TCM: Contract Obligations

Obligations are tasks or actions that need to be completed for a contract, such as documentation that must be provided, reviews that must be completed, or compliance criteria that a contract must fulfill.

You can create, manage, track, and report on contract obligations throughout the lifecycle of a contract to stay in compliance with its terms and conditions. Contract stakeholders can be included in notifications, providing complete visibility to your obligations and total transparency of upcoming contract milestones and deadlines.

Sections

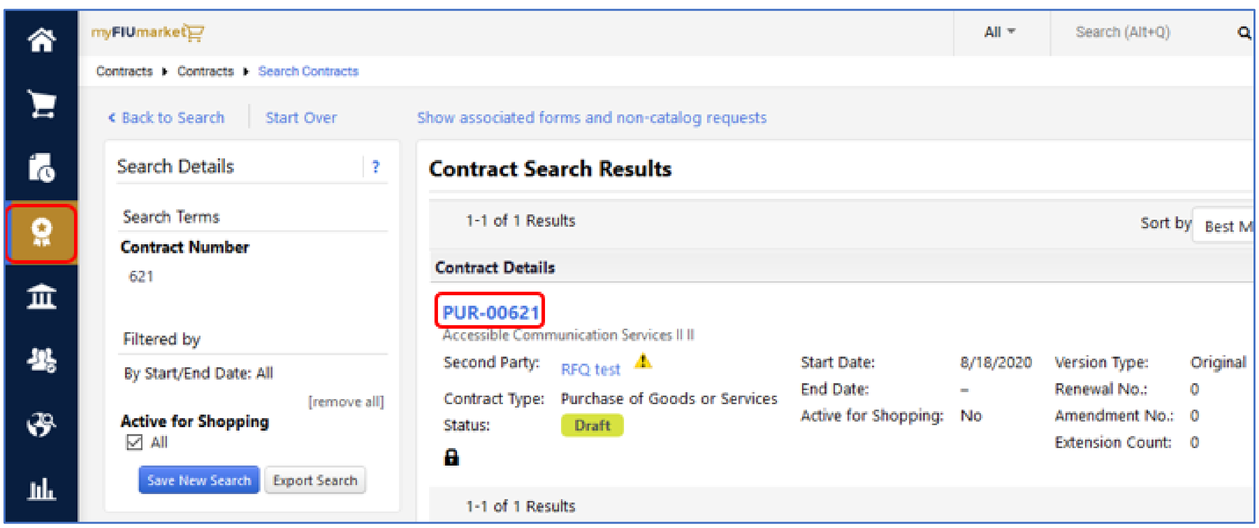
A. Adding Obligations to a Contract

Obligations can occur before, during or after a contract's start and end dates. There are two ways to add obligations to a contract:

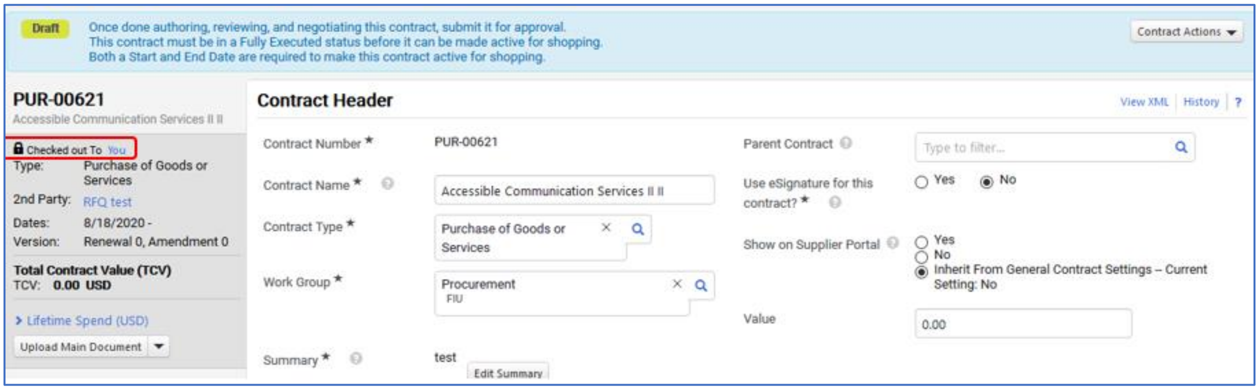
- Add an obligation to a contract from the Obligation Library, which contains a set of frequently used or standard obligations that you can copy into a contract and modify as needed.
- Add obligations that are specific to the **contract**. These are unique obligations that only apply to the contract they are added to. They are sometimes referred to as ad hoc obligations.

Steps

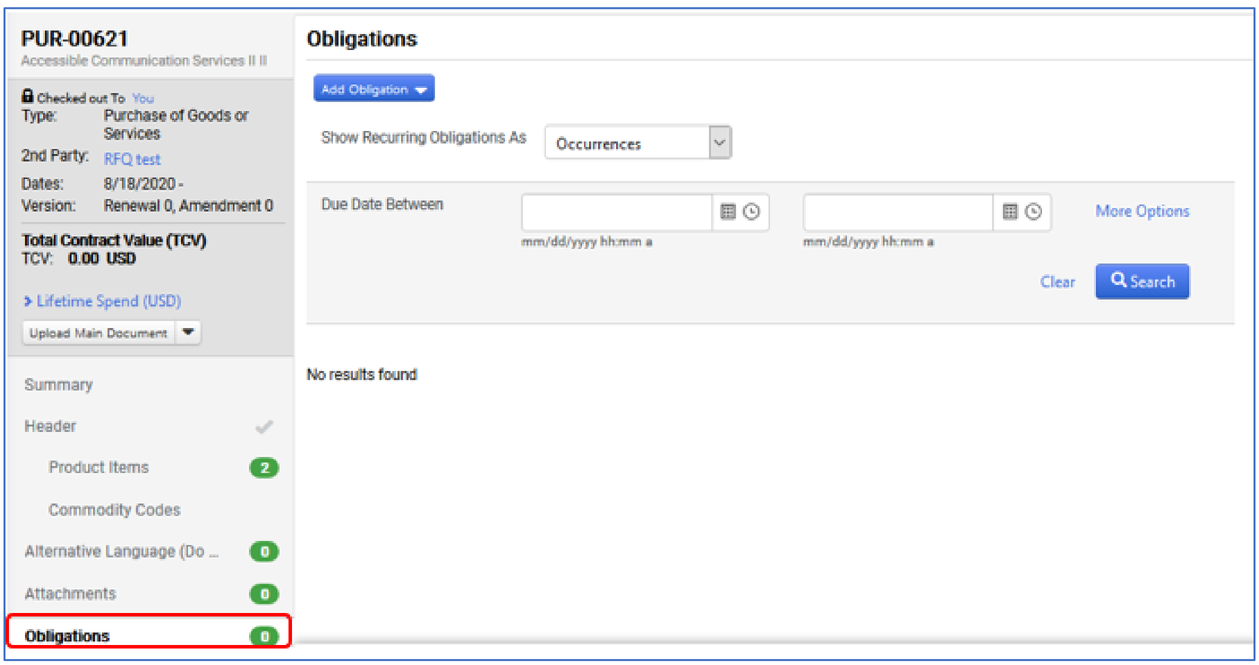
1. Navigate to **Contracts > Contracts > Search Contracts** (or **Contracts Home** if you have the appropriate permissions).



2. Search for and open the **contract** you want to update. Check out the contract if it is not checked out to you.



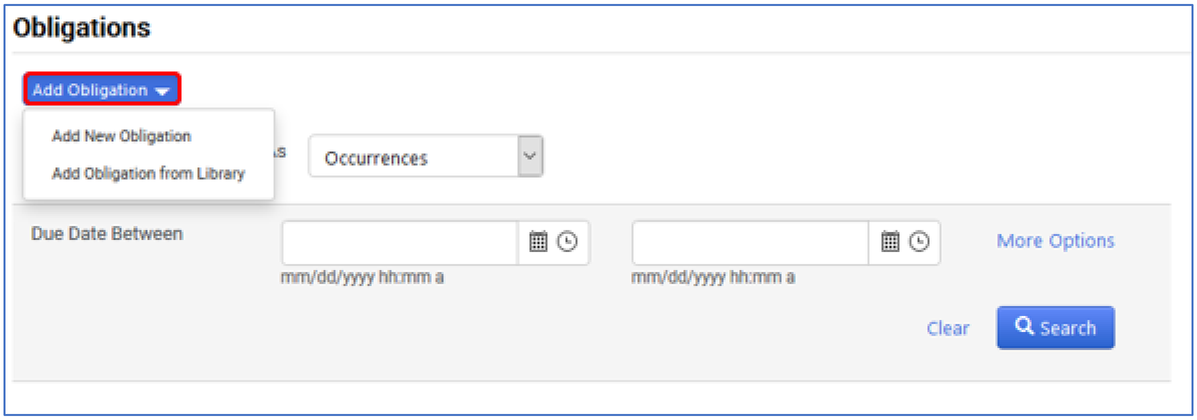
3. Click **Obligations** in the left menu.



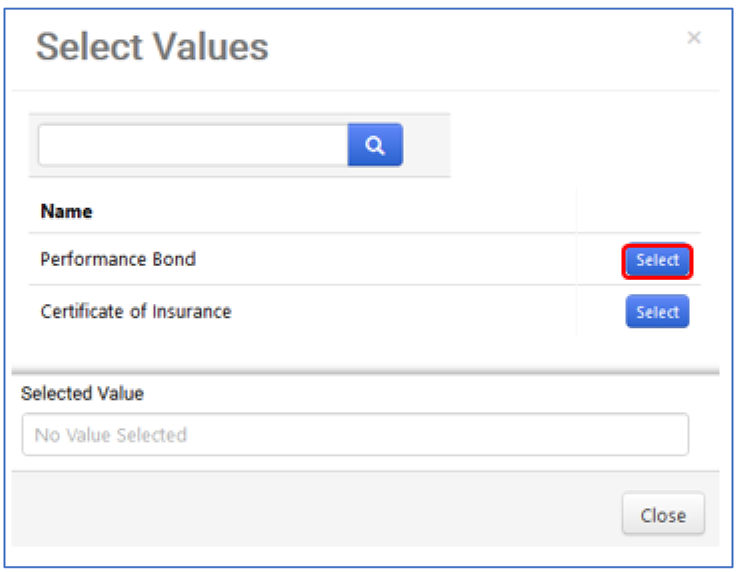
4. Click **Add Obligation** and choose one of the following options

- Click **Add New Obligation** to add an obligation that is unique to the contract.

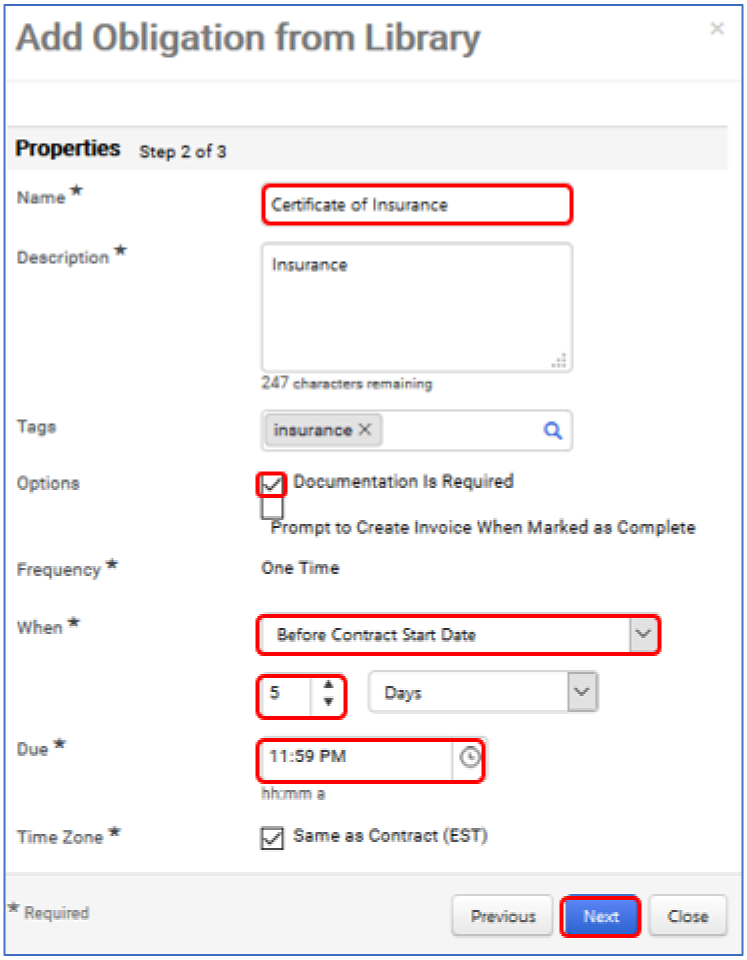
- Click **Add Obligation from Library** to add an obligation from the library.



5. If you are adding an obligation from the **library**, search for and select an **obligation** using the type ahead feature or click the search icon twice to display a list of obligations available, then click **Select**.



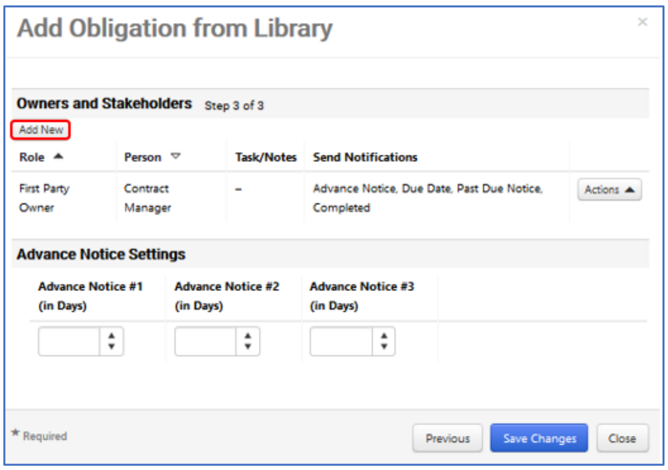
- Add or modify the **Properties** of the obligation as follows and click **NEXT**.

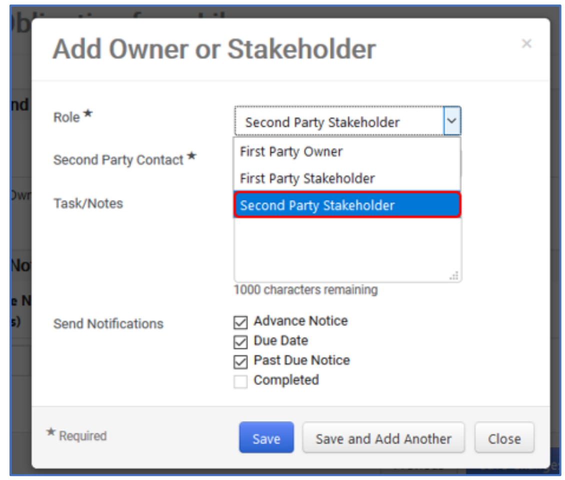


6. Under the **Owners and Stakeholders** heading, add or modify owners and stakeholders:

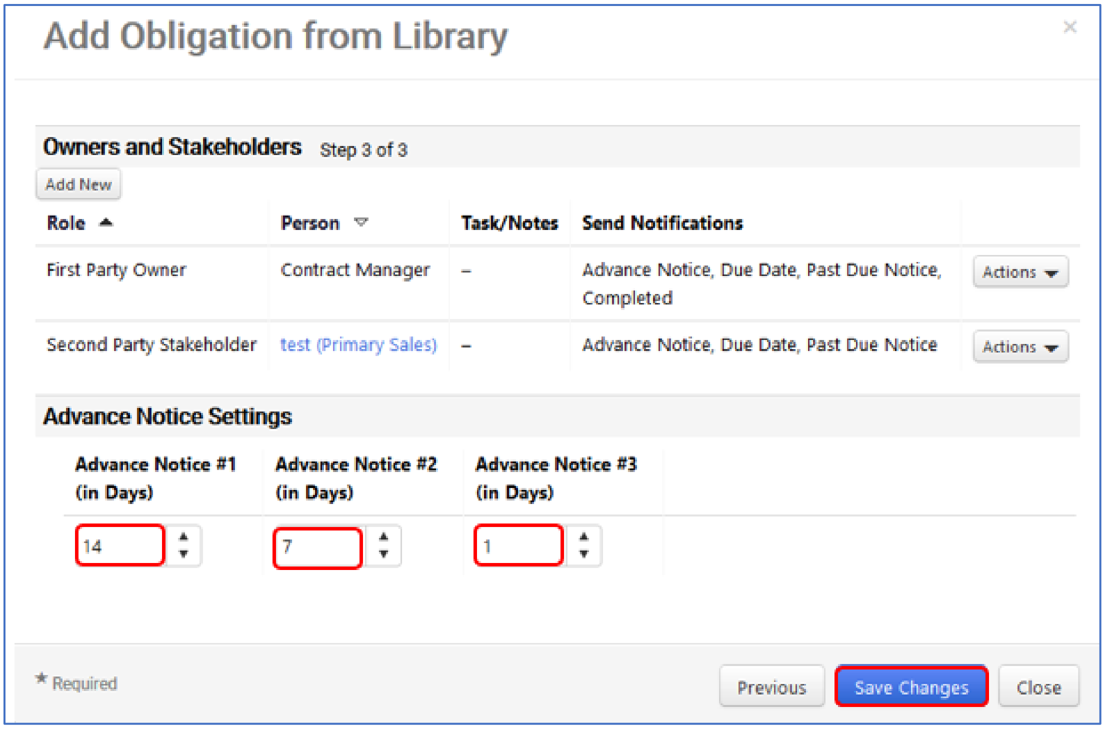
- Click **Add New** to add an owner or stakeholder or **Actions > Properties** to change existing settings.
- Complete or modify the following fields:
    - **Role -** Select **first party owner** to add the person responsible for marking the obligation as complete.
    - Select **first party stakeholder** or **second party stakeholder** to add individuals who will only receive notifications regarding the obligation. Second party stakeholders must be listed as a second party contact on the contract header.
- **Task/Notes -** Enter notes or a description of the task for the owner or stakeholder. For second party stakeholders, text entered here will appear in their email notifications.

- **Send Notifications** - Select the checkbox next to each type of notification you want sent to the individual selected above. Second party stakeholders **do not** receive **Completed** notifications.
- Click **Save** or **Save and Add Another** to save the record and immediately create another.





7. In the **Advance Notice Settings** section, add or modify when advance notifications are sent as follows. A maximum of three advance notifications can be sent from 1-90 days prior to the obligation due date:
   Enter the number of days prior to the obligation due date that advance notifications will be sent to owners and stakeholders in the Advance Notice #1, #2 and #3 fields. You do not need to complete all three fields. Click **Save Changes**.



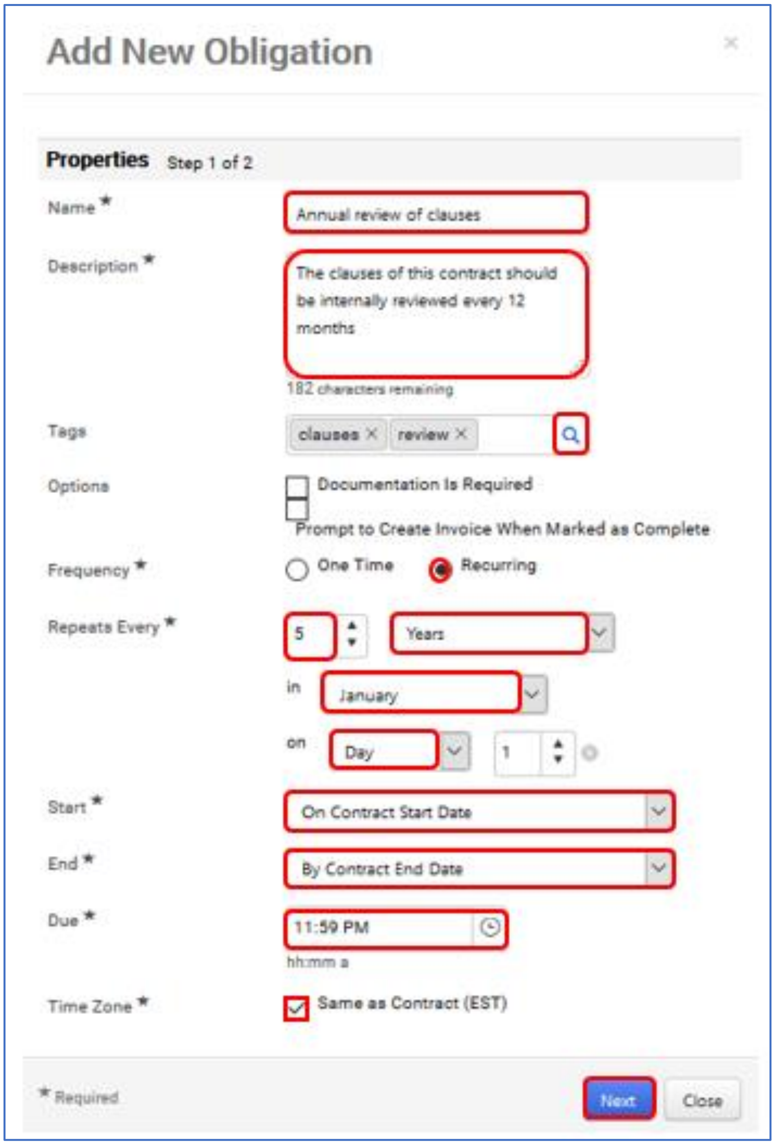
8. For recurring obligations, each occurrence within a series is displayed when the Show Recurring Obligations As filter is set to Occurrences. Each occurrence is identified by a recurring obligation icon. If the recurring obligation is based on the contract start date, the occurrences will only be shown once the contract has a start date.

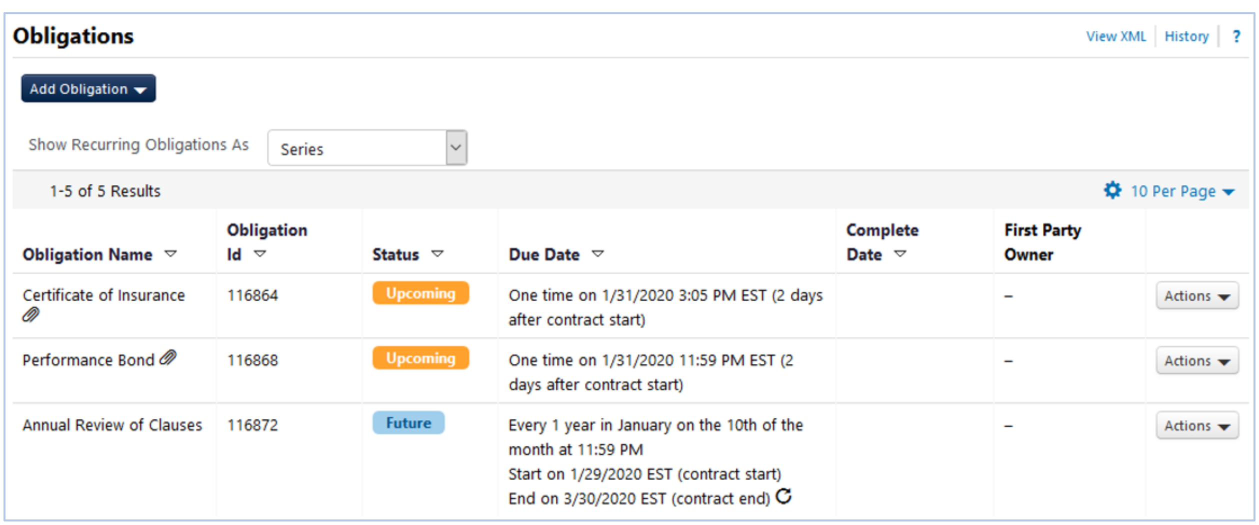
9. If you are adding a **new obligation,** then follow the steps as described below.

- **Name** - Enter a name that clearly identifies the obligation. This is the name you will see throughout the application and will also appear in the Subject line on emails sent regarding the notification.
- **Description** - Enter a description of the obligation under 256 characters.
- **Tags** (optional) **-** Select the tags that apply to the obligation by using the type ahead feature or click the blank field and then **Search** to display a list of tags you can select. Click **Save Changes**. These labels can be used when searching for obligations. Tags appear in the order chosen.
- **Options** (optional) - If the obligation involves providing documentation of any type, select the **Documentation Is Required** checkbox. If the checkbox is selected the

obligation owner will need to upload a file to the obligation before it can be completed. If this checkbox is left blank, attachments can still be added to the obligation, but the obligation can be completed whether or not there is an attachment.

- **Frequency** - Select **One Time** or **Recurring** and enter due dates as follows. **Note:** The frequency type cannot be changed once the obligation is saved:
- If you chose **One Time**, enter the **due date** of the obligation in the calendar field.
- If you chose **Recurring**, set the schedule of occurrences. You can find detailed instructions for setting up a schedule in **Obligations**.
- If the **Time Zone** of the obligation is different from the one used by the contract, clear the **Same as Contract** checkbox and select the appropriate time zone. The time zone of the obligation is the same as the contract by default. Click **Next** and follow the same steps to from Steps 6 to 7.


Add New Obligation
Properties Step 1 of 2
Name *
Annual review of clauses
Description *
The clauses of this contract should be internally reviewed every 12 months
182 characters remaining
Tags
clauses
review
Options
Documentation Is Required
Prompt to Create Invoice When Marked as Complete
Frequency *
One Time
Recurring
Repeats Every *
5
Years
in
January
on
Day
1
Start *
On Contract Start Date
End *
By Contract End Date
Due *
11:59 PM
hh:mm a
Time Zone *
Same as Contract (EST)
* Required
Next
Close


Obligations
View XML
History
?
Add Obligation
Show Recurring Obligations As
Series
1-5 of 5 Results
10 Per Page
Obligation Name
Obligation Id
Status
Due Date
Complete Date
First Party Owner
Certificate of Insurance
116864
Upcoming
One time on 1/31/2020 3:05 PM EST (2 days after contract start)
–
Actions
Performance Bond
116868
Upcoming
One time on 1/31/2020 11:59 PM EST (2 days after contract start)
–
Actions
Annual Review of Clauses
116872
Future
Every 1 year in January on the 10th of the month at 11:59 PM
Start on 1/29/2020 EST (contract start)
End on 3/30/2020 EST (contract end)
–
Actions

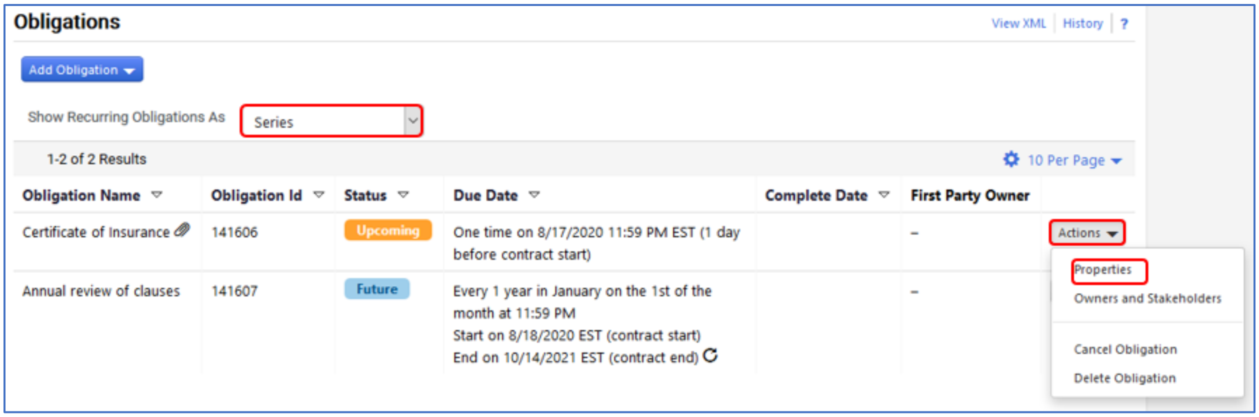
B. Edit A Contract Obligation

Contract managers have full control of obligations on their contracts – they can view, edit, and mark them as complete. Changing information on an obligation that has already been added to a contract depends on several factors:

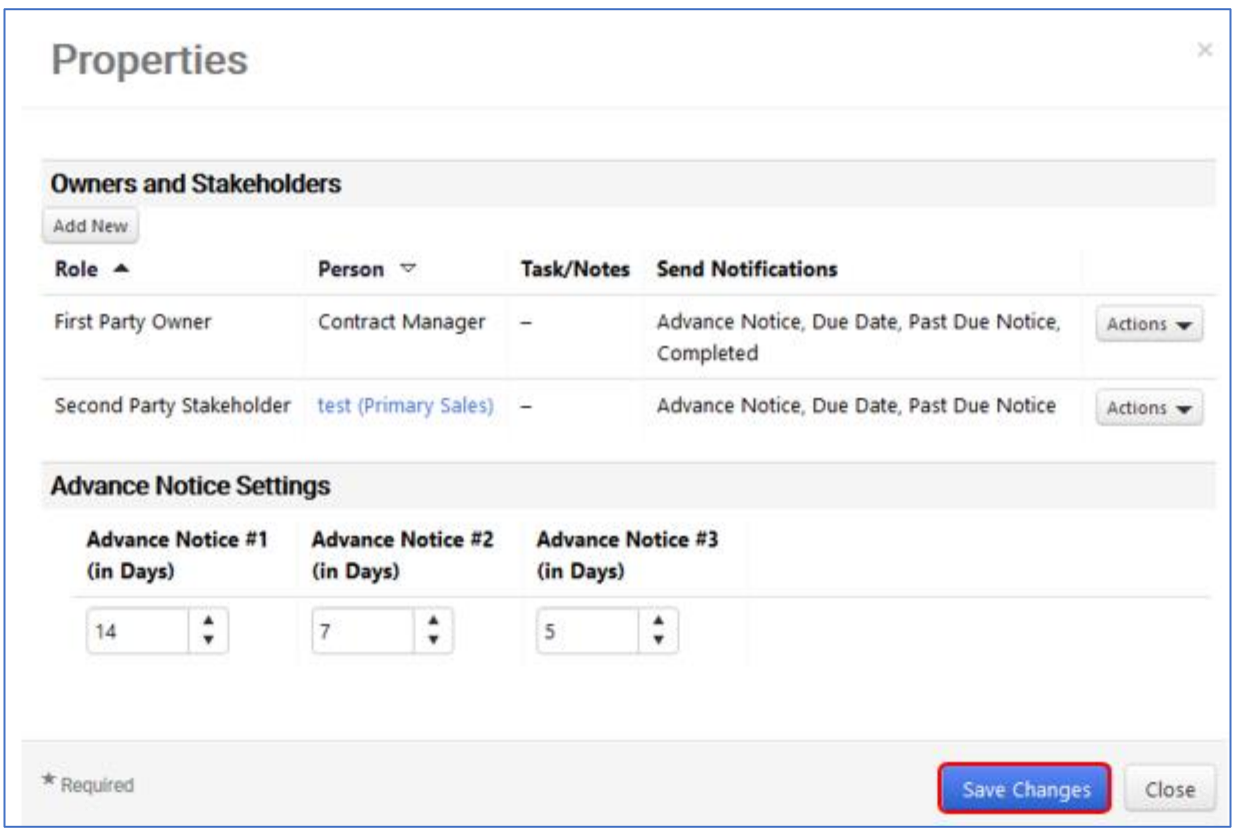
- In general, obligations on contracts can be changed if the contract is in an editable status and checked out for editing. Obligations can be added, edited, or cancelled when a contract is any of the following statuses: Draft, Internal Review, External Review.
- Once the contract reaches Executed: In Effect, Executed: Future, Expired, or Superseded status, you can add or cancel obligations, but the ability to edit an obligation will depend on the obligation settings, what information you want to change, and the status of the obligation or contract. For example, if an obligation series is based on the contract start date and that date has occurred, you cannot change the start date of the series, but you can change the description or owners and stakeholders. Cancelled or completed obligations cannot be changed.
- Obligations cannot be added, edited, or cancelled when a contract is any of the following statuses: Terminated, Complete, Pending Approval, Out for Signature, Pending Signature.
- Changes to obligations in the Obligation Library do not affect contracts that already have the obligation added to them.

STEPS

1. Navigate to Contracts > Contracts > Search Contracts (or the Contracts Home if you have the appropriate permissions).
2. Search for and open the **contract** that has the obligation you want to change. Check out contract if it is not checked out to you.
3. Click Obligations in the left menu. You can change one-time obligations and recurring obligation series in the Series view. If you are changing an occurrence in a recurring obligation series, select Occurrences in the Show Recurring Obligations As field.



4. Expand the **Properties** menu for the **obligation** you want to change, then select **Properties** or **Owners and Stakeholders**, depending on the information you want to change. Change field values as needed. The fields that are open for editing will depend on the obligation settings, what information you want to change, and the status of the obligation or contract. Click **Save Changes.** The change is saved. If you are editing a recurring obligation series, all occurrences in the series will be changed.



C. Complete a Contract Obligation

The obligation owner is responsible for ensuring that the task or action required by the obligation is done and marking it as complete. Contract managers have full control of obligations on their contracts and can mark them as complete if the owner is unable to do so.

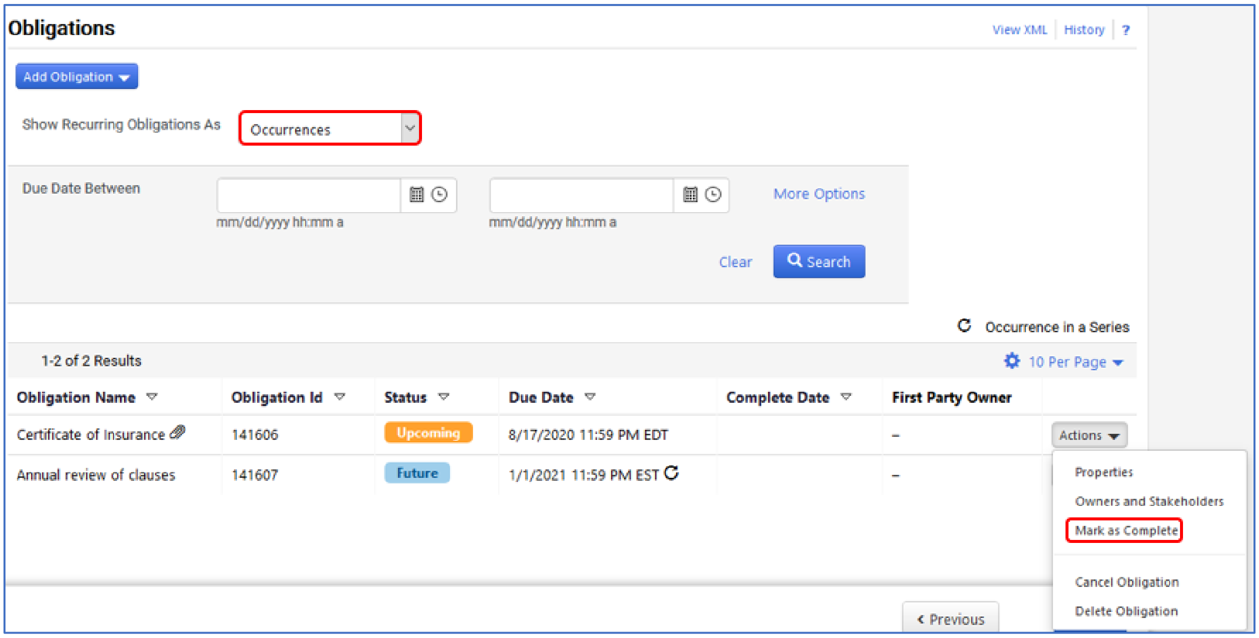
There are two places where an obligation can be completed:

- From the Obligations page on a contract.
- From the Obligations Across Contracts report.

Obligation owners who have access to the contract can mark obligations as complete on the contract or from the Obligations Across Contracts report. Obligation owners who do not have access to the contract must complete obligations from the Obligations Across Contracts report.

STEPS

1. Navigate to Contracts > Contracts > Search Contracts (or the Contracts Home if you have the appropriate permissions).
2. Search for and open the contract that contains the obligation to complete. Check out the contract if it is not checked out to you.
3. Click Obligations in the left menu.
4. Select Occurrences in the Show Recurring Obligations As field. Expand the Properties menu for the obligation you want to complete, then select Mark as Complete. The Mark as Complete window opens.

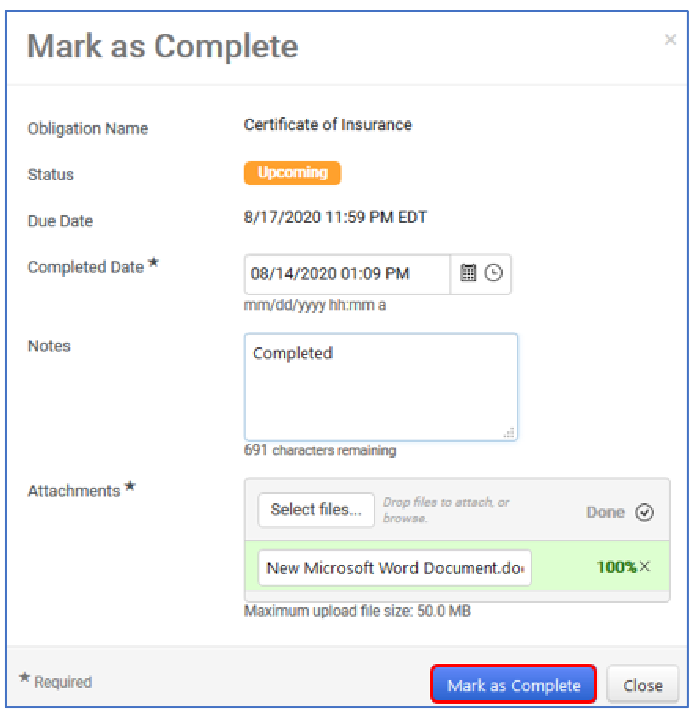


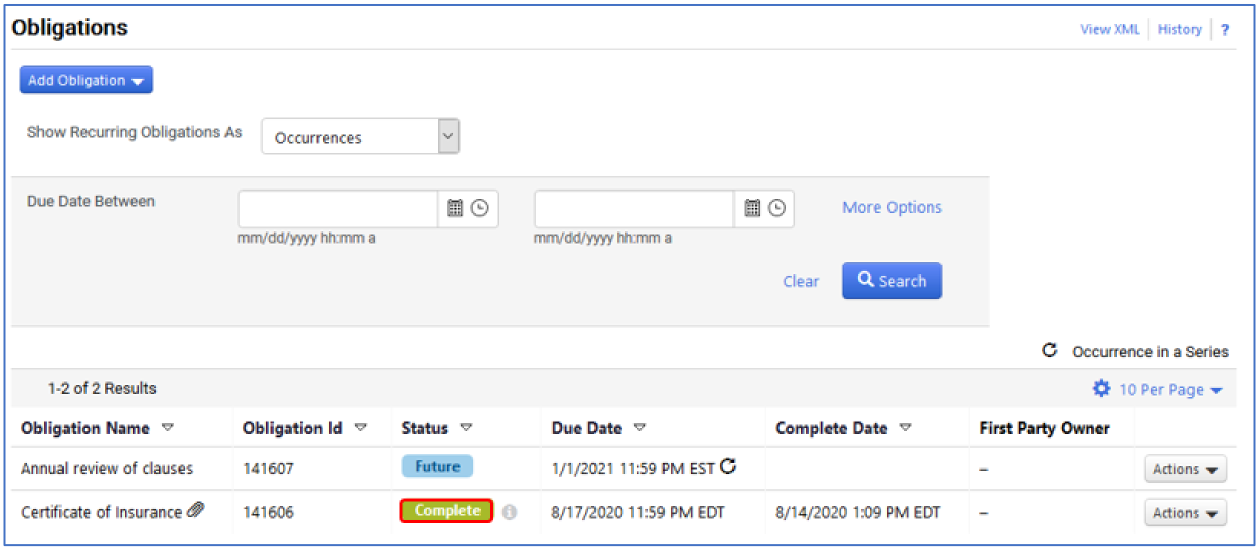
5. Complete the following fields:

Completed Date - Enter the date and time the obligation was completed. The current date and time are displayed by default.

(optional) Notes - Enter notes about completing the obligation.

Attachments - Add any **attachments** required by the obligation. Click **Mark as Complete**.




Obligations
View XML | History | ?
Add Obligation
Show Recurring Obligations As
Occurrences
Due Date Between
mm/dd/yyyy hh:mm a
mm/dd/yyyy hh:mm a
More Options
Clear
Search
Occurrence in a Series
1-2 of 2 Results
10 Per Page
Obligation Name
Obligation Id
Status
Due Date
Complete Date
First Party Owner
Annual review of clauses
141607
Future
1/1/2021 11:59 PM EST
–
Actions
Certificate of Insurance
141606
Complete
8/17/2020 11:59 PM EDT
8/14/2020 1:09 PM EDT
–
Actions