

Peregrine | AssetCenter
Contracts

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AssetCenter

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Introduction (Contracts)

PREFACE

Who is the Contracts module intended for?

The Contracts module is intended for companies with assets under contract:

- Insurance
- Leases
- Maintenance
- Licenses
- Blanket purchase orders

The **leasing** part of the Contracts module is particularly developed. It enables you to manage all the steps involved in the leasing of assets.

The Contracts module is generally established by the following people:

- Financial managers
- Purchase managers
- Purchasers
- Portfolio managers
- Lawyers
- Those responsible for administrative tracking of assets.

What does the Contracts module do?

The Contracts module describes and manages contracts:

- Contractual conditions
- Stakeholders
- Rent, loans and taxes
- Expenses
- Assets and personal charges
- Lessor-Lessee procedures
- Leasing contract terminations
- Reports

The **leasing** part of the Contract module is particularly important, since leasing has a large effect on the Total Cost of Ownership (TCO) of assets. Gartner Group believes that proper management of leasing agreements is one of the main sources of possible savings in IT asset management and that it is necessary, in order to achieve this, to use an appropriate software package.

How to use the Contracts guide.

Chapter Contracts

This chapter explains how to use the basic function of the Contracts module.

This chapter does not cover the specific aspects of leasing contracts or application service contracts.

This information is intended to provide a general view of how the Contracts module works.

Chapter Leasing - general concepts

This chapter explains how the Contracts module manages the details of leasing contracts.

Read this chapter as an introduction to the parts of the Contracts module based on leasing.

Chapter Leasing - practical case

To give you a better understanding of how the leasing part of the Contracts module works, we have created a practical case to be used with the AssetCenter demonstration database.

The practical case has several steps from the creation of the contract to the return of the goods.

By performing this practical case, you will use most of the tables in the Contracts module as well as the tools that help you perform certain tasks.

Read this chapter to familiarize yourself with the Contracts module.

The next part of the guide will give you systematic information on typical operations and the different tables to populate.

Chapter Leasing - rented assets

This chapter explains how to manage the leasing operations that directly concern assets:

- Add
- Acceptance
- Renewal
- Return
- Purchase (buy out)
- Loss

Read this chapter to learn about the procedures that enable you to perform these operations in AssetCenter.

Chapter Leasing - rent payments

This chapter presents each of the rent calculation methods.

Read this chapter to:

- Inform yourself on the different calculation methods that exist.
- Learn how to use them.
- Understand the consequences of adding or removing an asset.

Chapter Leasing - costs

This chapter explains how to automate the calculation of rent costs and view the results of this.

Read this chapter to learn how to implement cost calculations.

Chapter Application services

This chapter contains the information necessary to manage application services with AssetCenter:

- Example
- Implementation
- Description of managed information
- Practical case

Read this chapter to learn about managing application services.

Chapter Glossary (Contracts)

The terminology specific to the Contracts module is relatively specialized. The glossary contains most of these key terms for the Contracts module.

Read this glossary for an explanation of these terms.

Chapter References (Contracts)

This chapter contains exhaustive and systematic reference information.

Read this chapter if you would like to learn more about all the components of AssetCenter that are used in the Contracts module. You can also find here advanced or supplementary information.

1 | Contracts

CHAPTER

AssetCenter helps you manage contracts or agreements signed with your partner companies (maintenance contracts, insurance contracts, etc.).

An asset can be associated with several contracts.

Contracts are organized hierarchically and are managed in a separate table.

This chapter explains the functionality of contracts in the application.

Select **Contracts** from the **Contracts** menu to access the list of contracts.

The list of tabs in the contracts screen and their contents depends on the **Type** (SQL name: seType) of contract you create.

The table of contracts is hierarchical: Each contract can have a parent contract and sub-contracts.

Types of contracts

AssetCenter enables you to manage several types of contracts. The **Type** field (SQL name: seType) at the top of a given contract detail indicates the contract type. The value of this field, selected from a system itemized list, determines which tabs are shown in the contract detail and their contents.

The different types of available contracts are:

- **Master lease**
Enables you to define the general leasing conditions without defining the list of assets that are covered or the payment conditions.
- **Lease schedule** (or rental agreement)
Enables you to:
 - Define a lease schedule (or rental agreement).
 - Specify the list of assets included in the contract and the payment conditions.
- **Maintenance**
Enables you to:
 - Define a maintenance contract
 - Manage work orders relating to this contract.
- **Insurance**
Enables you to define an insurance contract (insurance policy).
- **License**
Enables you to define a license agreement.
- **Blanket purchase order**
Blanket PO-type contracts oblige the buyer to buy for a given minimum amount over a given period of time. If the minimum amount is not reached at the end of the period, penalties are incumbent on the buyer.
- **Other**
Enables you to define a contract which does not correspond to one of the above types.

Creating a contract

To create a contract:

- 1 Select **Contracts** from the **Contracts** menu.
- 2 Wait for the Edit window to appear.
- 3 Click New.
- 4 Select the contract type in the Type field of the General tab.

- 5 Populate the fields of the different tabs according to your needs. You can refer to the corresponding chapters of this guide to help you through this task.

Manage the assets covered by contracts.

All the assets associated with a given contract are detailed in the **Assets** tab of the contract detail.

This tab appears for the following contract types:


- **Lease schedule**
- **Insurance**
- **Maintenance**
- **License**
- **Other**

The procedure you use to tie assets to a contract (the take-down procedure) depends on the contract type. This section describes in detail what happens for **Insurance**, **Maintenance** or **Other** type contracts.


 **Note:**

The take-down procedure is described in section [Adding assets to a lease schedule](#) [page 55].

Tying an asset to a contract

To tie (include) an asset to a contract, click the  button to the right of the list. Select an asset and specify the inclusion date.



Removing assets from a contract

To indicate that assets are no longer covered by a contract, select the assets and click the  button to the right of the list.

Modifying the date of inclusion

To modify a date of inclusion, simply click the  button and make the necessary modification.

Another way to tie an asset to a contract

It is also possible to tie an asset to a contract via the **Contracts** tab in the asset detail. Use the  and  button to add or remove contracts linked to the asset.

Calculating contract rents

Rents and recurrent payments are described in the **Rents** tab of the contract detail. This tab is only displayed if the following two conditions are met:

- The contract is not a **Master lease**.
- The **Nature of payments** field (SQL name: sePayType) in the **General** tab of the contract is set to **Rents** or **Both**.


Each rent is given its own sub-tab.

Examples of rents: rent (in the usual sense of the term), insurance, other charges, etc.

To add a rent sub-tab:

- 1 Right-click a sub-tab.
- 2 Select **Add linked record** or **Duplicate linked record**.
- 3 Populate the new sub-tab.
- 4 Click **Modify** or **Create**.

Validity of rents

Each rent is associated to a period of validity. The **Dates** fields, situated in the **Planning** zone, indicate the starting and ending dates of the contract's rent. The  icon enables you to attach an alarm to the end of this period.

Allocating rents

In a rent sub-tab, the **Cost category** field (SQL name: CostCategory) enables you to categorize the expenses coming from the rent, which allows for the automatic addition of new expense lines. The **Cost Center** field (SQL name: CostCenter) enables you to allocate these expenses to the cost center that you have already defined using the **Finance/Cost centers** menu. These fields are only available if the **Prorate to assets** field is set to **Do not allocate or distribute rent to assets**.

Fields used in rent calculations

Contract rent

A contract-level rent payment is calculated according to:

- A reference value indicated in the **Value** field (SQL name: mValue) in the rent sub-tab.
- An **LRF** (SQL name: pLRF).

The **Payments** field (SQL name: mPayments) indicates the contract-level rent payment before taxes for each of the periods defined by the **Periodicity** field (SQL name: sePeriodicity).

Asset rent

The **Prorate to assets** (SQL name: seProrateRule) field enables you to determine whether contract-level rent is distributed to assets according to the conditions defined by the following fields:

- **Prorated by** (SQL name: ProrateField)
- **Rounding** (SQL name: fPrecision)
- **From the date of acceptance:** This field is only used if a schedule-level rent payment is distributed at the asset level. It determines whether or not rent is paid after the date of acceptance.

Taxes paid on rent

The **Taxes** field (SQL name: mTaxValue) enables you to specify the method of tax calculation for rent.

Dates of payment

The dates of payment depend on the periodicity of the rent, as indicated in the **Periodicity** field (SQL name: sePeriodicity).

The **Payment** field (SQL name: seAdvArrears) determines whether the rent is due in advance or in arrears of the period that is defined in the **Periodicity** field.

The **Bill cycle day** field (SQL name: tsBillCycDay) sets the due date (expressed in days, or months, etc.) in relation to the value entered in the **Payment** field. You can enter a negative value.

For example, if you set the **Periodicity** field to **Monthly**, and the **Payment** field to **In advance**, and then you set the **Bill cycle day** field to **-5 days**, then the rent is due 5 days before the start of the specified rent period.

The **Grace** field (SQL name: tsGrace) specifies the grace period for payment of rent.

Here is how AssetCenter starts rental periods:

- For daily rent: The start of the period is set to 00:00 A.M.
- For weekly rent: The start of the period is set to Monday.
- For semi-monthly rent: The start of the period is set to the 1st and 16th days of the month.
- For monthly rent: The start of the period is set to the 1st day of the month.
- For bimonthly rent: The start of the period is set to: January 1, March 1, May 1, July 1, September 1, and November 1.
- For quarterly rent: The start of the period is set to: January 1, April 1, July 1, October 1 .
- For semi-annual rent: The start of the period is set to January 1 and July 1.
- For annual rent: The start of the period is set to January 1.

Example

For the monthly rent payment defined below, the rent is due 4 days after the first day of the month: i.e. the 5th. The lessor tolerates payments up to 7 days late. The lessee is free to pay up to the 12th of the month.

Schedule	
Periodicity:	Monthly <input checked="" type="checkbox"/> Main rent
Dates:	01/01/2001 12/31/2003
Payment:	In advance
Bill cycle day:	4 days Grace: 7 days
Expense lines calculation effective from:	01/05/2001

Main rents

In the case of multiple rent payments, a distinction is made between main rent and secondary rent payments. This is an important concept in leasing since interim rent, which is specific to this type of contract, only exists for "main" rent payments.

Here are the principles applied at main rent level:

- Let's say that a certain payment is the main rent payment of a contract: This certain payment will then be the main rent payment of all assets tied to this contract.
- There can only be one main rent payment for any given asset.
- There can only be one main rent payment any given contract.

To define a rent payment as being a main rent payment, select the **Main rent** option in the rent description sub-tab.

Warning:

The existence of one main rent at the asset or contract level is not verified by AssetCenter.

Loans associated with contracts

This section explains how to manage loans:

- Adding a payment line to a loan.
- Prorating to assets.

- Copying a loan amortization schedule from an external program.

The list of loans linked to a contract appears in the **Loans** tab of the contract detail. This tab is only displayed if the contract is not a **Master lease**, and if the **Nature of payments** field (SQL name: sePayType) in the **General** tab of the contract is set to **Loans** or **Both**.

Each loan is detailed in a separate sub-tab which is identified by its Description (SQL name: Description).


Loans tab in contract detail

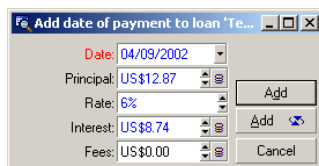
Loan conditions are described in the **Loans** tab of the contract detail. Each loan is represented by a sub-tab.

To add a sub-tab describing a loan:

- 1 Right-click a sub-tab.
- 2 Select **Add linked record** or **Duplicate linked record**.
- 3 Populate the **Description** field in the sub-tab that appear.
- 4 Click **Modify** or **Create**. The table in the sub-tab lists the payments on the loan. The **Balance** column indicates the amount that still needs to be paid.

Adding a payment line to a loan

- 1 Click the  button to add an entry to the loan table, which represents the loan amortization schedule. These entries correspond to repayments of principal or interest and charges. The following data entry form is displayed:



- 2 Enter the amount you want to repay, the interest and any fees.
- 3 If necessary, specify the **Rate** (SQL name: pInterestRate) specific to this payment. Please note that there is no intelligence behind this field.
- 4 Click **Add** to validate the payment: A line is added to the loan redemption table. This payment line shows:

- The principal repaid in the **Principal** field (SQL name: mPrincipal).
- The **Interest** (SQL name: mInterest) paid.
- The various **Fees** (SQL name: mFees).
- The **Total** (SQL name: mTotalPay) amount of the payment, sum of the **Principal** (SQL name: mPrincipal), **Interest** (SQL name: mInterest) and **Fees** (SQL name: mFees) fields.
- The remaining **Balance** (SQL name: mBalance) to be paid, the difference between the balance of the previous line and the amount of the **Principal** field (SQL name: mPrincipal) (For the first payment, the previous payment is the **Amount** (SQL name: mAmount) of the loan).

5 Click **Modify** to validate the addition of the payment line.

For each loan payment line, AssetCenter Server generates:

- If the loan is not distributed to the assets (contract detail view, **Loans** tab, **Prorate to assets** field): An expense line visible in the **Costs** tab of the contract detail.
- If the loan is distributed to all or a selection of the assets (contract detail, **Loans** tab, **Prorate to assets** field): An expense line for each asset, visible in the **Costs** tab of the detail of the contract and the assets. The total sum of the loan payment line (principal, fees and interest) is distributed according to the chosen distribution method.

Prorating loans on assets

In the same way as for rents, the **Prorate to assets** field (SQL name: seProrateRule) in the sub-tab of the loan description enables you to distribute the repayments from the **Total** field to the assets under contract (or a selection of assets under contract).

In this case, the **Costs** tab in the detail view of each asset under contract (or each asset of the selection) displays the expense line associated with the loan repayment for the asset.

The system itemized list enables you to allocate payments to the assets or a selection of assets chosen via . You also have the choice not to allocate the payments to the assets.

Copying a loan amortization schedule from an external program

Since "Cut/Copy/Paste" operations are supported in certain lists in tabs it is often worthwhile directly copying the loan amortization table from an external program.

The file containing the data to copy to the loan payment table (amortization schedule) in AssetCenter should be structured in the same way as the table. When the copy is made, a payment line is created for each line in the file: The fields of each line are automatically associated with their respective columns in the amortization schedule

Organizing the hierarchy of contracts

Contracts are organized hierarchically. The **Attached to** field (SQL name: Parent) in the **General** tab indicates the main contract (parent contract, master contract) of a given contract.

This is useful in two cases:

- To attach a lease schedule to a master lease.
- To attach an amendment to a contract.

The list of sub-contracts (child contracts, schedules) of a main contract can be found in the **Schedules** tab of the contract detail.

In the case of a lease contract, the **Master lease** defines the general terms and conditions between lessor and lessee without specifying the assets covered, or rent conditions. **Lease schedule** contracts are sub-contracts that are hierarchically linked to this contract from which they inherit the features.

Contacts associated to contracts

The list of companies and individuals involved in a contract appears in the **Contacts** tab of the contract detail.

This tab is made up of two zones:


- A fixed zone: **Contacts and persons in charge of the contract.**
- A zone with sub-tabs: **Third party contacts.** Contacts with each company are described in individual sub-tabs. In the case of **Lease schedule** or **Master**

lease type contracts, a sub-tab is automatically created when you select a "Lessor" and an "Assignee" in the **Leasing** tab.

The name used as a label for the sub-tab is defined by the **Description** field.

Contacts and persons in charge of the contract zone

The fields in this zone correspond to records in the table of departments and employees or the table of locations.

The  icon, located to the right of person's name in the **Contact** tab of the **Contract's detail** enables you to access the detail of the person in charge of this contract.

Notification address (SQL name: NotifAddress): In the case of lease contracts, this is the location to which the lessee must send notifications such as: end of term, early termination, and so on.

Third party contacts zone

Third party contacts are described in individual sub-tabs.

To add a contact sub-tab:

- 1 Right-click a sub-tab.
- 2 Select **Add linked record** or **Duplicate linked record**.
- 3 Populate the new sub-tab.
- 4 Click **Modify** or **Create**.

2 | Leasing - general concepts

CHAPTER

Leasing consists of giving a third-party the right to possess and use an asset for a set time period against the payment of rent.

The customer, or lessee, uses the equipment at their disposal without actually owning them. They pay rent to the lessor, who is either the legal owner of the assets or acts on behalf of the legal owner of the assets.

This chapter explains how AssetCenter manages leasing procedures and contracts.

Key terms used in Leasing Management

Leasing involves the following concepts:

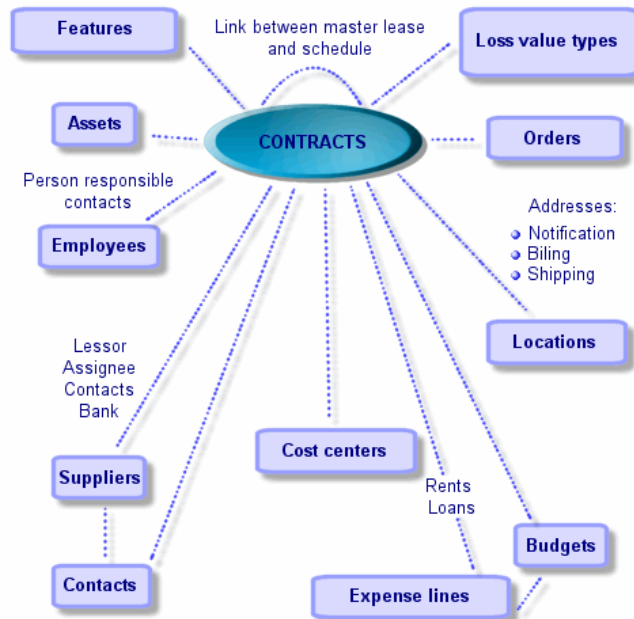
- Leasing [page 131]
- Master lease [page 129]
- Lease schedule [page 129]
- Rent [page 132]
- Acceptance [page 127]
- Loss value [page 136]

- Loans [page 129]
- End of term [page 130]
- Assignee [page 134]

For a definition of these concepts, refer to Glossary (Contracts) [page 127].

Simplified data model

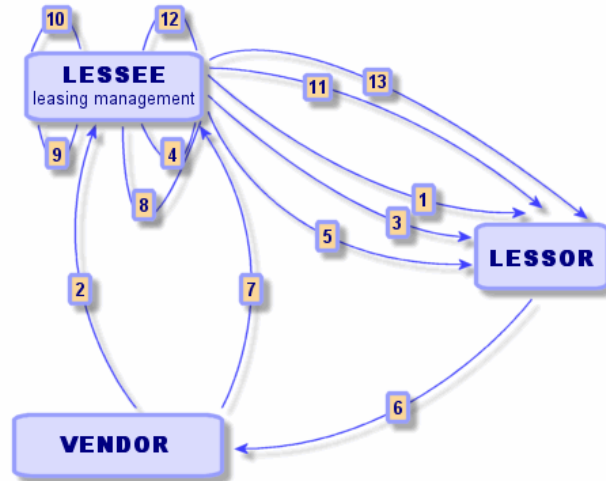
Figure 2.1. Contracts - data model



A typical procedure

Here is an example of a typical leasing procedure:

Figure 2.2. Leasing - simplified description of procedure



- 1 Creating the master lease: This defines the general terms and conditions. It is used as a template for lease schedules.
- 2 Creating estimates (quotes) for assets to be leased using AssetCenter. This enables you to start evaluating rent amounts.
- 3 Creating the lease schedule. This can be attached to a master lease or remain autonomous.
- 4 Creating the purchase order for the assets to be leased using AssetCenter.
- 5 Issuing the purchase order (lessee to lessor).
- 6 Purchase order from lessor to vendor.
- 7 Delivery from vendor to lessor.
- 8 Creating the receiving slip for the assets associated with the order using AssetCenter. This allocates the assets to the schedule.
- 9 If you do not use AssetCenter to manage procurement, the assets need to be added manually to the lease schedule.
- 10 Rent description.
- 11 Accepting the assets. Sending the acceptance certificate (lessee to lessor).

- 12 Life-cycle management of assets on contract: additional assets, loss or destruction of assets, returns, renewals and purchases.
- 13 End of term management: renewal or upgrading the contract, returning or purchasing the assets.

Creating a lease contract

To create a lease contract:

- 1 Create a master lease (optional).
- 2 If a master lease exists, enter it in the database. Create the **Master lease** type contract by clicking **New**, entering a **Reference** (SQL name: Ref), a **Purpose** (SQL name: Purpose) and clicking **Create**. Fill in the **General**, **Leasing**, **Conditions**, **Contacts**, **Options**, and **Features** tabs. The **Schedules** tab does not have to be filled in yet.
- 3 Create a lease schedule

The easiest way to proceed is to use the **Contracts/ Contracts** menu item and click **New**. Enter a **Reference**, its **Purpose** and specify its master lease (if applicable) in the **Attached to** field (SQL name: Parent) before clicking **Create**. The lease schedule inherits the financial and contractual conditions of the master lease (if applicable). Fill in the **General**, **Leasing**, **Conditions**, **Contacts**, **Options** and **Features** tabs as well as you can.
- 4 In this way you can define the financial and legal conditions of the contract.
- 5 Create or select the leased assets.
- 6 This procedure differs according to whether you use the procurement cycle or not:
 - When using the procurement cycle, assets can originate from a purchase order from the cycle.
 - Otherwise the assets need to be created and/or selected in the table of assets and associated with the contract.
- 7 Populate the **Rents** tab in the asset detail.

Specific description of lease contracts.

Certain fields in the contract detail are only displayed if the contract type is **Master lease** or **Lease schedule**. They enable you to describe the specificities of these contract types.

Lessor

The lessor, selected in the table of companies, is specified in the **Leasing** tab of the contract detail.

Notice periods

A lease contract (leasing agreement) defines several notice periods, which AssetCenter enables you to record:

- Period of time the lessee has in order to notify the lessor of a pending end of term (**Notification** field in the **General** tab of the contract detail). AssetCenter enables you to associate an alarm with the date of end of term (contract end date).
- Periods of time the lessee has in order to notify the lessor of a planned end of lease option (corresponding "Notification" fields in the **Purchase**, **Renewal** and **Return** sub-tabs of the **Options** tab). AssetCenter enables you to associate alarms to the corresponding notification dates.
- Period of time the lessor has in order to inform the lessee of the end of term (**Lessor notice** field (SQL name: tsLessorNotice) in the **Leasing** tab of the contract).


End of lease options

The possible end of lease options are stipulated in the **Options** tab of the contract detail view.

A given contract can authorize:

- Renewing the leased assets.
- Returning the assets.
- Purchasing (buying-out) the assets.

Selecting one of these end of term options has an effect on the options that are possible in managing the life-cycle of the assets under contract.

Thus, if the **Options** tab stipulates that the contract does not have a purchase option, the **Purchase** button in the contract detail will be disabled. The same goes for the renewal and return options which are linked to the  **Renew** and **Return** buttons.

AssetCenter also enables you to describe other contractual options such as upgrading the equipment under contract. There are no automatic mechanisms under AssetCenter linked to the activation of this option.

To specify the possible end of lease options, you just need to check the appropriate options in the **Possible end of term options** frame. The list of sub-tabs displayed depends on what you check in this frame.

Within the **Purchase**, **Renewal** and **Return** sub-tabs, you can define:

- The purchase, renewal or return option type.
- The minimum notice period in order to declare the planned option before the end of term. The date associated with this period of time is automatically calculated using the end of contract date in the **General** tab.
- Alarms serving as reminders for the contractual renewal, purchase and return notification periods.
- Financial condition for in the case of renewal: New rent payments, etc.

Fees specific to lease contracts

Additional expenses

The **Leasing** tab enables you to specify whether shipping, freight-out and insurance costs are payable by the lessor or the lessee.

Interim rent

Interim rent is a notion which is specific to leasing agreements.

There is an initial payment for each contract type. AssetCenter enables you to specify this in the **Init. payment** field (SQL name: mIntPay) in the **General** tab of the contract detail. In the case of a "Lease schedule", this initial payment corresponds to the interim rent.

The **Interim rent** field (SQL name: seIntRentType) in the **Leasing** tab of a given contract detail specifies the method of calculation of the interim rent: according to the acceptance date, a percentage, etc.

As a general rule, the value of the interim rent is calculated on accepting the assets.

Assignee

Leasing agreements can be "assignable": The lessor may call on a third party called an assignee in order to finance the equipment. In this case, you just need to check the **Assignable** box in the **Leasing** tab of the contract detail in order to be able to select the assignee in the table of companies.

Loss values

Leasing agreements define what steps to take in case of destruction, simple loss or progressive loss over a period of time of the assets under contract.

The **Leasing** tab in the contract detail permits you to specify the calculation method for loss values:

- The **Rule** field (SQL name: LossValRule) indicates the evaluation rule of the loss value.
- The **Calculation** field (SQL name: seLossValCalcMode) indicates whether to calculate the loss value for a given date or all loss values for all periods.
- Once the selected calculation method has been taken into account, by clicking the calculator button you can launch the calculation.

Assets under contract

When you add (take down) assets to a lease contract, AssetCenter triggers the calculation or recalculation of the rent payments at contract or asset level and modifies the details of the assets under contract.

Certain fields in the lease contract are then used:

- The **Total value of assets** (SQL name: mMarketVal) (**Leasing** tab in the contract detail).
- The **Default acquisition method for assets** (SQL name: seAcquMethod) (**General** tab in the contract detail). This field is only displayed when the

contract "Type" is **Master lease** or **Lease schedule**. The acquisition method of the assets is selected from an itemized list. It is applied to assets when they are added to the contract (either via the **Assets (leased)** tab in the contract detail, or via the detail of the asset itself).

Leasing information specific to assets.

This section explains how leasing information appears at the asset level:

The **Contracts/ Contracts** or **Contracts/ Lease schedules** menu items enable you to access the details of leasing agreements and their associated assets.

Leasing information is also available at the asset level, in the table of assets. Use the **Portfolio/ Assets and Batches** menu item to access this.

The **Acquis.** tab in the asset detail enables you to describe the leasing information for a given asset.

Introduction

The **Acquis.** tab in an asset detail groups together leasing information specific to assets.

Acquisition method of assets

The **Acq. method** field (SQL name: seAcquMethod) at the top of the **Acquis.** tab of an asset indicates the acquisition method of the asset:

- 1 When an asset is associated with a **Lease schedule** type contract, the value of this field is modified to indicate the value of the **Default acquisition method for assets** field contained in the **General** tab of the contract detail.
- 2 Select **Rental** or **Lease** if you want to enter leasing information concerning this asset.
- 3 The information displayed in the sub-tabs of the **Acquis.** tab depends on the value of this field.

Acquisition status of an asset

The **Acquis. status** field (SQL name: seAcquStatus) in the **Procurement** sub-tab indicates the acquisition status of the asset: It can be set as **Not defined**, **On**

order, Received, Accepted, etc. It is automatically updated when an asset is accepted, renewed, returned, etc.

Market value of an asset

The **Market value** field (SQL name: mMarketVal) (**Procurement** sub-tab) is used in the default mechanisms used to calculate rent payments.

 **Note:**

The market value of an asset is its market value at the time it was included in the table of assets. This is its purchase price if it is new, its buy-out price if it is second hand, etc.

Initial payment

In the case of leasing, the **Init. payment** field (SQL name: mIntPay) in the **Price and conditions** tab indicates the interim rent due before the start of the first full rental period.

Purchase option value

The purchase option value is indicated in the **Price and conditions** sub-tab. (The acquisition method must be set to **Lease**.) It is used to estimate the buy-out value at the end of term.

Termination option

The **Termination option** field (SQL name: TerminOpt) in the **Price and conditions** sub-tab indicates the planned end-of-term option of the asset. This value is selected from a free itemized list (e.g. return asset to lessor, etc.) and is for informational purposes only. If the itemized list is "open" and if you have the necessary rights, you can enter the appropriate termination option.

Rent sub-tabs at the asset level

A rent description sub-tab is created automatically when an asset is acquired by "rental" or "lease". It is only effectively used from the moment when you enter additional information.

If the asset is linked to a lease schedule (**Acquis.** tab, **Procurement** sub-tab of the asset), and there is a rent sub-tab to distribute to all assets, then a rent sub-tab bearing the same name is automatically created at the asset level. It is automatically deleted when you indicated that the contract level rent is not to be distributed to the asset level or the rent sub-tab is deleted from the contract. The sub-tabs specific to the assets that you have created manually are not affected by these automatic mechanisms.

The information found in this sub-tab is similar to the information in the **Rents** tab in the lease contract detail.

To add a description tab for lease rent at the asset level, right-click at the level of the names of the sub-tabs to display the shortcut menu and select **Add linked record**.

Value (SQL name: mValue)

Reference "value" from which the rent is calculated. By default, it is the "Market value" of the asset (Rent sub-tab in **Acquis.** tab of asset detail).

Note:

The market value of an asset is its market value at the time it was included in the table of assets. This is its purchase price if it is new, its buy-out price if it is second hand, etc.

Generation of expense lines for asset rents

AssetCenter Server generates expense lines for asset rents at regular intervals. The expense lines generated depend on:

- The Acceptance date check box (SQL name: bFromAcceptDate)

If the box is checked, and if the asset level rent originates from a lease schedule, the expense lines corresponding to the rent payments are only generated from the asset acceptance date. If this check box is cleared, the expense lines are generated from the date of validity of the rent.

- The Recalculate from field (SQL name: dRecalcul)

AssetCenter Server recalculates the expense line corresponding to the rent payments of an asset from the date appearing in this field.

Each time AssetCenter Server recalculates the rent expense lines, it attributes the date it did so to this field.

If you modify any rent parameters thus justifying recalculating the rent expense lines, indicate from which date AssetCenter Server should recalculate those already-existing expense lines.

Information inherited by a lease schedule linked to a master lease

When you create a lease schedule and attach it to a master lease, by default this inherits certain information defined at the master lease level:

- **Options** tab: All information is recopied, except comments.
- **Contacts** tab: The contacts and people in charge of the contract are inherited.
- **Leasing** tab: All information is recopied.
- **General** tab: All information is recopied, except the number, initial payment, customizable fields (**Field1** (SQL name: Field1) and **Field2** (SQL name: Field2)) and comments.

3 | Leasing - practical case

CHAPTER

This chapter explains how leasing agreements can be managed under AssetCenter.

This chapter does not aim to be exhaustive; a systematic description is provided in other chapters.

Please try out the examples using the demonstration database provided with AssetCenter.

Presentation of the practical case

This scenario brings together two companies, Taltek Services and Interleasing. These two companies sign a leasing agreement. Taltek Services plays the role of lessee and Interleasing that of the lessor. In this situation, there is no master lease in place.

The person responsible for the lease contract at Taltek Services (Gerald Colombo, administrative and financial management) uses AssetCenter to manage their IT equipment.

Their contact at Interleasing is Susan Juan.

In this scenario, Taltek Services leases a PC from Interleasing from January 1 2002 through January 1, 2004. The PC will be returned to the lessor at the end of term.

Here are the steps in this scenario:

- 1 Creating a lease contract.
- 2 Selecting the assets associated with the leasing agreement.
- 3 Calculating rent.
- 4 Accepting assets and calculating interim rent.
- 5 Viewing the expenses associated with the contract.
- 6 Returning the assets at the end of term.
- 7 Tracking operations.

Prerequisites for practical case

The Leasing module uses AssetCenter Server in order to calculate deadlines and rental payments.

As a consequence, you must install and run AssetCenter Server on your server or computer. For more information on how to operate AssetCenter Server, refer to the **Administration** guide.

Launching AssetCenter

To launch AssetCenter, click the icon that corresponds to the AssetCenter program group.

Open the demonstration database as the AssetCenter administrator ("Admin"). The associated password has been left empty for you.

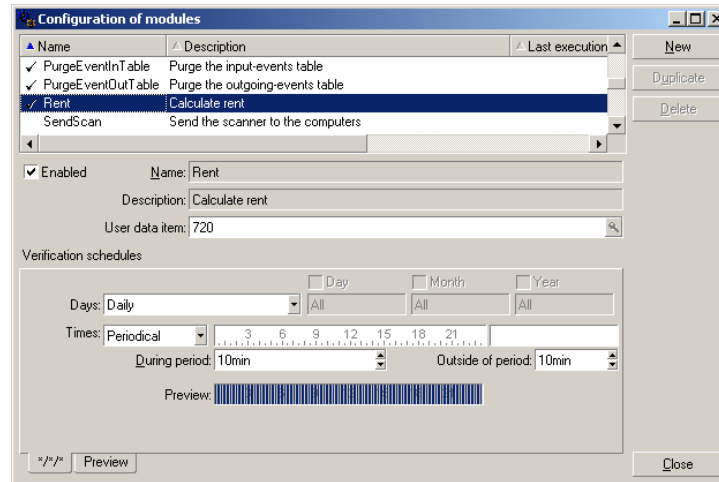
Launching AssetCenter Server

To launch AssetCenter Server, click the icon that corresponds to the AssetCenter program group.

Use the **File/ Connect** menu item to connect to the demonstration database. Once the connection is made, AssetCenter Server monitors the database and manages stocks, alarms, purchases and history lines. It calculates past, present and future rents associated with the leasing agreement.

Configure AssetCenter Server to calculate the rents associated with the lease contract needed for this example:

- 1 Select the **Tools/ Configure modules** menu item.
- 2 Select the **Rent** option and enter the values listed in the following image:



Rent will be calculated for the next 720 days.

- 3 Click **Modify**.

Step 1: Creating the lease contract

The first step is to create a lease contract in the table of contracts.

- 1 Display the list of contracts (**Contracts/Contracts**).
- 2 Click **New**.
- 3 In the **Attached to** field, select the **DEMO-LEA2** master lease.
- 4 Use the drop-down list associated with the **Model** field to select **Server financing**.

To create models, refer to the Portfolio Guide.

- 5 Click **Create** to validate.
- 6 Make sure that the selected model automatically populates the **Type** field with the value **Lease schedule**.

Entering general information on the contract

- 1 Populate the **Reference** (SQL name: Ref) field and the **General** tab as shown below:

In this way, the **General** tab specifies that the contract is for a period of 2 years, and that Taltek Services as lessee must respect a 3 months notice period to inform the lessor of the end of term.

Usually a leasing agreement is automatically renewed at the end of term with the same conditions if the lessee does not inform the lessor in advance of the end of term.

Hence the usefulness of the alarm, represented by the 📢 icon, that the lessee may associate with the end of term date in order to be automatically advised by AssetCenter Server, AssetCenter's monitoring program, of impending ends of term.

- 2 Click 📢 to view the structure of an alarm.
- 3 Click **Cancel** to cancel the creation of an alarm and return to the contract detail.

Entering leasing conditions

The **Leasing** tab in the contract detail summarizes part of the financial conditions of the contract (excepting the information relative to rents).

Populate the **Leasing** tab as shown here:

The screenshot shows the 'Detail of contract' window for a contract named 'DEMO (Server financing)'. The 'Leasing' tab is active, and the following information is populated:

- Reference:** DEMO
- Purpose:** Server financing
- Type:** Lease schedule
- Model:** Server financing
- Lessor:** Interleasing
- Total value of assets:** US\$16,853.00
- Default lease rate factor:** 3%
- Loss or destruction of assets:**
 - Conditions:** Net value
 - Rule:** SL, 3 years
 - Calculation:** Calculate on a given date
- Assignable:**
 - Assignee:** (empty)
 - Conditions:** (empty)
- Additional expenses:**
 - Shipping costs:** Lessee
 - Freight out costs:** Lessee
 - Insurance:** Lessee
 - Interim rent:** Accept. date
- Notice period:**
 - Lessor notice:** 3 months

The **Leasing** tab enables you to specify the name of the lessor by selecting it from the table of suppliers.

It also sets the company associated with the additional expenses and the method used to calculate interim rent. The interim rent covers the "take down" - the period between receiving and accepting the asset and the date of first rent payment on a complete period.

Entering information on the parties involved

A certain amount of information on the parties involved in the contract needs to be specified, i.e. who are the contacts at the lessor and lessee.

Fill in the **Contacts** tab as shown below:

Note that the **Lessor** sub-tab is automatically created when you fill in the **Lessor** field (SQL name: Lessor) in the **Leasing** tab.

Entering end of term information

Given that in this scenario the asset under contract is to be returned to the lessor at the end of term, it is important to fill in the **Options** tab which specifies the end of term options possible under the contract.

Therefore modify the **Options** tab as shown below in order to activate the end of term options:

The screenshot shows a software window titled "Detail of contract 'DEMO (Server financing)'". It has several tabs: General, Leasing, Conditions, Cycle, Contacts, Options, Assets (leased), Rents, and Co. The "Options" tab is active. At the top, there are fields for "Reference: DEMO", "Purpose: Server financing", "Type: Lease schedule", and "Model: Server financing". Below this, there are two sections: "Possible end of term options" and "Other options". In the "Possible end of term options" section, there are checkboxes for "Renewal" (unchecked) and "Return" (checked). Below these is a dropdown menu for "Planned option:" set to "Return" and a "Remarks:" text area. In the "Other options" section, there is a checkbox for "Upgrade" (unchecked). Below the "Possible end of term options" section, there is a "Return option type:" dropdown set to "On request" and a "Return notice period:" dropdown set to "2 years 3 months". To the right of the notice period is a date field set to "09/30/2001" and a globe icon. There is also a "Remarks:" text area below the notice period. On the right side of the window, there is a vertical toolbar with buttons: "New", "Duplicate", "Order", "Accept", "Renew", "Purchase", and "Return". At the bottom right, there is a "Close" button.

As the **Options** tab indicates, leasing agreements usually can be modified at the end of term in three different ways:

- The contract may be renewed.
- The assets under contract may be bought out by the lessee.
- The assets under contract may be returned.

At the end of term, Taltek Services must return the leased assets, after giving the lessor three months advance notice.

Note that AssetCenter automatically creates the date at which Taltek Services must give the lessor notification, using the end of lease date specified in the **General** tab as its reference.



Note:

As the **Options** tab shows, AssetCenter also enables you to describe other contractual options such as upgrading the assets under this contract. There is no intelligence linked to the activation of these options.

Creating the contract

By filling in the **General**, **Leasing**, **Contacts** and **Options** tabs we have described the leasing agreement drawn up between Taltek and Interleasing.


To simplify the scenario, not all the fields will be populated and the **Conditions** and **Features** tabs will not be filled in.

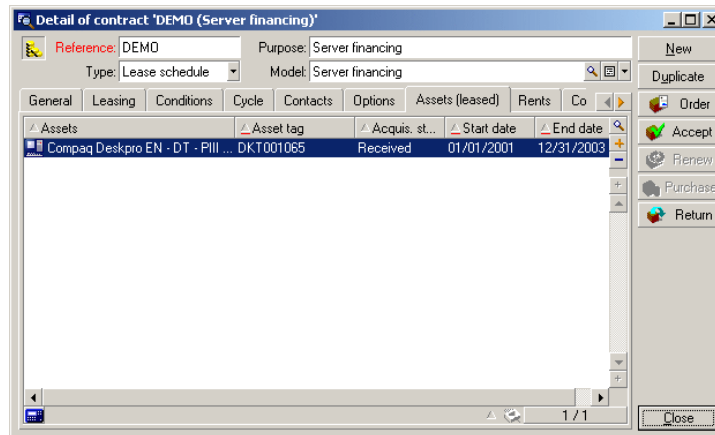
Now to start the leasing process we need to associate an asset with the contract.


Step 2: Selecting the assets associated with the leasing agreement

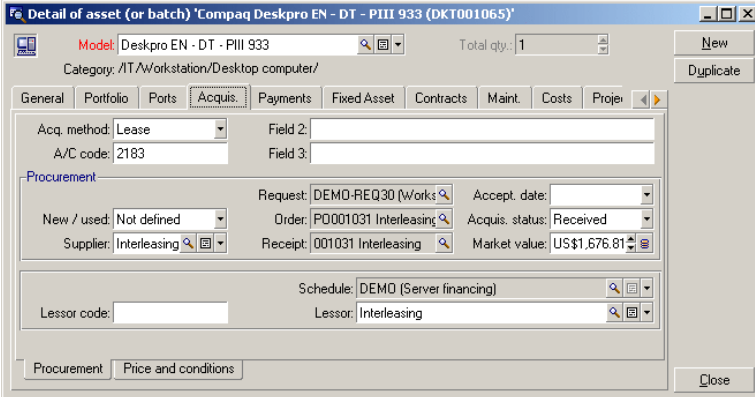
Taltek Services leases one single asset from Interleasing.

We will first create the asset that will then be associated with the lease contract.

- 1 Go to the **Assets (leased)** tab in the detail view of the lease contract created in the previous step. This tab displays the list of assets associated with the contract: For the moment the list is empty.
- 2 Click . This opens Taltek Services' table of assets.
- 3 Click **New** to create an asset. A new window will appear from which you will add an asset to your lease contract.
- 4 Select the model **Deskpro 4000S**.
- 5 Click **Add** then **Select**.
- 6 AssetCenter displays an intermediate window that enables you to automatically populate the start and end of term dates in the asset detail. Leave this as is and click **Select**.
- 7 The **Assets (leased)** tab now shows that the asset is associated with the contract:



- 8 Click **Modify** to confirm the choice of asset.
- 9 Click  to access the detail view of the asset.
- 10 You will also find the information on the lease contract in the **Acquis.** tab of the asset. In addition to the acquisition method indicated at the top of the tab, the **Procurement** and **Price and conditions** sub-tabs indicate in the "Lease" section, the name of the lessor and start and end dates.



- 11 In this way we will see in the next step, that the calculation of the different costs associated with the lease contract (rents, etc.) is based on the value of the assets under contract. Fill in therefore, if this is not done already, the **Market value** field (SQL name: mMarketVal) in the **Procurement** sub-tab as shown above. The "Market value" of the asset is its market value at the start of term: for a new asset this corresponds to its purchase price.
- 12 Click **Modify** to confirm this value.
- 13 Click **Close** to return to the contract detail.

Step 3: Calculating rent

Within the framework of the leasing agreement, Taltek Services must pay rent to Interleasing.

This step aims to specify the methods of calculating rent.


- 1 Go to the **Rents** tab in the contract detail and fill it in as shown below:

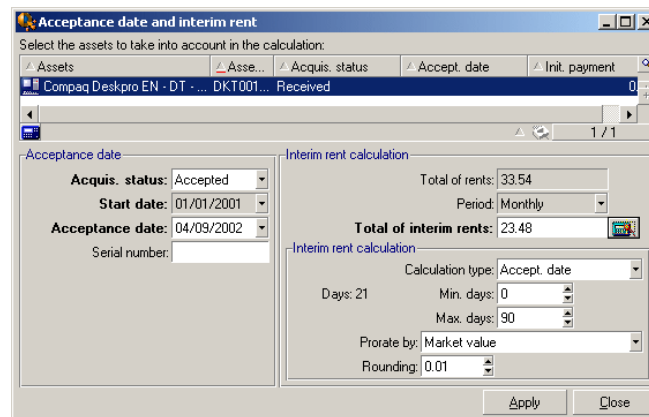
- 2 The part under the Description field specifies the methods of rent calculation. In this case it is calculated by applying a lease rate factor to the market value at schedule level.
 - In our case, the lease rate factor is 2%.
 - The market value of the contract used as the basis for rent calculations is by default equal to the sum of the market values of the assets under contract. In this example, it is the market value of the asset under contract specified in the previous step, i.e. \$2000.
 - The rent amount is automatically displayed in the **Payments** field (SQL name: mPayments) depending on the **LRF** (SQL name: pLRF) you have entered.
- 3 The "Schedule" zone indicates that this rent is payable monthly throughout the two year term. It also specifies the methods of rent payment: The rent must be paid the first day of each month; the lessor will not accept any late rent payment.
- 4 The **Prorate and distribute rent to all assets** option selected in the **Prorate to assets** field (SQL name: seProrateRule) indicates that the rent will be prorated at the asset level. There will be a lease rent associated with each asset under contract.
- 5 Check the **Main rent** check box (SQL name: bMainRent) in order for the interim rent calculation in the next step to work (the notion of initial payment or interim rent only exists for the main rent of the contract).

- Click **Modify** to confirm these parameters. The **Acquis.** tab in the detail of an asset is automatically updated: a rent sub-tab is created and the **Payments** field (SQL name: mPayments) of this sub-tab indicates the rent amount for the asset.

Thus in this step, we have fixed the rent calculation methods. To simplify this example, we have not dealt with taxes associated with rents.

Step 4: Accepting assets and calculating interim rent

To accept the asset under contract and calculate the interim rent, click the  button in the contract detail screen. The following window is displayed:



Accepting assets

Accepting assets is a key step in the leasing process, giving rise to the exchange of contractual documents between lessee and lessor. It contractually binds the lessee to pay rent on the equipment.

To accept the asset, select it, then click **Accept**. The **Acquis. Status** field indicates **Accepted** and the **Acceptance date** shows today's date. You can modify this date manually if you want.


Calculating interim rent

Interim rent covers the period between receiving and accepting an asset and the date of the first main rent payment for a full period. (It's the sum that's left to pay for the current month.) A contract can be associated with several rent payments (insurance, leasing, maintenance, etc.), however, interim rent only exists for the contract's "Main" rent. (The Main rent is the rent payment, described in the **Rents** tab of the contract, for which the **Main rent** check box (SQL name: bMainRent) is selected).

The interim rent is calculated when the asset is accepted using the conditions defined in the **Leasing** tab of the contract detail. By default, it is calculated from the acceptance date.

In our case, the rent is monthly and is payable on the first day of the month, the interim rent covers the period between the acceptance date (February 7, 2002) and the date of the first rent payment for al full period (March 1, 2002).

To calculate the interim rent, carry out the following operations in the "Acceptance date and interim rent" screen:


- 1 Select the asset.
- 2 Click the  button.
- 3 The interim rent due is displayed in the **Total of interim rents** field.

Confirming the acceptance and interim rent

- 1 Click **Apply** to accept the asset and confirm the interim rent.
- 2 Click **Close** to return to the contract detail.

Step 5: Viewing the expenses associated with the contract

The previous steps show how to define the rents associated with a leasing agreement. The corresponding expense lines are generated automatically by AssetCenter Server.

- 1 To view the associated rents, go to the **Costs** tab in the lease detail. The list of rent payments period by period is displayed.
- 2 Click  to calculate the total of the rents.

You will also find the expense lines associated with an asset in the **Costs** tab of the asset detail:

- The expense line associated with the interim rent of the asset.


- The expense lines generated by AssetCenter Server, which correspond to the asset's periodic rent payments.


Step 6: Returning the assets at the end of term

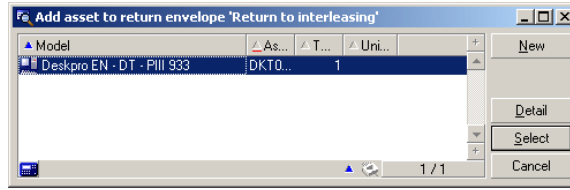
At the end of term, the lessee chooses between returning, purchasing or renewing all or part of the assets.

In this scenario, Taltek Services returns the asset to Interleasing. We are now going to create the corresponding return envelope.

- 1 Click **Return**. A window is displayed which enables you to create a return envelope for the assets.
- 2 Click **New** to create the return envelope.
- 3 Enter a **Description** (SQL name: Description) and fill in the **General** tab as shown below. You will see that the **General** tab proposes a projected return date, by default equal to the end of term date (January 1, 2004). We can now specify an effective return date different from this.

- 4 Click **Create**.
- 5 Click the **Shipping** tab, then click  tab to the right of the **Lessor** field to access Interleasing's coordinates.
- 6 You now need to specify that the asset has been returned: Display the **Assets** tab of the return envelope.

- 7 Click  in the **Assets** tab to access the window of assets under contract:



- 8 Select the asset under contract.
- 9 Click **Select** to associate it with the return envelope.
- 10 Click **Modify** in the return envelope to confirm the information entered. The **Acquis. status** (SQL name: seAcquStatus) of the asset is modified and shows that the asset is **To be returned**.
- 11 Click **Retire**: the asset is effectively retired. It is the effective return date, specified in the **General** tab of the return envelope, that is taken into account:
- 1 The **Acquis. status** of the asset is modified to indicate that the asset is **Returned**.
 - 2 The **Assignment** field (SQL name: seAssignment) in the **General** tab of the asset detail is modified to indicate that the asset is a **Retired asset**.
 - 3 The **Reason for return** field (SQL name: RetReason) in the **General** tab of the asset is modified to indicate that the retirement is due to the asset being returned (return to Interleasing).
- 12 Click **Close** to return to the contract detail.
- The asset has now been returned to Interleasing.

Step 7: Tracking operations

Go to the **Cycle** tab in the contract detail to view the stages in this scenario:

- 1 Including the assets under the contract on January 1, 2002.
- 2 Accepting the assets on February 2, 2002.
- 3 Returning the assets on January 1, 2004.

Summary

We have just described a leasing scenario between two companies, a lessor and a lessee.

Using AssetCenter, the lessee was able to calculate the various rents payable to the lessor (interim rent and past, present and future monthly rents) and manage the return of the asset taking into account the contractual deadlines.

This leasing scenario, designed to show you what AssetCenter is capable of, by no means covers all its functionality. The rest of this guide explains its complete functionality.

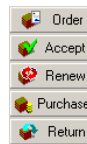
4 | Leasing - rented assets

CHAPTER

The previous chapter gives a high-level view of the lease contract, in order to manage it independently of the assets assigned to it.

This chapter describes the operations performed in the life cycle of an asset that is part of a lease contract.

All these operations are carried out via the contract detail and using the five buttons on the right of the lease contract detail:



Adding assets to a lease schedule

This section explains how to add assets to a lease contract.

Adding assets originating from the procurement cycle

Advantages of integrating with the Procurement module

Using the procurement cycle, the lessee can create requests or orders for leased assets associated with a lease contract.

This link between request or orders and leasing agreements is significant because it automates the creation of leased assets in the portfolio. It is not necessary to import or manually enter the information in the table of assets. When the order is received, the assets are created in the portfolio and associated with the lease contract.



Linking a request or order and a lease contract

The link between a request or order and a contract is made in the **Financing** tab in the request or order detail. This tab enables you to specify whether the request or order is financed by a contract and to specify the reference of this contract in the **Acqu. contract** field (SQL name: AcquContract).

Note:

For an asset to be associated with the contract when its order is received, it needs to be associated with the contract in the **Financing** tab of the order.

Warning:

You cannot associate an order with a contract using the  Order button in the contract detail window. To associate an order with a contract you must go via the **Financing** tab in the order detail. If you click the  Order button in the detail of a lease schedule for which no order is associated, the message "There is no order financed by this contract" will be displayed.


Receiving and accepting assets

When you receive the ordered assets, they are created in the database even if you later refuse them. They are created with their **Acquis. status** field set to **Received** status (**Acquis.** tab, **Procurement** sub-tab of the asset). When they are finally accepted, their **Acquis. status** field is set to **Accepted**.

Creating assets under contract in the database


Assets resulting from an order linked to a lease contract are created in the table of assets in the AssetCenter database when they are received. They can also be seen in the **Assets** tab of the contract detail.

There are two ways to take delivery of assets:

- From the procurement cycle: the "Take delivery..." function (via the **Procurement/ Receiving slips** menu item for example).
- Directly from a lease contract:
 - 1 Click  in the contract detail to access the list of orders associated with the contract.
 - 2 Select the order you want to receive.
 - 3 Click **Recevie** in the order detail to create the receiving slips.


Once the assets are received, the leasing process enters a new phase: Accepting the assets.

Viewing orders associated with a lease contract

You just need to click the  button in the contract detail to view the list of associated order lines and their statuses (ordered, received, etc.) (**Tracking** tab in order detail).



Note:


Using the  button in the lease schedule detail window, you can keep track of the statuses of orders associated with contract and take delivery of order lines.

Adding assets directly selected or created in the Assets table

Assets under contract may not originate from the procurement cycle but they can be directly selected in the table of assets. They can be created by:

- Entering them directly in the table of assets.
- Entering them in the **Assets (leased)** tab in the lease contract detail.
- Importing them into the table of assets.
- Pasting the Clipboard in the **Assets** tab of the contract detail.


Entering or importing the assets under contract in the table of assets

It is possible to place assets directly under contract from the table of assets. Use the **Portfolio/ Assets and batches** menu item or click the  icon in the toolbar. To associate an asset with a lease contract, you must fill in the **Acquis.** tab in the asset detail appropriately.

The **Acq. method** field (SQL name: seAcquMethod) should indicate the acquisition method (lease or rental) and the **Schedule** field (SQL name: AcquContract) in the **Procurement** sub-tab should indicate the reference of the contract.

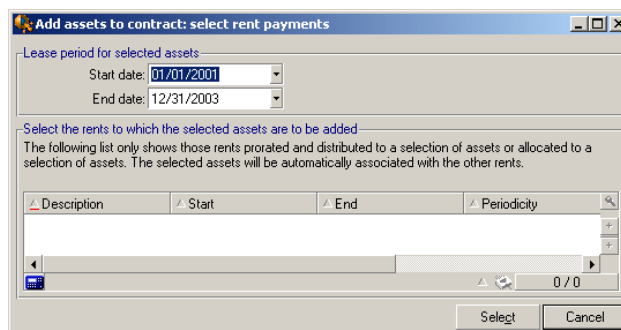
Entering the assets under contract from the Assets (leased) tab in the contract detail window

It is possible to place the assets under contract from the **Assets (leased)** tab in the contract detail.

A click  in this tab lets you access the assets table from where it is possible to:

- Create an asset associated with the lease contract. To do this:
 - 1 Click **New**.
 - 2 Enter the information specific to the asset.
 - 3 Click **Add** to add the asset to the table of assets.
 - 4 Click **Select** to place the asset under contract.
- Create assets which already exist in the lease contract. To do this:
 - 1 Select the assets.
 - 2 Click **Select** to associate them with the contract.

After clicking **Select**, you need to fill out the following screen:



Add assets to contract: select rent payments

Lease period for selected assets:

Start date: 01/01/2001

End date: 12/31/2003

Select the rents to which the selected assets are to be added

The following list only shows those rents prorated and distributed to a selection of assets or allocated to a selection of assets. The selected assets will be automatically associated with the other rents.

Description	Start	End	Periodicity

0 / 0

Select Cancel

This screen contains the following information:

- **Start date:**
AssetCenter automatically suggests the earliest start date from among the rent start dates and contract start date.
- **End date:**
AssetCenter automatically suggests the latest of the two end dates (i.e. that of the contract or that of the rent.)
- **Table:**
AssetCenter automatically proposes the contract-level rents that are to be distributed to a selection of assets (**Prorate to assets** field (SQL name: seProrateRule) in the sub-tabs of the **Rents** tab.) Select those to which you want to attach the assets.

Note: AssetCenter automatically adds the assets associated with rents that are distributed to the level of all assets. AssetCenter does not offer to add assets for which the **Prorate to assets** field is set to **Do not allocate or distribute rent to assets**.

The **Acquis.** tab of the selected assets is automatically filled in and/or modified to associate the assets with the leasing agreement:

- The **Acq. method** field (SQL name: seAcquMethod) takes the value of the **Default acquisition method for assets** field (SQL name: seAcquMethod) as defined in the schedule (**General** tab).
- The **Procurement** sub-tab indicates the name and the reference of the lessor as well as the reference of the lease contract in the **Schedule** field (SQL name: AcquContract).
- The **Price and conditions** indicates the start and end dates of term.
- Rent description sub-tabs are created for the rents which have been selected as well as for the contract rents distributed to all assets. The information on the rent defined at the contract level is copied. The rent to be charged to the asset is calculated according to the rent distribution rule defined at the contract level.

Viewing assets covered by the contract.

The **Assets (leased)** tab in the lease contract window automatically lists all the assets associated with the contract:

- The assets originating from a purchase order financed by the contract. These assets have been received and are now part of the portfolio.


- The assets, created by import or by being entered directly in the table of assets, acquired within the framework of the leasing agreement.
- For all these assets, the **Acquis.** tab in the asset detail refers to the contract.

Accepting assets and calculating interim rents

This section explains how to accept assets and calculate interim rent.

Once the assets have been received, the lessee has a certain amount of time to evaluate the assets and make sure that they function correctly. Acceptance of the assets marks the effective start of leasing and the payment of rent.

This is a crucial step in the leasing process, giving rise to the exchange of contractual documents between the lessee and lessor. The lessee sends a certificate of acceptance to the lessor indicating the accepted assets.

The  button to the right of the contract detail displays a window, which enables you to:

- Accept assets.
- Calculate the interim rent relative to these assets.

It is important to proceed in the following order:

- 1 Populate the left part of the window to accept the assets.
- 2 Populate the right part to calculate the interim rent for the accepted assets.
- 3 Click **Apply** to save.




Note:

It is possible to select those assets you want to accept on a given date from among those assets on a contract,. This enables you to use a staggered delivery schedule and to accept assets at different times.

Accepting assets

To accept assets:

- 1 Click  in the contract detail. The window displayed shows a list of the assets concerned by the lease contract. By default, AssetCenter selects those assets that have not yet been accepted.
- 2 Select the assets you want to accept.

- 3 In the **Acquis. status** field (SQL name: seAcquStatus) select **Accepted**: This field is also found in the **Procurement** sub-tab of the **Acquis.** tab of the asset detail.
- 4 Enter an acceptance date in the appropriate field.
- 5 If you accept the assets one after another, you may enter their individual **serial numbers** if this field is not already populated. This field corresponds to the **Serial N°** field in the **General** tab of the asset detail.

To finish, fill in the right part of the window to calculate the interim rent associated with these assets, then click **Apply**.



Note:

The **Serial number** field in the acceptance window indicates the serial number of the asset under contract. This information is very important for the lessee since the certificate of acceptance which needs to be sent to the lessor includes the accepted assets, their acceptance dates and their serial numbers.

Calculating interim rent

Acceptance defines the start of payment. Thus the lessee must pay the lessor the interim rent.

Interim rent covers the period between accepting an asset and the date of the first rent payment for a full period.



Warning:

AssetCenter manages the interim rent calculation for the main rent of the contract only.

AssetCenter calculates the interim rent in several ways depending on the option selected in the **Prorate to assets** field (SQL name: seProrateRule) in the main rent sub-tab of the **Rents** tab of the contract detail:


- **Do not allocate or distribute rent to assets.**
- **Prorate and distribute rent to all assets.**
- **Prorate and distribute rent to a selection of assets.**
- **Allocate unit level rent to all assets.**
- **Allocate unit level rent to a selection of assets.**

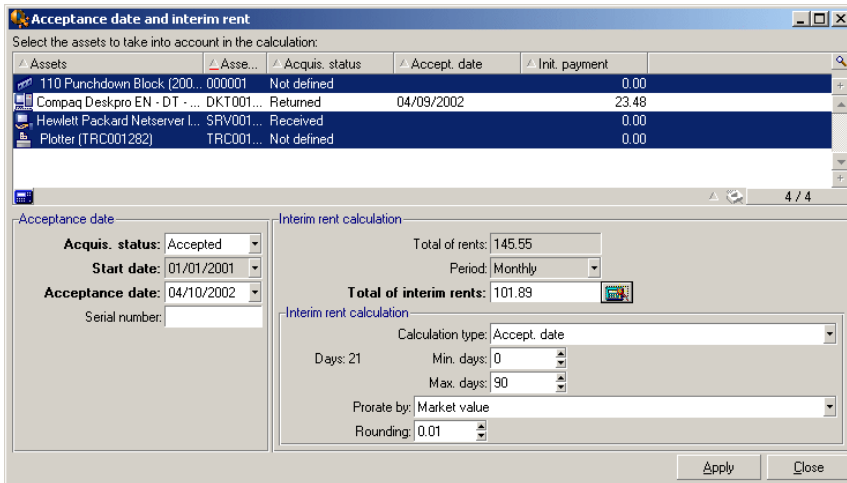
Prorate to all assets option

AssetCenter performs this operation out in 3 steps:

- 1 It first calculates the interim rent for all the selected assets in the acceptance screen. It bases its calculation on the total of assets rents selected and the interim rent calculation type defined in the acceptance screen. Note that the selected group of assets does not necessarily correspond to all the assets under the contract.
- 2 It distributes this interim rent to each asset of the selection. It bases its calculation on the two fields in the asset details: **Payments** (SQL name: mPayments) and **Periodicity** (SQL name: sePeriodicity) fields (**Acquis.** tab, main rent sub-tab). The interim rent of each asset is stored in the **Init. payment** field (SQL name: mIntPay) in the **Price and conditions** tab.
- 3 It recalculates the overall interim rent of the contract. This is equal to the sum of the interim rents of the assets under contract. It is indicated in the **Init. payment** field (SQL name: mIntPay) of the **General** tab of the contract detail.

Here is how to calculate the interim rent for all assets:

- 1 Click  in the contract detail. You thus access the window that enables you to accept the assets and calculate the interim rent.



Assets	Acquis. status	Accept. date	Init. payment
110 Punchdown Block (200... 000001	Not defined		0,00
Compaq Deskpro EN - DT - ... DKT001...	Returned	04/09/2002	23,48
Hewlett Packard Netserver L... SRV001...	Received		0,00
Plotter (TRC001282)	TRC001... Not defined		0,00

Acceptance date

Acquis. status: Accepted

Start date: 01/01/2001

Acceptance date: 04/10/2002

Serial number:

Interim rent calculation

Total of rents: 145,55

Period: Monthly

Total of interim rents: 101,89

Interim rent calculation

Calculation type: Accept. date

Days: 21

Min. days: 0


Max. days: 90

Prorate by: Market value

Rounding: 0,01

Apply Close

- 2 Select the assets.

- 3 Select the interim rent **Calculation type** and, depending on the method chosen, populate the **Min. days** , **Max. days** and **Percentage** fields. If you select **Fixed value**, enter this value in the **Total of interim rents** field.
- 4 Click  to display the **Total of interim rents** for all assets.
- 5 Specify how the resulting interim rent should be distributed at assets level:
 - 1 In the **Prorate by** field, indicate the method used to distribute the interim rent to asset level.
 - 2 In the **Rounding** field, indicate the value to which interim rent should be rounded.
- 6 Click **Apply** to save the calculation at asset and schedule level. Thus:
 - 1 The **Init. payment** (SQL name: mIntPay) field in the **General** tab of the contract detail, which specifies the overall interim rent at schedule level, is recalculated.
 - 2 For each asset, the **Init. payment** field (SQL name: mIntPay) in the **Price and conditions** sub-tab of the **Acquis.** tab of the asset detail indicates the interim rent at the asset level. This rent is calculated by distributing the over rent amount at schedule level to the assets according to the rule fixed by the **Prorate by** and **Rounding** fields.
 - 3 For each asset, the expense line relative to its interim rent appears in the **Costs** tab of the asset detail.

Prorate and distribute rent to a selection of assets option


The procedure used to calculate the interim rent on acceptance of a number of assets is similar to that described in the case of a main rent prorated to all assets, with the following conditions:

- There is an interim rent at the level of each asset belonging to the selection of assets, calculated when the asset is "accepted". The interim rent for the assets which do not make up the selection is zero.
- The overall interim rent at schedule level is equal to the sum of the interim rents of the selection of assets. It is indicated in the **Init. payment** field (SQL name: mIntPay) in the **General** tab of the contract detail.

Do not allocate or distribute rent to assets option

There is no interim rent at the asset level.

The overall interim rent at schedule level is entered directly by the lessee in the **Init. payment** field (SQL name: mIntPay) in the **General** tab of the contract detail.

In this case, the  button is not used to calculate interim rent: It is just used to accepted the assets under contract.

The expense line relative to the interim rent of the contract is displayed in the **Costs** tab of the contract detail.

Types of interim rent calculations

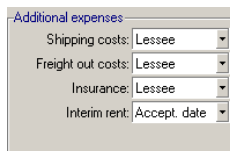


Note:

The interim rent calculation types are only used when the main rent of the contract is distributed to all or a selection of the assets (**Prorate to assets** field (SQL name: seProrateRule) in the main rent sub-tab in the **Rents** tab of the contract detail).

In this case, AssetCenter enables you to calculate the interim rent for a group of assets in three different ways:

- According to the date of acceptance.
- As a percentage of the rent of these assets.
- As a fixed value.



Additional expenses	
Shipping costs:	Lessee
Freight out costs:	Lessee
Insurance:	Lessee
Interim rent:	Accept. date

The interim rent calculation type is shown in the **Leasing** tab of the contract detail and in the acceptance and interim rent calculation window.

The following sections describe in detail the interim rent calculation methods for a group of assets.

Calculation according to the "Acceptance date"

The interim rent is calculated from the acceptance date of the assets, i.e. prorata to (in proportion to) the interim period. AssetCenter considers there are 30 days in a month.

The calculation parameters are summarized in the acceptance and interim rent window:

- The reference amount is specified in the **Total of rents** field: This is the total of the periodic rents of the selected assets. Note that in the case where the schedule level rent is distributed to a selection of the assets (**Prorate to assets** field (SQL name: seProrateRule) in the **Rents** tab of the contract detail), the periodic rent of an asset not belonging to the selection is replaced by zero.
- The number of days to be taken into account is automatically determined by AssetCenter.
 - **Days**
Number of days, calculated automatically by AssetCenter, between the acceptance date and the date of the 1st rent on a full period.
 - **Min. days**
Minimum number of days for interim rent to be calculated.
 - **Max. days**
Maximum number of days to take into account in interim rent.

Example of interim rent calculation according to the acceptance date

A lease contract starts on July 1, 2002. The monthly rent, payable on the first day of the month amounts to \$3000. It is distributed to all the assets. On June 17, 2002, the lessee accepts two of the assets under contract whose monthly rents are \$800 (asset A) and \$400 (asset B).

- The interim rent for these two assets covers the period from June 17 through June 30 inclusive, i.e. 14 days. It is thus evaluated at $14/30 * (800 + 400) = \$560$.

The total interim rent at schedule level (specified in the **Init. payment** field (SQL name: mIntPay) in the **General** tab of the contract detail) increases by \$560.

- For each of the two assets accepted, the **Init. payment** field in the **Price and conditions** sub-tab in the **Acquis.** tab of the asset detail indicates the interim rent of the asset.

Let's suppose that the interim rent of these two assets is calculated by distributing the total interim rent at schedule level prorata to the rent, rounded to 0.1.

The interim rent of A amounts to: $560 * 800 / (800 + 400) = \373.3 .

The interim rent of B amounts to: $560 * 400 / (800 + 400) = \186.7 .

Example of utilization of Min. days and Max. days fields

A lease contract starts on July 1, 2002. The rents, distributed to all assets, are due on the first day of the month. The interim rent is calculated according to the acceptance date. **Min. days** shows 3 days, **Max. days** shows 25 days.

- If all the assets under contract are accepted on June 29, 2002, the interim rent is zero since the gap between the acceptance date and the first day of the full period (07/01/02) is less than 3 days.
- If all the assets under contract are accepted on June 2, 2002, the gap between the acceptance date and the start of the first full period (07/01/02) is greater than 25 days. As a consequence, the interim rent will only be calculated for a period of 25 days.

Calculation by "Percentage of rent"

The interim rent is calculated as a percentage of the amount specified in the **Total of rents** field of the contract:

- The percentage is specified in the **Percentage** field which is displayed when the calculation method is selected. It is by default equal to the percentage defined in the **Leasing** tab of the contract detail.
- The **Total of rents** is the sum of the periodic rents of the selected assets. Note that when the schedule level rent is distributed to a selection of assets (**Prorate to assets** field (SQL name: seProrateRule) in the **Rents** tab of the contract detail), the periodic rent of an asset not belonging to the selection is replaced by zero.

The interim rent is in this way independent of the acceptance date of the assets.

Example

A lease contract starts on July 1, 2002. The monthly rent is payable on the first day of the month and amounts to \$3000. The interim rent calculation percentage, defined in the **Leasing** tab of the contract detail is 30%. The rent is distributed to all the assets and all the assets under contract are accepted during the month of June 2002.

- The interim rent of the contract covers the period from June 1 through June 30, 2002.

It amounts to $3000 * 30\% = \$900$.

- The interim rents at the asset level are calculated by prorating the interim rent according to the selected method.


Calculation by fixed value

The interim rent is equal to a fixed value: >You just need to enter this value in the **Total of interim rents** field in the acceptance window.

Renewing the presence of assets in a contract.

At the end of term, the lessee may extend the lease for all or a selection of the assets: This is called renewing the assets.

To renew assets, simply:

- 1 Click the  **Renew** button in the contract detail window. This button is only available if the **Renewal** option (SQL name: bRenOpt) in the **Options** tab in the contract detail has been activated.
- 2 Populate the windows described below.
- 3 Click **Renew** in the final window to confirm.

Assets to be renewed selection window

The first window displayed enables you to select the assets to be renewed.

Rent column

If the **Prorate to assets** option (SQL name: seProrateRule) in the main rent sub-tab in the **Rents** tab of the contract detail is selected, this column lists the main rents for each asset. Otherwise it shows null rents.

Once the assets are selected, click **Next** to continue the procedure.

Assets to be renewed selection window

The second window enables you to select the rents of the contract to be renewed for all the assets selected in the previous step.

Once the rents are selected, click **Next**.

New rent definition window

The third window enables you to specify the conditions of application of each of the renewed rents. Select each rent and populate the following fields:

Description

Name of the new rent.

When a new rent is created, a corresponding rent sub-tab is created in the **Rents** tab of the contract detail.

Start

The start date of the new rent is by default equal to the end date of the previous period plus 1 day.

End

The end date of the new rent is by default equal to the end date of the previous period (the end of the contract) + the length of time specified in the **Renewal period** field (SQL name: tsDefRenDur) in the **Renewal** sub-tab of the **Options** sub-tab of the contract.

Rent

The new lease rent is calculated by default using the information appearing in the **Renewal by default** frame of the **Renewal** sub-tab in the **Options** tab of the contract

Once the new rents are defined, click **Next** to continue the procedure.

Renewal date definition window

The final window defines the renewal period for the selected assets.

By default:

- The date of renewal of the assets is equal to the earliest of the start dates of the new rents.
- The end date of renewal of the assets is equal to the latest of the end dates of the new rents.

Consequences of renewing assets

Click **Renew** in the renewal rents definition window to confirm the procedure:

- AssetCenter creates sub-tabs using the information you have just entered for the new rents in the **Rents** tab of the existing contract. These new rents are calculated and managed in the same way as the previous lease rents.
- These rent sub-tabs can be found in the **Acquis.** tab of the asset detail.
- When an asset is renewed, its status is automatically modified: The **Acquis. status** field (SQL name: seAcquStatus) in the **Procurement** sub-tab in the **Acquis.** tab of the asset detail indicates that it is **Renewed**.

Returning assets

This section explains how to return assets at the end of term.

Clicking the **Return** button in the contract detail creates a return envelope associated with the schedule. This button is only available if the Return option (SQL name: bRetOpt) in the Options tab of the contract detail has been activated.

Return envelopes can also be managed from the **Contracts/ Returns -end of term** menu item. This enables you to access the list of all return envelopes, regardless of their associated contract, whereas the **Return** button only displays the return envelopes linked to the given contract.

A return envelope concerns one or more assets from the same contract.

Contract associated with a return envelope



The **Schedule** field (SQL name: Schedule) in the **General** tab of the detail of a return slip specifies the contract to which the return envelope is attached.

In the case of return envelopes viewed using **Return** button in the lease, contract detail, this field displays the reference of the lease contract and is not modifiable.

In the case of return envelopes viewed from the **Contracts/ Returns -end of term** menu item, you can select a lease schedule from the table of contracts.

Obtaining the list of assets to be returned (return envelope)

The list of assets to be returned can be found in the **Assets** tab of the return envelope detail.

- 1 Click  to select the assets in the list of assets concerned by the lease schedule specified in the **General** tab of the return envelope detail.
- 2 Click  to remove the assets from the selection.

The shipping information is included in the **Shipping** tab of the return slip detail.

When an asset is included in a return envelope, its status is automatically modified: The **Acquis. status** field (SQL name: seAcquStatus) in the **Procurement** sub-tab in the **Acquis.** tab of the asset detail indicates that the asset is **To be returned**.

The asset is neither deleted from the table of assets or from the list of assets under contract (this list is accessible in the **Assets** tab of the contract detail).

Retiring assets

The assets included in a return envelope are not automatically retired.

To effectively retire assets included in a return envelope:

- 1 Give a date to the **Carried out on** field (SQL name: dCarriedOut) in the **General** tab of the return envelope.
- 2 Select the assets to retire in the **Assets** tab of the return envelope detail.
- 3 Click **Retire**.

The following changes:

- The **Acquis. status** (SQL name: seAcquStatus) of the asset (**Acquis.** tab) is set to **Returned**.
- The **Assignment** (SQL name: seAssignment) field of the asset (**General** sub-tab of **Portfolio** tab) indicates that the asset is **Retired (or consumed)**.
- The "End of life" zone of the **General** tab of the asset detail is modified to indicate the change:
 - The **Retirement** field (SQL name: dDispos) by default uses the effective return date specified in the **General** tab of the return envelope (**Carried out on** field).
 - The **Reason** field (SQL name: DisposReason) in the **General** tab of the asset detail is modified to indicate that the reason for retirement is a "Return ([Name of the return envelope])".

Buying-out assets.

To buy-out assets:

- 1 Click the **Purchase** button in the contract detail. This button is only available if the **Purchase** option (SQL name: bPurchOpt) in the **Options** tab of the contract detail has been activated.
- 2 Select the assets to buy-out.

AssetCenter calculates the various amounts for the given selection:

- The total of the **Payments** fields (SQL name: mPayments) in the sub-tabs of the **Acquis.** tabs corresponding to the main rent (**Acquis.** tabs).
- The total, for the selected assets, of the **Market value** (SQL name: mMarketVal) fields in the **Procurement** sub-tabs of the **Acquis.** tabs.

AssetCenter automatically fills in certain purchase conditions:

- The buy-out value is equal to the total, for the selected assets, of the **Purchase option value** fields (SQL name: mPurchOptVal) of the **Price and conditions** sub-tabs of the **Acquis.** tabs.
- The buy-out date is by default, the date of end of term.

Enter the **Purchase price** manually and modify the purchase date if necessary. In the **Prorate by** field, specify how the purchase price is to be distributed at the level of the selected assets.



Note:

The **Total of rents**, the **Total of market values** and the **Projected buyout value** are only shown for informational purposes. They help you set the **Purchase price**.

Next, click **Apply** to confirm the operation.

Several fields are modified for the selected assets:


- **Acq. method** field (SQL name: seAcquMethod) (**Acquis.** tab): This is set to **Purchase**.
- **Purchase date** field (SQL name: dAcquisition) (**Acquis.** tab, **Price and conditions** sub-tab): This takes the purchase date.
- **Purchase price** field (SQL name: mPrice) (**Acquis.** tab, **Price and conditions** sub-tab): This is a value calculated from the parameters defined in the purchase screen.
- An expense line is created in the **Costs** tab of the asset.

Tracking operations

The **Cycle** tab enables you to track the asset life cycle. It summarizes operations performed on the assets as part of a lease contract.

- Placing under contract (inclusion)
- Acceptance
- Renewal
- Purchase (buy out)
- Return

This tab is for information only: You cannot perform operations on the assets under contract.

You just need to click  to unfold the list of assets and the return envelopes associated with an operation.

By double-clicking, it is thus possible to access the details of the assets and return envelopes listed.



Note:

In the case of returns, the date which appears is the scheduled return date.

Defining loss value calculation rules

In general, the value of lost or destroyed assets is defined contractually.

AssetCenter enables you to describe stipulated loss value rules and to estimate the loss value of an asset or of a group of assets according to their reference value.

These two tasks are performed at lease contract level, in the **Leasing** tab. You cannot estimate the loss value of an asset directly from the asset detail.

Before being able to calculate the loss value for a group of assets, you must define the calculation rules for this value.

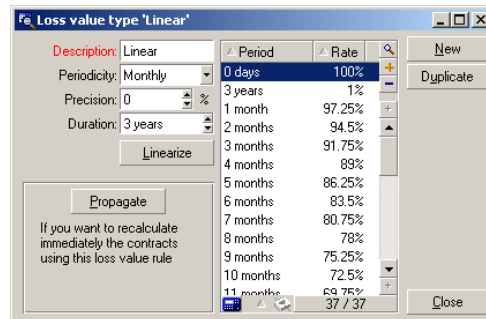
In order to do this:

- 1 Display the lease contract detail and go to the **Leasing** tab.
- 2 Go to the **Rule** field (SQL name: LossValRule).

- 3 Create a new loss value rule by entering its name and moving to another field (AssetCenter will then offer to let you create the rule on the fly or in detail. Chose the detailed creation).

Here is an example of a loss value rule on assets:

Figure 4.1. Loss type value - "linear" example



Periodicity (SQL name: sePeriodicity)

Periodicity of calculation.

Precision (SQL name: fPrecision)

Precision used in calculating percentage, which enables you to round off percentages.

Example: 0.1 will ensure that the percentages calculated by linearization will be expressed to 1 decimal after the point.

Duration (SQL name: tsDuration)

Length of validity of the rule from the start of the contract.

Propagate

Use this button if when modifying a loss value you want the changes to be propagated to those contract which are already linked.

✚ and ✖ buttons

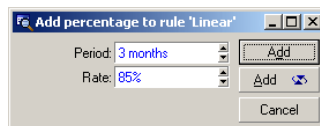
Click ✚ or ✖ to add or remove a loss percentage.

The calculation rule determines the percentage to be applied to the reference price of the assets to obtain a loss value according to the time elapsed since the start of the contract.

In the case where the loss values follow a straight line relationship between two values, the **Linearize** button enables you to calculate them automatically. You just need to:

- 1 Define the **Periodicity** and the **Precision** of the calculation,
- 2 Enter the first and last loss values,
- 3 Select both of these loss values,
- 4 Click **Linearize**: The corresponding percentages between these two values are generated.

If the variation in percentage is not linear, the different loss values have to be entered manually by clicking the ✚ button:




In this example, the loss value will be equal to 85% of the reference value of the assets from 3 months after the start of term until the next period.

Calculating the loss value

Once the loss value calculation rule is selected, AssetCenter calculates the loss values using this loss-value calculation rule. There are two ways of calculating loss-values:

- Calculating for all periods.
- Calculating on a given date.

Click the calculator button  to start these calculation procedures.



Note:

Before launching the calculation of the loss value, you need to confirm the selected method of calculation by clicking **Modify** in the contract detail.

Calculate for all periods

AssetCenter calculates the loss values for all the periods included within the duration of validity of the rule beginning with the start date of the contract (**General** tab). AssetCenter generates the table loss values specific to the lease contract.

Date	Value
01/01/2001	8,954.18
02/01/2001	8,707.94
03/01/2001	8,461.70
04/01/2001	8,215.46
05/01/2001	7,969.22
06/01/2001	7,722.98
07/01/2001	7,476.74
08/01/2001	7,230.50
09/01/2001	6,984.26
10/01/2001	6,738.02
11/01/2001	6,491.78
12/01/2001	6,245.54
01/01/2002	5,999.30
02/01/2002	5,753.06

Date: 01/01/2001
Rate: 100%
Value: US\$8,954.18

Date (SQL name: dLossVal) and Rate (SQL name: pRate)

Date and rate of the line selected. These values are obtained from the selected loss value rule. You can modify this information or save it in the list of loss values of the contract.

Value (SQL name: mValue)

Loss value corresponding to the line selected in the loss value calculation rule. You can enter the reference value of the asset or of a group of assets.

Calculate on a given date

AssetCenter calculates the loss value on a given date by referring to the calculation rule associated with the contract.

Basis of calculation

By default, AssetCenter gives you the **Total value of assets** (SQL name: mMarketVal) (**Leasing** tab in contract).

You can enter the reference value of an asset or of a group of assets.

Start of contract


Sets the date from which the loss value rule is applied. This date is by default equal to start date of the contract (**General** tab). You can modify this to in order to calculate, for example, the loss value of asset which were taken down after the start of the contract.

Calculate button


Click here to:

- Display the rate to be applied to the calculation basis: it is determined by the rule chosen and the loss date of the assets.
- Calculate the loss value corresponding to the basis of calculation.

Updating loss values

The **Leasing** tab in the contract detail enables you to define loss-value calculation rules and methods of calculation (**Calculate for all periods** or **Calculate on a given date**). Click  in the **Leasing** tab to start the calculation of loss values.

You can modify the detail of a loss-value calculation rule:

- Via the **Administration/ List of screens** menu, in the **Loss values** table (SQL name: amLossValLine) (only the AssetCenter administrator has access to this menu).
- By clicking the  button to the right of the **Rule** field (SQL name: LossValRule) in the **Leasing** tab of the contract detail.

In this case, all contracts using this loss value need to be updated.

Immediate update after modifying loss-value

To update all contracts using a loss-value rule which has just been modified, you just need to click **Propagate** in the detail of the loss value.

Updates done by AssetCenter Server

AssetCenter Server recalculates, at regular intervals, the loss values for lease contracts whose calculation method is set to **Calculate for all periods** (**Calculation** field (SQL name: seLossValCalcMode) in **Leasing** tab of lease contract detail). In this way, loss values pertaining to any loss value rules which have been modified since the last time AssetCenter Server accessed the database are updated.

To define the frequency of recalculation of loss values:

- 1 Select the **Tools/ Configure modules** menu item in AssetCenter Server.
- 2 Go to the **Modules** tab.
- 3 Select the **Calculate stipulated loss values** option.
- 4 Enter the frequency of calculation at the bottom of the window.
- 5 Click **OK** to confirm.

5 | Leasing - rent payments

CHAPTER

This chapter explains how rent is calculated in contracts.

Contract level (schedule level) rent payments are described in the **Rents** tab of the contract detail. Each rent amount (insurance, maintenance, etc.) associated with a contract is described by a sub-tab.

Asset level rents are described in the sub-tabs of the **Acquis.** tab of the asset detail. (You can create one by right-clicking and selecting "Add linked record".)

This chapter details the five methods of calculating contract rent:

- Rent is calculated at the contract level, then distributed to the level of each asset. To apply this method, select the **Prorate and distribute rent to all assets** option in the **Prorate to assets** field (SQL name: seProrateRule) in the **Rents** tab of the contract detail.
- Rent is calculated at the contract level, then distributed to the level of a selection of assets under the contract. To apply this method, select the **Prorate and distribute rent to a selection of assets** option in the **Prorate to assets** field (SQL name: seProrateRule) in the **Rents** tab of the contract detail.
- A unit rent is defined at the contract level, then allocated identically to each asset under the contract. To apply this method, select the **Allocate unit**

level rent to all assets option in the **Prorate to assets** field (SQL name: seProrateRule) in the **Rents** tab of the contract detail.

- A unit rent is defined at the contract level, then allocated identically to several assets under the contract. To apply this method, select the **Allocate unit level rent to a selection of assets** option in the **Prorate to assets** (SQL name: seProrateRule) field in the **Rents** tab of the contract detail.
- Rent is calculated at the contract level, and is not allocated to asset level. To apply this method, select the **Do not allocate or distribute rent to assets** option in the **Prorate to assets** (SQL name: seProrateRule) field in the **Rents** tab of the contract detail.

1st method- Calculating the contract rent and distributing it to all the assets under contract.

This section explains how to distribute a rent payment to all the assets under contract.

This method is only applied when the Prorate and distribute rent to all assets option is selected in the Prorate to assets field (SQL name: seProrateRule) in the rent description sub-tab of the Rents tab in the contract detail.

Let's suppose that the rent in question is called "Rent x" and is described in a sub-tab "Rent x" of the contract (**Rents** tab).

Behavior produced at software level

- For each asset of the contract, there is a "Rent x" sub-tab (**Acquis.** tab of the assets).
- Certain fields in the "Rent x" sub-tab are common to all assets and can only be modified at the contract level:
 - **Periodicity** (SQL name: sePeriodicity)
 - "Main rent" nature of the rent payment
 - Start date of rent x
 - End date of rent x
 - Payment
 - Bill cycle day
 - Grace

- **From the date of acceptance** (SQL name: bFromAcceptDate)
 - Certain fields in the "Rent x" sub-tab are not used at the contract level:
Expense lines calculation effective from (SQL name: dRecalcul)
 - The "Rent x" sub-tab at the contract level defines a cost category (CostCategory) and a cost center (CostCenter) for the assets under contract.
-

 **Warning:**

If the **Cost category** and **Cost center** links of the **General** sub-tab (in the **Portfolio** tab of an asset detail) are populated, the value of these two fields is repeated in the sub-tabs of "Rent x" at the asset level.

The value of these two links (to the cost category and the cost center) is repeated in the sub-tabs of "Rent x" at the asset level.

- Expense lines corresponding to rent payments are charged to the budgets and cost centers defined in the "Rent x" sub-tabs of the assets. The parameters used in generating these expense lines are those in these sub-tabs.

Steps to follow

In order for automatic calculations to be performed by the software to function correctly, you must do the following in order:

- 1 Create the contract without populating the **Rents** tab.
 - 2 Add the assets to the contract without adding a description tab for "Rent x" in the **Acquis.** tab. Verify that the **Market value** field (SQL name: mMarketVal) in the **Procurement** sub-tab of the **Acquis.** tab of the asset detail is populated.
 - 3 Populate the sub-tab that is still unnamed in the **Rents** tab of the contract. If there are other rents involved, add the corresponding sub-tabs and determine which one is the **Main rent** (SQL name: bMainRent).
 - 4 Verify that AssetCenter Server has been launched so that the expense lines can be calculated.
-

 **Important:**

If you select the **From the date of acceptance** option (SQL name: bFromAcceptDate) in a rent sub-tab, the expense lines for this rent payment will not be calculated until the assets under the contract have been accepted.

Calculating Rent x at the contract level

The **Rents** tab in the contract detail specifies the calculation conditions for rent payments associated with the contract. Each rent is described in an individual sub-tab.

For each rent:

- By default, the **Value** (SQL name: mValue) of the rent, which is the basis of calculation, is equal to the sum of the "Market values" of the assets under the contract. This only functions if you add the assets to the contract before defining the "Rent x" sub-tab.

 **Note:**

If you change the method of distributing rent to asset level (**Prorate to assets** field (SQL name: seProrateRule) in "Rent x" sub-tab), the **Value** of the rent at the contract level remains unchanged. If necessary, you need to change it manually in order for it to show the sum of the prorata values of the assets under contract.

- In general, the lease rate factor varies according to the type of assets leased. It is contractually defined.
- The amount of contract level **Payments** (SQL name: mPayments) is calculated by applying the **LRF** (SQL name: pLRF) to the **Value** of the rent.

Calculating asset level rent

Rent is calculated for each asset under the contract according to the **Payments** (SQL name: mPayments), **Prorated by** (SQL name: ProrateField), **Rounding** (SQL name: fPrecision) and **From the date of acceptance** (SQL name: bFromAcceptDate) fields in the rent sub-tab of the **Rents** tab of the contract detail.

Possible methods for distributing rent at the asset level

It is possible to calculate asset level rent prorata to the:

- **Rent:** This is specified in the **Payments** field (SQL name: mPayments) in the rent description sub-tab of the **Acquis.** tab in the asset detail.
- **Market value of the asset:** This is indicated in the **Market value** field in the **Procurement** sub-tab of the **Acquis.** tab of the asset detail.
- **Purchase price of asset:** This is specified in the **Purchase price** field in the **Price and conditions** sub-tab of the **Acquis.** tab of the asset detail. This field is only available when the asset is purchased (when the **Acq. method** field (SQL name: seAcquMethod) in the **Acquis.** tab of the asset detail is set to **Purchase**).
- **Purchase option value (buy-out value):** This is indicated in the **Purchase option value** field (**Price and conditions** sub-tab of the **Acquis.** tab of the asset detail). This field is only available when the asset is leased (when the **Acq. method** field in the **Acquis.** tab of the asset detail is set to **Lease**).
- **Interim rent of the asset:** This is indicated in the **Init. payment** field (SQL name: mIntPay) in the **Price and conditions** sub-tab of the **Acquis.** tab of the asset detail when the acquisition method is either **Rental** or **Lease**.
- **Depreciation of the asset:** This is indicated in the **Depreciation** field (SQL name: mDeprVal) in the **Fixed Asset** tab of the asset detail. This tab does not appear until the method of acquisition, specified in the **Acquis.** tab of the asset detail, is set to **Purchase**.
- **Residual value of the asset:** This is indicated in the **Residual value** field (SQL name: mNetValue) in the **Fixed Asset** tab of the asset detail.

All these methods of calculation use a value from the asset detail (**Purchase price, Payments, Market value, etc.**) which we will call the "Prorata value".

Here is the formula which is used to calculate the asset **Payments** (SQL name: mPayments), if the contract **Payments** and the prorata values of the assets are known:

$$\text{Asset "Rent"} = \text{Contract "Rent"} \times \frac{\text{Prorata value of asset}}{\sum \text{Prorata values of assets}}$$

 **Note:**

The **Prorate to assets** (SQL name: seProrateRule) field lists all the possible methods to distribute rent to asset level.

Certain methods are used to calculate lease rents: prorating by market value, by purchase option value, etc.

Others are used to calculate other types of rent for assets which are not necessarily rented or leased. For example, an insurance premium may be considered as a contract-level rent and therefore distributed (allocated) to purchased assets prorata to their purchase price.

Rounding errors

Rounding errors are carried over to the first rent item: AssetCenter Server calculates rent for each asset except for the first, and adjusts the rent corresponding to the first asset in order that the sum total of rent payments at the asset level is equal to the rent at the contract level (the "first" asset depends on the database management system and how its indexes are configured).

If the rounding value is set to "0", rents for each asset are calculated using the default precision for floating numbers. For example, for a contract rent with value "100" distributed identically to 3 assets, AssetCenter generates the following asset rents according to the selected rounding value:

- For a rounding value equal to 0.01
 - 1 33.34
 - 2 33.33
 - 3 33.33
- For a rounding value equal to 0
 - 1 33.33333333333333433
 - 2 33.3333333333333254
 - 3 33.3333333333333254



Note:

The rounding value is also used in the distribution of tax values.

Calculation rules for rent prorated and distributed to all assets

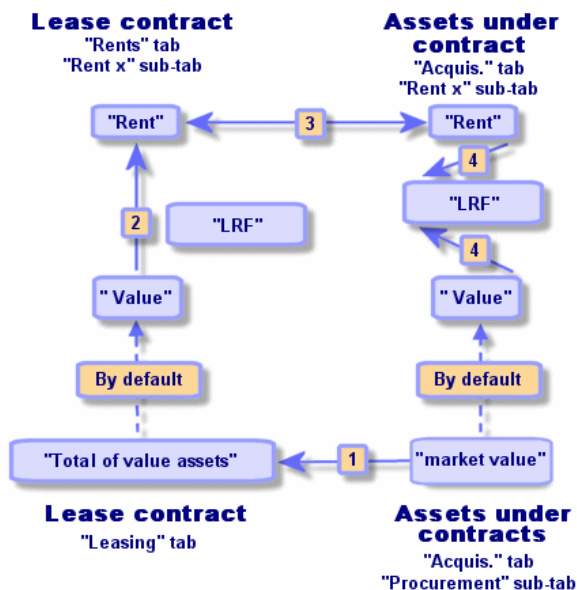
In the case of "Lease schedule" type contracts

A given "Rent x" is described in:

- A "Rent x" sub-tab in the contract detail (**Rents** tab).
- A "Rent x" sub-tab in the asset detail (**Acquis.** tab) of the contract.

The diagram below summarizes the links which exist between the fields in the contract detail and the fields in the asset detail, and the calculation rules for the **Value** (SQL name: mValue), **Payments** (SQL name: mPayments) and **LRF** (SQL name: pLRF) fields when the "Rent x" sub-tab is filled in for the first time. This scenario only exists if the assets are added to the contract before populating the **Rents** sub-tab.

Figure 5.1. Distributing rent to all the assets under contract - diagram



- The **Total value of assets** (SQL name: mMarketVal) under the contract is equal to the sum of the "Market values" of all the assets under contract. This data item is for informational purposes only.
- The **Value** which is used as the basis of calculation for the Rent x of the contract is by default equal to the "Total value of the assets".
- The contract level "Rent x", shown in the **Payments** field, is equal to the rent x **Value** multiplied by the **LRF** you have defined.
- The contract level "Rent x", shown in the **Payments** field, is prorated and distributed to the asset level according to the method that you define.
- The **LRF** of the asset is calculated according to the **Value** used as the basis of calculation for rent x of the asset and the **Payments** field of the asset, as calculated in the previous step. The **Value** used to calculate the rent x of the asset is by default equal to the "Market value" of the asset.

For other contract types

A given "Rent x" is described in:

- A "Rent x" sub-tab in the contract detail (**Rents** tab).

- A "Rent x" sub-tab in the asset detail (**Acquis.** tab) of the contract.
- Here are the rules which determine the **Value** of the contract, the contract level **Rent**, the asset level **Payments** and the **LRF** corresponding to the asset:
- The **Value** of the contract is by default equal to the sum of the "Market values" of the assets under the contract.
 - The contract level **Payments** is equal to the **Value** of the contract multiplied by the "LRF" you have defined for the contract.
 - The contract level **Payments** are distributed to the asset level according to the method that you define.
 - The **LRF** of the asset is calculated according to the **Value** of the asset and the **Payments** field of the asset, as is determined in the previous step. The **Value** of the asset is by default equal to the "Market value" of the asset.

Example

Let's suppose that a company leases 3 assets:

- Two PCs X and Y with a market value of \$1500 each.
- One PC Z with a market value of \$2000.

The initial lease rate factor of the contract is 3%.

Calculating the contract level Payments (SQL name: mPayments)

Payments at the contract level = **Value** of the contract rent \times **LRF**.

Value of the contract rent = "Market values" of the asset under contract
= \$5000

Payments at the contract level = \$5000 \times 3% = \$150

Calculating asset level rent

Payments of Y = **Payments** at the contract level \times "Prorata value" of Y /
("Prorata values" of X, Y and Z)

= **Payments** at the contract level \times Market value of Y / (Market values of X, Y
and Z)

= 150 \times 1500 / (1500 + 1500 + 2000)

= \$45

Payments of Z = 1500 \times 2000 / 5000 = \$60

$$\begin{aligned}\text{Payments of X} &= \text{Payments at the contract level} - (\text{rent amounts of the assets} \\ &\text{other than X}) \\ &= 150 - 45 - 60 \\ &= \$45\end{aligned}$$

Consequences of adding assets

In the case of "Lease schedule" type contracts

You may select assets in use and add them to a lease contract:

- From the table of assets.
 - From the **Assets (leased)** tab in the contract detail.
-

 Note:

We recommend adding assets to a contract via the **Assets (leased)** tab in the contract detail since this automates the creation and/or modification of rent sub-tabs for the at contract and asset level. If you associate assets with a contract from the table of assets, you will have to manually create and/or modify the rent-sub tabs at contract and asset level.

This section describes the consequences adding assets has on contract level rent, when these assets are added via the **Assets** tab in the contract detail.

Impact on the Total value of assets (SQL name: mMarketVal) of the contract

Any addition of an asset to a lease contract automatically causes the **Total value of assets** of the contract to be recalculated (**Leasing** tab).

The **Total value of assets** is incremented according to the "Market value" of the asset which is added.

Impact on the rent Values and the Payments field at the contract level

When you add an asset, AssetCenter displays an intermediary window and asks you to determine the start and end term dates of the asset and its associated rent payments. Since we are dealing exclusively with rent distributed to all assets, you do not have to associate rent payments with the additional asset: The asset is automatically attached to the rent payments which are distributed to all assets.

For each "Rent x" distributed to all assets, regardless of whether or not the dates of start and end of term of the asset defined in the intermediary window differ from those of "rent x", the asset added is now an integral part of the assets subject to "rent x":

- The method used to calculate **Payments** x assumes that adding an asset to the contract does not alter the rent x payments of the other assets in the contract.

$$\text{"Rent" of the asset added} = \text{"Rent" of another asset under contract} \times \frac{\text{Prorata value of the asset added}}{\text{Prorata value of the other asset}}$$

- The **Payments** x at the contract level increases according to the **Payments** x of the asset.
- The **LRF** of rent x at the contract level is not modified.
- The **Value** used as the basis of calculation for rent x at the contract level is modified:

$$\text{New "Value"} = \frac{\text{New "Rent" at contract level}}{\text{"Lease rate factor"}}$$

 **Important:**

In the case of a "rent x" distributed to all assets, if you add an asset and define a leasing period which differs from the period of validity of "rent x", AssetCenter associates the asset with "rent x" without taking this different period you have specified into account. The leasing period defined at the level of "rent x" is used. This only holds true in the case of rent distributed to all assets. When rent is distributed to a selection of assets, AssetCenter takes any possible differences between the leasing period of the asset added and the period of validity of the rent. As a consequence, if you want to associate an asset with a rent distributed to all assets and you also want AssetCenter to take different leasing periods into account, we recommend that you first modify the rent in order for it to be distributed to a selection of assets. Next, you can add the asset to the contract.

Example

Let's take the previous example and suppose that an asset "A" with a market value of \$1800 is placed under contract.

The value of the **Payments** field of A is calculated assuming that adding A to the contract does not alter the rents of X, Y and Z.

$$\begin{aligned} \text{Rent A} &= \text{Rent of Y} \times \text{Prorata value of A} / \text{Prorata value of Y} \\ &= \text{Rent of Y} \times \text{Market value of A} / \text{Market value of Y} \\ &= 45 \times 1800 / 1500 \\ &= \$54 \end{aligned}$$

New **Payments** at the contract level = Previous **Payments** at the contract level + **Payments** of A

$$\begin{aligned} &= 150 + 54 \\ &= \$204 \end{aligned}$$

$$\begin{aligned} \text{New contract rent Value} &= \text{New contract level Payments} / \text{LRF} \\ &= 204 / 3\% \\ &= \$6.12 \end{aligned}$$

For other contract types

You may select assets in use and add them to a contract:

- From the **Contracts** tab in the asset detail.
- From the **Assets (leased)** tab in the contract detail.

This section describes the consequences adding an asset has on a given rent item x distributed to all assets.

When you add an asset to a contract, an intermediary window is displayed. It enables you to specify the date of inclusion and the planned removal date.

Regardless of whether or not the dates of start and end of term of the asset defined in the intermediary window differ from those of "rent x", the asset added is now an integral part of the assets subject to "rent x":

- The method used to calculate **Payments** x assumes that adding an asset to the contract does not alter the rent x payments of the other assets in the contract.

$$\text{"Rent" of the asset added} = \text{"Rent" of another asset under contract} \times \frac{\text{Prorata value of the asset added}}{\text{Prorata value of the other asset}}$$


- The **Payments** x at the contract level increases according to the **Payments** x of the asset.
- The **LRF** of rent x at the contract level is not modified.
- The **Value** used as the basis of calculation for rent x at the contract level is modified:

$$\text{New "Value" = } \frac{\text{New "Rent" at contract level}}{\text{"Lease rate factor"}}$$

Consequences of removing assets

In the case of "Lease schedule" type contracts

You may remove assets from the lease contract:

- By returning the assets via the **Return** button.
- From the **Assets (leased)** tab in the contract detail:
 - 1 Select the assets to be removed.
 - 2 Click .
 - 3 Click **Modify** to confirm the change.
- From the **Acquis.** tab, **Procurement** sub-tab in the assets detail: Modify the **Schedule** field (SQL name: AcquiContract) to dissociate the assets from the contract.

Impact on the Total value of assets (SQL name: mMarketVal) of the contract

When you remove an asset from a contract it automatically reduces the **Total value of assets** of the contract (**Leasing** tab).

The **Total value of assets** is reduced according to the "Market value" of the asset removed.

Impact on the "Value" of the rent and the value of the "Payments" field at the contract level

The value of the **Payments** field (SQL name: mPayments) at the contract level, sum of rents at the asset level, is reduced according to the sum of the "Payments" of the assets that are removed.

The **Value** of the contract is modified. It is recalculated using the **LRF**, which remains unchanged, and the new value of the **Payments** field.

Since AssetCenter Server systematically recalculates projected rents, the rents of those assets removed are no longer calculated.

For other contract types

You may remove assets from the contract

- From the **Assets (leased)** tab in the contract detail:
 - 1 Select the assets to be removed.
 - 2 Click .
 - 3 Click **Modify** to confirm the change.
- From the **Contracts** tab in the asset detail.

Since AssetCenter Server systematically recalculates projected rents, the rents of those assets removed are no longer calculated.

As a consequence:

- The value of the **Payments** field at the contract level is the sum of rents at the asset level, minus the sum of the values of the **Payments** fields of the assets that are removed.
- The **Value** of the contract level rent is modified

$$\text{New "Value" = } \frac{\text{New "Rent" at contract level}}{\text{"Lease rate factor"}}$$

2nd method- Calculating the contract rent and distributing it to a selection of the assets under contract.


This section explains how to calculate contract level (schedule level) rent and how to distribute it to asset level.

You will find information on the following topics:

- Calculating contract level rent
- Calculating asset level rent
- Calculation rules for a rent item distributed to a selection of assets
- Consequences of adding assets
- Consequences of removing assets

This method is only applied when the Prorate and distribute rent to a selection of assets option is selected in the Prorate to assets field (SQL name: seProrateRule) in the Rents tab of the contract detail.

Once this option is selected:

- 1 Click the  icon to the right of the **Prorate to assets** field (SQL name: seProrateRule): The list of assets included under the contract is displayed.
- 2 Select from this list the assets to which the rent is distributed.
- 3 Click **Select** to confirm the selection of assets.

Calculating contract level rent

In the case of "Lease schedule" type contracts

The contract rent (schedule level rent) is calculated by applying a **Lease rate factor** to the rent basis **Value** (SQL name: mValue):

- In general, the **LRF** varies according to the type of assets under contract. It is contractual.
- The **Value** of the rent is by default equal to the **Total value of assets** (SQL name: mMarketVal) (**Leasing** tab in lease contract detail), i.e. the sum of the "Market values" (**Procurement** sub-tab of **Acquis.** tab in the asset detail) of the assets included under the contract.

For other contract types

The contract rent (schedule level rent) is calculated by applying a **Lease rate factor** to the rent basis **Value** (SQL name: mValue):

- In general, the **LRF** varies according to the type of assets leased. It is defined contractually.
- The **Value** of the rent is by default equal to the sum total of the "Market values" (**Procurement** sub-tab of **Acquis.** tab of the asset detail) of the assets under contract.

Calculating asset level rent

If you select the **Prorate and distribute rent to a selection of assets** option in the **Prorate to assets** field (SQL name: seProrateRule) in a given "rent x" sub-tab

of the **Rents** tab in the contract detail, the sum of the "Rent x" amounts of the assets selected is equal to the amount of the "Rent" at the contract level.

The rent x is calculated at the level of each asset selected according to the conditions defined by the **Prorated by** (SQL name: ProrateField) and **Rounding** (SQL name: fPrecision) fields.

The methods used to calculate given rent x amounts at the asset level for a selection are similar to those when rent is distributed to all assets under contract. There is no rent x for the assets outside of the selection.

Calculation rules for a rent item distributed to a selection of assets

In the case of "Lease schedule" type contracts

The links which exist:

- Between the **Total value of assets** (SQL name: mMarketVal) included in the contract (**Leasing** tab in contract detail), the "Value" by default of the contract rent (**Value** field (SQL name: mValue) in rent sub-tab of **Rents** tab in contract detail) and the "Market values" of the assets of the selection (**Procurement** sub-tab of **Acquis.** tab in asset detail).
- Between the contract "Rent" (**Payments** field (SQL name: mPayments) in "Rent" sub-tab of **Rents** tab in contract detail) and the "Rents" of the assets of the selection (**Payments** field (SQL name: mPayments) in rent sub-tab of **Acquis.** tab of asset detail).

Are similar to the links existing between the contract and all the assets under contract when the rent is distributed to all the assets:

- The **Total value of assets** included in the contract is equal to the sum of the "Market values" of all the assets under the contract.
- The **Value** to take into account when calculating the rent at the contract level is by default equal to the **Total value of assets**.
- The amount of the **Payments** at the contract level is equal to the sum of the **Payments** of the assets of the selection.

For other contract types

A given "Rent x" is described in:

- A "Rent x" sub-tab in the contract detail (**Rents** tab).
- A "Rent x" sub-tab in the asset detail (**Acquis.** tab).

Here are the rules which determine the **Value** of the contract, the contract level **Payments**, the asset level **Payments** and the **Lease rate factor** corresponding to the asset:

- The **Value** of the contract is by default equal to the sum of the "Market values" of the assets under the contract.
- The contract level **Payments** field is equal to the **Value** of the contract multiplied by the "Lease rate factor" you have defined for the contract.
- The contract level **Payments** are distributed to asset level according to the method you define.
- The **LRF** of the asset is calculated according to the **Value** of the asset and the **Payments** of the asset, as is calculated in the previous step. The **Value** of the asset is by default equal to the market value of the asset.

Consequences of adding assets

In the case of "Lease schedule" contract types

You may select assets in use and add them to a lease contract:

- From the table of assets.
- From the **Assets (leased)** tab in the contract detail.



Note:

We advise using the **Assets (leased)** tab in the contract detail to add assets to a lease contract.

Next we will look at the impact that adding assets has on the **Total value of assets** of the contract and the rent x at the contract level. These impacts apply if you select the **Prorate and distribute rent to a selection of assets** option in the **Prorate to assets** field in the "Rent x" sub-tab of the **Rents** tab of the contract detail.

Impact on the Total value of assets of the contract

Any addition of an asset to a lease contract automatically increases the **Total value of assets** of the contract according to the "Market value" of the asset.

Impact on the Value of the rent x and the rent x Payments at the contract level

When you add an asset, AssetCenter displays an intermediary window and asks you to specify:

- The start and end dates of term for the asset.
- The rent items to which the asset is subject.

The consequences of adding an asset depend on what is selected in this intermediary window.

If you do not select a given rent x distributed to a selection of assets.

When adding an asset which is not a part of the initial selection:

- The **Value** of the rent x at the contract level is not modified.
- The **Payments** field of asset rent x is not calculated.
- The **Payments** field of contract level rent x is not modified.

If you select rent x, distributed to a selection of assets, and if the rental period of the added asset corresponds to the period of validity of rent x

The asset added is part of the selection of assets to which the rent is distributed:

- 1 The method used to calculate **Payments** x assumes that adding an asset to the contract does not alter the rent x payments of the other assets in the contract.

$$\text{"Rent" of the asset added} = \text{"Rent" of another asset under contract} \times \frac{\text{Prorata value of the asset added}}{\text{Prorata value of the other asset}}$$

- 2 The value of the **Payments** field at the contract level increases according to the "Rent" **Payments** of the asset.
- 3 The **LRF** of rent x at the contract level is not modified.
- 4 The **Value** used as the basis of calculation for rent x at the contract level is modified:

$$\text{New "Value"} = \frac{\text{New "Rent" at contract level}}{\text{"Lease rate factor"}}$$

If you select rent x, distributed to a selection of assets, and if the rental period of the added asset does not correspond to the period of validity of rent x

A new rent description sub-tab is created in the **Rents** tab in the contract.

Certain data items from the rent x sub-tab are copied over to the new sub-tab:

- Lease rate factor (**LRF**).
- Contents of **Taxes** field (SQL name: mTaxValue), if it contains a tax formula.
- **Periodicity** (SQL name: sePeriodicity).
- "Main rent" character of the rent payment.
- Information from **Allocation** frame.
- Information from **Payment** frame.
- Values of **Prorated by** (SQL name: ProrateField) and **Rounding** (SQL name: fPrecision) fields.
- Whether or not the **From the date of acceptance** option (SQL name: bFromAcceptDate) is checked.

As far as the other fields in the new sub-tab are concerned:

- The **Value** of the new rent is by default equal to the "Market value" of the asset.
- The amount of the new rent **Payments** field is calculated using the rent x amount of another asset belonging to the selection and their two respective prorata values:

$$\text{"Rent" of the asset added} = \text{"Rent" of another asset under contract x} \times \frac{\text{Prorata value of the asset added}}{\text{Prorata value of the other asset}}$$

- If the **Taxes** field (SQL name: mTaxValue) of rent x shows a fixed value, the tax corresponding to the new rent is calculated using the same method as for the new rent.
- The start and end dates of validity of the new rent are the start and end dates of leasing of the asset added.
- The new rent is distributed to a selection of assets. The selection is constituted of the asset added.

The "Rent x" sub-tab in the **Rents** tab of the contract detail is not modified.

In the case of other contract types

When adding an asset which is not part of the initial selection:

- The **Payments** field at the contract level is not modified.
- The **Value** of the contract rent is not modified.
- The **Payments** field corresponding to the asset is not calculated.

Consequences of removing assets

We will next look at the impact removing assets has on the **Value** of the contract and the rent x at the contract level if you select the **Prorate and distribute rent to a selection of assets** option in the **Prorate to assets** field in the "Rent x" sub-tab of the **Rents** tab of the contract detail.

In the case of "Lease schedule" contract types

Impact on the Total value of assets (SQL name: mMarketVal) of the contract

Any removal of an asset from a lease contract automatically decreases the **Total value of assets** (SQL name: mMarketVal) of the contract according to the "Market value" of the asset removed.

Impact on the Value of the rent x and the "Rent x" Payments at the contract level

If the assets removed are part of the selection

The rent x amounts (Payments fields) of the assets that are removed are no longer calculated.

As a consequence, the **Rent** x amount at the contract level is the sum of the rents at the asset level, minus the sum of the "Rents" of the assets removed.

The **Value** of rent x contract level is recalculated:

$$\text{New "Value" = } \frac{\text{New "Rent" at contract level}}{\text{"Lease rate factor"}}$$

If the assets removed are not part of the selection

Neither the rent x **Value** nor the **Rent** x amount at the contract level are modified.

In the case of other contract types

If the assets removed are part of the selection

Since AssetCenter Server systematically recalculates projected rents, the rents of those assets removed are no longer calculated.

As a consequence:

- The value of the "Rent" x **Payments** field at the contract level is the sum total of the asset level rents, minus the sum of the "Rent" x amounts of the assets removed
- The **Value** of the contract level rent x is recalculated:

$$\text{New "Value"} = \frac{\text{New "Rent" at contract level}}{\text{"Lease rate factor"}}$$

If the assets removed are not part of the selection

Neither the rent x **Value** nor the **Rent** x amount at the contract level are modified.

3rd method - Calculating the contract rent and allocating a unit rent to all the assets under contract.

This section explains how to calculate contract rent and allocate a unit rent to all the assets under contract. With the exception of the automatic mechanisms linked to the allocation of unit rent defined at the contract level, this method functions identically to the **Prorate and distribute rent to all assets** method.

You will find in this chapter information on the following points:

- Calculations
- Consequences of adding an asset to the contract
- Consequences of removing an asset from the contract

This method only applies when the Allocate unit level rent to all assets option is selected in the Prorate to assets field (rent sub-tab of the Rents tab of the contract detail).

Calculations

For this method you need to define a unit rent (**Unit rent** field in the **Rents** tab of the contract detail).

The following calculations are carried out:

- The contract rent is equal to:

$$\text{Rent}_{\text{Contract}} = \text{Unit rent} \times \text{Number of assets under contract}$$

- The asset rent is equal to:

$$\text{Rent}_{\text{Asset}} = \text{Unit rent}$$

- The lease rate factor of the asset under contract is equal to:

$$\text{LRF} = \frac{\text{Rent}_{\text{Asset}}}{\text{Contract rent basis value}}$$

or

$$\text{LRF} = \frac{\text{Unit Rent}}{\text{Contract rent basis value}}$$

Consequences of adding an asset to the contract

The consequences of adding an asset to the contract are similar to those described in the **Prorate and distribute rent to all assets** method. Please refer to this section.

Consequences of removing an asset from the contract

The consequences of removing an asset from the contract are similar to those described in the **Prorate and distribute rent to all assets** method. Please refer to this section.

4th method - Calculating the contract rent and allocating a unit rent to a selection of the assets under contract.

This section explains how to calculate contract rent and allocate a unit rent to a selection of assets under contract. With the exception of the automatic actions linked to the allocation of unit rent defined at the contract level, this method functions identically to the **Prorate and distribute rent to all assets** method.

You will find in this chapter information on the following points:

- Calculations
- Consequences of adding an asset to the contract
- Consequences of removing an asset from the contract

This method only applies when the Allocate unit level rent to all assets option is selected in the Prorate to assets field (rent sub-tab of the Rents tab of the contract detail).

Calculations

For this method you need to define a unit rent (**Unit rent** field in the **Rents** tab of the contract detail).

The following calculations are carried out:

- The contract rent is equal to:

$$\text{Rent}_{\text{Contract}} = \text{Unit rent} \times \text{Number of assets under contract included in the selection}$$

- The asset rent is equal to:

$$\text{Rent}_{\text{Asset}} = \text{Unit rent.}$$

- The lease rate factor of an asset included in the selection is equal to:

$$\text{LRF} = \frac{\text{Rent}_{\text{Asset}}}{\text{Contract rent basis value}}$$

or

$$\text{LRF} = \frac{\text{Unit Rent}}{\text{Contract rent basis value}}$$

 **Important:**

There is no rent for those assets excluded from the selection.

Consequences of adding an asset to the contract

The consequences of adding an asset to the contract are similar to those described in the **Prorate and distribute rent to a selection of assets** method. Please refer to this section.

Consequences of removing an asset from the contract

The consequences of adding an asset to the contract are similar to those described in the **Prorate and distribute rent to a selection of assets** method. Please refer to this section.

5th method - Calculating the contract rent without allocating or distributing it to the assets under contract.

This section explains how to calculate rent at schedule level without distributing it at asset level.

You will find information on the following topics:

- Calculating contract level rent

- Consequences of adding assets
- Consequences of removing assets

This method only applies when the Allocate unit level rent to all assets option is selected in the Prorate to assets field (rent sub-tab of the Rents tab of the contract detail).

Calculating contract level rent

The contract rent (schedule level rent) is calculated by applying a **Lease rate factor** to the rent basis **Value** (SQL name: mValue):

- In general, the LRF varies according to the type of assets under contract.
- The **Value** of the rent is by default equal to the sum of the "Market values" of the assets under contract (**Market value** field (SQL name: mMarketVal) in the **Procurement** sub-tab of the **Acquis.** tab of the asset detail).



Note:

If you select the **Do not allocate or distribute rent to assets** option in the **Prorate to assets** field (SQL name: seProrateRule), the rent is not calculated at the level of the assets under contract.

Consequences of adding assets

In the case of "Lease schedule" type contracts

You may select assets in use and add them to a lease contract:

- From the table of assets.
- From the **Assets (leased)** tab in the contract detail.

We will next look at the impact adding assets has on the **Total value of assets** (SQL name: mMarketVal) of the contract and the rent x **Payments** field at the contract level if you select the **Do not allocate or distribute rent to assets** option in the **Prorate to assets** field (SQL name: seProrateRule) in the rent x sub-tab of the **Rents** tab of the contract detail.

Impact on the Total value of assets of the contract

Any addition of an asset to a lease contract automatically increases the **Total value of assets** of the contract according to the "Market value" of the asset.

Impact on the Value of the rent x and the rent x Payments at the contract level

Since rent x is not distributed to asset level, when an asset is added:

- The **Value** of the rent x at the contract level is not modified.
- The **Payments** field of asset rent x is not calculated.
- The **Payments** field of contract level rent x is not modified.

In the case of other contract types

When you add an asset, since the rent is not distributed to asset level:

- The **Payments** field at the contract level is not modified.
- The **Value** of the contract rent is not modified.
- The **Payments** field corresponding to the asset is not calculated.

Consequences of removing assets

In the case of "Lease schedule" contract types

We will next look at the impact removing assets has on the **Total value of assets** (SQL name: mMarketVal) of the contract and the rent x **Payments** field at the contract level if you select the **Do not allocate or distribute rent to assets** option in the **Prorate to assets** field (SQL name: seProrateRule) in the rent x sub-tab of the **Rents** tab of the contract detail.

Impact on the Total value of assets (SQL name: mMarketVal) of the contract

Any removal of an asset from a lease contract automatically decreases the **Total value of assets** (SQL name: mMarketVal) of the contract according to the "Market value" of the asset removed.

Impact on the Value of the rent x and the rent x Payments field at the contract level

Since the "rent x" is not distributed to asset level, when an asset is removed:

- The **Value** of the contract "rent x" is not reduced according to the value of the asset removed.
- The **Payments** field of contract level rent x is not modified.

In the case of other contract types

Since the rent is not distributed to asset level:

- The **Payments** field at the contract level is not modified.
- The **Value** of the contract rent is not modified.
- The **Payments** field corresponding to the asset is not calculated.

Choosing a calculation method

Why distribute a rent item to all the assets under contract?

Consequences of calculating rent at asset level:

- AssetCenter Server creates rents and expense lines for each asset.
- Each addition of an asset to the contract increases the **Value** (SQL name: mValue) of the contract level rent and the value of the **Payments** field.

This choice places greater relative importance on the assets compared to the contract as a whole. It allows for rigorous financial management of the contract: accurate cost breakdown, asset changes accounted for (additions, removals, returns, etc.).

As a consequence, this option is generally selected when dealing with leased IT assets.

Why distribute a rent to a selection of the assets?

- This enables you to take different lease rate factors into account according to the selection of assets.

In this way, in the case of lease contracts, a lessee can create several lease rents, each of which can be distributed to a distinct selection of assets under contract. Thus, the assets of a given brand can be subject to a certain rent

corresponding to a certain lease rate factor, the assets of another brand having a different lease rate factor are subject to another rent.

- In addition, you may choose to distribute a rent at the contract level to those assets under contract which you consider to be the "main" assets, and not take "secondary" assets into account.

In this way, you may choose to distribute the rent pertaining to a PC maintenance, to the hard drives but not to the screens.

Why choose to not distribute rent to asset level?

Consequences of this choice:

- Adding asset to the contract modifies neither the **Value** of the rent nor the **Payments** field at the contract level.
- Likewise for returning assets.

Calculating rent at the asset level becomes superfluous when dealing with contracts which are not greatly affected by changes at the asset level: fixed insurance premiums, for example.

A lessee may also prefer not to distribute rent to asset level:

- To gain time and disk space.
- To keep an executive view of a contract without having to go into the details of assets.

In this case, the **Value** of the contract rent will probably have to be changed as and when assets are taken down or removed.

6 | Leasing - costs

CHAPTER

Expense lines are generated for all the costs associated with a contract:

- Periodic rents
- Initial payments and interim rents for lease contracts.
- Loans
- Various expenses
- etc.

Generation of periodic costs by AssetCenter Server

This section explains how AssetCenter Server creates the expense lines associated with contracts.

You will find information on the following topics:

- Launching AssetCenter Server
- Configuring AssetCenter Server
- Generation of expense lines linked to periodic rents

The costs (expenses) linked to periodic rent payments and loans for contracts are generated automatically by the monitoring program, AssetCenter Server.

Other costs (interim rents, miscellaneous fees...) are not calculated by AssetCenter Server, but are calculated dynamically by AssetCenter.

Launching AssetCenter Server

To launch AssetCenter Server, select it from the list of programs in the Windows start-up menu.

Use the File/ Connect menu item to connect to the database.

Configuring AssetCenter Server

The "Calculate rent" module in the **Tools/ Options/ Configure modules** menu item of AssetCenter Server defines:

- Certain parameters concerning the generation of costs for contracts and asset level rent payments.
- The frequency of updates.

Overview

AssetCenter Server verifies at regular intervals whether it needs to generate expense lines. If this is so, it generates them.

After checking and generating the expense lines relative to a periodic rent, AssetCenter Server stores the date of the last expense line (past or present) in the **Recalculation effective from** field (SQL name: dRecalcul).

- If the contract level rent is distributed to the assets, AssetCenter Server modifies the **Recalculation effective from** field that is found in the rent sub-tabs of the **Acquis.** tab of the assets detail.
- If the contract level rent is not distributed to asset level, AssetCenter Server modifies the **Recalculation effective from** field, that is found in the rent sub-tabs of the **Rents** tab of the contract detail.

AssetCenter Server does not recalculate every single expense line each time.

- Projected expense lines associated with a periodic rent are always recalculated.
- The **Recalculation effective from** field, proper to each rent, sets the date from which past and present expense lines associated with a periodic rent are recalculated.

The lessee may directly modify the recalculation date of the non-projected expense lines by directly modifying the **Recalculation effective from** field. This flexibility enables you to recalculate erroneous expense lines in case of a change in tax rates, for example.

Parameters

The **User data item** field in the **Modules** tab in AssetCenter Server is used to set the rent generation parameters. The syntax of this field is as follows:

```
<Duration>d
```

This duration set the number of days for which the calculation is made. For example, if you want to calculate rent over a period of 90 days, enter the following value:

```
90d
```



Note:

The maximum number of rent calculations made per transaction is specified by the UserData entry in the Amsrv.cfg configuration file.

Projected rent

The **User data item** field in the **Modules** tab in AssetCenter Server enables you to specify the number of days for which you calculate project rent payments. AssetCenter Server generates the projected expense lines for the specified period. In order to not generate any, you just need to set this field to '0'.

Example

Let's consider the following configuration:

- The contract is effective from July 1, 2001 through July 1, 2003.
- The rent is payable monthly on the first day of the month.
- AssetCenter Server verifies rent payments every 2 months and generates projected rent payments for the next 12 months.

July 1, 2002, AssetCenter Server is put into service for the first time: it generates:

- Past rents from July 1, 2001 through July 1, 2002.
- The present rent on July 1, 2002.

- The projected rents from August 1, 2002 through July 1, 2003.

Following these calculations, the **Recalculation effective from** field indicates the date of the last non-projected expense line, i.e. July 1, 2002.

AssetCenter Server runs in the background: 2 months later on September 1, 2002, it generates:

- The projected rents from October 1, 2002 through September 1, 2003.
- Past or present rents for which the payment date is later than that contained in the **Recalculation effective from** field, i.e. the rents from August 1, 2002 through October 1, 2003.

Generation of expense lines linked to periodic rents

Contract level rent items not distributed to asset level

If the **Prorate to assets** field (SQL name: seProrateRule) of a rent sub-tab in the **Rents** tab of the contract detail indicates that the rent is not distributed to the assets, AssetCenter Server generates one expense per rent period for all assets, for the specified period as configured in AssetCenter Server.

This expense line is the sum of the rent (before tax) and the associated tax at contract (schedule) level.

The date of the expense line is determined by the rent payment day as specified by the **Payments** (SQL name: CntrRntExpLins) and **Bill cycle day** (SQL name: tsBillCycDay) fields in the **Rents** tab of the contract detail. The expense line is attached to the contract.

No expense lines relative to the schedule level rent appear at the asset level.

A cost category, which is defined in the rent description sub-tab of the **Rents** tab, categorizes the expense line that you can allocate to a cost center.

Contract level rent items distributed to all assets or a selection of assets

If the **Prorate to assets** field (SQL name: seProrateRule) of a rent sub-tab in the **Rents** tab of the contract detail indicates that the rent is distributed to all (or a selection of) the assets, AssetCenter Server generates one expense per rent period and per asset under contract (or by asset of the selection), for the specified period as configured in AssetCenter Server.

Each expense line is the sum of the rent (before tax) (**Payments** field (SQL name: mPayments) in rent description tab in the **Acquis.** tab of the asset detail) and the associated tax.

The expense line is categorized according to the cost category and the cost center, defined for the asset (**Acquis.** tab, rent description sub-tab). By default, the values of these fields are taken from the **Cost category** (SQL name: CostCategory) and **Cost center** (SQL name: CostCenter) fields at the top of the **Acquis.** tab in the asset detail.

The expense lines are visible at both asset and contract level (**Costs** tab). They do not, of course, exist in duplicate in the AssetCenter database.

Modifying cost centers

If you modify the cost center to which an asset-level or contract-level rent item is allocated, past rents remain allocated to the previous cost center.

In order for past rents to be allocated to the new budget and new cost center, you just need to enter an appropriate date in the **Recalculation effective from** field (SQL name: dRecalcul) in the rent sub-tab.

Example:

The current date is December 25, 2002. The **Cost center** field (SQL name: CostCenter) in the "RRR" rent sub-tab of an asset is modified since the "RRR" rent item of the asset is to be switched over to the cost center "CCC" for November 1, 2002. In order for AssetCenter Server to allocate the "RRR" rent for November 2002 and December 2002 to the cost center "CCC", you just need to enter the date November 1, 2002 in the **Recalculation effective from** field (SQL name: dRecalcul) in the "RRR" rent sub-tab of the asset detail.

Viewing costs linked to a contract

The **Costs** tab in the contract detail summarizes the expense lines associated with a contract:

- Expense lines linked to periodic rents, generated for a period which you specify when configuring AssetCenter Server. For a rent period, there is either an expense line for each asset under contract or an expense line for each asset of a selection of the assets under contract, or an expense line for all the assets. In the first two cases, the expense line is allocated to the cost

- center defined in the rent sub-tab at the asset level. In the third case, it is allocated to the cost center defined in the rent sub-tab at the contract level.
- Expense lines linked to initial payments. In the case of leasing agreements:
 - These initial payments correspond to interim rent payments.
 - There is either an expense line for each asset under contract (corresponding to the **Init. payment** field (SQL name: mIntPay) in the **Price and conditions** sub-tab of the **Acquis.** sub-tab of the asset detail), or an expense line for each asset of a selection of the assets under contract, or an expense line for all the assets under contract (corresponding to the **Init. payment** field in the **General** tab of the contract detail). In the first two cases, the expense line is allocated to the cost center defined at the top of the **Acquis.** tab of the asset detail. In the third case, it is allocated to the cost center defined in the **General** tab of the contract detail.
 - The expense lines linked to loan payments. There is either a payment line for each asset under contract, or a payment line for each asset of a selection of assets under contract, or a payment line for all assets. In the first two cases, the expense line is allocated to the cost center defined at the top of the **Acquis.** tab of the asset detail. In the third case, it is allocated to the cost center defined in the loan description sub-tab in the **Loans** tab of the contract detail.
 - The expense lines corresponding to various fees (e.g. legal fees). These are created directly by the user. They are allocated to the cost center defined in the **General** tab of the contract detail.

"From... To" filter

You can apply a filter to this list of expense lines using the "From" and "To" fields to selectively display, for example, those expenses concerning the current accounting period. This filter stays in memory if you exit and re-launch AssetCenter.

7 Application services

CHAPTER

An application service is an IT application that a company can access externally via an application service provider (ASP). This access is covered by a subscription contract. A company's employees access this application via a communication protocol (Internet, X-25, etc.). **Example:** Using a simple thin-client Web interface, users can use a personal account to access application services via Internet or Intranet.

Application services free company's from having to upgrade or maintain applications.

Application service example

Let's take the case of company A, who wants to optimize its internal communication and information sharing. An application service provider can quickly fulfill this need. Additionally, it offers complementary services to secure company A's data. After taking a close look at the ASP's offer, company A signs a subscription contract. The companies exchange information concerning the use of the service, such as the cost, the terms of payment, and how user accounts are managed.

Implementing an application service in AssetCenter

AssetCenter is capable of storing and tracking your company's application-service data.

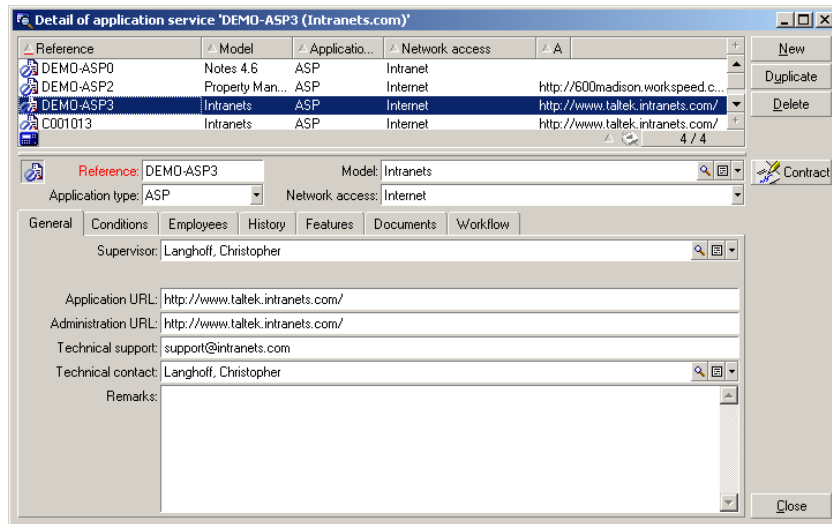
Each application service record designates a license-type contract. The contract is associated with a user account, and the user can access the information therein. Since application services are considered contracts, they are thus included in the Contracts table. To manage this type of contract, choose the **Contracts/Application services** menu item.

Because employees are the central piece of information in managing user accounts, AssetCenter comes with an **Application services** tab in the employee detail. In this way, you can access the Contract Utilizations screen without having to go through the Application services screen. Actions concerning application services or direct modifications to the values of fields in the database can have automatic repercussions on other database values.

Detail of an application service

This screen centralizes all information relating to application-service contracts. You can access it by selecting the **Contracts/ Application services** menu item.

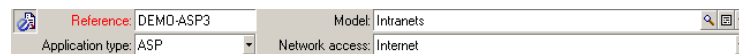
Open it each time you want to add, view, change or delete related information.



The rest of the section presents the record list and detail panes of the screen.

Main fixed information

In the upper part of the detail pane, an icon and four fields are always associated with the current application service.



- The **Reference** field (SQL name: Ref) corresponds to the contract number and is a mandatory field.
- The **Application type** field (SQL name: seASPTType) indicates the administration mode of the application. The three possible values are: ASP, Intranet, and Other.
- The **Model** link (SQL name: Model) (this field is a link to a field in the table of models) indicates the name of the provided application. This link points to a record in the table of models.

- The **Network access** field (SQL name: seASPAccessType) indicates the type of network access used. The four possible values are: Internet, Secure Internet, Intranet, and Other.

The General tab

This tab centralizes general information on the current application service.

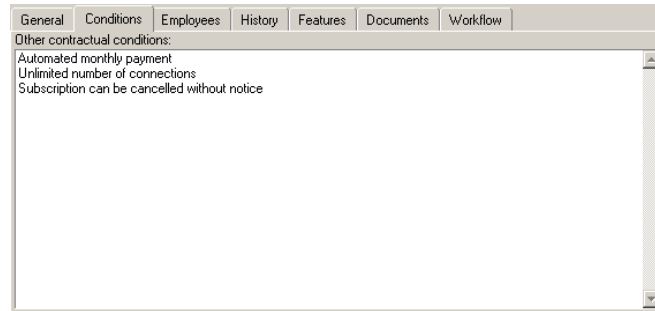
The screenshot shows a software interface with several tabs: General, Conditions, Employees, History, Features, Documents, and Workflow. The 'General' tab is active. Below the tabs, there are several input fields:

- Supervisor: Langhoff, Christopher
- Application URL: http://www.taltek.intranets.com/
- Administration URL: http://www.taltek.intranets.com/
- Technical support: support@intranets.com
- Technical contact: Langhoff, Christopher
- Remarks: (empty text area)

- The **Supervisor** link (SQL name: Supervisor) indicates the department or the employee who is responsible for the associated contract.
- The **Company** link (SQL name: Company) designates the application service provider.
- The **Application URL** field (SQL name: ASPConnectionURL) indicates the URL connection address for the application.
- The **Administration URL** (SQL name: ASPUserRegURL) indicates the address used to manage user accounts. Depending on the application service, the application and administration addresses may be the same.
- The **Technical support** field (SQL name: ASPEmail) indicates the address (e-mail, URL, etc.) used to contact technical support for the application.
- The **Technical contact** field (SQL name: TechCnct) designates the person to contact within your company for technical information on the application service.
- The **Comment** field (SQL name: Comment) is used to store free-format text comments on the application service.

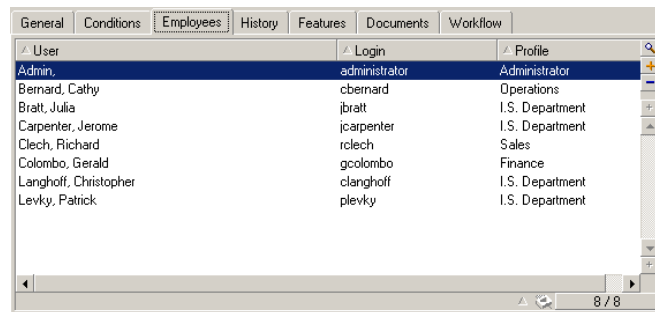
The Conditions tab

This tab is used to indicate any other terms of the contract that are not specified elsewhere.




The Employees tab

This tab contains the list of the users of the current application service.



Column headers used in the list:

- **User** is the name of an employee authorized to use the application service.
- **Login** is the name used to identify the user connecting to the application service.
- **Profile** is used to identify the set of rights given to the user for the application service.

Click  to obtain the detail of the use of a contract associated to a person in this list.

The contract utilization detail

As in the majority of detail screens, certain items of information are displayed in the upper section:

- The **User** link (SQL name: User) is used to indicate the employee authorized to use the current application service.
- The **Contract** link (SQL name: Contract) indicates the reference and purpose of the associated contract. This link is read only.
- The **Type** field (SQL name: seType) indicates the type of contract associated.

The **General** tab contains general information on the utilization of the license by the current employee:

Field 1 (SQL name: Field1) is a customizable field. You can use this field to store any additional item of information concerning the license utilization as long as you rename the label according to the type of information that you intend to store.

Two date-type fields, **Start** (SQL name: dStart) and **Planned end date** (SQL name: dPlannedEnd), define the period during which the user account associated with the current application service is valid.

The two following fields deduct the user rights for a licensed software. The **Authorization** field (SQL name: seAuthorization) is used to indicate whether authorization is given to the user within a license agreement. The three values defined in the system itemized list are: Authorized, Non authorized, and Unknown. Unknown is used by default if the user rights have not yet been defined. The **No. of utilizations** field (SQL name: IUseCount) enables you to choose the number utilizations given to the user if this parameter is implemented.

The **User account** frame contains the information necessary to manage the current user's user account:

- The **Login** field (SQL name: ASPLogin) is used to indicate the name that identifies the user when connecting to the account.
- The **Profile** field (SQL name: Profile) is used to indicate the name of the profile assigned to the user. The values can be selected from a drop-down list.
- The **Status** field (SQL name: seStatus) indicates the status of the user account, as given to AssetCenter, each time you perform online modifications to the ASP account. The three possible values are: To be created, Up-to-date, and To be updated. Because it is managed automatically by AssetCenter, this field is read only.

The Contract button

A shortcut to the Contracts screen, **Contract**, appears to the right of the detail screen. Selecting it displays the detail of the current application service within this screen. This button enables you to access the contract-management functions.

Actions and workflows to manage application services

The Application services screen enables you to efficiently manage your user accounts. According to the different information zones, you can add the information corresponding to each application service to your AssetCenter database; the amount of information will evolve according to your needs (other services, new users, etc.). The application services, contracts, employees, and contract utilizations screens represent linked tables: Any changes to them must also be made on the application-service Web site.

The actions described below enable you to easily perform common procedures used in the management of application services. In addition, the wizards, which guide you through these operations step-by-step, are designed to ensure the consistency of information inserted into the database.

This example is taken from the demonstration database. Intranets.com is an application service that provides a suite of tools for small business. We will associate it with several actions and the 'user-account management' workflow.



Note:

To use the workflows and the actions defined in this chapter, you must import the AssetCenter **Line-of-business data**.

Administer this application service action

This contextual action enables you to manage user accounts (create, modify, delete accounts, rights, profiles, etc.) by connecting to the application-service administration site. You can find this address in the **Administration URL** field (SQL name: ASPUserRegURL) of the **General** tab. To connect, go to a record in the Employees table (in the **Employees** tab of the application service detail, for example) and select **Actions/Administer this application service** from the shortcut menu. Your Web browser displays the application-service administration page.

Connect to the application service action

Make sure that your cursor is somewhere in the Contract-utilization table zone (on the screen or in the **Employees** tab of the application services screen). Choose the **Actions/Connect to the application service** shortcut menu. Using the value of the **Application URL** field (SQL name: ASPConnectionURL) included in the **General** tab, AssetCenter launches your Web browser, which displays the connection page for the Intranets.com application service. You can now enter the information required to log on.

Send an e-mail to support action

If the **Employees** tab is not selected, choose the **Actions/Send an e-mail to support** shortcut menu. The e-mail address, indicated by the **Technical support** field (SQL name: ASPEMail), in the **General** tab, enables AssetCenter to open your usual mail client. As the new message automatically includes this address, simply type your message and send it.

User account management workflow

Users can create or delete user accounts using the contract utilizations table.

Users can also modify the values assigned to their own **Login** (nom SQL : ASPLogin) and **Profile** (nom SQL : Profile) fields, in the **User account** frame of a contract utilization (this frame is specific to application services).

For example, if you want to modify Christopher Langhoff's user account:

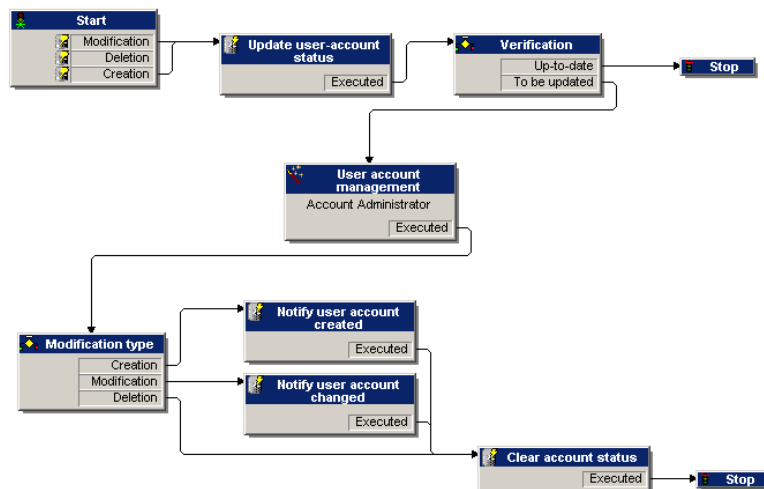
- 1 Modify the **Login** field (SQL name: ASPLogin) and/or the **Profile** field (SQL name: Profile) included in his contract utilization detail.
- 2 Click the **Modify** button to confirm.

AssetCenter triggers the user-account management workflow



It is possible to adapt this standard workflow to the specific needs of your company (refer to the relevant documentation).

Figure 7.1. User account management workflow - diagram

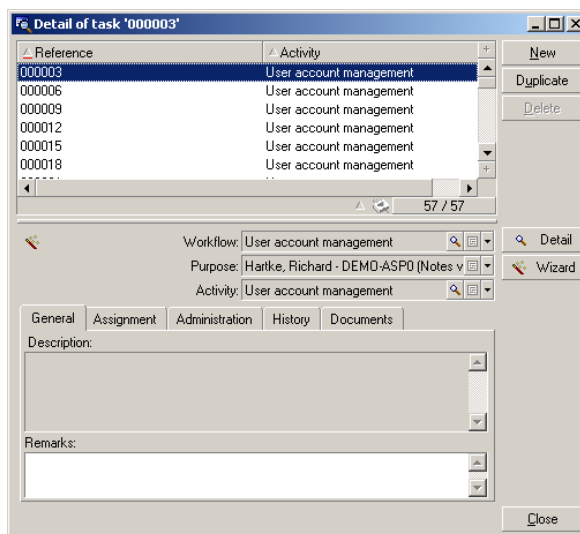


This workflow makes it possible to maintain the consistency between the actual configuration of the application service, as it is administered, and the information stored in AssetCenter.

Supervision

It is the responsibility of the application service administrator to consult the **Tools/Tasks in progress** menu regularly. Any necessary updates appear in the list. This is necessary in order to preserve the configuration of the user accounts in AssetCenter that are equivalent to that in the application service. The workflow assigns update tasks to the application service administrator. The application service administrator can then perform the administration tasks at the level of the application service.

Select the **Tools/ Tasks in progress** menu.



Execute the corresponding task by clicking the **Wizard** button. This enables you to carry out the modifications to Christopher Langhoff's Intranets.com account.

 **Note:**

The wizard specifies the task to be carried out on the application service administration site: Create, modify, or delete a user account.

Select the **Administer application service** button.

Your web browser connects to the administration site of the current application service via which you can create, modify, or delete user accounts.

Once you have finished, disconnect from the site, and then select the checkbox to validate the action in AssetCenter. **Account created** appears because, in this case, the **Status** field (SQL name: seStatus) was set to **To be created**.

Finally, click the **Finish** button.

Message	Date
Action saved	04/10/2002 ...
The status of this user account will be updated aut...	04/10/2002 ...
Wizard successfully executed	04/10/2002 ...

The **Status** field (SQL name: seStatus) included in the **User account** frame, changes from **To be created** to **Up to date**. Click the **Detail** button to verify.

The **Detail** button is a shortcut to the contract utilization screen, also accessible via the Employees tab in the application services screen. The contract utilization screen is displayed and enables you to consult the status of the user account in AssetCenter.

The workflow notifies the user that the administrator has performed the update

Next, an automatic e-mail notifies the user of any changes made to the application service administration site, including new connection attributes. Each user can then consult the messages sent to their assigned e-mail address.

Status of the user account

At the end of the workflow cycle, the administrator has no more tasks to perform. The **Status** field (SQL name: seStatus) is set to **Up to date** meaning that the description of the user account in AssetCenter conforms with the actual user account at the application service level.

Important:

As long as the value **Up to date** does not appear, and the **Login** field (SQL name: ASPLogin) is not empty, you will not be able to delete a user in AssetCenter, either directly in the **Employees** tab of the application services screen or in the contract utilization detail.

In order to track the accounts and make sure that the data in AssetCenter and the data hosted by the application service correspond, you must perform the following update process:

- 1 In the **User account** frame, first clear the **Login** (SQL name: ASPLogin) then click on the **Modify** button.
- 2 An update task then appears in the task list (**Tools/Tasks in progress** menu). As described above, the administrator must use the wizard to perform the task.
- 3 Confirm the deletion by selecting the checkbox, and then ending the wizard. In this way, you can be sure that the user accounts in AssetCenter correspond to the actual accounts opened by the application service provider.

Calculate application-service rents workflow

This workflow calculates the rent payments corresponding to each application service and produces the expense lines for the period. As services are license-type contracts, the **Rents** tab in the contracts screen contains the information required by the workflow.

In order to choose the calculation method applied to application services, set the **Prorate to assets** field (SQL name: seProrateRule) to Allocate unit level rent to all assets for each **Rents** tab. The value of the **Unit rent** field (SQL name: mUnitPayments) is then multiplied by another value given by the AQL notation contained in the **Description** field (SQL name: Description) when the rent is calculated.

The rent can be allocated to a specific **Cost center** (SQL name: CostCenter) and classified according to a **Cost category** (SQL name: CostCategory) if you select the **Allocate according to contract rent** option. Otherwise the expense lines will be split automatically. The **Schedule** fields, apart from the recalculation and the two checkboxes (**Main rent** and **Acceptance date**) are taken into account for all rent calculations. If you are not familiar with this tab, refer to the contextual help and the documentation on rent calculation.

The screenshot shows a software interface window titled "Detail of application service 'DEMO-ASP3 (Intranets.com)". The window has several tabs: General, Licenses, Conditions, Contacts, Rents, Costs, Acquis., Employees, and Asset. The "Rents" tab is selected. The interface is divided into several sections:

- Reference:** DEMO-ASP3, Purpose: Intranets.com
- Type:** License, **Model:** Intranets
- Description:** Contract.Users.User
- Payments:** 0.00
- Unit rent:** US\$9.99
- Value:** 0.00
- Taxes:** Tax calculation (checkbox), Jurisdiction, Tax rates: 0%, Tax amount: 0.00
- Schedule:**
 - Periodicity: Monthly
 - Dates: 06/09/2001
 - Payment: In advance
 - Bill cycle day: 0 days
 - Grace: 0 days
 - Expense lines calculation effective from: 10/09/2001
 - Main rent
 - Acceptance date
 - Allocate according to contract rent
 - Cost category: Computers
 - Cost center: IT
- Prorate to assets:** Allocate unit level rent to all as: Contract.Users.User

Buttons for "Modify" and "Cancel" are visible at the bottom right.

The function of the mandatory **Description** field (SQL name: Description) is special in that not only it identifies a rent payment but it also serves as the basis for the calculation itself.

The value of this field is a series of link names separated by periods (see below). Since a link defines the direction between two tables, this series constitutes an AQL path in which the order of the links determines the path from table to

table. Because this formula calculates a contract rent, this path always starts from the **amContractRent** table and includes, in our example, one of the **Contract** links that points to the **amContract** table. If the path ends with a numeric field, its value is multiplied by the unit rent to obtain the total rent. Otherwise, the number of terminal elements, such as the number of users, is used as the basis for the calculation.

In order to define a path to a value to be used in the rent calculation, you need to know the structure of the links between the tables. You can obtain the details of these links in AssetCenter Database Administrator.

In addition, a specific syntax is used to denote the reverse link of a link-type feature. When used in a path, this link is prefixed by a minus sign instead of a period and is followed by the name of the starting table. Thus, for a feature named `fv_test`:

- `[...].fv_test.[...]` is a link-type feature from table A to table B.
- `[...]-fv_test.A.[...]` is the reverse link from table B to table A.

The following figure shows an example of a **Description** (SQL name: `Description`) where the path shows reverse feature-links. The last link, `fv_surface`, designates the value of this link.

The screenshot displays the 'Rents' configuration window in AssetCenter. The 'Description' field is set to 'Contract.fv_FMContract'. Under the 'Schedule' tab, 'Periodicity' is 'Monthly', 'Dates' is '06/09/2001', and 'Payment' is 'In advance'. The 'Taxes' section shows 'Tax calculation' as '0%' and 'Tax amount' as '0.00'. The 'Prorate to assets' section shows 'Allocate unit level rent to all as:'. The path at the bottom is 'Contract.fv_FMContract.amLocation.fv_Surface'.

8 | Glossary (Contracts)

CHAPTER

Acceptance

Accepting assets is a key step in the leasing process, giving rise to the exchange of contractual documents between lessee and lessor (**Certificate of Acceptance**).

It contractually binds the lessee to pay rent.

AssetCenter database table that describes these objects

Assets (amAsset)

Lease rate factor

The lease rate factor is used in the rent calculation formula of contracts:

Contract rent = Value of the contract rent × Lease rate factor

The lease rate factor varies according to the type of asset under contract. It is contractual.

AssetCenter database tables that describes these objects

Asset rents (amAssetRent)

Schedule level rents (amCntrRent)

Blanket purchase order

Blanket PO-type contracts oblige the buyer to buy for a given minimum amount over a given period of time.

If the minimum amount is not reached at the end of the period, penalties are incumbent on the buyer.

AssetCenter database table that describes these objects

Contracts (amContract)

Contract

AssetCenter enables you to manage contracts or agreements made with your business partners.

An asset can be associated with several contracts.

Examples

AssetCenter helps you manage the following types of contracts:

- **Master lease**
- **Lease schedule**
- **Maintenance**
- **Insurance**
- **License**
- **Blanket purchase order**
- **Other**

AssetCenter database table that describes these objects

Contracts (amContract)

Master lease

The master lease defines the general terms and conditions for leasing equipment and the relations between the lessor and lessee.

It is used as the basis (or template) for the creation of lease schedules.

Equipment and rent amounts are not defined on the master lease; this information is detailed on individual lease schedules.

AssetCenter database table that describes these objects

Contracts (amContract)

Lease schedule

The lease schedule is an application of the master lease.

It inherits most of the information from the master lease and contains the list of equipment, the rent amounts and the principal dates.

AssetCenter database table that describes these objects

Contracts (amContract)

Loans

In some cases, you may need to borrow funds for leasing agreements.

AssetCenter helps you describe that loan and manage its reimbursement (principal, interest, fees).

Corresponding terms

→ Assignee [page 134]

AssetCenter database table that describes these objects

Loans (amLoan)

Bill cycle day

Time duration before the rent is due.

AssetCenter database tables that describes these objects

Asset rents (amAssetRent)

Schedule level rents (amCntrRent)

End of term

At the end of term, lessees usually have several possibilities open to them: purchase, return or renew the equipment.

Purchase option

Most agreements stipulate that the lessee can or must buy the equipment at fair market value. This value is decided on between the lessor and lessee based on typical market prices for the type of equipment concerned.

Notification

Most agreements require the lessee to explicitly notify the lessor in advance of the chosen end of lease option for the equipment (renew, return, purchase). In general, if the lessor is not notified in advance the lessee may be liable to pay extra rent.

AssetCenter helps notify you in advance about assets that are approaching end of term.

The lessee can create alarms at several levels, which are triggered by the approach of certain dates: end of term, return, purchase or renewal dates of notification.

Early termination

Occasionally, assets are sold to a third party, lost, stolen or destroyed. In general, the lessor is informed and this has an immediate impact on rent amounts (see the definition of loss value).

In certain cases, the lessee can return the equipment before the end of term. This can take place at any time at the request of the lessee, or on dates

determined by the contract. The lessee has to pay penalties called early termination fees.

AssetCenter database table that describes these objects

Contracts (amContract)

Allocation

An allocation is one mode of calculating the rent of assets under contract. Using the **Allocation** mode requires you to define the same fixed amount for the rent of each asset.

Opposites

→ Prorata [page 134]

AssetCenter database tables that describes these objects

Asset rents (amAssetRent)

Schedule level rents (amCntrRent)

Interest

Interest is a part of reimbursing loans, with principal and fees.

AssetCenter database table that describes these objects

Loans (amLoan)

Leasing

Leasing has similarities and differences with long-term rental and hire-purchase agreements.

Rent payments are used in all cases. But there are differences between the three:

- **Leasing:** Leasing agreements use payment schedules to calculate rent payments and penalties. A wide variety of leasing agreements exist, all of which help a company avoid the capital cost involved in owning equipment. Leasing is often also used as an asset management strategy, especially for IT assets, which can quickly become obsolete.
- **Long-term rental:** A leasing agreement with no buy-out option at the end of term, such as the case with hire-purchase.
- **Hire-purchase:** A system of purchase by paying in installments where the lessee can use the equipment while paying for it.

Rent

Rent is determined by the amount of periodic payments and the frequency of payments.

In the case of multiple rent payments, a distinction is made between main rent and secondary rent payments.

AssetCenter enables you to calculate the overall rent amount for the contract, the rent payments of the assets subject to the contract, and the interim rent payments.

AssetCenter database tables that describes these objects

Asset rents (amAssetRent)

Schedule level rents (amCntrRent)

Interim rent

Interim rent covers the period between receiving and accepting an asset and the date of the first rent payment for a full period.

While a contract can be associated to several rents (insurance, rent, maintenance, etc.), the interim rent is only for a contract's main rent.

The interim rent is calculated from the moment you accept the assets under contract.

Main rent

In the case of multiple rent payments, a distinction is made between main rent and secondary rent payments.

This is an important concept in leasing since interim rent, which is specific to this type of contract, only exists for "main" rent payments.

Let's say that a certain payment is the main rent payment of a contract: This certain payment will then be the main rent payment of all assets tied to this contract.

There can only be one main rent payment for any given asset.

On the other hand, there can be several main rent payments at the contract level.

AssetCenter database tables that describes these objects

Asset rents (amAssetRent)

Schedule level rents (amCntrRent)

Rent amount

The rent amount is calculated by applying a lease rate factor to the value of this rent.

The rent amounts are used as contracts at the level of the asset rents.

Do not confuse with...

→ Value of a rent [page 137]

Notification

Most agreements require the lessee to explicitly notify the lessor in advance of the chosen end of lease option for the equipment (renew, return, purchase).

In general, if the lessor is not notified in advance the lessee may be liable to pay extra rent.

AssetCenter helps notify you in advance about assets that are approaching end of term.

The lessee can create alarms at several levels, which are triggered by the approach of certain dates: end of term, return, purchase or renewal dates of notification.

AssetCenter database table that describes these objects

Contracts (amContract)

Periodicity

Rent is determined by the amount of periodic payments and the frequency of payments.

AssetCenter database tables that describes these objects

Asset rents (amAssetRent)

Schedule level rents (amCntrRent)

Assignee

To finance equipment, the lessor sometimes uses a third party to whom he transfers the responsibility of handling financial obligations on the part of the lessee.

This third party is usually a financial body called an assignee.

In general, the assignee collects rent payments from the lessee and the lessor conserves his contractual obligations.

AssetCenter database table that describes these objects

Contracts (amContract)

Prorata

Prorating is one mode of calculating the rent of assets under contract.

Using the **Prorata** mode involves calculating asset rents prorata on a reference value (purchase price, rent, initial value, etc.) called **Prorata value**.

Examples

Here is a prorata rent calculation formula of an asset:

$$\text{Asset "Rent"} = \text{Contract "Rent"} \times \frac{\text{Prorata value of asset}}{\sum \text{Prorata values of assets}}$$

Opposites

→ Allocation [page 131]

AssetCenter database tables that describes these objects

Asset rents (amAssetRent)

Schedule level rents (amCntrRent)

Application service

An application service involves using an IT application in a company without having to install it.

The application is housed with an external service provider, called an **Application Service Provider**, or **ASP**.

As an intermediary between the software publisher and the client, the service provider supplies the application on subscription.

Online use of the application automates its maintenance and upgrade operations.

Users can access the application via Internet or Intranet.

AssetCenter database table that describes these objects

Contracts (amContract)

Loan amortization schedule

The loan amortization schedule defines the deadlines associated with loan reimbursements.

Each deadline is comprised of the following items:

- A date
- A principal amount
- An interest rate
- A fee amount

AssetCenter database table that describes these objects

Loan amortization schedule lines (amLoanPayment)

Loss value

Lessees are usually liable to pay penalties in the case of lost or damaged assets, etc.

They depend on the value of the assets which are lost or destroyed. In general this loss value is contractually defined.

AssetCenter manages the different possible methods of loss value calculation, depending on the time elapsed since the start of term and the type of asset concerned.

AssetCenter database table that describes these objects

Loss values (amLossValLine)

Loss value percentages (amLossValRate)

Percentage of losses (amLossValRule)

Prorata value

In certain cases, the rent of an asset is calculated prorata on a reference value.

This reference value is called a **prorata value**.

You can select the prorata value at the asset rent level.

The reference value comes from the detail of the asset (**Purchase price, Rent, Market value**, etc.).

Here is how the **Rent** field (mPayments) of an asset is calculated if the **Rent** field of the contract and the prorata values of the assets are known:

$$\text{Asset "Rent"} = \text{Contract "Rent"} \times \frac{\text{Prorata value of asset}}{\sum \text{Prorata values of assets}}$$

AssetCenter database table that describes these objects

Schedule level rents (amCntrRent)

Value of a rent

The value of a rent is the basis of the calculation of this rent's amount.

The rent values are used as contracts at the level of the asset rents.

Do not confuse with...

→ Rent amount [page 133]

Purchase option value

Most agreements stipulate that the lessee can or must buy the equipment at fair market value.

This value is decided on between the lessor and lessee based on typical market prices for the type of equipment concerned.

Synonyms

→ End of term [page 130]

AssetCenter database table that describes these objects

Assets (amAsset)

Initial value

The market value of an asset is its market value at the time it was included in the table of assets.

This is its purchase price if it is new, its buy-out price if it is second hand, etc.

AssetCenter database table that describes these objects

Assets (amAsset)

Initial payment

There is an initial payment for each contract type.

In the case of a lease schedule, this initial payment corresponds to an interim rent.

As a general rule, the value of the interim rent is calculated on accepting the assets.

Synonyms

→ Interim rent [page 132]

AssetCenter database table that describes these objects

Assets (amAsset)

9 References (Contracts)

CHAPTER

Menus and tabs (Contracts)

Data in the Contracts module is accessible using the following menus, links and fields:

Table 9.1. Menus and tabs (Contracts) - list

Sub-menu	Table accessible by the menu (label and SQL name)	Dedicated tabs, fields or links	Section of the guide to consult
File menu			

Sub-menu	Table accessible by the menu (label and SQL name)	Dedicated tabs, fields or links	Section of the guide to consult
Activate modules	Enables you to activate or deactivate the Contracts module, if your license file permits. You need to activate this module if you don't see the following menus.	Does not apply.	Refer to the User interface guide, chapter Customizing a client workstation , section Activating the modules .
Contracts menu			
Contracts	Contracts (amContract)	All	The entire guide.
Application services	Contracts (amContract)	All	Application services [page 113]
Blanket purchase order	Contracts (amContract)	All	Types of contracts [page 15]
Master leases	Contracts (amContract)	All	Options tab: All information is recopied, except comments. [page 37]
Lease schedules	Contracts (amContract)	All	Options tab: All information is recopied, except comments. [page 37]
Returns - end of term	Return envelope (amReturnEnv)	All	Returning assets [page 69]
Portfolio menu			
Natures	Natures (amNature)	<ul style="list-style-type: none"> • Create field (seBasis) • Contract type field (seCntrType) 	Refer to the Portfolio guide, chapter Portfolio items , section Natures .
Models	Models (amModel)	Certain fields of the General tab	Refer to the Portfolio guide, chapter Portfolio items , section Models .

Sub-menu	Table accessible by the menu (label and SQL name)	Dedicated tabs, fields or links	Section of the guide to consult
Assets and batches	Assets (amAsset)	<ul style="list-style-type: none"> A large part of the Acquis. tab Rent tab Contracts tab 	Leasing - rented assets [page 55]
Departments and employees	Employees (amEmplDept)	<ul style="list-style-type: none"> Application services tab Contracts tab 	Contacts associated to contracts [page 24]
Groups	Employee groups (amEmplGroup)	Contracts tab	
Suppliers	Companies (amCompany)	Contracts tab	Contacts associated to contracts [page 24]
Tools menu			
Reporting/ Reports	Reports (amReport)	Does not apply.	Reports and forms (Contracts) [page 155]
Reporting/ Forms	Forms (amForm)	Does not apply.	Reports and forms (Contracts) [page 155]
Actions/ Edit	Actions (amAction)	Does not apply.	Actions and wizards (Contracts) [page 153]
Actions/ <Name of action>	Proposes either contextual or non-contextual actions. Enables you to trigger the selected action.	Does not apply.	Actions and wizards (Contracts) [page 153]
Customize toolbar	Enables you to add or remove icons from the toolbar.	The Leasing category.	Toolbar icons (Contracts) [page 142]
Administration menu			
List of screens	Enables you to access tables that are not accessible using the main menus. This menu item is reserved for the administrator since such tables usually do not need to be directly accessed or modified.	Does not apply.	Refer to the User interface guide, chapter Record lists , chapter Using lists .
Itemized lists	Itemized lists (amItemizedList)	Does not apply.	Itemized lists (Contracts) [page 151]

Sub-menu	Table accessible by the menu (label and SQL name)	Dedicated tabs, fields or links	Section of the guide to consult
Counters	Counters (am-Counter)	Does not apply.	Counters (Contracts) [page 152]

Toolbar icons (Contracts)

Some of the toolbar icons are specific to the Contracts module.

To obtain this list and add these icons to the toolbar:

- 1 Select the **Tools/ Customize toolbar** menu.
- 2 Select the **Tools** tab.
- 3 Select **Leasing** in the list of **Categories**.

For more information on how to customize the toolbar, refer to the **Introduction** guide, chapter **Customizing a client workstation**, section **Customizing the toolbar**.

Interface options (Contracts)

There are no interface options specifically dedicated to the Contracts module.

Tables (Contracts)

The Contracts module uses the following tables:

Table 9.2. Tables (Contracts) - list

Label and SQL name of the table	Menus enabling you to access the table	Section of the guide to consult
Tables directly linked to the Contracts module		
Asset rents (amAssetRent)	Portfolio/ Assets and Batches, Rent tab	Calculating contract rents [page 18]
	Administration/ List of screens	Leasing - rent payments [page 79]

Label and SQL name of the table	Menus enabling you to access the table	Section of the guide to consult
Assets under contract (amAstCntrDesc)	Portfolio/ Assets and Batches, Contracts tab Administration/ List of screens	Manage the assets covered by contracts. [page 17] Leasing - rented assets [page 55]
Return envelope (amReturnEnv)	Contracts/ Returns - end of term	Returning assets [page 69]
Asset rent payments (amAstRntExpLin)	Not available.	Calculating asset level rent [page 83]
Employees covered by a contract (amCntrEmpl)	Contracts/ Contracts, Employees tab Contracts/ Application services, Employees tab Contracts/ Blanket purchase order, Employees tab Contracts/ Master leases, Employees tab Contracts/ Lease schedules, Employees tab Administration/ List of screens	Administer this application service action [page 120]
Contracts assigned to projects (amCntrProjDesc)	Portfolio/ Projects, Contracts tab Administration/ List of screens	Refer to the Portfolio guide, chapter Work orders and projects , section Projects .
Schedule level rents (amCntrRent)	Contracts/ Contracts, Rents tab Contracts/ Blanket purchase orders, Rents tab Contracts/ Lease schedules, Rents tab Administration/ List of screens	Calculating contract rents [page 18] Leasing - rent payments [page 79]
Contract-level rent payments (amCntrRntExpLin)	Administration/ List of screens	Generation of expense lines linked to periodic rents [page 110]

Label and SQL name of the table	Menus enabling you to access the table	Section of the guide to consult
Contracts (amContract)	Contracts/ Contracts	Contracts [page 15]
	Contracts/ Application services	Leasing - general concepts [page 27]
	Contracts/ Blanket purchase order	Leasing - practical case [page 39]
	Contracts/ Master leases	
	Contracts/ Lease schedules	
Loans (amLoan)	Contracts/ Contracts, Loans tab	Loans associated with contracts [page 21]
	Contracts/ Blanket purchase orders, Loans tab	
	Contracts/ Lease schedules, Loans tab	
	Administration/ List of screens	
Loan amortization schedule lines (amLoanPayment)	Contracts/ Contracts, Leasing tab, Rule field (LossValRule)	Loans associated with contracts [page 21]
	Contracts/ Master leases, Leasing tab, Rule field (LossValRule)	
	Contracts/ Lease schedules, Leasing tab, Rule field (LossValRule)	
	Administration/ List of screens	
Loss values (amLossValLine)	Administration/ List of screens	Defining loss value calculation rules [page 72] and Calculating the loss value [page 74]

Label and SQL name of the table	Menus enabling you to access the table	Section of the guide to consult
Loss value percentages (am-LossValRate)	<p>Contracts/ Contracts, Leasing tab, Rule field (LossValRule), detail of the rule.</p> <p>Contracts/ Master lease, Leasing tab, Rule field (LossValRule), detail of the rule.</p> <p>Contracts/ Lease schedule, Leasing tab, Rule field (LossValRule), detail of the rule.</p> <p>Administration/ List of screens</p>	Defining loss value calculation rules [page 72] and Calculating the loss value [page 74]
Percentage of losses (am-LossValRule)	<p>Contracts/ Contracts, Leasing tab, Rule field (LossValRule)</p> <p>Contracts/ Master leases, Leasing tab, Rule field (LossValRule)</p> <p>Contracts/ Lease schedules, Leasing tab, Rule field (LossValRule)</p> <p>Administration/ List of screens</p>	Defining loss value calculation rules [page 72] and Calculating the loss value [page 74]
Third parties (amThirdParty)	<p>Contracts/ Contracts, Contacts tab</p> <p>Contracts/ Blanket purchase orders, Contacts tab</p> <p>Contracts/ Master leases, Contacts tab</p> <p>Contracts/ Lease schedules, Contacts tab</p> <p>Administration/ List of screens</p>	Third party contacts zone [page 25]
Tables indirectly linked to the Contracts module		
Assets (amAsset)	Portfolio/ Assets and batches	<p>Manage the assets covered by contracts. [page 17]</p> <p>Leasing - rented assets [page 55]</p>
Catalogs (amCatalog)	Procurement/ Catalogs	Refer to the Catalogs guide.

Label and SQL name of the table	Menus enabling you to access the table	Section of the guide to consult
Orders (amPOrder)	Procurement/ Purchase orders and estimates	Adding assets to a lease schedule [page 55]
Requests (amRequest)	Procurement/ Purchase requests	Adding assets to a lease schedule [page 55]
Invoice lines (amInvoiceLine)	Procurement/ Supplier invoices, Composition tab	Adding assets to a lease schedule [page 55]
Locations (amLocation)	Portfolio/ Locations	Refer to the Portfolio guide, chapter Overview (Portfolio) , section Main tables used in portfolio management .
Models (amModel)	Portfolio/ Models	Main fixed information [page 115]
Natures (amNature)	Portfolio/ Natures	Refer to the Portfolio guide, chapter Portfolio items , section Natures .
Employees (amEmplDept)	Portfolio/ Departments and employees	Refer to the Portfolio guide, chapter Overview (Portfolio) , section Main tables used in portfolio management .
Companies (amCompany)	Portfolio/ Companies	Refer to the Core tables guide, chapter Companies .

Interdependence of tables (Contracts)

The Contracts module uses numerous tables in the AssetCenter database. There are multitudes of links between these tables. It is thus convenient to optimize the order in which you populate these tables.

The order that we propose below is not mandatory: AssetCenter enables you to create missing records in linked tables whenever it is necessary.

Example

We recommend that you create the cost categories before creating the contracts. However, you can, of course, create a cost category on the fly when you are populating the detail of a contract. Keep in mind, though, that you will have to populate numerous, interwoven, tables, which can be quite complicated.

Here is a table that optimizes the order of how you should create your records. It indicates which dependant tables you need to populate.

Secondary tables not directly linked to the Contracts module are not included here. They are automatically populated when you create records in the main tables.

Table 9.3. Interdependence of tables (Contracts) - table

Table (label and SQL name)	Tables to populate before-hand (label and SQL name)	Comments
1 Itemized lists (amItemizedList)	None	For information about which itemized lists to populate: → Itemized lists (Contracts) [page 151].
1 Cost categories (amCostCategory)	Refer to the Financials guide.	
2 Cost center (amCostCenter)		
1 Natures (amNature)	Refer to the Portfolio guide.	Enter Contract in the Create field (seBasis) and populate the Contract type field (seCntrType).
1 Models (amModel)	Refer to the Portfolio guide.	
1 Country (amCountry)	Refer to the Core tables guide.	
2 Locations (amLocation)		
3 Employees (amEmplDept)		
4 Employee groups (amEmplGroup)		
1 Companies (amCompany)	Refer to the Core tables guide.	
2 Contacts (amContact)		
1 Tax jurisdictions (amTaxJuris)	Refer to the Financials guide.	
2 Tax formulas (amTaxFormula)		

Table (label and SQL name)	Tables to populate beforehand (label and SQL name)	Comments
1 Orders (amPOrder)	Refer to the Procurement guide.	This is a prerequisite for Blanket PO type contracts since such contracts refer to a record in the Orders table (amPOrder).
1 Assets (amAsset)	Refer to the Portfolio guide.	
1 Contracts (amContract)	<ul style="list-style-type: none"> • Cost categories (amCostCategory) • Cost center (amCostCenter) • Models (amModel) • Locations (amLocation) • Employees (amEmplDept) • Employee groups (amEmplGroup) • Companies (amCompany) • Contacts (amContact) • Orders (amPOrder) • Assets (amAsset) 	
1 Third parties (amThirdParty)	<ul style="list-style-type: none"> • Companies (amCompany) • Contacts (amContact) • Contracts (amContract) 	
1 Assets under contract (amAstCntrDesc)	<ul style="list-style-type: none"> • Assets (amAsset) • Contracts (amContract) 	

Table (label and SQL name)	Tables to populate before-hand (label and SQL name)	Comments
1 Schedule level rents (am-CntrRent)	<ul style="list-style-type: none"> • Cost categories (amCostCategory) • Cost center (am-CostCenter) • Tax jurisdictions (amTaxJuris) • Tax formulas (amTaxFormula) 	
1 Loans (amLoan)	<ul style="list-style-type: none"> • Cost categories (amCostCategory) 	
2 Loan amortization schedule lines (amLoanPayment)	<ul style="list-style-type: none"> • Cost center (am-CostCenter) • Companies (am-Company) • Assets (amAsset) • Contracts (am-Contract) 	
1 Percentage of losses (amLossValRule)	<ul style="list-style-type: none"> • Contracts (am-Contract) 	
2 Loss value percentages (am-LossValRate)		
3 Loss values (am-LossValLine)		

Table (label and SQL name)	Tables to populate beforehand (label and SQL name)	Comments
1 Asset rents (amAssetRent)	<ul style="list-style-type: none"> • Cost categories (amCostCategory) • Cost center (amCostCenter) • Tax jurisdictions (amTaxJuris) • Tax formulas (amTaxFormula) • Assets (amAsset) • Schedule level rents (amCntrRent) 	
1 Employees covered by a contract (amCntrEmpl)	<ul style="list-style-type: none"> • Contracts (amContract) • Employees (amEmplDept) 	
1 Return envelope (amReturnEnv)	<ul style="list-style-type: none"> • Locations (amLocation) • Companies (amCompany) • Contacts (amContact) • Assets (amAsset) • Country (amCountry) • Contracts (amContract) 	

Table (label and SQL name)	Tables to populate beforehand (label and SQL name)	Comments
1 Requests (amRequest)	Refer to the Procurement guide.	This guide explains how requests, orders and receipts of acquired assets work in the leasing part of the Contracts module.
2 Request lines (amReqLine)		
3 Orders (amPOrder)		
4 Order lines (amPOrdLine)		
5 Receiving slips (amReceipt)		
6 Receipt lines (amReceiptLine)		

Itemized lists (Contracts)

Certain fields can be populated by selecting their values from a list. These itemized lists are such lists.

You can access the **Itemized lists** table (amItemizedList) using the **Administration/ Itemized lists** menu item.

The Contracts module uses the following itemized lists:

Table 9.4. Itemized lists (Contracts) -list

Identifier of the itemized list	Field populated from the itemized list (label and SQL name)	Table in which field is found (label and SQL name)
amAspCntrProfile	Profile (Profile)	Employees covered by a contract (amCntrEmpl)
amAssignCond	Conditions (AssignCond)	Contracts (amContract)
amCntrNature	Nature (Nature)	Contracts (amContract)
amCntrStatus	Status (Status)	Contracts (amContract)
amFloatingRate	Floating rate (FloatingRate)	Loans (amLoan)
amLossCond	Conditions (LossCond)	Contracts (amContract)
amPurchOptType	Purchase option type (PurchOptType)	Contracts (amContract)
amRenOptType	Renewal option type (RenOptType)	Contracts (amContract)

Identifier of the itemized list	Field populated from the itemized list (label and SQL name)	Table in which field is found (label and SQL name)
amRetOptType	Return option type (RetOptType)	Contracts (amContract)
amUpgOptType	Upgrade option type (UpgOptType)	Contracts (amContract)

For more information on using itemized lists, refer to the **Advanced use** guide, chapter **Itemized lists**.

Calculated fields (Contracts)

There are no calculated fields specific to the Contracts module.

You can access the **Calculated fields** table (**amCalcField**) using the **Administration/ Calculated fields** menu item.

For more information on using calculated fields, refer to the **Administering the database** guide, chapter **Calculated fields**.

For more information on script writing, refer to the **Advanced use** guide, chapter **Scripts**.

For more information on using APIs, refer to the **Programmer's reference** guide.

Counters (Contracts)

The Contracts module uses certain counters.

These counters are used in the default values of certain fields.

You can access the **Counters** table (**amCounter**) using the **Administration/ Counters** menu item.

The following counters are directly linked to the Contracts module:

Table 9.5. Counters (Contracts) - list

SQL name of the counter	Label and SQL name of the table that uses the counter	Label and SQL name of the field that uses the counter
amLoan_Code	Loans (amLoan)	Code (Code)
amContract_Ref	Contracts (amContract)	Reference (Ref)

For more information on how to use counters, refer to the **Administration** guide, chapter **Customizing the database**, section **Counters in field default values**.

Actions and wizards (Contracts)

The **Line-of-business data** contains actions for the Contracts module.

After you have imported the actions in your working database, you can identify the ones specific to the Contracts module by doing the following:

- 1 Display the list of actions (**Tools/Actions/Edit**)
- 2 Right-click in the list window.
- 3 Select **Configure list**.
- 4 Add the **Nature** link (Nature) to the columns in the list.
- 5 Click **OK**.
- 6 Sort the list from the **Nature** column.
- 7 The reports for the Contracts module are identified by the **BST_ASP** and **BST_CONTRACT** natures.

Some of these actions are described in this guide:

Table 9.6. Actions and wizards (Contracts) - list

Name of action	SQL name of action	Type of action	Context of action (SQL name of table)	Section of the guide to consult
Administer the application service	ConnectToAdminAc-cnt	Executable	Employees covered by a contract (amCntr-Empl)	Administer this application service action [page 120]
Connect to the application service	ConnectToASPService	Executable	Employees covered by a contract (amCntr-Empl)	Connect to the application service action [page 120]
Send an e-mail to support	MailToSupport	Executable	Contracts (amContract)	Send an e-mail to support action [page 120]

You can access the **Actions** table (**amAction**) using the **Tools/ Actions/ Edit** menu item.

For more information on using actions, refer to the **Advanced use** guide, chapter **Actions**.

You can also create new actions.

AssetCenter Server modules (Contracts)

The following AssetCenter Server modules are dedicated to the Contracts module.

- **Calculate stipulated loss values**
- **Calculate rent**

For more information on this module, refer to the **Administration** guide, chapter **AssetCenter Server**, section **Configuring the modules monitored by AssetCenter Server**.

System data and Line-of-business data (Contracts)

AssetCenter is provided with a standard set of data.

This set of data is part of one of the following groups:

- **System data:** essential data for the AssetCenter database.
- **Line-of-business data:** Basic data to insert into your production database if you find it useful.

This data is divided into functional areas.

- **Sample data:** useful data for you to familiarize yourself with AssetCenter.

System data data specific to the Contracts module

The **System data** does not contain any data specific to the Contracts module.

Sample data specific to the Contracts module

The **Sample data** contains data specific to the Contracts module in the **Reports** table (amReport).

The **Sample data** specific to the Contracts module is automatically a part of the demonstration database installed with AssetCenter.

The **Sample data** specific to the Contracts module is a part of your working database if you choose this option with AssetCenter Database Administrator.

Line-of-business data data specific to the Contracts module

The **Line-of-business data** contains data specific to the Contracts module, in particular for the following tables:

- Itemized lists (amItemizedList)
- Features (amFeature)
- Actions (amAction)
- Tables linked to the workflow
- Application options (amOption)

The **Line-of-business data** specific to the Contracts module is automatically a part of the demonstration database installed with AssetCenter.

The **Line-of-business data** specific to the Contracts module is a part of your working database if you choose this option with AssetCenter Database Administrator.

Reports and forms (Contracts)

AssetCenter is provided with forms and reports. Certain of these forms and reports are specific to the Contracts module.

In order for these reports and forms to be available in your database, you must import them from the AssetCenter Database Administrator.

Importing and identifying reports specific to the Contracts module

To find out how to import reports, refer to the **Advanced use** guide, chapter **Crystal Reports**, section **Installing and using the reporting tool**.

To identify the reports specific to the Contracts module, consult the **Advanced use** guide, chapter **Crystal Reports**, section **Identifying Crystal Reports specific to a given module**.

Importing and identifying forms specific to the Contracts module

To find out how to import forms, refer to the **Advanced use** guide, chapter **Forms**, section **Installing preconfigured forms into your working database**.

To identify the forms specific to the Contracts module, consult the **Advanced use** guide, chapter **Forms**, section **Identifying forms specific to a given module**.

Background processes (Contracts)

For more information on the automatic background processes executed by AssetCenter, consult the **Database structure** guide. For each table discussed in this guide, you will find an **Background processes** section.

APIs (Contracts)

There are no AssetCenter APIs dedicated to the Contracts module. To obtain a list of AssetCenter APIs and their descriptions, consult the **Programmer's reference** guide.

Views (Contracts)

There are no defaults view specific to the Contracts module. For more information on using views, refer to the **Introduction** guide, chapter **Using views**.

Other documentation (Contracts)

This guide only provides information directly relating to the Contracts module. To obtain associated information not covered in this guide, we recommend that you read the following documents:

Table 9.7. Other documentation (Contracts) - list

The document ...	Covers information relating to the ...	Format	Location in the AssetCenter installation folder
Installation	<ul style="list-style-type: none"> • Installation of AssetCenter 	Printed	\doc\pdf\Installation*.pdf
		On line	\doc\chm\install*.chm
Core tables	<ul style="list-style-type: none"> • Departments and employees • Employee groups • Locations • Suppliers • Contacts • Country 	Printed	\doc\pdf\CommonTables*.pdf
		On line	\doc\chm\common*.chm
Introduction	<ul style="list-style-type: none"> • General software interface 	Printed	\doc\pdf\UserInterface*.pdf
		On line	\doc\chm\userint*.chm
Portfolio	<ul style="list-style-type: none"> • Natures • Models • Assets 	Printed	\doc\pdf\Portfolio*.pdf
		On line	\doc\chm\portfol*.chm
Administration	<ul style="list-style-type: none"> • Itemized lists • Customization of fields 	Printed	\doc\pdf\Administration*.pdf
		On line	\doc\chm\admin*.chm
Help on fields and links	<ul style="list-style-type: none"> • Description of the database's fields and links 	On line	<p>This help is accessible using one of the following methods, after having selected the field or link:</p> <ul style="list-style-type: none"> • Right-click and select Help on this field from the shortcut menu. • Press Shift and F1 simultaneously on your keyboard. • Select the Help/ Help on this field menu.
Database structure	<ul style="list-style-type: none"> • List of the database's tables, fields, links and indexes • Automatic agents triggered by AssetCenter. 	Text file	<ul style="list-style-type: none"> • doc\infos\database.txt • \infos\tables.txt
		On line	\doc\chm\dbstruct*.chm

The document ...	Covers information relating to the ...	Format	Location in the AssetCenter installation folder
General online help	<ul style="list-style-type: none"> The functioning of the entire application 	On line	This help is accessible using one of the following methods, after having selected the field or link: <ul style="list-style-type: none"> Press F1 on the keyboard. Select the Help/ Index menu.
Financials	<ul style="list-style-type: none"> Cost categories Cost centers Tax jurisdictions Tax formulas 	Printed	\doc\pdf\Financials*.pdf
		On line	\doc\finance*.chm
Procurement	<ul style="list-style-type: none"> Orders Requests Receipts 	Printed	\doc\pdf\Procurement*.pdf
		On line	\doc\procur*.chm

Workflow schemes (Contracts)

The **Sample data** includes workflow schemes for the Contracts module.

After you have imported the workflows in your working database, you can identify the ones specific to the Contracts module by doing the following:

- 1 Display the list of workflow schemes (**Tools/Workflow/Workflow schemes**).
- 2 Right-click in the list window.
- 3 Select **Configure list**.
- 4 Add the **Execution group** link (GroupName) to the columns in the list.
- 5 Click **OK**.
- 6 Sort the list from the **Execution group** column.
- 7 The workflow schemes for the Contracts module are identified by the **BST_ASP** and **BST_CONTRACT** natures.

Some of these workflow schemes are described in this guide:

Table 9.8. Workflow schemes (Contracts) -list

Name of the workflow scheme	Reference of the workflow scheme	Context of the start object	Section of the guide to consult
User account management	ASP002	Employees covered by a contract (am-CntrEmpl)	User account management workflow [page 121]
Calculate application-service rents	ASP001	Schedule level rents (am-CntrRent)	Calculate application-service rents workflow [page 125]

Use the **Tools/ Workflow/ Workflow schemes** menu item to access the **Workflow schemes** table (amWfScheme).

For further information on using workflow schemes, refer to the **Advanced use guide, Workflow** chapter.

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