**Commission Rules**

* **Cancelled** sales are never included in any form
* Only **Partial Red-Lines** are included in commissions (rarely, this is where sale was not Red-Lined for full sale price)
* There are three sales employee types (CCA types): Salesman (**Sales**) List Generator (**List Gen** or **LG**) and Commission Only (**Comm. Only**). The rules for each are outlined later in document
* Any deal sold with a ‘Date Added’ (date added to a Sales Book – *not* the Date Paid of the deal) prior to 1st January 2018 will be paid to the staff member **60** **days** later.
* **Commission Threshold**
  + Employees are only eligible for commission in a given month if they exceed their **Commission Threshold** (payable threshold) in sales generation (total of both paid and unpaid sales)
  + This is indicated in the **Paid** summary of their form as **Hit Commission** Yes/No
  + If an employee’s total sales value exceeds their **Commission Threshold** for a given month, any unpaid sales in that month’s form will be moved to **Outstanding Sales** in the next month’s form (upon finalising the original month’s form)
  + If an employee doesn’t exceed their **Commission Threshold** for that month any unpaid sales in that form remain unpaid forever - the employee is never eligible for commission on these sales
  + **Commission Threshold** can be modified per employee/per month through their **Manage User Commission Rules** window (C:\Users\jpickering\Desktop\mng_comm.png)
  + Existing **Outstanding Sales** will always ripple through to new months when forms are finalised (regardless of hitting thresholds) until they become paid. Once paid, they remain in the form of the month they were paid
* **Viewing/Modifying Permissions**
  + Basic sales staff (CCA) can only view their own forms and cannot modify their forms. They are **Territory Limited** to their own territory, e.g. USA
  + Admin/Finance users can view all forms and have permissions to modify all forms. They are not **Territory Limited** - they can view/modify forms from all territories
  + Heads of Sales can view/modify all forms except those of Admin users. They are **Territory Limited** to their own territory, e.g. USA
  + All rules above are defaults for CCA/Admin/Finance/Head of Sales and can be overridden by Admins through **Roles Management** on the **Account Management** page. Users can have any granular level of view/modify/territory access for forms based on how their permissions (may) have been set.
* **Commission Eligibility**
  + Use the **Manage User Commission Eligibility** window (C:\Users\jpickering\Desktop\eligibility_comm.png) to select which sales an employee is eligible to receive commission on
  + By default, employees are eligible for *all* sales they have generated/sold on
  + When an employee is not eligible for a sale, the sale’s text colour will turn red in the form’s sale lists and the commission value will turn to 0.00
  + When not eligible for a sale’s commission the sale’s value will still be included in the cumulative totals which can affect the % earned on following deals
* **Default Commission Rules (2017 and Prior)**
  + All CCA types (**Sales, List Gen** and **Comm. Only**) have different commission calculation rules
  + When a new CCA is added to the Dashboard system they are assigned default commission rules based on their selected CCA type
  + Default commission rules can be changed using the **Manage** **Commission Defaults** window (hyperlink at top-right of **Commission Forms** page)
  + With the **Manage** **Commission Defaults** manager you can control thresholds and percentages for each CCA type and for each territory
  + Changing these rules won’t affect anyone’s existing rules, rather it changes the rules that will be used for any new users added to the Dashboard system from that point onwards
  + The following commission rules are *defaults* (as of 19/08/2014, note 2018+ changes later in document)
    - **‘Commission Only’ default rules:**
      * 10% on all sales, payable commission threshold = £9,000 for UK or $18,000 for US
    - **‘List Generator’ default rules:** 
      * UK (EMEA)
        + Up to £5k cumulative sales total = 5% of sale
        + £5k to £10k cumulative sales total = 7.5% of sale
        + £10k+ cumulative sales total = 10% of sale
        + Payable commission threshold = £9,000
      * US (All other territories)
        + Up to $16k cumulative sales total = 5% of sale
        + $16k to $32k cumulative sales total = 7.5% of sale
        + $32k+ cumulative sales total = 10% of sale
        + Payable commission threshold = $18,000
    - **‘Salesman’ default rules:**
      * Sales are separated into Own List Sales and List Gen Sales for Salesmen
      * Own List Sales are sales which the Salesman both **sold** and **generated** and are worth 12.5% of sale
        + Occasionally Own List Sales will appear purple, this is where the Salesman has **generated** the list, but not **sold** on the deal. The commission % for these deals are worth the same as any normal List Generator’s deal.
      * List Gen Sales are sales which the Salesman only **sold** and are worth 7.5% of sale. These sales were **generated** by another List Generator.
      * UK payable commission threshold = £9,000 Own List Sales both paid and non-paid (*NOT* List Gen Sales)
      * US payable commission threshold = $20,000 Own List Sales both paid and non-paid (*NOT* List Gen Sales)
* **Default Commission Rules (2018 and onwards for EMEA territories only)**
  + All rules are followed from the **2017 and Prior** section above, with the exception of the following new rules:
  + **New ‘List Generator’ rules**:
* There is no longer a minimum £9,000 payable commission threshold to hit to reach commission eligibility.  Commission is now paid on all sales.
* £0-£20k cumulative sales total = 5% of sale
  + - £20k+ cumulative sales total = 10% of sale
  + **New ‘Salesman’ rules**:
* There is no longer a minimum £9,000 Own List Sales payable commission threshold to hit to reach commission eligibility.  Commission is now paid on all sales.
* £0-£10k Own List Sales total = 7.5% of sale
* £10k+ Own List Sales total = 10% of sale
* List Gen Sales = 5% of sale
  + Any deal sold with a ‘Date Added’ (date added to a Sales Book – *not* the Date Paid of the deal) of 1st January 2018 onwards, will now be paid to the staff member **30** **days** later, no longer **60** **days** later.
* **Custom Commission Rules**
  + Commission rules for each employee can be changed at any time by clicking the small calculator icon next to the employee name in the main commission grid which will open the **Manage User Commission Rules** window (C:\Users\jpickering\Desktop\mng_comm.png)
  + Use this manager to view/modify/create commission rules that will apply to the selected employee’s sales for a selected time period
  + For example, a **List Generator** may move up to a **Salesman** from one month to another. In this case you can specify an end date to their existing **List Generator** rule as the end of the first month, save the rule, then create a new **Salesman** rule starting at the beginning of the next month
  + If all rules for an employee expire and they’re left with no rules governing their commission for a given time period, any sales within that time period will appear bright red and the % columns will show No Rule in the sale lists
  + To remedy this, ensure the **Rule Start** and **Rule End** of a rule are sufficcient to cover the desired time period. **Note**: **Rule End** often has an absurdly high date such as 30/12/2064 to ensure coverage
* **2nd List Gen or Salesman**
  + In the **Sales Book** system a manager can flag a sale as having a **2nd List Gen or Salesman**
  + This option allows them to specify a *third salesperson* for a sale. This is for cases where there has been either two **Salesmen** or two **List Generators** working on the sale and all parties are eligible for commission on the deal; the original **Salesman**, the original **List Generator** and the second **Salesman** or **List Generator**
  + When using this option a manager can specify **2nd LG/Salesman Comm. %** and **Originator Comm. %** which are numeric values to determine the percentage of the sale the parties should receive
  + Any sale with a **2nd List Gen or Salesman** set will appear in the **Commission Forms** as normal for all parties, and the percentages used are determined by the above percentages
  + The eligible List Gen or Salesman will receive the appropriate commission percentage on these sales **regardless of hitting their commission threshold** for that month
* **Commission Calculation Pseudo Code (2017 and Prior, 2018+ is very similar)**

// do this process for each sale in the form, in order of date added to system

// NOTE: += is shorthand for adding itself to a new value, so 3 += 7 = 10 and 7 -= 3 = 4

// >, <, >= and <= are greater than, smaller than, greater or equal, smaller or equal

// \* is multiply, / is division, + is addition, - is subtraction

// All values such as lg\_upper\_threshold and sales\_own\_list\_percent are values that are

// specified in the CCAs commission rules and fed into the calculation.

// commission\_only\_ = Commission Only vals, lg\_ = List Gen vals, sales\_ = Salesman vals

// for each sale, keep a cumulative sum of the sale prices and set a commission value of 0

cumulative\_sales\_total += this\_sale\_price;

new value **this\_sale\_commission** = 0;

// **if** this employee is a Commission Only CCA..

// this is a simple % of the sale, 10% by default

// **START COMMISSION ONLY CALUCLATION**

**this\_sale\_commission** = (this\_sale\_price / 100) \* commission\_only\_percent;

// **END COMMISSION ONLY CALUCLATION**

// **otherwise** if this employee is a List Generator or a Salesman CCA

// this process basically determines the value of the sale based on which commission tier(s) // it falls in/overlaps, based on a cumulative total of the sales behind it

// tier defaults are 5%, 7.5% and 10%

// **START LIST GEN CALCULATION**

if (cumulative\_sales\_total < lg\_lower\_threshold)

{

**this\_sale\_commission** += (this\_sale\_price / 100) \* lg\_lower\_percent;

}

else if (cumulative\_sales\_total >= lg\_lower\_threshold and cumulative\_sales\_total < lg\_upper\_threshold)

{

new value mid\_val = this\_sale\_price;

if (cumulative\_sales\_total - this\_sale\_price < lg\_lower\_threshold)

{

mid\_val = cumulative\_sales\_total - lg\_lower\_threshold;

new value low\_remainder = this\_sale\_price - mid\_val;

**this\_sale\_commission** += (low\_remainder / 100) \* lg\_lower\_percent;

}

**this\_sale\_commission** += (mid\_val / 100) \* lg\_mid\_percent;

}

else if (cumulative\_sales\_total >= lg\_upper\_threshold)

{

new value upper\_val = this\_sale\_price;

if (cumulative\_sales\_total - this\_sale\_price < lg\_upper\_threshold)

{

upper\_val = cumulative\_sales\_total - lg\_upper\_threshold;

new value mid\_remainder = this\_sale\_price - upper\_val;

if (mid\_remainder > lg\_upper\_threshold - lg\_lower\_threshold)

{

new value low\_remainder = mid\_remainder - (lg\_upper\_threshold - lg\_lower\_threshold);

mid\_remainder -= low\_remainder;

**this\_sale\_commission** += (low\_remainder / 100) \* lg\_lower\_percent;

}

**this\_sale\_commission** += (mid\_remainder / 100) \* lg\_mid\_percent;

}

**this\_sale\_commission** += (upper\_val / 100) \* lg\_high\_percent;

}

// **END LIST GEN CALCULATION**

// **if** this employee is a Salesman CCA and they \***sold**\* on this sale (regardless of \***generated**\*)

// we did cumulative calculation above for Salesman incase we needed the cumulative value

// for situations where the Salesman only \***generated**\* on this sale

// **START SALESMAN CALCULATION**

if (sale\_is\_own\_list) // if this is an Own List Sale

{

**this\_sale\_commission** = (this\_sale\_price / 100) \* sales\_own\_list\_percent;

}

else (sale\_is\_list\_generator) // if this is a List Gen Sale

{

**this\_sale\_commission** = (this\_sale\_price / 100) \* sales\_list\_gen\_percent;

}

// **otherwise** if this employee is a Salesman CCA and they ONLY \***generated**\* (not \***sold**\*)

// on this sale (rare) we simply do not assign a new value to **this\_sale\_commission**, keeping it // as the value we assigned earlier in LIST GEN CALCULATION section

// **END SALESMAN CALCULATION**

new value applied\_percentage = this\_sale\_commission / (this\_sale\_price / 100);

// **this\_sale\_commission** now holds the commission value for this sale to pay CCA, e.g. $299.5

// **applied\_percentage** now holds the percentage commission of the sale, e.g. 10%