Contract Termination

Contracts User Guide · https://evergreenworx.com/docs/contract-termination/

Contract termination is an essential part of lifecycle governance in EvergreenWorx Contracts. For both definite and indefinite contracts, termination workflows ensure that active contracts are properly transitioned and removed from operational status.

EvergreenWorx includes automated business rules and optional date fields to help manage and track termination scenarios with minimal manual intervention.

Key Fields for Termination

- **Cancellation Notice Date**: The date on which notice of cancellation is formally submitted or scheduled.
- **Termination Notice Days** (optional): The number of days required between the cancellation notice and contract closure.
- **Status Reason**: Controls the current state of the contract (e.g., Active, Terminating, Canceled, Closed).
- **Auto Renew**: Automatically set to No when termination is initiated to prevent renewal.

How Automatic Termination Works

If a contract is in **Active** status and a **Cancellation Notice Date** is entered:

- The system will **automatically change the Status Reason to Terminating**.
- The **Auto Renew** field will also be set to **No**, ensuring the contract does not renew automatically.

This logic applies to both definite and indefinite contract types.

What Happens Next

Once the contract enters the **Terminating** state:

- It is considered in its wind-down period.
- Related tasks or obligations can still be managed until the final End Date.
- Manual action may be taken to transition the record to **Closed** or **Canceled**, depending on the outcome.

Manual Termination

If you wish to manually terminate a contract:

1. Enter a **Cancellation Notice Date**.
2. Update the **Status Reason** to **Terminating**.
3. Adjust the End Date if necessary.
4. Optionally, add termination-related notes or attach relevant documentation.

Best Practices

- Always document the reason for termination within the Timeline or Notes.
- Use Cancellation Notice Date to enforce internal controls and auditability.
- For contracts with renewal cycles, termination ensures the record is not renewed unexpectedly.
- Update any linked tasks or obligations to reflect contract wind-down.

Summary

Contract termination in EvergreenWorx Contracts is supported through a combination of metadata fields and automation. Whether handled manually or automatically, the system ensures visibility, compliance, and prevention of unintended renewals by guiding records through a controlled termination process.