

SedonaSetup - JM - Commission Types

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The Commission Type setup table is used to define labels for commissions to be paid to a salesperson.

Each commission type code is identified as being one of six types:

- Recurring
- Non-Recurring
- Estimated Gross Profit
- Gross Profit
- Estimated to Gross
- Other

These commission types are used in Job Management to calculate commissions based on one or more of the sales elements entered on a Job.

Once Commission Types have been created, they are then linked to the Employee records for those individuals eligible to receive Job Commissions.

Below are the definitions of each commission calculation method.

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Recurring Commission Type

Commission types of Recurring will use the monthly recurring amount as the dollar basis for the commission calculation as the total of all RMR entered for the job.

If your company pays different commission rates depending on the type of RMR, then you will need to create one Commission Type record using the Commission Type of Recurring, and additional recurring commission types must be set to the commission type of Other. For Example, if you pay 10% on the recurring for monitoring services, and pay a different rate for service contracts, you would need to set the commission type of Other to one of these two Commission Types; otherwise the commission will be calculated on the total monthly rate of all RMR setup on the Job.

Non-Recurring Commission Type

Commission types of Non-Recurring will use the dollar basis for the commission calculation as the total of all Installation charges and Parts (if parts are invoiced separately) entered for the job.

Estimated Profit Commission Type

For jobs using commission types based on the estimated profit of the job, the application will take the total of all install charges and part charges then subtract the estimated parts, labor, overhead and other charges to arrive at an estimated profit for the job. The application then looks at the salesperson's commission setup to calculate the commission for the job. The employee commission setup may have one flat rate for the commission type or may have a rate schedule that is variable based on the estimated profit percentage of the job.

Gross Profit Commission Type

For jobs using commission types based on the gross profit of the job, the application will take the total of all install charges and part charges invoiced for the job then subtract the actual parts, labor, overhead and other charges to arrive at a final gross profit for the job. The application then looks at the salesperson's commission setup to calculate the commission for the job. The employee commission setup may have one flat rate for the commission type or may have a rate schedule that is variable based on the actual gross profit percentage of the job. When using this commission type, the commission calculation is performed by the software during the Job closing process to ensure all income and expenses are used to determine the salesperson's commission amount.

Est to Gross Commission Type

This method will calculate an initial commission based on the Install Charges of a job using the percentage of the estimated profit of the Job. When the Job is closed, the software will recalculate the commission based on the actual profit of the Job. When setting up the commission structure of a salesperson using this method, you are able to set up a variable rate schedule.

Other Commission Type

Commission types of Other will not display a dollar basis for the commission calculation; the User may enter any amount for the basis of the commission.