date).</p> <p data-bbox="768 438 1357 558">This field will determine whether the first and last financial commitment will be calculated based on a day price that is calculated from the amount per either:</p> <ul data-bbox="797 581 938 709" style="list-style-type: none"> • Month • Quarter • Year <p data-bbox="768 728 1336 852">Also in case of a price/VAT change in the middle of a financial commitment period, the financial commitment over that period is also calculated using the day price.</p>
Asset	<p data-bbox="638 873 1318 1026" style="border: 1px solid black; padding: 5px;"> If you specified a deviating quarter type in the Quarter type field, for example Scottish or English quarters, the Apportionment calculation method can only be Quarter.</p> <p data-bbox="768 1045 1336 1199">Enter the asset the contract line applies to from a pick list containing the assets that are added to Planon ProCenter. This version of Planon ProCenter only allows you to use simple assets.</p> <p data-bbox="768 1220 1349 1278">Once the contract line is in the Active status, you can no longer change this field.</p>
Budget definition	<p data-bbox="768 1314 1349 1373">Enter the budget definition of the budget to which contract costs are booked.</p> <p data-bbox="638 1394 1318 1488" style="border: 1px solid black; padding: 5px;"> Budget definitions are maintained in Supporting data > <i>Budget definitions</i>.</p>
Commercial quantity	<p data-bbox="768 1507 1352 1724">Use this field to enter the quantity leased in the contract line from a commercial perspective. This field initially inherits the value specified in Physical quantity. If you have linked a rentable unit to the contract line, the value in this field is inherited from the rentable unit. You can manually change this value.</p>
Contract	<p data-bbox="768 1759 1318 1879">In this read-only field, Planon ProCenter automatically indicates the contract number and the description of the contract to which the contract line is added.</p>

Field	Description
Contract line group	<p>Enter the relevant contract line group from a pick list containing the contract line groups defined in Supporting data . In Contracts , contract line groups are used to logically group financial commitments in the Financial overview. For details on the Financial overview, see Financial overview.</p>
Contract line period	<p>Enter the contract line's duration. As soon as a value has been entered, Planon ProCenter automatically calculates and shows the End date using the formula: End date = Date effective + Contract line period – 1 day</p> <p>Example</p> <p>An annual contract line is valid from 1/1/2007 up to and including 12/31/2007.</p> <p>Once the contract is in the Active status, you can no longer change this field.</p>
Correction factor	<p>Use this field to specify a correction (in %) on the indexation percentage. This field is only available if you are using a base amount indexation method or an indexation based on index groups.</p> <p>For details on the use of this field, see Using a correction factor.</p>
Cost center	<p>Enter the cost center that applies to the contract line from a pick list containing cost centers defined in Planon ProCenter.</p>
Date effective	<p>Enter the contract line's start date. This field contains the contract's Date effective by default.</p>
Denominator	<p>Displays the denominator that is used to calculate the new indexed amount, according to this formula:</p> $(Numerator / denominator) * amount\ before\ indexation = new\ indexed\ amount$ <p>This read-only field is automatically populated by Planon after you have indexed a contract, based on the linked indexation method. Indexation methods can be defined in Supporting data . Fore more information on this subject, refer to the Supporting data documentation. For more information on indexing and for some calculation examples, see Adjusting contract prices using indexation.</p>




Field	Description
Denominator - month Denominator - year	Displays the month / year of the index number used as a denominator during indexation based on index numbers. Also see Reporting price changes via a price announcement letter .
Department	Enter the department that drew up the contract line from a pick list. This list contains all departments that are added to Planon ProCenter.
Discount/surcharge %	<p>You can apply a discount or a surcharge using this field. If the discount % is positive the price is reduced. For example, if the discount is 10%, the price will be reduced.</p> <p>If the discount % is negative, a surcharge will be applied. For example, with a -10%, the price will increase.</p> <p>In case of a rent-free period (i.e. for which no rent must be paid), enter a discount percentage of 100%.</p>
EHS required?	<p>Select Yes if the field engineer has to acknowledge health and safety information when working on the order for this contract line.</p> <div data-bbox="636 1010 1318 1167" style="border: 1px solid #0070C0; padding: 5px;"> <p> Only applicable if the EHS check required? order setting in the Planon AppSuite is set to EHS required. For more information, see <i>Planon AppSuite - Configuration Guide</i>.</p> </div>
End date	<p>Enter the contract line's end date. If the Contract line period field is completed, the end date is automatically calculated and displayed in this field. If you manually enter an end date, the Contract line period is then automatically calculated and displayed. If you change the Date effective, the End date changes accordingly.</p> <p>Once the contract line is in the Active or Terminated status, you can use the Change end date option on the Contract lines action menu to change the end date, if required. For details on this subject, see Automated processing of contract options.</p> <div data-bbox="636 1629 1318 1787" style="border: 1px solid #0070C0; padding: 5px;"> <p> Contract lines that are related to Lease accounting, whose Contract type field contains the value Operating lease or Financial lease, must have an end date.</p> </div>
Execution date of indexation	Indicates the date at which the indexation was performed.

Field	Description
External coordinator address	Select the address of the external person responsible for coordinating the task from the pick list containing the addresses of external persons defined in Supporting data .
External coordinator contact	Select the contact details of the external person responsible for coordinating the task from the pick list containing the contact details of external persons defined in Supporting data .
External tradesperson address	Select the company address, if an external company completes the order from the pick list containing the addresses of external companies defined in Supporting data .
External tradesperson contact	Select the contact details of the external person responsible for carrying out the task from the pick list containing the contact details of external persons defined in Supporting data .
High priority?	<p>Click Yes if the PMFS order for this contract line must appear as a high priority order on the mobile device of the field engineer (internal tradesperson). Field engineers can recognize high priority orders by their icon in the PMFS app.</p> <p>The default setting in this field is No (no high priority).</p> <div data-bbox="634 1157 1318 1346" style="border: 1px solid blue; padding: 5px;"> <p> It is possible to make an order both a high priority order <i>and</i> an appointment booking, by setting both fields to Yes. In that case, the PMFS order on the field engineer's mobile device is marked by a merged icon.</p> </div>
Indexation amount	<p>Displays the amount before indexation that is used to calculate the new indexed amount, according to this formula:</p> $(Numerator / denominator) * amount\ before\ indexation = new\ indexed\ amount$ <p>Example</p> <p>Numerator = 116.58, denominator = 115.83 Amount before indexation = 823,790.94</p> <p>The new indexed amount is calculated as follows: $(116.58 / 115.83) * 823,790.94 = 829,124.99$</p> <p>This read-only field is automatically populated by Planon after you have indexed a contract, based on the linked indexation method.</p>

Field	Description
Indexation date	<p>Indexation methods can be defined in Supporting data . Fore more information on this subject, refer to the Supporting data documentation. For more information on indexing and for some calculation examples, see Adjusting contract prices using indexation</p> <p>Indicates the date until which contract amounts have been indexed. For details on indexation, see Adjusting contract prices using indexation.</p>
Indexation method	<p>Enter an indexation method. Indexation methods can be defined in Supporting data . Fore more information on this subject, refer to the Supporting data documentation. Refer to Adjusting contract prices using indexation for more information on indexing and for some calculation examples.</p>
Indexation rounding	<p>Specify the number of digits for rounding the result of division of two index numbers. If this field is empty, rounding will not be applied. You can change the indexing rounding setting for any period in which the contract line has not yet been indexed. It is important to note that Planon does not allow this setting to be changed retroactively. Any changes to the indexation rounding setting will only apply to <i>future</i> indexations, not to any that have already been calculated.</p> <p>Rounding is calculated on the (percentage of) change, please check the example below.</p> <p><i>Example</i></p> <p>Numerator: 110</p> <p>Denominator: 106</p> <p>Index based on: $110 / 106 = 1.037735890566037735849056603774$</p> <p>If Indexation Rounding is set to 2 digits: 3.77 %</p> <p>If Indexation Rounding is set to 4 digits: 3.7735%</p> <p>If Indexation Rounding is empty: 3.7735890566037735849056603774</p> <p>If the last digit ends in 0-4, it will not be rounded.</p> <p>If the last digit ends in 5-9, this digit will be incremented by 1.</p> <p>Planon ProCenter will store the result after rounding in the Index rate multiplier field.</p>

Field	Description
Indexation threshold %	<p>Rounding will also affect the Minimum/Maximum indexation value, and the Threshold value.</p> <p>Use this field to specify a threshold value (in %) for the indexation. This field is only available if you are using a base amount indexation method or an indexation based on index groups. Note that if you have already specified a value in the Minimum indexation value field, you cannot use this field.</p> <p>For details on the use of this field, see Using a threshold value.</p>
Index base amount	<p>The base amount used to calculate the new price after base amount indexation.</p> <p>Note: if you specified a base amount indexation method, the Index base amount field automatically inherits the value in the Amount field.</p>
Index base amount month	<p>Enter a month to determine the index number that is used in the calculation when base amount indexation is applied.</p>
Index base amount year	<p>Enter a year used to determine the index number that is used in the calculation when base amount indexation is applied.</p>
Index rate multiplier	<p>This field stores the result of dividing two index numbers. The value in this field is derived from the calculation performed in the Indexation rounding field.</p> <p>If the Indexation rounding field is empty, this field will also remain empty.</p>
Internal coordinator	<p>Select the internal employee in the organization responsible for coordinating the execution of the order from the pick list containing the internal employees in the organization defined in Supporting data .</p>
Internal tradesperson	<p>Select the internal employee in the organization responsible for carrying out the order from the pick list containing the internal employees in the organization defined in Supporting data .</p>
Maximum / Minimum indexation value	<p>Use these fields to specify a minimum and maximum indexation value (in %). These fields are only available if you are using a base amount</p>

Field	Description
Next indexation date	<p>indexation method or an indexation based on index groups.</p> <p>For details on the use of these fields, see Using minimum and maximum indexation values.</p> <p>Indicates the next date the amount specified in the contract line will be indexed. Planon ProCenter automatically calculates and shows this date using the following formula:</p> <p>Next indexation date = Indexation date + Indexation period.</p> <p>Example:</p> <p>Indexation method: indexation per year</p> <p>Indexation date: 1/1/2008</p> <p>Date of next indexation: 1/1/2009</p> <p>Note that if the contract line has the status Inactive, you can use this field to specify the date the first indexation has to take place. Once a contract line has the Active status, the Next indexation date field becomes read-only and is calculated and populated automatically by Planon ProCenter.</p>
Numerator	<p>Displays the numerator that is used to calculate the new indexed amount, according to this formula:</p> <p><i>(Numerator / denominator) * amount before indexation = new indexed amount</i></p> <p>This read-only field is automatically populated by Planon after you have indexed a contract, based on the linked indexation method. Indexation methods can be defined in Supporting data . For more information on this subject, refer to the Supporting data documentation. For more information on indexing and for some calculation examples, see Adjusting contract prices using indexation</p>
Numerator - month Numerator - year	<p>Displays the month / year of the index number used as a numerator during indexation based on index numbers. Also see Reporting price changes via a price announcement letter.</p>
Payment?	<p>This Yes/No field enables you to define if the amount specified is to be paid to or received from the other party. By default, this field contains the</p>

Field	Description
	value specified in the Payment contract? field of the contract to which the contract line is linked.
	 Once you have activated the contract line, it is no longer possible to change this setting.
Payment address of external party	Select an address of the receiver of the invoice for this contract line.
	 This only needs to be filled if the address deviates from the invoice address of the contract.
Payment date offset to next possible closure date (in days)	<p>Specify the payment date of a financial commitment by entering the number of days it is to occur on relative to the day preceding the closure date.</p> <p>A positive value indicates the payment date is before the day preceding the closure date. Zero indicates the payment date is actually on the day preceding the closure date. A negative value indicates the payment date is after the day preceding the closure date.</p> <p>Examples:</p> <ul style="list-style-type: none"> -1 sets the payment date to the closure date itself. -2 sets the payment date to one day after the closure date. 1 sets the payment date to one day before the day preceding the closure date. 2 sets the payment date to two days before the day preceding the closure date. <p>For details on financial commitments and cash flow calculations, see Calculating and displaying financial commitments.</p>
	 You must choose between the fields Payment date offset to next possible closure date or Payment pattern start date to decide on the payment date. For more information on Payment pattern start date, see Payment pattern start date .
Payment frequency	<p>Enter the frequency with which the amount specified in the contract line is to be paid or received. For example: pay every 3 months.</p> <p>Note: this field is used in combination with the Amount per field. The following combinations are currently supported:</p>

Field	Description
	<ul style="list-style-type: none"> • Amount per day, payment frequency per x weeks / months / quarters / years • Amount per week, payment frequency per x weeks / months / quarters / years • Amount per month, payment frequency per x months / quarters / years • Amount per quarter, payment frequency per x months / quarters / years • Amount per year, payment frequency per x months / quarters / years • Once only amount, whereby the Payment frequency field can be left empty. <p>The amount to be paid per (n) year, per (n) quarter or per (n) months, depends on the number of days in a full payment period. This means that the amount to be paid will deviate per payment period. For example: given an amount per day of 100 euros, will result in payments of: 3,000 in April and 3,100 in May.</p>
Payment in advance?	<p>This Yes/No field enables you to specify if payment is to be made in advance or in arrears (i.e. if payment is to be made before or at the end of the commitment period).</p>
Payment pattern start date	<p>Select a date for the payment pattern start date. This field enables you to have control over the payment date for the recurring payments. To decide on the payment date, you have to choose between Payment pattern start date or Payment date offset to next possible closure date.</p> <p>For more information on payment date offset, see Payment date offset to next possible closure date (in days).</p> <p>For example, depending on the payment frequency in years, months, weeks or days, the payment pattern start date recurs on the same date.</p>


Field**Description**

Frequency	Start date	Payment pattern
Year	02/28/2014	02/28/2014, 02/28/2015, 02/29/2016...
Month	01/27/2014	01/27/2014, 02/27/2014, 03/27/2014...
	02/28/2014	02/28/2014, 03/31/2014, 04/30/2014...
Week	01/31/2014	01/31/2014, 02/07/2014, 02/14/2014...

Planon PMFS / AppSuite settings - copied from contract line to linked order

Property

Select a property to add to the contract line from the pick list.

 Once the contract line is in the **Active** status, you can no longer change the value of this field. However, you can also link additional properties to the contract line in one go by clicking **Link properties** in the action menu. These additional properties can be unlinked if necessary.


Quarter type

For the sake of budgeting, financial years are often subdivided into quarters. The exact dates for these quarters are culturally dependent. For more information on the start and end dates of the different quarters, refer to [Quarters - comparative overview](#).

This field allows you to select:

- English
- Scottish
- Old Scottish
- Irish

English/(Old) Scottish/Irish quarters determine the period of the financial obligation as well as the date of the first payment.

 If you specified one of these quarter types, the **Apportionment calculation method** can only be **Quarter**.

In case the field is left empty, “modern” quarters apply whereby it is possible to enter any date of the first payment.

It is only possible to select the English/(Old) Scottish/Irish quarter type in combination with a payment frequency of 3 months.

Field**Description**

English, (Old) Scottish and Irish quarters are not supported if you are working with lease accounting.

Reason for price change

If a price change has occurred, and you want to document why this has happened, for example in a price announcement letter, enter the reason for the price change in this field.

Renew together with contract?

This Yes/No field allows you to define whether the contract line is renewed whenever the contract it is linked to is extended. For contract lines related to **Lease accounting**, **Yes** must be selected in this field.

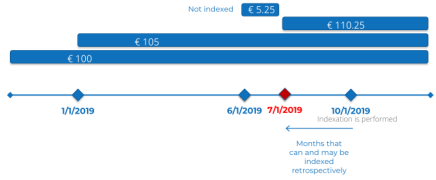
Rentable unit

If Rentable Units is available, this field lets you link a rentable unit to a contract. The dialog box in which you can select a rentable unit is context-sensitive: if the selected contract is a payment contract, the dialog box will only display **Rent from** units; if the contract is not a payment contract, it will display **Rent to** units. You can only link rentable units to a lease contract if they are in the **Not rented** status. After linking a rentable unit to a lease contract line that is in the **In preparation** status, the rentable unit is automatically assigned the **On option** status. As soon as the lease contract line is activated, the status of the linked rentable unit changes from **On option** to **Rented**. This only applies to rentable units linked to [lease contract lines](#). Once the contract line is in the **Active** status, you can no longer change this field. For more information, see [Linking a rentable unit to a contract line](#).

Please note the following:

- It is possible to link rentable units to an active lease contract line. If the lease contract line is inactive, some field values are taken from the rentable unit. When the lease contract line is activated no fields are copied from rentable unit to lease contract line. For more information on rentable units, see [Rentable units](#).
- Within a single contract, you can link a rentable unit

Field	Description
Retrospective indexation (max. no. of months)	<p data-bbox="842 249 1175 443">to multiple contract lines. The rentable unit remains occupied throughout the entire duration of the lease contract lines to which it has been linked.</p> <p data-bbox="764 480 1333 667">Use this field to specify the number of months that can and may be indexed retrospectively, starting from the system date. The retrospective period is based on the system date and applied on this day. The financial commitments of this period are taken into account for indexation.</p> <p data-bbox="764 686 1187 714">Example of retrospective indexation</p> <ul data-bbox="797 735 1182 1192" style="list-style-type: none"> Contract X was indexed on 10/1/2019 (=Execution date of indexation, this is the system date) Amount = 100 euro per month Indexation method = 5% per half year Contract line is indexed per 6/1/2019 Retrospective indexation = 3 months
Sign-off by engineer required?	<p data-bbox="764 1430 1333 1549">Click Yes if it is required that the engineer signs off the job on the mobile device upon completing the job, to acknowledge that the job has been fully executed.</p>
Sign-off required?	<p data-bbox="764 1587 1333 1707">Click Yes if it is required that the customer signs off the job on the mobile device of the field engineer, to acknowledge that the work was completed as agreed.</p>
Space	<p data-bbox="764 1745 1312 1837">Enter the space the contract line applies to from a pick list containing spaces registered in Planon ProCenter.</p>



Field**Description**

	Once the contract line is in the Active status, you can no longer change this field.
Standard cost category	Enter the relevant standard cost category from a pick list containing standard cost categories defined in Supporting data .
Standard cost type	Select a standard cost type from the pick list containing the standard cost types defined in Supporting data .
Start of regular payment	Enter the date of starting the regular payment. This field is mandatory. From this date onwards, payment is made at the frequency specified in Payment frequency .

Example

If a contract starts on the 1st of the month but you want the financial commitments to be paid on the 15th of the month, enter the 15th of the month as a start date. This field contains the start date of the contract line by default.

Once the contract is in the **Active** status, you can no longer change the date specified in this field.

Contract Line	Contract data	Start date commitment	End date commitment	Payment start date	Payment amount	
1	Date effective	1-Jan-19	1-Jan-19	31-Jan-19	1-Jan-19	€ 2,000.00
	End date	31-Dec-36	1-Feb-19	28-Feb-19	1-Feb-19	€ 2,000.00
	Start of regular payment	1-Jan-19	1-Mar-19	31-Mar-19	1-Mar-19	€ 2,000.00
	Payment frequency	1 month	1-Apr-19	30-Apr-19	1-Apr-19	€ 2,000.00
2	Date effective	1-Jan-19	1-Jan-19	14-Jan-19	1-Jan-19	€ 903.23
	End date	31-Dec-36	15-Jan-19	14-Feb-19	1-Feb-19	€ 2,000.00
	Start of regular payment	15-Jan-19	15-Feb-19	14-Mar-19	1-Mar-19	€ 2,000.00
	Payment frequency	1 month	15-Mar-19	14-Apr-19	1-Apr-19	€ 2,000.00
3	Date effective	15-Jan-19	15-Jan-19	31-Jan-19	1-Jan-19	€ 1,096.77
	End date	31-Dec-36	1-Feb-19	28-Feb-19	1-Feb-19	€ 2,000.00
	Start of regular payment	1-Feb-19	1-Mar-19	31-Mar-19	1-Mar-19	€ 2,000.00
	Payment frequency	1 month	1-Apr-19	30-Apr-19	1-Apr-19	€ 2,000.00

For once-only amounts, the **Start of regular payment** field is automatically populated with the contract line's start date (as specified in the **Date effective** field) and becomes read-only.



If you want to register amounts with more than two or three decimal places, you can use one of the following four free decimal fields:


- **Free numerical field 11-12** (system names **FreeDecimal11-12**): to register amounts up to eight decimals
- **Free numerical field 13-14** (system names **FreeDecimal13-14**): to register amounts up to ten decimals

Contract line statuses

Status	Description
Inactive	This is the initial status when a contract line is created.
Active	<p>If you activate a contract, the corresponding contract lines are also activated. Any modification on a contract line can be performed only via Add modifications action on the Contracts BO. For more information see Modifying contract (line) data. After a contract is activated, the financial and accounting commitments will be registered.</p> <p>For more information on Financial commitments, see Calculating and displaying financial commitments.</p> <p>For more information on Accounting commitments, see the <i>Accounting commitments</i> section in the <i>Lease accounting</i> documentation.</p>
Terminated	If a contract is terminated, the linked contract lines are also assigned Terminated status. You can also terminate a single contract line with a status change.
Expired	An expired contract line ends without an explicit action from the user if the end date of the contract is in the past. User can move the contract to expired status to be certain that the contract cannot be renewed later.

Contract options fields

Field	Description
General	
Contract	Enter the contract to which the contract option applies.
Contract line	Enter the contract line to which the contract option applies.
Valid from	Enter the date from which the contract option can be applied.
Valid up to and including	<p>Enter the date up to and including which the contract option can be applied.</p> <p>In the automated renewal process, renewal options are processed when this date has passed.</p>

Field	Description
Contracting party - fine	Enter the contracting party that is required to pay a fine.
Contracting party - fee	Enter the contracting party that receives a fee.
Renewal options	
Renewal term	<p>Enter the period by which the contract can be extended. This field is only available for renewal options.</p> <p>Not completing this field results in the contract being extended for an indefinite period of time.</p>
Repeat renewal	<p>To specify whether the contract option should be copied to be applied later.</p> <p>If set to Yes, when processing this renewal option, Planon will create a copy of the option and will increment the priority so that the process of renewal will run continuously until it is ended by setting the value for this field to No.</p> <p>To use this feature, renewal options must be based on priority and not on date.</p> <p>If this field is set to No, the renewal option will only be processed once, after which its status changes to Exercised.</p> <div data-bbox="558 1163 1317 1249" style="border: 1px solid #0070C0; padding: 5px; margin: 10px 0;">  </div> <p>You can use the Valid up to and including date for repeating contract renewal options, alongside priority-based options. When generating a new option, the Valid up to date is automatically calculated based on the specified date and the renewal term. In addition, for active renewal options based on priority, where the accepting party's notice term has no value, the tentative notice date is populated.</p>
Priority	<p>The automated renewal process operates based on the value you set in this field. The contract option with the highest priority (1) is processed first.</p> <p>Contract options for the same contract cannot have the same priority. For more information on automatic renewal, see Renewal options.</p>
Notice term - accepting party	Specify the term of notice required by the accepting party.

Field	Description
Tentative notice date	The date in this field is automatically calculated and updated by Planon. Notice dates can be used in notifications, so that a contract manager can take timely action on a contract or contract option before the notice date expires. For more information, see Notice dates on contract options .
Tentative contract end date	<p>The date that appears in this field is based on the following calculation:</p> <p>Contract end date + Renewal term = Tentative contract end date</p> <p>Example:</p> <p>31-12-2018 + Year = 31-12-2019</p> <p>This date is a tentative date, because it may shift as a result of changing the contract end date. This date will only be calculated if the renewal option status is Active or In preparation.</p>

Termination options / Purchase options

Exercisable by	Specify the contracting party that can exercise the termination / purchase option (Both, Accepting party, Offering party).
Based on	<p>Specify whether you want to execute the termination / purchase option either based on:</p> <ul style="list-style-type: none"> • the end date • the notice date <p>This field is specifically relevant if the schedule is based on the value in either of the following fields: Recurrence - calendar, Recurrence - month(s), or Recurrence - interval</p> <p>If you select the Recurrence - calendar or Recurrence - month(s) field, you can specify what the selected month or calendar date represents:</p> <ul style="list-style-type: none"> ◦ The next notice date. The next end date is calculated as follows: next notice date + notice term ◦ The next end date. The next notice date is calculated as follows: next end date - notice term

Field	Description
	<p>Suppose you have a contract that automatically continues unless it is terminated. There is an option to terminate the contract based on a regular schedule. If the termination has not taken place, the notice date is in the past. You can automatically update the next notice date / end date based on the following Recurrence fields without having to define a new termination option:</p> <p>Recurrence - calendar</p> <p>Recurrence - interval</p> <p>Recurrence - month(s)</p> <p>If the option's next notice date is in the past and this schedule is configured based on one of the Recurrence fields, Planon will update the next possible notice / end date based on this configuration (when saving the contract / option or when activating the action to redetermine the latest dates).</p> <p>For lease accounting contracts, the commitments must be recalculated when the notice dates are updated for a reasonably certain termination option. The calculated end date will shift. For more information about working with lease accounting contracts, see Lease accounting.</p>
Notice term - offering party	Specify the term of notice required by the offering party.
Recurrence - calendar	For automatically applying termination options based on dates, select the specific date(s) to be used. To save these settings, select the Save settings check box. The settings are saved upon closing the dialog box. The next time you open it, the saved settings will be displayed.
Recurrence - month(s)	For automatically applying termination options based on month(s), select the specific month(s) to be used.
Recurrence - interval	For automatically applying termination options based on a period, specify the period to be applied.

Field	Description
	For more information on automated processing of termination options, see Automated processing of termination options .

Contracting party data fields

Several data fields are available to contracting parties. The use of some of these fields is quite straightforward and is not discussed here.


Field	Description
Address	Allows you to link an address from Addresses to the contracting party.
Person	Allows you to link a person from Personnel to the contracting party.

Contractual terms data fields



Field	Description
Agreement by	Enter the contracting party initiating the contractual terms from a pick list containing contracting parties that were defined at the Components > Contracting parties step. For details on adding and maintaining contracting parties, see Adding contracting parties .
Agreement with	Enter the contracting party accepting the contractual terms from a pick list containing contracting parties that were defined at the Components > Contracting parties step. For details on adding and maintaining contracting parties, see Adding contracting parties .
Contract	In this read-only field, Planon ProCenter automatically indicates the contract number and the description of the contract to which the agreement has been added.
Date of contractual terms	Enter the date the contractual terms were added to the contract.
Document	Use this link field to link a file that was not created in Planon ProCenter, such as a document that contains all of the special circumstances that relate to a contract.


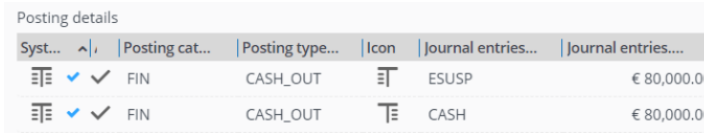
Field	Description
Document (secure)	Reference to the secure location of the communication log. Here you can view, open or upload documents.
End date	Enter the contractual terms' end date.
Start date	Enter the date on which the contractual terms become effective. This field contains the contract's start date by default.

Financial commitments data fields

 The fields for the functional currency have the prefix "FC" (only applies to contracts based on lease accounting).

Field	Description
Contract line	Displays the contract line to which the financial commitment applies.
Closure date	Indicates the date on which amounts can be closed. This date depends on whether payment is in advance or in arrears. Example: A user has agreed that rent is to be paid monthly in advance. The commitment period is 1/1/2008 - 1/31/2008. In this case, the closure date is 1/1/2008. If the user agrees that the amount is to be paid in arrears, the closure date is 1/31/2008.
Payment date	Displays the date at which the financial commitment is to be settled.
Accounting date	Displays the accounting date and indicates the period the financial commitment is accounted for. Accounting dates refer to the actual dates that an accounting period begins and ends. The accounting date must be within an accounting commitment start date and end date.
Start date commitment	Displays the start date of the financial commitment.
End date commitment	Displays the end date of the financial commitment.
Payment?	Indicates if the amount specified is to be paid to or received from the other party.

Field	Description
Amount (incl. / excl. tax)	<div data-bbox="521 254 1312 369" style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p> You can use this field in reports to make the correct calculations. For details on creating reports, see the <i>Report Manager</i> documentation.</p> </div> <p>The financial commitment amount in this field is calculated based on the values specified in the Amount, Amount per and Payment frequency fields of the corresponding contract line at the Contract details > Contract lines selection step.</p> <p>Example 1</p> <p>Amount (contract line) = \$ 1500</p> <p>Amount per = month (monthly amount)</p> <p>Payment frequency: 3 months</p> <p>Amount financial commitment = \$1500 * 3 = \$ 4500</p> <p>Example 2</p> <p>Amount (contract line) = \$ 12000</p> <p>Amount per = year (annual amount)</p> <p>Payment frequency = 3 months</p> <p>Amount financial commitment = (\$12000/12) * 3 = \$ 3000</p>
FC - amount excl. VAT	<p>If you are using functional currencies in lease accounting contracts (see the <i>Lease accounting</i> documentation), this field displays the financial commitment amount based on the functional currency.</p>
FC - spot exchange rate	<p>If you are using functional currencies in lease accounting contracts (see the <i>Lease accounting</i> documentation), this field displays the spot exchange rate that is used to calculate the functional currency. Planon uses the spot rate that was valid on the financial commitment's Payment date.</p>
VAT rate	<p>Displays the VAT rate that applies to the financial commitment.</p>
	<div data-bbox="521 1556 1312 1671" style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p> Note that if the VAT rate is changed within a payment period, separate financial commitments (or supplements) are created. Please refer to the following example.</p> </div> <p>Example</p> <p>Amount (contract line) = \$ 100</p> <p>Amount per = month</p> <p>Payment frequency = 3 months</p>

Field	Description																								
	<p>VAT rate = 6%</p> <p>This results in the following financial commitment:</p> <p>1/1/2010 – 3/31/2010: Amount incl. VAT = \$ 318 (300 + 18,00 VAT based on 6% VAT)</p> <p>Assume the VAT tariff changes on 2/1/2010 from 6% to 19%. The following 2 financial commitments are created:</p> <p>1/1/2010 – 1/31/2010 Amount incl. VAT = \$ 106 (100 + 6,00 VAT based on 6% VAT)</p> <p>2/1/2010 – 3/31/2010: Amount incl. VAT = \$ 238 (200 + 38,00 VAT based on 19% VAT)</p>																								
Send to financial system?	Planon uses this field to indicate whether postings should be sent to your financial system.																								
Posting details	Displays an overview of all relevant data of the postings/ journal entries linked to the financial commitment.																								
	<div style="border: 1px solid #00a0e3; padding: 5px; display: inline-block;">  Postings and posting details become available after trial closure or final closure. </div>																								
	 <table border="1"> <thead> <tr> <th colspan="6">Posting details</th> </tr> <tr> <th>Syst...</th> <th>Posting cat...</th> <th>Posting type...</th> <th>Icon</th> <th>Journal entries...</th> <th>Journal entries...</th> </tr> </thead> <tbody> <tr> <td>✓ ✓</td> <td>FIN</td> <td>CASH_OUT</td> <td>⌵</td> <td>ESUSP</td> <td>€ 80,000.00</td> </tr> <tr> <td>✓ ✓</td> <td>FIN</td> <td>CASH_OUT</td> <td>⌵</td> <td>CASH</td> <td>€ 80,000.00</td> </tr> </tbody> </table>	Posting details						Syst...	Posting cat...	Posting type...	Icon	Journal entries...	Journal entries...	✓ ✓	FIN	CASH_OUT	⌵	ESUSP	€ 80,000.00	✓ ✓	FIN	CASH_OUT	⌵	CASH	€ 80,000.00
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✓ ✓	FIN	CASH_OUT	⌵	CASH	€ 80,000.00																				
Technical comment	This field can be used by exporting interfaces to store additional information about the export in addition to the Send to financial system field. Technical comments can include for example an export batch ID. This field is populated by Planon and cannot be changed by users.																								

History fields


Field	Description
Modification date-time	The date-time at which the change was entered in Planon ProCenter.
History added manually?	Whether the history line was added manually via the Add button on the Contract history menu.

Field	Description
Planon user	The name of the Planon user who made the change.
User field name	The field name of the changed field as it is known to the user.
System field name	The field name of the changed field as it is defined in the system.
Old value	The contents of the field prior to the modification.
New value	The contents of the field after the modification.
Contract (line)	The contract or contract line to which the change applies.
Start date	The date at which the change becomes effective.

Lease contract line fields

Field	Description
Amount	<p>The rentable unit's recommended price on the selected reference date, calculated from:</p> <p>Physical quantity of rentable unit x Recommended price per unit of measurement</p> <p>The value in this field is copied from the linked rentable unit. You can manually change this value.</p>
Physical quantity	The quantity of the leased rentable unit linked to the contract line. The value in this field is copied from the linked rentable unit. You can manually change this value.
Unit of measurement	The unit of measurement used for the rentable unit. The value in this field is copied from the linked rentable unit. You can manually change this value.
Physical quantity of rentable unit	A read only field that indicates the physical quantity of the rentable unit on the selected reference date.
Recommended price per unit of measurement	Calculated field that indicates the recommended price per unit of measurement to be used for the rentable unit.

Field	Description
Price per unit of measurement (commercial)	The commercial price per unit of measurement, calculated from: Amount / Commercial quantity The value in this field is copied from the linked rentable unit. You can manually change this value.
Price per unit of measurement (physical)	The price per unit of measurement on the selected reference date. This is calculated from: Amount / Physical quantity of rentable unit The value in this field is copied from the linked rentable unit. You can manually change this value.

 There are additional contract line fields for lease accounting. For details, refer to the Lease accounting documentation.

Overview including payments - Fields

Column	Description
Commitments	Displays the financial commitments generated by the contract.
Cashflow	Displays the registration of payments/receipts against the contract's commitments.
Balance	Displays the balance between commitments and receipts. (Commitments – Cashflow).
Cumulative balance	Displays the addition of the previous cumulative balance and the current balance. This column takes into account the Cashflow start balance data (for more information, see Interpreting values - example).

Price announcement letter fields

Field	Description
Accepting contract party	Specify if the price announcement letter is to be addressed to a Person or to an Address of the accepting contracting party. This field is mandatory.
Code	Enter a code for the price announcement letter. This field is mandatory.

Field	Description
Include price changes only	If you want to only include contract lines in which price changes have occurred, set this field to Yes . If you want to include contract lines in which any change has occurred, set this field to No .
Period start date	Specify the start date of the period for which changes are to be announced. This field is mandatory.
Period end date	Specify the end date of the period for which changes are to be announced. This field is mandatory.
Template	Specify the mail merge report definition template you created in step 2 of the procedure. This field is mandatory.
Copy to person or address	Specify if a copy of the price announcement letter is to be addressed to a Person or to an Address defined for the contract.
Name	Enter a name for the price announcement letter form.
Allow duplicates for period	If for a particular contract, you want to allow the price announcement letter to be used to report changes for a period of time that overlaps with periods of time already reported on, set this field to Yes . If you set this field to No , you can only create a price announcement letter if no letter has already been created for the entire period specified.
Include once-only contract lines	If you want to also report changes to contract lines in which only a single payment is made (i.e. with payment frequency set to once only), set this field to Yes .
Include starting & ending contract lines	To include contract lines that start or end within the specified period, set this option to Yes .
Save as PDF	If you select Yes , the price announcement letters are stored as PDF, ready to be printed or to be sent via email.
Email subject report	Select a data-only report to be used for specifying the email subject of a form that will be sent by email.

Yes/No field settings

Include price changes only	Include contract lines with once only payment frequency	Include contract lines with start and end date	Price announcement letter then includes contract lines with:
Yes	No	No	Changes to price fields only, with a payment frequency other than once only.
Yes	Yes	No	Changes to price fields only, and those with a payment frequency of once only.
Yes	No	Yes	Changes to price fields only, with a payment frequency other than once only. If a contract line's start or end date falls within the specified period, it is also included.
Yes	Yes	Yes	Changes to price fields only, and those with a payment frequency of once only and those with a start or end date that falls within the specified period.
No	No	No	Changes to any field, with a payment frequency other than once only.
No	Yes	No	Changes to any field.
No	No	Yes	Changes to any field, with a payment frequency other than once only.
No	Yes	Yes	Changes to any field.

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