

Oracle

Sales Cloud

Using Customer Contracts

Release 12

This guide also applies to on-premises implementations

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Preface

This preface introduces information sources that can help you use the application.

Oracle Applications Help

Use the help icon  to access Oracle Applications Help in the application. If you don't see any help icons on your page, click the Show Help icon  in the global header. Not all pages have help icons. You can also access Oracle Applications Help at <https://fusionhelp.oracle.com>.

Using Applications Help

 **Watch:** This video tutorial shows you how to find help and use help features.

Additional Resources

- **Community:** Use [Oracle Applications Customer Connect](#) to get information from experts at Oracle, the partner community, and other users.
- **Guides and Videos:** Go to the [Oracle Help Center](#) to find guides and videos.
- **Training:** Take courses on Oracle Cloud from [Oracle University](#).

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1 About This Guide

Audience and Scope

This guide provides information on how sales representatives and their managers can use the Enterprise Contracts solution. This guide describes the business flows and functionality in contract creation, terms authoring, and contract maintenance areas and how you can perform your day-to-day actions in these areas.

Related Guides

In addition to this guide, the following table provides summary information about other guides that may be important references as you use Oracle Enterprise Contracts:

Title	Description
Oracle Applications Cloud Using Common Features	Contains information to help end users of Oracle Applications Cloud as they perform their day-to-day activities.
Oracle Sales Cloud Using Sales	Contains information to help sales managers, sales people, and other sales end users perform daily sales tasks.
Oracle Sales Cloud Creating and Administering Analytics	Contains information about supplied reports and analytics, as well as how to create your own reports.

You may need to consult other guides other than those shown here. See the Related Topics section below for direct access to all guides (if allowed by your organization).

Related Topics

- [Oracle Help Center](#)

2 Creating a Customer Contract

Oracle Enterprise Contracts: Overview

Oracle Enterprise Contracts provides the most complete solution for managing sales, procurement, and other contracts. It is a comprehensive offering for standardizing corporate contract policies, improving internal controls, and complying with all contractual obligations and regulatory requirements.

Summary of Features

The key features of Oracle Enterprise Contracts include the following:

- Standardize the contract process
- Accelerate contract renewal cycles
- Improve visibility and drive contract compliance

Standardize the Contract Process

With Oracle Enterprise Contracts, companies can implement contract best practices with standard templates, clauses, and contract policy rules that can be enforced enterprise wide. Global organizations can establish company-wide standards that can be adopted and tailored by regional administrators to comply with local or country-specific regulations.

Contract administrators and legal personnel may author and negotiate many complex contracts each year. Oracle Enterprise Contracts simplifies the process by allowing contract administrators to maintain a central library of standard clauses, contract templates, and policy rules across the enterprise. Contract templates enable rapid assembly and creation of contracts by providing standard contract boilerplate language for each type of sale or procurement. Policy rules specify which clauses are mandatory for a contract or protected against updates during negotiation.

Accelerate Contract and Renewal Cycles

The Contract Expert feature guides users through a questionnaire. Based on the user's responses and other negotiated business terms, such as products, prices, and contract amount, Contract Expert adds any required clauses. Standards-based contracts can be generated, reviewed, and approved with little or no legal supervision. Users can print the contract as a PDF document for signature. The application also enforces contract policy controls to prevent unauthorized modifications. Contract collaboration and negotiation is streamlined using the two-way integration with Microsoft Word. The change tracking in Microsoft Word enables the contract administrator, legal department, or the external party to make changes offline. The document is synchronized with the structured contract terms stored in the application.

Improve Visibility and Drive Contract Compliance

A single view of all enterprise contracts is essential for effective management of contract activities and for reporting and analysis of outstanding supplier, customer, and partner commitments. Contracts enables contract professionals to search and view all contracts from a single location. The text-based search engine can combine keyword searches with structured information like contract dates or amounts. Thus providing unprecedented access to contracts for all key stakeholders. The Contracts Dashboard provides a snapshot of all contracts-related activities, including deliverables progress, approvals, and contracts that need attention.

Authoring a Customer Contract: How It Works

This topic explains the process of authoring a customer contract by selecting the **Create Contract** task in the Contracts work area.

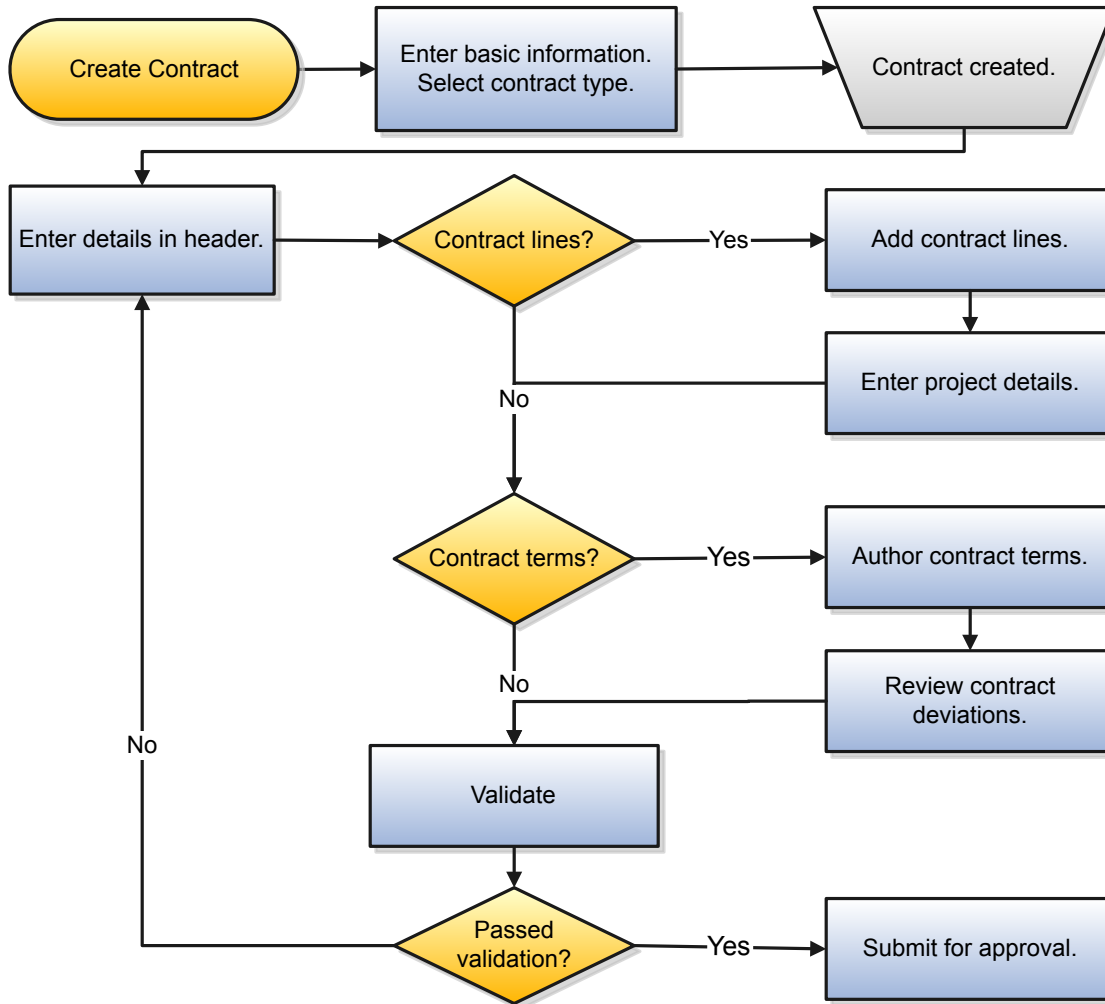
The following figure outlines the process described in the sections of this topic.

1. In the Create Contract window, you enter the basic information required to create the customer contract.

Selecting the contract type determines what additional information you can enter.

2. This creates the contract which you can then edit.
3. Enter additional contract details.
4. Depending on the contract type, you can:
 - Add contract lines.
 - If the contract lines are related to projects, enter project information.
 - If the contract lines are related to products, enter the product type information.
 - Author contract terms and review contract deviations.
 - Designate contacts as signers on the contract.
5. Validate the contract and correct any errors.

6. Submit the contract for approval.



Entering Basic Contract Information

In the Create Contract window, you enter the basic information required by the application to create the contract. This includes:

- Business Unit

The business unit where you are creating the contract. Selecting the business unit determines what contract types you can select. If your contract is not project-based, you can also select a business unit with no assigned ledger or legal entity.

- Legal Entity

The internal legal entity entering into the contract. This is required only for project-based contracts.

- Type

A contract type is a contract category that determines the nature of the contract. For example, the type determines if the contract is a project contract, a purchasing contract, or simple nondisclosure or employment agreement. A contract type also specifies what kind of information you can enter and what contract lines, parties, and party contacts are permitted.

- Primary Party

The primary customer entering into the contract.

- Contract start and end dates
- Contract Currency

Depending on the business unit and contract type you selected, you may also be asked to enter:

- Number

This field appears only if you are required to enter the contract number manually. The number you enter can include any alphanumeric characters and must be unique.

- Item Master

If the contract type includes item-based lines, then you must enter the item master inventory organization, associated with the contract business unit, that will be used to select the inventory items you are selling.

 **Caution:** You cannot change the business unit, the legal entity, the contract type, and the contract number after the contract is created.

Adding Contract Information to the Contract Header

On the contract Header tab, add additional information depending on the contract type you selected. This may include:

- Additional contract parties and contacts
- Billing information related to projects such as bill plans, revenue plans, and PO number.
- Information about possible contract risks and their probability
- Contract documents
- List of related contracts
- Notes

Adding Contract Lines

If the Lines tab is visible, add contract lines to specify what you are selling. Depending on the contract type, you may be able to enter one or more of the following line types:


- Item

For items selected from inventory based on the item master you selected for the contract.

- Free Form

For goods or services you are selling that are not tracked in inventory, such as consulting services, for example.

If the type of line you added is related to projects, then you can add project and billing information in the Line Details region.

 **Note:** For item, project-based contract lines, the item master, inventory item identifier, and unit of measure are all passed to the Receivables invoice staging tables. For project-based contract lines, if no PO number is entered at the header level, there is no default value at line level. In this case, enter the PO number for the line. This number is passed as reference on Receivables invoices.

Authoring Contract Terms

If the Contract Terms tab is visible, you can add and edit contract terms and conditions.

Just what actions you can take during contract terms authoring depends on your implementation, your privileges, and contract type. Some contracts may have their contract terms already populated from a contract terms template and permit you only to add and delete clauses from the Contract Terms Library. Other contracts may allow you to create nonstandard clauses or require you to answer questions to determine if additional clauses are required. For some contracts, you may attach the contract terms in a separate document and not use the authoring capabilities of the application at all.

If you do author contract terms for your contract, select the **Review Contract Deviations** action on the Contract Terms tab to determine if your contract deviates from your company standards. You can add any explanations for the deviations in the report which can be attached to the notification sent to the contract approvers.

Validating and Submitting the Contract for Approval

The contract must pass validation before it is sent for approval. To validate the contract, select **Validate** from the Actions menu. Clicking the **Submit** button to submit the contract for approval also triggers the same validation process. You must fix all errors for the contract to pass validation. Resolving warnings is optional.

Related Topics

- [Authoring Contract Terms: How It Works](#)


Contract Actions and Status Changes: Explained

A contract typically moves through a variety of states throughout its life cycle, from initial drafting to negotiation to active management and eventually to contract closeout. A contract status indicates where a contract is in its life cycle, and also determines what actions and operations are permitted for the contract.

Some of the actions available for a contract have no effect on the status of the contract. These actions are:


- **Preview:** Displays contract with terms and conditions in PDF format.
- **Validate:** Displays errors and warnings, if any.
- **Duplicate:** Creates a new contract in Draft status with a new number for which you can select to retain dates, primary and other party information, contract terms, notes, and contract line information from the original contract.
- **Save as Contract Template:** Creates a new contract template in Draft status with the same attributes as that of the contract.
- **Delete:** Removes the contract.
- **Edit Contract in Wizard:** Enables you to use the Wizard to upload documents and enter contract details such as contract terms template, variable values, and answers to questions before approving and signing the contract. This action is therefore available only in Draft and Under Amendment contracts.
- **Autocreate Fulfillment Lines:** Creates fulfillment lines for buy intent contracts.

- **Track Completion:** For sell intent contracts with lines, tracks percent complete for the project at line level.

 **Note:** Contract statuses are predefined and you cannot define new statuses. However, you can define user statuses and their transitions and use them, for example, to pass the contract from one team to another for review before submitting the contract for approval.

The following table describes the available contract statuses and lists those permitted actions for each status that cause a change in contract status:

Status	Description	Available Actions and Resulting Statuses
Draft	The initial status of a contract	<ul style="list-style-type: none"> • Cancel Resulting status: Canceled • Submit for Approval Resulting status: Pending approval • Create New Version Resulting status: Draft <p>When a contract is in Draft status and a new version of it is created, this new version will also be in Draft status.</p>
Canceled	The status of a contract changes to Canceled when the draft is canceled.	There is no action available that changes the status of the contract.
Pending approval	The status of a contract changes to Pending approval when it is submitted for internal approval.	<ul style="list-style-type: none"> • Stop Approval Resulting Status: Draft The contract is withdrawn from approval. You can now make corrections to the contract and resubmit it for approval. • Stop Approval Resulting Status: Under amendment The current contract is in Under amendment status if it has an earlier active version. • Cancel Resulting status: Canceled • Approve Resulting status: Active If, based on the contract type, signature is not required for acceptance, and all approvers have approved. • Approve Resulting status: Pending signature If, based on the contract type, signature is required for acceptance. • Approve Resulting status: Hold When a contract is approved, if there is an existing Hold on it with Hold date later than the system date, its status changes to Hold. • Reject

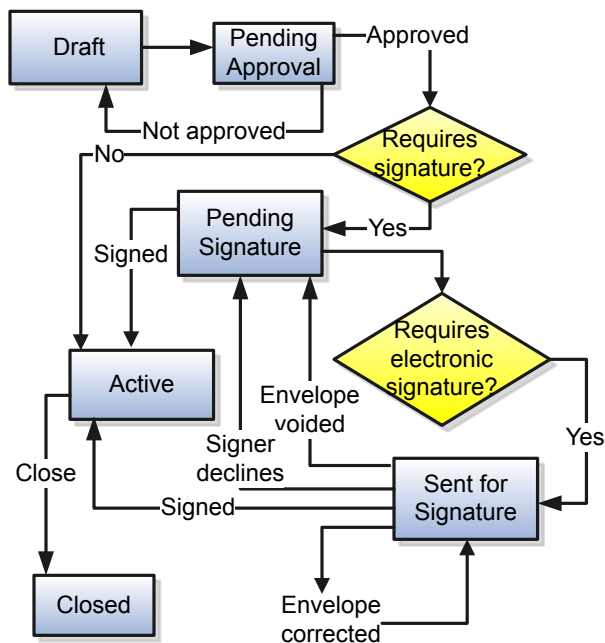
Status	Description	Available Actions and Resulting Statuses
		<p>Resulting status: Draft</p> <p>When one or more approvers do not approve the contract.</p> <ul style="list-style-type: none"> Reject <p>Resulting status: Under amendment</p> <p>This status results when one or more approvers do not approve the contract and the contract has a previous active version.</p> <p> Note: The Approve and Reject actions are available from the approval workflow notification.</p>
Pending signature	The status of a contract changes to Pending signature when it is internally approved by all approvers but is pending customer or supplier acceptance. Acceptance can be by manual or electronic signature.	<ul style="list-style-type: none"> Sign Contract <p>Resulting status: Active</p> <p>If manual signature is required for acceptance, then clicking on this action displays the Accept Contract page where designated signers enter their name and date of acceptance.</p> Sign Contract <p>Resulting status: Sent for signature</p> <p>If electronic signature is required for acceptance, then this action displays the integrated Sign Contract page. On this page, the sender must click on Send to send the contract for electronic signature to the designated signers.</p> Sign Contract <p>Resulting status: Hold</p> <p>When a contract is accepted, if there is an existing Hold on it with Hold date later than system date, its status changes to Hold.</p> Create New Version <ul style="list-style-type: none"> Resulting status: Draft <p>When a contract is pending signature, if a new version of it is created, this new version is in Draft status.</p> Resulting status: Under amendment <p>If the original contract pending signature was under amendment, the new version will also be in Under amendment status.</p> Cancel <p>Resulting status: Canceled</p>
Sent for signature	The status of a contract changes to Sent for signature when the contract is sent for signature using the integrated electronic signature solution.	<ul style="list-style-type: none"> Manage Signatures No resulting status

Status	Description	Available Actions and Resulting Statuses
		<p>If the sender corrects the envelope and resends it for signature.</p> <ul style="list-style-type: none"> Resulting status: Pending signature <p>If the signer declines to sign or the sender voids the envelope.</p> <ul style="list-style-type: none"> Resulting status: Active <p>If all the signers sign the contract.</p>
Active	<p>If the contract does not require signature for acceptance, then the status of the contract changes to Active when it is approved by all the approvers. If the contract requires signature for acceptance, then the status of the contract changes to Active only when it is approved by all the approvers and signed by all the signers.</p>	<ul style="list-style-type: none"> Amend Resulting status: Under amendment Enables you to make changes to the contract and resubmit it for approval. Apply Hold Resulting status: Hold Close (Terminate) Resulting status: Closed This contract is no longer available except from contract history.
Hold	<p>The status of a contract changes to Hold when a hold is applied.</p> <ul style="list-style-type: none"> The Update Contract Status process will ignore contracts or contract lines on hold and will not change them to the Expired status. 	<ul style="list-style-type: none"> Amend Resulting status: Under amendment Enables you to make changes to the contract and resubmit it for approval. Remove Hold Resulting status: Active if prior to end date, otherwise the status will be Expired. Close (Terminate) Resulting status: Closed This contract is no longer available except from contract history.
Under amendment	<p>The status of a contract changes to Under amendment when it is amended.</p>	<ul style="list-style-type: none"> Submit for Approval Resulting status: Pending approval Revert Resulting status: Active The status of a contract under amendment changes to Active if the latest changes are canceled by reverting. The contract returns to its state prior to its amendment. Create New Version Resulting status: Under amendment When a contract is in Under amendment status and a new version of it is created, this new version will also be in Under amendment status.
Closed	<p>The status of a contract changes to Closed when you close (terminate) it. Closed status implies either a foreclosure or a closeout after expiration.</p>	<ul style="list-style-type: none"> Reopen Resulting status: Draft

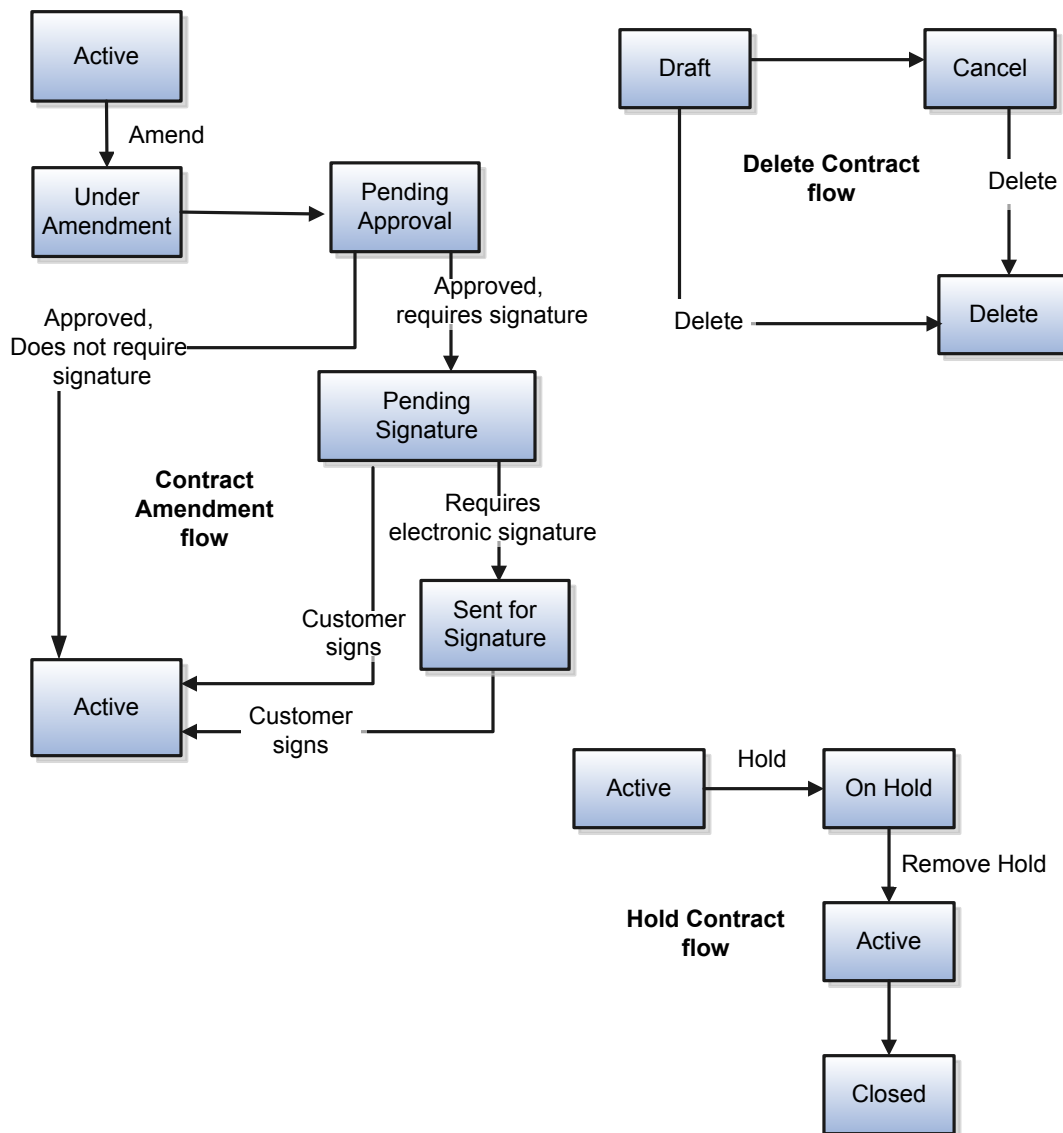
Status	Description	Available Actions and Resulting Statuses
		Makes this contract available for corrections and resubmission for approval.
Expired	The status of a contract changes to Expired when its end date is reached.	<ul style="list-style-type: none"> Amend Resulting status: Under amendment Opens the contract for corrections and before resubmitting for approval. Apply Hold Resulting status: Hold Close Resulting status: Closed This contract is no longer available except from contract history.

Tip: When the contract end date is reached and the contract status is Active, the Update Contract Status concurrent program changes the contract status to Expired.

The following figure shows a contract flow from draft to approval to acceptance.



The following figure shows contract amendment, contract delete, and contract hold flows.



Related Topics

- [User Statuses and Transitions: Explained](#)

Authoring Contracts Using the Contract Wizard: How It Works

You can select the **Create Contract in Wizard** and **Edit Contract in Wizard** tasks to quickly author enterprise contracts using a guided process.

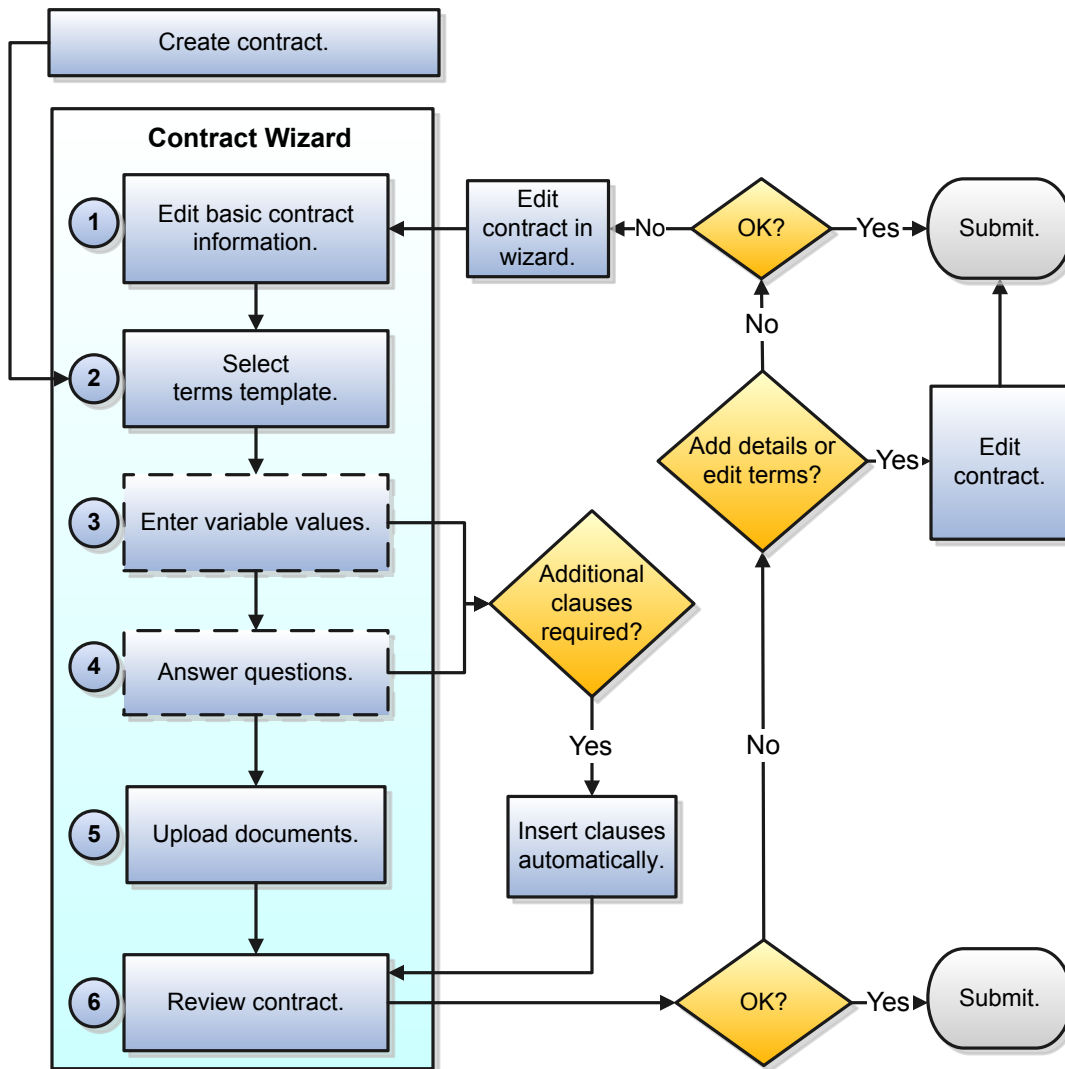
The Contract Wizard guided process is based on the origin of the contract terms. If the contract terms originate internally in your organization, then you add the contract terms by applying a contract terms template. If the contract terms originate from an external party such as a supplier, then you upload the file containing the contract terms because the contract terms are authored outside the application.

The following figure outlines how Contract Wizard guides you to create a contract where the contract terms originate with an internal party:

1. You select **Internal** as the authoring party and enter basic contract information on the Create Contract window.
2. The application displays the page of the Contract Wizard where you can select and preview the contract terms template you want to use. Depending on the setup, the application may recommend the template or let you select one of your own.
3. Depending on the business rules set up for the selected template, you may be required to enter values for contract variables (Step 3) and to answer questions (Step 4). These steps are the equivalent of running the Contract Expert. On this figure they are outlined in dashed lines.
4. Based on your entries in Steps 3 and 4, the application may insert additional clauses into the contract terms.
5. You may upload supporting documents.
6. You may preview the contract terms, including any additional clauses inserted by the application.
7. If you are satisfied, click **Submit** on the Review Contract page to validate the contract. If there are no validation errors, the contract is submitted for approval.
8. If you want to make changes, instead of submitting, save and do one of the following: select the **Edit Contract in Wizard** action to revise what you entered in the wizard or select the **Edit Contract** action if you want to add contract lines and other details or edit the contract terms.

The following figure outlines the contract authoring process using the Contract Wizard for an internal party.

Internal Party Contract

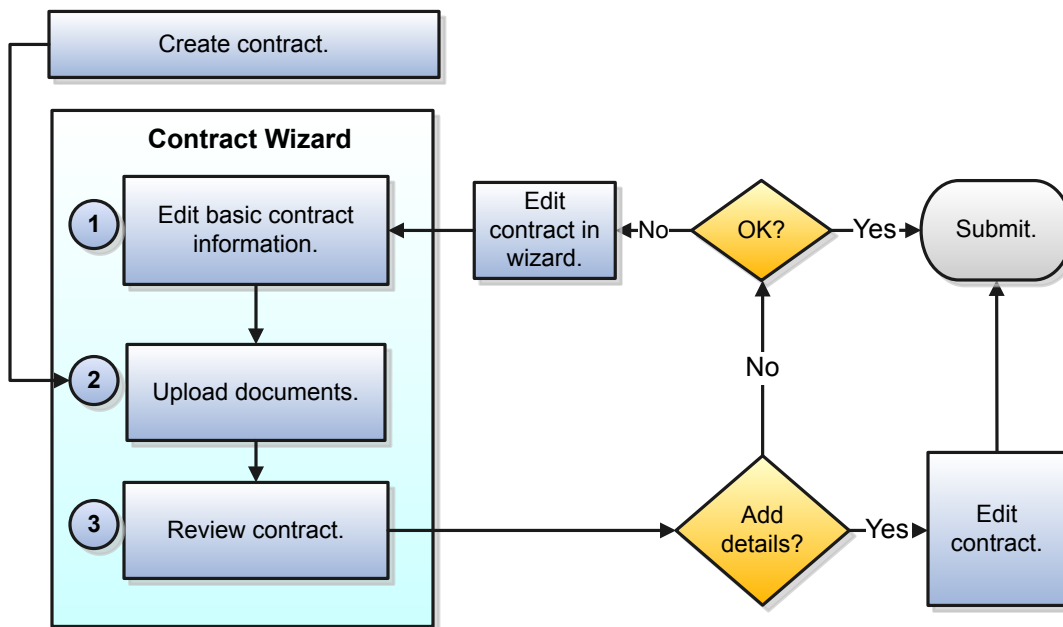


Here is how Contract Wizard guides you to create a contract with contract terms that an external party supplies in a file:

1. You select **External** as the authoring party and enter basic contract information on the Create Contract window.
2. You upload the file containing the contract terms as the primary contract document and any other supporting documents.
3. You review the contract information.
4. If you are satisfied, you click **Submit** on the Review Contract page to validate the contract. If there are no validation errors, the contract is submitted for approval.
5. If you want to make changes, save the contract and either select the **Edit Contract in Wizard** action to revise what you entered in the wizard or select the **Edit Contract** action if you need to add contract lines and other details.

The following figure outlines the contract authoring process using the Contract Wizard for an external party.

External Party Contract



Entering Basic Contract Information

To create the contract, you select the contract type and enter basic contract information, including the contract party and the contract amount. If you set the Authoring Party field to External, then the contract terms are being authored outside the application in a separate document which you upload in the Upload Documents page.

Selecting and Previewing the Contract Terms Template

If the Authoring Party is Internal, depending on the setup, the application recommends a contract terms template or lets you select one of your own. You can preview templates by clicking the Preview Contract button. The preview does not appear in the same format as the final contract and does not include the clauses that may be inserted by the application in later steps.

Entering Variable Values

Depending on the business rules for the selected template, you may need to enter variable values. The application substitutes the values in the contract and may use them to determine if additional clauses are required. This step is the equivalent to entering variable values using the Editing Variable Values action or running the Contract Expert feature during authoring without the wizard.

Answering Questions

You may also need to answer a few questions. Based on your answers, the application inserts additional clauses into the contract. This step is equivalent to running Contract Expert during authoring when you do not use the wizard.

Uploading Documents

You can upload files as contract attachments. If you selected External as the Authoring Party, then you must upload the file with the contract terms as the primary contract document. If the contract terms are taken from the template, then the primary contract document is generated by the application automatically when you submit the contract for approval.

Reviewing the Contract

You can review the final contract terms, including any additional clauses inserted by the application. The displayed contract terms are formatted for HTML, but not in final format yet. If you want to view the contract in the final format, select the Preview Contract button. The PDF version is sent to approvers when you submit the contract for approval.

Editing the Contract and the Contract Terms

You can edit basic contract information using the Edit Contract in the Wizard action. Using the Edit Contract action, you can edit both the contract and the contract terms, and also add contract lines and other contract details.

Related Topics

- [Authoring Contract Terms: How It Works](#)
- [What's a primary contract document?](#)

Different Ways of Creating a Contract: Points to Consider

You can create a contract by duplicating an existing contract or by creating an entirely new one either with or without the Contract Wizard. You can also create a contract from a contract template or using file-based import or web services. This topic outlines when you should use each method.

Duplicating an Existing Contract

To create a contract that is similar to an existing contract, select the **Duplicate** action either from within an existing contract or from the contract search page. When you duplicate an existing contract, you can select what to copy to the new contract.

Creating a Contract Using the Contract Wizard

Select the **Create Contract in Wizard** task in the Contracts work area to use a quick and simple method for creating a contract without lines and without party information. You can later edit this to add additional details. With the Contract Wizard:

- You are guided through a set of steps to create contracts
- You are not required to run Contract Expert separately
- You are not required to preview any clauses that Contract Expert automatically inserts into the contract terms

Creating a Contract Without the Contract Wizard

Select the **Create Contract** task in the Contract work area to create complex contracts. Using this task you can:

- Add and edit parties and party contacts.

- Add and edit contract lines.
- Edit the contract terms.
- Export the contract terms for editing in Microsoft Word.
- Add notes and view contract history.
- Run Contract Expert, when required.
- Preview any clauses recommended by Contract Expert before they are inserted.
- Create and manage contract fulfillment lines in buy-intent or supplier contracts.
- View and enter contract risk management and projects billing information for sell-intent or customer contracts.
- Create contracts of contract types with no contract terms.

Creating a Contract from a Contract Template

Select the Manage Contract Template task in the Contract work area and search for an active contract template. You can then open the template in edit mode or select the template in the search results area and click on the Create Contract from Template action menu item to create a contract quickly.

Using this method, you can create a contract for the default system date, or choose any other date as the start date of the contract. You can also choose to retain party and line information from the template, if available. If you enabled the contract type for terms, then the template inserts the latest terms from the Contract Terms Library. You can also create a contract for a different party, or one with retaining lines, billing information, associated projects and tasks, and notes. These contracts will be in Draft status.

Creating a Contract Using File-Based Import

For legacy contracts that you want to migrate to Oracle Fusion Applications:

1. Select the Enterprise Contracts: Define File-Based Data Import task in the Setup and Maintenance work area.
2. Import a contract creating a new contract with header and party information but no contract lines. (Contract header information includes contract name and number, start and end dates, contract type, amount, and status)
3. Use the Define File-Based Data Import Setup and Maintenance task list to configure the import objects, to create source file mappings, and to schedule the import activities.

Creating a Contract Using Web Services

You can use Web services to create many contracts in one go in an integrated application such as partner management or projects.

Use the **ContractService** endpoint URL and select the **createContract** operation and the required source, if HTML or XML. To create a contract in integrated applications, select and enter the following required parameters to be included in the message:

- Contract header information
- Party information,
- Amounts and currency
- Contract lines
- Bill and revenue plans
- Labor and non-labor rates and rate overrides
- Labor multipliers

- Job title and assignment details

Related Topics


- What's the difference between authoring a contract with and without the Contract Wizard?
- Authoring a Procurement Contract: How It Works
- Importing Contracts Using File-Based Import: Explained

Creating a Sales Agreement Line: Explained

When creating a contract, you can add a sales agreement line to accommodate future sales and avoid negotiating terms on each individual quote or order. You can capture the customer information, the pricing terms, and volume commitments if any, between vendors and customers. You can also author customer-specific terms for a period of time into the future while adding a sales agreement line to a contract.

You create and manage a sales agreement line with the same Enterprise Contracts UI that is used for creating a contract. Besides the information you enter while creating a contract, you need to enter the following additional information for a sales agreement line:

- Effective Agreement Date: Date that this agreement goes into effect or becomes active.
- Item: Any part, material, product or service that is unique as compared with other items by nature of its attributes.
- Pricing and Adjustments: See the "Pricing Terms in a Sales Agreement" section below.
- Commitment Amounts: Total amounts that were agreed upon for the sales agreement.

 **Note:** Sales agreements are integrated with the Oracle Sales Cloud Price Book application to obtain pricing information (list prices) for agreement line items.

Pricing Terms in a Sales Agreement

The pricing in a sales agreement line is based on a price book. You can use an existing standard price book as the starting price for a line item. For example, a Preferred Customer price book, a Computer Accessories price book, and so on. You can then specify a price, a discount, or a markup for a particular product if needed.

The header price book is preset as the price book for the line if the item and UOM (unit of measure) chosen for the line exist on the header price book. If not, you can pick a different price book from the price book drop down at the line level. You can also override the preset price book.

You can specify a price book for a given price adjustment. If more than one price book is applicable, then choose a price book other than the default. You can make the following pricing adjustments on an agreement line item:

- Override the price for a particular product. For example, the customer negotiates a price of \$8 for laptop headphones that are listed at \$12.
- Specify a discount or a markup value to adjust the list price of the product as the adjustment when creating the sales agreement line.
- Specify a discount or a markup percentage to adjust the list price of the product as the adjustment when creating the sales agreement line.

Related Topics


- [Price Books: Explained](#)

Contract Line Actions and Status Changes: Explained

A contract line can move through a variety of states throughout its life cycle. A contract line status indicates where a line is in its life cycle, and also determines what actions and operations are permitted for the line.

Some of the actions available for a contract and associated lines have no effect on the status of the contract. These actions are:

- **Preview:** Displays contract and lines with terms and conditions in PDF format.
- **Validate:** Displays errors and warnings, if any.
- **Duplicate:** Creates a new line in Draft status with a new number for which you can select to retain contract line information from the original line.
- **Delete:** Removes the line.

 **Note:** Statuses are predefined and you cannot define new statuses. However, you can define user statuses and their transitions and use them, for example, to pass the contract from one team to another for review before submitting the contract for approval.

The following table describes the available contract line statuses and lists those permitted actions for each status that cause a change in the line status:

Status	Description	Available Actions and Resulting Statuses
Active	The initial status of a line.	<ul style="list-style-type: none"> • Apply Hold Resulting status: Hold • Close (Terminate) Resulting status: Closed This line is no longer available except from contract history.
Hold	The status of a line changes to Hold when a hold is applied. The Update Contract Status process will ignore contract lines on hold and will not change them to the Expired status.	<ul style="list-style-type: none"> • Remove Hold Resulting status: Active if prior to end date, otherwise the status will be Expired. • Close (Terminate) Resulting status: Closed This line is no longer available except from contract history.
Expired	The status of a line changes to Expired when its end date is reached.	<ul style="list-style-type: none"> • Apply Hold Resulting status: Hold • Close Resulting status: Closed Resulting status: Closed This line is no longer available except from contract history.

Contract Validation: Explained

Contract validation performs a series of checks that determine if your contract can be submitted for approval. You must correct all errors. Fixing the warnings is optional.

You can validate your contract at any time during contract authoring by selecting the Validate Contract action. The same validation is performed automatically when you submit the contract for approval.

Required Information

The application checks the contract for the following:

- The selected contract type and line type must be active.
- A contract must have at least one of its contacts as its owner. The owner role is defined in the contract type set up.
- The contract must have at least one contract line if the contract types allows contract lines.

Date Validations

Date validations include the following checks:

- The contract must have a start date.
- Line start and end dates must be within the header start and end date.
- Line due date must be equal to or later than the line start date, and must be equal to or earlier than the line end date.

Validations for Supplier Contracts

Validations for supplier contracts include:

- The purchasing category must be valid.
- For a supplier contract, the supplier site must be valid and active.
- If line type is Item, Item must be valid for the purchase category.
- Payment terms, freight terms, FOB, and ship-to-location must be valid.
- Supplier site must be valid for Supplier.
- The selected carrier must be active and valid for ship-to-organization.

Validations for Customer Contracts

Validations for customer contracts include:

- Ship-to site must be entered if the contract is billable.
- Days to expiration must be less than the contract duration.
- At least one contact must be entered for the contract expiration notification.
- If the contract requires expiration information, then you must enter a contract end date and a contact for the expiration notification.

- Ship-to account must be active for the line.
- Supplier at the line level must be one of the suppliers entered as a party for the contract.
- The sum of all sales credits must equal 100.

Validation of Parties, Accounts, and Sites

Validations of parties, accounts, and sites include checks such as:

- A contract must have at least two parties: a buyer, and a seller.
- For a contract that is enabled for electronic signature, all contacts marked as signers must have a valid e-mail address.
- Billing control effective dates on a contract header must be within contract effective dates.
- Billing control effective dates on a contract line must be within contract line effective dates.
- Billing control start date for a contract or its line must be earlier than its end date.
- For project billing, the contract must have a bill plan and a revenue plan. Select a bill plan and a revenue plan for each contract line that has a contract line type source of project-based.
- For project billing, when a contract line is associated with a percent complete or percent spent bill or revenue plan, and the calculation level is associated project, a funded amount must exist for at least one active associated project.
- For project billing, when a contract line is associated with a rate based, percent spent, or percent complete bill plan or revenue plan, at least one active associated project must exist for that contract line.
- For project billing, when a billing resource is specified for an active billing control, the billing resource must be active in the resource breakdown structure.
- For project billing, the bill-to contact must be currently valid for the bill-to account.
- For project billing, the bill-to account, bill-to site, and bill-to contact values must be entered.
- For project billing, when revenue is fixed price, invoicing must be in the contract currency.
- For project billing, a contribution percentage between zero and 100 must be entered.
- For project billing, a contract organization must be entered.
- For interproject billing, the associated project must be different to the receiver project.
- Billing control hard limit amount must be between 0 and the contract amount or the contract line amount, depending on whether the billing control is at the header or the line level, when the contract type limit type is hard.
- The bill plans and revenue plans for contract lines must have valid combinations of invoice and revenue method classifications.


Related Topics

- [Contract Terms Validation: Explained](#)
- [Approving a Contract: How It Works](#)
- [Invoice and Revenue Method Classifications: Critical Choices](#)

Contracts Frequently Asked Questions (FAQ)

Must I set up a ledger before I create a contract?

If you're creating a contract without project information, you can select a business unit that has no assigned ledger or legal entity. To enable autonumbering for such a contract, you must enable the contract type for the different global numbering levels and business unit. In this case, the numbering levels of the ledger and the legal entity are don't apply. In addition, you must have created document sequences for the document categories of the global and business unit.

 **Note:** The currency on such a contract is the currency of the business unit of the contract.

How can I specify contract risk?

Select the risk type, probability of such risk occurring, impact of such a risk, and any other relevant comments. You can record the occurrence of any of these contracts risks by entering the date of occurrence for the contract risk, at any point of time.

Recording contract risks helps your organization prepare for potential problems. It doesn't affect contract processing.

 **Note:** Entering or editing contract risk information doesn't require you to amend the contract.

How can I set up contract risk?

You select the Manage Risks task from the Setup and Maintenance work area. Contract authors use this list during contract authoring to record contract risks.

Recording contract risks helps your organization prepare for potential problems. It doesn't affect contract processing.

 **Note:** Risk names must be unique.

How can I record sales credits for each salesperson?

Select the salesperson name, credit type, and credit percentage on the contract's Parties tab. The sum of all sales credits must be 100.

What type of documents can I attach to a contract?


You can attach any kind of file, including images, to a contract in the Documents region of the contract Header tab. Files or URLs added in the Contract Document region can only be updated when the contract is in the Draft or Under Amendment statuses.

You can classify the documents you attach in this region as:

- Contract: For documents describing the contract
- Approval Abstract: For comments and notes made by approvers


- Contract Image: For scanned copies of the contract

The files or URLs you add to the Supporting Document region can be updated at any time. The files you attach are automatically submitted for indexing so they are available for text searches.

 **Note:** If you create a new version of a contract, the application automatically carries the attachments forward to the new contract version.

When can I create a new contract version?

When it's in Draft, Under Amendment, or Pending Signature status. Create a new version when a customer or supplier requests changes in a contract that is internally approved and pending signature. The new version is in Draft or Under Amendment status based on whether it was created for a Draft contract or an Under Amendment contract that is Pending Signature.

 **Note:** You cannot create a new version after you submit the contract for approval and the contract is in Pending Approval status.

This new version will be in Draft status if the original contract was in Draft or Pending Signature status. For a contract in Under Amendment status, the new version that you create is also created in the Under Amendment status. You can also create a new version of an active contract using the Amend action. This new version will be in Under Amendment status. Once a new version is created, the original version retains the status it was in when the new version was created and is only accessible from the Contracts History page.

What happens to document attachments when I create a new contract version?

The application carries the attached documents forward to the new contract version.

How can I delete draft or canceled contracts?

Select the **Delete** action. You can delete either all versions or only the current draft. You can delete a version of a contract only if the contract has more than one version.

Selecting the **Delete** action when there are multiple versions provides two options: Delete Current Version Only, and Delete All Versions. Deleting the current version reverts the contract to its previous version while deleting all versions removes the contract and all its versions. If there is only one version for a contract, selecting the **Delete** action asks for a confirmation, and deletes the contract.

How can I set up a contract renewal notification?

To be notified about the contract end date in advance, you must specify certain criteria during the contract type set up.

- Number of days before the contract end date by when the renewal notification should be sent.

- Who should receive the notification: contract administrator, seller, or buyer.

 **Note:** Note the following while setting up renewal notifications:


- Setting up of renewal notification in contract type setup is optional.
- Renewal notifications set up for a contract type are applicable to all contracts created using such a contract type.
- Renewal notifications are sent only for contracts that have an end date specified.

What's the purpose of a customer PO number?

You can capture a customer purchase order (PO) number while creating a contract for tracking purposes. The customer PO number you entered in the contract header is duplicated at the line level but is not copied across contracts.

How can I edit a sales agreement in a spreadsheet?

To edit your sales agreement offline, save any changes you've made and click **Manage in Spreadsheet** to download the agreement lines to a Microsoft Excel file on your computer. You can update the pricing adjustments of the agreement line and upload the spreadsheet.

 **Note:** The other attributes are read-only. You can neither delete the existing lines nor add new ones using this option.

Project Contract Billing

Bill Plan and Revenue Plan Components: How They Work Together

Bill plans and revenue plans provide you with the ability to create a consolidated set of billing attributes that can be shared across contract lines within a contract. Create bill plans and revenue plans within a contract, and associate them to one or more contract lines.

Configure the regions of a bill plan and revenue plan according to your invoicing and revenue recognition requirements. The regions are:

- Hold option
- Invoice or Revenue Method Name
- General Information
- Billing Extensions
- Schedules and Overrides

Hold Option


Enable the hold option to prevent transactions associated with contract lines using the bill plan or revenue plan from being included in invoice or revenue generation.

Invoice or Revenue Method

Determine how you want to invoice or recognize revenue for the contract lines that use the bill plan or revenue plan. Select the invoice method or revenue method that has a method classification with the invoicing or revenue recognition instructions that meet your requirements.

General Information

Define customer information, invoicing instructions and invoice summarization options for the bill plan. Select the associated contract lines for the bill plan or revenue plan. The following table explains the options.

Feature	Description
Customer Information	The invoice customer, site, and contact person that receives the invoice for project-related work on contract lines that use the bill plan.
Invoice Information	Instructions for the billing currency, billing cycle, payment terms, billing offset days, and the bill set number for the invoices. Enter any specific comments that you want to appear on the customer invoice. Also enter any instructions for the billing administrator to follow during invoice preparation.
Letter of Credit Details	Only award contracts can use letter of credit billing. Select the Letter of credit billing check box and provide a unique Document Number for the bill plan.
<p> Caution: If any bill plan of an award contract uses letter of credit, then all the bill plans must use letter of credit billing and the bill plan can't be set to the federal invoice format SF270.</p>	
Invoice Summarization Options	Select the labor, nonlabor, and event formats that group transactions on invoice lines.
Associated Contract Lines	<p>Select the contract lines that you want to use the bill plan or revenue plan. Each bill plan or revenue plan can be associated with multiple contract lines within a contract. However, a contract line can only be linked to one bill plan or revenue plan.</p> <p>Associate contract lines to the bill plan or revenue plan when the contract is in Draft status. After the contract is approved, you must place the contract under amendment to change or add contract lines.</p>


Billing Extensions

Optionally, add a billing extension to calculate the invoice or revenue event amounts for contract lines using the bill plan or revenue plan. If the invoice or revenue method uses a billing extension, it is automatically copied onto the bill plan or revenue plan.

The billing extension status must be Active for the invoice or revenue generation process to call the billing extension. Select whether you want the billing extension to calculate an event for either the Associated Project or the Contract Line. If you select Contract Line, the event amount will be for all projects associated with a contract line.

Schedules and Overrides

Select the labor and nonlabor schedules that determine the origin of the standard bill rates, burdening, or transfer prices for contract lines associated with the bill plan. Enter any applicable discount information for standard bill rate schedules. Optionally, enter any overrides or multipliers that will take precedence over the standard bill rate schedules, if applicable.

 **Note:** Schedules and overrides are only available for bill plans and revenue plans that use a rate-based invoice or revenue method classification.

Related Topics

- [What's an invoice method?](#)
- [What's a revenue method?](#)

Project Billing Options for Contract Types: Explained

Select the features on a contract type that you want to use for project billing. When enabled, these features are available on contracts that are used to create invoices and recognize revenue.

The options you can select for project billing are:

- Intercompany
- Interproject
- Billing controls

Intercompany

Enable the intercompany option on a contract type for contracts designed to invoice internal parties and recognize intercompany revenue between two different business units for project-related work. The work is charged to a single project, which is associated to both an external and intercompany contract. Project transactions identified as intercompany are processed twice, once for the external contract and once for the intercompany contract. Internal billing features are available on contracts enabled for intercompany billing.

Interproject

Enable the interproject option on a contract type for contracts designed to invoice internal parties and recognize interproject revenue between two different business units for project-related work. The external work is charged to one project, which is associated with an external contract. The interproject work is charged to a separate receiver project, which is associated with an interproject contract. Project transactions identified as interproject are processed once for the interproject contract. The interproject invoice is imported into Oracle Fusion Project Costing as a separate cost transaction for the receiver project. Internal billing features are available on contracts enabled for interproject billing.

Billing Controls

If you enable billing controls for a contract type, you can control the amounts, resources, and dates for transactions associated with contracts of that type. Specify whether the contract line amount is a hard limit or a soft limit. If you specify the billing limit type as hard limit then you can only edit the soft limit. If you specify the limit type as soft limit then you can only edit the hard limit. When you create a contract line, a default billing control is added with a hard limit or soft limit, as specified in the contract type.

Associating Contract Lines to Projects: Explained

Associating a project or a project and task to a contract line enables you to easily manage invoicing and revenue recognition for a contract. You must associate a project or a project and tasks to a contract line if either the invoice or revenue method classification on the bill plan or revenue plan is something other than amount based.

- For amount-based contract lines, the association of a project or task to a contract line is optional.
- For percent spent and percent complete contract lines where the percent spent or percent complete billing extension is calculated at the associated project level, you must enter a funded amount for the associated project.
- A contract line can be associated with multiple projects and tasks.
- Similarly, a project can be associated with multiple contract lines.

Creating and associating contract lines to projects involves the following steps:

- Create a contract line and associate one or more projects to it.
- Define billing controls for the contract line, if the contract type is enabled for billing controls.
- Add a bill plan and revenue plan to the contract line.

Create and Associate Contract Lines to Projects

Associate each contract line to multiple projects or tasks as necessary.

Define Billing Controls

Create billing controls to determine the allowable limits, date range, and types of project transactions that can be invoiced and revenue recognized for the contract line. Define billing controls both at the header and line levels, including both soft and hard limits for the transactions. The application warns you when you reach a soft limit and prevents further transactions when you reach a hard limit.

Select the Bill Plan and Revenue Plan

Add a bill plan and revenue plan that you created for the contract to the contract line.

Related Topics

- [What happens if I remove an associated project from a contract line?](#)

Project and Contract Invoice Components: How They Work Together

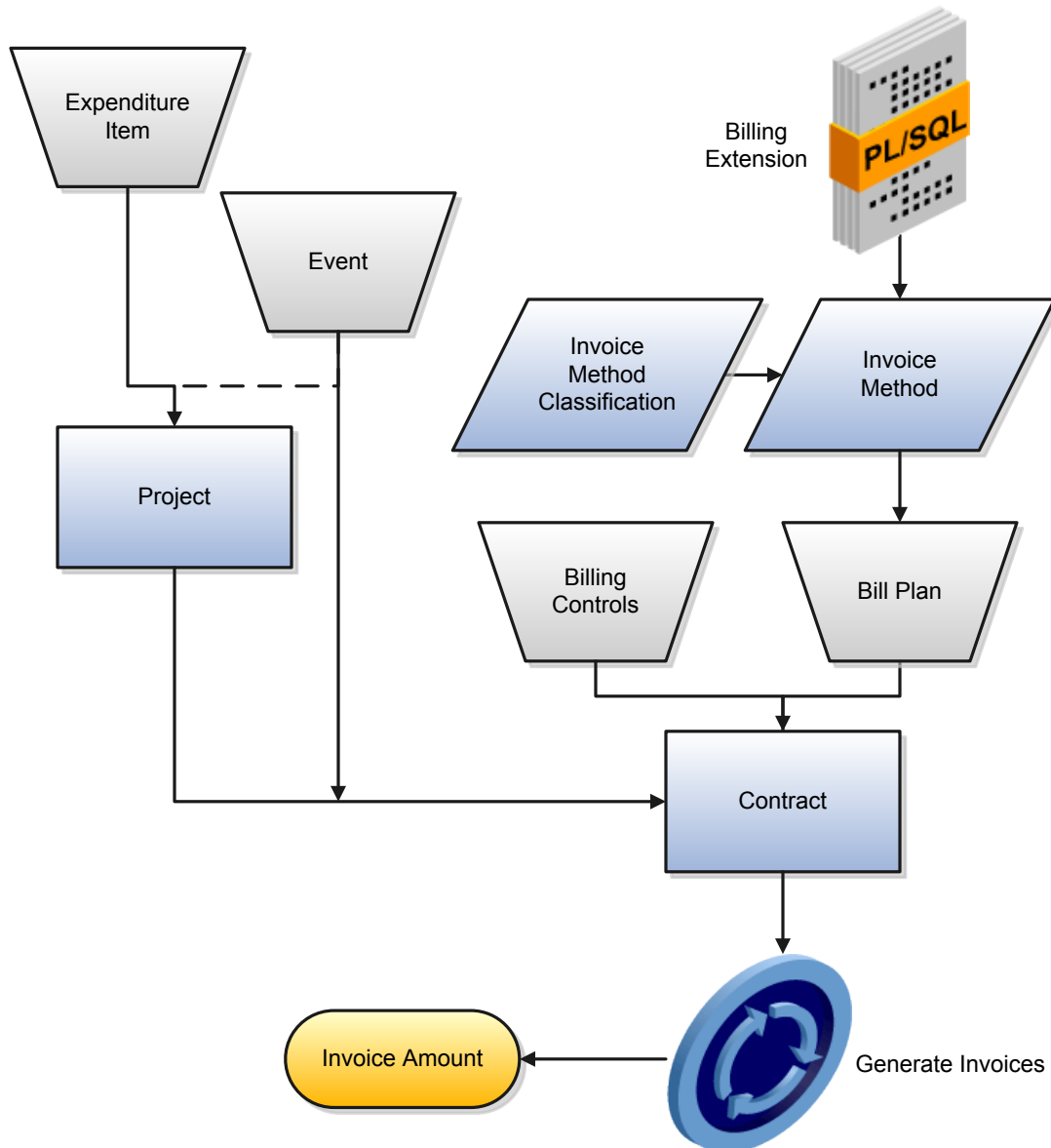
Project and contract components work together to create invoice distributions. The contract contains the instructions for calculating invoice amounts, and the project owns the cost transaction details. When you generate an invoice, invoice distributions are created for the contract.

Expenditure items and events are the transactions for projects and contracts. Invoice method classifications determine how transactions are invoiced. The invoice method determines how invoice amounts are derived.

- Enter an invoice method on a bill plan, which you create for a contract and assign to contract lines to provide a set of instructions for creating an invoice.
- Create billing controls for a contract or contract line to define the valid transaction dates, billing resources, and amount limits for transactions associated with the contract.

- Generate invoices to calculate the invoice amounts for a contract.

The following diagram illustrates the components of a project and a contract that determine invoice amounts, and the relationships between the components.



Invoice Method Classification

Assign a predefined invoice method classification to an invoice method. The invoice method classification determines whether the invoice amount is calculated based on rates, amounts, or progress.

Invoice Method


Create invoice methods for bill plans to use for determining the approach for generating invoice amounts. The invoice methods contain invoice generation instructions in the form of the invoice method classification and rate definition schedule types. Rate definition schedule types determine whether the rate source for invoicing comes from rate schedules, burden schedules, or transfer price schedules.

You must assign an invoice method to a bill plan, which contains the invoice generation instructions for a specific contract or contract line. An invoice method can be used by more than one bill plan.

 **Caution:** Enable the invoice method for intercompany billing if it will be used for intercompany billing only.

Bill Plan

Create a bill plan within a contract that uses the invoice method you require. Assign the bill plan to one or more contract lines.

 **Note:** Oracle Project Billing does not create new invoices for:

- Contracts on hold
- Contract lines on hold
- Contract lines with a bill plan on hold

Previously generated invoices can still be updated, submitted for approval, approved, rejected, released, and transferred when the contract, contract line, or bill plan is on hold.

Billing Control

A billing control defines the types of permitted transactions (using billing resources), transaction date range, and maximum invoice (and revenue) amounts for a contract or contract line. Create a billing control within a contract at either the contract or contract line level. The inception-to-date (ITD) invoice amount cannot exceed the hard limit amount of a billing control. If the ITD invoice amount exceeds the soft limit, invoice generation will still occur, but you will receive a warning the first time this occurs.

Expenditure Item

The project and task for an expenditure item are matched to the associated contract line during invoice generation. Invoicing can occur if the transaction date, billing resource, and amount for the expenditure item pass the contract billing controls. If the expenditure item is mapped to more than one eligible contract line, the processing order is determined as follows:

- The contract billing sequence determines the processing order of multiple contracts.
- The contract billing controls determine the processing order of multiple contract lines within a single contract.
- The contract contribution percentage determines the eligible invoice amount for each contract line.

Oracle Fusion Project Billing creates a billing transaction for each unique combination of expenditure item and contract line. The billing transaction is the source for creating invoice distributions.

Event

Invoice events are automatically created during invoice generation if the invoice method is percent spent or percent complete. Manual events are also processed during invoice generation. Oracle Fusion Project Billing creates a billing transaction for each automatic or manual event. The billing transaction is the source for creating invoice distributions.

Related Topics

- [Project and Contract Revenue Components: How They Work Together](#)
- [Invoice and Revenue Method Components: How They Work Together](#)

Using Billing Controls: Examples

To create a billing control for a contract, you must enable billing controls for the associated contract type. You can create billing controls for a contract or contract line to limit the amounts, billing resources, dates, and funds available for billing consumption. The following scenario demonstrates how billing controls regulate the transactions that are invoiced and recognized for revenue.

In this example, the contract type has billing controls enabled with a hard limit. The contract has two contract lines. A default billing control was automatically created for each contract line, using the line amount as the hard limit. A default billing control was also automatically created at the contract header level, with a hard limit equal to the sum of the hard limits for the two contract lines. A soft limit was manually entered for these default billing controls. Two additional billing controls were manually created for Contract Line 1, to further restrict invoicing and revenue recognition. The following table displays the billing controls.

Billing Control Location	Default Billing Control	Billing Resource	Start Date	End Date	Soft Limit	Hard Limit
Contract	Yes				190,000	270,000
Contract Line 1	Yes				120,000	170,000
Contract Line 1	No	Labor	6/1/2010	12/31/2010	30,000	45,000
Contract Line 1	No	Expenses	6/1/2010	12/31/2010	20,000	30,000
Contract Line 2	Yes				70,000	100,000

Contract Header Billing Control

Oracle Fusion Project Billing creates a warning during invoice or revenue generation the first time the inception-to-date (ITD) invoice or revenue amount for the contract exceeds 190,000. The total amount invoiced to the customer or recognized for revenue cannot exceed 270,000 for the contract.

Contract Line Billing Controls

The billing controls for Contract Line 1 causes Oracle Fusion Project Billing to perform the following functions during invoice and revenue generation:

- Creates a warning the first time more than a total of 120,000 is invoiced or recognized for revenue for Contract Line 1.
- Creates a warning the first time more than a total of 30,000 of labor or 20,000 of expenses is invoiced or recognized for revenue for Contract Line 1 between 6/1/2010 and 12/31/2010.

- Prevents more than a total of 45,000 of labor and 30,000 of expenses to be invoiced or recognized for revenue for Contract Line 1 between 6/1/2010 and 12/31/2010.
- Prevents more than a total of 170,000 to be invoiced or recognized for revenue for Contract Line 1.

The billing control for Contract Line 2 causes Oracle Fusion Project Billing to perform the following functions during invoice and revenue generation:

- Creates a warning the first time more than a total of 70,000 is invoiced or recognized for revenue for Contract Line 2.
- Prevents more than a total of 100,000 to be invoiced or recognized for revenue for Contract Line 2.

Creating a Contract for Billing: Worked Example

This example describes how to add an existing negotiated contract to perform project work into the application so that you can invoice customers and recognize revenue.

The following table summarizes key decisions for this scenario.

Decisions to Consider	In This Example
What is the invoice method classification?	Rate Based
What is the revenue method classification?	Percent Spent
What are the maximum invoice and revenue amounts?	735,000

Summary of the Tasks

Create a new contract by duplicating an existing contract. Verify the information on the bill plan and revenue plan. Verify the billing controls. Associate existing projects to the contract lines. Submit the contract for approval.

Prerequisites

1. Verify the setup for the cost and bill rates that the project and contract use.
2. Create a project and project plan.
3. Create an approved cost budget.

Creating the Contract

1. On the Manage Contracts page, expand the Search: Contract region.
2. Select **Number**.
3. Enter "New Company TM Percent Spent Contract Template" as the name.
4. In the Search Results region, select the row for New Company TM Percent Spent Contract Template.
5. Click **Actions - Duplicate**.
6. In the Duplicate Contract window, enter the values, as shown in this table.

Field	Value
Contract Number	Your initials, followed by New Company TM Percent Spent Contract .

Field	Value
Start Date	1/1/2011
All other fields	Select the check boxes, except for the Associated projects and tasks.

7. Click **Ok**.
8. Click **Yes** in the warning message that appears.
9. Click **Header**.
10. Click **Parties**.
11. Confirm the Customer is New Company and Associates.
12. Confirm that **Andrew Robinson, Contract Administrator** is created as the contact for the supplier role and is selected as the owner. If necessary, add this supplier contact.
13. Confirm that the Bill-to Account Number, Sold-to Account Number, and Ship-to Account Number are 1004.
14. Click **Save**.

Reviewing the Bill Plan

1. Click **Billing**.
2. In the Bill Plans region, click **Rate**. Verify the Method Name is Bill Rate Invoice.
3. Click **General Information**. Verify the information in the Customer Information, Invoice Information, Invoice Summarization Options, and Associated Contract Lines matches the information in the following table.

Field	Value
Bill-to Customer	New Company and Associates
Bill-to Site	Tulsa (OPS)
Bill-to Contact	Betty Lewis
Billing Currency	Contract
Billing Cycle	Last Day of the Month
Payment Terms	30 Net
Bill Set	1
Labor Format	Time and Material
Nonlabor Format	Contract Line Project/Task Exp
Event Format	Event Type Format
Contract Line Number	1
Line Amount in Contract Currency	735,000

Field	Value
-------	-------

- Click **Schedules and Overrides**. Verify the information in the Schedules region matches the information in the following table.

Field	Value
Person Rate Schedule	T&M Employee Bill Rate Schedule
Job Rate Schedule	T&M Job Bill Rate Schedule
Nonlabor Rate Schedule	T&M Zero Markup Nonlabor Rates

- Click **Save and Close**.

Reviewing the Revenue Plan

- In the Revenue Plans region, click **Percent Spent Revenue**. Verify the Method Name is Percent Spent Revenue.
- Click **General Information**. Verify the information in the Associated Contract Lines region matches the information in the following table.

Field	Value
Contract Line Number	1
Line Amount in Contract Currency	735,000

- Click **Billing Extensions**. Verify the information in the Billing Extensions table matches the information in the following table.

Field	Value
Name	Percent Spent Revenue
Status	Active
Calculation Level	Associated project

- Click **Save and Close**.

Reviewing the Billing Controls

- In the Billing Controls region, verify that the values for Hard Limit Amount, Invoice Funds Available, and Revenue Funds Available are 735,000.00.

Reviewing the Contract Line Overview

- Click the Lines tab, and select the row for Line Number 1.
- Click **Overview**.
- Verify the information matches the details in the following table.

Field	Value
Number	1
Name	Contract Line 1
Start Date	1/1/2011

4. Click **Save**.

Modifying the Billing Controls for the Contract Line

Modify the existing billing control so that labor expenditures are included in invoice and revenue generation.

1. In the Line 1: Details region, click **Billing**, and select the billing control with the 735,000.00 limit.
2. Click **Billing Resource**.
3. Select **Labor (Expenditure Category)**.
4. Click **Save**.

Associating a Project to the Contract Line

Associate the project that was created in the Prerequisite steps with this contract.

1. Click the Associated Projects tab.
2. Select **Actions, Add Row**.
3. Select **Project Name**. Select the project that was created in the Prerequisite steps.
4. Optionally, select a **Task Number**. If you don't select a task number, all eligible transactions charged to this project are selected for invoice and revenue generation for the contract line.
5. Click **Save**.

Submitting the Contract for Approval

1. Click **Submit**.
2. Review the validation results and fix any errors, then click **Submit** again to submit the contract for approval.

Project Contract Billing FAQ

What's a bill plan?

A set of instructions on a contract that define how to invoice a customer. Multiple contract lines on a contract can use the same or different bill plans.

What's a revenue plan?

Common set of instructions for recognizing revenue within a contract. Multiple contract lines on a contract can use the same or different revenue plans.

What's a bill set?

Transactions originating from different bill plans with the same bill set number on a contract are included on the same invoice. If a contract has multiple bill plans and each have different values for the bill set, Oracle Fusion Project Billing creates a separate invoice for each bill plan.

What's a billing currency type?

The type of currency in which you issue invoices to the Bill-to Account on a contract bill plan, generate revenue, and transfer revenue to Oracle Fusion General Ledger as entered currency. Valid values are Bill Transaction, Contract, and User. For rate-based bill plans, bill transaction currency is either currency of the bill rate schedule or cost transaction currency of the expenditure item, depending on whether bill rates or markups are used. For fixed price bill plans, billing currency type must be either Contract or User.

A user-defined billing currency type indicates that you, as a user can specify the particular single currency in which invoices are issued and revenue is generated.

What's a billing control?

Contract feature that controls the types of transactions, dates, and amounts a customer may be invoiced for and revenue can be recognized for a contract or contract line. Define billing controls at the contract or contract line level.

What's the difference between contract and contract line billing controls?

Contract billing controls restrict the amounts, transaction dates and resources eligible for invoicing or revenue recognition for the entire contract. For example, if a contract level billing control has a hard limit of 500, the total invoice amount or recognized revenue for the contract cannot exceed 500.

Contract line billing controls restrict the amounts, transaction dates and resources eligible for invoicing or revenue recognition for a specific contract line. Continuing with the above example, a contract line has a billing control with the attributes shown in the following table.

Contract Line	Billing Resource	Start Date	End Date	Hard Limit
1	Travel	2/01/2011	3/15/2011	250

Transactions associated with Contract Line 1 are eligible for invoicing or revenue recognition if they are travel expenditures or events with an amount of 250 or less that occurred between 2/01/2011 and 3/15/2011.

Why can't I create billing controls for a contract?

The billing controls must be enabled on the contract type used by the contract. If the billing controls are not enabled for the contract type, you cannot create billing controls for the contract or contract lines.

Why can't I associate a billable task with a contract line?

You can either associate a project and task to a contract line, or a project without any tasks to a contract line. If you associate a project without any tasks to a contract line, any future associations of that project to another contract line cannot include a task.

If you associate a project and task to a contract line, you can perform the following actions for future associations: Associate the same project and task to another contract line. Associate a task in another branch of the same project hierarchy to the same or another contract line. For example, if you associate Project 1, Task 1 to Contract A, Line 1, you can associate in Project 1, Task 2.2.1 to Contract A, Lines 1 and 2, and also Contract B, Line 1.

To select a task from another level in the same branch of the task hierarchy, you must first inactivate the existing associated project and task. In the example above, before you can associate Project 1, Task 1.1 to Contract A, Line 1, you must inactivate the existing association between Project 1, Task 1 and Contract A, Line 1.

How can I control the billing sequence of multiple contracts associated with the same project and task?

Enter a numeric value for the billing sequence that represents the order you want to invoice, recognize revenue, and use funding for the contract. If a project or task is associated with multiple contract lines, the contract is billed in this order.

What happens to transactions if I place a bill plan or revenue plan on hold?

Unprocessed or partially processed invoice and revenue transactions are not included in invoice and revenue generation when you place a bill plan or revenue plan on hold. These bill plans and revenue plans are considered ineligible and appear in the Ineligible Bill Plan or Ineligible Revenue Plan sections of the Generate Invoice or Generate Revenue output reports.

There is no impact to transactions that were already processed for invoice or revenue.

Why can't I see the schedules and overrides for a bill plan or revenue plan?

The schedules and overrides on a bill plan are visible only if the invoice method classification is Rate Based.

The schedules and overrides on a revenue plan are visible only if the revenue method classification is Rate Based. When the revenue method classification is As Billed or As Incurred, revenue generation uses the schedules and overrides on the bill plan to derive a common rate to be used for both invoice and revenue.

Why can't I associate a billable task with a contract line?

You can either associate a project and task to a contract line, or a project without any tasks to a contract line. If you associate a project without any tasks to a contract line, any future associations of that project to another contract line cannot include a task.

If you associate a project and task to a contract line, you can perform the following actions for future associations: Associate the same project and task to another contract line. Associate a task in another branch of the same project hierarchy to the same or another contract line. For example, if you associate Project 1, Task 1 to Contract A, Line 1, you can associate in Project 1, Task 2.2.1 to Contract A, Lines 1 and 2, and also Contract B, Line 1.

To select a task from another level in the same branch of the task hierarchy, you must first inactivate the existing associated project and task. In the example above, before you can associate Project 1, Task 1.1 to Contract A, Line 1, you must inactivate the existing association between Project 1, Task 1 and Contract A, Line 1.

Intercompany and Interproject Billing

Creating a Contract for Intercompany Billing: Example

This example describes the requirement of a professional services organization with global offices that needs to share contract revenue for a resource between different business units.

Scenario

You are a specialized information technology professional services organization with headquarters in the New York, and international offices in Aberdeen, Scotland, Paris, France, and Jakarta, Indonesia. Your organization provides design, support, and maintenance expertise for energy companies. You just received a contract to provide information technology upgrade services for an oil and gas exploration company located in the United States. Resources will work on the contract for four weeks, and the client will be invoiced for labor hours and expenses at the end of each month. One consultant who will work on the project is based in Paris. The remainder of the resources are based in the United States.

Billing Requirements

Major features of the contract are:

- Invoice and recognize revenue based on hours worked by resources, and expenses incurred. The travel budget is limited to \$25,000.
- The resources allowed on the contract are project manager, senior consultant, and junior consultant.
- The contract is expected to be complete in four months.

Analysis

To share revenue for the consultant from Paris, you must create an intercompany contract. Your corporate policy dictates that borrowed resources from different legal entities or business units receive 70 percent of the standard job bill rate. The following table summarizes the setup of key contract and project features.

Key Feature	Configuration
Provider business unit	Paris
Receiver business unit	New York
Project	<p>Create a project with the following key features:</p> <ul style="list-style-type: none"> • Enabled for time and materials. • Enable the project to receive cross-charge transactions.
Project plan	<p>Assign the following resources to a chargeable and billable task:</p> <ul style="list-style-type: none"> • Project Manager • Senior Consultant • Junior Consultant • Expenses <p>Set the baseline for the project plan.</p>
Contract type	Intercompany
Contract lines	<p>Create the following contract lines:</p> <ul style="list-style-type: none"> • Line 1 for the Paris consultant's labor. • Line 2 for the Paris consultant's expenses. • Line 3 for all other consultants' labor. • Line 4 for all other consultants' expenses.
Bill plan	Select an invoice method with a rate-based invoice method classification , and associate it with the contract lines. Enter the transfer price schedule on the bill plan.
Revenue plan	Select a revenue method with an as-incurred revenue method classification, and associate it with the contract lines. Enter the transfer price schedule on the revenue plan.
Billing controls	<p>Create at the contract level, with the following details:</p> <ul style="list-style-type: none"> • \$25,000 hard limit for expenses. • Billing resources: expenses and labor.
Project transactions	All resources charge transactions for this contract to the same project.

Resulting Intercompany Invoice and Revenue Details

After you submit the cross-charge identification process and generate invoices, your client receives one invoice from the New York business unit that contains charges for the work performed by all resources. The invoice amounts are determined from the transfer price schedule in the bill plan, and calculated from transactions charged to the receiver project. Revenue amounts are determined from the transfer price schedule in the revenue plan, and calculated from transactions charged to the receiver project.

Managing Transfer Price Rates: Examples

Use these examples to understand how to configure cross-charge options on bill plans and revenue plans to achieve various interproject and intercompany billing scenarios.

One Cross-charge Rule or Rate, One Provider Business Unit, Any Receiver Business Unit, All Projects

To share one cross-charge rule or rate between one provider business unit and any receiver business unit, and all projects associated with the contract, configure your contract billing information as follows:

Bill Plan	Bill Rate Schedule
Bill Plan 1	Assign the bill rate schedule you want to use for the contract (provider) business unit to this bill plan.

One Cross-charge Rule or Rate, One Provider Business Unit, One Receiver Business Unit, All Projects

To share one cross-charge rule or rate between one provider and receiver business unit, and all projects associated with the contract, configure your contract billing information as follows:

Bill Plan	Bill Rate Schedule
Bill Plan 1	Assign the bill rate schedule you want to use for the provider business unit to this bill plan.
Bill Plan 2	Assign the bill rate schedule you want to use for the receiver business unit to this bill plan.
All contract lines associated with the receiver projects can use this bill plan.	

Override a Cross-charge Rule or Rate, One Provider Business Unit, One Receiver Business Unit, One Project

To override a cross-charge rule or rate between a provider and receiver business unit for one project, configure your contract billing and contract line details as follows:

Bill Plan	Schedules and Overrides	Associated Projects
Bill Plan 1	Create a rate override for the contract line associated with the receiver project.	Project level

Override a Cross-charge Rule or Rate, One Provider Business Unit, One Receiver Business Unit, Task

If a resource is assigned to multiple roles and has more than one rate on a project, you may need to create an override at the project task level. To override a cross-charge rule or rate between a provider and receiver business unit, for the task on a specific project, configure your contract billing and contract line details as follows:

Bill Plan	Schedules and Overrides	Associated Projects
Bill Plan 1	Create a job rate override for the contract line associated with the receiver project.	Task level

Override a Cross-charge Rule or Rate, One Provider Business Unit, One Receiver Business Unit, Resource

If you are invoicing for a contractor, you may want to create an override at the resource level. To override a cross-charge rule or rate between a provider and receiver business unit, for a specific resource on a project, configure your contract billing and contract line details as follows:

Bill Plan	Schedules and Overrides	Associated Projects
Bill Plan 1	Create a person rate override for the contract line associated with the receiver project.	Task level

Creating a Contract for Percent Spent Invoice and Revenue Methods: Worked Example

This example describes a scenario where transactions for a contract line need to be invoiced and the revenue recognized using the percent spent method.

The following table summarizes key decisions for this scenario.

Decisions to Consider	In This Example
What are the revenue and invoice method classifications?	Percent Spent
What is the billing extension calculation level for the contract line and project association?	Project level

Summary of the Tasks

Create a contract, create the percent spent contract lines, create the bill plan, create the revenue plan.

Prerequisites

1. Create a project.
2. Create the project plan for percent spent revenue. Specify the plan type on the percent spent billing extension.
3. Create an approved cost budget.
4. Create cost and burden rates.
5. Enter labor and expense transactions for the project.
6. Collect costs for the transactions.

Creating the Contract

1. On the **Contract Overview** page, expand Search and look for the contract with the following attributes:

Field	Value
Contract Type	Sell: Project Lines
My Contracts	If this field is checked, remove the check mark.
Party Name	Vision Software Install

2. Click Search.
3. In the Search Results region, select the row for the PJB contract (VO), Version 1.
4. Click **Actions - Duplicate**.
5. On the Duplicate Contract window, enter the following values:

Field	Value
Contract Number	Your initials, PS001 (For example, TP PS001)
Start Date	01/01/2010
All other fields	Enable check boxes

6. Click **Yes**.

Creating the Percent Spent Contract Lines

1. Select the **Lines** tab, and select the **Amount Based Invoice, Percent Spent Revenue** row. Confirm the amount is \$250,000.
2. Select the **Billing** tab, and select the row with the \$250,000 soft limit.
3. Click **Resource Member**, and select **Labor (Expenditure Category)**.
4. Click the **Create** icon. Click **Resource Member**, and select **Expenses**.
5. Enter 30,000 for **Soft Limit**.
6. Click **Save**.
7. Select the **Associated Projects** tab, and the **Create** icon.

8. Enter the following information:

Field	Value
Project Name	Select the project you created in the earlier example.
Funded Amount	100,000

9. Click **Save**.

Creating the Bill Plan

1. Select the **Header** tab, and click **Billing**.
2. Select the row with the **BP PS1 Bill Plan**.
3. Verify if the following information is present:

Field	Value
Method Name	Percent Spent
Billing Cycle	Last Day of the Month

4. In the Associated Contract Lines region, select the **Add** icon.
5. In the Select and Associate: Contract line window, click **Search**.
6. Select the row containing Contract Line Number 4.
7. Click **Submit**.
8. Click **Save**.
9. Select the Billing Extensions tab.
10. Verify if the following information is present:

Field	Value
Name	Percent Spent Invoice
Status	Active
Calculation Level	Associated Project

11. Click **Save and Close**.

Creating the Revenue Plan

1. From the **Header** tab, click **Billing**.
2. Select the row with the **RP PS1 Revenue Plan**.
3. Verify if the following information is present:

Field	Value
Method Name	Percent Spent Revenue

Field	Value
Contract Line Number	4

4. Select the Billing Extensions tab.
5. Verify if the following information is present:

Field	Value
Name	Percent Spent Revenue
Status	Active
Calculation Level	Associated Project

6. Click **Save and Close**.

Managing Project Contract Intercompany and Interproject Billing FAQ

Can I create a contract for intercompany billing with transfer price rules?

Yes, but only if you derive rates for an intercompany contract based on an organization hierarchy structure instead of the bill rates defined on a bill plan. The contract line and bill plan architecture allows you to specify a different bill plan for each provider and receiver organization. Select a bill rate or burden rate schedule for each of your contract bill plans. However, if your rates are defined at a granular level, you may need to derive rates for an organization hierarchy structure using transfer price rules.

Searching for a Contract

How to Search for Contracts: Explained

This topic describes the two ways that you can search for enterprise contracts: either by using contract attributes, or by searching for specific words or phrases in the text of the contract's attachments. Searching by contract attributes is the quickest way of searching for an enterprise contract.

 **Note:** The application has to index the text of a contract before performing a text search so you might not be able to search by text for several hours after you create or edit a contract.

Searching by Enterprise Contract Attributes

You can search for enterprise contracts using one attribute, such as the party name or contact number, or by using multiple attributes.

- To search using a single attribute, enter your search term in the Search: Contract pane on the left side of your application window.
- To search using multiple attributes, use the advanced search available in the Search regions of the Manage Contract page and Contracts work area.

You can use the advanced search to find all the contracts that list you as an owner, and to save your most common searches for reuse.

Searching Contract Text

You can search for specific text within a contract or its attachments using the Search Contract Text page. The text can be a word or a phrase. You can enter additional search criteria, such as status or dates, to narrow the search results. By default, your search returns only the latest versions of documents, but you can expand the search to all versions by selecting the Include All Versions option.

You can use the same text search to also search for the following documents with contract terms authored in the Oracle Purchasing and Oracle Sourcing applications:

- Standard purchase orders
- Blanket purchase agreements
- Contract purchase agreements
- Requests for information
- Requests for quotation
- Quotations

Select the contract or document name link in the search results to view the contract or the purchasing document in its native application.

Global Search

You can also search enterprise contracts and documents from other applications using the Search field available at the top right hand side of your application window. This search, which also searches the text of attachments, lets you search for documents in a broader variety of applications, including Oracle Fusion Projects and Oracle Fusion financial applications, depending on your level of access. While you can use this search to find and display enterprise contracts, you cannot narrow your searches or include all versions in your search.

Search Contracts FAQ

Why can't I see all contracts on a worklist?

The worklist only lists contracts that require your approval.

Contract Amendments

Amending and Reverting a Contract: Explained

Update an active contract by selecting the **Amend** action. When you amend a contract, you change it. This can include the terms and conditions of a contract. Cancel the changes and return to the original active contract by selecting the **Revert** action.


Amend a Contract

If you amend a contract, its status as well as the status of its contract lines change to Under Amendment. For a procurement contract that is under amendment, you can change all contract details except fulfillment. However, you can process fulfillment lines on the latest active version of the contract under amendment. You can also amend a contract when its status is On Hold or Expired. Amendments are effective after the amended contract is approved or rejected.

If the amendments are approved, the contract status changes as follows:

- If the contract was active before amendment, its status returns to Active.
- If the contract was On Hold, its status returns to On Hold.

You can print a summary of the amendments made with or without the amended terms and conditions of the contract if you selected the appropriate terms layout template for the contract type. For example, for contract types with extensive terms and conditions, such as public sector contracts, recipients of the contract may prefer to see just a summary of changes annotated with sections added and deleted, clauses added, deleted, and updated, and amendment description instead of the full terms and conditions.

 **Note:** You can create a new version of a contract that is under amendment.

You can edit some information in an active contract without amending it. This includes the contract description, name, and party information. For customer contracts related to projects, you can place a hold on the billing and revenue plans.

View Amendment Summary

When a contract is in the amendment process you can view a summary of the amendments made to the contract by selecting **View Amendment Summary** from the Terms Actions list on the Contract Terms panel. This summary provides visibility to updates to sections, clauses, variables, contract documents, and deliverables made during the current revision process.

Revert a Contract

When you revert a contract, changes made in the latest amendment and changes made through Create New Version are canceled. The contract returns to its state prior to the amendment.

You can revert contract changes only when it is Under Amendment. You cannot revert after the contract is approved.


 **Note:** Reverting does not affect the contract information that you edit without amending the contract.

Contract Amendment FAQ

How can I change a contract that is pending signature?

In cases where a customer requests changes in a contract that is internally approved and pending signature, you can create a new version for that contract to make the required changes.


If you create a new version of a contract, this new version is in Draft status, and the original version is no longer available for approval or acceptance.

 **Note:** You cannot create a new version once a contract is signed and accepted. You can create a new version only for a draft, under amendment, or pending signature contract. Once the contract is signed and active, if you still need to make changes, you can amend the contract. Amending a contract creates a new version of the contract in Under Amendment status.

How can I view amendments made to contract terms before I print them?

For contract types with extensive terms and conditions such as public sector contracts, where contract terms may often be amended, you can select a terms layout template that enables you to print a summary of the amendments made to contract terms with or without the full list of amended contract terms and conditions. In such cases, recipients of contracts prefer to see just a summary of the amendments instead of the entire terms and conditions, especially as the summary is annotated with sections and clauses added and deleted, and clauses updated.

You can then use the Preview action on the Edit Contract page to view the contract and contract terms or amendment summary before you print it to send it to the recipients of the contract.

 **Note:** The View Amendment Summary action in the Contract Terms tab of the Edit Contract page displays a tabular view of amendments made to contract terms and conditions and also to contract documents.

Related Topics

- [Contract Printing and Layout Templates: Explained](#)

How can I revert a contract to a previous active version?

Revert a contract to its previous active version by selecting **Revert** action when the contract is under amendment. You cannot revert a contract after the amendment is approved.

Can I modify a contract without amending the contract?

Yes, you can modify the following contract attributes that do not impact the legal agreement between the parties, without putting the contract under amendment:

Tab/Page Region	Attributes
Overview	Description, Name
Parties	All fields of Contacts table
Risks	All attributes
Notes	All attributes
Bill Plan	Manual Hold
Revenue Plan	Manual Hold

How can I track updates to the variables when a contract is amended?

You can view updates to the values of variables as well as updates to sections, clauses, contract documents, and deliverables in the contract amendment summary. Use the **View Amendment Summary** action in the Contract Terms tab of the Edit Contract page to display a tabular view of amendments made to contract terms and conditions.

How can I use social collaboration to communicate a contract change?

Use the **Social** link on the Edit Contract page to invite a contract manager to a conversation regarding recent changes.

- Click **Social** to open the Oracle Social Network window and share or join the contract.
- Click **New Conversation** and add the contract manager as a member.
- Post your concerns and ask for a preference.

The contract manager can see certain attributes of the contract, such as Status and Name, and your action. The contract manager responds, you complete any changes to the contract, and move on.

Related Topics

- [What does social networking have to do with my job?](#)
- [Why should I care about social networking in my application?](#)

3 Authoring Contract Terms

Authoring Contract Terms: How It Works

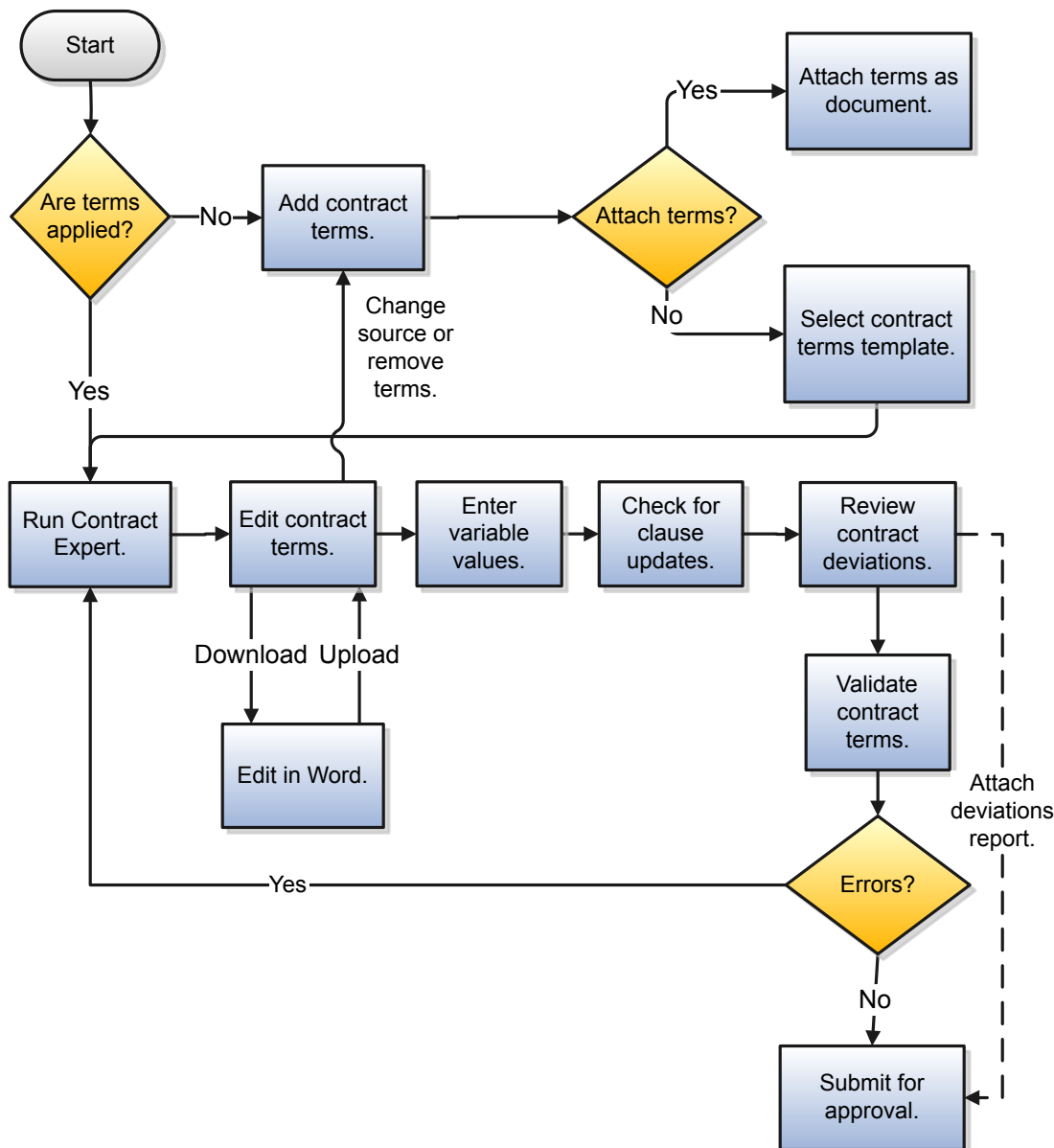
This topic provides an overview of contract terms authoring on the Contract Terms tab when you create or edit the contract by selecting the **Create Contract** and **Edit Contract** tasks in the Manage Contracts page or the Contracts work area.

Just what actions you can take during contract terms authoring depends on your implementation, your privileges, and contract type. Some contracts may have their contract terms already populated from a contract terms template and permit you only to add and delete clauses from the Contract Terms Library. Other contracts may allow you to create nonstandard clauses or require you to answer questions to determine if additional clauses are required. For some contracts, you may attach the contract terms in a separate document and not use the authoring capabilities of the application at all.

The following diagram outlines the contract terms authoring process:

1. If the contract terms are not applied in the Contract Terms tab, then you must add them either by selecting a contract terms template or by attaching the contract terms in a file. Choosing a contract terms template populates the tab with the contract terms from that template and permits you to edit them in the application. If you choose to attach the contract terms as a document, then you must continue to work outside the application.
2. Some contract terms templates require you to run the Contract Expert feature and enter additional information to determine if more clauses are required.
3. You can edit the contract terms either in the application or outside the application using Microsoft Word 2007.
4. You must enter any missing values for variables.
5. Optionally, you can change the contract terms source, either switching to a different contract terms template or attaching the terms in a document. Alternately, you can remove all of the contract terms completely.
6. You can also check for any clause updates in the Contract Terms Library.
7. You can run a report detailing the changes you made to the contract terms applied from a template and have the deviations report submitted for approval along with the contract.

8. The last step before submitting the contract for approval is to validate your contract terms and eliminate any errors.



Specifying the Source of Contract Terms

The first step in the contract terms authoring process is to specify the source of your contract terms. The contract source can be either a contract terms template or an external document.

In some contracts, the contract terms are applied automatically from contract terms templates based on rules set up by the Contract Terms Library administrator. In other contracts, you must add the contract terms yourself. You can either accept the template recommended by the application, choose a different template, or attach the contract terms in a separate document.

Depending on your permissions, you can change the source of the contract terms at any time during the authoring process by selecting the **Change Contract Source** action.

Running Contract Expert

Some contract terms templates require you to run the Contract Expert feature to determine whether additional clauses must be added. You can tell if you must run Contract Expert when the Clauses tab includes the Contract Expert Last Run indicator above the contract terms preview region. When you run Contract Expert by selecting the **Run Contract Expert** action, Contract Expert may ask you to enter values for contract variables and to answer questions. If you don't run Contract Expert on a contract that requires it, then you receive a warning message during contract validation.

Editing Contract Terms

Depending on the contract, you can, add, move, and delete clauses and sections. For example, you can add standard clauses, substitute alternate clauses for existing clauses, edit standard clauses or create nonstandard clauses that are specific to the contract.

- You edit the contract terms by using the outline on the left side of the Clauses tab. You preview the clauses on the right.
- You can edit the contract terms outside the application using Microsoft Word. You select the **Download Contract** action to export the contract terms to a file, make your edits, and select the **Upload Contract** action to import your changes back into the application.

Entering Missing Variable Values

Select the **Edit Variable Values** action to enter any missing variable values. The Clauses tab displays the number of missing values in the **Pending Variables** indicator. You must enter any missing values before you submit the contract for approval. Missing variable values generate warnings during contract validation. Entering variable values using this action is equivalent to entering these values when running Contract Expert.

Checking for Clause Updates

Select the **Check for Clause Updates** action to check if a more recent clause version is available in the Contract Terms Library.

Changing the Contract Source and Removing Contract Terms

Select the **Change Contract Source** action to change the source of the contract terms from one template to another, from a template to an attachment, or from an attachment to a template.

- If you change templates, the application removes all sections and clauses added by the original template, including any you have edited. Only new clauses you added are kept under the Unassigned section heading.
- If you decide to attach the contract terms in a file to replace those from a template, then you have the option of retaining the terms from the template for reference. If you replace attached contract terms with those from a template, then the attachment is stored as one of the contract documents.
- Select the **Remove Contract Terms** action to remove all contract terms from the contract. Removing contract terms removes all contract terms documents.

Reviewing Deviations and Validating Contract Terms

Select the **Review Contract Deviations** action to generate a report that lists differences between the contract terms in the contract and the contract terms in the contract terms template. The deviations report lists:

- Standard clauses you added, edited, or deleted
- Alternate clauses you selected to replace the standard clauses
- Nonstandard clauses you created for this contract
- Missing clauses recommended by Contract Expert
- Outdated clause versions
- Policy deviations

You can attach the report with your comments to the notification the application sends to approvers when the contract is submitted for approval. The report is automatically refreshed at the time the contract is submitted to ensure it contains the latest information.

Select the **Validate Contract Terms** action to determine if the contract terms are ready to be submitted for approval. Validation can generate both errors and warnings. You must correct the errors. Correcting the warnings is optional. For example, you receive an error if:

- The contract terms contain a clause that the Contract Terms Library administrator has updated, placed on hold, or made inactive.
- The contract terms template is inactive.
- The contract terms contain incompatible clauses.
- A section in the contract terms does not contain any clauses.
- A contract terms amendment does not contain a description.
- Some of the contract variables do not have values.

You receive a warning if you did not run Contract Expert as required by the contract terms template or you did not answer all of the Contract Expert questions. The application runs the validation process automatically when you attempt to submit the contract for approval, and displays any remaining errors and warnings at that time.

Editing Contract Terms in the Clauses Tab: Explained

Depending on your permissions, the contract type, and the contract status, you can edit the contract terms displayed in the Clauses tab by using the outline on the left and the Actions menu. You must refresh the preview pane on the right to see the results of your edits.

On the Clauses tab you can:

- Edit clauses
- Edit sections
- Change the numbering style

Editing Clauses

You can edit standard clauses or create a completely new clause using one of the following actions:

- Add a clause
- Delete a clause
- Move a clause
- Select an alternate clause
- Create a nonstandard clause

Different clause types permit different actions. For example, you can only select alternate clauses for clauses where alternates are available and you cannot edit protected clauses or delete mandatory clauses unless you have special permissions. Mandatory and nonstandard clauses are highlighted with icons as are clauses with available alternates. The following table summarizes what actions are available for different clause types.

Clause	Available Actions
Standard	<ul style="list-style-type: none"> • Add • Move • Delete • Edit to create a nonstandard clause
Nonstandard	<ul style="list-style-type: none"> • Create by adding and editing a standard clause or create an entirely new nonstandard clause • Move • Delete • Edit
Protected	<ul style="list-style-type: none"> • Add • Move • Delete • Edit only with special privileges
Mandatory	<ul style="list-style-type: none"> • Move • Delete only with special privileges • Edit only with special privileges
Alternate	<ul style="list-style-type: none"> • Move • Edit to create a nonstandard clause • Delete • Select an alternate clause

Editing Sections

You can add, edit, delete, and move sections. When you move or delete a section, you move or delete its contents provided you have the permission to do so. For instance, you cannot delete a section if that section includes a mandatory clause and you do not have the special permission required to delete such clauses. When adding or editing a section, you have the option of selecting predefined sections from the Contract Terms Library or creating your own.

Changing the Numbering Style

You can change the numbering style of the contract terms by selecting the **Change Numbering Scheme** action.

Adding Contract Terms from a Template or as an Attachment: Procedure

When no contract terms are applied to your contract, click the **Add Contract Terms** button on the Contract Terms tab to add contract terms either from a contract terms template or by attaching contract terms in a document.

Selecting a Contract Terms Template


To add contract terms from an existing contract terms template:

1. Select **Structured Terms** as the **Contract Source**.
2. Select the template.

Attaching Contract Terms in a Document

You can simply attach an existing terms document to your contract. If you attach the contract terms in a document, then you must continue to author outside the application. To attach the contract terms to a document:

1. Select **Attached Document** as the **Contract Source**.
2. Attach the document.

 **Note:** Specifying that the contract source is an attached file and uploading a file is not the same thing as attaching a file to the contract on the Documents tab. The latter only attaches a supporting document.

Authoring with Contract Terms Templates: Explained

Contract Terms Library administrators set up contract terms templates to apply contract terms and conditions based on the type of contract you're authoring. Depending on the setup, the application can automatically apply the contract terms and conditions from a template or let you select which contract terms template to apply manually.

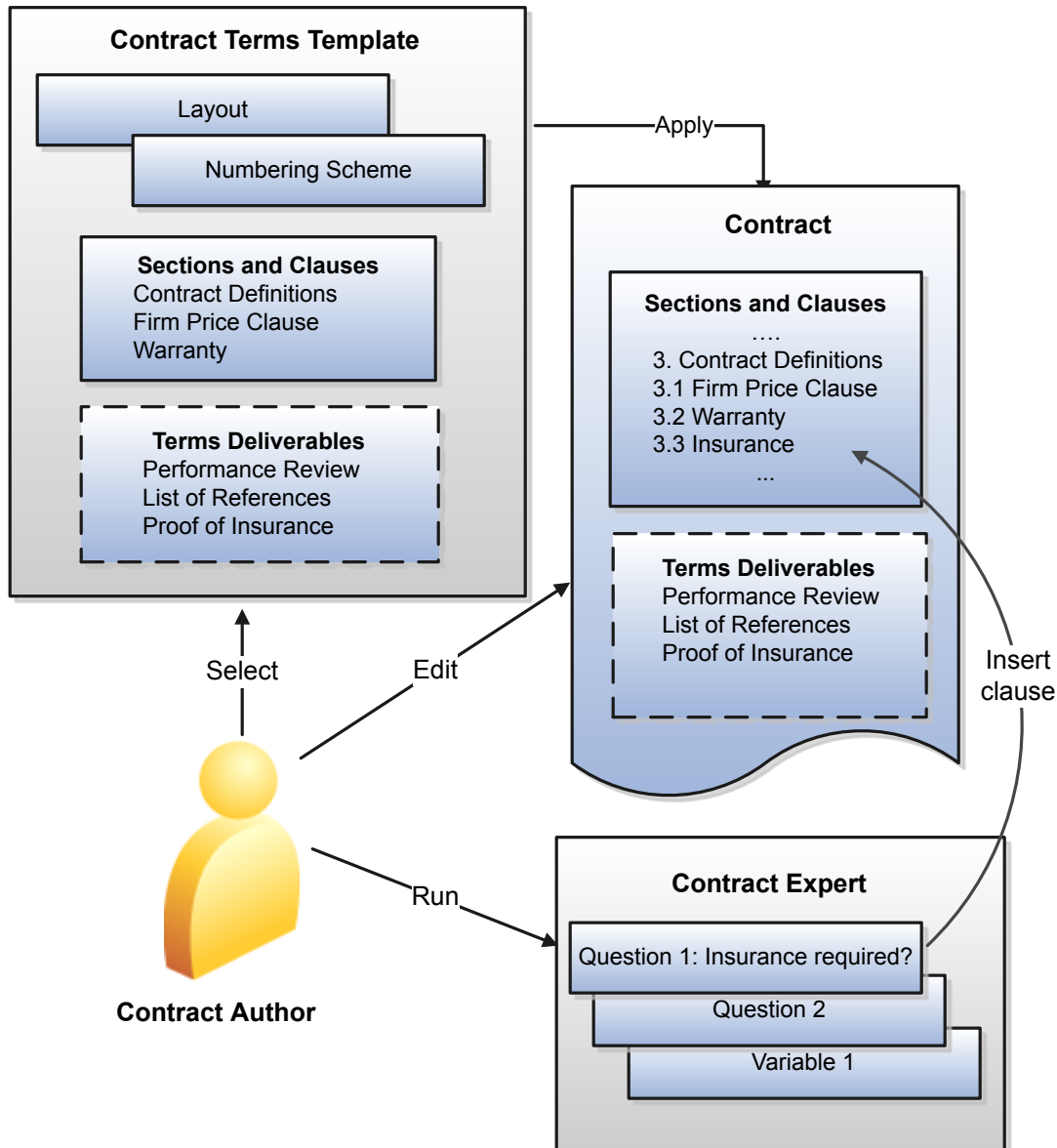
A contract terms template you apply on a contract can do the following:

- Add sections and clauses from the Contract Terms Library into your contract.
- Specify which numbering scheme and layout will be used in the printed contract terms.
- Require you to run the Contract Expert feature to determine whether additional clauses are required in the contract or to determine if the contract conforms to company policies.
- Permit you to edit some or all of the contract terms and conditions. Some clauses may be protected from editing.
- Include contract deliverables for tracking scheduled milestones, such as performance reviews, and other commitments, such as references and proof of insurance.

The following figure provides an example of how you work with a contract terms template:

1. The application applies the terms and conditions from the contract terms template either automatically or when you select the template manually.
2. The Contract Terms tab now contains the contract terms and conditions from the template. The sections and clauses are numbered according to the template's numbering scheme. In enterprise contracts, the Deliverables tab lists the contract deliverables (shown in the boxes demarcated with dotted lines).

3. You can edit the clauses on the Contract Terms tab using the outline on the left.
4. If the template requires you to run Contract Expert, you may be asked to answer questions and enter values for contract variables. Depending on your entries, Contract Expert may insert additional clauses that weren't present in the template itself.



Adding and Editing Sections and Clauses

The contract terms template can include all the boilerplate clauses required for a contract such as a warranty, for example, or just a few of the common clauses such as the governing jurisdiction. These are inserted automatically into the contract terms when the template is applied.

Depending on your privileges, you can add additional standard clauses, substitute an alternate clause for an existing clause, edit standard clauses or add new nonstandard clauses that are specific to the contract. Any change you make to the clauses

applied from the template will be recorded as a clause deviation in the contract deviations report you run before you submit the contract for approval.

Running Contract Expert

Some contract terms templates require you to run the Contract Expert feature to determine whether additional clauses must be added. You can tell if you must run Contract Expert when the Clauses tab includes the Contract Expert Last Run indicator above the contract terms preview region. When you run Contract Expert by selecting the **Run Contract Expert** action, Contract Expert may ask you to enter values for contract variables and to answer questions. If you don't run Contract Expert on a contract that requires it, then you receive a warning message during contract validation.

Adding Contract Deliverables

If the contract terms template includes contract deliverables, then these deliverables are visible only when the template is applied to a contract. You can use these contract deliverables in a contract for the submission and tracking of contractual deliverables such as reports and inspections. These deliverables are updated both by employees within your organization and by external party contacts designated as the responsible party contacts on the deliverables. Contractual deliverables are listed in a clause in the contract terms.

Changing the Source of Contract Terms: Points to Consider

Depending on the contract, its status, and your privileges, you may be able to change the contract source by selecting the **Change Contract Source** action on the Contract Terms tab, for instance by replacing the current contract terms template with another.

You can use this action to do the following:

- Switch templates
- Replace the contract terms in the application with an attached file
- Replace the contract terms attached in a file with those in another file
- Replace the contract terms attached in a file with those from a contract terms template

Switching Templates

Switching templates by applying a different template removes all of the contract terms applied from the old template, including any that you may have edited and changed into nonstandard clauses. The application moves any standard clauses you added or any nonstandard clauses you created from scratch to the Unassigned section. The Unassigned section, which is created automatically, doesn't appear in the printed contract. You must move any clauses from the Unassigned section to other sections if you want them to be part of the new contract terms.

 **Note:** If you're switching templates in Oracle Fusion Purchasing or Oracle Fusion Sourcing contracts, then you can retain contract terms deliverables by selecting the **Retain All Deliverables** option.

Replacing the Contract Terms in the Application with an Attached File

You may need to attach the contract terms to replace the contract terms in the application, if you're editing the contract terms in Microsoft Word and there are too many changes to import back into the application. When you change the contract terms source from a contract terms template to an attached file, the application removes all of the contract terms and contract documents. You can select the **Retain Structured Terms for Reference** option to include the contract terms in the contract deviations report, contract terms validation, and clause analysis.

Replacing One Attached File with Another

When you change the contract terms source from one file to another, the application deletes the old file if the file name is the same. If the new file name is different, then the application preserves the file you're replacing in contract Documents.

 **Note:** The old file is not preserved in Oracle Fusion Sourcing because negotiation documents don't include the Documents tab.

Replacing an Attached File with a Contract Terms Template


When you replace an attached contract terms file with the terms from a contract terms template, the application retains the file for reference on the Documents tab except in Oracle Fusion Sourcing where the file is deleted.

Contract Terms Authoring Actions: Explained

This topic lists and briefly describes the actions for authoring contract terms. The actions in the Actions menu are divided into four groups.

There are actions for:

- Authoring within the application
- Authoring in Microsoft Word
- Checking your work
- Starting over

 **Note:** The Actions menu appears only after you add contract terms. Which actions are available on a contract depends on your implementation, the contract type, and the contract life cycle.

Actions for Authoring Within the Application

The following actions are related to authoring within the application:

Action	Description
Edit Variable Values	Select the Edit Variable Values action to enter any missing variable values. The Clauses tab displays the number of missing values in the Pending Variables indicator. You must enter any missing values before you submit the contract for approval. Missing variable values generate warnings during contract validation. Entering variable values using this action is equivalent to entering these values when running Contract Expert.

Action	Description
Run Contract Expert	Some contract terms templates require you to run the Contract Expert feature to determine whether additional clauses must be added. You can tell if you must run Contract Expert when the Clauses tab includes the Contract Expert Last Run indicator above the contract terms preview region. When you run Contract Expert by selecting the Run Contract Expert action, Contract Expert may ask you to enter values for contract variables and to answer questions. If you don't run Contract Expert on a contract that requires it, then you receive a warning message during contract validation.

Actions for Authoring Contract Terms Using Word

The following table lists the actions you can use for editing the contract terms outside the application using Word.

Action	Description
Download Contract	Use the Download Contract action to export the contract terms authored in the application to an XML file you can edit in Word.
Upload Contract	Use the Upload Contract action to import the edits you made in Word. You can only upload a file that was originally downloaded from the application.
Lock Contract Terms	Use the Lock Contract Terms action to prevent anyone from editing the contract terms in the application while you are editing the contract terms offline in Word.

Actions for Checking Your Work

The following table lists the actions for checking the contract terms meet your organization's standards.

Action	Description
Review Contract Deviations	<p>Select the Review Contract Deviations action to generate a report that lists differences between the contract terms in the contract and the contract terms in the contract terms template. The deviations report lists:</p> <ul style="list-style-type: none"> • Standard clauses you added, edited, or deleted • Alternate clauses you selected to replace the standard clauses • Nonstandard clauses you created for this contract • Missing clauses recommended by Contract Expert • Outdated clause versions • Policy deviations
Check for Clause Updates	Select the Check for Clause Updates action to check if a more recent clause version is available in the Contract Terms Library.
Validate Contract Terms	<p>Select the Validate Contract Terms action to determine if the contract terms are ready to be submitted for approval. Validation can generate both errors and warnings. You must correct the errors. Correcting the warnings is optional. For example, you receive an error if:</p> <p>The application automatically performs the same contract terms validation whenever you submit the contract for approval.</p>

Actions for Starting Over

The following table lists the actions you can use to start over.

Action	Description
Change Contract Source	<p>Select the Change Contract Source action to change the source of the contract terms from one template to another, from a template to an attachment, or from an attachment to a template.</p> <p>If you change templates, the application removes all sections and clauses added by the original template, including any you have edited. Only new clauses you added are kept under the Unassigned section heading.</p>
Remove Contract Terms	<p>Select the Remove Contract Terms action to remove all contract terms from the contract. Removing contract terms removes all contract terms documents.</p>

Creating Nonstandard Clauses During Authoring: Points to Consider

If you don't find the standard clause you need in the Contract Terms Library, then you can create a nonstandard clause either by adding a similar standard clause and editing it or by creating an entirely new nonstandard clause.

Creating a Nonstandard Clause by Editing a Standard Clause

Adding a similar standard clause and editing it makes it possible at any time to revert back to the most recent version of the original standard clause and to compare the nonstandard clause text with the text of the most recent version of that standard clause.

Creating a New Nonstandard Clause

Creating an entirely new nonstandard clause doesn't permit you to revert to a similar standard clause or compare the text. Both types of nonstandard clauses are listed as deviations in the Contract Deviations report submitted along with the contract for approval.

Contract Terms Templates: How They Work

You can create contract terms templates in the Contract Terms Library to insert appropriate terms and conditions into contracts during contract authoring. You can apply the templates manually while authoring contracts or the application can apply the templates automatically using defaulting rules you set up.

Contract terms templates:

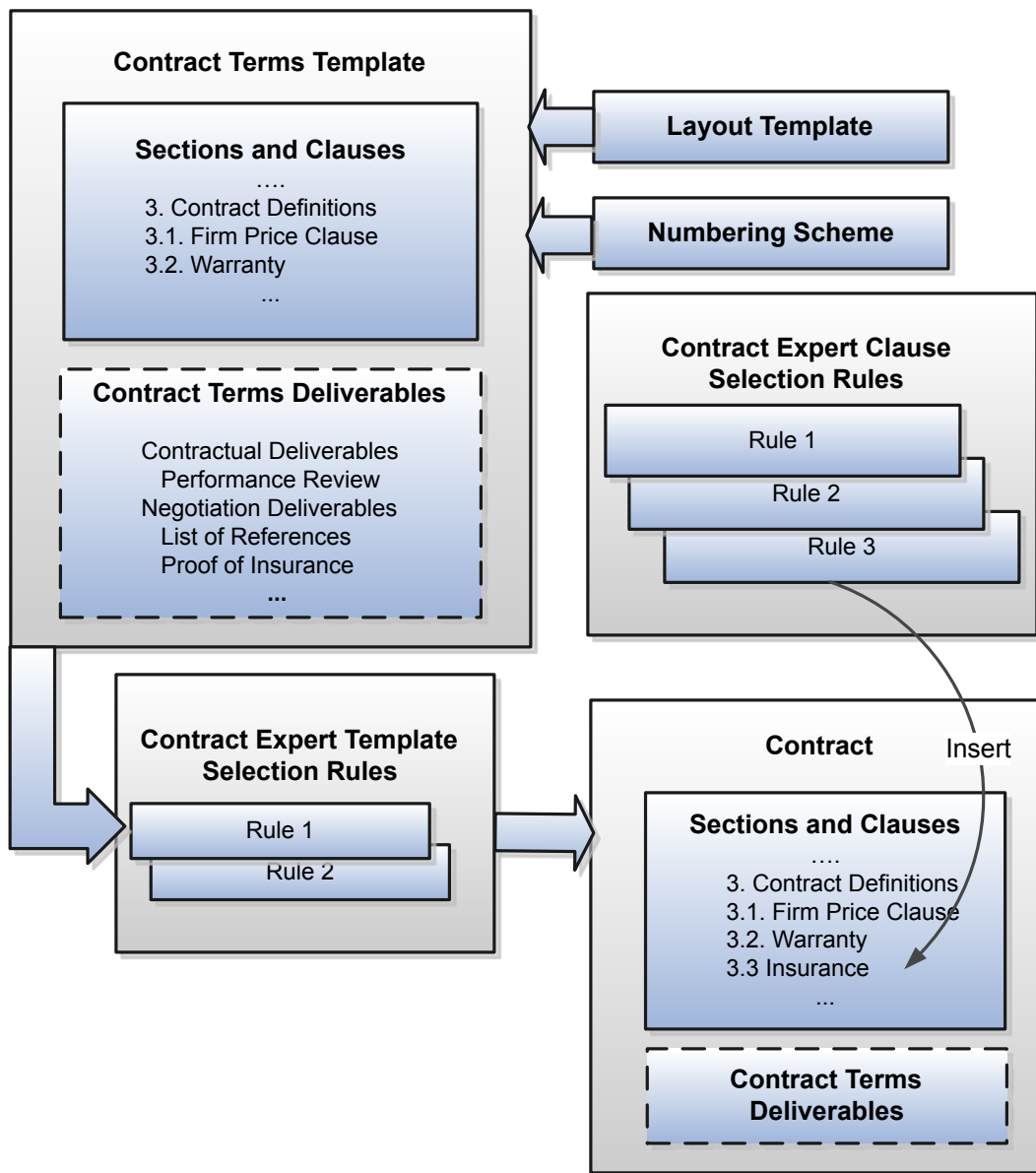
- Contain sections and clauses from the Contract Terms Library.
- Are created in the Contract Terms Library separately. You cannot create them directly from an existing contract.
- Are specific to one business unit.

- Apply to enterprise contracts of the contract types you specify in the template.
- Are specific to either sell-intent or buy-intent contracts.
- Can default contract terms directly on purchase orders and sourcing documents, and on enterprise contracts. For these documents, contract terms templates can also include contract deliverables which can be used to track the completion of contractual tasks in the contract.

In addition, for a contract terms template you can:

- Set up Contract Expert rules to recommend additional clauses for contracts that use the template and insert these clauses in specified locations in the contract if marked as conditional.
- Associate a layout template for previewing the template.
- Specify a contract terms numbering scheme for the template.
- Set up template selection rules to default the template into a contract automatically.

The following figure illustrates the different aspects of contract terms templates:



Adding Sections

You can add sections that you have created in the library or create sections that are specific to the template itself.

Adding Clauses

You can add clauses in one of two ways:


- Add a clause from the Contract Terms Library directly into a section in the template.

You can create the clause in the library from the template if the library does not have what you need.

- Create Contract Expert rules to add clauses to the contract terms in a contract depending on the specifics of the contract.

For example, you may want to add a boilerplate jurisdiction clause directly into the template, but use a Contract Expert rule to insert the appropriate liability clause. This way a contract that calls for the shipment of hazardous materials will get a liability clause that's different from a contract that does not include any, for example.

The properties that you set up in the clause apply automatically. If you set up a clause as mandatory, you will not be able to delete the clause after it is inserted by the template unless you have the special Override Contract Terms and Conditions Controls privilege. If you set up a clause with alternates, then you can substitute any of the alternate clauses in the contract.

 **Note:** You are not required to add any sections or clauses to a template directly. You can use Contract Expert rules exclusively, if appropriate.

Enabling Contract Expert on the Template

To use Contract Expert in a contract where the template is applied, select the **Enable** option in the Contract Expert region of the Create Terms Template or Edit Terms Template pages. When Contract Expert rules enabled for the template suggest additional clauses, these additional clauses are presented for your review before they are inserted in the default section specified in each clause. Depending on privileges, you can choose which clauses to insert and which to omit. If you make Contract Expert suggestions mandatory for the template, then you can reject the recommendations only if you have the special Override Contract Terms and Conditions Controls privilege.

You can also place recommended clauses for insertion in their predetermined locations, if the clauses are marked as conditional clauses and their locations are defined in the terms template associated with the contract.

Adding Contract Deliverables to Purchase Orders, Sourcing Documents, and Enterprise Contracts

For Oracle Fusion Purchasing purchase orders, Oracle Fusion Sourcing documents, and enterprise contracts, you can track compliance of tasks that the contract parties have agreed to execute as part of the agreement by adding contract deliverables.

You can use deliverables to record the status of the tasks, keep everyone notified of past and future deadlines, and as a repository of the deliverable documents themselves. For example, vendors agreeing to supply a monthly report can log in to their sourcing portal and attach the report or ask for an extension. If they fail to respond by the specified deadline, the deliverable can trigger an automatic notification that the deliverable is overdue.

Assigning a Layout Template for Previewing the Contract Terms Template

You must assign a layout template for the contract terms template so you can preview the template content, when you need to make a template selection, for example. The layout template, which you select on the General tab while editing the contract terms template, specifies what gets displayed in the preview, including the fields displayed, graphics such as a company logo, page numbering, headers and footers, and boilerplate text. This layout template is not used for printing the contract.

If you marked Contract Expert recommended clauses as conditional on the terms template, then these are displayed in gray font in the print preview to distinguish them from regular clauses.

The layout template is an RTF file stored in the Enterprise Contracts folder in the Business Intelligence Presentation Catalog. A sample layout template is provided with your application. You can copy the sample template and edit it to create your own as described in a related topic.

Specifying a Numbering Scheme

You can associate a numbering scheme to the template that will automatically number sections and clauses in the contract. Several predefined numbering schemes are available with your application, and you can create additional numbering schemes of your own.

Making the Template the Contract Default

You can have a contract terms template apply automatically in all contracts based on:

- Contract type
- Contract Expert rules that select the template based on the specific information in the contract itself

If you enabled the feature Enable Contract Terms in Fusion Procurement for Procurement Contracts during implementation, then you can also apply templates to procurement documents based on document type.

The following document types become available:

- Auction
- Bid
- Blanket Purchase Agreement
- Contract Purchase Agreement
- Standard Purchase Order
- RFI
- RFI Response
- RFQ
- Sourcing Quote

While editing the contract terms template, you specify a template to be the default for a contract type or document type in the Document Types region. You can set up only one template as the default for each contract type or document type. You set up the Contract Expert template selection rules separately as described in a related topic. You can have multiple rules recommend the same template.

Here is how the defaults you enter in the Document Types region and the Contract Expert template selection rules interact to select and apply a template during contract authoring:

- Contract Expert template selection rules always take priority. If the rules specify a single template for a contract, then it gets applied regardless of the default you entered in the Document Type region.
- If the Contract Expert rules recommend different templates, then the application uses the default from the Document Type region as a tiebreaker.
- If no Contract Expert selection rule applies and you specified a default, then the application uses the default.
- If you did not set up any rule or default for a contract type or document type, then you must select the template from a list while authoring.

Related Topics

- [Contract Expert: How It Works](#)

- Contract Printing and Layout Templates: Explained

Activating and Revising Contract Terms Templates: Explained

For a contract terms template to be available for use by contract authors, it must pass an automatic validation check and be approved by the contract terms administrator. If you need to make changes after the template is approved and in use, you can create a new version by editing the approved template and submitting it for approval. After the revision is approved, it replaces the original automatically.

This topic discusses:

- The validation checks for common errors that you must correct
- The approvals process
- Contract terms statuses, what they mean, and how they affect what actions you can take
- The creation of new template versions or revisions

Validation Checks

The application performs the following validation checks for all contract terms templates. You must fix all errors before templates can be sent for approval. Fixing warnings is optional.

The following table lists the validations for terms templates including validations for terms template that contain deliverables.

Validation Check	Type	Action
The template contains incompatible clauses.	Warning	Remove one of the incompatible clauses.
A clause you added to the template is in the draft status.	Error	<p>While you can add draft clauses when creating a contract terms template, these clauses must be approved before the template can be sent for approval.</p> <p>If you create the draft clauses as part of the contract terms template, then these clauses are submitted for approval along with the template.</p>
<p>A clause in the template is in inactive, on hold, or rejected status.</p> <p>If a previous approved version of the clause is available, then this message does not appear. The template continues to use the previously approved version.</p>	Error	You must obtain approval for the clause and resubmit the template for approval.
The template contains more than one alternate clause.	Error	You must remove one of the alternates.

Validation Check	Type	Action
Contract Expert suggested clauses specific to the activated rules associated with the terms template are not marked as conditional clauses on the terms template.	Warning	You must mark these clauses as conditional clauses on the terms template.
Contract Expert suggested clauses specific to the activated rules associated with the terms template are flagged as unconditional clauses on the terms template.	Warning	You must mark these clauses as conditional clauses on the terms template.
The template contains conditional clauses that are not Contract Expert suggested clauses specific to the activated rules associated with the terms template.	Warning	You must either remove these clauses or mark them as unconditional clauses on the terms template.
If the template is a translation of another template, then the template it was translated from must be valid on the date you validate the translation.	Error	Obtain approval of the template you are translating before resubmitting.
Template contains no clauses.	Warning	Clauses are not required in a template.
The requester or the internal and escalation contacts in the deliverable are invalid.	Error	You must enter different requester or contacts. The internal contact and requester must be employees with e-mail addresses to receive notifications.
Supplier / customer contact is invalid.	Error	The supplier or customer must be entered as a contact with an e-mail address.
Deliverable dates are missing.	Error	Enter the missing dates.

Template Approval

After you submit a template for approval and it passes validation, the application sends a notification to the approvers specified in the Oracle BPEL Process Manager notification service process. If you have created clauses as part of the contract terms template, then the clauses are automatically submitted for approval and approved along with the template.

For clauses that you added to the terms template from the Terms Library, terms template approval has no effect on them. You can, however, stop the approval of each of these clauses from the Edit Clause page or from the worklist approval notification.

Stopping Template Approval

If for some reason, after you submit a terms template for approval, you want to withdraw it from approval, you can use the Stop Approval action on the Edit Terms Template page to do so. Stopping terms template approval, automatically stops the approval of clauses that you created or added and submitted for approval with the terms template. The Stop Approval action is not available for such clauses individually on the Edit Clause page.

Stopping the approval of a terms template reverts it to its previous Draft or Revision status and reverts the status of the clauses that you submitted for approval with the terms template to their previous Draft status. For clauses in Pending Approval status that you added to the terms template from the Terms Library, stopping the approval of the terms template has no effect on these clauses. These clauses remain in their Terms Library statuses.

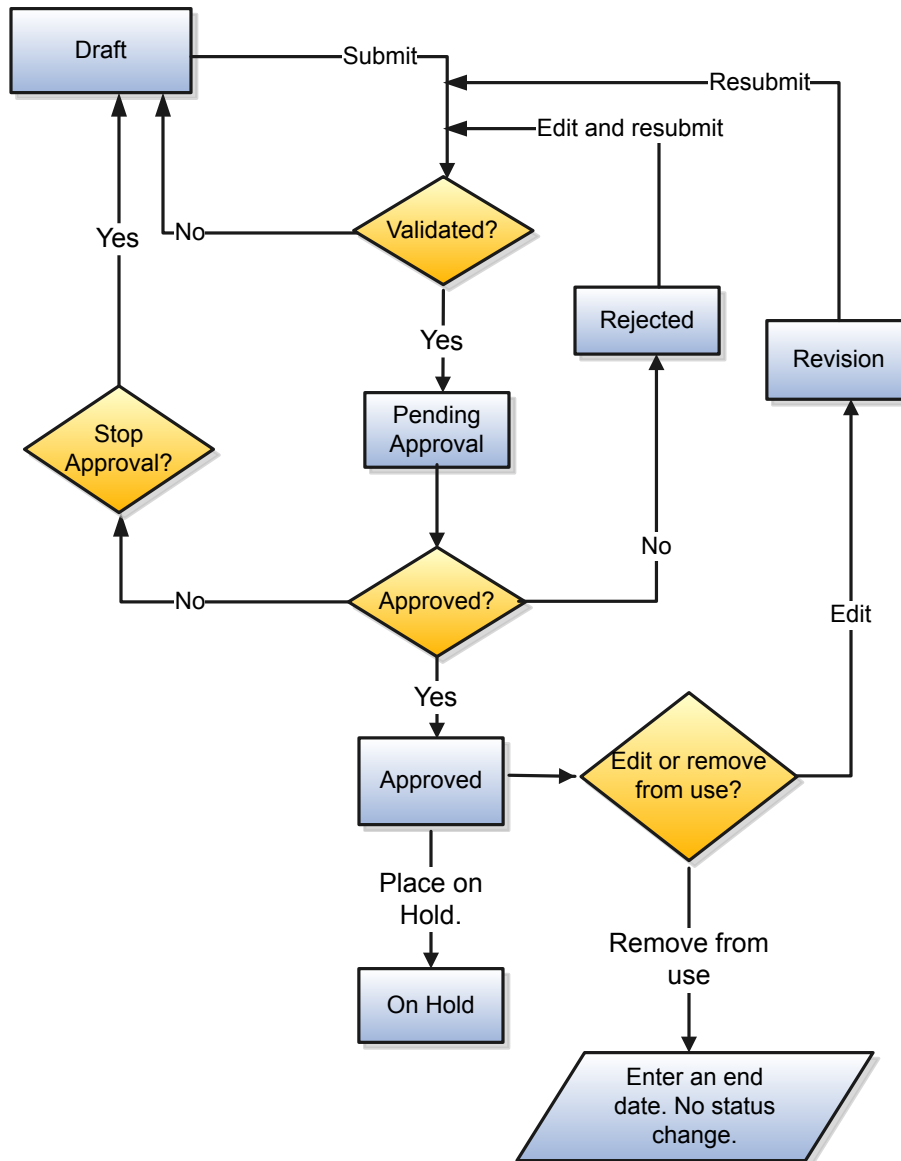
Template Statuses

Contract terms template statuses are set automatically during the template lifecycle.

The following diagram shows the available statuses and the permitted transitions and actions in each stage of the template lifecycle:

- When you create a contract terms template it is automatically set to the Draft status.
You can edit and delete templates in this status.
- When you submit a draft template for approval and it is successfully validated, it is set to the Pending Approval status. You cannot edit, delete, or enter an end date for templates in this status. The approvers must either approve or reject the template or you can withdraw the terms template from approval.
- An approved template is automatically available for use in the business unit where it is created.
- You can edit an approved template to create a new version. The edited version is set to the Revision status until it is validated and approved.
- If the approvers reject the template revision, you can edit it and resubmit it for approval.
- You can place an active template on hold, temporarily removing it from use until the hold is removed. You cannot edit templates in this status.

- You can remove an approved template from use permanently by entering an end date. You cannot edit a template that is past its end date. The only available action is to copy it to create a new one. Entering an end date does not change the status of the template even past the end date.



Creating Contract Terms Template Revisions

You can create a revision of a terms template by editing an active template. After the revision is approved, it automatically replaces the current version in the Contract Terms Library. The application does not save previous versions of templates.

If the template is a global template that was adopted by other business units, those business units must copy over the revision. The new template revision appears in the Available for Adoption region of the Terms Library Overview page.

Running Contract Expert During Authoring: How It Works

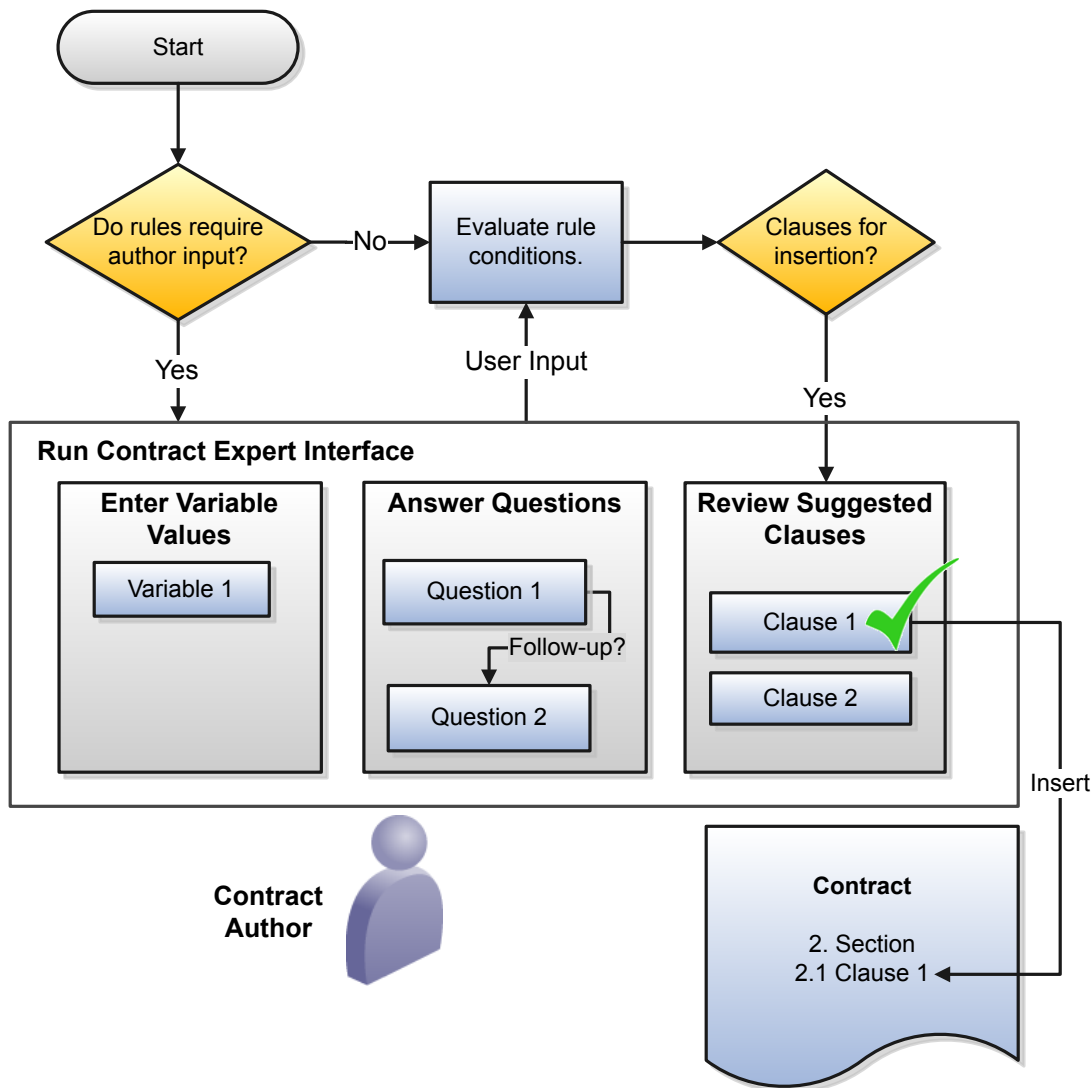
If a Contract Expert-enabled contract terms template is applied to your contract, then you must run Contract Expert to determine if the contract deviates from company policies or if any additional clauses are required. When you run Contract Expert, you may be asked to enter values for contract variables or to answer questions. Based on your responses, Contract Expert may suggest additional clauses from the Terms Library for insertion into the contract terms. If you fail to run Contract Expert on a contract which requires it, then you will receive a warning when you attempt to submit the contract for approval or when you download the contract for editing in Word 2007 or later versions. You can run Contract Expert at that time.

The following figure illustrates what happens when you run Contract Expert by selecting the **Run Contract Expert** action from the Actions menu or by clicking the icon at the top of the preview section on the Clauses tab. The application:

1. Prompts you to respond to questions and to specify values for variables. In some cases, additional questions may appear depending on the responses that you provide to previous questions. If you already ran Contract Expert on the contract before, the application remembers the values you entered previously.
2. Evaluates your entries to determine if the contract requires additional clauses and displays them for your review.
3. Inserts the selected clauses into the contract terms either in the locations that you specified on the terms template after you made these clauses conditional or in the designated default section under clauses or under terms.

4. On subsequent runs, Contract Expert removes any clauses it inserted previously and starts evaluating afresh.

Running Contract Expert During Contract Authoring



Contract Expert Removes Any Clauses It Inserted Previously

If this is not the first time you are running Contract Expert, then the feature removes the clauses that it inserted previously, even if you moved them to other sections. Contract Expert does not remove any of the clauses you turned into nonstandard clauses by editing them.

Contract Expert Prompts You to Enter Additional Information

Contract Expert starts evaluating any business rules entered by the Contract Terms Library administrator for the contract terms template being used on your contract. If the rules require your entry, then Contract Expert displays pages where you

enter variable values and answer questions. Answers to questions can trigger follow-up questions. In this figure, the answer to Question 1 triggered the follow-up Question 2.

Contract Expert Evaluates Your Entries and Displays Any Additional Clauses to Review

Contract Expert completes evaluating the business rules based on any additional information you provided and displays the recommended clauses for your review before inserting them into the contract terms.

You can reject a recommended clause by deselecting the **Insert Into Document** option on the Review Suggested Clauses page provided you have sufficient privileges. Your rejection is listed as a warning when you review contract deviations. If you do not have the required privileges, you cannot deselect this option.

Contract Expert Inserts Additional Clauses Into the Contract

Contract Expert inserts the additional clauses into the contract either in the locations that you specified on the terms template after you made these clauses conditional or in the designated default section under clauses or under terms.

Contract Terms in Microsoft Word

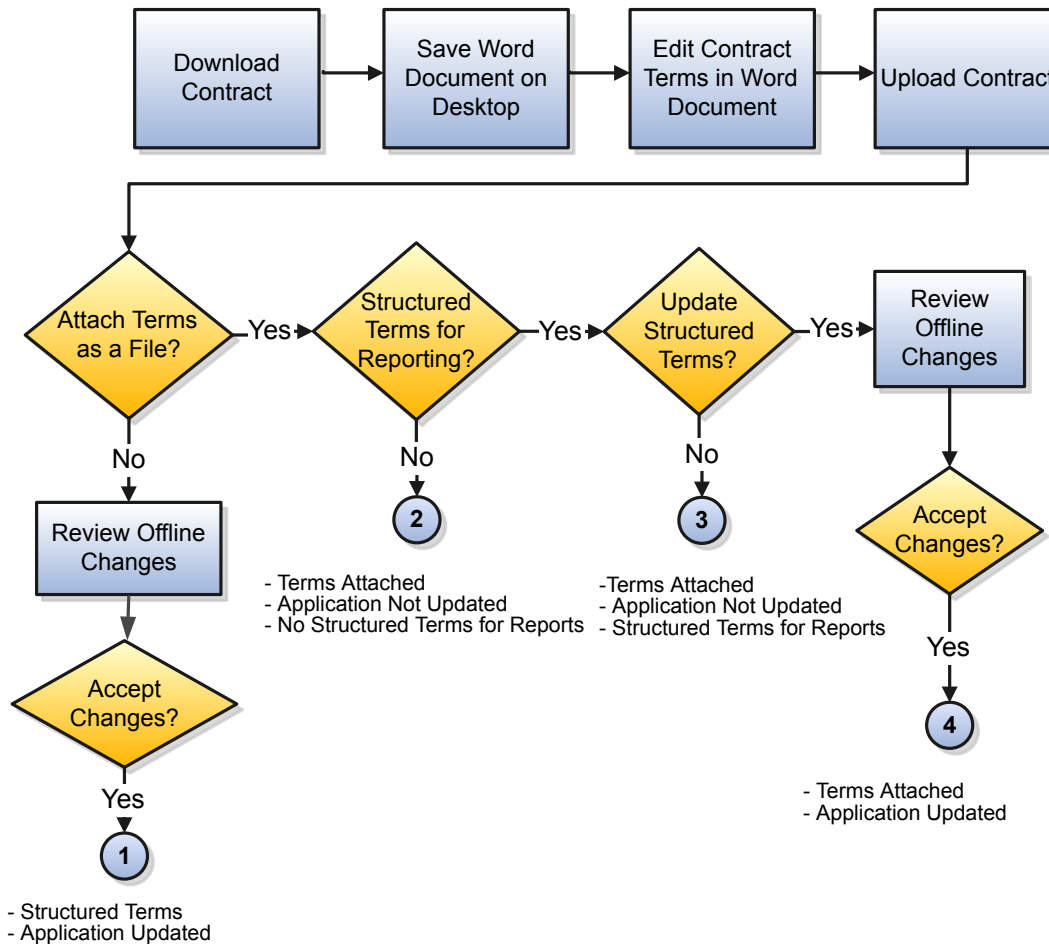
Editing Contract Terms in Microsoft Word : How It Works

You can edit contract terms offline using Microsoft Word and import the edits back into the application from the Word document.

The following steps and figure outlines the process:

1. Download the contract terms as an XML file to your desktop by selecting the **Download Contract** action in the Contact Terms tab. You can lock the contract terms in the application while you are editing them offline.
2. Open Microsoft Word and from within Word, open the XMLfile that you downloaded.
3. Edit the file using Microsoft Word and accept or reject all changes.
4. Select the **Upload Contract** action to upload your changes. Depending on your needs, different options make it possible to update the structured terms in the application with your changes or simply attach them as a file. The different use cases numbered in the figure are discussed in the Uploading Your Edits section.

5. If you decide to update the structured terms in the application, then you must review and accept the changes.



Downloading the Contract Terms

Select the **Download Contract** action to download the contract terms as a Word XML file. When downloading, you can prevent others from editing the structured terms while you are working outside the application by selecting the **Lock Contract Terms Until Upload** option.

Editing Contract Terms Outside the Application

Now that you are ready to edit your contract terms in Word you have a choice to edit entirely offline or using the Oracle Contracts Microsoft Word Add-in. Either choice provides integration with the application but we recommend you consistently use one method or the other.

If you want to automatically update the contract terms in the application with the edits you make in the Word file, then you must:

- Use only the file you downloaded for your edits.
- Enable Word's change control features to track your changes and accept the changes before you upload the file.

- Be aware of how your edits will be uploaded as described in the section below:
 - To edit the text of a clause, keep your edits within the boundary of the clause text and do not add any paragraph breaks or title headings.
 - To add a new clause, enter the clause title outside the boundary of an existing clause and apply the **ClauseTitle2** style. Press **Enter** and add the clause text. The clause text should be automatically appear with the **Normal** style applied.
 - To add a new section, enter the section title outside the boundary of an existing clause and apply the **Heading1** style.

There are no restrictions if you want to attach the edited file without updating the structured terms in the application.

Uploading Your Edits

After selecting the **Upload Contract** action to upload your edits, you can either update the contract terms in the application with your edits or attach the edited file.

The different use cases depend on your selection of the following three options:


- **Contract Source**
Specifies if you want the source of the contract terms to be the structured terms in the application or the file you are uploading.
- **Update Contract Terms Automatically**
If you want the edits in the file imported into the application.
- **Retain Structured Terms for Reporting**
If you chose the file as the source of contract terms, then you can retain the contract terms in the application for reviewing contract deviations and other reports.

Use Case	Use Case Number	Contract Source Selection	Update Contract Terms Automatically	Retain Structured Terms for Reporting	Consequences
You want to import the edits from the file into the application.	1	Structured Terms	Selected	Not applicable for this use case.	<ul style="list-style-type: none"> • The contract terms in the application are updated with the edits from the Word document. • The application remains the source of the contract terms. • The file with your edits is uploaded as a supporting document.
The edits in the Word file are so extensive that importing them into	2	Attached Document	Deselected	Deselected	<ul style="list-style-type: none"> • The application is not

Use Case	Use Case Number	Contract Source Selection	Update Contract Terms Automatically	Retain Structured Terms for Reporting	Consequences
the application is impractical. The contract terms in the file are so different, that running the contract deviations report against the terms in the application would be misleading.					<ul style="list-style-type: none"> updated with changes. The Word file becomes the primary contract document. The structured terms in the application are not retained for reports.
You do not want to import the edits into the application, but you want to retain the contract terms in the application for reporting.	3	Attached Document	Deselected	Selected	<ul style="list-style-type: none"> The application is not updated with your changes. The Word file becomes the primary contract document. The structured terms are retained for reporting.
You want to specify the attached file as the primary contract document, but want to import the changes into the application for more accurate reporting.	4	Attached Document	Selected	Selected	<ul style="list-style-type: none"> The application is updated with your changes. The Word file becomes the primary contract document. The structured terms are used for reporting.

Automatically Updating the Contract Terms in the Application

If you chose to update the contract terms in the application automatically, the application compares the contract terms in the file with those in the application and displays the changes in the Review Changes page.

 **Note:** Before you upload, you must accept all tracked changes in the Word file. If the Accept and Reject buttons are not enabled on the Review tab, you can enable them by selecting Protect Document, Restrict Formatting and Editing and clicking **Stop Protection**.

The application considers some but not all edits as changes for importing. Examples of changes that do get imported include:

- Adding a clause in the file will add the clause to the structured terms.
- Deleting a clause in the file counts as a deletion of the clause in the structured terms.
- Edits within the text of a standard clause, including the addition of spaces, turns the standard clause into a nonstandard clause.
- Text that you add outside the boundary of an existing clause will be imported as a new clause.
- Headings you insert are interpreted as sections or clause titles, depending on their style. If you insert a heading with the **ClauseTitle2** style applied and that is followed by text with the **Normal** style applied, then the heading is imported as a clause title and the text as the clause text. If you enter a heading with the **Heading1** style, then it will become a section.
- If you add a new clause without a heading, then the application automatically creates a clause title with a clause number based on the number of such clauses without titles. The first title is Clause 1 and the title of the ninth such clause is Clause 9.

The application does not import some edits such as moving clauses or sections within the contract terms. Font changes are only imported if they are accompanied with another edit. For example, the application will ignore clause text you placed in italics if that is the only edit you made. Nor does the application import any edits you may make to the clause or section numbers. It retains the numbering in the structured terms.

Also not imported are any changes in variable values you made in the Word document. You must edit the variable values in the application after your upload.

You can use the Review Changes page to either accept or reject all of the changes and to merge any clauses that were split accidentally. If you want to reject individual changes, then you must cancel the upload, make additional edits to the Word document, and upload again.

The application retains the file you uploaded as a supporting document. If the file name is the same as the previous version you uploaded, then the previous version is overwritten.

Related Topics

- [Reviewing Changes When Uploading Contract Terms Edited in Word: Explained](#)
- [Selecting Contract Upload Options: Critical Choices](#)

Editing Contract Terms Using the Oracle Contracts Add-in for Microsoft Word: Overview

When you edit contract terms offline using Microsoft Word, you can use the Oracle Contracts Add-in to update the contractual terms associated with a contract directly from the terms library. Within Microsoft Word you can search and add clauses or sections from the library to your contract. You can also perform other modifications such as adding, modifying or deleting existing sections, clauses, and variables.

To edit contract terms using the Microsoft Word add-in:

- Download and install the Oracle Contracts Add-in for Microsoft Word.
- Download a contract for offline editing and use the Oracle Contracts menu from within Microsoft Word to edit the contract terms.

 **Note:** The process of downloading and uploading contract terms is the same whether or not you choose to use the add-in.

Installing the Oracle Contracts Add-in for Microsoft Word: Explained

To edit contract terms using the Oracle Contracts Microsoft Word add-in, you first must download and install it.

Installing the Add-in

1. Navigate to the Contract Terms tab of your contract.
2. From the Actions menu, select **Download Add-in for Microsoft Word**.
3. A ZIP file is downloaded to your default browser download location.
4. Open and extract the ZIP file to a local folder.
5. From the extracted files, run the **setup.exe** application file to install the add-in.

 **Note:** You should repeat the download when a new version of the add-in has been released.

Using the Oracle Contracts Add-in for Microsoft Word: How It Works

You can edit contract terms offline using the Oracle Contracts Microsoft Word add-in and import the edits back into the application from the Word document.


Using the Tools Menu

- Use **Sign In** and **Sign Out** to connect to the server. You must be connected to the server to:
 - Edit the values of user-defined variables.
 - Search for sections, clauses and variables in the contract terms library that you may want to add to the contract terms.
 - Check for the latest available version of the add-in from the About tab.
 - Generate log files for the add-in.
- The **Generate Log File** action allows you to toggle generation of log files. Log file generation can assist in debugging any issues related to server connections as well as other issues.

Using the Actions Menu

- Add Section
 - a. Place your cursor in the contract terms document at the location at which you want to insert the section.
 - b. Search for a section in the Terms Library.
 - c. A list of section names matching the search criteria is displayed in the search pane.
 - d. Select and add the section.
 - e. The section title is inserted with the appropriate formatting.

- Create Section
 - a. Select the **Create Section** action.
 - b. Enter the section title in the new text box.
 - c. You can add clauses and variables, create new clauses, and insert variables from the Oracle Contracts Terms Library as needed.
- Add Clause
 - a. Place your cursor in the contract terms document at the location in the section at which you want to insert the clause either below the section heading or after a clause in the section.
 - b. Search for clauses in the Contract Terms Library. A list of clauses matching the search criteria is displayed in the search pane.
 - c. Select and add the required clause to the section in the contract terms.
 - d. The clause text is inserted with the appropriate formatting.
 - e. You can click **Clause Details** or **Preview in Word** to see details about the clause before you insert it. The Preview in Word window displays a read-only version of the actual clause text.
 - f. You can also modify the clause text that you just added. If you do so, this clause appears as a nonstandard clause once uploaded back to the application. You can choose to revert back to the original standard clause in the application.
- Create Nonstandard Clause
 - o You can create a new clause in a section of the contract terms in Word using the **Create Nonstandard Clause** action. New text boxes are inserted in the appropriate places where you can enter the clause title and the clause text.
- Insert Variables
 - a. Place your cursor in the contract terms document at the location in the clause text at which you want to insert the variable.
 - b. Search for variables in the Terms Library. A list of variables matching your search criteria is displayed in the search pane.
 - c. Use **Previous** and **Next** to scroll through the list of variables and use **Insert** to add the variable value to the contract terms in the Word document.

 **Note:** Every variable must have a value. If the variable that you inserted does not already exist in the contract terms and therefore has no value, you must enter a value either in the Word Add-in or directly in the application.

Using the Edit Variable Values Menu

- You can use the **Previous** and **Next** buttons to scroll through user variables in the document to find the ones that you want to edit.
- You can edit user variables in the Microsoft Word contract and they will be saved back to the application.
- You cannot save edits to system variables made using the Oracle Contracts Microsoft Word add-in back to the application, but you can delete them.

Using the Help Menu

- Check for Update
 - Use this action to see if there is a more recent version of the add-in that can be downloaded.
- Server
 - Use this option to check the server instance name associated with the contract. This is the environment to which the updated contract will be uploaded.

Related Topics

- [Why does my Oracle Contracts Add-in menu in Microsoft Word seem disabled?](#)
- [Can I use the Microsoft Word Add-in to edit contract documents previously edited without the Add-in?](#)

What versions of Microsoft Word can I use with Oracle Contracts?

You can enter contract text in the Contract Terms Library or the Contract Terms tab using Microsoft Word. The versions of Microsoft Word that Oracle Contracts supports are listed on the System Requirements for Oracle Applications Cloud page (www.oracle.com/us/products/system-requirements/overview).

Related Topics

- [System Requirements for Oracle Sales Cloud](#)

Terms Templates FAQ

What validation checks are performed for contract terms templates?

The application performs the following validation checks for all contract terms templates. You must fix all errors before templates can be sent for approval. Fixing warnings is optional.

The following table lists the validations for terms templates including validations for terms template that contain deliverables.

Validation Check	Type	Action
The template contains incompatible clauses.	Warning	Remove one of the incompatible clauses.
A clause you added to the template is in the draft status.	Error	<p>While you can add draft clauses when creating a contract terms template, these clauses must be approved before the template can be sent for approval.</p> <p>If you create the draft clauses as part of the contract terms template, then these clauses are submitted for approval along with the template.</p>

Validation Check	Type	Action
<p>A clause in the template is in inactive, on hold, or rejected status.</p> <p>If a previous approved version of the clause is available, then this message does not appear. The template continues to use the previously approved version.</p>	Error	You must obtain approval for the clause and resubmit the template for approval.
The template contains more than one alternate clause.	Error	You must remove one of the alternates.
Contract Expert suggested clauses specific to the activated rules associated with the terms template are not marked as conditional clauses on the terms template.	Warning	You must mark these clauses as conditional clauses on the terms template.
Contract Expert suggested clauses specific to the activated rules associated with the terms template are flagged as unconditional clauses on the terms template.	Warning	You must mark these clauses as conditional clauses on the terms template.
The template contains conditional clauses that are not Contract Expert suggested clauses specific to the activated rules associated with the terms template.	Warning	You must either remove these clauses or mark them as unconditional clauses on the terms template.
If the template is a translation of another template, then the template it was translated from must be valid on the date you validate the translation.	Error	Obtain approval of the template you are translating before resubmitting.
Template contains no clauses.	Warning	Clauses are not required in a template.
The requester or the internal and escalation contacts in the deliverable are invalid.	Error	You must enter different requester or contacts. The internal contact and requester must be employees with e-mail addresses to receive notifications.
Supplier / customer contact is invalid.	Error	The supplier or customer must be entered as a contact with an e-mail address.
Deliverable dates are missing.	Error	Enter the missing dates.

What's a global contract terms template?

A contract terms template that is created in a business unit designated during setup as the global business unit. A global template is automatically listed in the Term Library Overview page in the local business units and can be adopted by duplicating it.

Related Topics

- [Adoption of Content from Global to Local Terms Libraries: How It Works](#)

What's a default contract terms template?

A contract term template that is specified as the default template for a document type. A document type can be a buy or sell document that is considered a contract, such as a purchase order or a blanket sales agreement.

When do I need to make a contract terms template the default for a document type?

Specify a contract terms template as the default for a document type when you want that template to be automatically applied to a contract of that type.

You can also apply contract terms templates to contracts using Contract Expert rules. If a Contract Expert rule specifies a default contract terms template, the application ignores the document type default you specify here. However, should the Contract Expert rules you set up pick multiple templates, then the application uses the document type default you set here as a tiebreaker.

Related Topics


- [Contract Expert Rules: How They Work](#)

Why can't I edit the contract terms template?

You cannot edit the contract terms template if you have insufficient privileges or the contract terms template is in a status that does not permit you to make modifications.

Why do I want to enable Contract Expert in a contract terms template?

You must enable Contract Expert in a contract terms template if you want to use Contract Expert rules with the template. Contract Expert rules can default the template to a new contract, recommend additional clauses, and flag any policy deviations in contracts that use the template.

 **Note:** If you do not enable Contract Expert on a template, contract authors cannot run Contract Expert in contracts that use the template and no Contract Expert rules apply, not even those you specify as valid for all templates.

Related Topics

- [Contract Expert Rules: How They Work](#)

What Contract Expert rules apply to a contract terms template?

The Contract Expert rules that apply to a contract terms template are listed in the Rules tab of the Edit Terms Template page. A Contract Expert rule applies to a contract terms template when that rule lists the contract terms template specifically or when it applies to all templates. The Contract Expert rule must be active before it is evaluated during contract authoring.

Related Topics

- [Contract Expert Rules: How They Work](#)

How can I add a clause to a contract terms template?

You can add sections and clauses to a contract terms template on the **Clauses** tab while editing the template. Alternately, you can set up Contract Expert rules to suggest clauses based on the circumstances of each contract.

Use the outline region on the left of the Clauses tab to add sections and clauses that will be present in all contracts created with the template. You must add at least one section using the Actions menu before you can add clauses. If you do not find the clause you need while adding clauses, you can create one from the Add Clauses window. You must refresh the preview of your template by clicking the **Refresh** icon on the right side of the tab to see your latest edits.

Also, you can create rules to add clauses that vary contract to contract. Contract Expert can add clauses based on variable values and answers to questions contract authors supply when they author the contract.

Why can't I add clauses to the contract terms template?

You must add at least one section to the contract terms template before you can add clauses and the template must be in a status that permits editing.

Why am I reviewing draft clauses when submitting a contract terms template for approval?

A contract terms template can be approved for authoring only when all of its clauses are approved as well. If any of the clause versions you added to the template are drafts, then the application lets you review a list of those drafts and submit them for approval along with the contract terms template. The draft clauses can include any draft clause versions as well as clauses drafted specifically as part of the contract terms template using the **Create Clause** button.

If any of the clauses are already available in an approved version, then you can choose to use the approved version in the template instead of submitting the drafts for approval. You can make the substitution on the review page by deselecting the draft.

Why are some clauses missing from a contract terms template I copied over for use in a local business unit?

You can copy a contract terms template from a global business unit for use in a local business unit. Before you do, you must ensure that any clauses you want copied along with the template are either adopted or localized. Any clauses in the copied template that are not adopted or localized in the local business unit are automatically removed.

Related Topics

- [Adoption of Content from Global to Local Terms Libraries: How It Works](#)

When do I create a clause as part of a contract terms template?

If you are creating a contract terms template and a clause you want to add does not exist in the Contract Terms Library, then you can quickly create the missing clause by clicking the **Create Clause** button. Creating a clause in this way automatically associates it to the terms template. While this abbreviated creation method does not permit the entry of some details, including clause instructions, references, and relationships to other clauses, you can always add any missing information later by editing the clause.

Creating clauses in this way also enables you to submit them for approval all at one go along with the terms template. Otherwise, you would have to create each clause using the Create Clause task and submit each one in turn for approval.

Similarly, withdrawing the terms template from approval, stops approval of all the draft clauses submitted for approval with the terms template. This includes draft clauses that you added from the Terms Library. On stopping approval these draft clauses revert from their Pending Approval status to Draft status. Clauses in Pending Approval status that you added to the terms template from the Terms Library stay in their Terms Library statuses when you withdraw the terms template from approval.

Contract Terms FAQ

Why can't I create a contract from the contract template?

You might not be able to create a contract from the selected contract template for the following reasons:

- The contract template is in a status that does not permit this action. For instance, it is in Draft status pending activation or it has expired.
- The contract template might be an active template that is under revision which means a newer version of the template is in Draft status pending activation. When you are creating a contract from a template, the application uses the latest active version of the template.

What's the difference between document types and contract types?

While both document types and contract types are contracts, document types encompass all purchasing and sales documents that are deemed contracts. Contract types include only enterprise contracts.

For sales, the list of document types is restricted to contract types, those contracts created within the Oracle Fusion Enterprise Contract Management (ECM) application itself. If you enabled the Enable Contract Terms in Fusion Procurement feature for the option Procurement Contracts during implementation, then the following procurement document types are available:

- Auction
- Bid
- Blanket Purchase Agreement
- Contract Purchase Agreement
- Standard Purchase Order
- RFI
- RFI Response
- RFQ
- Sourcing Quote

Contract type is an administrator-created classification for enterprise contracts which determines contract functionality, including the presence of lines and contract terms. You create contract types during contract setup by selecting the **Create Contract Types** task.

Related Topics

- [Contract Types: Explained](#)

How can I configure contract terms before I print them?

You select contract terms layout templates during contract type setup. Contract printing uses these predefined layout templates. For example, you may have selected a terms layout template that only prints the summary of amendments made to contract terms or a terms layout template that prints both the amendment summary and the amended contract terms and conditions. You can also configure the printing options available on the page when creating and editing clauses and when adding and editing sections as part of contract or template authoring.

For example, you can do the following:

- Suppress title and skip numbering or only skip numbering while doing the following:
 - Editing a section or clause for a terms template or contract
 - Adding a section or clause to a terms template
 - Adding a section or creating a nonstandard clause to add to a contract
- Align the section title or start a section on a new page while doing the following:
 - Creating a new section while authoring a terms template or while authoring terms and conditions for a contract

- Adding a new section from the terms library to the terms template or contract
- Editing a section in the terms template or contract

As the numbering is part of the title of the section or clause, choosing to suppress the title automatically suppresses the number, skipping numbering and moving the numbering up one level for subsections and clauses in that section, and sections and clauses in the contract.

Keep in mind that these printing options are only available for contracts in Draft and Under Amendment statuses. Although, you can use these printing options on all templates including those for which approved contracts exist, the options you select will only apply to future, yet to be approved contracts. These printing configurations only show in the PDF, RTF, and HTML formatted output of the contract.

Related Topics

- [Contract Printing and Layout Templates: Explained](#)

Why can't I edit the contract terms?

There are multiple reasons why you may not be able to edit the contract terms on the Clauses tab.

These include:

- The contract is in a status that does not permit editing. For instance, it is canceled, approved, or pending approval.
- The contract may be locked or you may lack the security privileges to add clauses.
- The contract terms must include a section before you can add clauses.
- The source of contract terms is attached.

How can I withdraw a clause or a terms template from approval?


If you submitted a single draft clause for approval from the Edit Clause page, then you can stop approval of this clause from the same page. If you submitted a draft clause along with several other draft clauses for approval with a terms template, then you cannot stop the approval of this clause using the Stop Approval action from the Edit Clause page. In such a case, you must withdraw the terms template from approval using the Stop Approval action on the Edit Terms Template page. This stops approval of all draft clauses submitted for approval with the terms template and reverts their status from Pending Approval back to Draft status. If the terms template submitted for approval also has clauses in Pending Approval status and Approved status, then stopping terms template approval has no effect. These clauses remain as approved and pending approval clauses in the Terms Library.

For clauses in the process of localization that you withdraw from approval, in addition to the status of the clause being reverted, the adoption type is also reset to the previous Available for Adoption value.



Note: Stopping approval of a clause does not remove it from use. The clause is available as a draft clause in the Terms Library.

For approved clauses and approved terms templates, the Stop Approval action is no longer available. Once a terms template is approved, all draft clauses on the terms template are also approved. After a clause is approved, you can delete it, put it on hold, or enter an end date on the clause if you want to remove it from use.

 **Note:** If the terms template is approved, then all draft clauses automatically become approved. Clauses in Pending Approval status stay in the same status till you approve these clauses individually from the Edit Clause page.

For approved clauses on the terms template, stopping terms template approval has no effect. These clauses remain approved clauses in the Terms Library.

In addition, after initiating the approval of a clause or terms template, you can, as the initiator, subsequently withdraw the terms template or clause from approval. To do this, navigate to the Initiated Tasks view of the Terms Library Worklist, select the approval notification that you wish to stop approval for and click on the Withdraw action.

What are the clause statuses and what do they mean?

Clause statuses in the Contract Terms Library reflect the state of the current version you are editing and restrict what actions you can take. The table that follows describes the clause statuses and explains their implications:

Status	Description	Effect
Draft	A clause is automatically set to the Draft status after you create a clause initially or when you create a new version.	<ul style="list-style-type: none"> Available for authoring and adoption? Not available. Effect contract approval? No effect. Contracts do not include draft clauses. Editing? No restriction. Inclusion in contract terms templates and Contract Expert rules? You can include a draft clause version, but the templates or rules cannot be activated until the clause version is approved. Deletion? Yes. You can delete versions in the Draft and Rejected statuses
Pending Approval	The status of a clause after it's submitted for approval.	<ul style="list-style-type: none"> Available for authoring and adoption? Not available. Effect on contract approval? None. Contracts do not include clause versions in this status. Editing? Limited to description and the end date. Inclusion in contract terms templates and Contract Expert rules? You can include clauses with their latest versions pending approval, but the templates and rules cannot be activated until the clause version is approved. Deletion? Not directly but indirectly by first withdrawing it from approval and thus

Status	Description	Effect
		<p>reverting the clause to its original Draft status.</p> <ul style="list-style-type: none"> • Stop Approval? Yes. You can withdraw the clause from approval using the Stop Approval action. Withdrawing the clause from approval reverts the clause to Draft status.
Rejected	The approvers rejected the clause version. You can edit clauses in this status and resubmit them for approval.	<ul style="list-style-type: none"> • Available of version for authoring and adoption? Not available. • Effect contract approval? Contracts do not include clause versions in this status. • Editing? Unrestricted. • Inclusion in contract terms templates and Contract Expert rules? You cannot add a clause with its latest version rejected. • Deletion? Yes.
Approved	The clause was approved.	<ul style="list-style-type: none"> • Available for authoring and adoption? Yes. • Effect contract approval? None. • Editing? Edits restricted to end date and description. • Inclusion in contract terms templates and Contract Expert rules? Yes. • Deletion? No.
Expired	<p>The clause is past its end-date.</p> <p>The application automatically enters a clause end date in the old version when a new version is approved. You can also manually enter an end date in an approved clause.</p>	<ul style="list-style-type: none"> • Available for authoring and adoption? No. • Effect contract approval? Creates an error during contract approval validation. The clause must be removed before submitting the contract for approval. • Editing? No edits permitted. • Inclusion in contract terms templates and Contract Expert rules? You cannot add an expired clause. If the latest version of a clause becomes expired when it's already in a template or rule, then the application displays an error during template or rule activation. • Deletion?

Status	Description	Effect
		No.
On Hold	Another Contract Terms Library administrator placed a hold on the clause version.	<ul style="list-style-type: none"> Available for authoring and adoption? No. Effect contract approval? Creates an error during contract approval. The clause must be removed before submitting the contract for approval. Editing? No. Inclusion in contract terms templates and Contract Expert rules? Cannot add clauses with the latest version on hold. Existing templates and rules use the previously approved version, if one exists. Deletion? No deletion possible.

Related Topics

- [Clause Versioning: Explained](#)

How can I make a clause mandatory in a contract?

While editing a contract terms template, you can specify a clause to be mandatory in a contract where that template is applied as described in this topic. When you do, only authors who are granted the Override Contract Terms and Conditions Controls privilege by the system administrator will be able to delete it.

You can make a clause mandatory in a contract terms template you are editing by highlighting the clause in the outline region of the Clauses tab and then selecting the **Make Mandatory** action.

You can also make all clauses inserted by Contract Expert rules mandatory by selecting the **Expert Clauses Mandatory** option on the General tab, Contract Expert region. This will make any clauses recommended by Contract Expert mandatory for the contract.

Related Topics

- [Enabling Different Levels of Contract Terms Editing During Contract Authoring: Explained](#)
- [What does it mean to make clauses suggested by Contract Expert mandatory in a contract terms template?](#)

What's the clause default section?

The clause default section is the contract terms section where the Contract Expert rules generally insert the clause. To specify the location of an expert suggested clause in relation to the other clauses, you may mark that clause as a conditional clause and then add it in the required location in the terms template associated with the business document. The location of the

clause in the terms template takes precedence over the clause's default section when expert suggested clauses are inserted into the business document.

Related Topics

- [Contract Expert: How It Works](#)

How does Contract Expert identify where to insert clauses into contracts?

If you are using a Contract Expert rule to insert clauses into a contract, then Contract Expert inserts the clause in the location that is predefined for the clause in the terms template. If the clause location is not defined in the terms template, then Contract Expert inserts the clause into the section that is specified in the Default Section field in the General Information region on the create and edit clause pages. If you do not specify a default section for the clause, then Contract Expert uses the default section specified in the Contract Expert region on the General tab in the create and edit contract terms template pages. If the section doesn't already exist in the contract where the clause is being inserted, Contract Expert adds the section along with the clause.

How can I predefine locations of Contract Expert clauses in the contract?


Oracle Contracts has the ability to dynamically add clauses by evaluating the rules that users set up using Contract Expert. These dynamically added clauses are generally placed in the default section defined for the clause, or in the Contract Expert section defined for the terms template.

You can choose to place these clauses in predefined locations in the contract in relation to other clauses. To do this, while creating a Contract Expert enabled terms template, use the Insert Conditional Clauses action to specify the predetermined locations in the terms template for Contract Expert suggested clauses applicable to the Contract Expert rules associated with the template. In this case, the Insert Conditional Clauses action automatically marks these Contract Expert suggested clauses as conditional.

However, if you create a new clause for the terms template and create the Contract Expert rule for it in the Terms Library, and then associate this rule to the terms template, you must manually mark this clause as a conditional clause before you can use the Insert Conditional Clauses action to predefine its location.

Validation for conditional clauses occurs during terms template approval. Warnings are displayed for the following cases.

- If all Contract Expert suggested clauses for active clause selection rules associated with the terms template are added in the terms template as conditional clauses.

 **Note:** When you apply the terms template to a contract, conditional clauses are displayed on the contract only after you run Contract Expert on the contract and the conditions of the associated rules are satisfied.

- If regular clauses have been marked as conditional.

When you apply a terms template with regular clauses marked as conditional clauses, to a contract, these regular clauses marked as conditional clauses are not displayed in the contract.

- If Contract Expert clauses added to the terms template were not marked as conditional clauses.

When you apply this terms template to a contract, these clauses are displayed in the section as defined in the terms template and when you run Contract Expert on the contract, these clauses are inserted directly in the default section of the contract resulting in duplicate clauses in the contract.

 **Tip:** You must revise an approved terms template to add or remove conditional clauses, if Contract Expert clause selection rules associated with the terms template are added or existing ones deactivated.

Related Topics

- [Contract Expert Rules: How They Work](#)
- [Contract Expert: How It Works](#)

Contract Deliverables

Contract Deliverables: Explained

Contract deliverables establish and track both contractual and noncontractual commitments that must be honored as part of negotiations and contractual agreements between businesses and suppliers or customers based on contract intent. These deliverables can be used in enterprise contracts, purchasing documents, and in negotiations.

This topic provides an overview of the following:

- How you can use contract deliverables
- Creating and managing contract deliverables
- One-time and repeating deliverables
- Where you can create and use contract deliverables
- The different deliverable types
- Fixed and relative due dates
- Deliverable notifications

Using Contract Deliverables

You can use contract deliverables:

- To communicate with the external party on the contract about commitments and fulfillments. .
To do this, the responsible party on the contract deliverable must update the contract deliverable such that this change is reflected in the Contracts application.
- To submit any required documents
For an enterprise contract, the external contact that is the responsible party on the deliverable can sign in to the Contracts application to submit a report and change the deliverable status to Complete.
- As a repository of documents submitted in the negotiations
All documents submitted as attachments are stored in the deliverable history and can be accessed from the deliverable itself.

- To track a contract deliverable from the initial stages of a negotiation to the signed contract

The application can automatically copy the appropriate deliverables from the negotiation document to the final contract.

- To automatically calculate deliverable due dates

You can set deliverable due dates relative to contract events, for example, a week before the contract is signed or comes into effect. The application automatically calculates the actual date the deliverable is due. You can also create multiple instances of a deliverable to track repeating deliverables, such as monthly reports.

- To automatically notify interested parties when the deliverable is due or overdue

You can set up the deliverable to automatically notify parties of an upcoming deadline or when the deliverable is overdue.

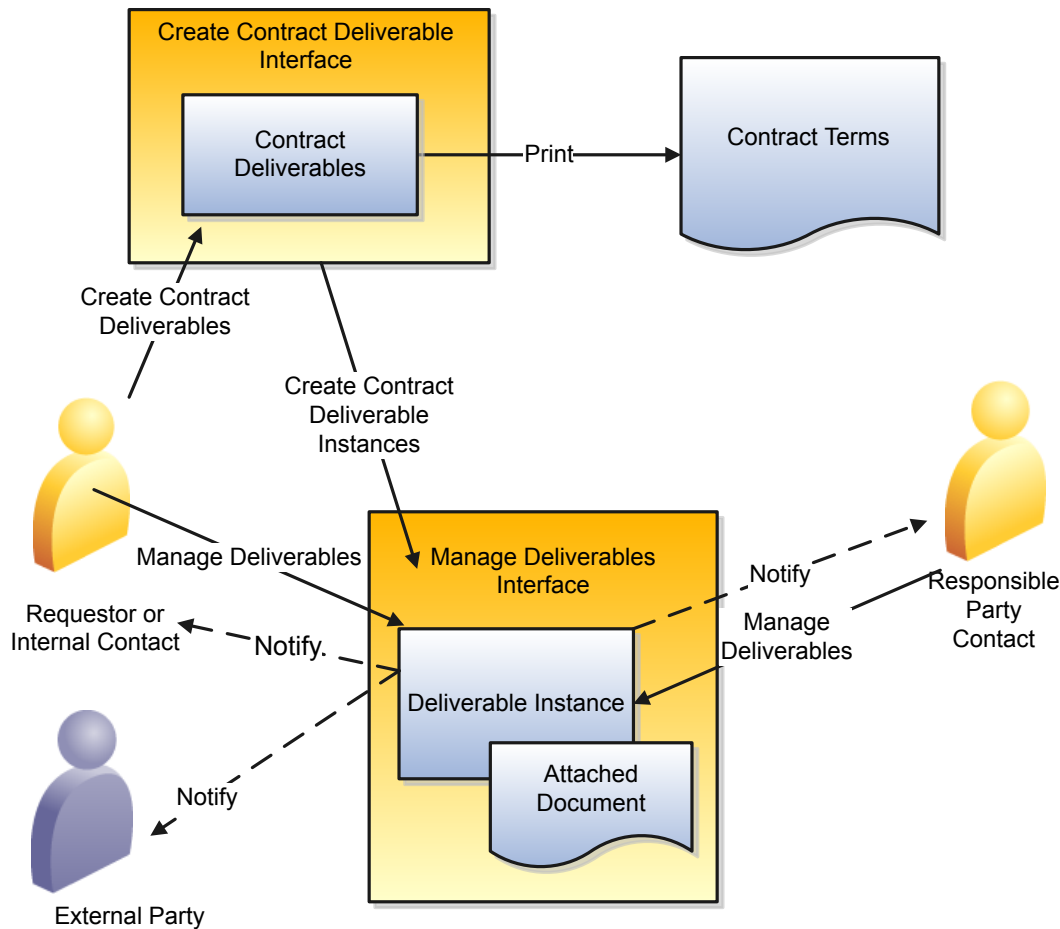
Creating and Managing Contract Deliverables

You create and manage contract deliverables in two separate interfaces. You create the contract deliverables while the contract is in negotiations. You manage the deliverables while the contract is active and in the process of being executed except for internal deliverables with fixed due date that you can manually activate before the contract is active.

Here is how the two interfaces work:

1. You create the deliverable either in a contract terms template that can then be applied to the contract or directly in the contract. For the deliverable, you must enter the responsible party contact, the deliverable deadlines, and the notifications required.
2. If deliverables are present in a contract terms template you apply to a contract, then the deliverables get copied to the contract automatically. The type of deliverables that are applied automatically can vary based on the document type.
3. The application creates deliverable instances with the calculated deadlines based on your setups at the time the contract becomes active. For instance, if you created a deliverable that calls for the submission of a report every week after the contract is signed, then the application creates a separate instance of the deliverable for each week based on the date the contract was signed.
4. You and the responsible party contact use the Manage Deliverables page to access and update each deliverable instance. In the above example, each week the deliverable instance that is due that week is updated and any collateral attached.
5. Based on your setups, the parties are automatically notified when the deliverable is due or overdue, or when one of the parties changes its status (dashed lines).

6. The contractual deliverables you set up are listed in the printed contract terms when you add the deliverable variable to a clause.




One-Time and Repeating Deliverables

You can create both one-time and repeating deliverables. A one-time deliverable tracks the performance and deadlines for an individual required action that must be performed by one of the parties in the contract. A repeating deliverable tracks a deliverable that must be performed periodically, for instance a progress report that must be submitted every week after the agreement is signed.

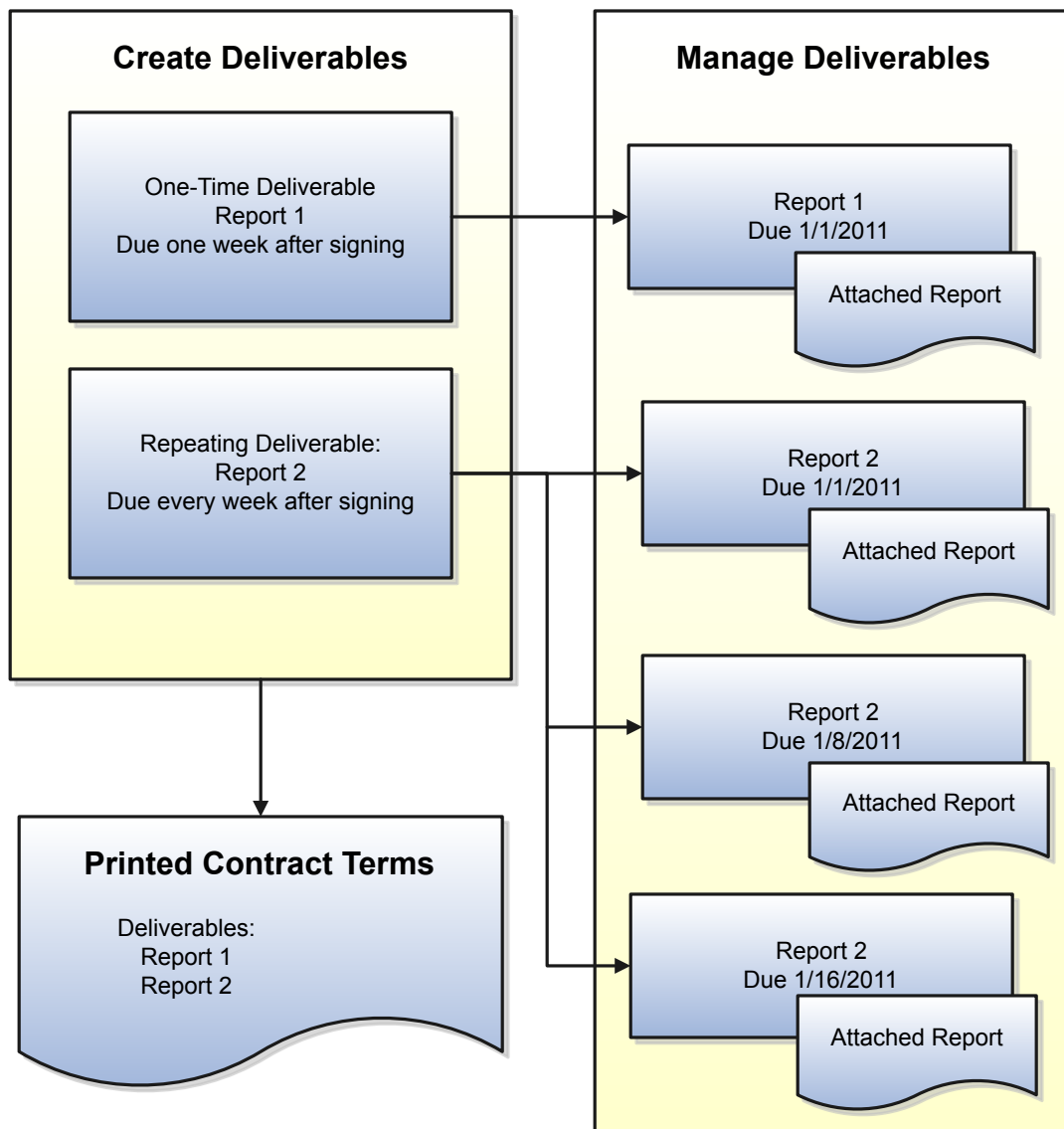
The following diagram uses an example to illustrate the two variable types:

- A one-time deliverable (Report 1) that the responsible party contact must provide that is due one week after the agreement is signed.
- A repeating deliverable (Report 2) that the responsible party contact must provide weekly after the contract is signed.

After the contract is signed and active, the application automatically creates instances of the two deliverables which can be viewed and updated by the responsible party contact using the Manage Deliverables page and the Deliverables bin. The due dates for each deliverable in this example are based on the date the contract was signed.

 **Note:** Note that the name of each deliverable instance for a repeating deliverable is the same. The only difference is the due date.

The internal contact, requestor, or responsible external party contact attaches the report file to the appropriate instance of the deliverable and changes its status to Complete.



Where You Can Create and Use Contract Deliverables

You can create contract terms deliverables both in buy-intent and sell-intent contract terms templates, in the Deliverables tab of an enterprise contract, and in Oracle Fusion Purchasing and Oracle Fusion Sourcing documents.

For purchasing, you can create and use deliverables on documents which include:

- Blanket Purchase Agreement

- Contract Purchase Agreement
- Standard Purchase Order


For sourcing, deliverables are copied over from the negotiation document. Sourcing documents include:

- Auction
- Bid
- RFI
- RFI Response
- RFQ
- Sourcing Quote

Contract Deliverable Types

Deliverable types restrict where a deliverable is available and where it can be printed. There are three deliverable types:

Deliverable Type	Where Available	Description	Where It Prints
Contractual Deliverables	Purchasing and sourcing (except RFI documents) documents and enterprise contracts	Deliverables that must be completed as part of the contract.	Prints in all documents: <ul style="list-style-type: none"> • As part of the Contract Terms Template preview • Enterprise contracts • Purchasing documents • Sourcing documents
Negotiation Deliverables	Sourcing only	Deliverables that are a part of a negotiation document but are not part of the final contract.	Prints as part of: <ul style="list-style-type: none"> • As part of the Contract Terms Template preview • Sourcing documents
Internal Deliverables	Purchasing documents and enterprise contracts	Deliverables that are used to track internal schedules and commitments.	Not printed as part of the contract terms.

 **Note:** If you create a deliverable as part of a contract terms template and that deliverable is of a type that is not compatible with the contract where the template is applied, then the deliverable does not get created in that contract. For instance, a negotiation deliverable in a template is dropped when that template is applied to a purchase order but added when that same template is used for an RFQ.

Fixed and Relative Due Dates

You can specify a deliverable to be due on a fixed date, such as the first of the month, or relative to a contract event, such as one week after the contract is signed.

The available events include:

- The contract start and end dates
- The dates the negotiations are opened and closed
- The date the contract is signed

- On negotiation documents, the date you receive a response from the responsible external party contact

The available contract events differ depending on where you create the deliverable and the deliverable type. For instance, for contractual deliverables you create in a contract terms templates, you can base the due dates on: Contract Canceled, Contract Closed, Contract Signed, Contract Start Date, and Contract End Date. Negotiation deliverables can be based on: Negotiation Closed, Negotiation Opened, and Response Received.

Deliverable Notifications

You can notify interested parties using Oracle BPEL Process Manager by e-mail, voice message, instant messaging (IM), or short message service (SMS).

You can send automatic notifications:

- Prior to the due date
- When one of the parties changes the status of the deliverable
- When a deliverable is overdue
- When a deliverable must be escalated after the due date

 **Note:** For these notifications to appear, the following processes must be running.

- Send Contract Terms Deliverable Due Date Notifications
- Send Contract Terms Deliverable Escalation Notifications
- Send Contract Terms Deliverable Overdue Notifications

Who receives the notification depends on a combination of the notification type and the party who is responsible for the deliverable as listed in the following table. The requester is an internal party. The external contact is a supplier or customer contact.

Notification Type	Responsible Party	Recipients
Prior to due date	Internal	Internal Contact
Prior to due date	External	External Contact
Overdue	Internal	Requester, Internal Contact
Overdue	External	Requester, Internal Contact, External Contact
Status Change	Internal	Requester, Internal Contact
Status Change	External	Requester, Internal Contact, External Contact
Escalation	Internal and External	Requester, Internal Contact, Escalation Contact

Contract Deliverables FAQ

What's the difference between contract deliverables and contract fulfillment?

Contract deliverables establish and track both contractual and noncontractual commitments that must be honored as part of negotiations and contractual agreements between businesses and suppliers or customers based on contract intent. These deliverables can be used in enterprise contracts, purchasing documents, and in negotiations.

Contract fulfillment lines in procurement contracts denote commitments in terms of goods or services that must be delivered. You can use contract fulfillment lines to initiate and monitor purchasing activity in integrated procurement applications. For example, you can use contract fulfillment to create a purchase order in Oracle Fusion Purchasing for items in a contract line and then monitor the purchasing activity on that purchase order as it is being executed.

Related Topics

- [Contract Fulfillment: How It Works](#)

How do I create contract deliverables for an enterprise contract?

You can create deliverables for a terms template and apply this terms template to a contract. The deliverables from the applied terms template are then visible in the Deliverables tab of the contract.

Alternatively, you can navigate to the Deliverables tab using the contract header Deliverables menu item and create deliverables directly in the contract.

What's the difference between internal and contractual deliverables?

Internal deliverables are contract deliverables used to track schedules and commitments internal to the purchasing or sales organization. They are visible only to internal employees and are not printed as part of the contract terms. You can manually activate internal deliverables irrespective of contract status to create manageable deliverable instances.

Contractual deliverables are contract terms deliverables that track commitments that must be completed as part of the contract. External party contacts can view and edit only those contractual deliverables for which they are the responsible party contacts. Contractual deliverables are listed in the printed contract terms. These deliverables are automatically activated when the contract becomes active. You cannot manually activate contractual deliverables. Activation creates deliverable instances that you can manage using the Manage Deliverables task.

How can I change the due dates, notifications, and other contract deliverable details?

You can change the due dates, notifications, and other contract deliverable definition details in the Deliverables tab of a contract that is in Draft or Under Amendment status. Once the contract becomes active and deliverables are automatically

activated creating deliverable instances, you can only make changes to deliverables status, notes and attachments using the **Manage Deliverables** task. For internal deliverables with a fixed due date that you can manually activate at any time irrespective of contract status, you can only make changes to deliverable definition details before you activate them.

What does it mean to change the printing sequence for contract deliverables?

Contract deliverables can be listed by title in a clause in your terms and conditions. You can change the sequence in which the titles appear on this list by modifying the print sequence.

4 Approving and Accepting Customer Contracts

Approving a Contract: How It Works

A contract needs approval before it's executed. You can use a single application to approve all types of contracts.

Complete the following tasks before you submit a contract for approval:

- Review contract deviations, if any.
- Validate the contract
- Review approvers, and add viewers and approvers as required with a note to additional approvers.
- Use the user statuses and transitions that you defined to pass the contract between teams for review, such as legal, finance, and accounts.
- Preview a printable version of the contract

 **Note:** Based on the contract deviation, an application administrator can configure additional approval rules.

The following sequence explains the complete flow of contract approval, from approval policy setup to contract approval to contract acceptance:

- The contract administrator sets up approval policies and approver groups.
- You submit a contract for approval.
- The next approvers can view the approval task in their My Worklist area.
- The contract is reviewed for approval. Contract review may include the following:
 - The approver requests more information for approval.
 - The application sends the approval request to the next approver in the hierarchy.
 - The approver delegates contract approval.
 - The approver transfers the contract to another approver.
- The approver approves or rejects the contract.
- The customer or supplier accepts the contract or requests changes.
- View approval status and history.

Set Up Approval Policies and Approver Groups

The business analyst or contract administrator sets up approval policies, and defines the following categories of approvers:

- A single or chain of approvers based on a set of rules
- Parallel approvers
- Additional approvers based on contract deviations

Send Automatic Notifications to Approvers

The application automatically sends a notification to the approver when a contract is submitted for approval. If you included a note while adding an approver, then the application displays the note along with the approval notification. Contracts pending approval appear on My Worklist.

Submit a Contract for Approval


Attach the following documents to the contract and submit for approval:

- Primary contract document with the terms and conditions.
- Contract documents such as state of work, drawings, and so on.
- Contract deviation, if any, and deviation justification.

Use one of the following work areas to submit a contract for approval:

- Contract authoring page
- Contracts search results
- Pending Approvals bin in the Contracts work area
- Dashboard

Validate the contract before submission or the application automatically validates the contract when you submit it, listing any errors and warnings. You need to fix the errors but you can ignore the warnings and continue with the submission. If you submit the contract for approval without errors, then the application takes it to the next step and enables you to review approvers before you submit the contract for approval. You can add viewers and approvers to the approval hierarchy and add notes to approvers that they receive along with the approval notification. When you click Submit, the status of the contract changes to Pending Approval.

 **Note:** Withdraw a contract from approval if you want to make any changes before it's approved. If you withdraw a contract from approval, the contract status changes to Draft or Under Amendment so that you can make changes and resubmit.

Review a Contract for Approval

You need to review a contract in detail to approve or reject it. Alternatively, use the History tab to view approval or rejection details in the approval region and comments in the snapshot view for the version and approval submission date and time. You can also ask the contract author for more information if required, or ask an approver to reexamine and reapprove the contract. Optionally, delegate or transfer the approval task to another approver. If you delegate the approval task to another approver, the assignee approves or rejects the contract on your behalf. If you transfer the approval task, you are no longer associated with the approval or rejection.

 **Note:** Get a complete view of the contract from the approval task details page.


Approve or Reject a Contract

Approve or reject a contract after a complete review of the contract. Optionally, add comments to explain why you approved or rejected a contract. If this contract version is submitted again for approval, the approver can see your comments in the snapshot view. When you approve a contract, its status changes as follows:

- If the contract requires signature, its status changes to Pending Signature.
- If the contract does not require signature for acceptance, its status changes to Active.

When you reject a contract, its status changes as follows:

- If the contract was Pending Approval, its status changes to Draft.
- If a version of the contract was already Active, and its next version was Pending Approval, its status changes to Under Amendment.

 **Note:** If after submitting a contract for approval, you want to make changes, then use the Create New Version action to create a new version of the contract in Draft status. Once a new version of the contract is available, you can access older versions of the contract only from the History page.

Accept a Contract or Request Changes

Accept a contract if you agree with the terms and conditions, and all of its contents. If you want any changes, reject the contract and request changes. If you accept a contract and the contract does not require any signature, its status changes to Active. If you reject a contract, its status changes to Draft or Under Amendment.

If the contract requires manual signature, the signers can click on the Sign Contract action and enter their signature details in the Accept Contract window. If the signers are external party contacts, then the internal user signs on their behalf. The History tab of an Active contract enables you to edit signature details after you accept the contract.

If the contract is enabled for electronic signature and is Pending Signature, then it must be sent to the designated signers on the contract to move the contract to the Sent for Signature status. The sender uses the integrated electronic signature pages to manage the signature process. For contracts requiring signature, the contract become active only when all signers have signed the contract. To make changes to an active contract, use the Amend action. This creates a new version of the contract in Under Amendment status to which you can make changes and then submit for approval.

View Approval Status and Approval History

From the History tab, view the approval status while a contract is in approval, and the approval history after it's approved or rejected. You can view the approval history of the last approval cycle for a version, by leaving the default Approval Submitted On date and time in the Approval region.

Related Topics

- [Contract Actions and Status Changes: Explained](#)
- [User Statuses and Transitions: Explained](#)

Reviewing Contract Deviations: How It Works

The deviation reports highlights any differences between the contract terms in the contract and those in the associated contract terms template and warns you of any deviations from company policies. You can enter a justification for any deviations in the report and make the report available for review by the contract's approvers. This action is available while the contract is in a status that's open to editing, such as the draft status. A copy of the report is automatically attached to the contract approval notification sent to contract approvers along with comments for them that you entered on the report.

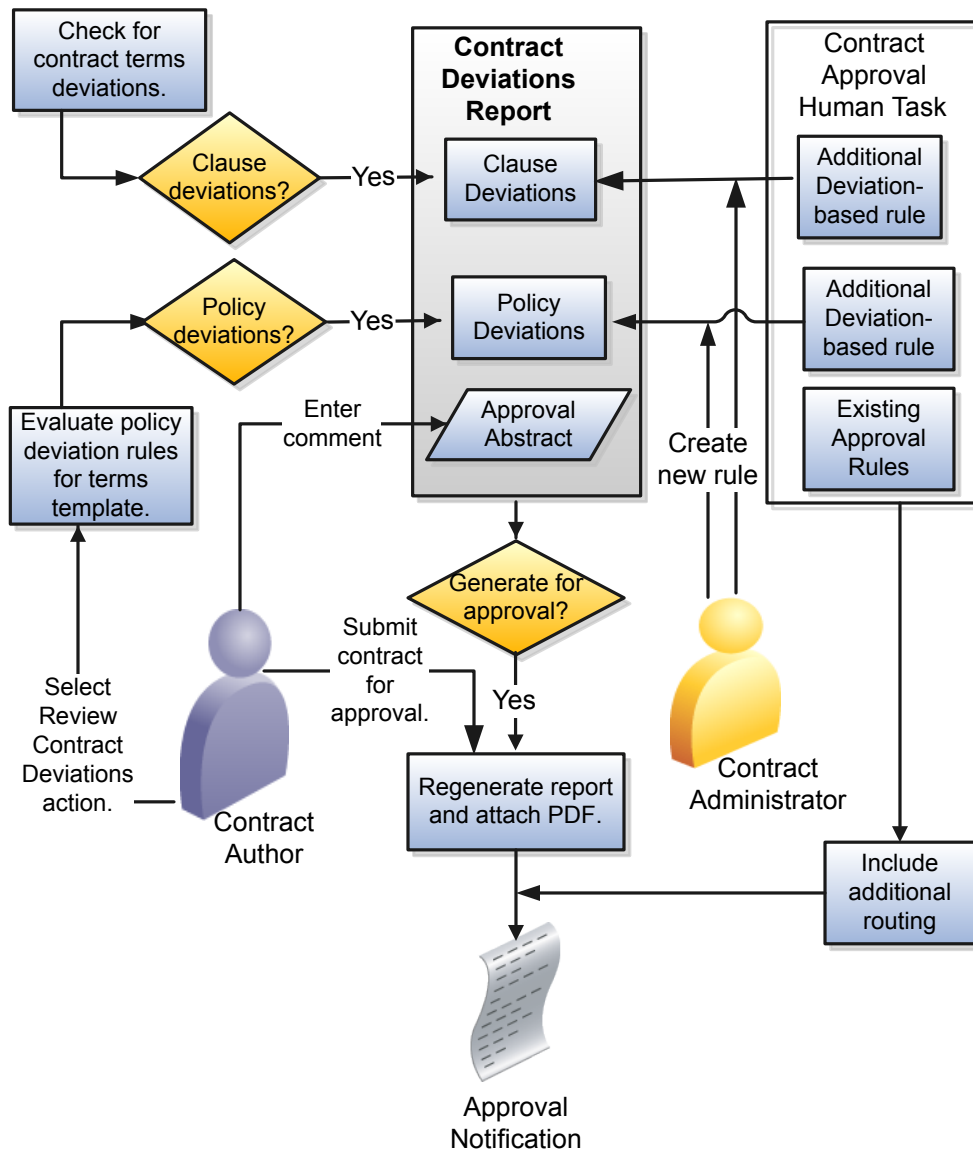
You can also correct the deviation before submitting it for approval. If you choose not to correct the deviation, based on the deviation, then the appropriate deviation-based approval rule reroutes approval for the contract provided that the deviation-based approval rules have been set up in the Contract Approval Human Task.

While the contract is closed for editing, for example, when the contract was submitted for approval or was rejected, you can only view the report by selecting the **View Contract Deviations** action.

The following sequence explains how the contract deviations report is generated and used:

1. When you select the **Review Contract Deviations** action, the application checks for and lists any changes to the clauses applied from the contract terms template.
2. The application also checks and records any deviations from company policies by evaluating Contract Expert rules that apply to the contract terms template you're using.
3. If you want to submit the report for review by contract approvers, then you must select the **Generate for Approval** option. You can enter an explanation for the approvers and other comments in the Approval Abstract field.

4. If you selected the **Generate for Approval** option and submit the contract for approval, then the application automatically regenerates the report to ensure that it contains the latest information and attaches it as a PDF to the notification sent to the approvers.



Clause Deviations

The application checks for invalid, nonstandard, and missing clauses by comparing the contract terms in the contract with those in the latest version of the contract terms template applied to the contract.

Policy Deviations

Policy deviation checks are based on the values of variables in the contract and the answers that you give to any questions presented during authoring. For example, if you specified payment terms of 30 days for a big contract, but company policy

permits only 20 days on such contracts, this deviation is recorded in the report. Policy deviations depend on Contract Expert rules set up by the Contract Terms Library administrator for a particular contract terms template.

Related Topics

- [What clause deviations does the contract deviations report capture?](#)
- [Configuring Approval Rules for Contracts: Explained](#)

Accepting a Contract: How It Works

Based on your setup, a contract can become active when approved. Alternatively, the contract may require to be signed before it can become active. In this case, internally approving a contract that is Pending Approval changes the contract status to Pending Signature.

For manual signature, the internal contacts from each party on the contract must select the Sign Contract action and enter their signature details in the Accept Contract window. Each of the named parties in the Accept Contract window must sign the contract before the contract can change to the Active status.

For electronic signature, the sender must use the Sign Contract page and click **Send**. This sends the contract to designated signers using the integrated electronic signature solution. All signers must sign the contract to make the contract active and available for use.

If you want that the contract be electronically signed for acceptance, perform the following tasks.

- Set up the required Electronic Signature Solution provider with the required user accounts.
- Enable the contract type of the contract for electronic signature.
- For the contract type, select the terms layout template with standard signature tags as the default template.
- Select the electronic signature solution provider.
- You can also create the standard email message for the electronic signature process.
- You can also designate party contacts as signers on the contract.


Creating User Accounts for Electronic Signature

Use the Manage Contract Electronic Signature set up task to create user accounts with the selected electronic signature solution provider. Once set up, click **Validate** to invoke the authentication web service of the electronic signature application. If user accounts have been successfully set up, the validation status returned is Complete.

Enabling a Contract Type for Electronic Signature

You can enable a contract type for electronic signature, by performing the following steps on the Contract Type page:

- Select the terms layout template that is appended with standard signature tags as the default terms layout template. This ensures that the primary contract document that is sent for signature is auto-tagged for signature, signer name, signer title and date of signing.

 **Note:** If you do not select the terms layout template with the appended signature tags as the default template for electronic signature, then you must manually configure the signatures tags in the Sign Contract page before sending the contract for signing.

- Select the Requires Signature check box.
- In the e-Signature tab of the contract type options section, select the Enable Electronic Signature check box.
- Select DocuSign as the solution provider.
- You can also create the subject and the body of the email message to be sent to signers and recipients during the integrated electronic signature process.

Sending a Contract for Electronic Signature

When you create a contract from a contract type enabled for electronic signature, you can designate one or more party contacts as signers on the Parties page and provide valid email addresses for them. When the contract is in Pending Signature status, a user with edit privileges on the contract can send the contract for signature to the designated signers by email. Such a user can be an administrative user or a user with full access on the contract.

To send the contract for signature and move the contract into the Sent for Signature status, the sender must use the Sign Contract action and click Send in the Sign Contract page. Clicking **Send** initiates the creation of the DocuSign signature envelope. This envelope that moves back and forth between signers consists of the list of signers, the email subject and message, the primary contract document and other attached contract documents.

When the contract is sent for signature, the signer receives an email notification from DocuSign. Once email confirmation of the envelope being sent to signers is received, the contract status changes to Sent for Signature.

Managing the Electronic Signature Process

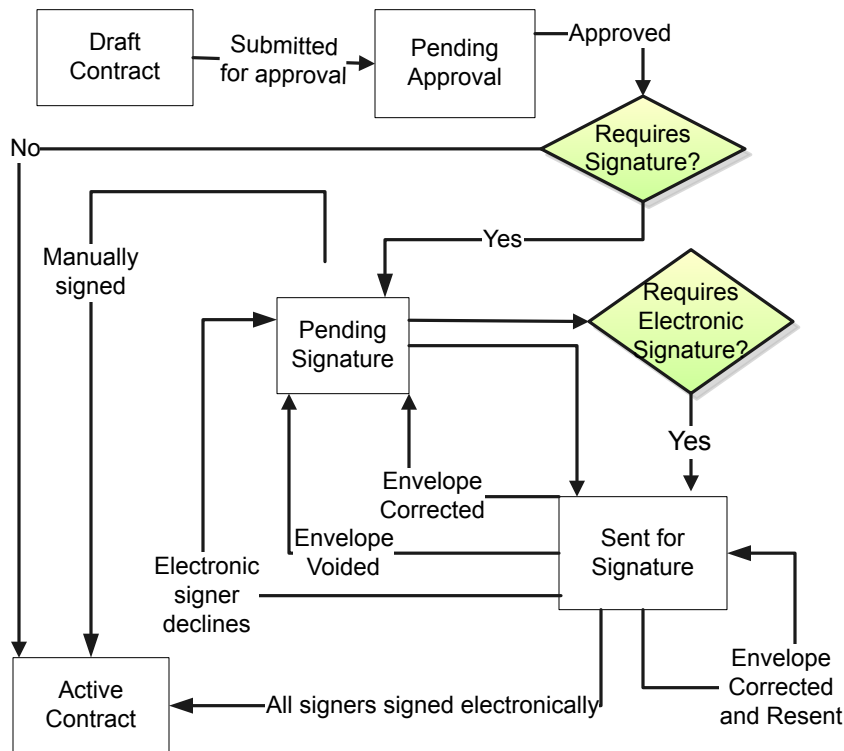
The signer who receives an email from DocuSign can either sign or decline to sign. If the signer declines, the contract status changes back from its Sent for Signature to its previous Pending Signature status. The sender of the contract can then make the required corrections to the envelope before resending it for signature.

If the signer signs, the contract stays in the Sent for Signature status while the envelope moves between signers. While the contract is in Sent for Signature status, the sender can correct, void, withdraw the envelope or view signature history using the Manage Signatures action that launches the Manage Signatures page. If the sender of the contract must make minor changes to the envelope after sending it for signature such as correcting the email address of the signer or adding an attachment, he can make corrections and resend it for signature. To make major edits, such as changes in the legal content of the contract after the contract has been signed by one or more signers, the sender can cancel or void the envelope and create a new one to send for signature. The envelope can also get voided if it expires according to the expiry timeline set up in DocuSign. Withdrawing the envelope from signature or voiding the envelope moves the contract from the Sent for Signature status back to the Pending Signature status.

Only after every signer has signed, the contract moves to Active status.

You can also use the Track Electronic Signature Status process to track the electronic signature process and make the consequent contract status updates. When all signers have signed, this process retrieves the signed contract document from the electronic signature solution provider. The signed contract is stored in the Documents page as a supporting document and the necessary updates made to signature history.

The following figure shows the flow for a contract enabled for electronic signature.



Viewing Electronic Signature History

The sender can view the electronic signature history of the current version of the contract in the Signatures region of the History page. The history of the signature envelope is sorted by the date on which it was submitted for signature. The details are listed as follows.

- The name of the user who sent the contract for signature
- The current status of the signature process

- The date on which the signature process was completed (the envelope was either voided or signed by all signers)
- The path to navigate to the DocuSign integrated signature history page

For the signature history of a previous contract version, you must navigate back to the History page and select the specific contract version from the Versions region.

Related Topics

- [Contract Actions and Status Changes: Explained](#)


Capturing Contract Acceptance with Electronic Signatures: How It Works

Once approved, a contract that requires an electronic signature is submitted for a signature from the other party and the process monitored.

Contract Settings for Electronic Signature

There are several initial steps, usually completed by your application administrator, that are required before creating a contract that requires an electronic signature:

- An electronic signature contract type is set up with:
 - The **Requires signature** flag set to Yes.
 - The **Electronic signature** flag set to Yes.
 - The **Solution Provider** is DocuSign.
 - Entry of a meaningful value for the E-mail subject and E-mail message.
- An electronic signature contract terms layout template must be set up with the signature table and with the standard tags in the signature table.
- This layout template is selected as the default contract terms layout template for the contract type to be used for electronic signatures.
- The contract author who plans to send the contract for signature must have a valid E-mail address and must be set up as a DocuSign user in the account that is specified in the electronic signature setup.

 **Note:** Your contracts application must be configured to use electronic signatures. Check with your application administrator if you are not sure.

Create a Contract for Electronic Signing

Once the initial set ups have been completed, the contract creation process proceeds as follows:

1. A contract is created based on the contract type created for electronic signing.
2. Contract terms are applied to the contract as required.
3. One or more party contacts are selected as **Signers** of the contract.
4. The contract is approved and is in "Pending signature" status.

Initiate Contract Signature

Submit the contract to the signing party:

1. In the Contracts work area, find your contract in "Pending signature" status.
2. Verify that electronic signature is enabled for the contract.
3. Click **Sign Contract** in the Edit Contract actions menu.
4. Verify that the auto tags are rendered in the appropriate locations in the envelope.
5. Click **Send** on the Sign Contract page.

Manage Signatures

1. In the Contracts work area, find your contract in "Sent for signature" status.
2. Click **Manage Signatures** in the Edit Contract actions menu and choose from the following actions:
 - **View history**
 - **Correct and resend**
 - **Void envelope**
3. You can easily monitor your signatures by checking the contract status:
 - The contract status changes to "Pending signature" if any of the signers have not signed or have declined signature.
 - The contract status remains as "Sent for signature" if the signature process is still in progress.
 - The contract status changes to "Active" if all the signers sign the contract.

Contract Approval FAQ

How can I tell if a contract was rejected?

To check if a contract was rejected, search for the contract and view the contract history. You cannot search for a rejected contract by its status because a rejected contract does not have status of Rejected. If a contract is rejected, its status is changed back to Draft. To view rejection reasons see the comments section of the snapshot view.

What's the difference between reviewing contract deviations and validating contract terms?

The Contract Deviations report, generated by selecting the **Review Contract Deviations** or the **View Contract Deviations** actions, lists all the changes you made to the contract terms applied from the contract terms template and any departures in the contract from company policies. A copy of the report with your comments can be submitted along with the approval notification to approvers.

Contract terms validation, which is performed by selecting the **Validate Contract Terms** action or automatically whenever you attempt to submit the contract for approval, lists errors that you must fix before you can submit the contract for approval. Fixing warnings on the report is optional.

Contract deviations and validations do overlap. The Contract Deviations report lists invalid clauses that will generate errors when you validate the contract, for example. Examples of invalid clauses include clauses that were placed on hold or have expired. But the validation checks are more comprehensive and include checks for errors in variable definitions, for instance. The following table compares the features of contract deviation and contract terms validation:

Feature	Contract Deviation Report	Contract Terms Validation
Lists changes made to the contract terms applied from a template.	Yes, lists all changes including the addition of clauses or substitution of alternate clauses.	Restricted to warnings for some changes such as the deletion of mandatory clauses.
Lists changes to clauses recommended by the Contract Expert feature.	Yes.	Yes.
Includes a list of deviations from company policies.	Yes.	No.
Lists invalid clauses that will prevent the contract from being submitted for approval.	Yes.	Yes.
Lists variable and other errors that will prevent the contract from being submitted for approval.	No.	Yes.
Can be attached as a PDF report to the approval notification.	Yes.	No.
Makes it possible to add comments for approvers.	Yes.	No.
Makes it possible to add approval rules for additional approval routing.	Yes.	No.

Related Topics


- [Contract Terms Validation: Explained](#)

How can I add more approvers and viewers to the approval hierarchy?

If you are a contract approver and received an approval notification, then you can use the link in the notification to navigate to the page for Approval of Contract. On this page, you can view contract details, attachments, and comments, and the approval hierarchy. You can use the Add Assignee icon to add new approvers and viewers in a specified location in the hierarchy. A viewer is an FYI assignee or approver, who is copied on the approval notifications but who has no edit privileges.

If you create or edit a contract with or without the Wizard, you can also add approvers and viewers when submitting a contract for approval. The first step of the approval process is to validate contracts and then review approvers and the

approval hierarchy. While reviewing approvers, you can add approvers and viewers as required. In addition, you can add notes to approvers that are displayed in their approval notification.

 **Note:** You cannot add approvers or viewers when submitting a contract for approval using the Submit for Approval action from the Pending Approvals bin or from the Contracts Search region of the contracts work area.

Approvers or approver groups are also automatically added to the approval hierarchy for the approval of specific clause or policy contract deviations if your contract administrator has configured these deviation-based approval rules for the Contract Approval Human Task. Thus, based on the deviation in the Review Contract Deviations page the appropriate approval rule reroutes approval.

5 Maintaining Contracts and the Terms Library

Maintaining Contracts

Contract Types: Explained

A contract type is a contract category that you must select when creating a contract. It is a mandatory setup that determines the nature of the contract. For example, this step determines if the contract is a project contract, a purchasing contract, or simple nondisclosure or employment agreement. A contract type also specifies what kind of information you can enter and what contract lines, parties, and party contacts are permitted.

The contract type also specifies if electronic signature is required for contract acceptance and activation and if yes, then the standard email format to be used for notifying signers. In turn, the requirement for electronic signature means that you must designate contacts as signers on the contract. It also means that additional statuses and contract header actions are available.


This topic provides an overview of the super set of contract type setups for a broad range of contracts. When setting up individual contract types, only a subset of the fields listed here are visible. For example, the project billing option entries are visible only in contract types with a sell-intent, and the notifications fields appear only for contract types with a buy-intent.


Create contract types by selecting the **Manage Contract Types** action from the Setup and Maintenance work area. You can also create contract types in the Contracts work area by selecting **Contract Types** under the Setup task heading. In each contract type you can:

- Specify document numbering sequences for the category of global, ledger, legal entity or business unit level to enable automatic contract numbering on contracts.
- Specify if the contract includes lines and what can be entered into them.
- Specify if external item masters can be referenced.
- Make it mandatory to manually capture customer acceptance after internal contract approval.
- If electronic acceptance is required, enable the contract for electronic signature integration.
- Specify what primary and secondary parties can be entered during contract creation.
- Specify if one or more contacts on the contract must be designated as signers for electronic signature acceptance.
- Specify the layout templates that will be used for printing the contract and the contract terms.
- Specify if and when the contract owner is to be notified before the contract expires.
- Specify the billing options for project contracts.
- Enable the capture of contract risks.
- Enable the ability to relate a contract to other contracts.
- Permit the authoring of contract terms using the Contract Terms Library.

Common Contract Type Entries

The following table describes the common contract type entries:

Field or Option	Description
Class	<p>Indicates the category of the contract you are authoring:</p> <ul style="list-style-type: none"> Enterprise Contract: Used for authoring both buy and sell contracts where you are buying or selling items and services now. Examples of contracts of this class include contract purchase agreements, project contracts, and repository contracts. Agreement: Used for authoring a sell intent contract to create a sales agreement. Purchase Agreement: Used for negotiating a future purchase of goods and services. Partner Agreement: Used exclusively for Oracle Fusion Partner Management. <p>You cannot change the class after the contract type is created.</p>
Set	Determines the data security for contracts of this type.
Name	The name of the contract type that you select when authoring contracts.
Description	Description that you can see when managing contract types.
Allow lines	Selecting this option makes it possible for you to specify what line types can be added to the contract. You cannot change the setting after the contract type is created.
Use external item master	Selecting this option lets you reference items from an external item source master.
	 Note: This option is available only for sell intent contracts if you selected the available Allow lines option.
Enable Automatic Numbering	Enables automatic numbering of contract lines during contract authoring.
Requires Signature	Determines if customer signature is required for contract acceptance before this type of contract can become active. After approval, the contract is set to the Pending Signature status and requires you or the signer to enter the date of customer approval to make the contract active.
Enable Electronic Signature	Determines if designated signers must sign the contract before the contract becomes active. In this case, after approval the contract moves to the Pending Signature status and when the contract is sent for signature, the contract moves to the Sent for Signature status.
Contract Numbering Method, Contract Numbering Level, and Contract Sequence Category	Specifies if you must enter the contract number manually or if it is generated automatically based on the numbering level and the document sequence category that you specify.
Intent	<p>Contracts can have either a sell intent (project contracts and partner agreements) or buy intent (purchase contracts).</p> <p>You cannot change the intent after the contract type is created.</p>
Buyer Role	The party role of the recipient of the goods and services in the contract. For a sales or a project contract, this is the role you set up for the customer. For a purchasing contract, it is the role you set up for the business units in your organization. You cannot edit the entry in this field after contract type creation. For sell-side contracts, the source of party role can be Customer, Internal Party or All Eligible Customers.

Field or Option	Description
Seller Role	The party role of the party delivering the goods and services covered by the contract. For a sales or a project contract, this is the role you set up for one of the internal business units. For a purchasing contract, it is the role you set up for the supplier. You cannot edit this field after contract type creation.
Contract Owner Role	The contact role assigned to the owner of the contract. Contract ownership is automatically assigned to the employee who creates the contract. The owner is automatically assigned the role you specify here.
Buyer Contact Role	The role you specify in this field specifies the role of the buyer that will be copied from the contract header to the contract fulfillment lines created for contract lines. This option is available for purchase contracts only:
Requester Contact Role	In purchase contracts only: The role of employee who will be used as the creator of a requisition in Oracle Fusion Purchasing.
Contract Layout Template	The Oracle BI Publisher template that is used to print the entire contract. This option is not available if you enabled Use external item master.
Terms Layout Template	The Oracle BI Publisher template used to print the contract terms. This option is not available if you enabled Use external item master.
Notify Before Expiration, Days to Expiration, and Contact Role to be Notified	Selecting this option sends a notification before contract expiration to the individual with the role specified in the Contact Role to Be Notified the number of days specified the Days to Expiration field.
 Note: <ul style="list-style-type: none"> These options are not available if you enabled Use external item master. For the notifications to appear, the process "Send Contract Expiration Notifications" must be running. 	

Line Types

You can enter the line types permitted by the class you selected for the contract type and only if you selected the **Allow Lines** option during the contract type creation. The following table describes the possible line types.

Line Type	Description	Line Type Source
Free-form	Enables entry of items not tracked in inventory for purchasing. You can create master agreements in the purchasing application from lines of this type.	Buy agreement
Free-form	Enables entry of items not tracked in inventory for purchasing. You can create purchase orders in the purchasing application from lines of this type.	Buy intent

Line Type	Description	Line Type Source
Item	Enables entry of inventory items for purchasing. You can create master agreements in the purchasing application from lines of this type.	Buy agreement
Item	Enables entry of inventory items for purchasing. You can create purchase orders in the purchasing application from lines of this type.	Buy intent
Free-form, project	Enables entry of items not tracked in inventory and displays project-related tabs and fields in a contract. You can associate and bill the line to a project in Oracle Fusion Projects.	Sell intent, project-based
Item, project	Enables entry of inventory items and displays project-related tabs and fields in a contract. You can associate and bill the line to a project in Oracle Fusion Projects.	Sell intent, project-based
Product	Enables entry of a line representing the negotiated terms for future sale of an item.	Product, sell agreement, standalone
Group	Enables entry of a line representing the negotiated terms for future sale of a product group.	Group, sell agreement

If you enable Use external item master when creating a contract type, you can create only the following line types:

Line Type	Description	Line Type Source
Subscription	This line type applies to sell contracts and describes the sale of subscription items that are tracked in inventory.	Sell Intent, Subscription
Bundle	This line type applies to sell contracts and describes the sale of bundled items tracked in inventory. Bundles can include other bundles or items.	Sell Intent, Bundle

Additional Party Roles

You can add party roles that can be added to a contract in addition to the primary parties specified in the **Buyer Role** and **Seller Role** fields. You can add multiple additional parties with the same role to the contract.

Project Billing Options

For contract types created for projects (sales-intent contract types of class Enterprise Contract and at least one project line type), you can set the following project billing options:

Option	Description
Intercompany	Enables project billing between internal organizations.
Interproject	Enables billing to other projects.
Enable Billing Controls and Billing Limit Type	Enables billing controls for each contract line, making it possible for you to specify a hard limit or a soft limit as the Billing Limit Type . A soft limit warns you if the billing limit is reached. A hard limit prevents you from billing above the limit.

Enabling Contract Fulfillment Notifications for Purchase Contracts

For purchase contracts, you can use the Notifications tab to specify what contract fulfillment notifications will be sent to what contact role. Available notifications are slightly different for each type of contract:

 **Note:** For the notifications to appear, the process "Send Contract Fulfillment Notifications" must be running.

For contracts with purchase order fulfillment lines, you can notify contacts with a specific role:


- A specified number of days before or after the fulfillment due date
- When a purchase order is created from a fulfillment line
- When a purchase order cannot be created from a fulfillment line
- When a fulfillment line is placed on hold
- When purchasing activity is complete on a fulfillment

For contracts with blanket purchase agreement fulfillment lines or contract purchase agreement fulfillment lines, you can notify:

- When an agreement is created from a fulfillment line
- When an agreement cannot be created from a fulfillment line
- When purchasing activity is complete on a fulfillment
- When an agreement is placed on hold
- A specified number of days before or after the agreement end date


Enabling Contract Terms Authoring and Other Advanced Options

If you do not enable Use external item master, you can enable contract terms authoring and other advanced contract terms authoring options on the Advanced Authoring Options tab.

 **Note:** If you enable Use external item master, the Advanced Authoring Options tab is not available but Related Contracts option is automatically enabled.

The advanced authoring options are described in the following table:

Option	Description
Enable Terms Authoring	Displays the Contract Terms tab in contracts and enables contract terms authoring using contract terms templates from the Contract Terms Library. You must set up the content of the library from the Terms Library work area before you can take advantage of this feature.


Option	Description
	 Note: When this option is disabled, you can attach contract terms along with other supporting documents.
Enable Risk Management	<p>Enables the entry of contract risks.</p> <p>You must set up contract risks selecting the Manage Contracts Risks task in Oracle Fusion Functional Setup Manager.</p>
Enable Related Contracts	<p>Makes it possible for you to relate contracts to each other.</p>

Enabling Customer E-Signature

For a contract created from a contract type enabled for electronic signature, the contract must be signed by all designated signers on the contract before the contract can become active. Before enabling a contract type for electronic signature, you must have used the Manage Electronic Signature setup task to set up contract user accounts with the electronic signature solution provider.

You can then select the predefined terms layout template appended with signature tags as the default template for the contract type and enable the contract for signature. In the e-Signature tab, you can further enable the contract type for electronic signature and optionally create the standard e-mail to be used when sending the contract document to signers and recipients during the integrated electronic signature process.

On the contract that you create from a contract type enabled for electronic signature, you must designate one or more contacts on the contract as signers. Only the user with edit privileges on the contract can manage the signature process. This includes sending the contract for signature, editing the contract and sending it out again, withdrawing the contract from the signature process, and cancelling the contract sent for signature.

 **Note:** For an explanation of how to set up e-signature, please see the topic [Setting Up Enterprise Contracts: Procedure Part 1](#), which is listed in the links below.

Related Topics

- [Setting Up Contract Types for Different Kinds of Contracts: Points to Consider](#)
- [Contract Numbering: Explained](#)
- [Setting Up Enterprise Contracts: Part 1](#)

Contract Line Types: Explained

Using the **Manage Contract Line Types** task, you can rename the types of lines available for selection when you create contract types. This optional implementation task is available by selecting **Setup and Maintenance** from the Tools menu and searching on the task name.

Line Types

Line types are names you give to the contract lines.

You must associate each line type name with one of the fixed set of predefined line sources. A line source determines what item you can enter in a contract line and enables functionality of one of the integrated applications to that line. For example, project line sources expose Oracle Fusion Projects fields in contracts and make it possible for contract authors to relate lines to projects. Buy sources make it possible to create contract deliverables for the line and use those contract deliverables to create and manage purchase orders and purchase agreements in Oracle Fusion Purchasing or other integrated purchasing systems.

The application includes a set of predefined line type names for all available line sources. You may create additional names for use in different contract types. The predefined line types names are the same as the line source names they are associated with.

Line Type Sources

The application includes the following predefined line type sources, which you cannot modify or extend. If you do not enable the Use external item master option, you can create the following line type sources only:

Line Type Source	Description
Free-form, buy agreement	Enables entry of items not tracked in inventory. You can create master agreements in the purchasing application from lines of this type.
Item, buy agreement	Enables entry of inventory items. You can create master agreements in the purchasing application from lines of this type.
Free-form, buy	Enables entry of items not tracked in inventory. You can create purchase orders in the purchasing application from lines of this type.
Item, buy	Enables entry of inventory items. You can create purchase orders in the purchasing application from lines of this type.
Free-form, project-based, sell	Enables entry of items not tracked in inventory. You can associate and bill the line to a project in Oracle Fusion Projects.
Item, project-based, sell	Enables entry of inventory items. You can associate and bill the line to a project in Oracle Fusion Projects.
Group, sell agreement	Enables grouping of items with shared negotiated terms for the future sale of that product group. The sales are tracked by group in the sales catalog.
Product, sell agreement, standalone	Enables entry of inventory products. You can create sales agreements from lines of this type.

If you enable Use external item master, you can create the following line type sources only:

Line Type Source	Description
Subscription, sell	This line type applies to sell contracts and describes the sale of subscription items that are tracked in inventory.
Bundle, sell	This line type applies to sell contracts and describes the sale of bundled items tracked in inventory. Bundles can include other bundles or items.

Setup Tasks for Contracts: Overview

This overview provides a brief summary of the key components of contracts and how an administrator can configure them.

You use the predefined party roles and party role sources and contact roles and contact role sources to set up contract parties and party contacts. You can also create additional roles and specify how to use them.

You also set up the contract type. The contract type determines the type of contract, and what kind of information you can enter for a contract. For example, the contract lines, parties, and party contacts you can enter, if you can add terms to a contract, and if deliverables are included.

The key tasks for initially configuring contracts include the following:

- Configure and manage party roles.
- Configure and manage party contact roles.
- Configure contract type for contract lines, contract relationships, and contract printing and layout,
- Select from predefined layout templates or configure your own templates for printing contracts and contract terms.

For more information about configuring the contracts application, see the Oracle Sales Cloud Implementing Enterprise Contracts guide.

Contract Owner Assignment

Assigning Contract Owners: Explained

Select the **Assign Contract Owner** task available in the Contracts work area to reassign the contract owner for a set of contracts that fit your search criteria. You can search for all contracts owned by an employee who left your organization and reassign them to another employee, for instance.

This topic covers:

- The available search criteria for generating the list of contracts for reassignment
- Previewing a list of contract for reassignment
- Assigning the new owner

The Available Search Criteria for Generating the List of Contracts for Reassignment

The following search criteria are available for generating the list of contracts for reassignment:

- **Intent**

Select **Sell** for customer contracts or **Buy** for supplier contracts. Your selection of contract intent is restricted by your privileges.

- **Contract Type**

You can search for enterprise contracts by contract type. The list is restricted by the Intent you selected.

- **Business Unit**

Displays all the business units that are enabled for contracts. This list is restricted by the Intent you selected, but you do not have to have privileges to manage contracts in a business unit to be able to reassign contracts from that unit.

- **Status**

Contract status.

- **External Party**

You can select suppliers or customers depending on the intent.

- **Contract Owner**

You can select both current and past employees of your organization who own contracts.

Previewing a List of Contracts for Reassignment

You can preview a list of contracts that meet your search criteria by selecting **View** as your **Action** in the Assignment Details region.

Assigning the New Owner

You can reassign the ownership for the contracts that meet the search criteria by:

1. Selecting **Update** as your **Action** in the Assignment Details region.
2. Entering the new owner.

Assigning Contract Owners FAQ

What's contract ownership?

Being designated as an owner on a contract makes it possible to search for the contract using the **My Contracts** option. In this way, contract ownership facilitates easier searching for a contract.

A contract must have at least one owner for it to be validated. You must select at least one internal contact as an owner before the contract can pass validation.

 **Note:** By default, the Contracts pane shows the contracts for which you are the owner.

You can reassign contract ownership using the Assign Contract Owner option in the Contracts work area.

Resource Workload Management

Contract Assignment and Workload Management: Explained

Before a contract is approved, during contract authoring and negotiation, multiple organizations and resources may need to work on the contract and update it. For example, resource organizations could be Sales, Legal, Financial and Accounts. Defining user statuses and their transitions, and contract assignment enable transfers between various resources and resource organizations. Assignment and user transition actions are Actions menu items at the contract level.


The key aspects of contract workload management are as follows:

- Contract assignment can be performed separately or at the time of performing a user transition from a seeded status or user status. You can view assignment history and status and user status change history on the contract history page.
- In addition, a contract manager has a consolidated view of all contracts assigned to resources and resource organizations within his organization through the Manage Workload task.
- On the Manage Workload page, the Summary bin and the Assignments bin enable the contract manager to review and take the following actions.

Summary Bin

The Summary bin of the Manage Workload page displays in a tree like structure

- The total number and value of contracts assigned directly to the organization and to each individual resource of that organization.
- The total number and value of contracts assigned directly to nested resource organizations and to each individual resource within a nested resource organization.

 **Note:** Though a contract may be assigned to an organization or nested resource organization, until the contract is assigned to a resource, the contract is considered to be unassigned.

To know the details of contracts assigned to an individual resource, click on the total contract count column for the resource in the Summary bin. To know the details of contracts as yet unassigned, click on the total contract count column for contracts assigned to the organization in the Summary bin.

Assignments Bin

The Assignment bin of the Manage Workload page displays

- By default all contracts assigned to nested resource organizations within the organization of the manager.
- In addition, contracts assigned to individual resources, if you disable the Resource Organizations only option.
- Contracts by user status for example, or by assignee if you use the search criteria to create additional searches and save these.

Based on the information above, the contract manager can decide to take any of the following actions:

- Assign unassigned contracts to individual resources. When selecting a new assignee, add the assignee to the contract team to ensure that they have full access to the contract.
- Remove assigned contracts from a particular resource and reassign to other resources to balance resource workload. You can assign or remove from assignment multiple contracts together by selecting them in the Assignments area.

To track the progress of contracts in review, drill down to the individual contract history page to view the user statuses used, the assignee, days in review and comments.

Related Topics

- [User Statuses and Transitions: Explained](#)

Balancing the Resource Workload When Assigning Contracts: Procedure

As a contract manager, use the **Manage Workload** task and the Summary and Assignments bins on the Manage Workload page to assign and reassign contracts between resources within your organization.

In the Summary bin:

1. Review the Total Amount and Total columns for contracts assigned to individual resources to determine if the workload looks balanced.
2. Click the **Total** link for contracts assigned directly to the organization or directly to nested resource organizations to review and assign these contracts to individual resources.
3. Click the **Total** link to view the list of contracts assigned to an individual resource. Select one or multiple rows, and use either the **Assign** action to assign these contracts to a different resource. Alternatively, you can select the **Remove from Assignment** action to remove the contracts assigned to a particular resource.
4. Review individual contracts from the list to view assignment history and the number of days the current assignee has been working on the contract. You can then determine if these contracts must be assigned to a different resource for a more balanced workload.

In the Assignments bin:

1. Review default search results, with the Resource Organizations only check box checked. This displays all contracts assigned to your organization or nested organizations only and not to individual resources.
2. Select one or more contracts and use the **Assign** action to assign these contracts to a different nested resource organization or to a resource within the nested resource organization.
3. Search for contracts by other criteria such as Assignee, User Status, Status. Review and assign one or more contracts to a different resource to balance resource workload.

Workload Management FAQ

How can I find out which contracts need to be assigned to individual resources?

As contract manager, you must ensure that contracts assigned at an organization level are further assigned to an individual resource for faster, direct action. To quickly review and identify such contracts use the Manage Workload task.

On the Manage Workload page:

- Review the Unassigned row for the organization of the manager in the Summary bin. The Total column indicates the number of contracts directly assigned to the organization. Drill down on the Total to review the list of contracts including contract details such as contract value and assign to individual resources.
- Review the Unassigned row for each nested resource organization in the Summary bin. Drill down on the Total to review the list of contracts including contract details such as contract value and assign to individual resources in the nested resource organization.
- In the Assignments bin, review the default search results. By default, all contracts that are assigned to a resource organization, but not to an individual resource are displayed.

Contract Preview and Printing

Contract Printing and Layout Templates: Explained


Previewing and printing clauses, reports, contracts, and contract terms uses a number of Oracle Business Intelligence (BI) Publisher layout templates which specify what information is displayed in the contract and supply the headers, footers, text style, and pagination. The layout templates are RTF files stored in the BI Presentation Catalog. The application comes with samples of all the required layout templates. You can copy the sample layout templates described here, and edit the copies to add your own boilerplate text, font styles, and logos.

You can copy and edit layout templates used for:

- Printing enterprise contracts, including partner agreements
- Printing purchasing and sourcing documents
- Printing the report of contract deviations that can be attached to contract approval notifications
- Previewing contract terms templates
- Previewing and importing clauses into the Contract Terms Library

The sample layout templates are available in different subfolders within the Enterprise Contracts folder in the catalog. You can navigate to the folders in the catalog either from the Reports and Analytics pane or by selecting the **Reports and Analytics** link in the Navigator. Contact your system administrator to grant you the appropriate BI duty roles if these are not available.

You can download the sample templates, copy them, and edit the copies. When you upload your edited copy to the same directory, it becomes immediately available for use within the application. For specific details of customizing BI templates, see the Reports chapter in the "Oracle Sales Cloud Creating Analytics and Reports" manual.

 **Caution:** The catalog includes additional layout templates which are used internally by the application. You can edit only the layout templates listed below.

Printing Enterprise Contracts

The application uses two layout templates for printing enterprise contracts, including partner agreements:

- The contract layout template

This layout template provides the layout for printing the contract except for the contract terms.

There are two sample layout templates available for you to copy and edit. Both sample layout templates are available in the same directory. The following lists layout templates that are used for contract header information:


Sample Layout Template Name	Description	Location in BI Publisher Catalog Directory
SupplierContract	The layout of contract information for buy-intent contracts.	Enterprise Contracts/ Contract Printing/ Contract Preview
CustomerContract	The layout of contract information for sell-intent contracts, including partner agreements.	Enterprise Contracts/ Contract Printing/ Contract Preview

Sample Layout Template Name	Description	Location in BI Publisher Catalog Directory
SalesAgreement	The layout of contract information for sell-intent agreements.	Enterprise Contracts/ Contract Printing/ Contract Preview

- The contract terms layout template

This template provides the layout of the structured terms for printing and for downloading the contract terms for editing offline in Microsoft Word.

If printing an amended contract, the layout template selected determines whether only a summary of amendments is printed, or both the amendment summary and the amended contract terms and conditions are printed.

 **Note:** You cannot download the amendment summary to Word. The following is a listing of the layout templates used for structured terms:

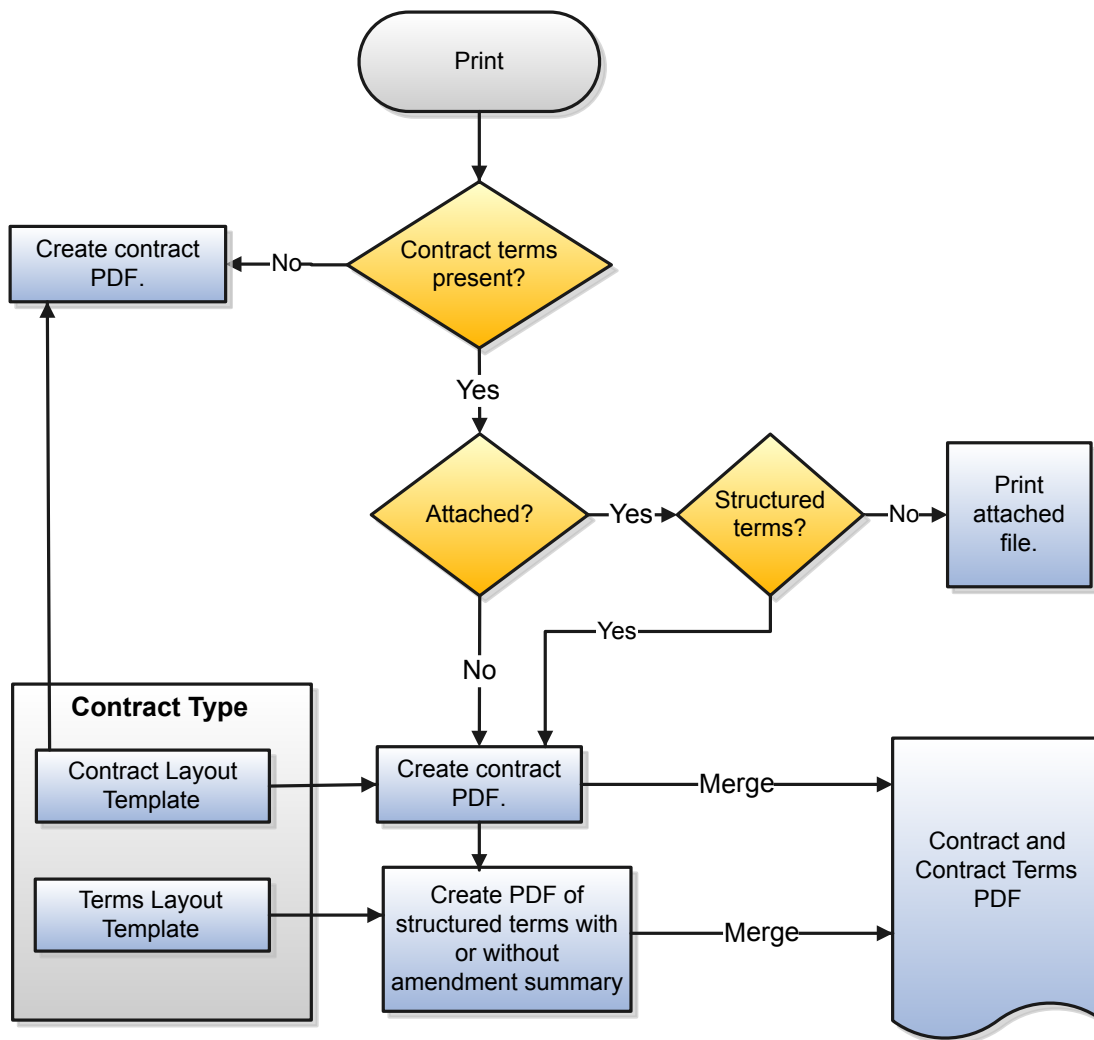
File Name	Description	Location in BI Publisher Catalog Directory
ContractTermsECM	The layout for printing the contract terms in enterprise contracts when the contract terms are authored in the application.	Enterprise Contracts/ Contract Terms Printing/ Contract Terms Download and Preview
ContractTermsAmendmentsOnlyECM	The layout for only printing a summary of the amendments made to contract terms in enterprise contracts.	Enterprise Contracts/ Contract Terms Printing/ Contract Terms Preview
ContractTermsPlusAmendmentsECM	The layout for printing the contract terms in enterprise contracts when the contract terms are authored in the application. In addition, for a contract that is under amendment, a summary of the amendments made to contract terms is included.	Enterprise Contracts/ Contract Terms Printing/ Contract Terms Preview

You specify which templates you want to use during contract type setup. This means that you can create different layout templates for each contract type. To set up contract types, select **Manage Contract Types** action from the Setup and Maintenance work area or **Contract Types** under the Setup task heading in the Contracts work area.

The following figure outlines how the application uses the layout templates when you print an enterprise contract:

- The application uses the contract layout template, specified in the **Contract Layout** field of the contract type, to create a PDF of the contract. If the contract does not include any contract terms, this is the only layout template used.
- If the contract includes structured terms, then the application uses the contract terms layout template specified in the **Terms Layout Template** field to create the contract terms PDF. To create the contract terms PDF, you must set the terms layout template in contract type.
- If you made amendments to the contract terms and the terms layout template specified includes an amendment summary, then the application creates a PDF document of the amendment summary. If amendments were made and the specified terms layout template includes both the amendment summary and the amended terms of the contract, then the application creates a PDF document of both.

- If the contract terms are attached as a file and the file retains the structured terms format, the application creates the contract terms PDF from the file. Contract terms attached as a file can retain the structured XML format if the file was downloaded from the application using the **Download Contract** action.
- The application then merges the two generated PDFs (one for the basic contract and the other for contract terms) into a single PDF.
- If the contract terms are attached in a file that is not structured, then the application prints only the contents of the file. It does not print the contract information in the application or use either layout template. If you need help in editing the layout templates, download the sample XML file provided in Enterprise Contracts/Contract Printing/ContractPrintDm.



Printing of Contract Terms on Purchase Orders and Sourcing Documents

For printing purchasing documents with structured terms, Oracle Procurement uses two layout templates.

- The document layout template supplied by Oracle Procurement which is located in the Procurement folder.
- The contract terms layout template.

The following table lists the sample files provided:

File Name	Description	Location in BI Publisher Catalog Directory
ContractTermsProcurement	The layout for printing the contract terms in enterprise contracts when you author contract terms in the application.	Enterprise Contracts/ Contract Terms Printing/ Contract Terms Download and Preview
ContractTermsAmendmentsOnlyProcurement	The layout for only printing a summary of the amendments made to contract terms in enterprise contracts.	Enterprise Contracts/ Contract Terms Printing/ Contract Terms Download and Preview
ContractTermsPlusAmendmentsProcurement	The layout for printing the contract terms in enterprise contracts when you author the contract terms in the application. In addition, for a contract that is under amendment, a summary of the amendments made to contract terms is included.	Enterprise Contracts/ Contract Terms Printing/ Contract Terms Download and Preview

You select both of these templates while setting up business unit properties using the **Configure Procurement Business Function** task available by navigating to the Setup and Maintenance work area.

If you attach the contract terms rather than authoring them in the application and the attached file is not structured, then Procurement uses a third layout template which includes a brief sentence explaining that the contract terms are contained in a separate document. That template is:

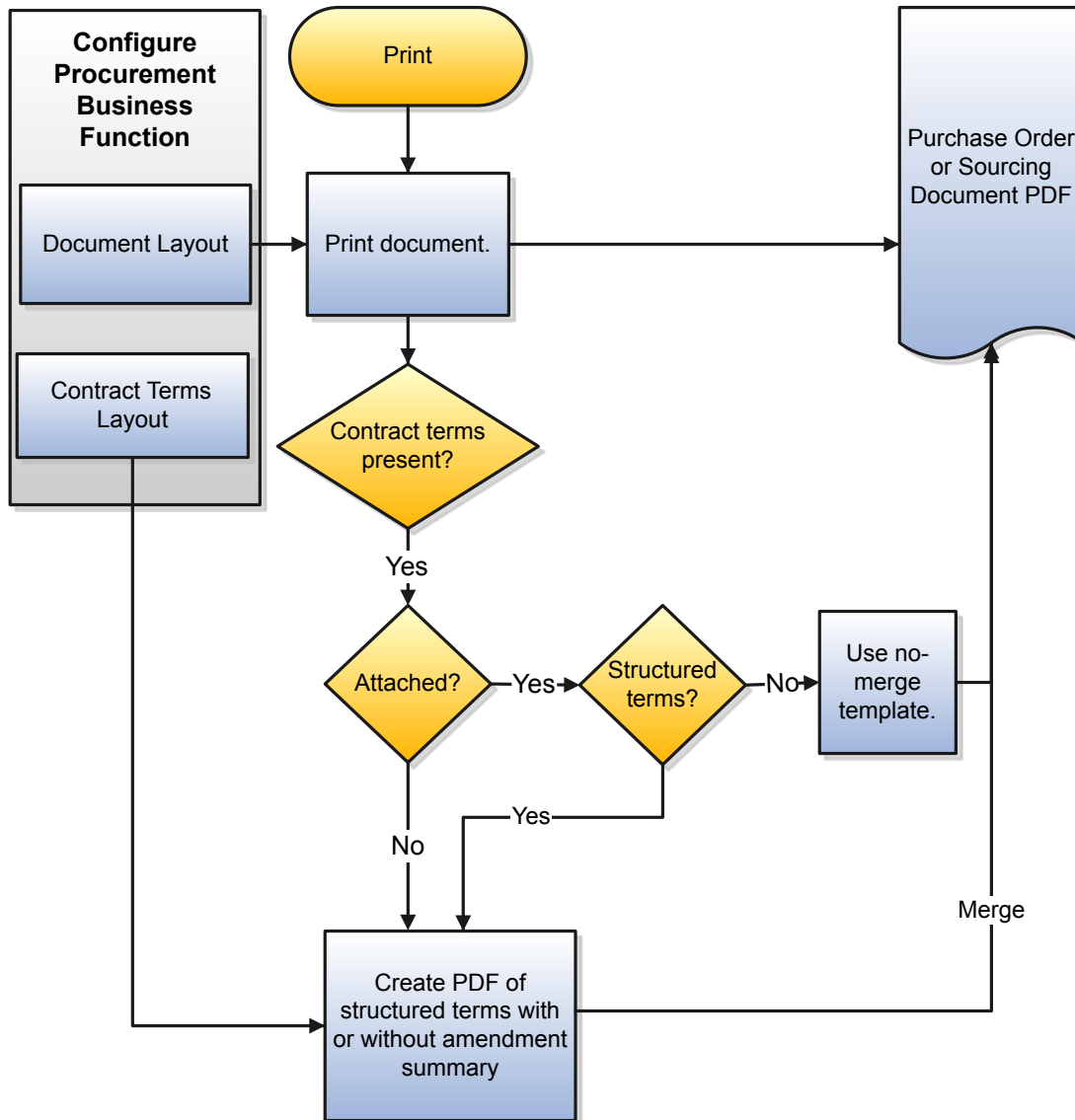
File Name	Description	Location in BI Publisher Catalog Directory
ContractTermsNoMerge	<p>This layout template includes the following text: The contract terms for this {doc type} are listed in a separate document which is either attached to the e-mail you received or sent separately. These contract terms should be read in conjunction with this {doc type}.</p> <p>The document type name is substituted in the printed contract.</p>	Enterprise Contracts/ Contract Terms Printing/ Attached Contract Preview

Caution: If you edit the **ContractTermsNoMerge** layout template, then you must save it under the same name in the same directory.

The following figure outlines how the procurement application uses these layout templates for printing:

1. The application uses the document layout template specified in the Document Layout field in the PO or purchase agreement to create the PDF.
2. If the contract includes structured terms, then the application uses the contact terms layout template to generate the contract terms PDF.
3. If the contract terms are attached as a file and the file retains the structured terms format, then the application creates the contract terms PDF from the file. Contract terms attached as a file can retain the structured XML format if the file was downloaded from the application using the **Download Contract** action.
4. If the contract terms are attached as a file that is not structured, then the application creates a small PDF of the message contained in the layout template **ContractTermsNoMerge**.

5. The application merges the two PDFs into a single document PDF.



Printing the Contract Deviations Report

The application uses the contract deviations layout template to generate a PDF report of deviations of a contract from company standards. This report can be automatically attached to the notification sent to the contract approvers during contract authoring. You can create different layout templates for each business unit. You specify which layout template you want to use in a specific business unit using either the **Specify Customer Contract Management Business Function Properties** or the **Specify Supplier Contract Management Business Function Properties** tasks. These tasks are available in the Setup and Maintenance work area.

Separate sample layout files are available for buy-intent and sell-intent contracts. Both are located in the same directory: The following is a list of the layout templates used for the contract deviations report:

File Name	Description	Location in BI Publisher Catalog Directory
SupplierContractDeviations	The layout for printing the contract deviations for all buy-intent contracts.	Enterprise Contracts/ Deviations Report/ Deviations Report
SupplierContractDeviations	The layout for printing the contract deviations for all sell-intent contracts.	Enterprise Contracts/ Deviations Report/ Deviations Report

Previewing Contract Terms Templates

Contract Terms Library administrators as well as contract authors can preview the content of a template by selecting the preview icon. For example, a contract author may want to preview a template to verify they are selecting the correct one. The preview lists all the clauses and sections the template contains and any boilerplate included in the layout template. It does not list any additional clauses inserted by Contract Expert rules.

You can create different layout templates for each contract terms template. You specify the layout template to be used for the preview on the General tab while editing the contract terms template. The sample layout template is:

File Name	Description	Location in BI Publisher Catalog Directory
ContractTermsTemplate	This layout template specifies the layout of the contract terms template preview.	Enterprise Contracts/ Contract Terms Printing/ Contract Terms Download and Preview

Previewing and Importing Clauses

The application uses the clause layout template for:

- Formatting individual clauses for preview:
Library administrators can use the preview icon to view preview of individual clauses on the clause search page.
- Formatting clauses imported from outside the application. This applies only to non-Cloud installations.

You can specify which template you want to use in a specific business unit using either the **Specify Customer Contract Management Business Function Properties** or the **Specify Supplier Contract Management Business Function Properties** tasks. These tasks are available in the **Setup and Maintenance** work area.

The sample layout template provided is:

File Name	Description	Location in BI Publisher Catalog Directory
ContractTermsLibraryClause	Specifies the layout of clause text in the Contract Terms Library.	Enterprise Contracts/ Contract Terms Printing/ Clause Export and Preview

Related Topics

- [Creating and Editing Report Layouts: Overview](#)
- [Contract Terms Library Business Unit Setup: Explained](#)
- [Contract Terms Templates: How They Work](#)

- [Importing Clauses into the Contract Terms Library: Explained](#)

Layout Templates FAQ

What's a layout template?

A RTF document that contains the contract layout for printing and preview. The templates, which can include both formatting, graphics, text, and other layout elements, are stored in the Oracle BI Publisher library. You must specify layout templates when you create a contract type to enable printing and preview of contract, contract terms and conditions, and summary of amendments made to contract terms.

Can I print a contract if there are no layout templates specified for a contract type?

No, you cannot print or create a PDF of a contract if no contract layout template is specified in the contract type that was used to create the contract. If you do not specify the terms layout template, you cannot preview the contract terms as a PDF.

Maintaining the Terms Library

Terms Library: Overview

This overview provides a brief summary of the key components of the Contract Terms Library and how an administrator can configure them. The Contract Terms Library contains terms templates that you can use to insert boilerplate terms and conditions into contracts during contract authoring.

This library contains individual sections, clauses and variables. Each clause, which is usually a single paragraph, contains text that specifies a set of legal terms. Clauses make up contract sections, which are then assembled to create a terms template or a contract's terms and conditions. Variables are used within a clause to insert information into the contract terms from a sourcing document. Finally, contract expert rules are made up of questions and responses that drive clause selection, terms template selection, and business policies and standards.

For full details on configuring the Contract Terms Library, see the Oracle Sales Cloud Implementing Enterprise Contracts guide.

Contract Terms Library Clauses: Explained

You can create different types of clauses for different uses and use clause properties to specify if a clause is protected from edits by contract authors, if it is mandatory, and if it is related to or incompatible with other clauses. A clause you create in the Contract Terms Library is available for use within the business unit where you create it after it is approved.

The types of clauses you can create include:

- Standard clauses

- Clauses included by reference
- Provision clauses for contracts with a buy intent

Using different clause properties you can:

- Make a clause mandatory in a contract.
- Protect it from edits by contract authors.
- Specify that a clause can be selected by contract authors as an alternate of another clause.
- Specify that the clause cannot be in the same document as another clause.
- Make a clause created in a global business unit available for use in other business units.

Creating Standard Clauses

Any clause you create in the library becomes a standard clause that can be used in the business unit where you create it after it is approved. Unless you specify that the clause is protected, contract authors can edit the clause in a specific contract. Any edits they make are highlighted in a clause deviations report when the contract is approved. Similarly, contract authors can delete the clause from a contract, unless you specify the clause is mandatory.

Including Clauses by Reference

For clauses, such as Federal Acquisition Regulation (FAR), you can print the clause reference in the contract instead of the clause text itself. During contract creation, you enter the reference on the Instructions tab of the clause edit page and select the **Include by Reference** option.

Creating Provision Clauses for Contracts with a Buy Intent

For contracts with a buy intent, you can create provision clauses, clauses that are included in contract negotiations but are removed after the contract is signed. Provision clauses are used primarily in Federal Government contracting.

Altering Clause Behavior with Clause Properties

Using different clause properties, you can alter the behavior of a clause, You can:

- Make a clause mandatory.
A mandatory clause is highlighted by a special icon during contract terms authoring and cannot be deleted by contract authors without a special privilege. You can make a clause mandatory for a particular contract terms template by selecting the Make Mandatory action after you have added the clause to the template. A clause is also become mandatory if it is added by a Contract Expert rule and you have selected the Expert Clauses Mandatory option in the template.
- Protect it from edits by contract authors.
A protected clause is highlighted by a special icon during contract terms authoring and cannot be edited by contract authors without a special privilege. You can protect any clause by selecting the protected option during clause creation or editing.
- Specify that a clause can be selected by contract authors as an alternate of another clause.
You can specify clauses to be alternates of each other on the Relationships tab of the create and edit clause pages. When editing contract terms, contract authors are alerted by an icon that a particular clause includes alternates and can select an alternate to replace the original clause.
- Specify that the clause cannot be in the same document as another clause
You can use the Relationship tab to specify a clause you are creating is incompatible with another clause in the library. The application highlights incompatible clauses added by contract authors in the contract deviations report and during contract validation.

- Make a clause available for use in other business units.

Clauses you create in the library are normally available only within the same business unit where you create them. If you create the clause in the business unit that is specified as global during business unit setup, then you can make the clause available for adoption in other business units by selecting the **Global** option during clause creation or edit. This option appears only in the one business unit specified as global.

Glossary

alternate clause

A clause with an alternate relationship to another clause. Contract authors can substitute an alternate clause for the standard clause in their contracts.

bill plan

A set of instructions on a contract that define how to invoice a customer. Multiple contract lines on a contract can use the same or different bill plans.

billing control

Contract feature that controls the types of transactions, dates, and amounts a customer may be invoiced for and revenue can be recognized for a contract or contract line. Define billing controls at the contract or contract line level.

clause adoption

Reusing a clause from the global business unit in local business units either by adopting the clause without change or by localizing it.

clause localization

A type of clause adoption where the adopted clause is edited to suit the local business unit needs.

conditional clause

Clause that Contract Expert suggests to add in contract terms if certain rules evaluate to be true for the contract. Contract Expert can add the clause to a predefined location in the contract if location is defined in the terms template.

contract deliverable

A task that needs to be performed as part of the execution of a contract or business document, and that is tracked as part of the contract terms and conditions.

contract deviations

Differences between the contract terms in a contract and those in the contract terms template applied to that contract and any deviations from company policies as determined by Contract Expert feature rules.

Contract Expert

A feature that lets you create and evaluate business rules in the terms library such that the contract terms meet your business standards, by suggesting contract changes or additional clauses.

Contract Expert

A feature of the application that permits you to create business rules in the Contract Terms Library to enforce corporate policies and standards for contracts.

contract fulfillment

Tracks the progress of contractual and noncontractual commitments by interested parties in a procurement enterprise contract and can initiate purchasing activity in integrated purchasing applications.

contract owner

An internal contact on a contract specified as an owner. You can view all the contracts where you are an owner by selecting the My Contracts option on the search page.

contract source

The source of the contract terms: either the structured terms in the application or an attached file.

contract template

A template containing common contract attributes such as party, and line information. It can be instantly activated for use in creating multiple contracts for an organization or for a customer.

Contract Terms Library

A repository of standard clauses, contract terms templates, and business rules built using Contract Expert.

Contract Terms Library

A repository of standard clauses, contract terms templates, and business rules maintained by your organization.

contract terms template

A template of standard clauses set up in the Contract Terms Library applied during contract authoring either automatically by the application or manually by contract authors.

contract type

A setup that specifies enterprise contract content, including the presence of contract terms and contract lines.

document sequence category

A classification that groups the documents of a particular type that need to be assigned a particular document sequence.

document type

A categorization of contracts, including auction, blanket purchase agreement, contract purchase agreement, RFI, RFQ, standard purchase order, and enterprise contract.

enterprise contract

A contract created in the Oracle Fusion Enterprise Contracts application.

global business unit

A business unit, designated as global during business unit setup, that can make its clauses and contract terms templates available for adoption by local business units.

intent

Specifies if an object in the Contract Terms Library is used for procurement contracts or for sales contracts.

intercompany billing

Feature that enables you to bill an internal customer for work done on a receiver project and transfer internal revenue or costs between provider and receiver organizations.

interproject billing

Feature that enables you to bill an internal customer for work done on a provider project. The cost of work performed is not reflected on the receiver project until the project receives an invoice for the work.

invoice method

Rule defined by the implementation team that determines the calculation method of invoice amounts for contracts during invoice generation.

invoice method classification

Predefined classification for an invoice method that determines the basis for calculating invoice amounts.

item master

A collection of data that describes items and their attributes recorded in a database file.

layout template

RTF document that contains the contract layout for printing and preview.

local business unit

A business unit, not designated as global during business unit setup, which can adopt global clauses created in the global business unit.

mandatory clause

Clause from the Contract Terms Library that you cannot edit or delete without special permission.

nonstandard clause

A clause created during contract terms authoring by editing a standard clause or by creating a new clause that is not in the Contract Terms Library.

numbering scheme

The style of numbering used for the sections and clauses in contract terms.

primary contract document

A file containing the contract terms and conditions. This file can be generated automatically by the application from the structured terms or attached to the contract by the contract author.

protected clause

Standard clause that you cannot edit unless you are granted special permission by the Contract Terms library administrator.

provider business unit

Business unit with resources that provide services to another project (provider project) or business unit. For cross-charge transactions, the provider business unit is the expenditure business unit; the project business unit owns the intercompany billing project.

receiver business unit

Business unit whose projects receive services from another project or business unit. For cross-charge transactions, the receiver business unit is the business unit that owns the receiver project.

receiver project

Project for which work is performed by another (provider) project. In interproject billing, the receiver project incurs costs from an Oracle Fusion Payables invoice generated by the Update Invoice from Oracle Fusion Receivables process performed for the provider project.

repository contract

An enterprise contract with no contract or fulfillment lines, such as a nondisclosure agreement or an employment agreement.

revenue plan

Common set of instructions for recognizing revenue within a contract. Multiple contract lines on a contract can use the same or different revenue plans.

standard clause

Legally approved language that is part of the terms and conditions in the Contract Terms Library.

structured terms

Contract terms that are authored within the Oracle Fusion Enterprise Contracts application.

Unassigned section

A contract terms section that is inserted automatically by the application whenever you change the contract terms template during contract terms authoring. The Unassigned section, which is not printed as part of the contract, retains any standard clauses you added and any nonstandard clauses you created from scratch.