Managing Rebates and Commissions

Release 9.0.5

EPICOR.

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Publication Date: October 18, 2018

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Pricing Management Overview

Eclipse Pricing Management helps you maintain consistent costing and pricing information. From updating price sheets to reporting on sales outcomes and commissions earned, Pricing Management provides a reliable and accurate way of costing and pricing merchandise.

This section of the documentation discusses standard pricing logic. For information about using the Strategic Pricing companion product, see Eclipse Strategic Pricing Overview.

Price Updates

Vendors supply their price information to you through price sheets or price update files. You can then update your pricing information manually or automatically. The system can also automatically add product records for new products during a price update.

Price Lines

When new products are added to the product file they are assigned to price lines. Price lines are groups of products used for sales performance reporting, unit of measure descriptors, and commission groups. Price lines provide default information for the products within a price line.

Price Sheet Entry

Vendors provide basis names associated with a dollar amount on the vendor's price sheet. Each vendor may use different basis names to define their pricing, so cross-reference vendor basis names with Eclipse basis names to create a standard pricing scheme for each price line.

Pricing Matrix

The system prices items using a pricing matrix. A sell matrix defines the pricing rules for your sales, branch transfers, and adjustments. A buy matrix defines pricing rules involving the costs for products on purchase orders.

Within each matrix cell, a formula and a basis name calculation defines the cost or price on an order. You can include the following price- or cost-determining factors in matrix cells:

- Buy and sell groups that share the same pricing rules.
- Quantity break pricing that offer discounts for buying quantity.
- Combination groups that offer quantity break discounts on the combined total of items.
- Rebate pricing that offers customers discounts directly from your vendors.

You can use the standard pricing matrix hierarchy set up in the Eclipse system, which is not configurable, or you can configure your system to use a pricing procedure designed for your business needs.

Commissions

Set up your salespeople with commission plans that regulate how the system calculates commissions for each salesperson. Set up commission plans to calculate commissions based on one of the following:

- Gross profit dollars
- Sales dollars

- Net sales dollars
- Items sold as members of a product commission group

Quotes

Use Quote Maintenance to offer special pricing to customers during limited periods.

Pricing Rebate Overview

When a vendor offers a subset of your customers a rebate promotion on a product or price line, your company, the vendor, and the customer partake in a three-way transaction. You can set up matrix cells with pricing and costing information to ensure accurate payment of vendor rebates.

The rebate process involves the following setup:

- Vendors label rebate offers with the following information on the price sheet:

  - A contract number.

  - An effective date.

  - An expiration date.

  - A rebated or adjusted cost per item or per groups of items.

  - A defined sell price to specific customers.

- Price lines containing rebate products must have a local basis name assigned to the REBAT-COST global basis name.

- Customers entitled to rebates require the following set up:

  - Identify products that qualify for a rebate, the contract number, the rebate vendor, and rebate expiration date using the customer record or sell matrix.

  - Define the sell matrix to set the selling price based on a rebated or override cost.

  - Set up a cost override in the sell matrix for the rebate final cost of the product. Do this before selling the product to ensure rebate reporting is accurate.

The following rebate procedure applies after setup:

1. Sell the product to customers.

   When a customer orders a rebate item, the sell price and rebated cost are applied to the item from the sell matrix cells you defined in the setup.

2. Print a rebate report. The report documents what you have sold rebate products, and calculates the rebate amount the vendor owes you.

3. Submit the report to the vendor as a request for payment of the rebate amount.

4. Process the rebate payments from the vendor by rebate check from the vendor or applied credit to the vendor.

Assigning a Basis Name for Rebates

In Price Line Maintenance, cross-reference the vendor's local basis name with the global basis name defined for rebate pricing. This reference ensures that the amount the vendor owes you for the rebate is billed to the vendor.

To assign a basis name for rebates:

1. From the **Maintenance > Pricing Maintenance** menu, select **Price Line** to display the Price Line Maintenance window.

2. Enter a price line ID to display the price line record.

3. In the **Basis** field, enter the rebate local basis name adjacent to the rebate global basis name in the **Global** field, as shown below. In this example, use REP-COST (replacement cost) as the local basis and REBAT-COST as the global basis.

4. Save your changes and exit the dialog box.

Applying Rebate Information to Matrix Cells

Enter rebate information in a matrix cell to ensure that you are accurately reimbursed by the vendor for rebates offered to your customers. The matrix cells used to derive costs or pricing for contract or rebated items depend on how the customer-specific matrix cells have been defined.

To apply rebate information to a matrix cell:

1. From the **Maintenance > Price Maintenance** menu, select **Sell Matrix** or **Quick Sell Matrix** to display the Sell Matrix Maintenance window or Quick Sell Matrix Maintenance window.

    Note: Not all options described below are available in Quick Sell Matrix.

2. Create a new sell matrix cell, or enter the necessary information to display the matrix cell for which to add rebate information.

3. In the **Matrix Type** field or **Type** column, enter a matrix type. The matrix cells the system uses for assigning costs or pricing for contract or rebated items depend upon how you defined the customer-specific matrix sells. Enter one of the following matrix types:

    - **O** (Override Cost Only) - Sets the override cost for the product if multiple customers who are entitled to rebates for the same item on the same contract use the matrix cell, but the contracts have different pricing. Then, define the sell prices on additional sell matrix cells for the customers.

    - **N** (No Qty Break) - Sets both sell price and cost override if multiple customers use the same products in the contract that get the same pricing, or if the matrix cell is not used to point to other customers. If customer-specific pricing is not in effect and if an N-type matrix has a basis defined for pricing in addition to the override cost, the system derives the sell price from the N-type matrix along with the override cost.

4. Click the **Rebates** tab to display the sell matrix rebate options, and complete the following as needed:

In the column...	Description
Mode	Enter one of the following: • **Direct** - Assigns a rebate formula to all direct sales of products included in the matrix cell. • **Default** - Assigns a rebate formula to all transactions other than direct sales of products included in the matrix cell, including normal sales and credits.
Contract Number	Enter the contract number for the rebate offer. The vendor supplies this number, and it appears on the Customer Sales Rebate Report. You can sort the report by contract number. **Note:** For product sales information from this matrix cell to display on the rebates report, entry is required in this field or in the **Contract Number** field on the Customer Rebate Maintenance dialog box (**Maintenance > Customer > Pricing > Rebate**)

In the column...	Description
Rebate Vendor	Enter the vendor's name for which the Customer Sales Rebates Report for this item will be submitted. By defining the rebate vendor, you can create a report for that vendor. **Note:** For product sales information from this matrix cell to display on the rebates report, entry is required in this field or in the **Rebate Vendor** field on the Customer Rebate Maintenance dialog box (**Maintenance > Customer > Pricing > Rebate**).
Prc Eff Date Override	Do one of the following if the vendor accepts a rebate based on a specific date. The date you enter here overrides the order ship date when applying a rebate: • Enter the price sheet effective date specified by the vendor, if that vendor accepts a rebate claim for a specific price date. • Leave the field blank, and the system uses the ship date of the order to determine the rebate amount.
Rebate Expiration Date	If you entered a rebate override date in the **Rebate Effective Date** field, enter the date in this field that reflects when the override date is no longer valid. If this field is blank, the system uses the matrix cell's expiration date for the rebate information.
Check Sell Group Rebates	Select the check box for the system to search for sell group rebates when a customer orders products in this sell group. Otherwise, the system does not check for sell group rebates, but prices the item using the matrix set up.
Rebate Multiplier	(Optional) Enter the factor by which you want to adjust the COGS and COMM-COST on a rebate matrix. The system applies the factor entered when the sell price on the sales order is manually increased. The factor is used on the difference of the increase. This entry makes sure the system respects special rebate agreements. For example, a sell price is increased by $1.00, the factor is applied to the increase, ($1.00 x .90), = .90. Costs will increase by ninety cents (.90). **Note:** You can use the Sell Matrix Upload Utility to load values, if needed. **Note:** The system uses the information in the basis code REB-COST for the price line to make sure that there is not a "negative rebate." The system does not allow the rebate to exceed the COGS calculation.
Minimum COGS Threshold	(Optional) For special rebate agreements, you set COGS for the rebate. In some cases when the **Rebate Multiplier** column is used, the COGS automatically updates for any change to the sell price of the product. Use the **Minimum COGS Threshold** field column to protect the rebate COGS from going below the value specified. **Note:** You can use the Sell Matrix Upload Utility to load values, if needed.

7. Save your changes and exit the window.

Defining Sell Group Rebates

When a customer orders a product, the price is typically derived from the item's price sheet and the active sell matrix. Alternately, you can set up rebate tables at the sell group level to apply rebates to products in a sell group.

If you have defined sell group rebates, activate the **Apply Rebates From Sell Group Rebate Table** control maintenance record.

The system checks the sell matrix for active sell group rebates, then checks for defined rebate tables for the product's sell group:

- If the product's sell group has defined rebate tables, the system uses the most recent table relative to the order's pricing date to apply the rebate.

- If the product's sell group has no rebate tables with a date less than or equal to the order's pricing date, no rebate applies.

  If the system finds an active rebate table, it checks the table from the lowest to highest selling price to apply a rebate as follows:

  - If the product's selling price is more than the highest selling price listed in the table, no rebate applies.

  - If the product's selling price falls between two selling prices listed in the table, the smaller rebate applies.

  - If the product's selling price falls below the lowest selling price in the table, the rebate for the lowest selling price applies.

When a rebate applies, the system performs the following:

- Subtracts the rebate amount from the item's cost of goods sold (COGS) and commission cost (COMM).

- Displays **R** as a suffix to any costs in order entry modified by a sell group rebate.

- Adds a line to the Order Change Log stating a sell group rebate was applied to the product and the order generation affected.

  If the rebate amount causes the item's COGS or COMM Cost to fall to zero or below, the system sets the appropriate cost to zero and adds a line to the Order Change Log stating which product on which generation had which cost forced negative.

This topic contains the following procedures:

- Setting up rebate tables for sell groups.

- Activating sell group rebates.

To set up a sell group rebate table:

1. From the **Maintenance > Price Maintenance** menu, select **Buy/Sell Group** to display the Buy/Sell Group Maintenance window.

2. In the **Group ID** field, enter the sell group ID for which to set up a rebate table.

3. Select **File > Rebate** to display the Sell Group Rebate Maintenance dialog box.

The **Group** field displays the name of the sell group from the Buy/Sell Group Maintenance window.

4. In the **Branch** field, enter the branch where the rebate applies.

    Note: You must be assigned the SELL.GROUP.REBATE.MAINT authorization key at level 2 to use this option.

5. In the **Effective Dates** area, enter the date ranges for which to activate the rebate.

6. In the **Selling Price** column, enter a reference selling price for items in the sell group. For example, for all items priced at $100, enter 100 in this field.

7. In the **Rebate Amount** column, enter the amount of rebate offered for products priced at the associated selling price. For example, enter **5** in the rebate field to give the customer a $5 rebate for buying products at the price listed in the **Selling Price** field.

8. Repeat steps 6 and 7 for as many selling prices as necessary.

9. Save the rebate table and return to the Buy/Sell Group Maintenance window.

To activate sell group rebates:

1. From the **Maintenance > Price Maintenance** menu, select **Sell Matrix** to display the Sell Matrix Maintenance window.

2. Enter the necessary information to display the matrix cell.

3. Click the **Rebates** tab.

4. In the **Check Sell Group Rebates** column for each rebate contract listed, check the box if you want the system to check for sell group rebates when a customer orders products in this sell group. If left unchecked, the system prices the item using the matrix set up.

5. Save your changes and exit the window.

Copying Matrix Rebate Information

If you enter matrix rebate information for one sell matrix cell in Quick Matrix Maintenance, you can copy the rebate information to the following matrix cells. This prevents having to re-enter the information for those matrix cells that need to contain the rebate information.

To copy matrix rebate information:

1. From the **Maintenance > Pricing Maintenance** menu, select **Quick Sell Matrix** to display the Quick Sell Matrix Maintenance window.

2. Enter any necessary information for the matrix cells listed.

3. Select **Maintenance > Rebate Information** to display the Rebate Information dialog box.

4. Enter the rebate information for this matrix cell.

5. Select **File > Copy** to display to display the Select Cells to Copy dialog box, and select from the following:

    - **All cells** - Copies the change to all cells in the matrix.

    - **Current cells** - Copies the changes to the cells currently displayed in the matrix.

    - **Select from all cells** - Displays the Matrix Selection Criteria dialog box, so you can select the cells from the entire matrix that will receive the copied information.

    - **Select from current cells** - Displays the Matrix Selection Criteria dialog box, so you can select the cells from those displayed in the matrix that will receive the copied information.

6. In the **Selected** column, deselect the check boxes of the matrix cells to which you do not want to copy rebate information.

7. Select **File > Exit** and answer **Yes** at the prompt to save changes.

8. Select **File > Copy**. The system copies the rebate information to the selected matrix cells.

9. Save your changes and exit the window.

Running the Customer Sales Rebates Report

Use the Customer Sales Rebates Report to view rebate contracts you have passed along from vendors to your customers and to book letters of credit to your vendors. This report lists product sales *eligible* for vendor rebates, and you can also list the rebate amount due from the vendor for each branch. All detail levels of the report show the total quantity shipped and corresponding rebate amount due.

Using the **Book Letters of Credit** option, you can create a negative purchase order and offsetting journal entries for the amount due and send it with the report to the vendor. More

The detailed version of the report lists each transaction line item for which you are entitled to a rebate. The summary version of the report displays totals for each product. Regardless of which form you choose, the data for each contract prints on a separate page, with the last page displaying Grand Totals for the quantity shipped and rebate extension columns. The system rounds totals to three decimal places to ensure as much accuracy as possible.

Additionally, if you sort by branch, a separate page prints showing the quantity shipped and rebate extension totals for each branch that shipped product subject to a rebate.

> **Note:** After you run the report once, the system saves the selections you made and associates them with your user ID. When you run this report again, the system displays the selections you made the last time. A "Saved Settings" message at the top of the screen indicates that your previous selections are being used. If there is no default or saved setting, the field is blank. For more information, see How the System Saves Settings on Reports.

> **Note:** The system displays an indicator if a rebate purchase order has been created.

If you want the system to select the vendors that are eligible for rebates, see Selecting Vendors with Rebates Automatically for the Rebate Report. If you want to add columns for your Carrier Rebates, see Carrier Rebate Report Options.

To run the Customer Sales Rebates Report:

1. From the **Reports > End of Month Reports > Customer Reports** menu, select **Customer Sales Rebates** to display the Customer Sales Rebates Report window.

2. Define the parameters for the report on the **Rebate Selection** tab.

Field	Description
Branch/Territory	Enter the branch or territory to include in the report.
Start Date	Enter the date range of invoices to include in the report. The system populates the **End Date** field with the date entered in the **Start Date** field. You can enter a calendar date or variable date in these fields.
End Date	
Customer	Enter the end bill-to customer's name for which to run the report. You will not get correct results if you enter a contract rebate customer. **Note:** If you run the report for a customer with a ship-from only account, the system retrieves the pay-to and ship-from information from Vendor Maintenance.

Field	Description
Vendor	Enter the vendor's name for which to run the report. If left blank, the report includes all vendors. Use the **Multiple** button next to the field to select multiple vendors.
	You can also choose to use an auto-selected list of vendors. The automated selection process searches through the pricing matrices in the system to find vendors with rebates that are in effect within the date range you specify. To select an automated lookup list, select **File > Automated Vendor Lookup**, enter an ID in the **Lookup ID** field, and select **File > Select These Vendors**. You can then use the **Multiple** button next to the **Vendor** field to edit the list of vendors.
	To build a vendor list, see Selecting Vendors with Rebates Automatically for the Rebate Report.
	Note: This field must display a pay-to entity, ship-to entity, or vendor lookup ID if booking letters of credit.
Price Line	Enter the price line ID to limit the report to one price line. If left blank, the report includes all price lines. You can select multiple price line IDs.
Buy Line	Enter the buy line ID to limit the report to one buy line. If left blank, the report includes all buy lines. You can select multiple buy line IDs.
Product	Enter the product's name to limit the report to one product. If left blank, the report includes all products.
	Important: If you leave the **Product** field blank and you have the **Include All Sales** check box selected on the **Report Options** tab, the report displays rebates for *all* products. This may take a long time to run. We recommend limiting the selection by using this **Product** field.
Sort By	Select a sort order for the report. To run the report for Book Letters of Credit, you must select a branch selection, such as **Br/Contract/Customer**.
Page Break	Select how to separate items on the report, such as after each line, customer, or branch.
	The default is *** No Page Breaks ***.
Actual Cost Override Branch	This field requires you run the report twice as follows after completing the rest of the fields for the report:
	1. Leave this field blank to calculate how much the distributing branch owes each branch.
	2. Enter the distributing branch to calculate the actual cost amount relative to the distributing branch, as opposed to each invoice's pricing branch.
	The distributing branch displays in the report header.

2. Select how to display costs for rebates on the **Cost Selection** tab.

Field	Selections
Rebate Cost Basis	• **COGS** - Uses cost of goods sold for rebate cost.
	• **Comm Cost** - Uses commission cost for the rebate cost.

Field	Selections
Actual Cost Basis	• **Price Sheet Basis** - Uses the price sheet basis defined in Pricing Management. • **FIFO Cost** - Uses First In/First Out quantity of the product and displays the previous purchase orders received that make up the quantity and the cost. If the purchase order has an override cost associated with it, the system uses that value rather than the override COGS value. This an affect the value listed in this column.
	If the purchase order has a rebate cost greater than the actual cost, then the system uses that value rather than the PO COGS.
Rebate Issued	• **Include** - All items whose rebate amount has been claimed on a prior letter of credit plus all items that have not been claimed are included on the new credit purchase order created. In this case the system overrides the existing purchase order number in the ledger detail record with the new purchase order number created. • **Exclude** - All items whose rebate amount has been claimed on a prior letter of credit are not included on the new credit purchase order created. • **Only** - Only items that have been claimed on a prior letter of credit are included on the new credit purchase order created. In this case the system overrides the existing purchase order number in the ledger detail record with the new purchase order number created. This option reruns the report for items already claimed. When determining if the item should be included on the report and/or on the new credit purchase order created when booking letters of credit is selected, the system checks the status of the purchase order. If a purchase order exists in the ledger detail record and if it has been cancelled for any reason, the system assumes no rebate has been issued.
If Rebate Cost > Actual Cost, Use	• **Rebate Cost** - Displays the rebate cost when the rebate cost is greater than the actual in-stock cost. • **Actual Cost** - Displays the actual cost when the rebate cost is greater than the actual in-stock cost.
Items with Rebate > Actual Cost	• **Include** - Includes items with rebates greater than the actual cost. • **Exclude** - Excludes items with rebates greater than the actual cost. • **Only** - Prints only items with rebates greater than the actual cost. **Note:** The system remembers the setting in this field for your user ID the next time you run the report.
Select Contracts Based On	• **Ship Date** - Selects contracts based on shipping date. • **Price Date** - Selects contracts based on pricing date

Note: For orders with the same product, branch, and receive date, the system uses the cost from the purchase order based on the lowest order ID number first.

4. Define report options for the rebates, such as printing kit components, on the **Report Option**s tab.

Field	Description
Print $0 Rebate Items	Prints items with a $0 rebate where the Actual Cost is the same as the Rebate Cost. This is the default. **Note:** Deselect this option when running this report in **Detail** mode.
Print Work Order Components	Select to print individual work order components. This selection activates the **Contract Association** area selections. By default, the system selects this check box. The report does not include the work order components of a finished item on a sales order if the components do not qualify for a rebate.
Subtotal on Products	Select to include subtotals for each product. The default is deselected. This option is available only for reports sorted by product.
Subtotal on Invoice	Select to include subtotals for each invoice. The default is deselected. This option is available only for reports sorted by invoice
Print Kit Components	Select to print individual kit components. This is the default.
Contract Association	Select which types of vendors to report on: **Ship-To** or **Internal Vendors**. **Ship-To** is the default. **Note:** This area activates when the **Print Work Order Components** check box is selected.
Create & Queue EDI Documents	Creates an EDI 844 document from this report and add it to the EDI Outgoing Status Queue. By default, the system leaves this deselected. **Note:** This option can be used if booking letters of credit. The Booking Letter of Credit EDI Queue report that automatically generates details each rebate purchase order and the status of the generation on the EDI Outgoing Status Queue.
Include Credits	Select to include credits in the report. This is the default.
Include Rebates for Contracts Removed from Customer	Include rebate contracts set up at the matrix level where the link between the matrix and the bill-to and/or ship-to customer no longer exists. Selecting this option lets you run the report for last month and include that contract transaction. **Note:** This selection requires a vendor specified to either report on the items that match the criteria or book letters of credit.
Display Only Rebate Cost Not Equal to Recalculated Rebate Cost	Select to include only the orders where the rebate cost is different from the recalculated rebate cost. **Note:** If you select this option, the **Book Letters of Credit** option for the report is not active.

Field	Description
Include All Sales	Select the check box to include all sales for the product selected on the Rebate Selection tab of the report. Select if when you file your rebate claim, you want to see each sale that has occurred for that product on this report. *Important:* If you leave the **Product** field blank on the **Rebate Selection** tab and you have this check box selected, the report displays rebates for all products. This may take a long time to run. We recommend limiting the selection by using the **Product** field.

5. Select display options, such as including direct orders, on the **Display Options** tab.

Area	Description
Directs	Select how to handle direct orders on the report: • **Include** - Includes direct orders in the report. This is the default. • **Exclude** - Excludes direct orders. • **Only** - Includes *only* direct orders. **Note:** The system remembers the setting in this field for your user ID the next time you run the report.
Display Options	• **Detail** - Prints a line on the report for each invoice showing the customer, invoice number, warehouse, ship date, product, UPC/NAED #, quantity shipped, actual cost, rebate cost, difference amount, rebate amount, unit of measure, product type, and contract number. For more information, see What the Report Shows further in this topic. • **Summary** - Prints a line on the report for each subtotal of the invoices according to the selected sort by option, and shows the total quantity shipped and the rebate extension, which is the total rebate amount due for the product. **Note:** The data for each contract prints on a separate page with the last page displaying the grand totals for the quantity shipped and rebate extensions. Additionally, if *Branch* is in the **Sort by** field, a separate page prints showing the quantity shipped and the rebate extension totals for each branch that shipped product subject to a rebate.
Select By	Indicate which invoices to select for the defined data parameters: • **Shipping Branch** - Selects invoices for the report by shipping branch. This is the default. • **Pricing Branch** - Selects invoices for the report by pricing branch. • **GL Branch** - Selects invoices for the report by general ledger branch. • **Home Branch** - When sorting by customer, the report selects invoices for the report by the customer's home branch. The selection hierarchy is ship-to home branch, bill-to home branch, and price branch. **Note:** The system remembers the setting in this field for your user ID the next time you run the report.

Area	Description
Rebate Detail	Select how you want the rebate detail to display: • **Breakdown by Ship-To** - Breaks down the report by printing the rebate for each ship-to within a bill-to. This is the default. • **Consolidate by Bill-To** - Consolidates the report by printing only the total rebate for all the ship-tos within bill-tos.

6. Select **Selection > Selection Criteria** to display the selection criteria. For each category to include on the report, enter an item in the **Selection** column.

7. Select **File > Report Column Selection** to display the Column Setup for Customer Sales Rebates Report window and edit the column layout.

8. Select **File > Cost Ovrd Codes** to select multiple cost override codes for rebates for cost codes that are not on any orders.

9. Select **File > Automatic Vendor Lookup** to search for vendors by Lookup ID.

10. To use booking letters of credit, see below.

11. Set options, if needed, and generate the report.

What the Customer Sales Rebate Report Shows

When running the report in **Detail** mode, these default columns display.

Column	Displays...
Customer Name	the name of the customer to whom the rebate-qualifying product was sold.
Invoice #	the invoice number of the sales transaction on which the product was sold.
Whs	the branch (warehouse) from which the product was sold.
ShipDate	the ship date for the product.
Product	the product description.
UPC/NAED#	the Universal Product Code or NAED number assigned to the product.
Qty Shpd	the quantity of the product shipped.
Actual Cost	the actual cost of the product, as shown on the sales order. When the cost on an order is overridden at the sales level, the report places an asterisk (*) next to the overridden cost in this column.
Rebate Cost	the rebate cost of the product.
Diff Amt	the rebate amount for a single unit of the designated item. The difference between the Actual Cost and Rebate Cost equals the rebate amount for each item.
Rebate Ext	the extended rebate amount for the total quantity sold of the product. The rebate amount for each item (Diff Amt) multiplied by the number of items sold (Qty Shpd) equals the total rebate amount for these items.
UM	the sales default unit of measure.
Typ	the product type.
Contract No	the contract number.
Bill-To ID	the bill-to customer information including the ID and the name as displayed in Customer

Column	Displays...
Bill-To Name	Maintenance.
Ship-To ID	the ship-to customer information including the ID and the name as displayed in Customer Maintenance.
Ship-To Name	

You can use the **File > Report Column Selection** option to select additional columns for your report. The system alerts you if the number of columns exceeds the printable area.

Column	Displays...
Line Number	the purchase order line numbers if set up through Customer Maintenance.
Product Select Code	the product select code as listed in Product Maintenance. Authorized users can define these codes using the Valid Product Select Codes control maintenance record.
Order Date	the creation date of the sales order.
Carrier Company #	For customer selling Carrier products and using the Carrier Rebate program, these columns display the Carrier-specific information. For more information about these column options, see Carrier Rebate Report Options in this documentation.
Carrier Supplier ID	
Carrier Location	
Carrier Order Date	
Carrier Partner ID	

Booking Letters of Credit on the Customer Sales Rebate Report

See Booking Letters of Credit on the Customer Sales Rebate Report in this documentation.

Booking Letters of Credit on the Customer Sales Rebate Report

When you run the Customer Sales Rebate Report and choose to book the letters of credit, the system creates a negative purchase order to the rebate vendor. The quantity on the order is "-1" and the product added to the purchase order is the miscellaneous charge product, such as "Rebate Request" defined in the **Rebate Detail Setup Information** control maintenance record. The amount of the purchase order is the total rebate amount the vendor owes you.

You can post the letters of credit to either one branch, usually the parent branch, or to individual branches based on your company policies. After a purchase order is created from the Customer Sales Rebates Report, the purchase order status is set to **Received** and the system creates a journal entry, if required and the **Create Journal Entries** option is selected. The system records these events in the change log.

> **Note:** If vendor responses are a perfect match to what was claimed, the system to automatically creates the payable and applies it to the rebate purchase order as approved.

About EDI Transmissions for Booking Letters of Credit

To transmit this purchase order to the vendor, enter the letter **E** for EDI in the **Print** field on the **Status** tab of the purchase order. Select an EDI transaction type, such as EDI 844 Rebate Request when prompted. Upon escaping from the purchase order, the system sends the EDI 844 Rebate Request to the vendor. The rebate request can also be faxed or e-mailed. The Customer Sales Rebates Report populates the Rebate Detail File, which you can access through the Rebate Detail Maintenance screen, and is sent with the EDI 844 Rebate Request to the vendor.

> **Note:** You must be assigned the POE.ALLOW and the BOOK.LETTER.CREDIT authorization keys to book a letter of credit using the Customer Sales Rebate Report.

When the system creates a journal entry for the transmission, it posts the amount associated with direct orders to the account set up in the **Rebate G/L Direct Inventory Account** field in the **Rebate Detail Setup Information** control maintenance record. If this field is left blank, users are prompted for a G/L account entry.

In addition, when booking the letters of credit through the Customer Sales Rebate Report the system creates a Customer Sales Rebate Book Letter of Credit Summary Report and sends the report to the Hold file of the user who generated the report. More

The summary report lists the vendors, purchase orders created, and their totals by branch that were generated for the rebates, and the journal entries with their debit and credit amounts that were automatically created if the report was set up to automatically create the journal entries.

If you run this report in Eterm, you can view the first 10 branches on the report and you cannot print more than 10 branches. However, in Solar, you can able to view more than 10 branches and download the report to Excel for viewing and printing purposes.

To book letters of credit:

1. From the **Reports > End of Month Reports > Customer Reports** menu, select **Customer Sales Rebates** to display the Customer Sales Rebates Report window.

2. In the **Branch/Territory** field, enter the branch or territory to include in the report. Enter **All** to include all branches and territories.

3. In the **Vendor** field, you must enter the vendor.

4. In the **Sort by** field, you must enter a branch selection, such as **Br/Contract/Customer**.

5. Select **File > Book Letter of Credit** to display the Book Letters of Credit dialog box.

6. Complete the the the fields, as needed:

Field	Description
Book Letters of Credit	Select this check box after you have run and reviewed the Rebate Report internally. Selecting this check box creates the negative purchase orders for the credits, and sends a message to the user who ran the report with the purchase order numbers created. The purchase order information is also summarized in the Customer Sales Rebate Book Letter of Credit Summary Report, which generates automatically when you book letters of credit and is sent to the Hold file of the user who ran the report.
	Leave this check box deselected to produce a rebate report without creating the negative purchase order. Running the report using this option deselected lets you review the report before creating the purchase orders. This is the default.
	Note: Review the rebate request before booking letters of credit.
	Consider the following when you are selecting these options:

Scenario	If the EDI 'Book Letter of Credit Vendor' field set to...	and Customer Sales Rebate Report 'Book Letter of Credit' is...	and the 'Create & Queue EDI Document' option is...	Then...
1	Yes	Yes	Yes	The document is created and queued.
2	Yes	No	No	A message displays to the user indicating they must select the Book Letter of Credit option.
3	No	Yes	Yes.	The document is created and queued.
4	No	No	Yes	A warning message displays and only an EDI document is created.

Field	Description
Preview Journal Entries	Select this check box to run the JE Explanation Review Report, which lists the products and their amounts that will contribute to the journal entry amount used to offset inventory for discrepancies due to rebates given. If you use landed average cost or average cost as your COGS (cost of goods sold) basis, a journal entry is created along with the claim purchase order for the rebate. The journal entry reconciles the inventory valuation because the inventory was credited at the rebate cost, rather than average cost, because of the sell matrix COGS override. **Note:** If there is no journal entry that will be created, no journal entry preview report is created, regardless of whether is check box is selected.
Create Journal Entries	Select this check box to create the journal entries to offset inventory for discrepancies due to rebates given. To use a specific posting branch and date for the journal entries, use the **Posting Branch** and **Posting Date** fields described below. If you prefer to create the journal entries manually, leave this check box deselected.
Purchase Order Creation	Indicate whether the purchase order created is single or split into multiple orders. • **Single** - Creates only one purchase order as a collective total of rebate due from the vendor for your entire company, and the general ledger activity is posted at the branch level. You must then specify a general ledger posting branch for the order. • **Split** - Creates a separate purchase order for each branch in which rebates are issued. **Note:** This field is only accessible if the **Book Letters of Credit** check box is selected.
Posting Branch	If the **Book Letters of Credit** check box is selected and the **Purchase Order Creation** field is set to **Single**, enter the general branch where the rebate credit is received. **Note:** If the **Purchase Order Creation** is set to **Split**, this field is disabled.
Posting Date	If the **Book Letters of Credit** check box is selected and the **Create Journal Entries** check box is selected, use this field to specify the date the negative purchase order and journal entry post. If you leave this field blank, the system posts the purchase order and journal entry the date the Rebate Report is run.

7. Click **OK** to return to the Customer Sales Rebates Report window.

8. Set options, if needed, and generate the report.

   Note: If you e-mail the documents and select the **Split** option, the system consolidates the resulting .csv files. This means you receive a single e-mail with multiple attachments. Each attachment indicates the document type you are receiving in a file name extension, such as -Customer Detail or -Journal Entry detail.

Selecting Vendors with Rebates Automatically for the Rebate Report

When you run the Customer Sales Rebate Report, you can select a list of vendors to include in the report that was automatically generated. The automated selection process searches through the pricing matrices in the system to find vendors with rebate within the date range you specify.

Using the automatic vendor selection process helps to ensure that you include all the vendors in the report who have rebates. Missing vendors that do have rebates can cost you money each time you file for rebates.

To select vendors with rebates automatically for the rebate report:

1. From the **Reports > End of Month Reports > Customer Reports** menu, select **Customer Sales Rebates** to display the Customer Sales Rebates Report window.

2. From the **File** menu, select **Automated Vendor Lookup** to display the Automatic Vendor Rebate Lookup window.

3. In the **Lookup ID** field, select a vendor lookup ID to make changes to an existing template, or click **New** and enter the ID of the new lookup template.

   If the system is currently gathering vendors for the lookup ID you entered, the **Vendor List** at the bottom of the window displays a detailed message.

4. In the **Branches** field, enter the branch, branches, or territories to include in the vendor selection.

5. In the **Start Date** and **End Date** fields, enter the date range to select vendors with rebates that are active between these two dates.

   Use variable dating if you plan to schedule the vendor lookup to run on a regular basis.

6. Do one of the following to run the lookup:

   • From the **Options** menu, select **Schedule** and schedule the lookup to run once at a later time or on a recurring basis. For more information, see Scheduling Phantom Processes in the System Maintenance documentation.

   • From the **File** menu, select **Begin** to run the lookup immediately.

More Options When Selecting Vendors Automatically

Review the view-only information vendor lookup IDs that the system has already run after you enter the ID in the **Lookup ID** field.

Field	Description
Last Run By User	The ID of the user who last ran the vendor lookup to gather vendors with rebates.
Last Run Date	The date the lookup was last run. Use this information to determine if you have the latest list of vendors in the rebate report.
Last Run Time	The time, stated in your user time zone, the lookup was last run. Use this information to determine if you have the latest list of vendors in the rebate report.

Field	Description
Vendor List	The vendors who were automatically selected the last time the lookup was run.
	If this list is empty, the lookup ID has not run, or was stopped before the system finished gathering vendors. Restart the lookup using the **File > Begin** option.
	To edit the list of vendors before running the report, select **File > Select These Vendors** and return to the Customer Sales Rebate Report window. To edit the list of vendors included in the report, click the Multiple button next to the Vendors field and edit the list. These changes only apply to the Customer Sales Rebate Report. The list of vendors associated with the Lookup ID remains unchanged.

You can also use the following additional options when selecting vendors:

To..	Select this menu...
use the vendor list from a lookup ID when it is finished building	**File > Select These Vendors**

Including Cost Override Codes in Rebate Reports

You may want to include a list of cost override codes on your Customer Sales Rebate Report as a way of tracking rebates on line items in sales order entry.

For example, you can create a rebate for a line item on a sales order by assigning the cost override code "Rebate" to that item. When you run the Rebate Report, you can specify that the report includes the Rebate cost override code.

Define cost override codes in the **Valid Cost Override Codes** control maintenance record, and apply them to matrix cells from any Matrix Maintenance screen. You can also manually enter cost override codes in sales order entry, if the **Prompt For Cost Code on Cost Override in SOE** control maintenance record is set to **Yes**.

To include cost override codes in a Customer Sales Rebate Report:

1. From the **Reports > End Of Month Reports > Customer Reports** menu, select **Customer Sales Rebates** to display the Customer Sales Rebates Report window.

2. Set up the report information as described in Running the Customer Sales Rebates Report.

3. Select **File > Cost Ovrd Codes** to display the Cost Override Code Selection dialog box and enter the cost override codes you want to include or exclude from the report.

   - To add a code to the list, select the first blank row, and enter the code.

   - To create a list of cost override codes to exclude from the report, enter a pound sign (#) and select a cost override code, or enter the code, for example #REBATE.

   - To delete an item from the list, press **Alt-Delete**.

   - To clear the entire list, click **Clear Selection**.

   - To save your list, Click **Save** and name the list at the prompt..

   - To recall a previously saved list, click **Recall List**.

Tracking Rebate Amounts

The way you process rebates depends on differences in the purchase order cost and rebate cost, and how the vendor pays the rebate amount.

Process rebates using either the suggested or alternative method described below:

Suggested Method for Rebate Tracking

1. Create a balance sheet account named "Rebates Receivable" in the General Ledger.

2. Define rebate information for customers in Customer Maintenance, and set up sell and cost overrides in Sell Matrix Maintenance. The following guidelines apply to selling and buying rebate products:

   - When purchasing items, enter the purchase orders using the rebate cost (not normal cost).

   - When receiving purchase orders, receive them using the rebate cost (not normal cost).

   - When selling items, use the rebate cost, which is linked to the cost overrides defined in Sell Matrix Maintenance.

3. Post the difference between the normal and rebate cost to the Rebate Receivables G/L account. The debit amount is the difference between the normal cost and the rebated cost of the items.

   For example, if a widget's normal cost and vendor invoice cost is $100.00 and the rebate cost is $80.00, the difference of $20.00 is the adjustment to the Rebates Receivable account.

4. Run the Customer Sales Rebates Report, and submit it to the vendor as a request for rebate payment. We recommend scheduling the report to run once a month.

5. Process the rebate payment from the vendor as follows:

   - If you receive a check for the rebate amount, post a Miscellaneous Cash Receipt. The amount is credited to the Rebates Receivable G/L account. The cash account is debited for the amount.

   - If you receive a credit memo for the rebate amount, enter a payable record in A/P Entry for the amount.

   The Rebates Receivable account will display the pending or outstanding amount of rebates. The sum of the debits is the total rebate amount that has been processed to date.

Alternate Method for Rebate Tracking

1. Create a balance sheet account named "Rebates Receivable" in the General Ledger.

2. Define rebate information for customers in Customer Maintenance, and set up sell and cost overrides in Sell Matrix Maintenance. The following guidelines apply to selling and buying rebate products:

   - When purchasing items, enter the purchase orders using the purchase order cost.

   - When receiving purchase orders, receive them using the normal purchase order cost.

   - When selling items, use the rebate cost, which is linked to the cost overrides defined in Sell Matrix Maintenance.

3. Run the Customer Sales Rebates Report, and submit it to the vendor as a request for rebate payment. We recommend scheduling the report to run once a month.

4. Create a journal entry to adjust the General Ledger and reconcile the difference between the normal and rebated cost in the Inventory G/L account as follows:

    - Debit the Rebates Receivable G/L account.

    - Credit the Inventory G/L account. This account is defined in Inventory Management.

    This records a pending or outstanding amount of rebate to be received from the vendor. The Rebates Receivable account is credited as each rebate amount is received.

5. Process the rebate payment from the vendor.

    - If you receive a check for the rebate amount, post a Miscellaneous Cash Receipt. The amount is credited to the Rebates Receivable G/L account. The cash account is debited for the amount.

    - If you receive a credit memo for the rebate amount, enter a payable record in A/P Entry for the amount.

    The Rebates Receivable account shows the pending or outstanding amount of rebates. The sum of the debits is the total rebate amount that has been processed to date.

    Note: If the vendor rebate payment received is for less than the original amount that was posted as a debit to Rebates Receivable, a G/L Journal Entry is required to correct the Inventory-COGS. (Debit Inventory-COGS and Credit Rebates Receivable) This entry clears the open rebate amount and reconciles the Inventory account for costs that were never rebated.

See Also

Running the Customer Sales Rebates Report

Pricing Rebate Overview

Carrier Rebate Report Options:
Adding Carrier Rebate Columns to the Customer Sales Rebates Report

For Carrier Distributors, the Customer Sales Rebate Report contains all the options required in filing Carrier rebate claims. Use the Carrier Rebate columns on the Customer Sales Rebates Report to display additional columns of information that you can export and send in the appropriate format to your Carrier distributors.

Use the **Carrier Rebate Setup** control maintenance record to identify the branches and corresponding company and location numbers.

To include Carrier rebate columns:

1. Complete the normal driver fields for the Customer Sales Rebate Report.

2. From the **File** menu, select **Report Column Selection** to display the Column Selection window.

3. In the **Not Used** column select from the following to include the columns for Carrier Rebates that you need to report on:

Column	Description	Default Width
Carrier Company #	Distributor company number for the Carrier company. This number is based on the price branch on the sales order.	10
Carrier Supplier ID	The ID assigned to the Carrier Distributor.	10
Line Number	The position of the product on the sales order generation	5
Carrier Location #	Distributor shipping location number assigned each Carrier distributor branch. This number is based on the shipping branch of the sales order.	10
Order Date	The date from the order **Header** tab: the create date of the sales order.	8
Carrier Order Code	Carrier code to separate sale types: • **SS** - Stock Sales • **DS** - Direct Sales	2
Carrier Partner ID	ID assigned to the Carrier Distributor.	10
Serial #	Serial number of the product on the sales order. Multiple serial numbers: If you are using the carrier rebate setup the system repeats the same information for **Qty Ship**, **Serial#**, and **Rebate Ext**. If you are *not* using the setup then the system displays the serial numbers one after another and sums up the **Qty Ship** and **Rebate Ext** amounts on the first line with the first serial number.	30
Zip	The ZIP code for the bill-to customer as set in Customer Maintenance.	5

4. Click **OK** to save your changes and return to the driver screen.

5. Set options, if needed, and generate the report.

About Commissions

Commissions are fees paid to salespeople based on the amount of merchandise they sell. How much they are paid depends on the plans to which they are assigned, if the products have commission plans, and how commission groups are set at the branches.

Use Commission Plan Maintenance to create and edit commission plans that determine the amount of commissions paid to each salesperson.

Commission Plans

A *commission plan* contains all the data to calculate commissions and are assigned to sales personnel. A commission plan works in a specific hierarchy and are assigned to a sales order overrides a commission plan assigned to a customer, which overrides a commission plan assigned to a salesperson.

Create plans for different salespeople, such as showroom sales, inside sales, outside sales, and counter sales. Commission payments are based on the way the system totals prices on sales orders:

- Gross profit dollars

- Sales dollars

- Net sales dollars

You can deduct unbilled freight from commission plans at the line item level, if needed, and decide if you want that freight deducted for only cost-related items, or if you want to include zero-dollar line item commission sales. This flexibility allows you to pass on that unbilled freight cost, as needed. The Commissions Report displays these line items individually for your review.

Commission Groups

A *commission group* is a specific types of commission plan. A commission group organizes products into categories so that you can have the commission plan pay only that specific commission for the products assigned to the group. These groups help you customize the commission plans for your products and salespeople to pay commissions accordingly.

Commission Draws and Profiles

For each salesperson drawing commissions, you can analyze their draw amounts and adjust, if needed. This means you can pay sales personnel drawing against their future commissions.

Assigning Commission Plans to Users

After you define commission plans, assign the plans to one of the following:

- A sales order on the Additional Header Data window from the Sales Order Entry Header window. For more information, see Commissions Report Guidelines.

- A customer set up in Miscellaneous Customer Information in Customer Maintenance.

- A salesperson set up in User Maintenance.

A commission plan assigned to a sales order overrides a commission plan assigned to a customer, which overrides a commission plan assigned to a salesperson.

If a sales order, customer, or salesperson has an assigned commission plan, the system uses it when you run the Commissions Report to determine the sales commission. If the Commissions Report includes someone who is not assigned a commission plan, the report displays that person's sales totals, but no commission dollar amount or commission percentage is listed.

You may categorize products into any kind of commission group, such as a commission group for the following:

- Every item in the product file.

- Each item in the product file.

- Each product rank.

- All products in a price line.

Commission plans, commission groups, products, and salespeople are connected in the system as shown in Commission Plan Workflow.

To assign a commission plan to a user:

1. From the **System > System Files > User Control** menu, select **User Maintenance** to display the User Maintenance window.

2. In the **User** field, enter the user ID to display the user's record.

3. In the **Commission Plan** field, assign one or multiple commission plans to the user.

   When you assign multiple plans to the user, **Multiple** displays in this field. When this user is selected on the Commissions Report, commissions for the user are calculated on each plan separately.

4. When finished making changes to the user's record, save your changes and exit the window.

Creating Commission Plans

Use Commission Plan Maintenance to create and edit commission plans to pay your salespeople. You can set up sales areas for commission plans, such as showroom sales, inside sales, outside sales, or counter sales. You can use one commission plan ID to create many commission plans that are based on different product commission groups, the system-defined Default group, or an order.

Commission plans, commission groups, products, and salespeople are connected in the system as shown in Commission Plan Work Flow.

You must be assigned the COMM.PLAN. MAINT authorization key to view or edit the Commission Plan Maintenance screen.

To create a commission plan:

1. From the **Maintenance > Price Maintenance > Commission Plan** menu, select **Commission Plan** to display the Commission Plan Maintenance window.

   - To create a new plan, click **New Plan** and enter the name of the commission plan at the prompt. A plan ID is a user-defined, free-form alphanumeric name, up to 10 characters long. For example, Showroom or Sales15%.

   Note: To display or edit a current commission plan, in the **Commission Plan ID** field, enter the commission plan ID.

3. Complete or change the following fields as needed.

Field	Description
Commission Base	Enter the commission base dollar value to use with the range's commission percent to calculate the commission: • **GP $** - Gross profit dollars. The gross profit dollars depend on cost or cost of goods sold cost (COGS) when you run the Commissions Report. • **Sales $** - Sales dollars. • **Net Sales $** - Sales dollars less cash discount allowed. This selection does not work when the **Pay Commissions On** field is set to **Line Item** or **Group**.

Field	Description
Pay Commission On	Enter the portion of an order considered when calculating commissions: • **Order** - All items are totaled on the order. • **Group -** Items are totaled by product commission group, and commission is calculated for each commission group. This selection activates the **Product Commission Group** field. Select **File > Display Active Groups** to display the list of product commission groups for this plan. • *Important:* If a Commission Plan is set to pay at the *order level*, then Commission Group must be set to Default. • **Line Item** - Items are totaled by line item according to the commission group to which the item belongs. This selection activates the **Deduct at Line Item Level** option in the **Unbilled Freight** field. Additionally, this activates the **Product Commission Group** field. Select **File > Display Active** to display the list of product commission groups for this plan. • **All** - Commission dollars are calculated on the total of all orders for the inside/outside salesperson, writer, or group. **Note:** To run the Commissions Report for tier date by commission plan, set this field to **All**.
Product Commission Group	This field is available only when **Line Item** or **All** are selected in the **Pay Commissions On** field. Enter a product commission group ID. Select **File > Display Active** to display the list of product commission groups for this plan.
Commission Range Type	Enter one of the following to determine the type of range for the commission percentages: • **GP%** - Gross profit percent. • **Sales$** - Sales dollars. • **GP$** - Gross profit dollars.
Unbilled Freight	Select one of the following to determine how to handle unbilled freight on commissions: • **Leave it blank** - No unbilled freight is deducted from the commission pay out. • **Adjust GP** - The amount of unbilled freight on commission orders is subtracted from the gross profit dollars. This option displays when **All** is selected in the **Pay Commissions On** field. Selecting this option deters salespeople from giving away freight. • **Deduct %** - The system calculates commissions earned and then deducts the percentage of freight specified in the **Unbilled Freight Deduct %** field. • **Deduct at Line Item** - The system calculates commissions earned by line item and deducts from the line item just a proportion of the total unbilled freight on the sales order. The system uses the *total* unbilled freight and matches the proportion amount of cost on the line item and applies the same percentage of commission earned on the line item to calculate the amount of freight to deduct. This option is only available if the **Pay Commission On** field is set to Line Item. **Note:** If the commission plan pays at the Line Item level and the **Unbilled Freight** field is set to Line Item, then the **Subtract Frght** column on the Commissions Report displays how much has been deducted at each line item.

Field	Description
Unbilled Freight Deduct %	Enter the percentage of unbilled freight to deduct from the commission plan pay out on an order, group, or product. This percentage can be different for each commission group. This field is active when **Deduct %** is selected in the **Unbilled Freight** field.

4. To calculate commission at the defined rates for each range reached, select the **Tiered Calculation** check box; otherwise the system calculates commissions at the defined rate for the final range reached.

   For example, if a salesperson sold $14,000, he would receive the following commission:

   - 5% on the first $5000

   - 10% on the next $4999

   - 15% on the final $13,999

   For more information, see Tiered Commission Plan Details.

5. In the **Range Minimum** and **Range Maximum** columns, enter the ranges for which to determine percentages.

   Note: You must create a line item for zero dollars (0.00 to 0.00) paying commission when deducting freight at the line item level.

   For example:

   - 0.00 to 499.00

   - 500.00 to 999.00

   - 1000.00 to 1499.00

   This column heading changes to match the entry in the **Commission Range Type** field as follows:

   - **GP% Range**

   - Sales$ Range

   - GP$ Range

   - Basis Field and Formula - Click the List button and select a global basis name for each commission percentage. Enter a formula to use with each basis name.

   In the following diagram, the range field displays **Sales$ Range Minimum** and **Sales$ Range Maximum** columns because **Sales$** was selected in the **Commission Range Type** field.

1. Commission % column is used with the commission base to determine the commission.

2. The commission based on sales dollars.

3. The dollar ranges.

The sales total of the defined ranges is the amount applied toward commissions. The commission percent is then used with the commission base to determine the dollar sales commission, as shown in the diagram above.

6. In the **Commission %** column, enter the sales commission percentage for each range.

7. Save your changes and exit the window.

More Options for Creating Commission Plans

The following options are also available when creating commission plans:

Menu Item	Description
File > New	Displays the **Enter new plan ID** prompt. Enter the name of the new plan and click **OK**. Then complete the instructions in this topic to create a commission plan.
File > Delete	Deletes the commission plan ID and all associated plans for commission group . You are prompted for confirmation. For example, if the commission plan PLUMBING contains eight commission groups, this action deletes the PLUMBING commission plan including the eight commission group setups under PLUMBING. The commission groups still exist to use with other plans.
Freight	Deducts a percentage of unbilled freight from the commission plan on an order, group, or product. This percentage can be different for each commission group.
File > Display Active Groups	Displays the list of commission groups for this commission plan. Select a commission plan and click **OK** to display the commission plan for the group.

Menu Item	Description
File > Pool Information	Calculates commissions for a group of salespeople. Each salesperson can earn a different percentage.
File > % By Collection Days	Base the commission percentage on the maximum collection days. If the account is over their maximum collection days, the system takes commission dollars away from the salesperson.

Tiered Commission Plan Details

Tiered commission plans calculate a commission on all the rates for the defined sales ranges. You can use tiered commissions to encourage salespeople to sell products in a defined range by offering higher commissions for that range.

The following example describes a commission earned from gross profit dollar (GP$) and calculated on GP$ for tiered calculations.

For this commission plan:

- The commission base is **GP$**. This base is used to determine the commission amount.

- The **Commission Range Type** field is set to **GP$**, so the **Range** fields display **GP$ Range Minimum** and **GP$ Range Maximum**. The salesperson earns the commission rate defined in each range.

  In this example, the sales earned a gross profit dollar amount of $1200.00, which reached the highest percentage in the GP$ range. This amount qualifies the salesperson to commissions defined at each range, as described in the table below.

GP$ Range defined for salesperson	GP$ amounts sold at each range. Total GP$ = $1200.00	Commission percent calculated at GP$	Commission dollars earned at each range
$0.00 to $ 200.00	$200.00	2%	$4.00
$200.01 to $500.00	$300.00	3%	$9.00
$500.01 to $1000.00	$500.00	4%	$20.00

GP$ Range defined for salesperson	GP$ amounts sold at each range. Total GP$ = $1200.00	Commission percent calculated at GP$	Commission dollars earned at each range
$1000.01 to $9999999.99	$200.00	5.5%	$11.00
Total commission:	$44.00		

This salesperson earned a total commission of $44.00. If the commission plan were set up without tiered commission calculations, the salesperson would earn a commission of 5.5 percent on $1200, which equals $66.00.

Deleting a Commission Plan

In Commission Plan Maintenance you can delete all variations of the commission plans defined under the same commission plan ID displayed in the **Comm Plan ID** field. The **Delete** key does not just delete the variation of the plan displayed. It deletes all related variations of the plan that have the same **Comm Plan ID**. If you want to delete a variation of a plan, set the Commission % to 0.00.

The following Eterm example helps explain how a commission plan variation can be deleted.

A plan named BASE has eight variations that include the following product commission groups, each with a unique set of GP%, Order Weight, Weight, Sales $ or GP $ ranges, and commission percent paid on those ranges:

- DELTA

- DELTA~Direct

- MOEN

- MOEN~Direct

- ELECTRICAL

- ELECTRICAL~Direct

- DEFAULT

- DEFAULT~Direct

With any of these commission plans displayed on the screen, the **Delete** hot key deletes the plan ID named BASE and all of its plan variations.

To delete a commission plan:

1. From the Files menu, select **Price Maintenance** menu, then select **Commission Plan** to display the Commission Plan Maintenance window.

2. In the **Comm Plan ID** field, enter the commission plan ID that you want to delete.

3. Use the **Delete** hot key to display the delete conformation prompt.

4. Enter **delete** in the prompt screen to delete the entire commission plan including all variations.

If you want to make one of the variations of the commission plan ineffective, enter the **Product Comm Group** you want to remove, and set the **Commission %** to 0.00.

Commission Plan Calculation Variables

You can set up commissions to calculate commission plans based on product commission groups, line items on sales orders, and sales order totals. The following examples explain how calculating commissions can differ depending on how you set up the commission plan.

- Example 1: Calculating Commissions on Each Line Item

- Example 2: Calculating Commissions on Commission Groups

- Example 3: Calculating Commissions on Writer Totals

- Example 4: Calculating Commission on Line Items with Unbilled Freight

Commissions that are calculated on sales order totals are not included in this topic because they are calculated the same as commissions based on groups, but use the default product commission group. Those based on product commission groups use a user-defined product commission group.

Example 1: Calculating Commissions on Each Line Item

This example is calculated on line items for Stephen Jones Plbg & Heating, based on the following settings on the Commission Plan Maintenance window, below.

- The **Product Commission Group** field displays that commission is paid on MOEN items for this commission plan.

- The **GP% Range** fields displays that commission is paid based on the gross profit of the MOEN line.

- The **Pay Commission On** field displays that commission is calculated on line items for this commission plan.

   Note: If the commission plan pays at the Line Item level and the **Unbilled Freight** field is set to Line Item, then the **Subtract Frght** column on the Commissions Report displays how much has been deducted at each line item.

Total sale for the two MOEN items equals $443.80, shown in the **Net Amt** column of the report.

The total sales amount for the first item is $274.50.

- This has a GP% of 27, which falls within the **GP% Range** of 15.01 to 30.00, on the Commission Plan window. A 5.00 percent commission is applied

- The commission equals $13.73, shown in the **Comm $'s** column of the report.

The total sales amount for the second item on the report is $169.30.

- This amount has a GP% of 35.0, which falls within the **GP% Range** of 30.01 to 45.00, on the Commission Plan window. A 10.00 percent commission is applied.

- The commission equals $16.93, shown in the **Comm $'s** column of the report.

The following Commissions report displays details for this commission plan:

Example 2: Calculating Commissions on Commission Groups

This example is calculated on commission groups for Stephen Jones Plbg & Heating based on the following settings on the Commission Plan Maintenance window below. How you set up the commission plan affects the calculated commission. View the commission plan in the diagram and the report results, below.

- The **Pay Commission on** field displays that commission is calculated on a product commission group for this commission plan. Total sale for the MOEN items equals $443.80, shown in the **Net Amt** column on the report.

- The **Product Commission Group** field displays that commission is paid on items in the MOEN commission group for this commission plan. The report shows a GP% of 30.1 for the MOEN Group.

- The **GP% Range** field displays commission is paid based on the gross profit of the MOEN line item. A 10.00 percent commission is applied to the total sales amount ($443.80) to produce a

commission of $44.38. That is $13.72 more than the commission earned for line items in the previous example.

The following Commissions report displays details for this commission plan:

Example 3: Calculating Commissions on Writer Totals

This example is calculated on order writer totals for AGARZA based on the following settings on the Commission Plan Maintenance screen below. View the commission plan on the screen and the report results, below.

```
Invoiced Commission Detail Report for Writer - 06/02/2005 to 06/23/2005 - Generic Cost                                    Page: ^#####
Over Max Collection Days: Include
Shipping Branch(es): ALG
Comm by Plan Comm Base - Directs Included - Rentals Excluded
Include Misc Charges - Include Zero Comm Sales
Slsperson Customer Name...................... Invoice #..... Inv Date  Adjusted Cost  GP $.......  GP %...  Comm $'s..  Comm Range............. Comm %..
AGARZA     AGARZA        Jokey Smurf Jokeshop   S1445463.001 06/20/05       180.00     -80.00     -80.00       0.60      0.00%-30.00%   2.0000%
                                                                                                              0.90      30.01%-60.00%  3.0000%
                                                                                                             -5.60      60.01%-100.00% 4.0000%
                                                                           -----------  ----------  -------  ----------
                          Totals for Group : DEFAULT ------------------        180.00     -80.00     -80.00      -4.10
                                                                           -----------  ----------  -------  ----------
                        Totals for Commission Plan : ALGFREIGHT -----------     180.00     -80.00     -80.00      -4.10

                                                                           -----------  ----------  -------  ----------
                 Totals for Customer : Jokey Smurf Jokeshop -------------        180.00     -80.00     -80.00      -4.10

                                                                           -----------  ----------  -------  ----------
                  Totals for Branch : ALG -----------------------------------    180.00     -80.00     -80.00      -4.10

                                                                           -----------  ----------  -------  ----------
AGARZA          Totals for Salesperson : Amanda Garza x1077  ------------        180.00     -80.00     -80.00      -4.10
```
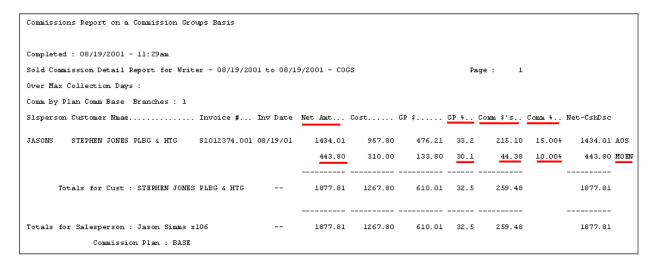
Example 4: Calculating Commission on Line Items with Unbilled Freight

The following example takes into account any unbilled freight applied to an order that must calculate commissions. Review the following selections,the sales order set up, and the resulting report, below. The numbers correspond to areas of the image.

1. **Pay Commission On** = Line Item

2. **Commission Range Type** = GP%

3. **Unbilled Freight** = Deduct at Line Item

- **Report Display Cost** (prompt) = Cost of Goods Sold

These selections at the **Subtract Frght** (4) and **Comm $** (5) fields to the report:

```
es
. Invoice #..... Inv Date    Net Amt.... Cost.......        Subtract Frght Comm $....

  S001750001.001 11/18/15      10.09       4.34                        0.14       0.40
  S001750001.001 11/18/15      29.64      14.82                        0.47       1.19
  S001750001.001 11/18/15       2.18       1.45                        0.05       0.09
                             ----------  ----------                  --------  --------
an : ALFA1 ---------------    41.91      20.61                        0.66       1.68

  S001750001.001 11/18/15      14.54       4.80  Lifecycle            0.00       0.97
  S001750001.001 11/18/15       0.00       3.78  25.00% UFght Deduct                -0.94
                             ----------  ----------                  --------  --------
DEFAULT ---------------       56.45      29.19                        0.66       2.65
                             ----------  ----------                  --------  --------
an : DEADSTOCK ------------   14.54       8.58                        0.00       0.03
```

OE Freight Distribution
Files Edit User Tools Help

	Billable	Expense
Incoming Freight	0.00	0.00
Outgoing Freight	0.00	20.00
Incoming Handling	0.00	0.00
Outgoing Handling	0.00	0.00

Order # : S001750001

Sales Order Entry - S001750001 for c001
File Edit View Search & Select Edit Order Line Item Maintenance Inquiries Currency Options User Tools Help

Bill To
c001
Addres 1112456
ANIMAS, NM 88020

Ship To
c001
Addres 1112456
ANIMAS, NM 88020

Order Summary | Header | Additional
Order Weight 2.8600 lbs

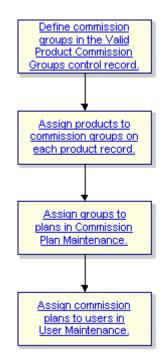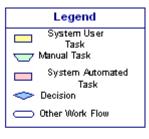| Qty/Unit	Product Description	Unit	COGS	GP%
1ea	3M24 3X24 LGTH B-VENT PIPE (3RP24)	10.090	4.339	57
1ea	44344 4 LB DRILLING HAMMER	29.640	14.820	50
1ea	60 WATT 60A/CL REGULAR BULB	2.180	1.450	33
1ea	G95-035 26667 F32T8/SP35 LAMP	2.870	1.950	32
1ea	2" NO-HUB SOIL PIPE COUPLING	8.100	1.501	81
1ea	3/8X7 BLACK STEEL NIPPLE	3.570	1.348	62

Price Branch : .Ship Branch : .Require Date : 11/18/2...Ship Date : 11/18/2... Line # : 7 o... Expanded Vi...
Body | Header | Totals | Status | Detail Scheduling
Order # : S001750001.001 | Status : I

Commission Plan Maintenance - ALFA1
File Edit User Tools Help

Commission Plan ID ALFA1   New Plan

Commission Base	Sales $
Pay Commission On	Line Item ①
Product Commission Group	DEFAULT
Commission Range Type	GP% ②
Unbilled Freight	Deduct at Line Item ③
Unbilled Freight Deduct %	
Tiered Calculation	

GP% Range Minimum	GP% Range Maximum	Commission %
0.00	100.00	4.0000

Commission Plan Maintenance - DEADSTOCK
File Edit User Tools Help

Commission Plan ID DEADSTOCK   New Plan

Commission Base	GP $
Pay Commission On	Order
Product Commission Group	DEFAULT
Commission Range Type	GP%
Unbilled Freight	Deduct %
Unbilled Freight Deduct %	25.0000
Tiered Calculation	

GP% Range Minimum	GP% Range Maximum	Commission %
0.00	100.00	10.0000

Line Item #	COGS	Paying at	COGS Proportion	COGS Proportion * $20 of Freight	Freight to use	Commission %	Freight to use * Commission %
1	4.339	Line Item	17.08%	$ 3.42	3.42	4.00%	0.14
2	14.82	Line Item	58.33%	$ 11.67	11.67	4.00%	0.47
3	1.45	Line Item	5.71%	$ 1.14	1.14	4.00%	0.05
4	1.95	Order	7.67%	$ 1.53	3.78	10.00%	No, Add to Cost Column
5	1.501		5.91%	$ 1.18			
6	1.348		5.31%	$ 1.06			
ORDER TOTALS	25.41		100.00%	$ 20.00			0.66

1.95 + 1.501 + 1.348 = 4.80 visible in report

Commission Plan Workflow

```
┌─────────────────────┐
│  Define commission  │
│  groups in the Valid│
│  Product Commission │
│ Groups control record.│
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│ Assign products to  │
│ commission groups on│
│ each product record.│
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│  Assign groups to   │
│ plans in Commission │
│ Plan Maintenance.   │
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│ Assign commission   │
│ plans to users in   │
│ User Maintenance.   │
└─────────────────────┘
```

Legend

▭	System User Task
▽	Manual Task
▭	System Automated Task
◇	Decision
⬭	Other Work Flow

Assigning Products to Commission Groups

Commission groups organize products into categories used to determine commissions on sales. These groups help you customize the commission plans for your products and salespeople. For example, you may want to encourage your salespeople to push a certain set of products, so you set up a commission group that pays higher commissions on those products. You may want to pay commission on only selected products, so you set up commission groups only for those products; all other products do not contribute to a commission plan.

Set up commission groups in the **Valid Product Commission Groups** control maintenance record.

For more information, see Product Commission Group Details.

To assign a product to a commission group:

1. From the **Maintenance** menu, select **Product** to display the Product Maintenance window.

2. In the **Product** field, enter a product's name to display the product record.

3. Select **Pricing > Product Price Maintenance** to display the Product Price Maintenance dialog box.

4. Select **File > Hierarchy**, enter a branch, and click **OK** to view the settings for a specific branch and where those settings came from. All territories that contain that branch display in the **Branch /Territory** column below the branch, in the order of the territory priority. For more information, see Branch Hierarchy Details.

5. In the **Commission Groups** column, for each branch, enter a commission group, if necessary.

   If this column is blank for a branch, the system uses DEFAULT as its commission group. Therefore, if a commission plan is set up to calculate the sales commission on the sales order total, or if a product that is not assigned a commission group is sold, the system calculates commission using the default commission group.

6. Save your changes and exit the dialog box.

Product Commission Group Details

You may categorize products into any kind of commission group, such as a commission group for the following:

- Every item in the product file.

- Each item in the product file.

- Each product rank.

- All products in a price line.

Commission groups are not required if you base commission sales on gross profit, sales, or net profit, but you can use commission groups for these options.

When you create a commission group, the system creates a second group by the same name with the suffix "~Direct." This group allows you to set up a different commission plan that the system uses to calculate commissions on direct orders.

The system also creates the DEFAULT and DEFAULT~Direct product commission groups. The system often uses these groups if you calculate commissions on the order total or for products not assigned to a commission group.

Define commission groups in the **Valid Product Commission Groups** control maintenance record before assigning products to commission groups in the product record.

Assign only one plan for each salesperson per branch, but that plan can include product commission groups that distinguish between the types of products that person sells. For example, for your salesperson named terry, create the commission plan "TERRY." Terry sells the following products at the listed commission rates:

- Lighting fixtures at 2%.

- Hardware at 3%.

- Plumbing supplies at 4%.

Within the TERRY commission plan, set up three product commission groups called Lighting, Hardware, and Plumbing.

For products that do not have a commission group, set up the system-defined DEFAULT and DEFAULT~Direct product commission groups commission plans.

When you create a commission group, such as PIPE, the system creates a commission group with the same ID using "~Direct" as a suffix, in this case PIPE~Direct. The system uses the Direct product commission groups to calculate commissions on direct sales.

For example, create the commission plan PLUMBING for your plumbing products. This plan contains eight product commission group IDs, three you create, five system-defined that include the DEFAULT and all the "~Direct" commission plans. You define each commission group's GP%, Order Weight, Weight, Sales $ or GP $ ranges, and the commission percent paid on those ranges. The following table shows the commission groups for the PLUMBING commission plan:

Commission Groups for the PLUMBING Commission Plan	
User-defined Commission Groups:	**System-defined Commission Groups:**
No group	DEFAULT and DEFAULT~Direct
FITTINGS	FITTINGS~Direct
PIPE	PIPE~Direct
ELECTRICAL	ELECTRICAL~Direct

Commission plans, commission groups, products, and salespeople are connected in the system shown in the Commission Group Workflow.

Calculating Commissions for Sales Pools

A sales pool is a group of salespeople who divide commissions on total sales for the group. Sales pools encourage people to work together for higher profits.

Set up a commission plan that includes the pool of salespeople with the percentages they earn from the total commission. Commission percentages for the salespeople in the pool must equal 100 percent. The commission plan lists the commission ranges, the commission percentage for each range, and the detail necessary to calculate commissions on sales.

Click **File > Pool Information** to see the sales pool and the percentages awarded to each member. The pool of five salespeople sold a total of $12,500 for the month. Commission on that amount is 15 percent, so the total commission amount is $1,875. In this example, each member of the pool earns 20 percent of the total commission amount, so each salesperson in the pool earns $375 commission.

Pooled commission percentages can vary for different salespeople. For example, senior salespeople earn 30 percent, journey salespeople earn 20 percent, and trainees earn 10 percent. If the total commission amount is $1,875, and your sales pool is set up as shown on the Pooled Commission Plan Maintenance dialog box:

Then, commissions would be paid as shown in the following table:

Salesperson	Commission %	Dollar amount paid
DANB	30	$562.50
TONYM	30	$562.50
LYNNG	20	$375.00
HEATHERK	10	$187.50
SARAW	10	$187.50

To calculate commissions for a sales pool:

1. From the **Files > Pricing Maintenance** menu, select **Commission Plan** to display the Commission Plan Maintenance window.

2. Set up the commission plan for the pool.

3. Select **File > Pool Information** to display the Pooled Commission Plan Maintenance dialog box.

4. In the **Salesperson** column, enter the user IDs of each member of the sales pool.

5. In the **Commission %** column, enter the percentage of the total commission that each salesperson earns. The total for all salespeople must equal 100 percent.

6. Save your changes and exit the dialog box.

Defining Salesperson Commissions

For each salesperson drawing commissions, you can analyze their draw amounts and adjust, if needed. This means you can pay sales personnel drawing against their future commissions.

Important: The Salesperson Commissions window's information only updates after the Commissions Report is run to post commissions.

Use the **Commission/Draw Periods** control maintenance record to create and delete commission Profile IDs. Sales personnel should be assigned Commission Profiles IDs in User Maintenance for any sales personnel working on commission. You can report on salesperson commission draws using the Commissions Report.

To define salesperson commissions:

1. From the **Maintenance > Price Maintenance > Commission** menu, select **Salesperson Commissions** to display the Salesperson Commissions window.

2. In the **Salesperson** field, enter the ID for the salesperson for whom you want to manage commissions.

    Valid options are only those sales personnel who have the **Salesperson** check box selected in User Maintenance.

    The system populates the **Payroll ID#** field. This is uneditable.

3. Define the time frame you want to review. Do one of the following:

    - Use the **Start Date** and **End Date** fields to define the time frame.

    - Use the **Fiscal Year** field to enter the fiscal year. The system populates the **Start Date** and **End Date** fields according to how your company's fiscal year is defined in the system.

4. Click **Update** to populate the table.

5. Use the table to adjust how the commissions are applied:

Column	Description
Pay Period*	The pay date for each order matching the listed parameters.
Pay Period Dates*	The date range used to run the Commission Report. These are the same dates as set in the Commissions/Draw Period control maintenance record when the Commission Report runs.
Commission Amt	The calculated commission amount for each order at the time the Commission Report ran last. When calculating, the system considers how much freight has been deducted. This value is the **Net Comm $** column on the Commission Report. Change this amount when you want to override the system-calculated commissions for this period.
	Note: The value displays in bold text if it has been overridden.
	You must be assigned the COMM.MAINT.EDIT authorization key to change this amount.

Column	Description
Draw Amt	The calculated draw amount for each order at the time the Commission Report ran last. This is the same amount listed in the **Draw Amount** column on the report. Change this amount when you want to override the draw amount used for this period. You must be assigned the COMM.MAINT.EDIT authorization key to change this amount.
YTD Commissions*	The cumulative, calculated commission amount for the year up to the current date including each order at the time the Commission Report ran last. This is the same amount from the **YTD Actual Comm$** column on the Commissions report.
YTD Draw*	The cumulative, calculated draw amount for the year up to the current date including each order at the time the Commission Report ran last. This is the same amount from the **YTD Draw Amt** column on the Commissions report.
Net Paid*	Calculated when clicking **Update** in this screen, the system displays the Commission Amount minus the Draw Amount. If the system finds a negative result and the **Carryover Negative Draw** check box is deselected in Commission Draw Maintenance, then zero ($0.00) displays in this column. If the system finds a negative result and the **Carryover Negative Draw** check box is selected in Commission Draw maintenance, then the system displays the negative amount.
YTD Net Paid*	Calculated when clicking **Update** in this screen, the system displays the cumulative net paid amount for each of the orders included in the selected pay period.

* View-only fields.

6. Save your changes and exit the window.

Maintaining Salesperson Commission Draws

Salesperson Commission Maintenance provides tools to set draw amounts for each salesperson in your company. The settings entered in this maintenance window are used in both the Commissions Report and the Salesperson Commissions window to help you determine how much to pay your salesperson in commission.

To maintain salesperson commissions:

1. From the **Maintenance > Price Maintenance > Commissions** menu, select **Commissions Draw Maintenance** to display the Salesperson Commission Maintenance window.

    The system displays all users who have the **Salesperson** check box selected in User Maintenance. The User ID and Name display as entered in User Maintenance.

2. Locate the salesperson using the **User ID** column. Use the **Filter User ID** field to search for a specific user if to many display.

    Note: The **User ID** and **Name** field are view-only and display based on entries in User Maintenance.

3. In the **Payroll ID #** field, enter the salesperson's payroll number. Some companies may require IDs when cutting checks. If populated, the system displays these numbers on the Commission Report.

    Note: You cannot mass load payroll ID numbers.

4. In the **Next Draw Amt** field, enter the amount to pay the salesperson during the next commission payment.

5. Use the **Carryover Negative Draw** check box if users are expected to pay back advance draw amounts. This means you accumulate/carryover negative draw amounts from the next earned commission period.

    For example, you have a draw of $100 and only receive $80 in commission for January. You are still paid the full $100. In February, however, you receive $200 in commissions, but must pay back the $20 from January, so you are paid, $180.

4. To define when commissions are paid for sales personnel, from the **Edit** menu, select **Commission Pay Period** to display the **Commission/Draw Period** control maintenance record.

5. Save your changes and exit the window.

See Also:

Assigning Commission Plans to Users

Basing Commission Percentages on Collection Days

Define the number of days you will allow a customer to go without paying on an invoice before it affects the salesperson's commission. To encourage your salespeople to collect payment quickly, you can base commission percentages on the number of days it takes to collect payment. The longer the customer takes to pay, the more the salesperson's commission is reduced.

You can set up this feature in Sales Order Entry, Customer Maintenance, or Commission Plan Maintenance. When running the Unpaid Commissions Report, the system checks this setup in the following order: Sales Order Entry, the ship-to customer, the bill-to customer, the commission plan, and finally, if commission by collection days data is found in any of these areas, the system pays full commission anytime before and including the maximum collection days defined on the order header, and pays 0 percent commission for anything over the maximum collection days. If no commission by collection days data, commission is paid as usual. When running the Unpaid Commissions Report the system uses the current date as payment date.

Run the Commissions Report for paid invoices or run the Unpaid Commissions Report to calculate partial commissions based on the number of days to collect. Running the Commissions Report for invoiced commissions is not affected by this operation.

To base commission percentages on maximum collection days:

1. Display the Commission % by Collection Days dialog box from one of the following areas:

   - **Customer Maintenance** - Select **Maintenance > Customer > Pricing > Credit Controls > Edit**.

   - **Commission Plan Maintenance** - Select **Maintenance > Price Maintenance > Commission Plan > File**.

   - **Sales Order Entry** - Select **Orders > Sales Order Entry > Header > Edit**.

2. In the **Day Range** column, enter the range of days for which the commission is not affected. For example, from 0 to 30 days, the salesperson receives full commission.

3. In the **Commission %** column, enter **100**. For example, if the customer pays within 0 to 30 days, the salesperson receives 100 percent commission.

4. On additional lines in the **Day Range** column, list the ranges of days for which unpaid invoices affect the percentage of commission earned. For example, your second range might be from 31 to 50 days.

   Note: The **Over Max Collection Days** field on the Commissions Report window must be set to **Exclude** to respect entries on this screen.

5. On additional lines in the **Commission %** column, list the commission percentages the salesperson earns for each range. For example, from 31 to 50 days, the salesperson earns 80 percent of the commission.

6. To analyze the potential commission payment liabilities for your salespeople, run the Unpaid Commissions report.

7. Save your changes and exit the window.

Commissions Report Guidelines

The Commissions Report calculates the sales commissions for all or part of your company's sales force. Totals and grand totals are calculated for each salesperson.

Running the Report for Other Users

By default you can only run this report for your own user ID. To run the report for other users, you must be assigned the COMMISSIONS.USER.AUTH authorization key.

The transactions selected for a salesperson or writer are based on the salesperson or writer entered in the header of the sales order.

Setting Up Sales Commissions

You can calculate commissions for the following:

- A sales order

- A customer

- A salesperson

- A writer's totals

A commission plan assigned to a sales order overrides a commission plan assigned to a customer, which overrides a commission plan assigned to a salesperson.

To calculate commission, the system does the following:

- Determines the GP% for the product on the order.

- Determines the commission percentage that is applied to the value, sales dollars, gross profit dollars, or net sales dollars from the commission plan.

- Calculates the commission on the item, group, or order.

Specifying Maximum Collection Days

Your company can choose whether to pay commissions on orders that are paid late. The Max Collection Days is the number of days past the invoice or due date after which sales commissions are not paid. The due date depends on the setting in the **Maximum Collection Days Date** control maintenance record. You can define the maximum number of collection days for a customer and sales order. A sales order's setting overrides the customer's setting. In addition, a commission plan may be set up to deduct a percentage of total commission based on how many days to pay.

After the information for each order, group, or item prints, a separate line displays the freight deducted from the commission, if that option was applied to any of the commission plans.

You can also base commission percentages on the number of days it takes to collect payment to encourage your salespeople to collect payment quickly. Do this using the **File > Report Column Selection** option on the Commission Plan Maintenance window. The longer the customer takes to pay, the more the salesperson's commission is reduced. Define the number of days to allow a customer to go without paying on an invoice before it affects the salesperson's commission.

Running the Commissions Report

The Commissions Report calculates the sales commissions for all or part of your company's sales force. Totals and grand totals are calculated for each salesperson. Because each company can use the Commission Report differently, see the Commissions Report Guidelines for more details about how the report pulls data from the system.

Important: Invoices with a zero ($0.00) A/R open amount are treated the same as a blank amount on the report.

To report on collective, or pooled, commissions, use the Pooled Commission report.

> **Note:** If you run this report frequently, you can save your selections and associate those settings with your user ID. Use the **File > Save Settings** option to use this feature. When you run the report again, the system displays the selections you made the last time. If there is no default or saved setting, the field is blank. For more information, see How the System Saves Settings on Reports.

For a description of the report, see *What the Report Shows* at the end of the topic.

To select the information for the Commissions Report:

1. Open the Commissions Report window from one of the following paths:

   - From the **Reports > End of Month Reports > Salesperson & Writer Reports** menu, select **Commissions**.

   - From the **Orders > Reports > Commissions Report** menu, select **Commissions Report**.

2. Use the **General** tab to define the report options you want to use.

Field / Option	Description
Branch/Territory/All	Enter the branches or territories to include in the report.
Commissions Profile	Select if you want to use a commissions profile and, if so, which profile to use when running the report. Using a Commissions Profile limits the report to only those users assigned that profile. The system activates the **Profile** field and the **Commission Posting** area on the **Additional** tab.
Period	Select the profile dates for the commission profile to use. Using a **Commission Profile** and **Period** populates the **Start Date** and **End Date** fields in view only mode. **Skip to Step 5.**
Start Date **End Date**	enter the date range of invoices to include in the report. The system populates the **End Date** field with the date entered in the **Start Date** field, however, you can change the date. Both fields accept variable dating. **Note**: The date here complies with your selection in the **Invoices** field, either invoiced or paid. You can enter an actual date or variable date. When you select **Unpaid**, the **Start Date** and **End Date** fields are *as of* dates. When you select **Paid**, the **Start Date** and **End Date** fields act as a date range. For example, you paid invoices on 02/09/2009, and ran the report from 02/01/09 to 02/28/2009. If you selected **Paid** when you ran the report, the report

	includes invoices that were paid between the date range you entered. If you select **Unpaid**, the report also includes invoices that were not paid as of 02/01/2009.
Unbilled Freight	Select how the system handles unbilled freight charges in the gross profit calculations.
Select Branch	Select **Shipping** or **Pricing** to define the type of branch on which to run the report.
Select and Secondary Sort	Specify how to select and sort the orders below the branch.

Option	Selects orders by...	Sorts orders by...	Prints in alphabetical order...
In Salesperson	inside salesperson	commission plan	the inside salesperson, followed by the subtotals for each commission plan assigned to that salesperson and a total for the salesperson.
Out Salesperson	outside salesperson	commission plan	the outside salesperson, followed by the subtotals for each commission plan assigned to that salesperson and a total for the salesperson.
Writer	writer	commission plan	the writer, followed by the subtotals for each commission plan assigned to that writer and a total for the writer.
Plan by Writer	commission plan	writer	the commission plan, followed by the subtotals for each writer assigned to that plan and a total for the plan.
Plan by In Salesperson	commission plan	inside salesperson	the commission plan, followed by the subtotals for each inside salesperson assigned to that plan and a total for the plan.
Plan by Out Salesperson	commission plan	outside salesperson	the commission plan, followed by the subtotals for each outside salesperson assigned to that plan and a total for the plan.

Calculate Commission Based on	Select how to determine what criteria the system uses to calculate commissions.
Commission Plan Option	Select which commission plan option to report on.
	The field displays one of the following, depending on the setting in the Assign Commission Plan At Time Of Invoice Process control maintenance record. **Invoiced** is the default if the control maintenance record is set to **Y,** otherwise, only **Salesperson** and **Current** display as options.

	The system calculates commissions over the defined start and end dates for one of the following:
	• **Salesperson** - The report ignores all overrides and Bill-to and Ship-to plans and reports commissions based on the plan currently assigned to the salesperson or writer, depending on how you run the report.
	• **Current** - The report states commissions based on the first plan it finds in the following order:
	    ▪ Line item override.
	    ▪ Order level override.
	    ▪ Currently assigned ship-to plan.
	    ▪ Currently assigned bill-to plan.
	    ▪ Currently assigned salesperson plan.
	▪ **Invoiced** - The report states commissions based on the first plan it finds in the following order:
	    ▪ Line item override.
	    ▪ Order level override.
	    ▪ Currently assigned ship-to plan.
	    ▪ Currently assigned bill-to plan.
	    ▪ Currently assigned salesperson plan.

Salesperson/Writer ID	enter the user to run the report for. Use the **Multiple** button to select more than one ID. You must be assigned the COMMISSIONS.USER.AUTH authorization key to run the report for other users. **Note:** The transactions selected for a salesperson or writer are based on the salesperson or writer identified in the header of the sales order.
Commission Plan	Enter the commission plan ID for which to run the report. Use the **Multiple** button to select more than one plan.
Forced Commission Plan Override	enter a commission plan to calculate a commission report for people who get paid according to this commission plan without being associated with individual sales orders, such as a sales manager.
	Use the **Multiple** button to run the report with multiple forced commission plan overrides. **Note:** When you select multiple plan overrides, for each override you enter the report runs with the override respected. The report is repeated for each commission plan entered. For example, if you select two overrides, the report runs on the first override, and then subtotal. Then the report runs on the next override, and then subtotal. Grand totals display in the report for all commission plans.
Items Over Max	Enter one of the following to determine how the system respects the settings

Collection Days	on the Commission % by Collection Days in Commission Maintenance:
	Include - Includes orders that were paid after the maximum collection days. If there is a setting on the Commission % by Collection Days screen, then the percentage paid is based on the number of days to pay. **Exclude** - Does not include orders that were paid after the maximum collection days. **Only** - Includes only orders that were paid after the maximum collection days. If there is a setting on the Commission % by Collection Days screen then the percentage paid is based on the number of days to pay.
	This field works only with respect to invoices paid after the maximum collection days, which is set in the Customer Maintenance Additional Customer Credit Data window.
	Note: The **Maximum Collection Day Date** control maintenance record tells the system to calculate the number of days it took for the customer to pay, based on invoice date or due date.
Directs	Indicate if you want to include directs on the report. The default is **Include**.
Rentals	indicate if you want to include rentals on the report. The default for rentals is **Exclude**.
	Rental rate percentages are defined in the **Default Rental Gross Margin Commission Percentage** control maintenance record.
	The gross profit percentage to use for calculating commissions on rentals is defined in the **Commission Base Rental GP%** control maintenance record.
Mode	Select the level of report detail:
	Summary - Omits individual invoice details and lifecycle information. **Detail** - Includes every invoice for every customer on which a commission is calculated, along with the associated commission information.
	The report shows the following in detail format:
	- Salesperson and customer. - Invoice number, date, and net amount of commission sales. - Commission dollars and commission percentage. - Customer override percentage and commission group.
Invoices	Select an invoice type:
	Invoiced - Selects and calculates commissions for both paid and unpaid invoices. **Paid** - Selects and calculates commissions for paid invoices. **Unpaid** - Selects and calculates commissions for unpaid invoices.
	Note: The system uses data from converted A/R invoices.
	The commission report selects invoices that were paid within the date range specified on the report. The system considers the following scenarios to determine if an invoice is paid:
	An invoice is considered paid:
	- If it was paid in full within the date range selected on the report. Partly paid invoices are not commissionable until the date that the balance is paid in full. - If payments are made within and outside of the specified date range, as long as the final payment occurs within the date range selected on the

	report.
	For an invoice that contributed to a consolidated invoice, if the consolidated invoice was paid within the selected date range. The report shows the invoices that composed the consolidated invoice and not the consolidated invoice itself.
	If all or part of the invoice amount is adjusted to a general ledger account that
	• is not listed in the Exclude Postings To These Accounts control maintenance record.
	• If only part of the invoice amount is adjusted, the remaining balance must be paid before this invoice is considered paid. If an invoice has an amount adjusted to an account listed in the Exclude Postings To These Accounts control maintenance record, the amount is considered paid.
	○

3. Review the **Additional** tab options. See More Options below.

4. Select **Selection > Select Criteria** to include additional options on the report, such as, customer bill-to, customer type, or ship via.

5. If you are running this report multiple times, such as for different branches, use the **Options > Leave Window Open** selection to keep the report driver displayed after starting a report generation.

6. Set options, if needed, and generate the report.

   Note: If prompted for a display cost, select **Generic Cost**, **Cost of Goods Sold**, or **None**.

More Options for the Commissions Report

The following scenarios can be added to your Commissions Report output:

To...	Selection / Description
modify the report column layout	**File > Report Column Selection** You can select different columns to display on the report, rearrange the column order, and adjust the column width. Some of the column selections are listed in "What the Report Shows," below.
To add charge back costs for invoices	**Additional Selection > Charge Back** Define a percentage of a salesperson's calculated commissions to charge back for any invoices within a date range that still have an open A/R balance. For example, when running this report for the month of May, you could charge back a percentage of any salesperson's commissions on orders invoiced during the month of January that have still not been paid. Charge backs are valid only when the Invoiced mode is specified on the report.
To show a salesperson's orders that do not have a commission plan associated.	**Additional Tab > Show Salesperson Without Plan** **Note:** Because these orders do not generate any commission dollars, also set the **Include Zero Commission Sales** field to **Include**. The report also shows gross profit dollars, sales or net sales totals, as defined in the **Calculate Commission Based on** field, but without a calculated commission. The system associates a plan with an order using the following sequence: • Line Item Override

- Order Level Override
- Ship To Override
- Bill To Override
- Salesperson

If you deselect this option, the report shows only orders where a plan is found in the above hierarchy. If the system does not find a plan for that salesperson for a particular order, that order is excluded from the report.

To generate the detailed report, including those sales that did not generate a commission.	**Additional Tab > Include Zero Commission Sales** Deselecting this item generates the summary report version, which still lists all selected salespeople, even those with no commissions due. If you run the report in summary version and deselect this item, the report still includes salespeople with a total commission of 0.00 on the report.
To show totals and subtotals on the report.	**Additional Tab > Display Totals**
To generate the report showing miscellaneous charges, such as rentals and labor charges, in the profits used to calculate commissions.	**Additional Tab > Include Miscellaneous Charges**
To report on invoices that have a zero total and no associated cash receipts as paid invoices.	**Additional Tab > Treat Zero Dollar Order as Paid** To include invoices when this option is selected, the invoice generation must have a total of $0.00 or the accounts receivable balance for the invoice must be zero. The system respects this item only when the report is run for paid commissions. Runtime increases when you enable this option.
To sort the orders by the type of branch specified in the **Select Branch** field.	**Additional Tab > Sort by Branch** If de-selected, the report sorts the orders by order number.
To include the Product Lifecycle Commission Override	**Additional Tab > Include Product Lifecycle Commission Override** If selected, the system checks every product for a product lifecycle value. If the product lifecycle has a commission plan override defined in Product Lifecycle Maintenance, then the system checks the number of days in the lifecycle to select the correct commission plan override. This plan is used instead of the standard commission plan for the writer, inside or outside salesperson. Select **Writer** or **Inside Salesperson** based on how you need to sort the report results. **Note:** When Product Lifecycles are enabled and the Commission Plan Override is set at the line item level for deducting unbilled freight, the system deducts unbilled freight for *each line item* printed for the commission plan.
	If you have the **Commission Plan Option** field set to **Current** or **Invoiced**, then the system uses commission plan hierarchies, if more than one commission plan is found.
	If you have the report set to run to **Deduct at the Line Item Level**, this option is automatically selected. This ensures that commission plan hierarchies are applied if more than one commission plan is found.
	The radio button group below it is disabled when the **Select and Secondary Sort** field has a value, and the entity matches the settings in the **Select and**

	Secondary Sort field.
	The **Lifecycle ID** or **Lifecycle Description** columns do not display in the Summary mode or the default column list, but you can add it in the user-defined columns.
To manage commission postings	**Additional Tab > Commission Posting area** Select how you want to view the commissions: • **Preview** - Displays commissions details as they will be shown in the Salesperson Commissions window. No data is saved or posted to the Salesperson Commissions window. • **Post Commissions** - Displays and posts commissions details for the Salesperson Commissions window. If the posting period has not been reported on previously, the system adds a line item in the Salesperson Commissions window.
	For a period posted previously, if you run this report in **Preview** or **Post Commissions** mode, the system displays any overwritten values in bold text. However, the system will not overwrite any values edited from the Salesperson Commission window, only those posted through the Commission Report run in first-run **Post Commissions** mode. **Note:** These options are only available if a value has been selected in the Commissions Profile field on the **General** tab.

What the Report Shows

Use the Report Column Selection, described in step 6, above to select which of the following fields to display on the report. The Commissions Report can show the following information:

Column	Description
Actual Comm$	The amount retrieved from the Salesperson Commissions window. This amount may be different from the system-calculated Comm$ because it can be overridden in the Salesperson Commissions window.
Adj GP$	The amount on which commissions are calculated, adjusted by gross profit dollars.
Adj GP%	The amount on which commissions are calculated, adjusted by gross profit percent.
Adjusted Cost	The cost on which commissions are calculated, adjusted by options such as split commissions or maximum collection days calculations.
Adjusted Net	The net cost on which commissions are calculated, adjusted by options such as split commissions or maximum collection days calculations.
Branch	The branch identified in the **Select Branch** field on the report, either shipping or pricing.
Comm $'s	Commission dollars earned. Subtotals display for this column.
Comm %	Commission percent earned.
Comm Group	The commission group entered on the report.
Comm Range	The percent or dollar range for which the commissions were calculated, as defined in the commission plan.
Net Comm $'s	Commission dollars earned. This is the commission minus the unbilled freight deduction applied.

Cost	Cost of items on which commissions are calculated.
Cus Ovrd%	Any commission overrides specified for a customer on the Customer Commission Overrides screen in Customer Maintenance.
Draw Amount	The amount retrieved from the **Next Draw Amount** field on the Salesperson Draw Maintenance window.
GP $	Gross profit dollars.
GP%	Gross profit percent.
Lifecycle ID	The lifecycle ID assigned to the product, if any.
	The lifecycle ID is based on the date and commission plan that applied when the sales order was invoiced and if there were entries in the Product Lifecycle Queue at that time. If entries in the Product Lifecycle Queue exist, then the date and lifecycle ID are saved from that posting. Based on this entry, the system determines which commission plant to use referencing the commission plan details from the **Product Lifecycle Data** tab in Product Lifecycle Maintenance.
Net Amt	Net amount of sales.
Net Sales	Net amount of sales minus any cash discount.
	Note: This column displays only for commission plans that pay on the order level and are based on net sales. For all other combinations of "pay on" and "base" this column will be the same as net amount.
Notes	System generated statement informing of anything causing a commission increase or reduction, such as split commissions or maximum collection days.
Pay Date	Date on which the order was paid.
Pay On	The option selected in the **Calculate Comm Based on** field on the report.
Subtract Frght	The amount of unbilled freight deducted from the commission dollars (**Comm $'s** column)
	Subtotals display for this column.
YTD Comm$	Fiscal year-to-date from the Salesperson Commissions window.
YTD Draw Amount	Fiscal year-to-date draw amounts from the Salesperson Commissions window.

Reporting on Tier Date Range by Commission Group

The Commissions Report sums all gross profit dollars on items on orders for the respective salesperson, by commission group, within the tiered date range. The resulting gross profit dollars are compared with the assigned commission plan to calculate the commission percentage for the salesperson and the resulting commission dollars.

For tier date functionality to be available for a commission plan, the **Pay Commissions On** option must be set to "All" in Commission Plan Maintenance.

The tier date range is separate from the pay commission date range. The tier date calculates which tier the commission is paid from. The pay commission date range calculates the base commission amount. For example, the tier date range is Year-to-Date (January 1st through July 31st) and the current pay commissions date range is April 1st through June 30th (quarterly). You can enter actual dates or define variable dates for date ranges. This allows you to configure the Commissions Report to run quarterly, for example, while the tier date is set Year-To-Date.

> **Note:** Sales order entry does not validate whether commission groups are assigned to products. You must configure and run a Report Writer report prior to running the Commissions Report to identify any products that do not have a commission group assigned.

> *Important:* The Commissions Report respects overrides on the Salesperson Split Commission Percentage screen. The Recalculating Salesman G/L Postings phantom routine ignores overrides on the Salesperson Split Commission Percentage screen.

To report on tier date by commission group:

1. Create a commission plan where the **Pay Commissions On** field is set to "All."

2. Access the Commissions Report screen from one of the following paths:

   - From the **Reports > End of Month Reports > Salesperson & Writer Reports** menu, select **Commissions**.

   - From the **Orders > Reports > Commissions Report**, menu, select **Commissions Report**.

3. Complete the fields as described in Running the Commissions Report.

4. In the **Tier Date** area enter actual dates or define variable dates.

5. Press **Esc** to save your settings and return to the Commissions Report screen.

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