

HOW TO PROCESS SUB RENTAL CONTRACTS

The process of sub rental involves re-renting of equipment. A rental contract is created with the sub rented equipment, thereafter billing the customer and paying the supplier for the equipment. The rental contract can include multiple equipment items rented from different suppliers.

When processing a rental contract with sub rented equipment, the system creates a sub rental supplier order when the contract is delivered, and a supplier invoice (invoice status = 'OPEN' and source = 'SUBHIRE') when the rental contract is billed.

A link between the rental contract and supplier transactions will also be maintained, allowing the user to display the associated supplier transactions from the *Equipment Rental* screen.

This document explains the standard procedure of processing sub rental contracts in Baseplan Enterprise.

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SUBCONTRACTOR EQUIPMENT

To create a sub rental contract, sub rented equipment must first be configured in the Equipment Ledger.

Please refer to the 'How to Create an Equipment Record' guide for more information.

When configuring sub rented equipment on the *Equipment Ledger* screen, the equipment **Category**, **Type**, **Make** and **Model** are typically unknown. Therefore, it is important to record details in a way that the sub rented equipment can be easily differentiated from self-owned or customer-owned equipment. This facilitates easier reporting and allows better visibility into the equipment portfolio.

For example: The **Category** of the sub rented equipment is configured as 'SUB' and the **Type** is 'Forklift'.

Owner details must contain subcontractor information.

In the Baseplan training database, sub rented equipment has the **Equipment No**, **Category**, **Type**, **Make** and **Model** configured as 'SUBREN'. Usually, the description is unknown when configuring the sub rented equipment on the *Equipment Ledger* screen. Hence, generic instructions are reflected in **Model Description** and **Description** fields. The description must be changed when adding the equipment to a rental contract. Similarly, the **Serial No.** is also unknown at this stage and therefore, not mandatory to be entered. This allows the user to adjust equipment quantities on the rental contract.

Subcontractor is selected in the *Owner & Service Details* panel.

CREATING SUB RENTAL CONTRACTS

A sub rental contract can be processed from the *Equipment Rental* screen using the ADD button or the New Rental Wizard. The procedure followed is the same as that when creating a rental contract for non-sub rented equipment.

Please refer to the 'How to Process Rental Contracts' guide for more information.

Adding Sub Rented Equipment to the Rental Contract

1. From the Menu, select **Rental > Equipment Rental**
2. Display the relevant rental contract
3. Select **Actions > Add Details**

This will open the *Add Rental Item* screen.

The **Rental No** (*Item Type* panel) and **Rental Branch** (*Delivery\Customer Pickup* panel) fields will be populated from the rental contract.

By default, the **Equipment** and **Delivery** options will be selected in the *Item Type* and *Delivery\Customer Pickup* panels, respectively.

Selecting **Customer Pickup** will activate the **Pickup Person** field.

4. Select the relevant **Equipment No**, if known

This will populate the **Equipment Type**, **Model** and **Make** fields.

Note: The SEARCH icon can be used to select the relevant equipment from the *Equipment Pricing* screen.

5. Alternatively, select the relevant **Equipment Type**, **Model** and **Make** from the respective drop down lists
6. Edit the **Description** to appropriately reflect the sub rented equipment details

This description will help the user to view the necessary information about the sub rented equipment. It will also appear on the rental contract when printed.

7. Enter the **Qty**, if the defaulted quantity is not applicable

The date and time details will default from the rental contract.

Rate Details

The *Charge* grid reflects the rental amount that will be charged to the customer.

The *Cost* grid is activated when sub rented equipment is selected in the *Equipment and General Details* panel i.e. equipment with **Subcontractor** selected in the *Owner & Service Details* panel on the *Equipment Ledger* screen. The *Cost* grid contains the amount charged by the subcontractor and incurred by the company.

Supplier details will be populated from the subcontractor details on the *Equipment Ledger* screen. These details are configured on the *Supplier Master* screen.

If the supplier has a commission configured on the *Supplier Master* screen, then the charge details must be entered first. Supplier cost will then be calculated automatically in the *Cost* grid.

For example: Supplier commission is 10%. Charge Type 'W' is selected, a daily charge of \$120.00 is entered with threshold '1' in the *Cost* grid. This will populate a supplier cost of \$108.00 in the *Cost* grid, after applying 10.00% commission to the value reflected in the *Charge* grid.

If no supplier commission is configured, then the cost details must be entered first. This will alter the rental charges in *Charge* grid using the markup percentage on the Equipment Make/Model.

Usage Meter

If the equipment has a meter, the current meter readings can be entered in the **Meter Reading** field on the *Add Rental Item* screen.

Note: The user will be prompted to enter the meter readings again, when the item is terminated.

1. Click SAVE at the bottom of the screen

This will save the rental item.

2. CLICK CLOSE

This will return to the *Equipment Rental* screen.

The equipment will be added under the *Rental Details* tab with a 'PENDING' **Delivery Status**.

The **Sub Rental** Menu will appear in the toolbar.

Adding Sub Rented Items to the Rental Contract

Stock items with the **Sales Item** and **Sub Rental** checkboxes checked on the *Stock Master* screen can be added to rental contracts as sub rented sales items.

1. From the Menu, select **Rental > Equipment Rental**
2. Display the relevant rental contract
3. Select **Actions > Add Details**

This will open the *Add Rental Item* screen.

4. Select **Sales Item** in the *Item Type* panel

This will change the screen layout to display the necessary fields.

5. Select the sub rented sales item from the **Item No** drop down list

This will activate the **Supplier**, **Supplier Name** and **Cost Price** fields.

Note: The amounts reflected in the **Price** (Retail Price) and **Cost Price** fields can be controlled by system parameters.

Please refer to the 'How to Create a Stock Record' guide for more information on configuring stock items and preferred item suppliers.

6. Enter the required **Qty**, if the default value is not relevant
7. Click SAVE at the bottom of the screen

This will add the sub rented sales item to the *Rental Details* tab on the *Equipment Rental* screen.

The **Delivery Status** of the item will be 'PENDING'.

The rental contract **Status** will be 'DELIVERY'.

The **Sub Rental** Menu will be activated in the toolbar.

Once the primary details are entered, the functions below can be processed following the usual procedure:

- Delivering the sub rented equipment
- Processing a progress invoice – the rental prebilling report will also display a supplier total for the rental period
- Terminating the equipment, if required
- Returning the equipment
- Finishing the rental contract

Please refer to the 'How to Process Rental Contracts' guide for more information.

SUB RENTAL CONTRACTOR INVOICES

When sub rented equipment items are billed to the customer, and if the relevant system parameters are configured, the system automatically creates 'OPEN' supplier invoices for the subcontractor with the cost of the item for the same period as the rental invoice.

For example: A progress invoice was processed for a sub rental contract. The invoice covered the rental period from 04 Aug to 06 Aug. The 'OPEN' subcontractor invoice thus generated also displayed supplier cost for the period from 04 Aug to 06 Aug.

The 'OPEN' invoices can be matched against the actual invoice received from the subcontractor.

The **Source** will be 'SUBHIRE'

The **Date Received** field will be blank. The date the invoice was received can be entered in this field.

The **Ref** field will be blank. The subcontractor invoice number can be entered in this field.

The invoice can now be edited as required, by clicking EDIT in the toolbar.

Please refer to the 'How to Process Supplier Invoices' guide for more information.

Sub rental invoices can also be accessed from the **Suppliers** menu.

1. From the Menu, select **Suppliers > Invoicing**

This will open the *Supplier Invoices/Credit Notes* screen.

2. Select **Actions > Select Sub Rental**

This display all the sub rental invoices in the *Select SubRental Transactions* screen.

The invoices can be sorted by:

- Date
- Contract
- Supplier
- Amount
- Branch

The invoices can also be filtered by **Supplier** and **Branch** to display only the invoices associated with the selected supplier and/or branch.

3. Select the relevant invoice

Note: The *Select SubRental Transactions* screen may display different invoices for the same contract, each with a different date. It is important to select the correct invoice for processing.

4. Click OK

This will display the selected invoice on the *Supplier Invoices/Credit Notes* screen.

The **Status** of the invoice will be 'OPEN'.

Splitting Sub Rental Invoices

There may be instances where the actual invoice received from the subcontractor shows a different period than that on the system-generated invoice. As a result, the amounts reflected in the two invoices would also differ. In such cases, the invoice can be split into two to correctly display the two amounts.

For example: The customer is billed fortnightly. However, the company is billed weekly by the supplier. Therefore, the supplier invoice generated by the system will also indicate costs for the fortnight. This invoice can be split into two, to show the weekly costs charged by the supplier.

1. From the Menu, select **Rental > Equipment Rental**
2. Display the relevant sub rental contract
3. Select **Sub Rental > Supplier Invoicing**
4. Alternatively, display the sub rental invoice from the *Supplier Invoices/Credit Notes* screen
5. Click EDIT
6. Double click the relevant invoice detail line
7. Enter the amount displayed on the actual invoice received from the subcontractor in the **Price ex GST** field
If the amount is to be split between existing invoices, select the relevant invoice from the **Split To Invoice** drop down list. This list displays all the 'OPEN' sub rental invoices for the same subcontractor. Leaving this field blank will create a new 'OPEN' invoice for the subcontractor.
8. Enter the date that the actual invoice is billed from in the **Bill From Date** field
Bill To Date displays the date that the system-generated invoice was billed up to. Typically, if the **Bill From Date** is changed, it may not be necessary to change the **Bill To Date**.
9. Enter the days billed on the actual invoice in the **Days Charged** field. The remaining days will be split to the other invoice.
10. Click SPLIT DETAIL LINE

Info: "Detail line was successfully split to invoice ##"

11. Click SAVE to save the detail line
12. Click SAVE in the toolbar

The original invoice with the adjusted value can be posted after entering the **Details Total** amount in the **Document Total** field.

Selecting **Actions > Select Sub Rental** from the *Supplier Invoices/Credit Notes* screen will now also display the new invoice created from the split, on the *Select SubRental Transactions* screen.

Merging Sub Rental Invoices

If the actual invoice received from the subcontractor covers a longer rental period than the system-generated invoice, the two invoices can be merged.

For example: The company bills their customer weekly and the supplier bills the company monthly.

In the example below a sub rental contract was created. Two weekly supplier invoices were generated by the system. However, the actual invoice received from the subcontractor was for a total period of two weeks. The system-generated supplier invoices were then merged by following the steps below:

1. From the Menu, select **Suppliers > Invoicing**
2. Select **Actions > Select Sub Rental**
3. Select the supplier invoices that need to be merged
4. Click OK

This will display the most recent of the invoices selected.

5. In the *Split Merge* panel, use the **Split/Merge To Invoice** drop down list to select the invoice that that needs to be merged with the one displayed
6. Click MERGE

Info: "SubHire Invoices were successfully merged."

7. Click OK

The merged invoice will be displayed as an invoice detail line. The **Details Total** will be updated to show the new, consolidated value.

The *Select SubRental Transactions* screen will now display a single, merged invoice for the contract instead of two separate invoices.

Merging Sub Rental Invoices by Date

1. From the Menu, select **Suppliers > Invoicing**
2. Select **Actions > Merge Supplier Invoices by Date**

This will open the *Merge Supplier Sub Invoices by Date* screen.

Supplier and branch details will be populated if the screen is accessed from an existing invoice.

3. Select the range of dates that the invoices need to be merged for using the **Date From** and **Date To** fields

For example: Merge all sub rental invoices processed from the 01 Sep to 09 Sep.

4. Click OK

Info: "SubHire Invoices were successfully merged."

5. Click OK

SUB RENTAL PROCESSES

The following functions are available from the **Sub Rental** menu on the *Equipment Rental* screen:

- Authorise Sub Rental Supplier Invoices
- Print Order
- Supplier Invoicing
- View Sub Rental Transactions

Authorising Sub Rental Supplier Invoices

Sub rental supplier invoices are authorised by a manual process. The authorising user must have sufficient PO limits for line type 'S'.

Please refer to the 'How to Process Purchase Orders' guide for more information on PO limits.

If the supplier invoice generated by the system has the **Auth. Required** checkbox checked, the invoice will need to be authorised before posting.

The invoice can be authorised by clicking the AUTHORISE button on the *Supplier Invoices/Credit Notes* screen or by selecting **Rental Counter > Sub Rental Authorisation** from the Menu.

Alternatively, the steps below can be followed to authorise 'OPEN' sub rental supplier invoices:

1. From the Menu, select **Rental > Equipment Rental**
2. Display the relevant sub rental contract
3. Select **Sub Rental > Authorise Sub Rental Supplier Invoices**

This will open the *Authorise Orders* screen.

Details of the supplier invoice to be authorised will be populated.

4. Enter the amount to be authorised in the **To be Authorised** field
5. Click AUTHORISE

This will open the *Authorise* screen to validate user credentials.

6. Enter the **Password** (your network credentials)
7. Click OK

Note: If the user has insufficient PO limits for line type 'S', an error message will be triggered and the process will be halted.

If the user has sufficient PO limits for line type 'S', the process will be run successfully.

The **Auth. Required** checkbox on the *Supplier Invoices/Credit Notes* screen of the relevant invoice, will be unchecked. The name of the authorising user will be reflected in the **Authorised by** field.

The supplier invoice can now be posted.

Printing Sub Rental Orders

1. From the Menu, select **Rental > Equipment Rental**
2. Display the relevant sub rental contract
3. Select **Sub Rental > Print Order**

This will open the *Print Sub Rental Orders* screen.

All the sub rental detail lines associated with the contract will be listed.

4. Click PREVIEW to view the sub rental order
5. Click PRINT

Supplier Invoicing

1. From the Menu, select **Rental > Equipment Rental**
2. Display the relevant sub rental contract
3. Select **Sub Rental > Supplier Invoicing**

This will display all the supplier invoices associated with the sub rental contract on the *Supplier Invoices/Credit Notes* screen.

Supplier Transactions

1. From the Menu, select **Rental > Equipment Rental**
2. Display the relevant sub rental contract
3. Select **Sub Rental > View Sub Rental Transactions**

This will display all the sub rental transactions associated with the contract, on the *View Sub Rental Transactions* screen.

The details can be sorted by **Date, Contract, Supplier, Amount** and **Invoice**.

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