## Creating and Managing Non-Federal Rate-Based Prepaid Contracts Overview

There are some agreements which require the customer to pay their portion of Project costs in advance of work being initiated on the Project. In these cases, the advance payment from the customer is considered a Prepaid.

A Prepaid may be associated to a Rate-Based Contract to allow the advance payment to be drawn down (utilized) as expenditures are incurred on the Project and processed for Billing. The revenue is recognized at the time the Contract Invoice is finalized in the Billing module.

The Prepaid may be added to the Contract at the time a new Contract is created or to an existing Contract at the time the advance payment is received.

**Note**: To create a new Rate-Based Product, submit a Help Desk ticket (vccc@vita.virginia.gov) with **Cardinal Project Accounting (PA)** in the subject line. The Cardinal Post Production Support (PPS) PA team will work with you to ensure that the Product is created correctly. If the Product is not set up correctly, it will have downstream impacts to the Contract, Billing, and GL Distribution and require a Help Desk ticket to correct the errors. For more details about creating a Rate-Based Product, see the Job Aid titled **PA354 Creating Customer Contract Products** located on the Cardinal website in **Job Aids** under **Learning**.

Before creating the Contract, identify which Items need to be configured, if any. For more detailed information about configuration information, see the Job Aids titled **PA354 Hints for Non-Federal Customer Contract Maintenance** and **PA354 Creating Customer Contract Products** located on the Cardinal website in **Job Aids** under **Learning**.

**Navigation Note**: Please note that there may be a **Notify** button at the bottom of various pages utilized while completing the process within this Job Aid. This "Notify" functionality is not currently turned on to send email notifications to specific users within Cardinal.

## Table of Contents

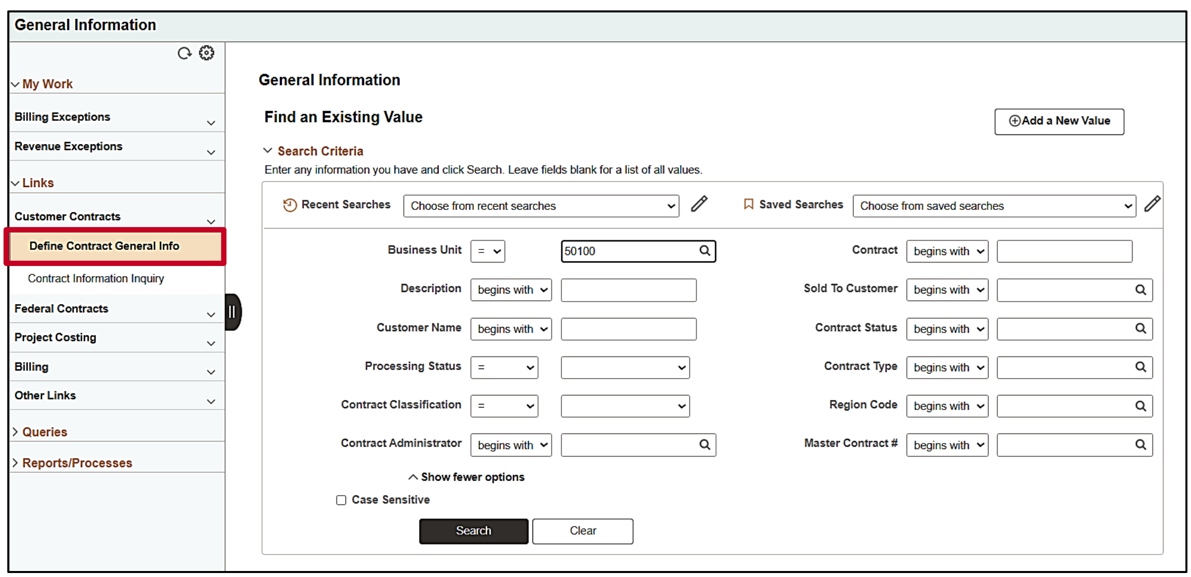
## Revision History

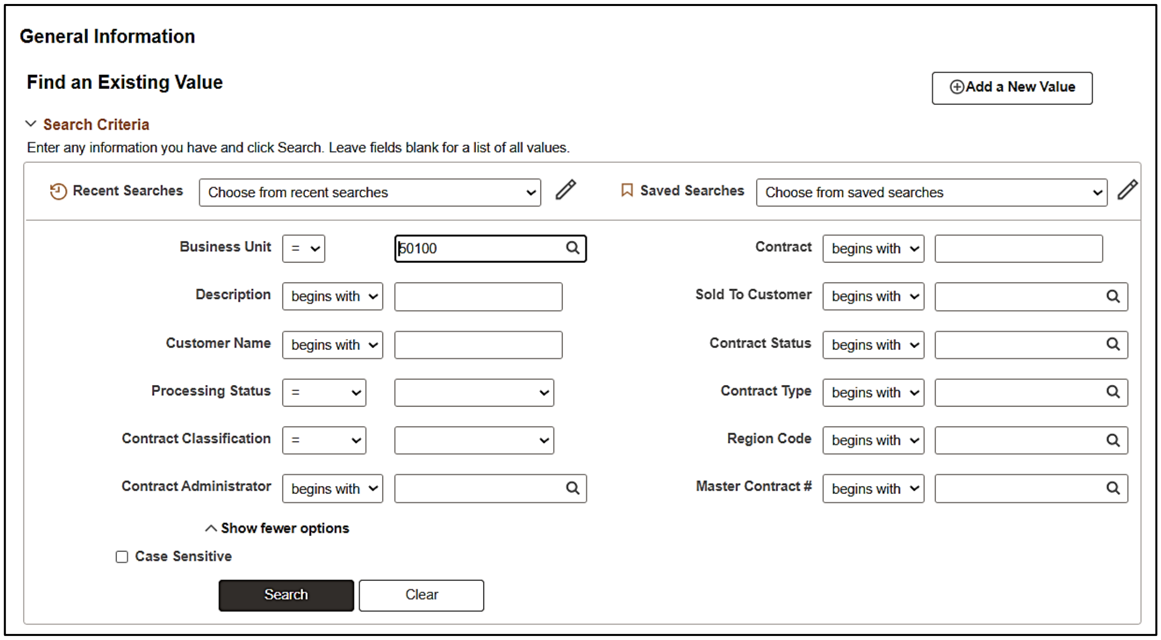
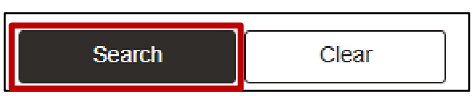
| Revision Date | Summary of Changes |
|---|---|
| 9/1/2026 | Updated to reflect the Cardinal system upgrades. |
| 10/7/2025 | Baseline. |

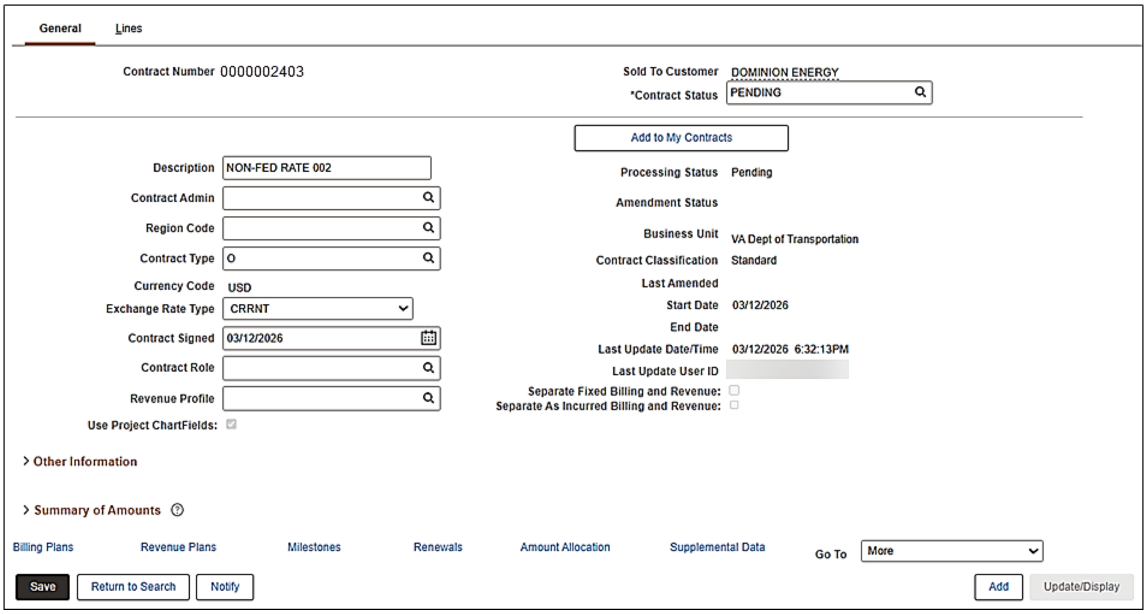
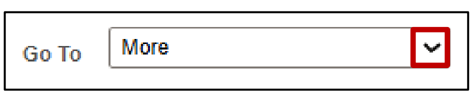
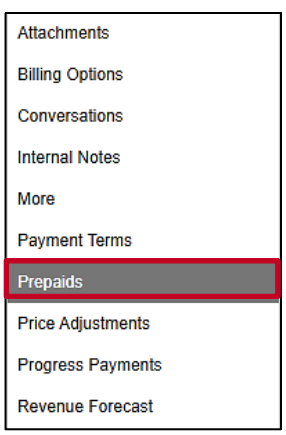
## Setting up the Prepaid for a Non-Federal Rate-Based Contract

**Scenario**: a Prepaid will be added to a “Pending” Contract.

If adding a Prepaid to an existing “Active” Contract, an Amendment must first be created. Refer to the Amending a Rate-Based Prepaid Contract section of this Job Aid.

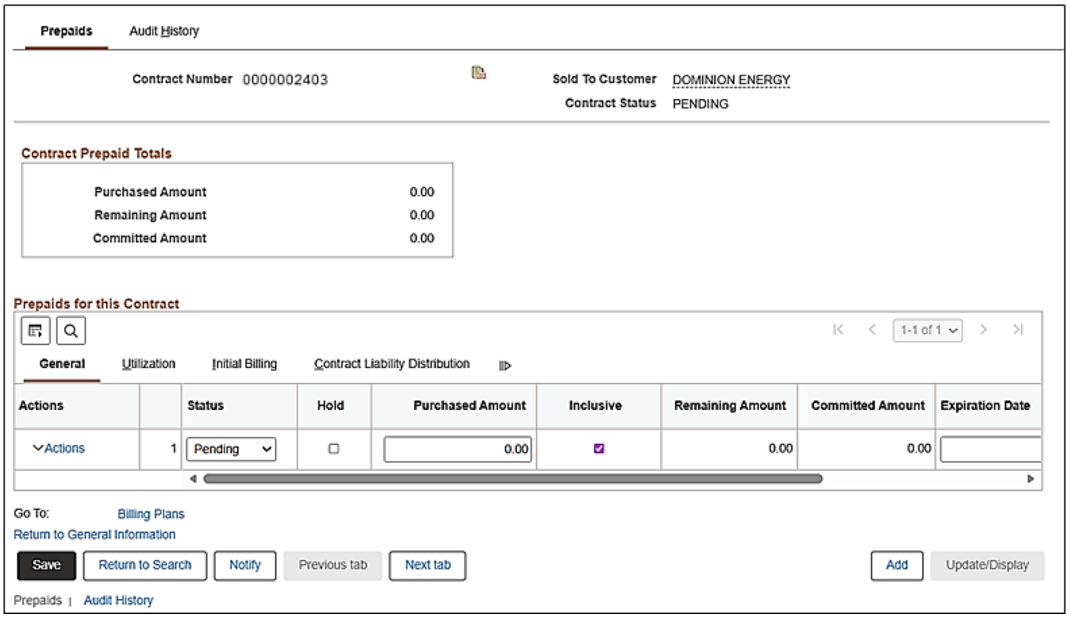
| Step | Action |
|---|---|
| 1. | Navigate to the **General Information** page by clicking the **Contracts WorkCenter** tile.<br> |
| | For information about WorkCenters, see the Job Aid titled **Overview of the Cardinal Financials WorkCenters** located on the Cardinal website in **Job Aids** under **Learning**. |
| 2. | Use the following navigation in the WorkCenter: **Links > Customer Contracts > Define Contract General Info**<br>**Note**: WorkCenter sections, folders, and pages may vary based on the user’s Security roles.<br> |
| | Users can also access the **General Information** page using the following navigation path:<br>**NavBar > Menu > Customer Contracts > Create and Amend > Define Contract General Info** |

| Step | Action |
|---|---|
| | The **General Information Find an Existing Value Search** page displays.  |
| | For more information pertaining to the Cardinal FIN Search pages, refer to the Job Aid titled **Overview of the Cardinal FIN Search Pages**. This Job Aid is located on the Cardinal website in **Job Aids** under **Learning**. |
| 3. | Enter the Contract Number in the **Contract** field.  |
| 4. | Click the **Search** button.  |

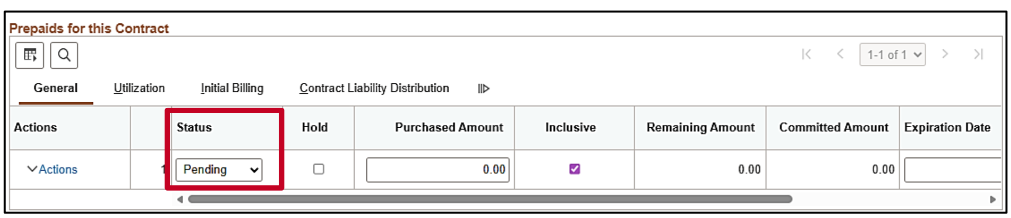
| Step | Action |
|---|---|
| | The **General Information** page displays with the **General** tab displayed by default.   |
| 5. | Click the **Go To** dropdown button at the bottom of the page.   |
| 6. | Select the “Prepaids” menu list item.   |

| Step | Action |
|---|---|

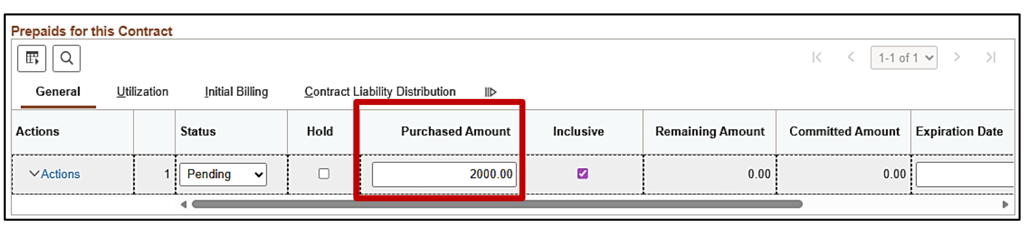
The **Prepaid Balances** page displays with the **Prepaids** tab displayed by default.




(Info) The **Status** field within the **Prepaids for this Contract** section defaults to "Pending".

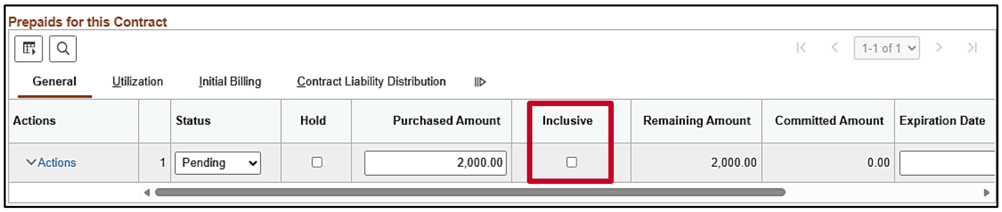



7. Enter the Prepaid amount the customer paid in advance in the **Purchased Amount** field within the **Prepaids for this Contract** section.



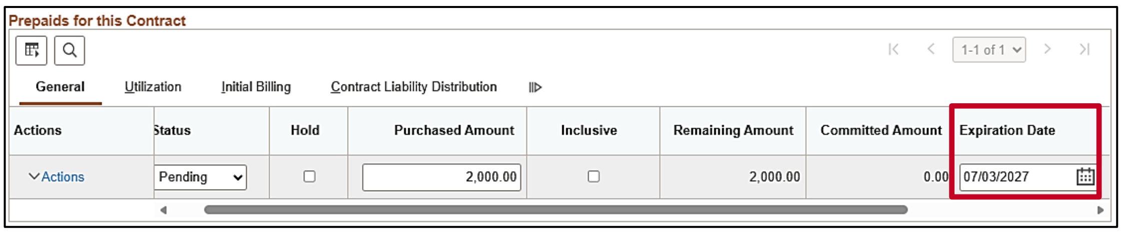
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>8.</td><td>

The **Inclusive** checkbox option defaults as selected. Deselect this checkbox. Deselecting this checkbox lets Cardinal know that the Prepaid amount is not included in the total Contract amount.




</td></tr>
<tr><td>9.</td><td>

Click the **Expiration Date Calendar** icon and select an expiration date one year in the future.




</td></tr>
<tr><td></td><td>

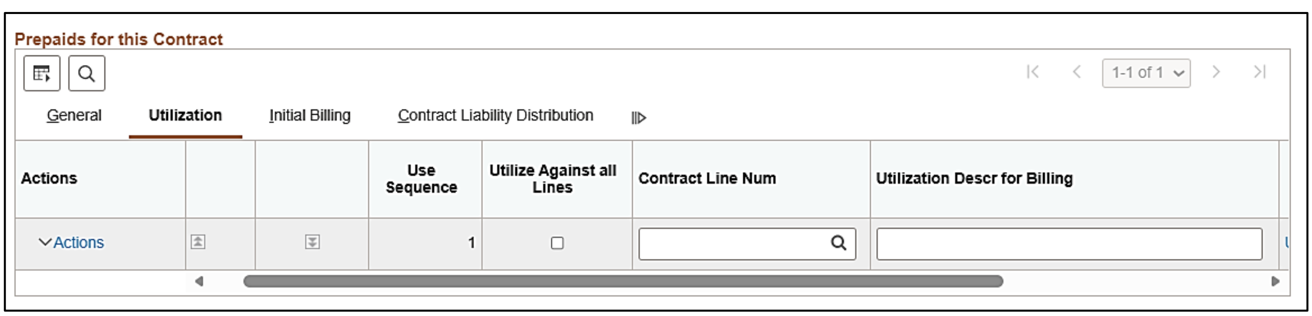
The **Expiration Date** field is for informational purposes only and will not impact processing.

</td></tr>
<tr><td>10.</td><td>

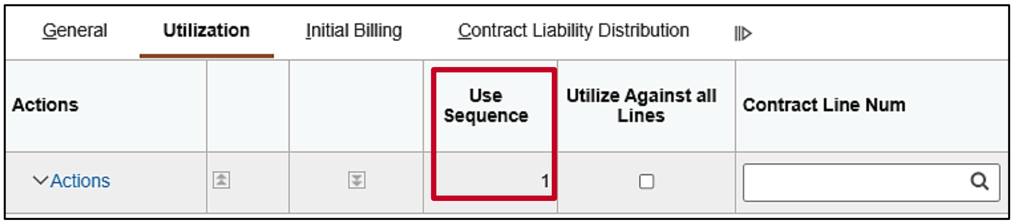
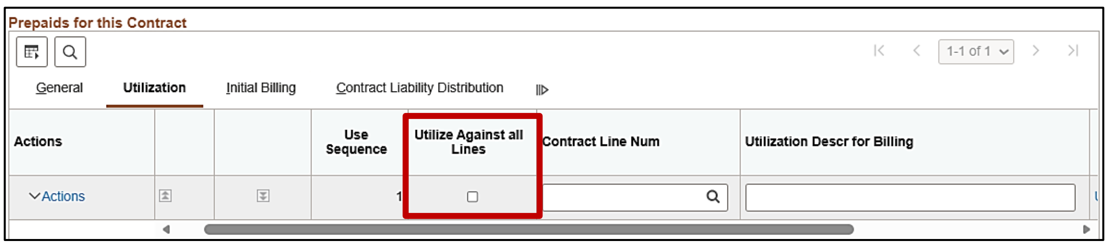
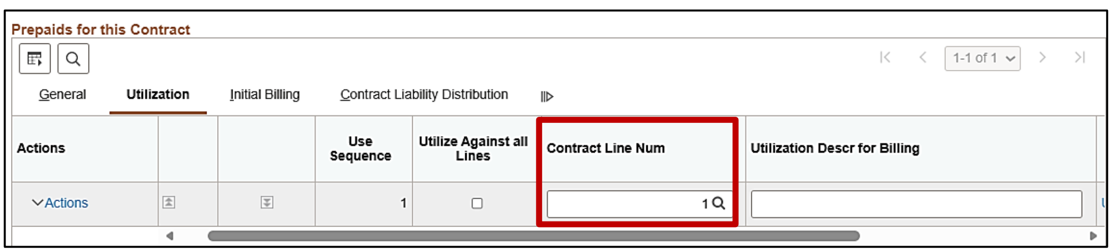
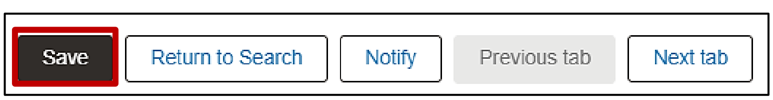
Click the **Utilization** tab.


</td></tr>
<tr><td colspan="2">

The **Utilization** tab displays.



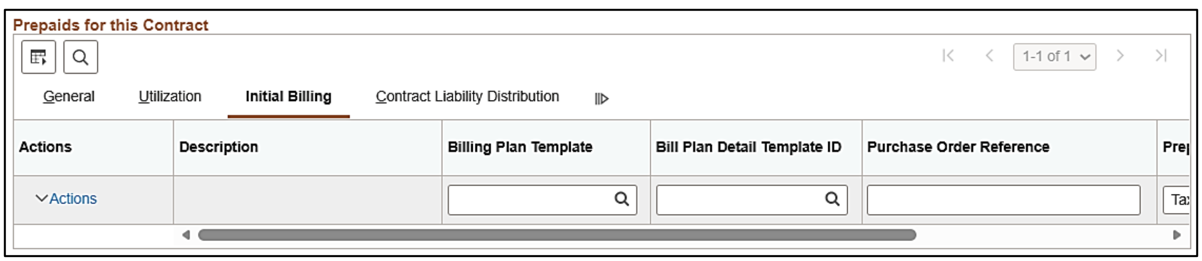

</td></tr>
</table>

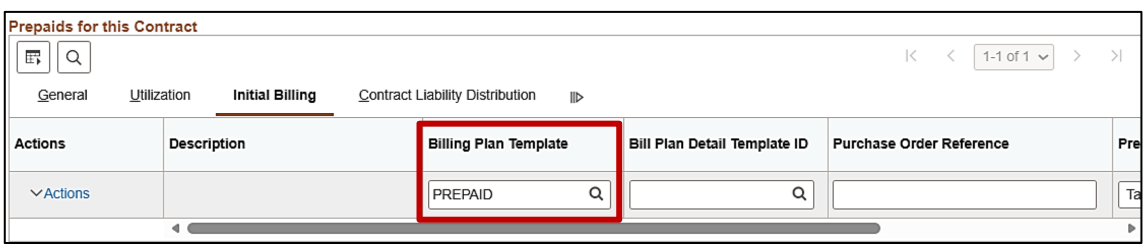
| Step | Action |
|---|---|
| | The **Use Sequence** field determines which Prepaid amount to apply first when there is more than one.<br> |
| | The **Utilize Against all Lines** checkbox option should be left deselected. Only select this checkbox if the Prepaid amount is to be applied against all Rate-Based Contract Lines on this Contract.<br> |
| 11. | Enter the Contract Line Number in the **Contract Line Num** field to apply this Prepaid amount against.<br> |
| 12. | Click the **Save** button.<br> |

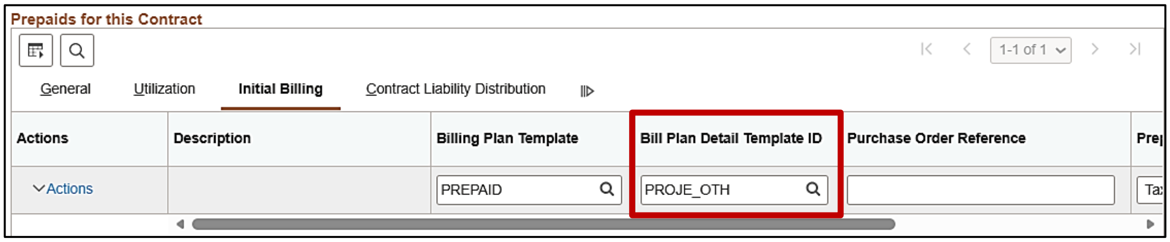
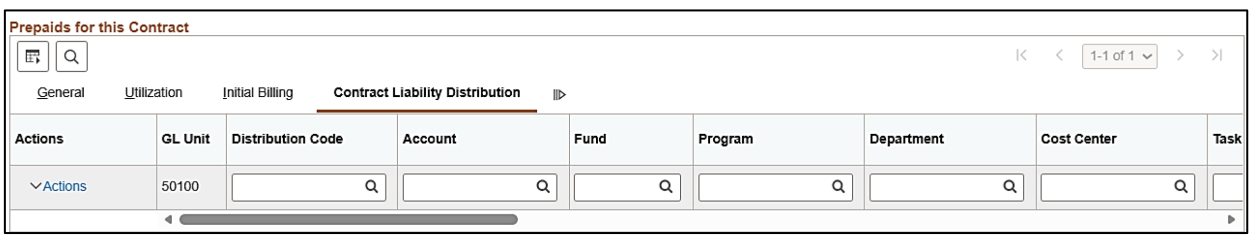
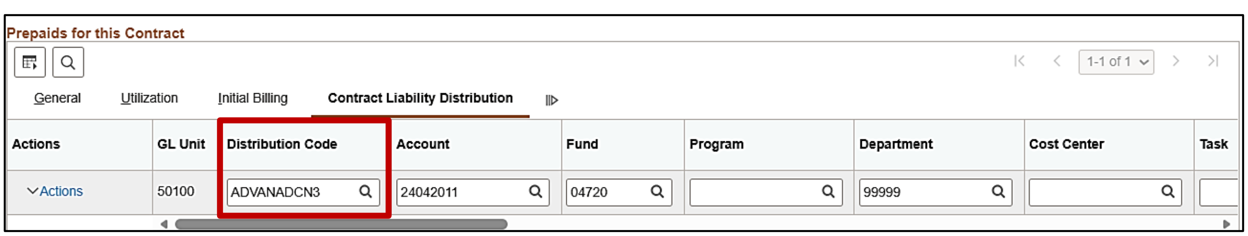
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td></td><td>The Utilization Descr for Billing field within the Utilization tab is automatically populated when the Save button is clicked. The description is the Prepaid Use Sequence Number joined with the Contract Number.

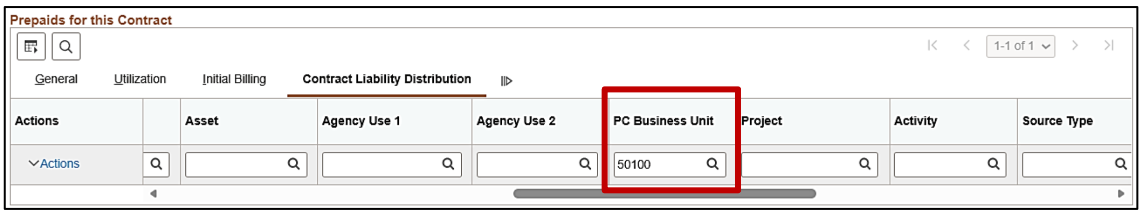
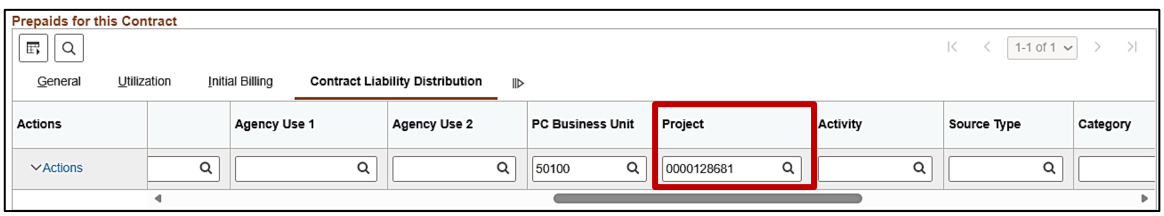
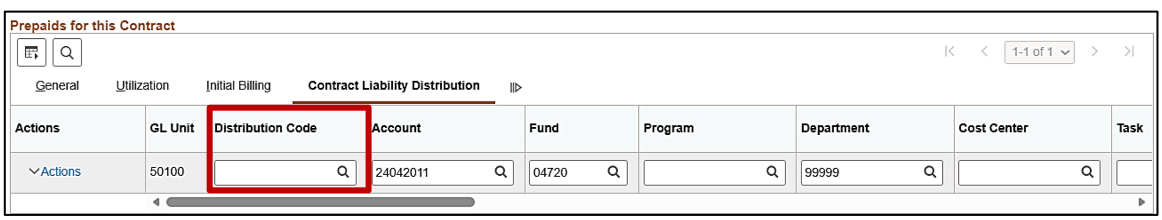

</td></tr>
<tr><td>13.</td><td>Click the Initial Billing tab.


</td></tr>
<tr><td colspan="2">The Initial Billing tab displays.


</td></tr>
<tr><td>14.</td><td>Click the Billing Plan Template Look up icon and select “PREPAID”.


</td></tr>
<tr><td></td><td>The Billing Plan Template automates the creation of the Prepaid Billing Plan.</td></tr>
</table>

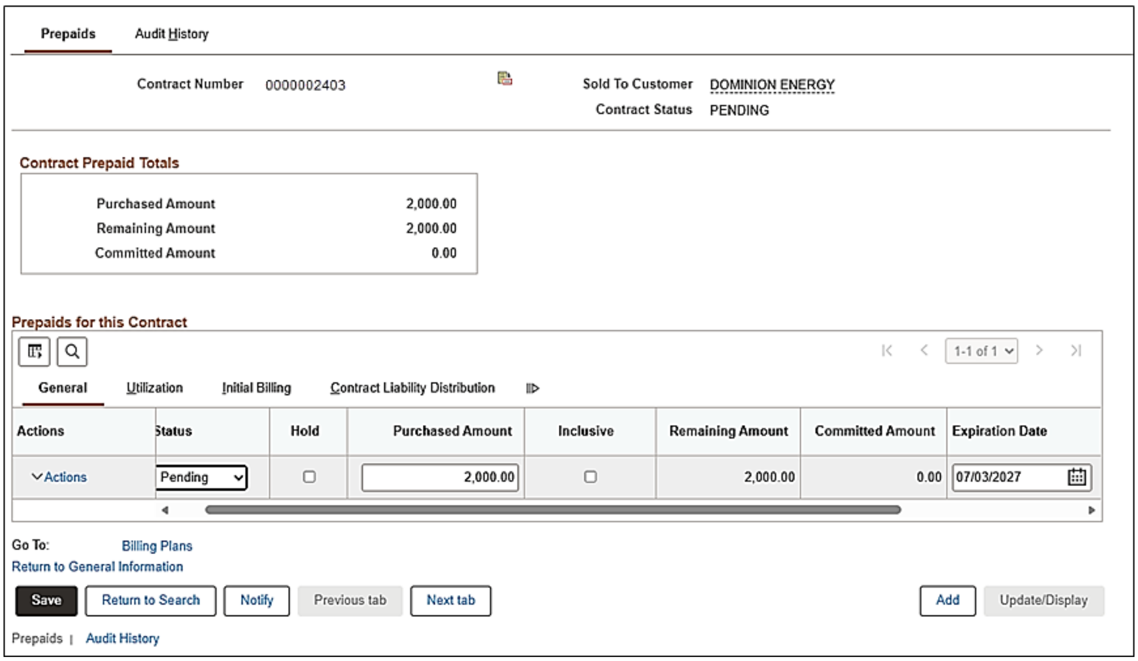
| Step | Action |
|---|---|
| 15. | Click the **Billing Plan Detail Template ID Look up** icon and select the applicable Billing Plan Detail Template ID.<br> |
| | The Billing Plan Detail Template ID should have the Bill Type and Customer Type that corresponds with the Contract Line. |
| | The **Purchase Order Reference** field is not used in Cardinal. Do not enter any values.<br>The **Prepaid Tax Timing** field defaults to “Tax on Initial Bill” and should not be changed. |
| 16. | Click the **Contract Liability Distribution** tab.<br> |
| The **Contract Liability Distribution** tab displays.<br> | |
| | The Contract Liability Distribution information must be defined, as this controls the ChartFields which will be populated when booking the prepayment. |
| 17. | Click the **Distribution Code Look up** icon and select the applicable Distribution Code. The Distribution Code has the Fund and Customer Type used on the Contract Line.<br> |

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>i</td><td>The selected Distribution Code automatically populates the Account, Fund, and Department fields.</td></tr>
<tr><td>18.</td><td>Scroll over to the right as needed and enter the Agency Business Unit in the PC Business Unit field if it does not auto-populate.<br>

</td></tr>
<tr><td>19.</td><td>Click the Project Look up icon and select the same Project ID that was used when the Contract Line was created.<br>

</td></tr>
<tr><td>i</td><td>Once the Project ID is entered in the Project field, the Distribution Code field clears but the ChartFields information remains populated.<br>

</td></tr>
<tr><td>20.</td><td>Click the Activity Look up icon and select one of the Activities that was added on the Contract Line Related Projects page.<br>

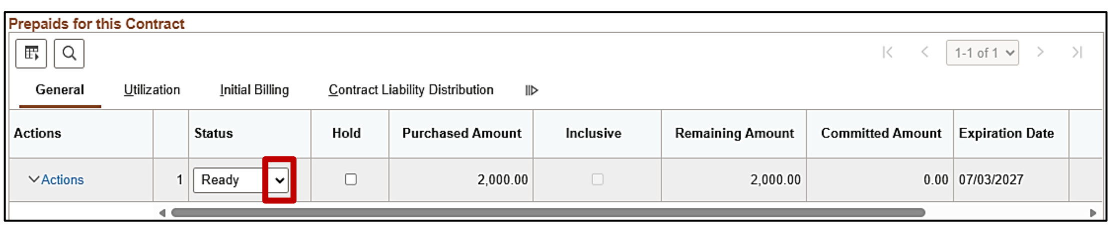
</td></tr>
<tr><td>i</td><td>The Activity must be active in order for the Distribution to save.</td></tr>
</table>

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>21.</td><td>Click the General tab.

</td></tr>
<tr><td colspan="2">The General tab redisplays.



</td></tr>
<tr><td>22.</td><td>Click the Status dropdown button and select “Ready”.



</td></tr>
<tr><td>23.</td><td>Click the Save button.

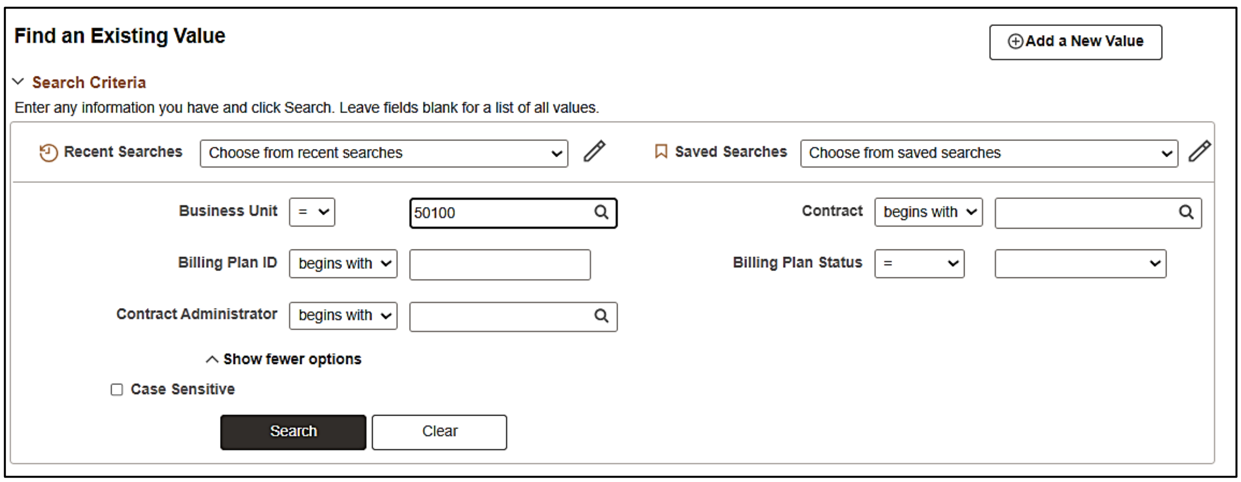
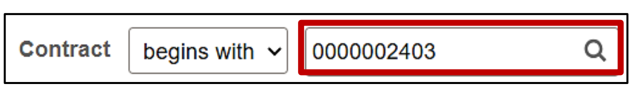
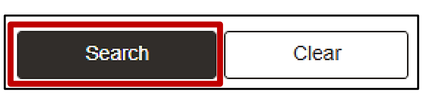
</td></tr>
</table>

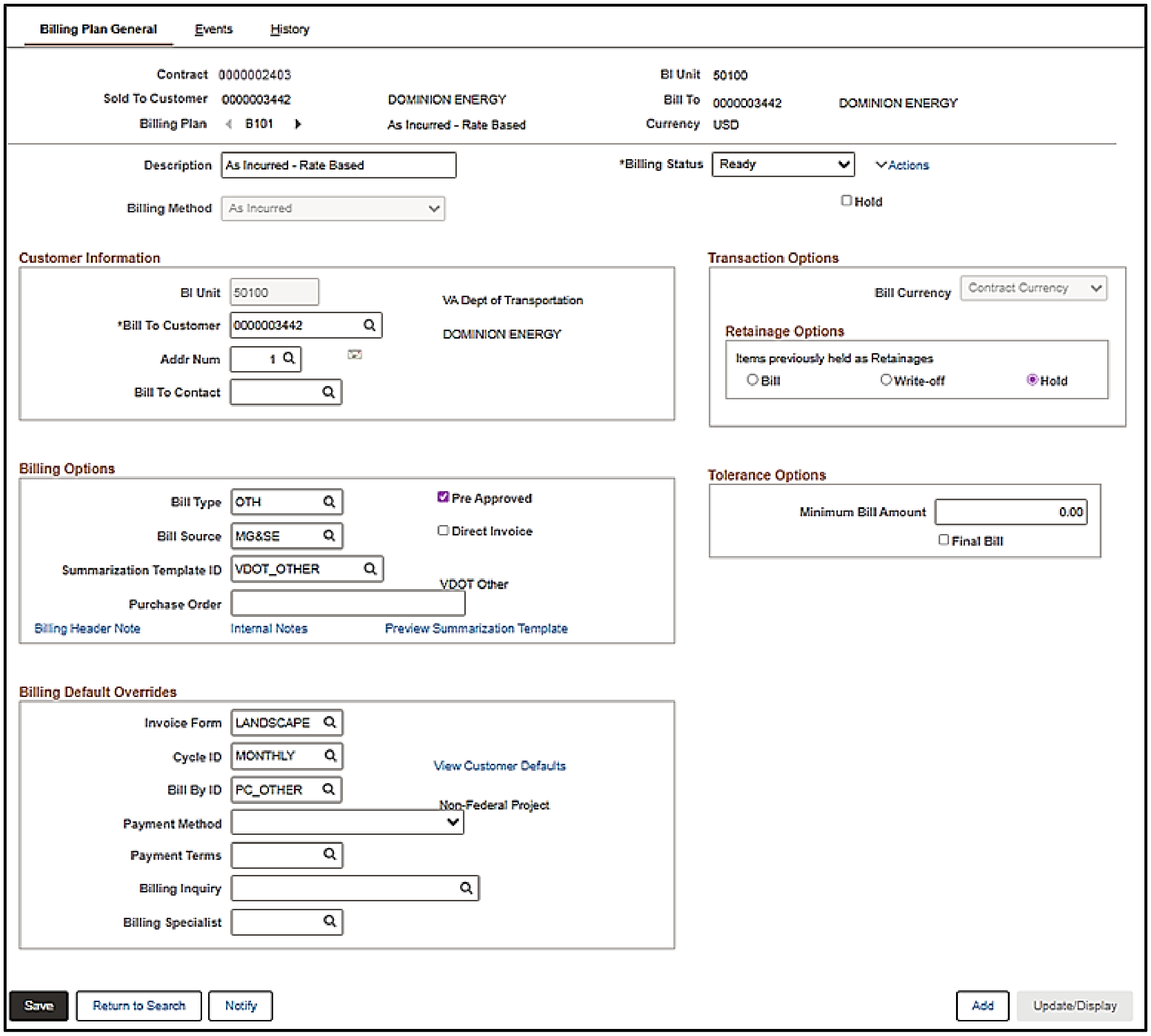
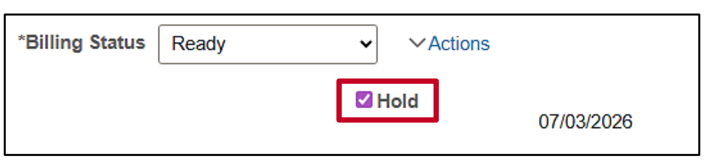
| Step | Action |
|---|---|
| | The Initial Billing for the Prepaid will be processed once the Contract status is “ACTIVE”.<br>Users must place the Contract Line Bill Plan on hold so that the initial Prepaid can be finalized and processed. If this step is missed, the system will create a Bill when expenditures are posted to the Project instead of drawing down the Prepaids.<br>Placing the Contract Line Bill Plan on hold must also be done when adding the Prepaid to an existing Contract. See the Placing the Contract Line Bill Plan on Hold section of this Job Aid. |

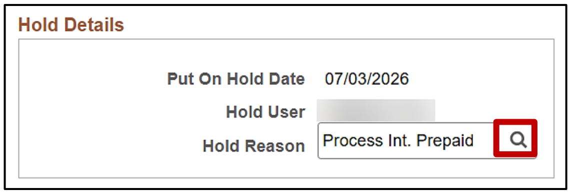
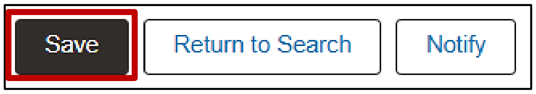
## Placing the Contract Line Bill Plan on Hold

The Contract Line Bill Plan must be placed on hold so that the initial Prepaid can be finalized and processed. Note that the Contract must be in Active status for the Bill Plan to be put on hold. If this step is missed, the system will create a Bill when expenditures are posted to the Project instead of drawing down the Prepaids.

Placing the Contract Line Bill Plan on hold must also be done when adding the Prepaid to an existing Contract.

| Step | Action |
|---|---|
| 1. | Navigate to the **Billing Plan General** page using the following path:<br>**NavBar > Menu > Customer Contracts > Schedule and Process Billing > Define Billing Plan** |
| | The **Define Billing Plan Find an Existing Value Search** page displays.<br> |
| | For more information pertaining to the Cardinal FIN Search pages, refer to the Job Aid titled **Overview of the Cardinal FIN Search Pages**. This Job Aid is located on the Cardinal website in **Job Aids** under **Learning**. |
| 2. | When navigating to the **Define Billing Plan** page after setting up the Prepaid, the Contract Number should auto-populate. If it does not, enter it in the **Contract** field.<br> |
| 3. | Click the **Search** button.<br> |

| Step | Action |
|---|---|
| | The **Define Billing Plan** page displays with the **Billing Plan General** tab displayed by default.<br> |
| 4. | Click the **Hold** checkbox option to place the Contract Line Billing Plan on hold.<br> |

| Step | Action |
|---|---|
| 5. | Click the **Hold Reason Look up** icon and select “Process Int. Prepaid”.<br><br> |
| 6. | Click the **Save** button.<br><br> |
| | Once the Initial Prepaid Invoice has been finalized, the Billing Plan Hold can be removed the next day. |

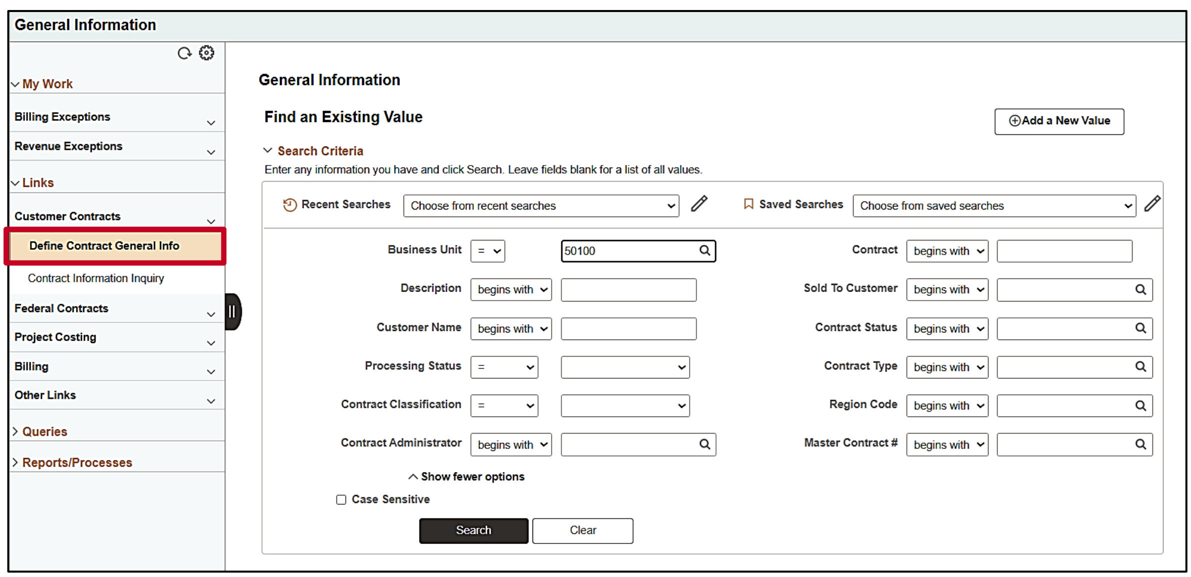
## Amending a Rate-Based Prepaid Contract

The initial Prepaid amount can be increased or decreased with an Amendment as long as the Prepaid amount is not reduced below the utilized amount. Use the steps in this section to amend a Rate-Based Prepaid Contract.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1.</td><td>Navigate to the General Information page by clicking the Contracts WorkCenter tile.

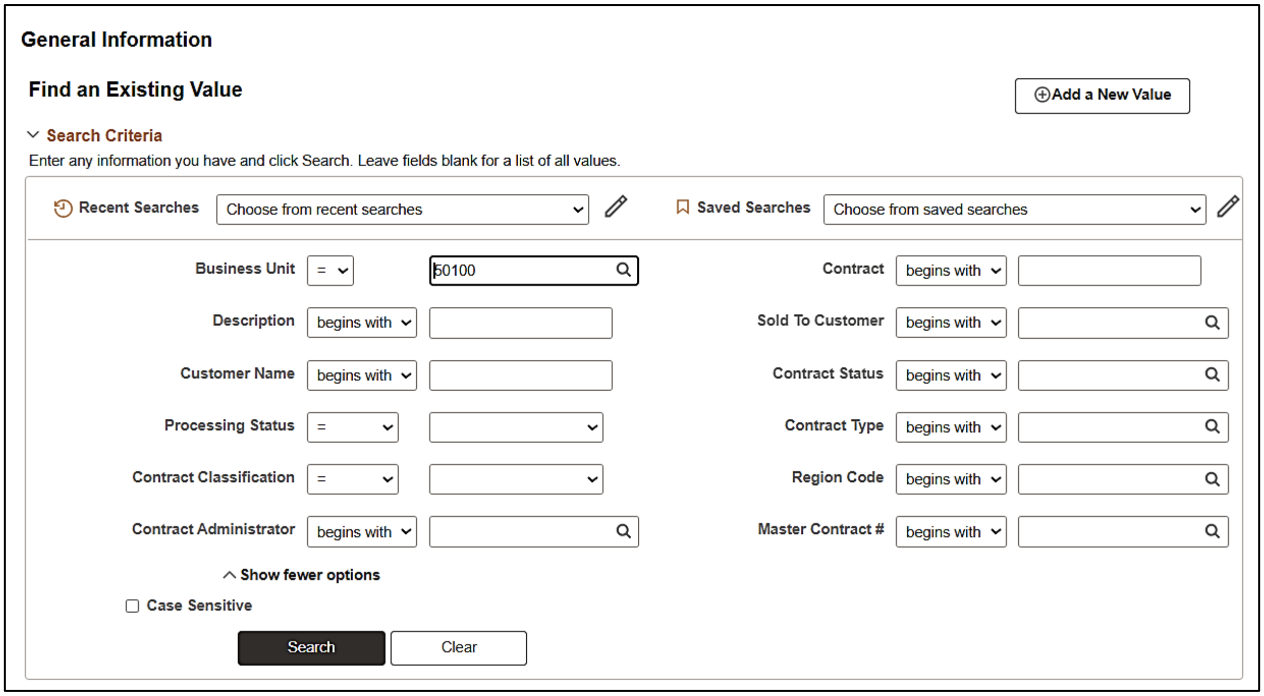
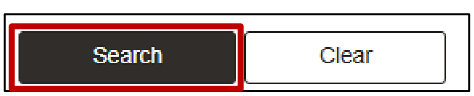
</td></tr>
<tr><td></td><td>For information about WorkCenters, see the Job Aid titled Overview of the Cardinal Financials WorkCenters located on the Cardinal website in Job Aids under Learning.</td></tr>
<tr><td>2.</td><td>Use the following navigation in the WorkCenter: Links > Customer Contracts > Define Contract General Info

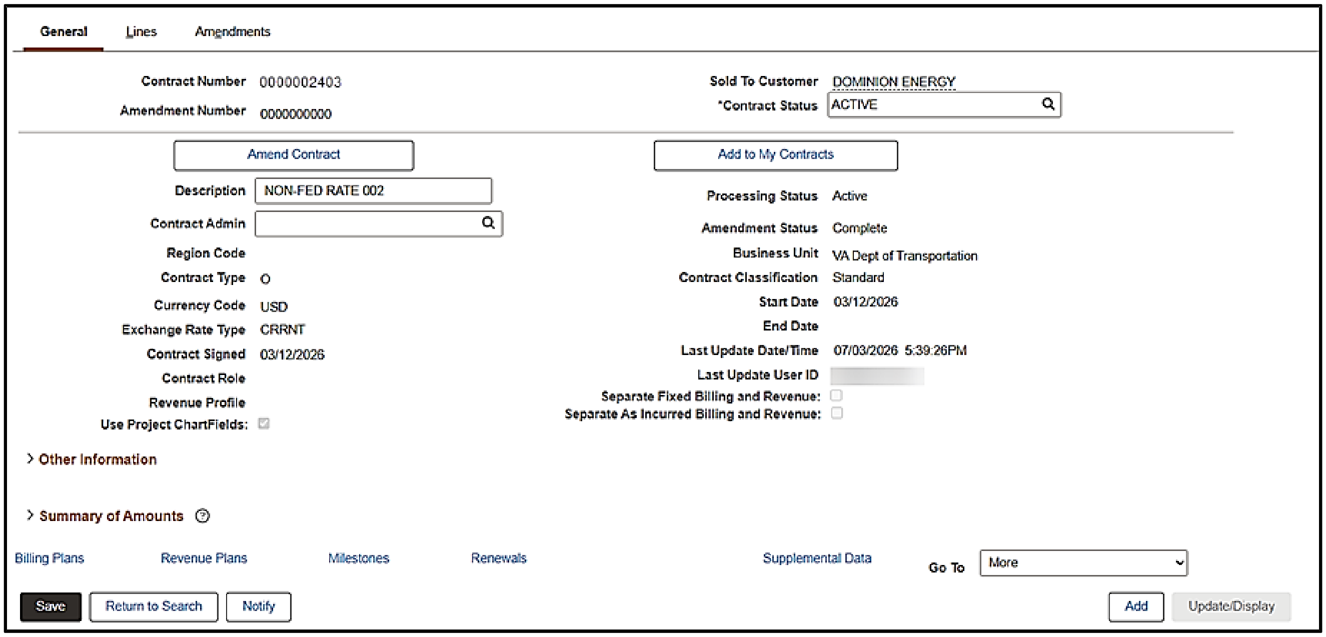
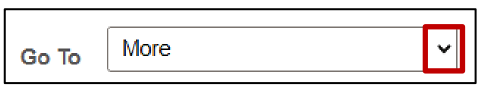
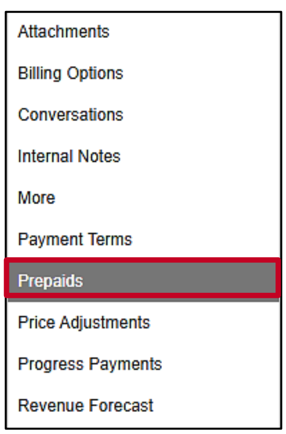
Note: WorkCenter sections, folders, and pages may vary based on the user’s Security roles.

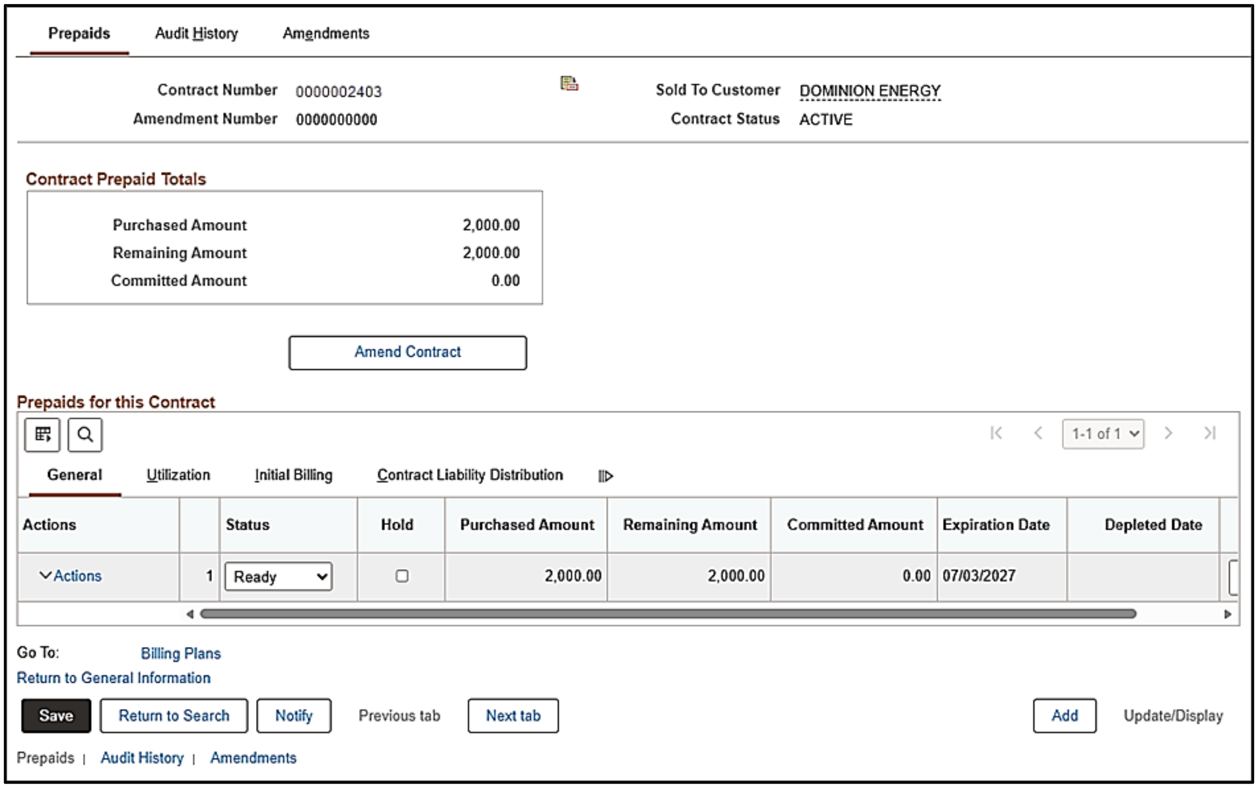


</td></tr>
<tr><td></td><td>Users can also access the General Information page using the following navigation path:

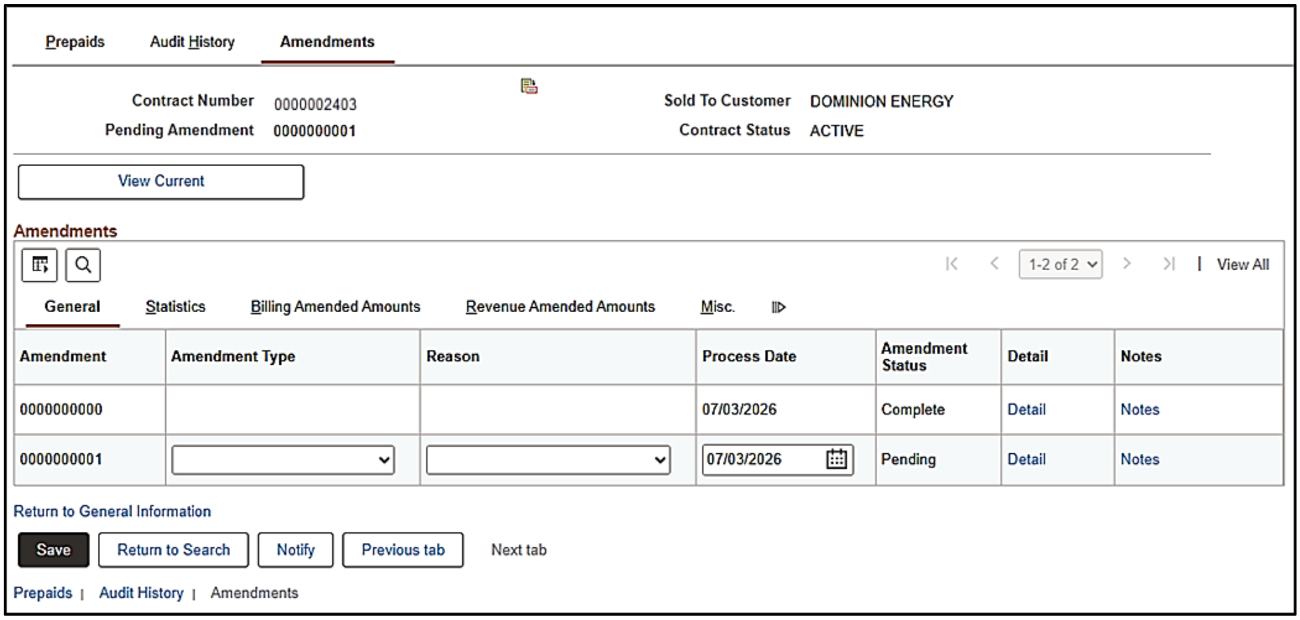
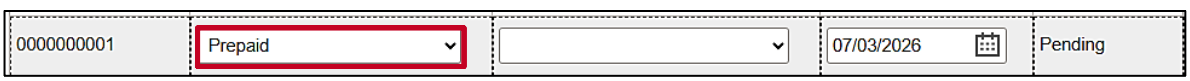
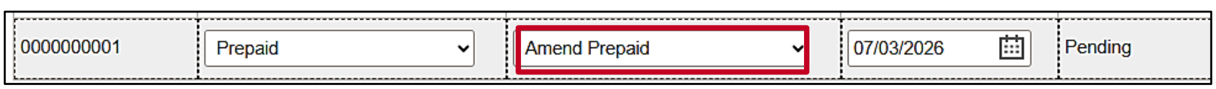
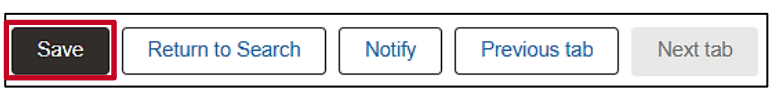
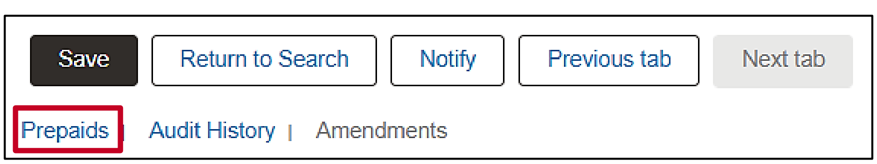
NavBar > Menu > Customer Contracts > Create and Amend > Define Contract General Info</td></tr>
</table>

| Step | Action |
|---|---|
| The **General Information Find an Existing Value Search** page displays.<br> | |
| | For more information pertaining to the Cardinal FIN Search pages, refer to the Job Aid titled **Overview of the Cardinal FIN Search Pages**. This Job Aid is located on the Cardinal website in **Job Aids** under **Learning**. |
| 3. | Enter the Contract Number in the **Contract** field.<br> |
| 4. | Click the **Search** button.<br> |

| Step | Action |
|---|---|
| | The **General Information page** displays with the **General** tab displayed by default.   |
| 5. | Click the **Go To** dropdown button.   |
| 6. | Select the "Prepaids" menu list item.   |

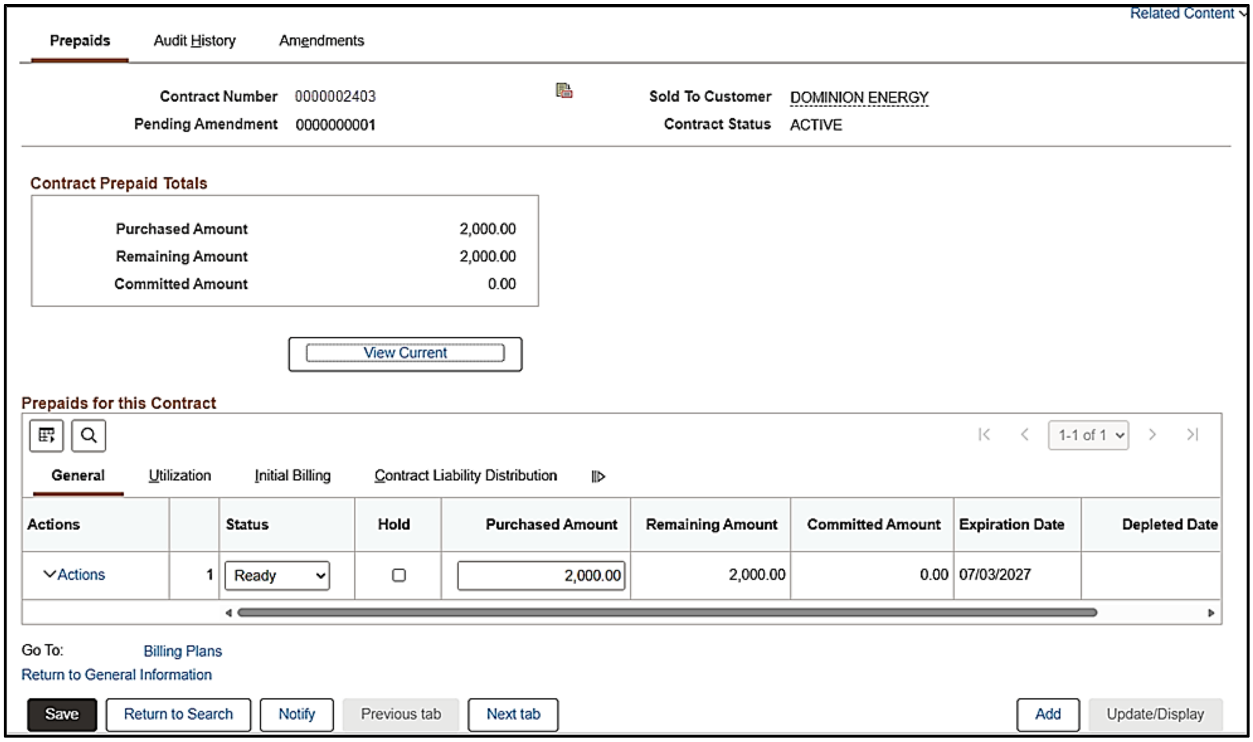
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">The Prepaid Balances page displays with the Prepaids tab displayed by default.<br>

</td></tr>
<tr><td>7.</td><td>Click the Amend Contract button.<br>

</td></tr>
</table>

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">The Amendments tab displays.<br><br></td></tr>
<tr><td>8.</td><td>Click the Amendment Type dropdown button and select “Prepaid”.<br><br></td></tr>
<tr><td>9.</td><td>Click the Reason dropdown button and select “Amend Prepaid”.<br><br></td></tr>
<tr><td>10.</td><td>Click the Save button.<br><br></td></tr>
<tr><td>11.</td><td>Click the Prepaids link.<br><br></td></tr>
</table>

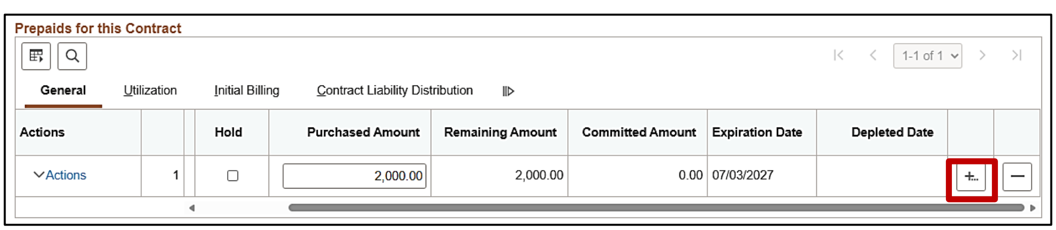
| Step | Action |
|---|---|

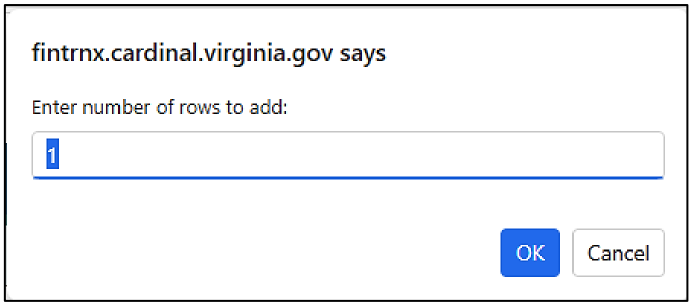
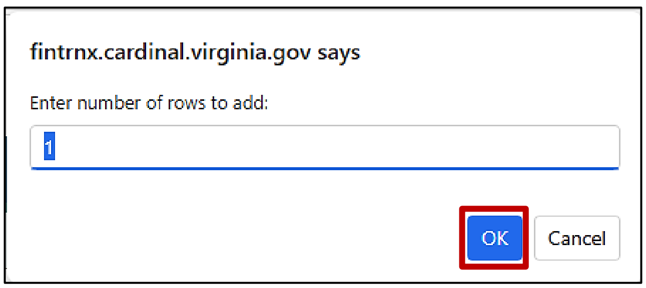
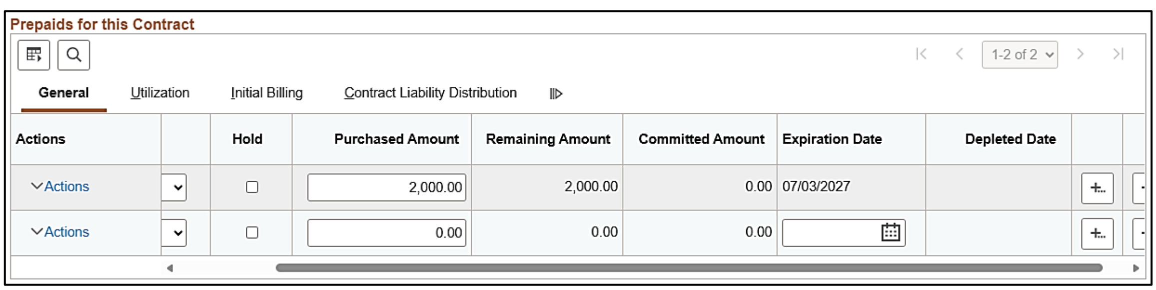
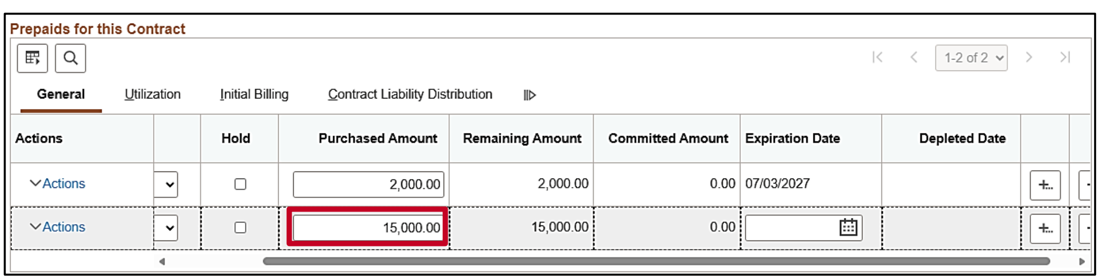
The **Prepaids** tab displays.




Prepaid amounts can be increased or decreased in the **Prepaids** tab.

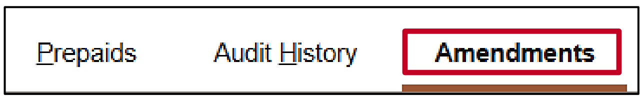
12. Scroll right as needed within the **Prepaids for this Contract** section and click the **Add a New Row** icon.



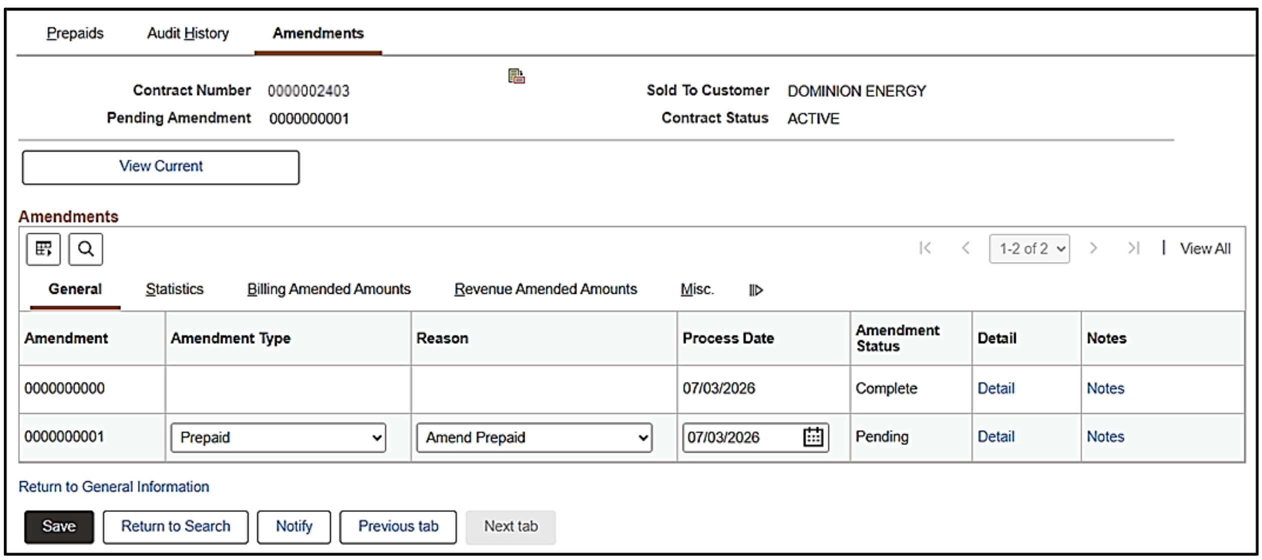
| Step | Action |
|---|---|
| | A prompt message displays in a pop-up window to confirm the number of rows to be added.   |
| 13. | Click the **OK** button to add “1” row.   |
| | The **Prepaids for this Contract** section refreshes with the new row added.   |
| 14. | Enter the amount of increase in the **Purchased Amount** field.   |

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>15.</td><td>Proceed to Steps 8 - 22 in the Setting up the Prepaid for a Non-Federal Rate-Based Contract section of this Job Aid to complete all required tabs (General, Utilization, Initial Bill, and Contract Liability Distribution) and then return to Step 16 in this section.</td></tr>
<tr><td>16.</td><td>Click the Save button.

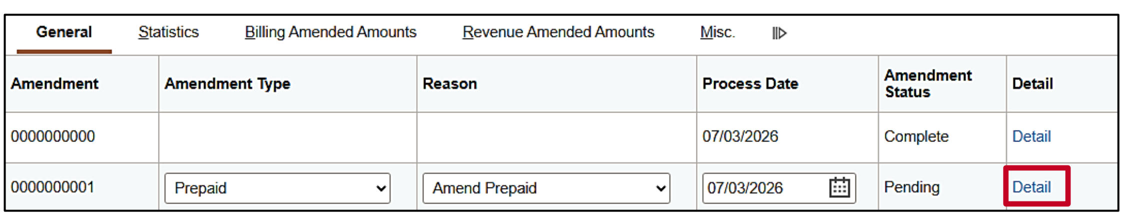
</td></tr>
<tr><td>17.</td><td>Click the Amendments tab.



</td></tr>
<tr><td colspan="2">The Amendments tab displays.



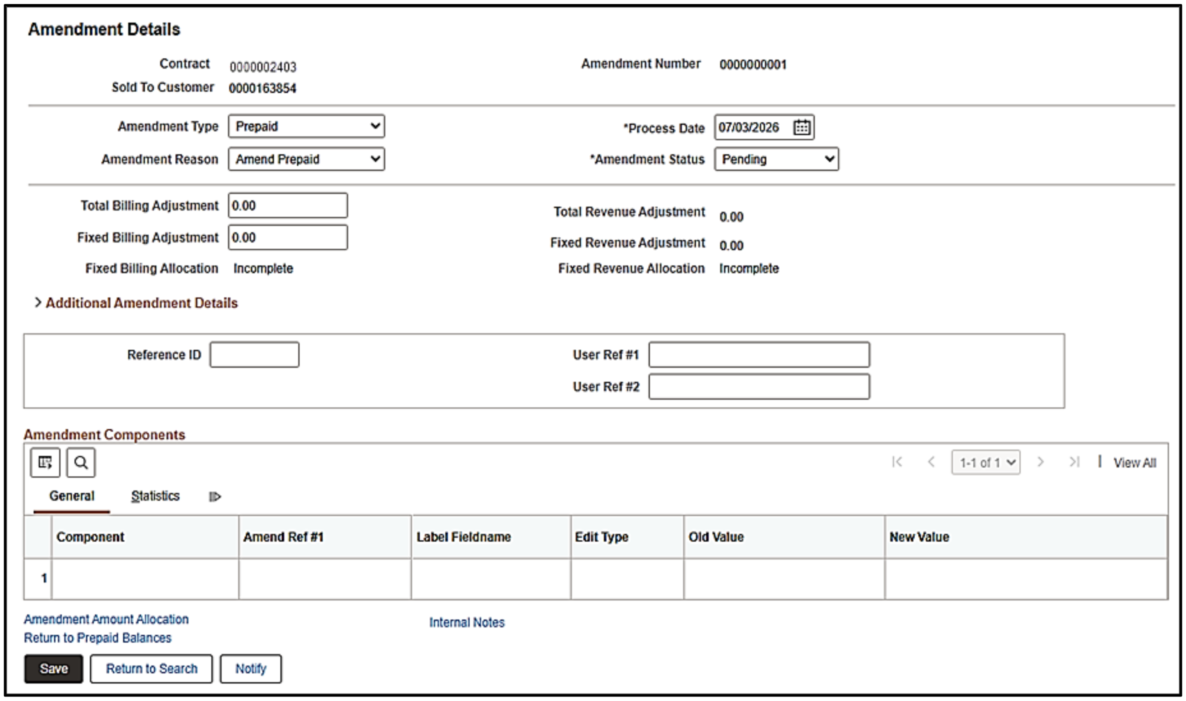
</td></tr>
<tr><td>18.</td><td>Click the Detail link on the Amendment Line that was added.



</td></tr>
</table>

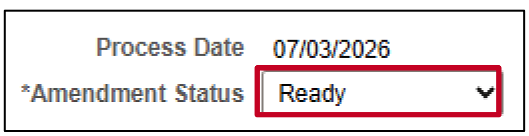
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">

The **Amendment Details** page displays.




</td></tr>
<tr><td>19.</td><td>

Click the **Amendment Status** dropdown button and select “Ready” to process the Amendment.



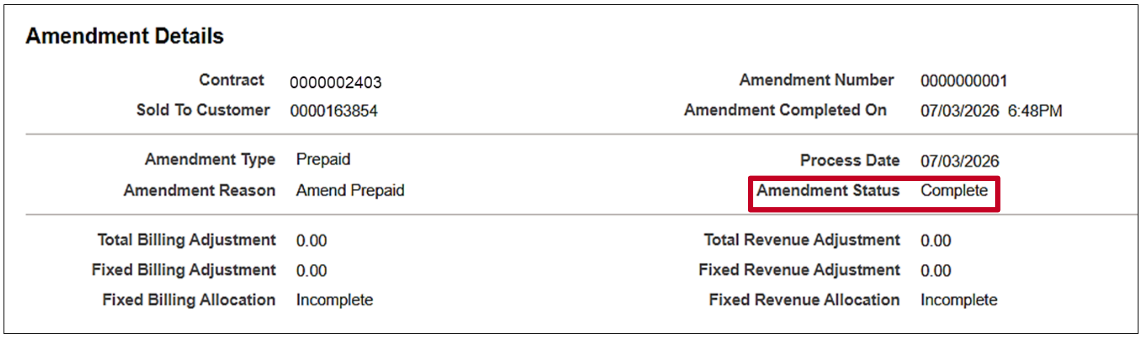

</td></tr>
<tr><td></td><td>

The **Process Amendment** button displays once the Amendment Status is changed to “Ready”.


</td></tr>
<tr><td>20.</td><td>

Click the **Process Amendment** button.


</td></tr>
</table>

| Step | Action |
|---|---|
| | The Amendment Status changes to “Complete” and the changes are now active in Cardinal.<br><br> |
| | The Initial Billing for the Prepaid will be processed once the Contract status is “Active”.<br>Users must again place the Contract Line Bill Plan on hold so the additional Prepaid can be finalized and processed. If this step is missed, the system will create a Bill when expenditures are posted to the Project instead of drawing down the Prepaids. Refer to the Placing a Contract Line Bill on Hold section of this Job Aid. |