Invoicing Overview and FAQ

Contents

Introduction to Collabrance Invoicing

Understanding your invoice and the invoicing process is an important aspect in being able to pass those charges to your customer and reconcile your invoice each month.

Invoice Timing

- Collabrance invoices in arrears, meaning services performed/charged in a month will not have the invoice prepared until the first week of the following month.
- We begin the process of preparing invoices on the last two business days of the month, at which time user counts will be updated for billing purposes.
    - This is an automated process, so it is important for the Service Provider to ensure active directory is accurate for new and deleted users for security and invoicing purposes.
    - Server and workstation counts are updated on the 23rd of the month from our RMM tool.
    - For more detail on how invoiced quantities are determined, view our Billing Quantities section.
- We send you an invoice reconciliation spreadsheet on the second or third business day of the month. This file provides a detailed breakdown of the charges that will be on the actual invoice that will follow a week or two later, as we want to get this information in your hands as soon as possible.
- The invoice will be sent to you via email around the 10th to 13th of the month.
    - Invoices are sent to a billing distribution created by the Service Provider (for example, ap@mydomain.com) or the invoice contact as indicated on the New Service Provider setup form. It is the Service Provider's responsibility to ensure the proper internal personnel are on the billing email distribution.
- Payment is due on the 5th of the following month it is received.
- For example, services rendered in February will not be invoiced until March. This invoice will have a March invoice date and an April 5th due date.

If you have any invoicing questions, contract the billing department at 855-636-9500 or send an email to billing@collabrance.com.

Sample Monthly Invoice - Summary

COLLABRANCE™
A GREATAMERICA COMPANY

Collabrance, LLC
P.O. Box 609
Cedar Rapids, IA 52406-0609

Remittance Section   295

Invoice Number:	123456
Agreement Number:	001-000001-001
Invoice Print Date:	03/12/2018
Due Date:	04/05/2018
Total Due:	$1,339.75

Invoice print date is the date the invoice was created, and should be close to the date you receive the invoice

Due Date

Return Service Requested

☐ Check here for change of address (see reverse for details)

Use enclosed envelope and make check payable to:

ABC Company
123 Main Street
Anytown, USA 00000

Collabrance, LLC
P.O. Box 609
Cedar Rapids, IA 52406-0609

0000550000026001000000001234560000000001339751

Keep lower portion for your records - Please return upper portion with your payment

COLLABRANCE™
A GREATAMERICA COMPANY

Collabrance, LLC
P.O. Box 609
Cedar Rapids, IA 52406-0609

Invoice Number:	123456
Due Date:	04/05/2018
Total Due:	$1,339.75

Important Messages

For questions regarding your invoice, please call Collabrance Finance at (855) 636-8500.

Invoice Detail

Agreement 001-000001-000: Your Managed Services	Amount	Tax	Total
1 SAS-1000:Connectwise Streamline IT License	35.00	0.00	35.00
			$35.00

Charges for your internal environment

Agreement 001-000001-001: Customer Managed Services	Amount	Tax	Total
2 COM-4000:Inbox Unlimited	26.25	0.00	26.25
3 COM-4100:Compliance Unlimited	225.00	0.00	225.00
4 COM-4990:Policy Based Encryption (All Users)	58.50	0.00	58.50
5 DPR-2701:S-3B1000 - ICR	440.00	0.00	440.00
6 RMM-2100:Comprehensi ve Server	79.00	0.00	79.00
7 RMM-2200:Comprehensi ve Workstation	170.00	0.00	170.00
8 RMM-4100:Comprehensi ve Service Desk	306.00	0.00	306.00
			$1,304.75

Summary by product of charges relating to your customers

For questions about these charges, please call 855-636-9500 or email us at billing@collabrance.com ?

Total Due	**$1,339.75**

Dishonored Checks, Drafts Or Orders Shall Be Subject To A Surcharge Of $30

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Sample Monthly Invoice - Detailed Customer Report

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Detailed Subscriber Invoicing Report

Subscriber Name	Invoice Date	Description	Quantity	Price	Amount
Subscriber A	1/5/2016	RMM-2203 Complete Workstation	10	$0.00	$0.00
		RMM-4103 Complete User SupportManaged Users:User1,User2,User3,User4,User5,User6,User7,User8, User9,User10	10	$37.35	$373.50
		RMM-4203 Mobile only user supportManaged Users:Javier Cervantes	1	$3.15	$3.15
		RMM-2103 Complete Server Support	1	$78.30	$78.30
		DPR-1063 Remote Backup - 500GB	1	$121.50	$121.50
		SEC-1153 Fortigate 30D WiFi-Built in AP	1	$31.50	$31.50
		COM-4003 Exchange	11	$6.75	$74.25
		Total			**$682.20**

Each customer will have their own section

Detailed breakout of charges for your customers.

Summary of Product Codes

Product Code	Product Description
RMM	Remote Monitoring and Management (e.g. server, workstation, and user charges)
COM	Communications (e.g. hosted email)
DPR	Data Protection and Recovery (e.g. Datto backup)
SEC	Security Products (e.g. Fortinet UTM)
SAS	Software as a Service (e.g. Security Awareness Training, your Streamline license)
HAP	Hardware as a Project (e.g. server builds performed by Collabrance)
MSC	Miscellaneous (e.g. shipping)

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Service Provider Billing Options & Timelines

Collabrance will provide the Service Provider with detailed invoicing of services around the 10th to 13th of the month. The Service Provider can then take that information and invoice their Subscriber for services provided. If the Service Provider turns the information in 5-8 days, they would send invoices by the 20th of the month. If the Service Provider invoice terms were net 10, the due date would be the end of the month. If the terms were net 30, the invoice would be due by the 20th of following month.

	Dec	Jan	Feb	Mar
Beginning Users	14	15	17	20
Users Added	1	2	3	1
Users Removed				
Ending Users	15	17	20	21
IN ADVANCE				
In Advance Billing (receive cash quicker, but have to reconcile / true-up monthly changes)		SP will invoice in Jan for 15 users relating to services to be provided in Jan, PLUS 1 user(s) added in Dec but not yet billed	SP will invoice in Feb for 17 users relating to services to be provided in Feb, PLUS 2 user(s) added in Jan but not yet billed	SP will invoice in Mar for 20 users relating to services to be provided in Mar, PLUS 3 user(s) added in Feb but not yet billed
IN ARREARS				
In Arrears Billing (receive cash later, but bill the correct amount of users, no true up)		SP will invoice in Jan for 15 users relating to services provided in Dec	SP will invoice in Feb for 17 users relating to services provided in Jan	SP will invoice in Mar for 20 users relating to services provided in Feb

Billing Quantities

The quantities for each solution are counted in the following way:

- **User Support**
  - Each user in the Active Users OU in Active Directory will be counted by our integration tool which will update the quantities for the product automatically for invoicing each month. The same applies to any users in the Mobile Only OU. Generally, any user changes need to be received in our Service Desk at least 4 days prior to the end of the month to give us processing time. Any changes received in the last 3 business days are not guaranteed to be reflected on that months invoice.
  - On the 1st of each month, a report will be emailed to you that recaps the user changes that were completed by the Collabrance Service Desk during the previous month. The report is broken out by Subscriber so that you can then use this report to adjust your billing.
- **Server Support**
  - Each physical or virtual server on the network on the 23rd day of the month will be counted for billing by our integration tool each month. An automatic report of any changes is also sent out by our integration tool on the 24th of month. This is designed to give you time to review and make any changes prior to billing. This report will show you the changes for the last 30 days and the quantities that will bill. For any changes (additions or deletions), there is a detailed section at the bottom of the report that will give you the name of the server(s) that changed and the date.
- **Workstation Support**
  - Each workstation on the network on the 23rd day of the month will be counted for billing by our integration tool each month. An automatic report of any changes is also sent out by our integration tool on the 24th of month, to give you time to review and make any changes prior to billing. This is designed to give you time to review and make any changes prior to billing. This report will show you the changes for the last 30 days and the quantities that will bill. For any changes (additions or deletions), there is a detailed section at the bottom of the report that will give you the name of the workstation(s) that changed and the date.
- **Hosted Email**
  - Each active mailbox in a given month will be counted and invoiced each month.
  - Any mailbox created / deleted in the month will be billed for the entire month. Deleted mailboxes will drop from billing the month after deletion.
- **Cyber Security Bundle**
  - This will be billed based on when the offering has been setup.

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- o   This is billed for all users each month.
- **SIEM/SOC**
  - o   You will be billed in the month the service is setup. Billing is setup based on the type of device you want covered (e.g. server, size of Fortinet).
  - o   This service requires a 12 month commitment.
- **Security Awareness Training**
  - o   Security awareness training will be billed in the month the service is setup with our vendor.
  - o   This is billed on a per user basis.
  - o   There is a $75.00/mo minimum billing for this product.
- **File-Level Cloud Backup**
  - o   Collabrance will bill for the data storage at the pricing tier selected at onboarding and bill for any overages incurred each month.
  - o   It is the Service Provider's responsibility to notify Collabrance when a Subscriber would like to change pricing tiers.
- **Changes in quantities (additions or removals) of existing services are not prorated.**
- **Any services canceled during the month will be invoiced for the entire month.**

Adding New Customers or Services

For newly added services, we prorate based on the number of days in the month and the date the service/product was active or shipped. Changes in quantities (additions or removals) of existing services/products are not prorated. It is possible to be billed for some services/products before remote monitoring services are activated (i.e. before the RMM "go-live" date).

- **Proration Calculation**
  - Figured as: number of days in the month – minus the number of days the service / product is not active, plus one day, multiplied by the rate of the service/product, divided by the number of days in the month, and then multiplying that number by the quantity.

    Example: Customer had a go live date of October 21 (proration date) for RMM services with 5 users. Days in month (31) - Go live date (21) plus 1 or (31-21) +1 = 11. Rate ($41.50)/Days in Month (31) = 1.3387. Days active (11) multiplied by daily rate amount (1.3387) = Product prorated price ($14.73). Product prorated price ($14.73) multiplied by the quantity to bill (5) = $73.63 or (11*1.3387*5) = $73.63

Example	
31	Days in month
- 21	Go live date
+ 1	Plus 1
11	**Prorated number of days**
11	Prorated number of days
x $41.50	$Rate (per user)
/ 31	Days in month
x 5	Quantity (users)
$73.63	**Total prorated billing for Oct**

- **Proration Dates**
  - The proration date for user/workstation/server support is the "go-live date" for those services.
  - Fortinet billing begins when the device is shipped, with the shipping date of the device being used for the proration date.
    - If upgrading or replacing an existing Fortinet, there is no proration.
  - When first adding Datto services, it is charged on a prorated basis in the month the device is activated, based on the activation date.
    - If the device is not activated within 60 days of the order date, monthly billing will begin at that point.
    - If upgrading or replacing an existing Datto, there is no proration.
  - Hosted Email or Message Security uses the service entry date in the vendor application as the proration date.
  - Security Awareness Training uses the date the service is setup with our vendor as the proration date.
  - SIEM/SOC uses the date the service is setup with our vendor as the proration date.

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- **Setup Fees**
  - o You will be charged setup fees as products begin billing for new deals.
  - o Setup Fees are not prorated.
  - o Core Setup Fees
    - ▪ Per location (a location is where you have a Fortinet device located or the main location if not utilizing a Fortinet device).
    - ▪ Per each active user in Active Directory. There is no setup fee for mobile users.
      - o For non Active Directory customers, the number of workstations will be used for the setup fee quantity
    - ▪ These fees are charged when the customer goes live with our service.
    - ▪ Migration customers are not subject to the core setup fees.
  - o Fortinet and VPN tunnel setup fees
    - ▪ Fortinet setup fees are charged for subsequent additions or upgrades for existing equipment.
    - ▪ VPN tunnel setup fees are per VPN tunnel and are billed in the month the VPN tunnels are setup.
  - o Hosted email migration fees
    - ▪ Depending on the migration type, may be charged in the month that the mailboxes are migrated, or when associated fees are charged to Collabrance from our vendor.
    - ▪ For each mailbox that is migrated.
    - ▪ Depending on the vendor, other transfer fees may apply when transferring account(s).

- **Shipping and Handling Fees**
  - o These are charged for all hardware that you receive. Any device that ships from the manufacturer will incur drop shipping charges. The devices that ship from our office, will incur the charge associated with the requested shipping speed.
  - o Shipping and handling fees are outlined below:
    - ▪ Drop Shipping – $20.00
    - ▪ Ground Shipping – $50.00
    - ▪ 2 Day Shipping – $85.00
    - ▪ Overnight Shipping – $125.00

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Service Cancelation Procedure

When a customer needs to cancel service, you are required to fill out the Cancelation Letter in the Collabrance Offboarding Process document on the Collabrance Portal. Send this to billing@collabrance.com to begin the process.

Collabrance requires 7-10 business days lead time to cancel service. All services are billed for the entire month in which service is canceled.

- For services that include hardware to be returned (e.g. Fortinet), the final month for invoicing will be the month Collabrance receives the product in our Cedar Rapids office, and it is verified to still be in good working condition.
- When canceling Datto services, Collabrance needs to be notified by the 10th of the month in which cancelation is requested to have these charges stopped with our vendor. If we do not receive notification by the 10th of the month, you will be billed an additional month of service.
- For software, cloud and monitoring services (e.g. Intermedia, Excel Micro, and Intronis) the final full month of invoicing will be the month the service is canceled and the software is uninstalled.

Service Provider Tools

We require Service Providers to have a StreamlineIT license and an IT Glue license. The StreamlineIT license gives you access into our ConnectWise PSA system to view and manage your customers.

- StreamlineIT
    - One generic license will be created at $35.00 per month.
        - If you require additional licenses, those will also bill at $35.00 per license.
    - StreamlineIT licenses begin being billed in the month they are provisioned (your initial license(s) will be created following your submission of the New Service Provider Setup Form).
    - StreamlineIT licenses are not subject to proration.

- IT Glue
    - Licenses are billed at $30.00 per license.
    - Generic user accounts are not permitted.
    - IT Glue licenses begin being billed in the month they are provisioned (your initial license(s) will be created following your submission of the New Service Provider Setup Form).
    - IT Glue licenses are not subject to proration.

Project Work Invoices

Each week invoices are prepared for services performed outside or beyond the scope of services provided, or are for work performed after normal business hours. These are called "Project Work Invoices."

- These invoices are typically received on Mondays for work performed the past week.
- The invoices are for informational purposes only to tell you what work was performed, how long it took and the associated charges. This is provided to you so you can pre-invoice your customer to have the cash flow available when you receive your monthly invoice from Collabrance.
- No payment is required when you receive these invoices. The charges will be included on the next regular monthly invoice you receive from us.
- Some project work will require advanced approval. We will send these approvals to the contact you identified in the New Service Provider Setup document. However, if no contact was identified, it will be assumed any employee at the Service Provider can approve billable work. It is up to the Service Provider to regulate approvals inside their organization. The Service Provider must ensure its employees know if they are authorized to commit their organization to charges.
  - o If you are unaware who is delegated as your billable charges approver, contact the finance department and we can get that information for you.
- After hours user support charges are included on project work invoices.
  - o Normal business hours are Monday – Friday from 7:00 am – 7:00 pm Central Time
  - o For user support after those normal business hours, a user's call will be answered by a 24x7 answering service, who will indicate that after hours support is billable, and will connect the user to a Collabrance on-call technician if the user agrees to accept the billable charges.

Billing Frequently Asked Questions

1. **Do you prorate the first invoice?** Yes, the first invoice of a new service will be prorated based on setup or shipping date. It is possible you will see prorated services on more than just the first bill if the service was added after the initial onboarding period. Additions to an agreement (new user, mailbox, etc.) are not prorated.

2. **How do you figure the proration?** Proration is figured as: the number of days in the month – minus the number of days the service/product is not active, plus one day, multiplied by the rate of the service/product, divided by the number of days in the month, and then multiplying that number by the quantity.
   - For example. Customer had a go live date of October 21 (proration effective date) for RMM services with 5 users. Days in month (31) - Go live date (21) plus 1 or (31-21) +1 = 11. Rate ($41.50)/Days in Month (31) = 1.3387. Days active (11) multiplied by daily rate amount (1.3387) = Product prorated price ($14.73). Product prorated price ($14.73) multiplied by the quantity to bill (5) = $73.62 or (11*1.3387*5) = $73.62
   - For services that include hardware (e.g. Datto and Fortinet) we use the product ship date for the proration effective date.

3. **What dates are used for preparing the invoices?** We bill in arrears, so the invoice is created the month after the service is performed. For example, services performed in January will be invoiced in February. The invoice will be prepared the first business day of February for the month of January.

4. **When will I receive my invoice?** Invoices are emailed around the 10th to the 13th of the month.

5. **When will the invoice be due?** Invoices are due on the 5th of the following month after the invoice is received. For example, an invoice received in February will be due on the 5th of March.

6. **How will I know what to charge my customers?** Your monthly invoice will include a detailed breakout of charges for each of your customers. In addition to this, you are also provided this detail in the Invoice Reconciliation Report which is sent out early each month (around the 2nd or 3rd business day) in order to equip you with that information as early as possible.

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7. **Is it possible to be charged for some services/products before the Service Desk "Go Live"?** Yes. If the service was activated or setup before the remote monitoring, they will be invoiced for those amounts.

8. **If a new user is added in active directory during the month, will I be billed for support for that user?** Yes, in most cases. If the change happens in the last 2 business days of the month, it is possible the change will not appear until the next month. As noted above, new user additions will not be prorated.

9. **What if a user is removed from active directory during the month, will I be billed for user support for that user?** The same answer applies from above. In most cases, you will not be billed for that user unless the change happens in the last 2 business days of the month, then they will most likely bill for the entire month.

10. **What happens if I have a customer who wants to offboard?** You will need to go out to the Collabrance Portal and download the *Collabrance Offboarding Process Document*. On the last page is a form letter for you to fill out and return to billing@collabrance.com. Collabrance will not prorate the invoice for the last month of services.

11. **How do you count the products and services that are billed each month?** We count the products as outlined below:
    - Users – All users in the active users OU in active directory will bill each month.
    - Servers – All servers in N-Central will bill each month.
    - Workstations – All workstations in N-Central will bill each month.
    - Hosted email – All mailboxes in effect during the month will bill. Deleted mailboxes will bill for the entire month as well as new mailboxes.

12. **How will I receive my invoices?** We email our invoices and will send them to the email address provided to us on the New Service Provider Setup document you filled out. We prefer a distribution list to send the emails to (such as, ap@mydomain.com).

13. **What are these invoices that come in the middle of the month? Do I need to pay them? Why are you sending these to me?** These are project work or time and materials invoices for work performed that are for out of scope services. These invoices are for your information only so that you can pre-bill your customers for the services. These charges will appear on your next monthly invoice. No payment is required when you receive these invoices.

14. **Can I give you approval to do the work on behalf of my customers without getting billing approval each time?** Yes, we can "auto-approve" a specific amount of time. Reach out to your Collabrance Strategic Business Advisor to discuss.

15. **Why am I being charged for shipping?** Collabrance charges for shipping and handling on every device we ship to our Service Providers to cover the cost of the internal handling, supplies and the shipping cost by our shipping vendor. This charge will vary depending on the timeframe you wish the shipment to be delivered; expedited shipping will be an additional cost.

16. **What hardware can be financed as part of Collabrance offering?** Collabrance owns Fortinet products (UTMs, wireless access points, switches) and rents products to Service Provider on a monthly basis. These products cannot be included in financed transaction as ownership is maintained with Collabrance. Other products including backup devices and professional services (setup fees) can be included in financed transactions, as well as any equipment that is being purchased as part of the transaction that is not part of Collabrance monthly services. It is recommended to discuss pricing and documentation guidelines with financing representation to make sure everything is in accordance with their requirements.

   Devices purchased on promotion at $0 or reduced amount (Alto 2 Datto device) can still be financed at acceptable MSRP guidelines set by financing party.