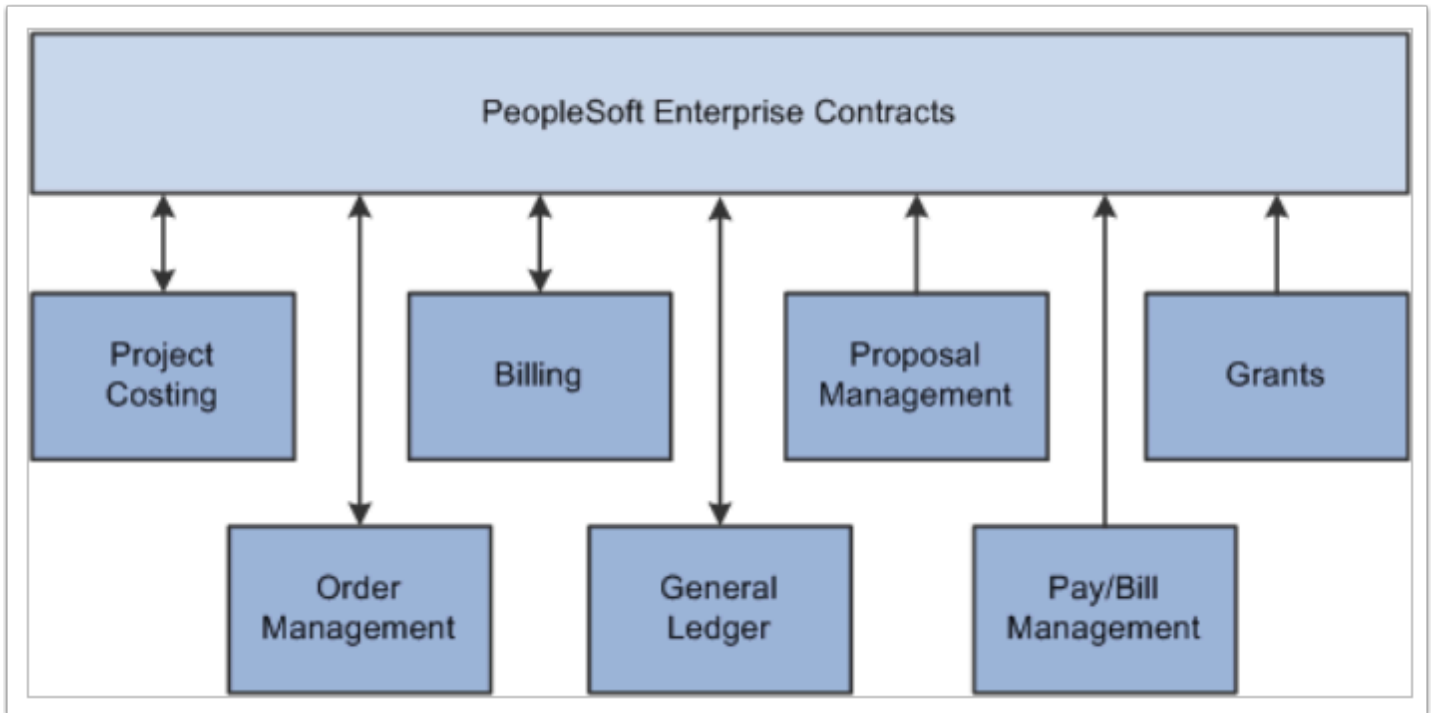


# Contract Types

- A Contract enables you to define and administer the billing rules for your Grant. When a Grant is awarded and then “generated” (please see [Generate an Award](#) QRG, for more information) the system then produces a specific type of Contract that is determined in the Grant Proposal.
- Each Contract has a billing plan that controls how the Grant should be billed. A billing plan stores the schedule of billing events (when to bill) and the corresponding bill lines (what to bill) for these events.



There are three types of Contracts that are used in CtcLink. Before you award a proposal you will need to know the type of contract that is needed.

## 1. **Reimbursable or “As Incurred”**

- A **Cost Reimbursable** contract type example would be an award by SBCTC in OGMS/ OBIS or by a sponsored by an agency such as the ARMY in which the sponsor is billed based on expenses incurred. An **advanced payment is not received** for cost reimbursable contract types.

## 2. **Fixed**

- A **Fixed Price** contract type example would be an award sponsored by an agency such as the Gates Foundation in which the sponsor is providing funds to receive a product or service. The college **IS NOT** required to return residual funds.

## 3. **Pre-Paid**

- A **Prepaid** contract type example would be an award sponsored by an agency such as with some U.S. Department of Education grants in which the sponsor sends an **advanced**

**payment equal to the total award** and the college **is required** to returned residual funds.