

How to create a new Contract

- Preconditions:
- i. You have been granted rights to manage projects (e.g. Project Leader) and you are part of the respective Project’s datagroup.
 - ii. Your Project and its Component(s) have already been created by the FPD.
 - iii. The commitment has already been created.
 - iv. The Supplier is already inserted by the Treasury, and the bank details added.¹**

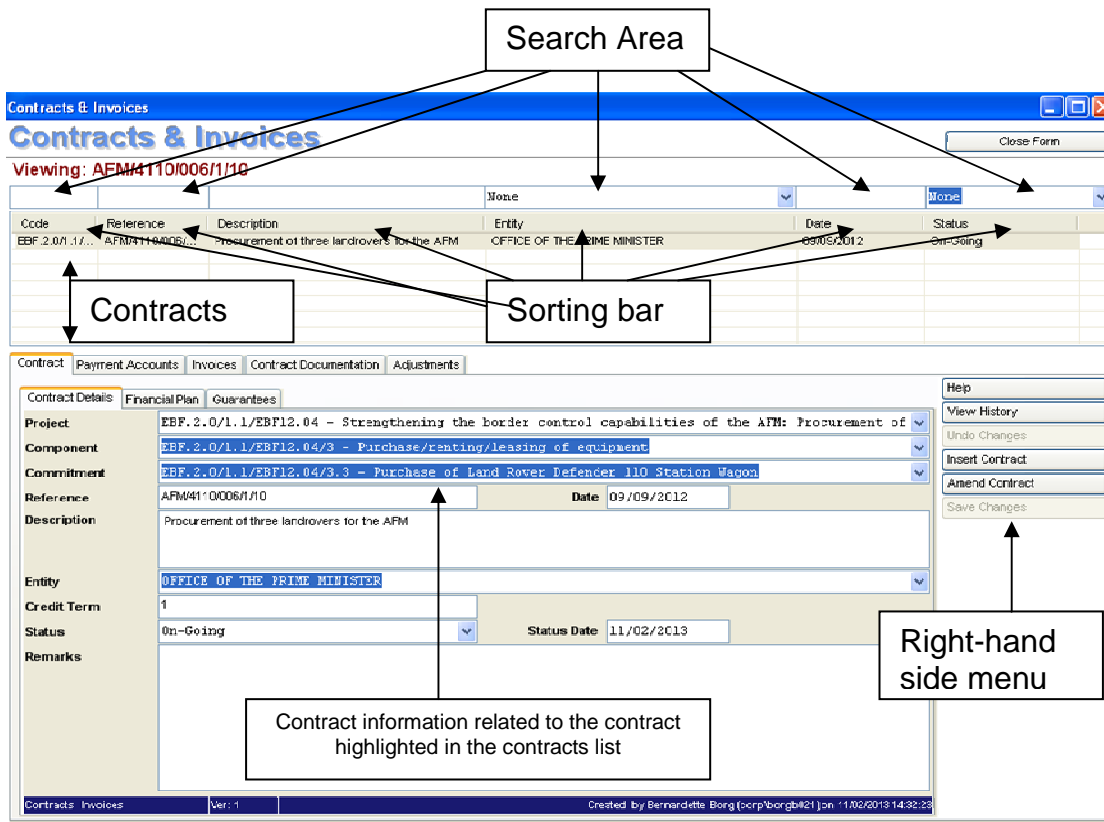
☞ A contract is required to be entered into the system in order to process an invoice for payment. Even when purchases do not require a ‘formal’ contract with the supplier *per se*, the Beneficiary has to ensure that a written form of agreement (or approval) is issued having its own unique reference number, the date when the agreement was signed, the description of the item being purchased and the agreed upon price. In many cases the Local Purchase Order (LPO) is what constitutes a contract when no formal contracts are issued. For more information contact your respective Projects Manager from the Responsible Authority.

1. Go to *Projects to Invoices*, then click on *Contracts and Invoices* in the drop down menu



¹ To check if the supplier is already inserted in the system click on Entities-Organisations-Individuals

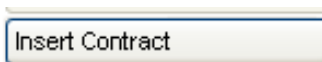
2. The Contracts list is shown



In the Contracts & Invoices screen you will see the list of contracts for which your datagroup has access to.

✂ If no contracts have yet been created within your datagroup, you will not see any contracts.

3. Click on *Insert Contract* on the right hand side.



An empty Contract appears. The top and middle sections of the screen are shaded in grey to indicate that you are now creating a new Contract.

SIS 2007-2013 - European Refugee Fund Annual Programme 2012 - [Contracts & Invoices]
Contracts & Invoices

Programme | Projects to Invoices | Entities-Organisations-Individuals | Payments Management | Maintenance | Reports | Administration | Help | Log out

Close Form

Code	Reference	Description	None	Entity	Date	Status
			None			
			None			
			None			

Contract | Payment Accounts | Invoices | Adjustments

Contract Details | Financial Plan | Guarantees

Project | Component | Commitment | Reference | Description

Help | View History | Undo Changes | Insert Contract | Amend Contract | Save Changes

Project	None	Date	
Component	None		
Commitment	None		
Reference			
Description			
Entity	None		
Credit Term			
Status	None	Status Date	
Remarks			

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File name: How to create a new contract

✉ For assistance, queries and suggestions contact the SIS unit on sis.opm@gov.mt

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Part A – Entering the Contract Details

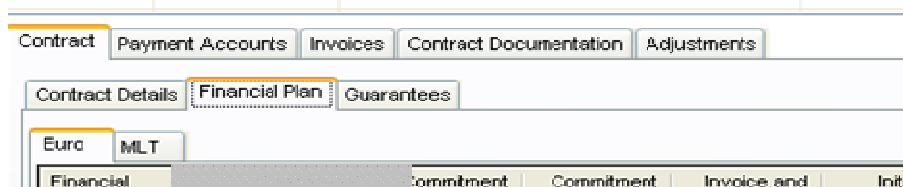
In general, splitting of contracts between different recipients (e.g. a direct payment to the supplier and a reimbursement to the Beneficiary) is not allowed.

However, in some circumstances a contract might need to be split and in this situation, the *prior* approval from the respective business section within the RA is required before the contract is divided.

4. Choose the respective project from the *Project's* drop down menu.
5. Choose the respective component from the *Component's* drop down menu.
6. Choose the respective commitment from the *Commitment's* drop down menu.
7. Enter the contract's *Reference* in the text box. This should follow the naming convention on the contracts, e.g. the Department of Contact's contract code.
 - ✍ If you are not sure what to write as a Contract Reference kindly contact your respective Projects Manager from FPD.
 - ✍ Do not create Contract codes which do not follow this convention – otherwise the Systems Administrator will change them without notice.
8. Enter the date related to the status change in the *Date* field, using the format dd/mm/yyyy .
9. Enter the Contract's *Description* in the text box (information from the Contract itself).
10. From the *Entity's* drop down menu, choose the supplier.
11. Enter the *Credit Term* period of the contract. If this is not specified in the contract, enter "30".
12. Choose the Contract's status in the *Status* drop down menu.
 - On-Going – Contract is currently underway
 - Closed – Contract is closed
 - Pending – Contract is on hold
13. Enter the date related to the status change in the *Status Date* field, using the format dd/mm/yyyy .
14. (optional) Enter any remarks in the *Remarks* text box.

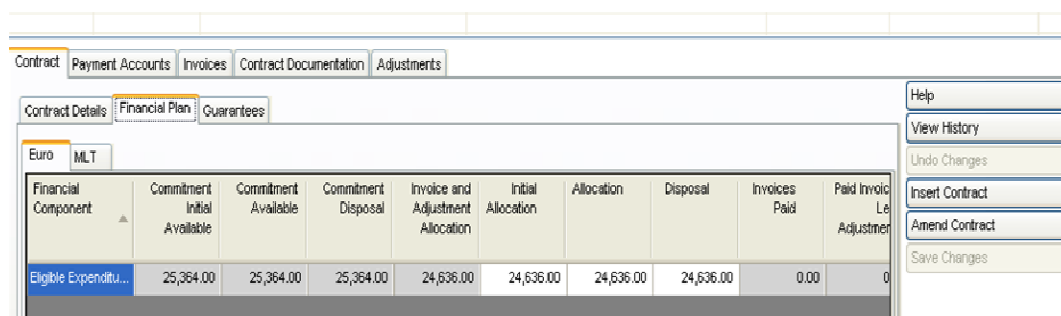
Part B – Entering the Financial Details

15. In the Contract screen, click on the *Financial Plan* tab.



16. You will now see an empty financial plan of the Contract and you will have to insert figures in the white columns: Initial Allocation, Allocation and Disposal. The shaded columns are calculated automatically from higher and lower levels. The funds available from the commitment level are shown.

✍ If there is a financial component which is missing, contact your respective Project Manager to take action. Do not proceed with creating the Contract!



17. The system allows the user to enter figures both in Euro and MLT. Click on *Euro* to enter the figures in euro.

18. For each and every Financial Component, enter the following Euro figures:
- Initial allocation – this is the allocation when the Contract was approved;
 - Allocation – this is Contract’s allocation which could have changed since the Contract’s approval;
 - Disposal – this is the amount of the allocation that is available for lower levels.

✍ Remember to press the TAB key or click outside the box after each financial entry, otherwise the figure will show as 0.00 .

NB: The 'Initial allocation' column was designed with the intent to capture the original figures before any financial changes occurred to the Contracts. Subsequent changes taking place to the financial plan are to be reflected in the 'Allocation' and 'Disposal' columns only.

You do not need to remove the extra funds at the end of the contract relating to the Initial Allocation since these will not be deducted from the Programme's budget.

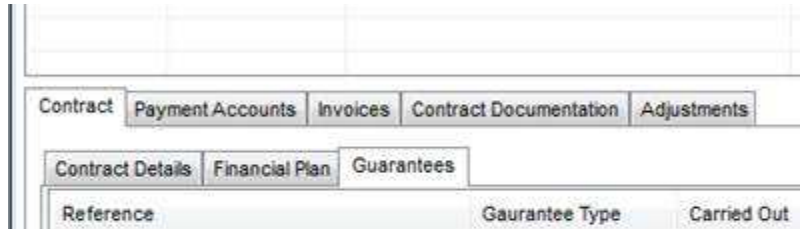
Any extra funds remaining at the Allocation and Disposal fields will have to be removed at the end of the contract.

You may change these figures at a later stage. The system is fully audited and any changes are recorded indicating the user making the changes and the time stamp.

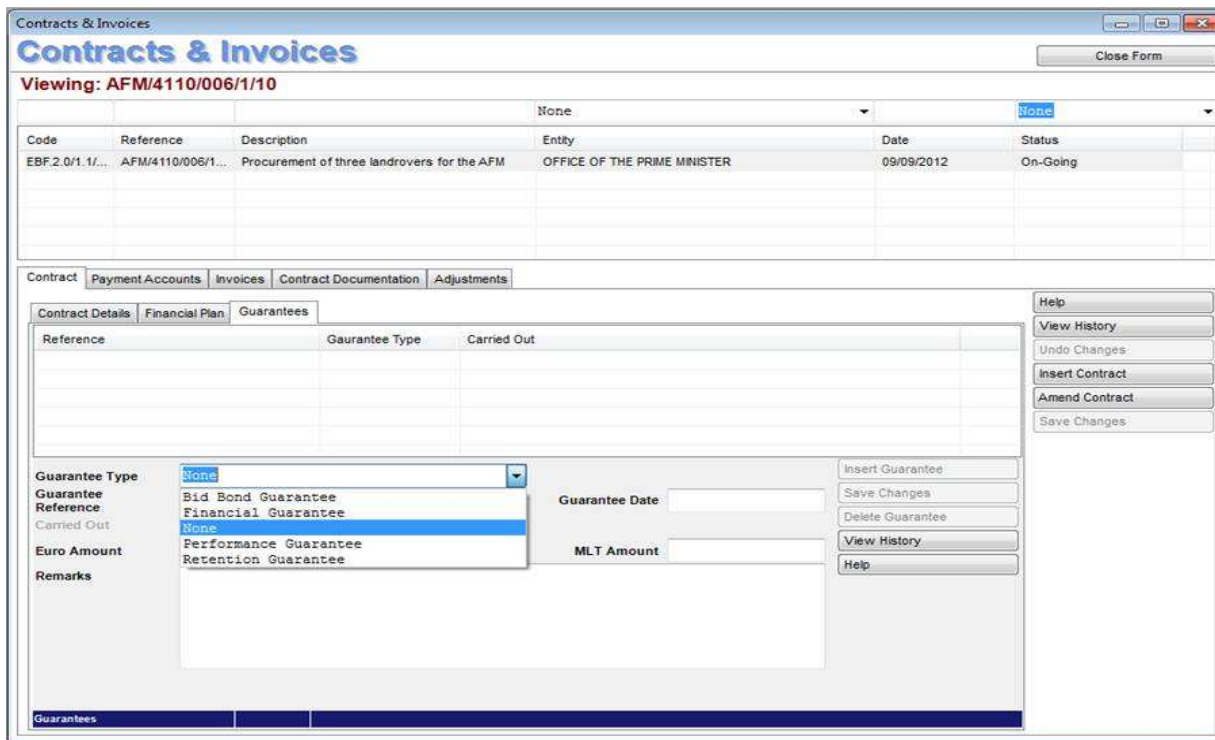
- 19.** Check that the figures are correct of each financial component and that the total amounts are correct.

Part C – Entering the Guarantees

20. In the Contract tab list, click on the *Guarantees* tab.



21. You will now see an empty *Guarantees* list of the Contract and you will have to insert the respective information in the white columns.



22. Click on *Insert Guarantee* to add a new guarantee in the list.



23. Choose the *Guarantee Type* from the drop down list. If you do not see your guarantee type in the list, contact the SIS unit.

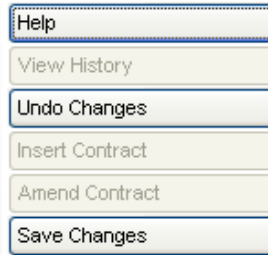
24. Enter the guarantee's *Reference* in the text box.

25. Enter the guarantee's *Date*, using the format dd/mm/yyyy .
26. If the guarantee has been *Carried Out*, tick the check box.
27. Enter the amount in the *Euro Amount* field. An indicative amount, rounded to the nearest Euro, will be automatically displayed in the MLT Amount field.
28. (optional) Enter any remarks in the *Remarks* text box.
29. Click on *Save Changes*.

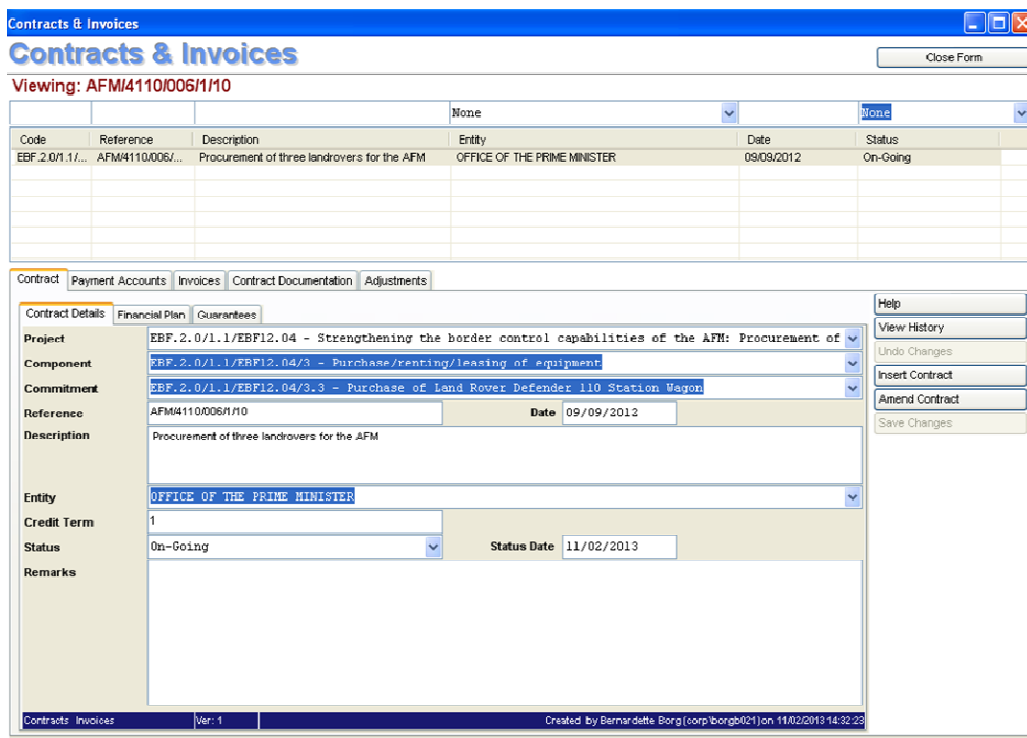
30. If you need to enter more guarantees, repeat steps 22 - 29.

Part D – Saving the Contract

31. Click on *Save changes* in the right hand side menu to save your Contract.



32. You will now see the new Contract in the list of Contracts. Check that all the contract's information is correct.



33. A new set of tabs have now appeared next to the Contract tab. Click on the *Contract Documentation* tab to upload documents related to the contract. Please follow the Insertion of Documents Knowledge Base article.



N.B.: The *amend document* function is only available to the RA managers. Should you need to amend a document's details or replace it with another document, please contact your respective RA project manager.

---- End of Tutorial ----