User Guide

OVERVIEW

The Commissions Management System (CMS) for Microsoft Dynamics 365 Business Central provides calculation, tracking, and reporting of line-level commissions. It provides several benefits to the user including multiple methods of defining commission rates (including margin), the ability to pay commissions upon partial or full receipt of payment from customers, batch reprinting of paid commissions, and automatic commission adjustment when item costs are adjusted. Salespeople can view the status of their commissions down to the document line level at any time from drillable flow fields on the Salesperson Commission Card or standard Navigate functionality. The benefits you may realize from the proper implementation of CMS are:

Line Level Commissions: Commissions are calculated and stored per line of each Sales document in the Commission Ledger. This allows line-level accurate results of margin calculations and commissions.

Document Level Summary Records: Commissions are also viewable at a summarized, per-document level for each Salesperson. Drilldowns are provided to view detail information in the Commission Ledger.

Multiple Commission Levels: These provide flexible and varied methods of specifying commission rates. The levels are:

Specific – Rate defined for a specific combination of Salesperson & Entity.

Entity – Rate defined for a specific Entity (Items)

Group – Rate defined for a combination of Customer Discount Group and Item Category Code.

Margin – Tiered levels of rates defined based on Margin %.

Salesperson – Percentage defined by Salesperson.

Multiple Salespeople: Commissions can be split among multiple salespeople. These Salespeople can be defined on the Customer card or Ship-to Address. Salespeople can be changed at the document level as well.

Commissions Paid Upon Receipt of Payments: Commissions are accrued at time of sale, and paid as payments are applied. Partial applications will create partial commission payments.

Salesperson Commissions Form: This form displays current commission information in drillable fields. In addition, separate tabs are provided for defining Specific Level commissions for this Salesperson by Item, Resource, G/L Account, or Fixed Asset.

Salesperson Commissions Statistics Form: A quick summary screen displaying commission information for the current month, current year, last year, and to date.

Batch Commission Reporting: Commissions are paid by running a “Process Payable Commissions” report. This report marks each payable commission with a batch number, allowing the report to be reprinted at any time.

Commissions Due Summary Report: A report that shows the commissions each Salesperson has accrued at a document level, breaking down total commissions, commissions awaiting Customer payment, and commissions currently payable.

Manual Override: A full interface is provided for specifying commissions manually by document line. This allows temporary overrides of calculated rates.

Item Cost Commission Adjustments: Commissions are revised as item costs are adjusted. This allows commissions based on true cost, rather than the best cost known at time of sale.

User-level Security: Allows user-specific security at the record level. Salespeople can only see their own commission records and rates. Only Commissions Supervisors can edit commissions.

Commission Journal: This Journal allows manual entry and posting of commission adjustments.

Flexible Setup Options: Allows tuning the CMS to the needs of each business. Setup options include:

Enable or disable individual Commission Levels

Base commissions on total sales or total profits

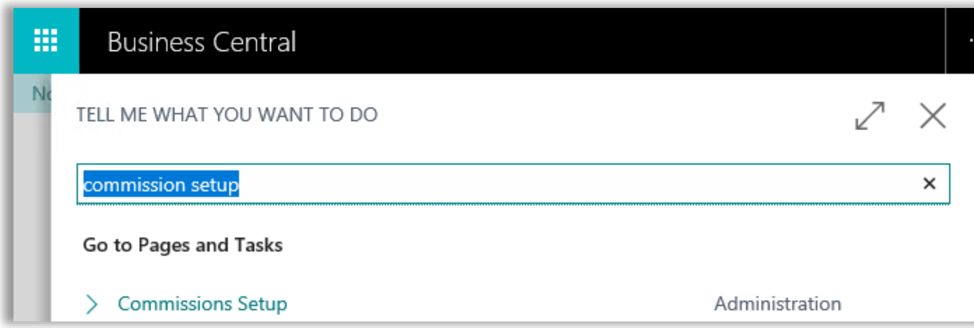
Two different methods of calculating margin %

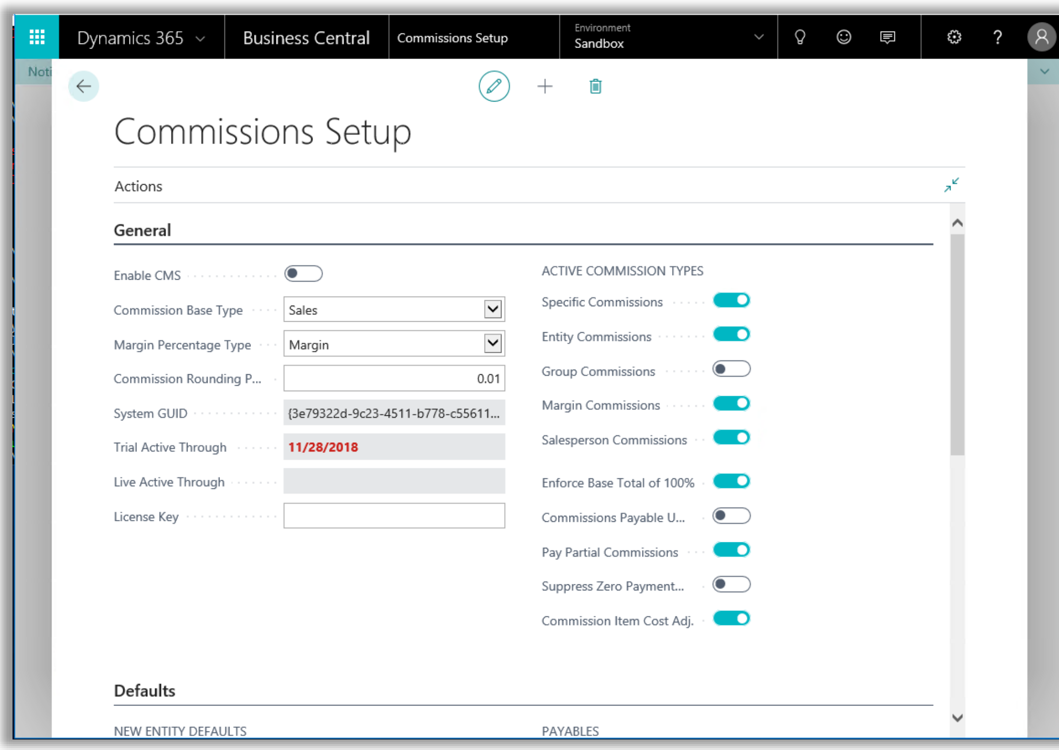
Enable or disable Item Cost Commission Adjustments

Enable or disable partial commission payments

COMMISSION SETUP

The Commissions Setup is accessed by searching for Commissions Setup.





This will bring up the Commissions Setup window. Notice there are three Fast tabs, General, Defaults and Margin Levels. Detailed explanations of the setup options for Enable CMS, commission Base Type, Margin % Type, commission Rounding Precision, Enforce Base total of 100%, etc. These setups are all covered in the CMS user setup manual. Please refer to the setup manual for questions or concerns.

User Note:
A detailed explanation of setup options and instruction occurs in the Setup Manual and won't be addressed in this manual.

COMMISSION LEVELS

CMS is designed to handle a multitude of ways to calculate salesperson commissions to provide you with the maximum amount of flexibility in determining your commission pay plans. Commissions are generated from each line on a sales document (Quote, Order, Invoice or Credit Memo), which allows multiple commission calculations per document.

CMS is designed to check five levels of commission specifications to determine the correct commission calculation. Once CMS finds a match between the sales line item and the commission criteria, it will calculate the appropriate commission and create a Commission Ledger Entry. This entry can be viewed from the sales document before it is posted.

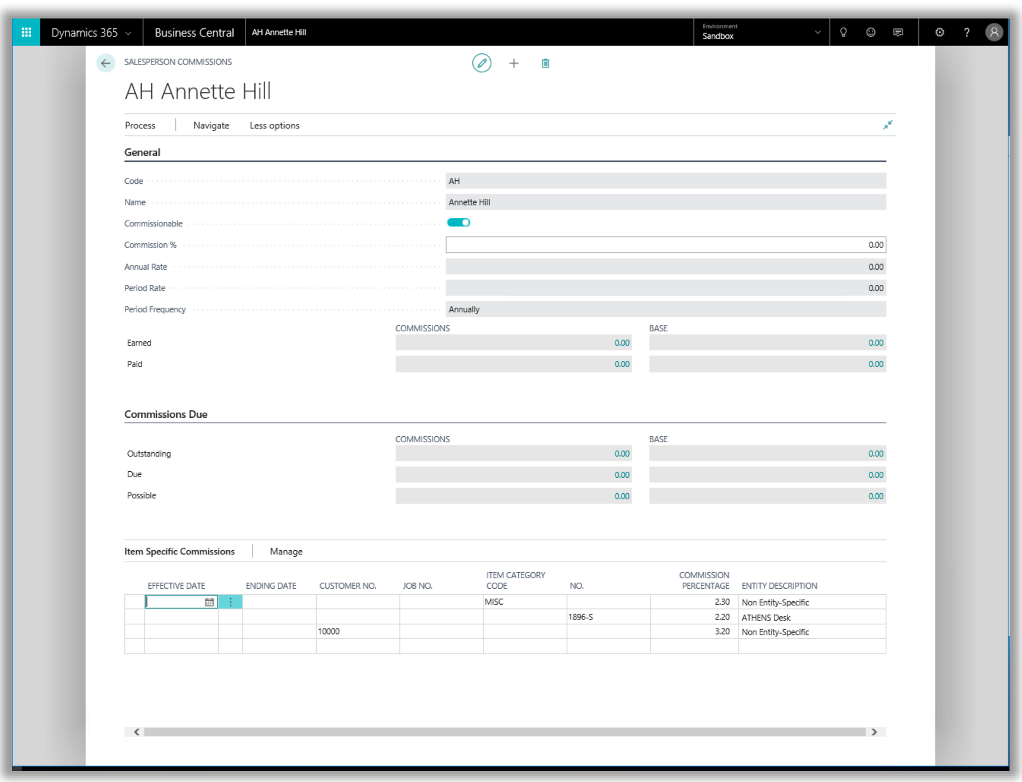
Upon posting of the document, the Commission Ledger Entry which will be used to calculate, among other things, total commissions available, commissions currently payable to the salesperson and commissions already paid. We will discuss Commission Ledger Entries in detail as we move through this document, but for now let's review the five commission levels and how CMS calculates commissions.

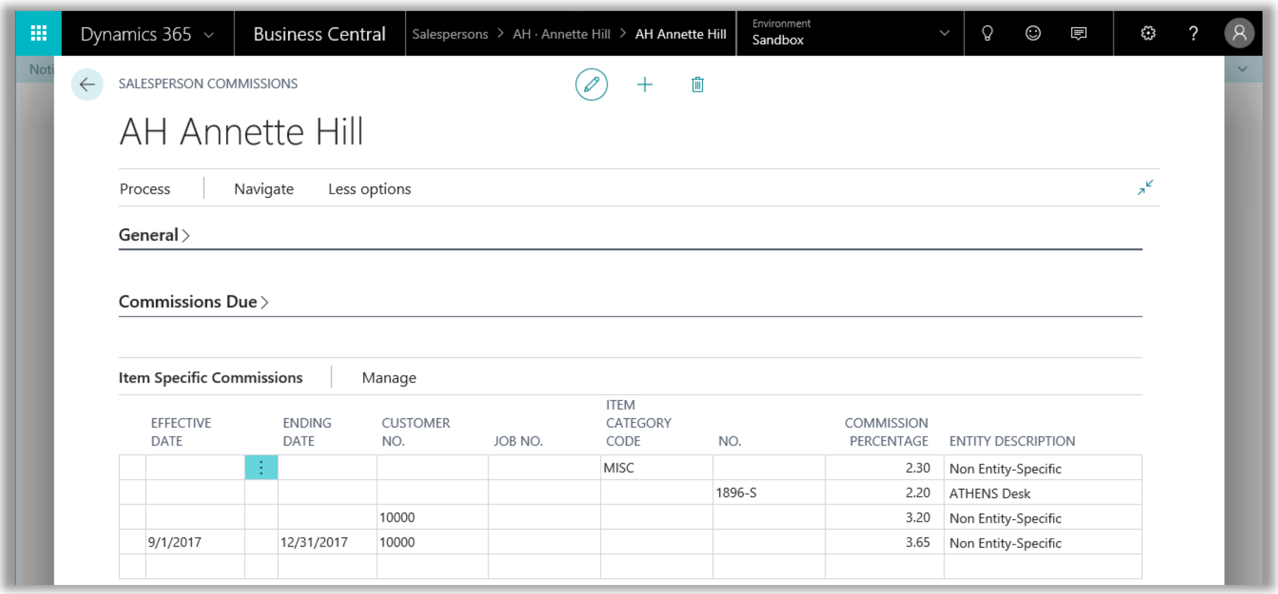
LEVEL I – SPECIFIC

This level is used for assigning commission percentages for specific combinations of Salesperson & Item. You can set up an unlimited number of combinations per salesperson. In addition, Level I – Specific takes precedence over all other commission levels in CMS.

To bring up the Salesperson Commission Card you must first click the Salespeople/Purchasers link on the Commissions page. This will bring up the Salesperson/Purchaser Card. In the Process Actions Group on the Action Pane choose the commission's button.

There are three Fast Tabs on the Salesperson Commissions card labeled General, Commissions Due, and Item. These tabs are where setup for Level I – Specification is done.





Let's review how the Level I - Specific Criteria commission calculation works by looking at the Salesperson Commission card for Annette Hill. In this screen shot, the Item Specific Commissions Fast Tab of Annette Hill's Salesperson Commission Card is opened and has commission criteria established for Item 1896-S. First, if Annette sells Item 1896-S, CMS is going to use 2.20% to calculate her commissions. However, if she sells to Customer 10000 she will receive 3.20%. If the sale occurs from September 1st to December 31st 2017 she will earn 3.65%. Lastly, if she sells an item with an item category of MISC she will earn 2.30 %.

Level I – Specific commissions are to be used for special situations, exceptions to the overall commission calculation process pertaining to a specific salesperson. For example, a company normally uses tiered profit margins as the base for their commission payments. However, on occasion they work special deals with their salespeople where they pay them a flat commission for specific resources and items sold on a specific job. You would set each exception up on the Salesperson's Commission Card.

Security Note: If a user does not have the permission set SIKICH CMS ADMIN they will not be able to enter information on their own Item tab for specific criteria. They will, however, be able to view any specific criteria that have been set up for them.

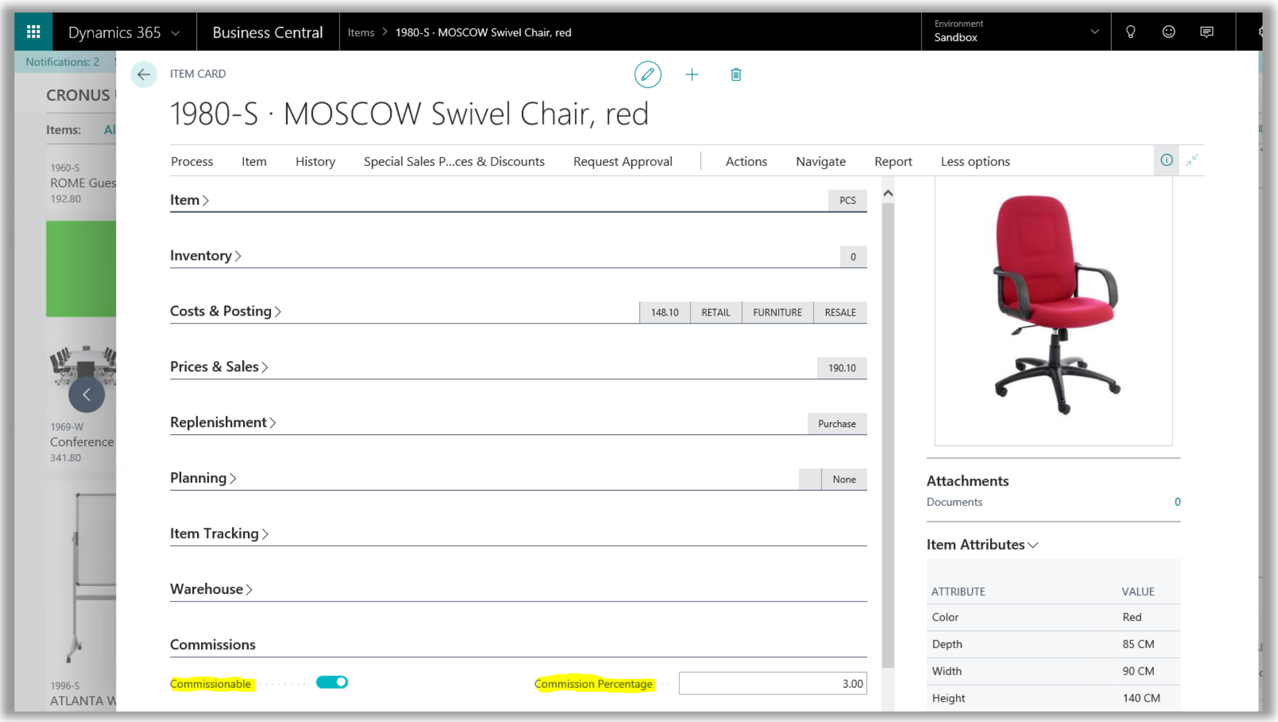
LEVEL II – ENTITY

The Entity level commission is a global setting that can be used to calculate the commission for the Item. Setup of the Entity Level commission is done on the Commissions tab of the Item card. Entity commissions are accomplished by assigning a commission percentage for that entity, i.e. if you want to pay 3% commission for every widget you sell, you would set the commission percentage on the Widget Item card to 3%.

CMS first checks the Salesperson Commissions Card to see if there is a Level I – Specific commission combination that matches the information on the sales line. If no commission rate is found, the system will look for a Level II – Entity commission percentage to calculate commissions.

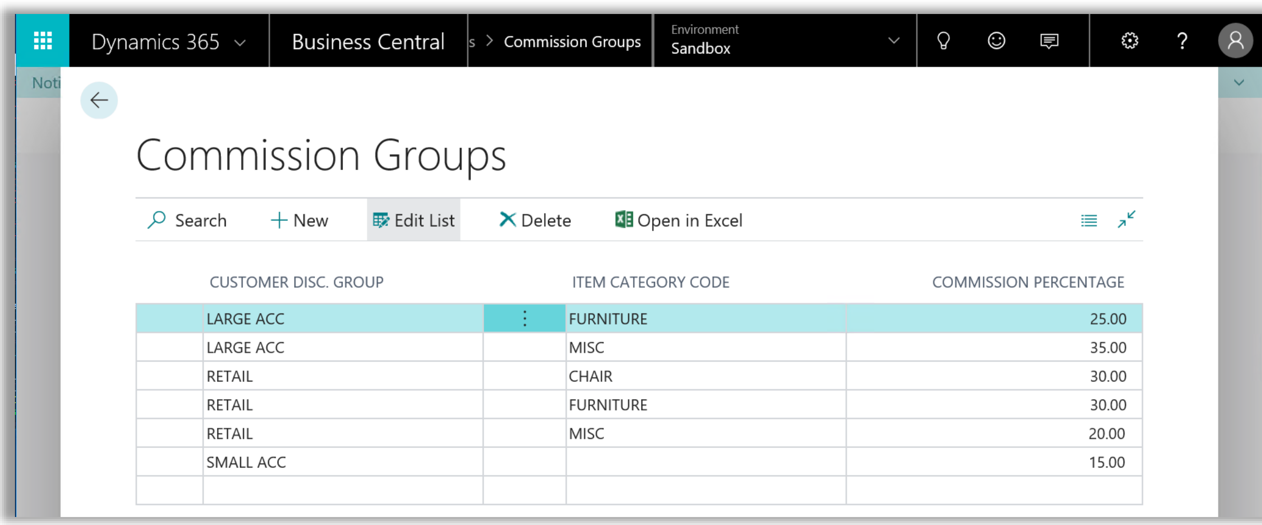
In the previous example for a Level I – Specific Commission, we outlined what happens when a Specific Commission is set up for the combination of an Item and a Salesperson. What happens when there is no such combination? The commission would calculate using the Level II – Entity commission recorded on the Item Card. Let's look at our Moscow Swivel Chair. Here we see that the Entity commission for Item No. 1980-S is 3%. If there is no Level I – Specific commission, the Salesperson will receive a 3% commission entry in the Commission Ledger.

> **User Note:**
> The Commissionable check box field on an entity card must be checked before any commissions will be calculated. Regardless of any commission percentages or commission levels established, if this check box is not marked, zero commissions will be calculated.



LEVEL (III) – GROUP

This level calculates a commission based on the values in a combination of fields. To access group commissions, search for and click on the Commission Groups link. Commission Groups allow you to connect a commission to a specific combination of Customer Discount Group and Item Category Code. In the example shown below a commission of 30% is available to any commissionable sales person that sells a commissionable item with an Item Category Code value of FURNITURE to a Customer with a Customer Discount Group value of RETAIL. In the first commission group below a 20% commission is available for sales persons who sell the services to any Customer with a Customer Discount Group of Retail and Item Category of Misc. Item Cateogry can be left blank if desired, this would then apply to all items.

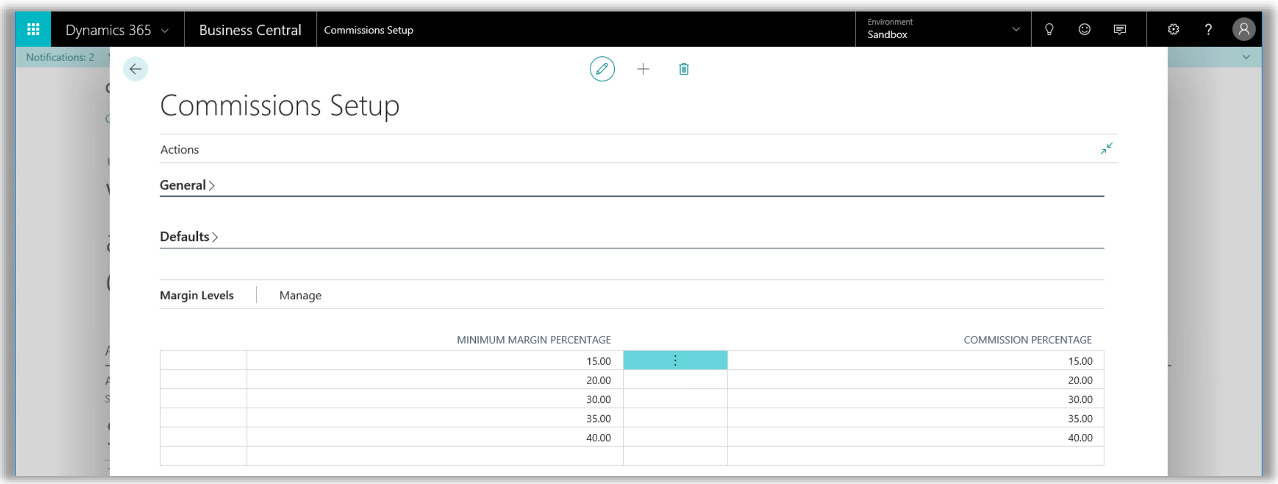


LEVEL (IV) – MARGIN

This level calculates commissions based upon the margin of the entity(s) sold. You have two options of margin calculations to choose from – Profit/Cost and Profit/Price. Both options are discussed in detail in the **Setup Manual**. In addition, CMS will allow you to create tiered levels of margin commission percentages. These margin percentages are global settings.

The system will first look for Level I – Specific criteria on the Salesperson Commission Card, if it finds nothing that matches the components on the sales line, it will look for Level II – Entity criteria, which is entered on the Item Card. If CMS finds no matches, it will then move to Level III – Groups. If CMS finds no matches for commission groups, it will move to Level IV – Margins. Margin Commission percentages are entered under the Commission Setup screen, within the Margin Levels Fast Tab.

In this next screen shot, we see a portion of the Margin Levels tab from the Commissions Setup Card. Sales Lines with a margin below 15% have zero commissions calculated. Sales Lines with margin percentages from 15% to 19.99% calculate commissions at 15%. And Sales Lines with margins 20% to 29.99% calculate a 20% commission. A sales line with margins of 30% to 34.99% calculates a 30% commission. In this example Commissions are configured up to 40%.

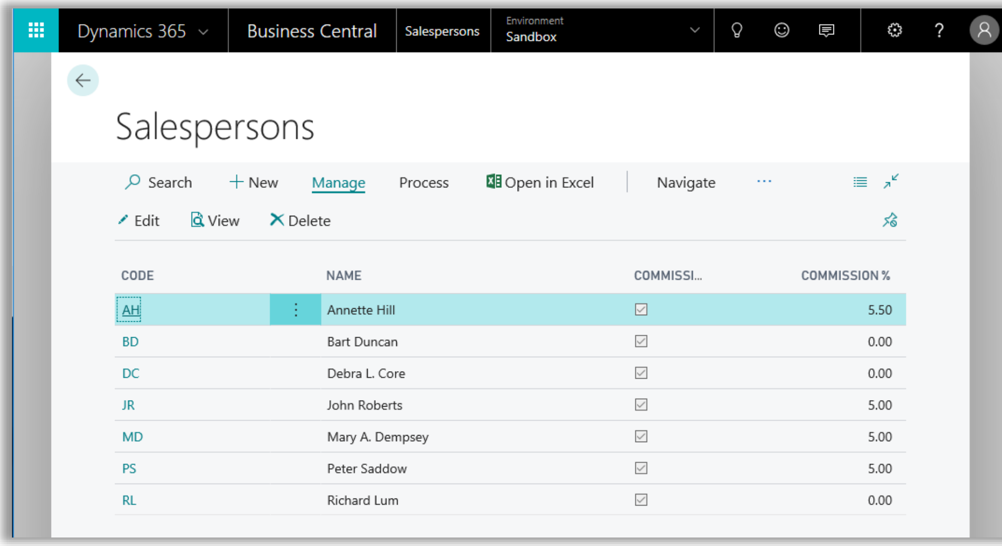


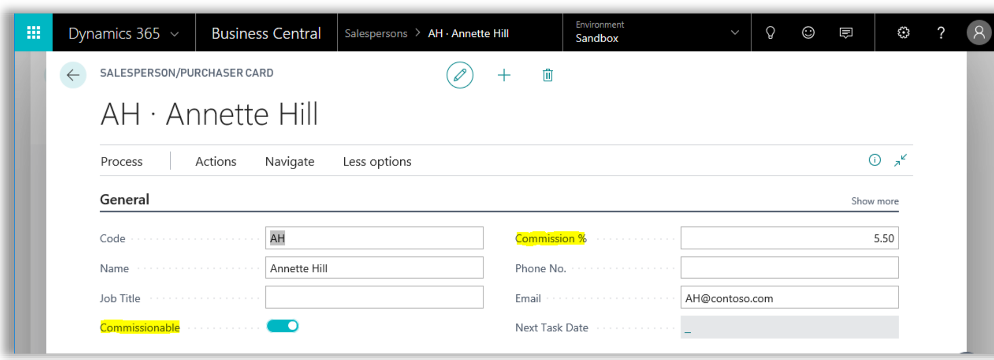
User Note:
It is possible to encounter negative profit margins. CMS handles this situation by creating negative commission ledger entries according to the margin percentages established on the Margin Levels Tab. This creates a "charge back" or a commission credit to the salesperson.

LEVEL (V) – SALESPERSON

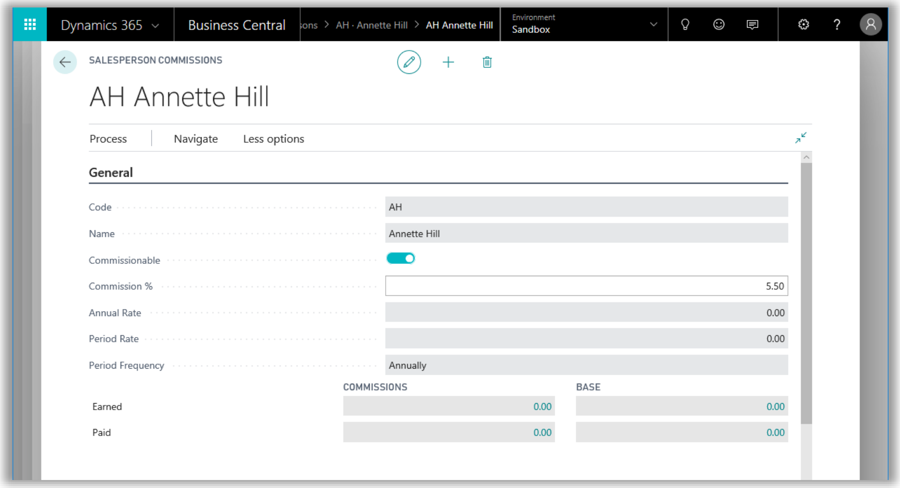
The fifth level of commissions is the Salesperson level. If no other commission criteria have been found to match the components on the sales line, the system will look to the Commission % field on the Salesperson/Purchasers screen to determine what percentage to use to calculate the commission. If this percentage is zero, then a zero will be filled into the Amount field on the Commission Ledger Entry Line. Note, however, that a Commission Ledger Entry line will still be generated so you can track "House" account activity or sales for Salespeople who are paid by salary. To activate a Salesperson commission, open the Salespersons list page.

Next, click on the Sales person of choice to bring up the Salesperson/Purchaser Card in this case Annette Hill. Three Fast Tabs, General, Invoicing and Payments are found on the screen.





Choosing the Commissions option located in the Navigate Actions Group on the Action Pane will bring you to the Salesperson Commissions screen shown below. Notice, this screen is the same one that is used to setup a specific commission documented above.



Notice the General Fast Tab contains a Commissionable Checkbox which must be checked to allow the Salesperson to receive a commission. In this case 5.50%.

USE CASE SAMPLE: SALES ORDER

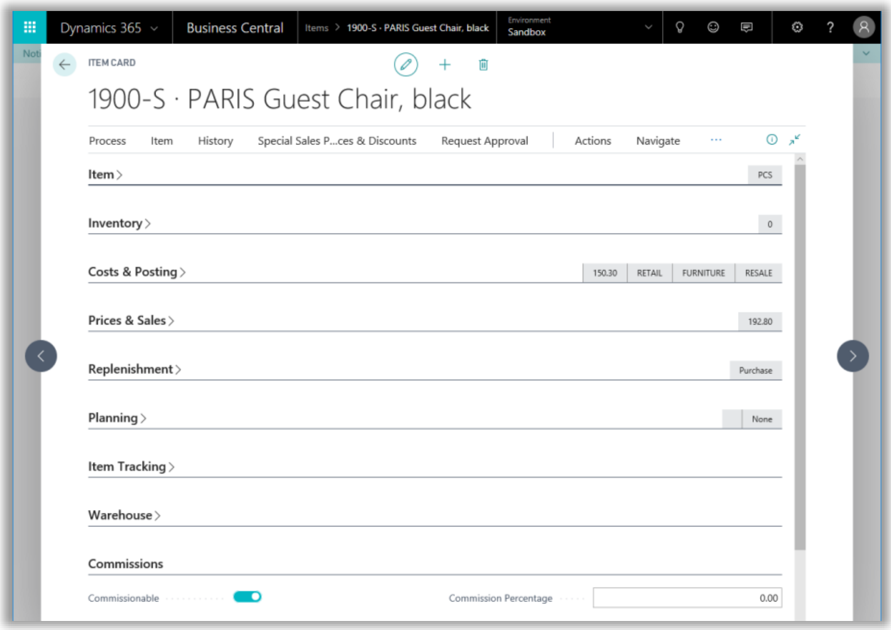
SETUP ITEM COMMISSIONS

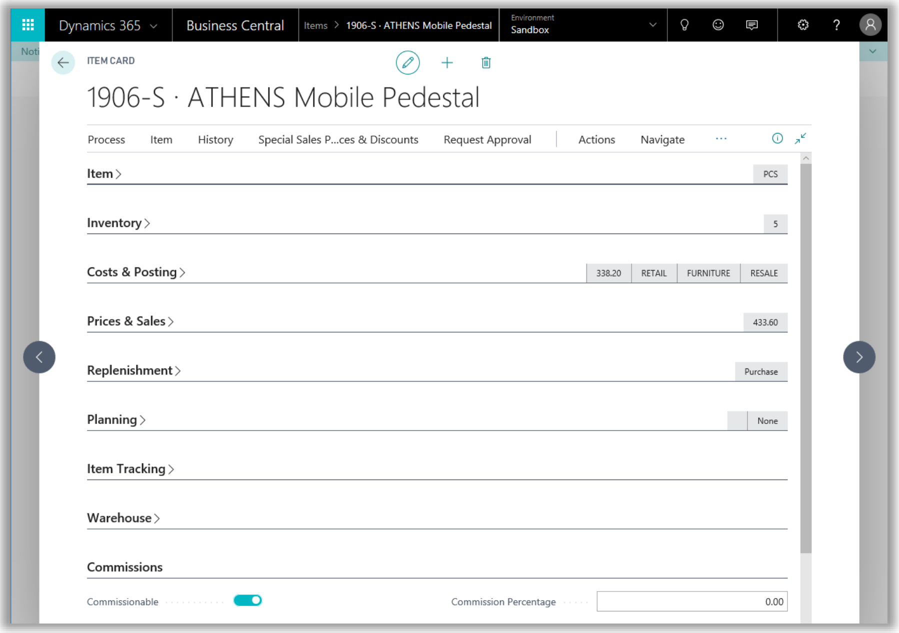
We will now setup several entities as commissionable, then create an order with those items and examine each commission. The Cronus database will be used.
The entities and their respective commissions are in the following table;

Entity Type	No	Description	Entity Commission %
Item	1900-S	PARIS Guest Chair, black	0%
Item	1906-S	ATHENS Mobile Pedestal	0%

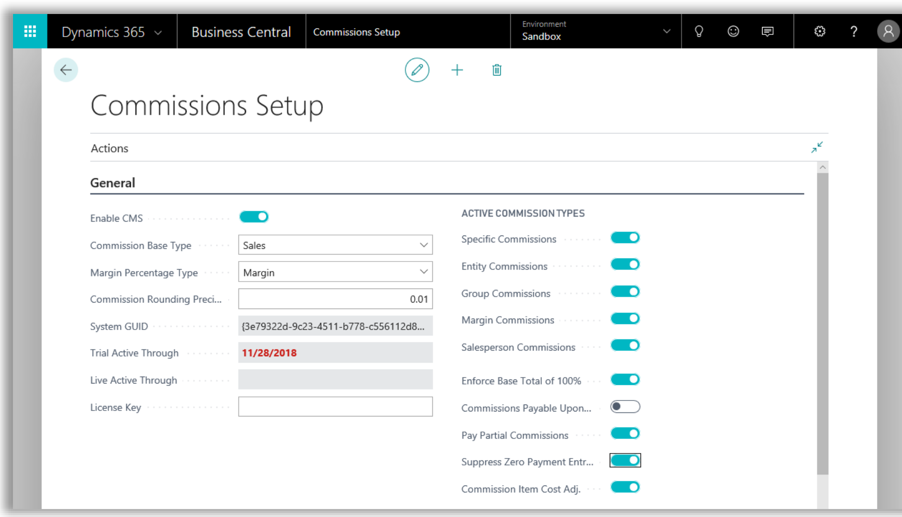
Note: These entities have a 0% commission rate, but this does not mean that a salesperson will not receive a commission. It is very likely that one of the commission types, will pay a commission.

Following are actual screen shots of the Entities listed in the table above. Notice that each entity has the commissionable option check marked. This means the entities can generate a commission under the right conditions.



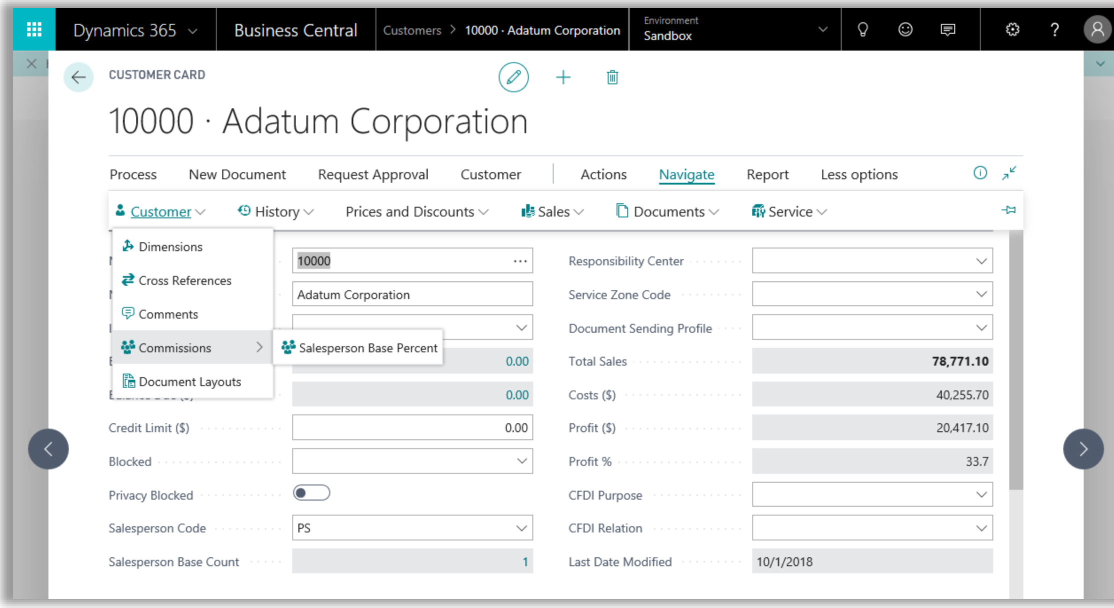


Now most importantly we must check the commission setup screen to know what kind of commissions we should expect. In the current setup all five types of commissions, Specific, Entity, Group, Margin and Salesperson are enabled. Margin % Type has a value of "Margin", meaning the profit percentage will be calculated by dividing the actual profit by the actual cost of the line item(Profit/Cost). In addition, please note the various commission percentages for Margin commissions based on margin percentages.

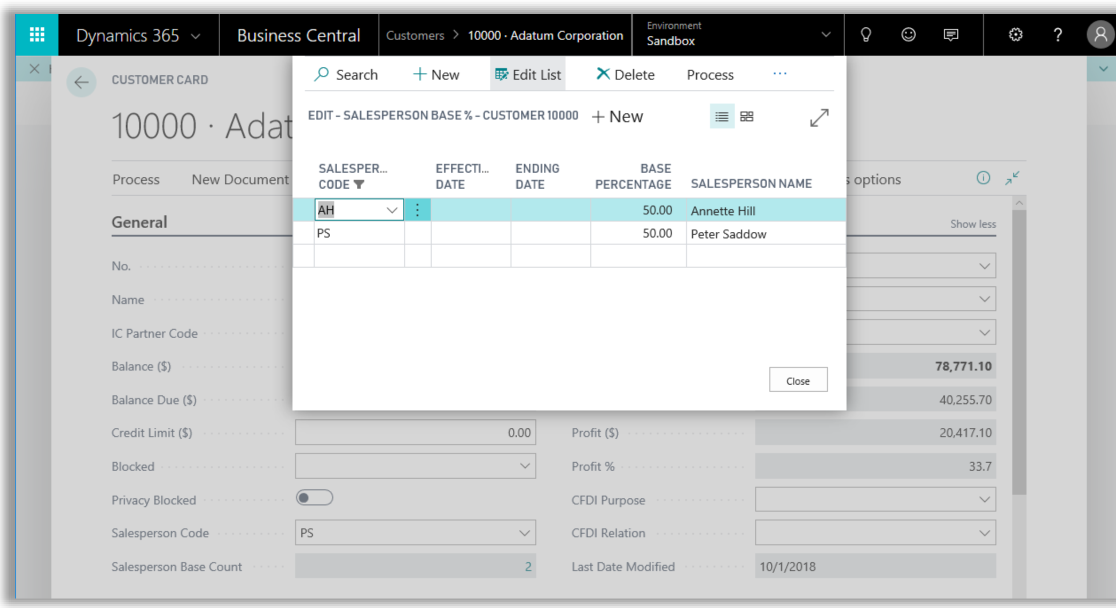


SETUP MULTIPLE SALESPEOPLE ON CUSTOMER

The salesperson that will earn commission for sales to a customer is setup on the customer card by entering the salesperson code on the card. Multiple salespeople can earn commissions by entering records in Salesperson Base Percent.



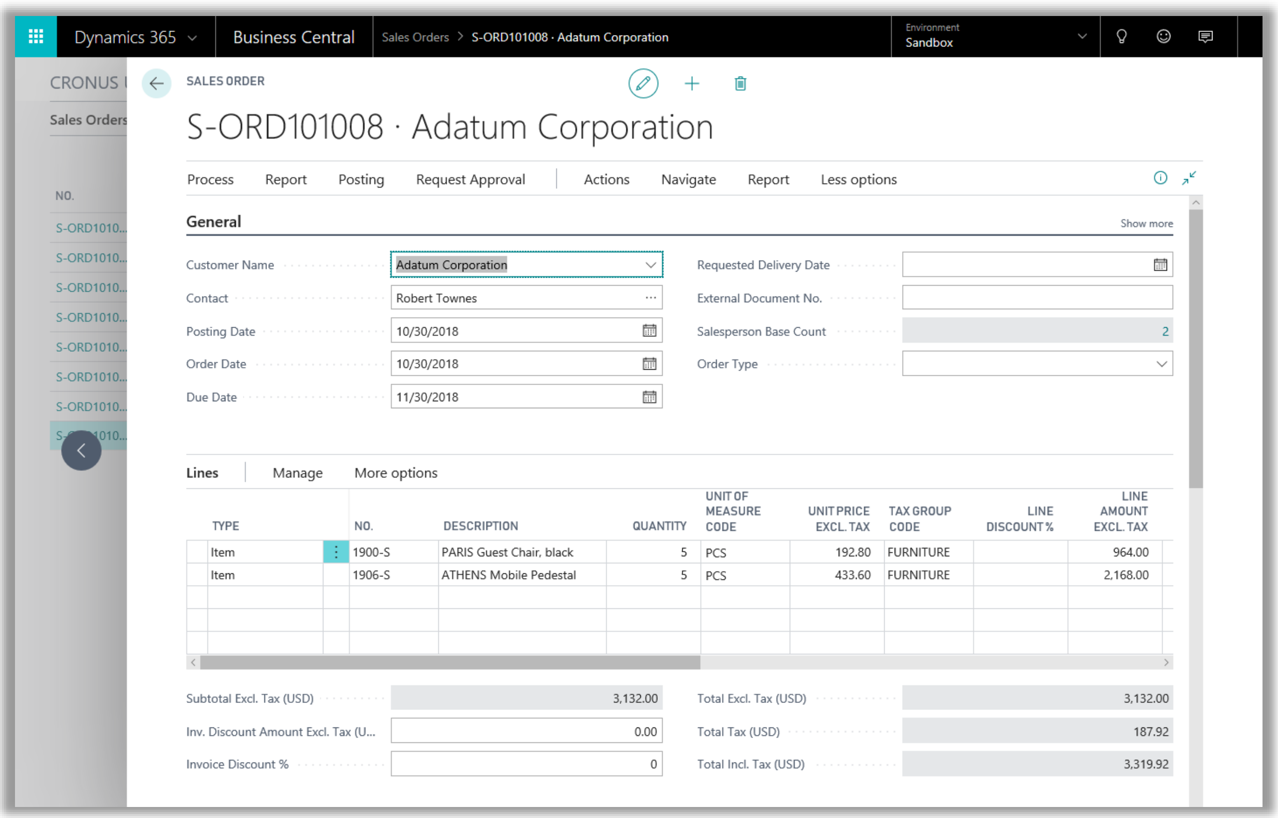
In this example the commission for 0two salespeople, Annette Hill and Peter Saddow, will each be based on 50% of orders for the customer.



CREATE SALES ORDER

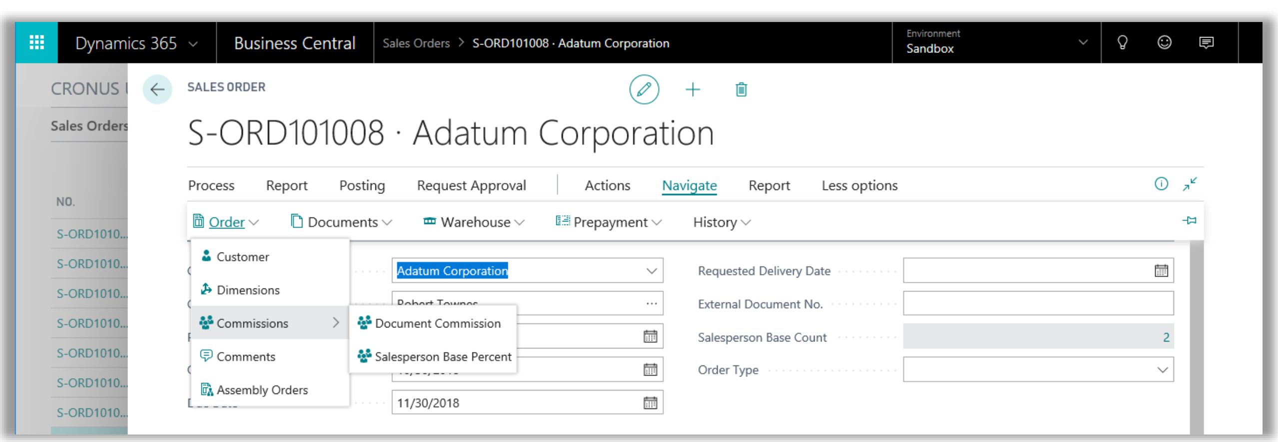
Create an order for customer 10000, Adatum Corporation to purchase the Items listed above.

Here is the order below:



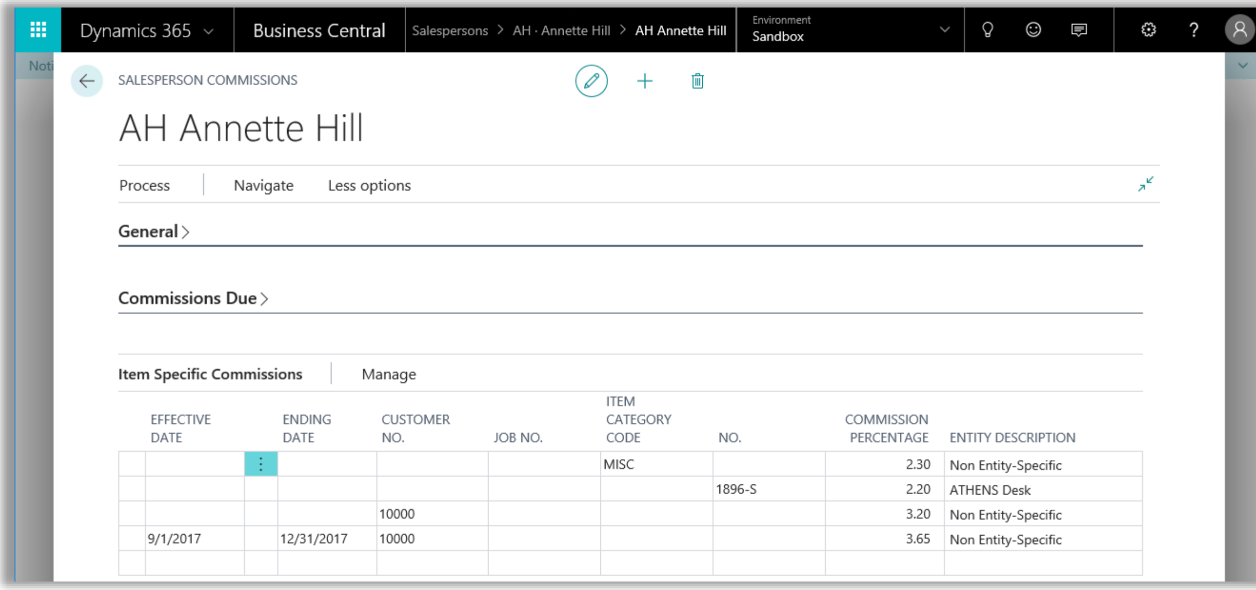
DOCUMENT COMMISSIONS

Now to check for any possible commissions on the order, go to Navigate -> Order -> Commissions -> Document Commissions.

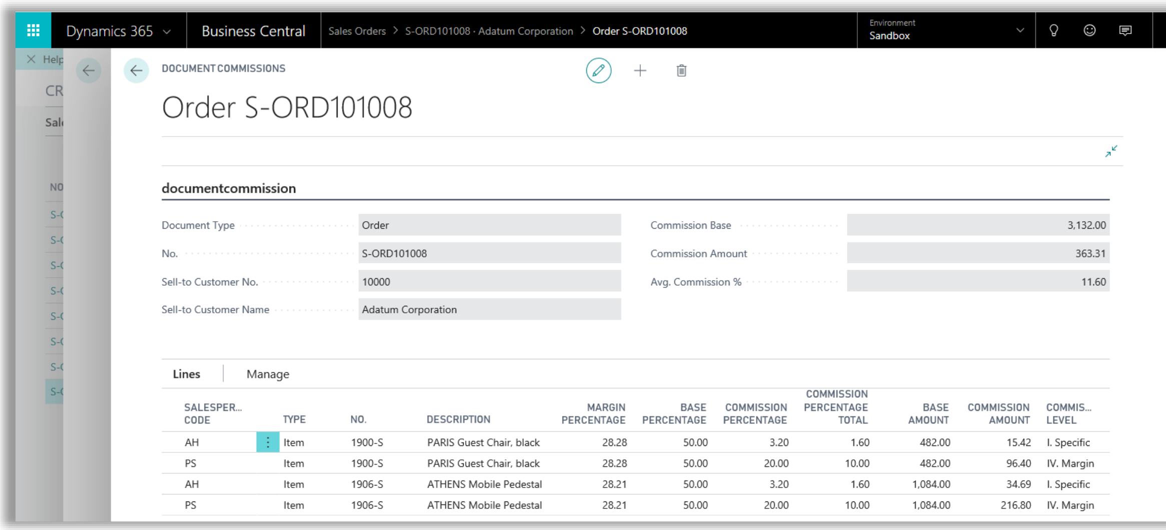


The Document Commissions shows all line items and qualifying commissions that are due to the salesperson. On the screen we Sales person Annette Hill & Peter Saddow will receive several commissions. They will receive the following commissions:

- Annette will receive Specific commission of 3.2% for Item 1900-S in the amount of $15.42
- Annette will receive Specific commission of 3.2% for Item 1906-S in the amount of $34.69
- Peter does not have any specific commissions found so he will receive a margin commission for both Items 1900-S and 1906-S in the amount of $96.40 and $216.80



Note that if a salesperson is to receive 0% commission for any item the Document Commission will display that zero commission will be earned. It is important to understand why each commission was chosen. Remember the Commission Setup screen showing the commission types 1 thru 5? Each line item on this order is checked to see if it qualifies for any commissions starting with type 1 and continuing to type 5 if they are enabled with a check mark. Let's analyze each commission shown below.



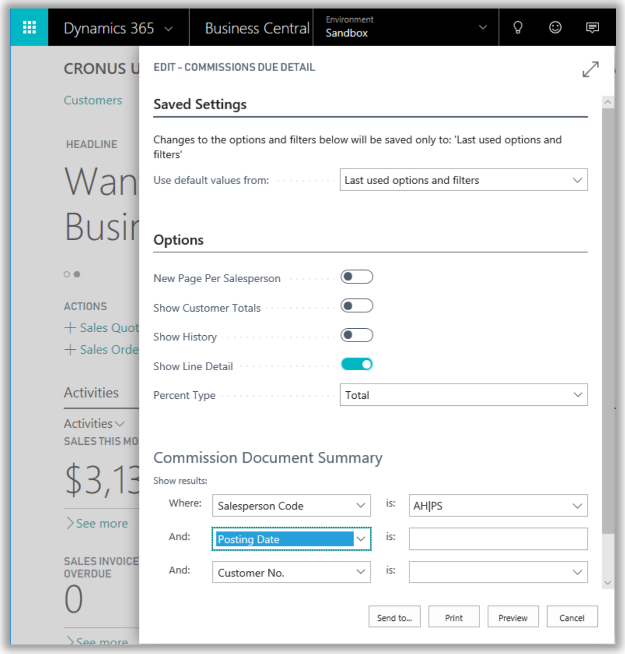
Here is a table that will show each commission type and each line item

Type	No.	Description	1-Specific	2 - Entity	3 -Group	4- Margin	5-Salesperson
Item	1900-S	PARIS Guest Chair, black	AH- Specific 3.2%	0%	None found	PS- Margin is 28.28%, setup shows 20% AH – specific commission found first	Would pay 5.5% but Margin commission found first
Item	1906-S	ATHENS Mobile Pedestal	AH- Specific 3.2%.	0%	None found	PS- Margin is 28.21% setup shows 20% AH – specific commission found first	AH-0% PS- 5%

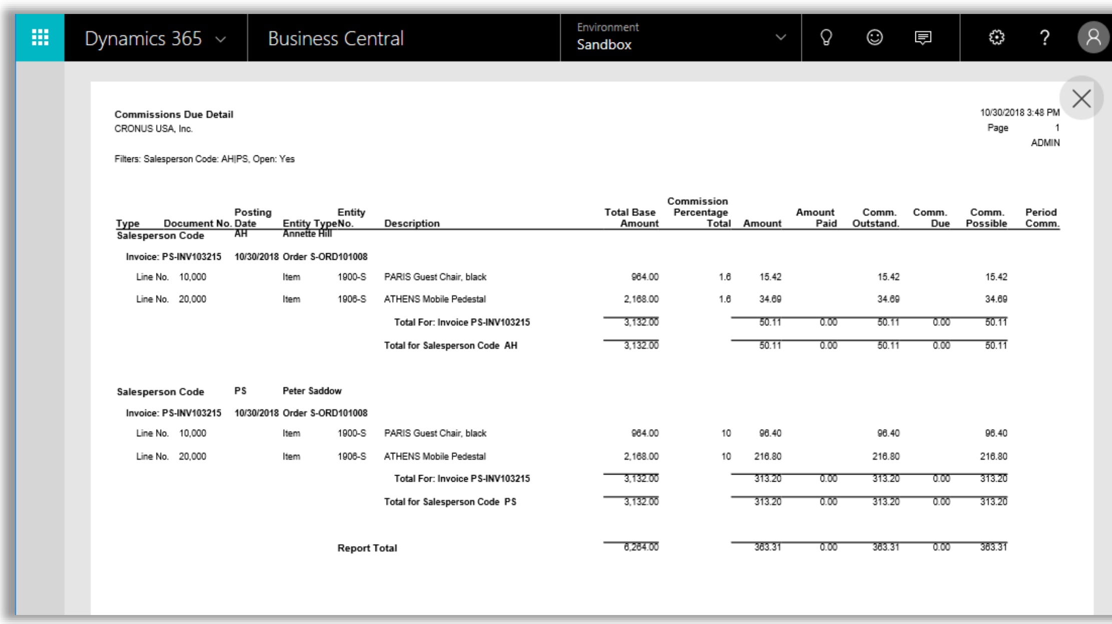
REPORT – COMMISSIONS DUE DETAIL

In addition to seeing the commissions on the order, you can request a report that will show all commissions due to a salesperson. The order must be posted before the commissions due will display on the report. After Posting the order, search for Commissions Due Detail.

Search for Commissions Due Detail and the report filter window will display. To see the report for the salespersons on our example order enter the Sales Person code for Annette Hill & Peter Saddow (AH|PS) into the Filter. Also, slide the option to Show Line Detail.



The report will be produced as shown below, notice it shows Commissions Outstanding in amounts that were shown on the Commissions screen associated with the order.



Commissions Due Detail
CRONUS USA, Inc.

10/30/2018 3:48 PM
Page 1
ADMIN

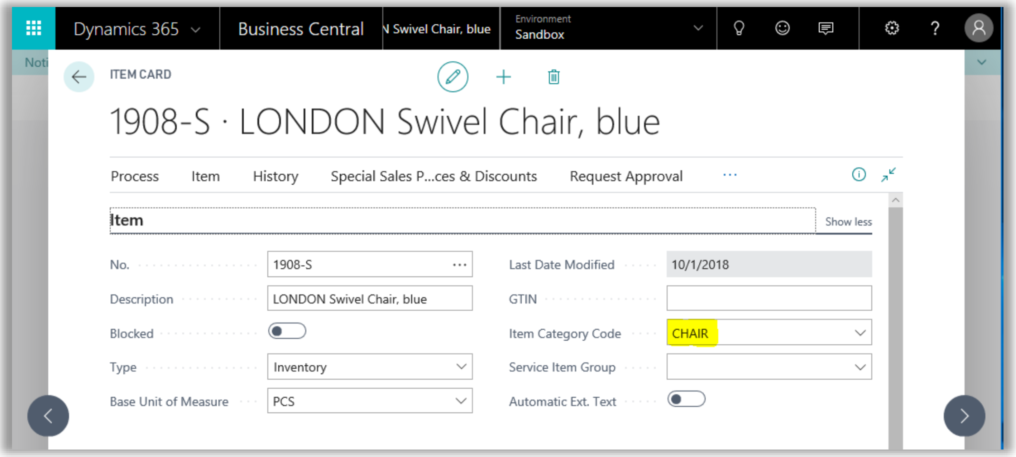
Filters: Salesperson Code: AH|PS, Open: Yes

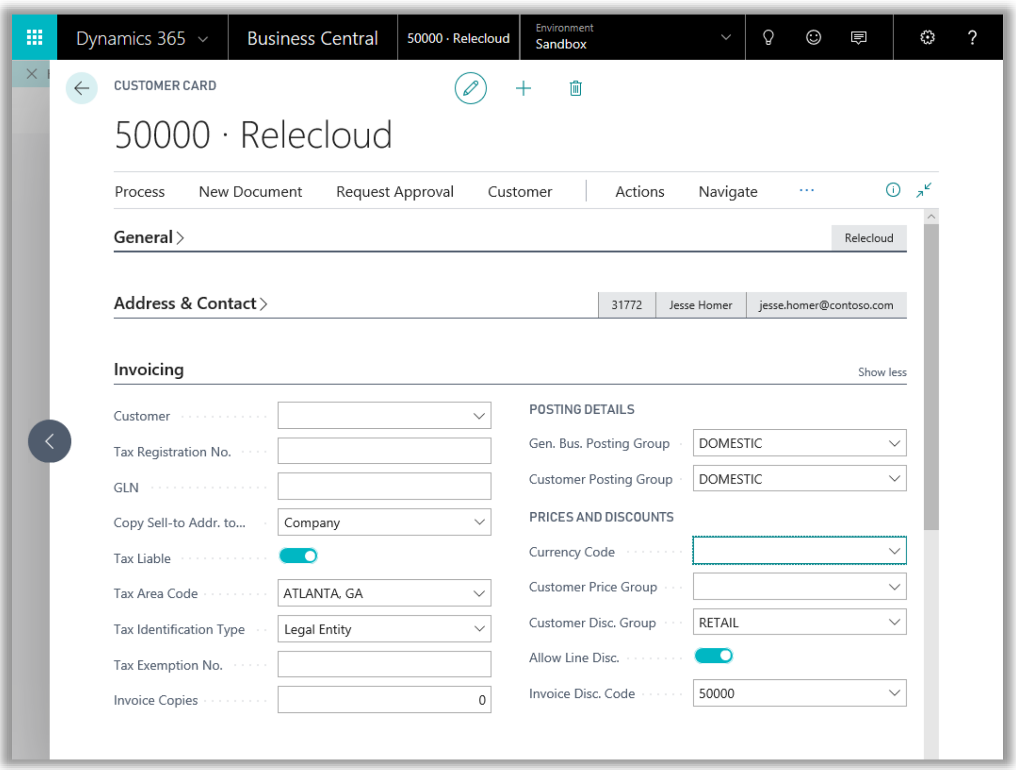
Type	Document No.	Posting Date	Entity Type	Entity No.	Description	Total Base Amount	Commission Percentage Total	Amount	Amount Paid	Comm. Outstand.	Comm. Due	Comm. Possible	Period Comm.
Salesperson Code		**AH**	**Annette Hill**										
Invoice: PS-INV103215		**10/30/2018**	**Order S-ORD101008**										
Line No.	10,000		Item	1900-S	PARIS Guest Chair, black	964.00	1.6	15.42		15.42		15.42	
Line No.	20,000		Item	1906-S	ATHENS Mobile Pedestal	2,168.00	1.6	34.69		34.69		34.69	
					Total For: Invoice PS-INV103215	3,132.00		50.11	0.00	50.11	0.00	50.11	
					Total for Salesperson Code AH	3,132.00		50.11	0.00	50.11	0.00	50.11	
Salesperson Code		**PS**	**Peter Saddow**										
Invoice: PS-INV103215		**10/30/2018**	**Order S-ORD101008**										
Line No.	10,000		Item	1900-S	PARIS Guest Chair, black	964.00	10	96.40		96.40		96.40	
Line No.	20,000		Item	1906-S	ATHENS Mobile Pedestal	2,168.00	10	216.80		216.80		216.80	
					Total For: Invoice PS-INV103215	3,132.00		313.20	0.00	313.20	0.00	313.20	
					Total for Salesperson Code PS	3,132.00		313.20	0.00	313.20	0.00	313.20	
				Report Total		6,264.00		363.31	0.00	363.31	0.00	363.31	

SETUP DATA

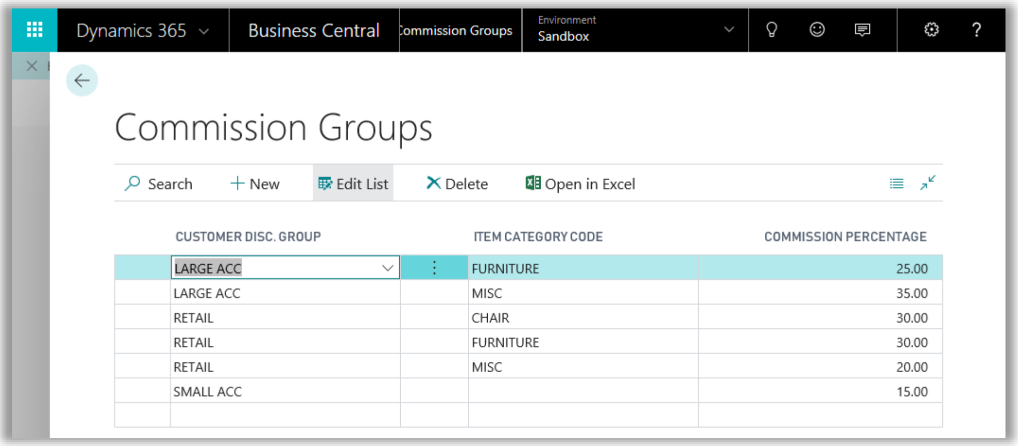
Create an order that will have a group (type III) commission associated with it.

We will start with the item that will be sold, 1908-S LONDON Swivel Chair. Notice from the screen print below that it has an Item Category Code value of CHAIR. Also notice Customer Card for Recloud which has a Customer Discount Group value of RETAIL.



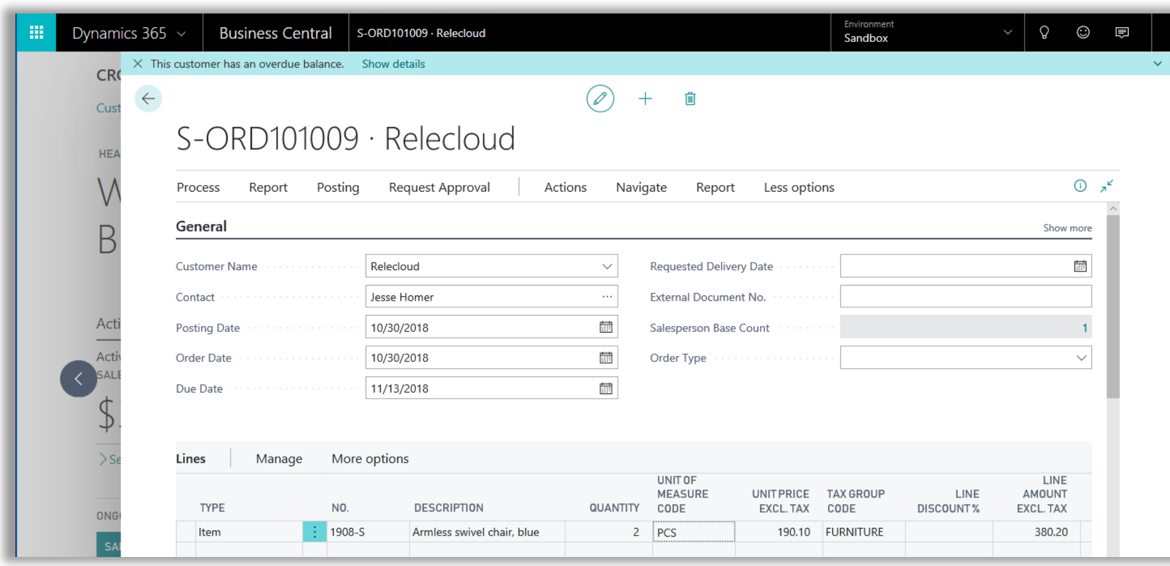


Notice that the Commission Groups screen has an entry to pay a commission of 30% for an order that has a product with an Item Category Code of CHAIR being sold to a customer with a Customer Discount Group of RETAIL.



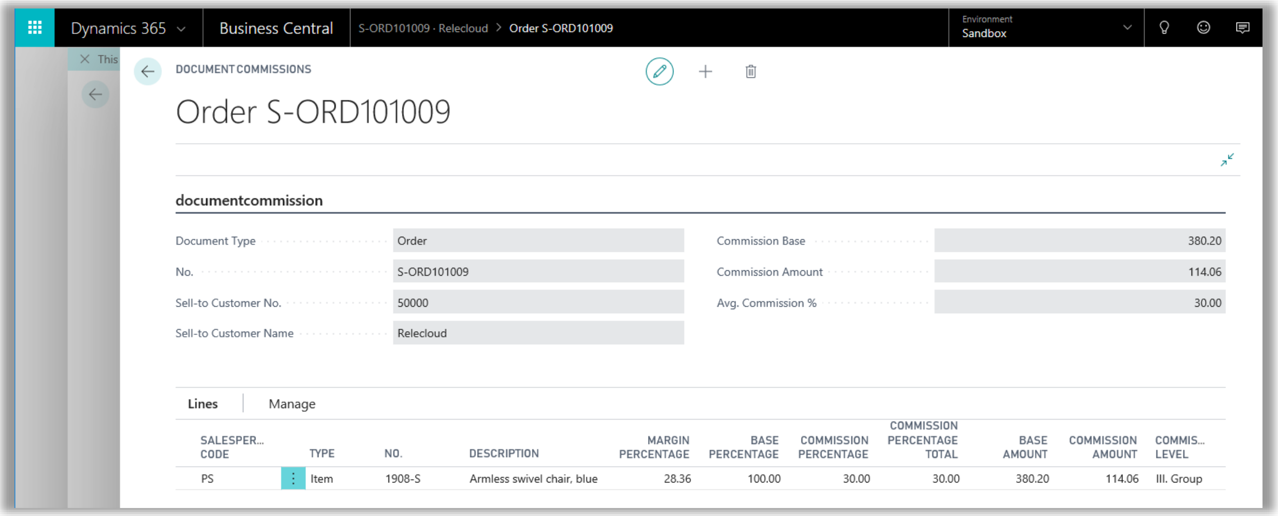
CREATE ORDER

Now, create an order will be created using the customer Relecloud (50000) and the product LONDON Swivel Chair (1908-S) listed above.



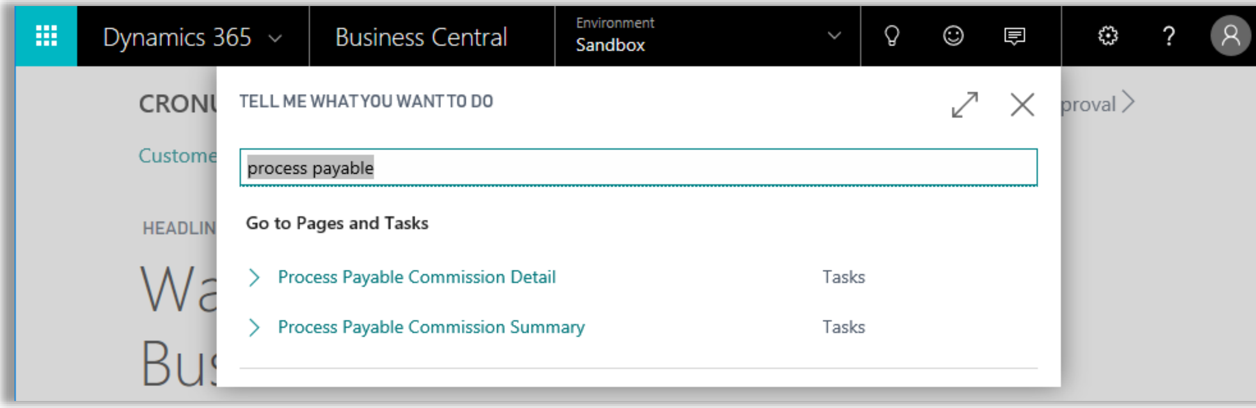
Now we will check the Document Commissions screen for this order.

It shows a type III Group Commission of 30% is due to Salesperson Peter Saddow (PS). Running the Commissions Due Summary or Commissions Due Detail report will also show when this commission is due to be paid to Peter Saddow.



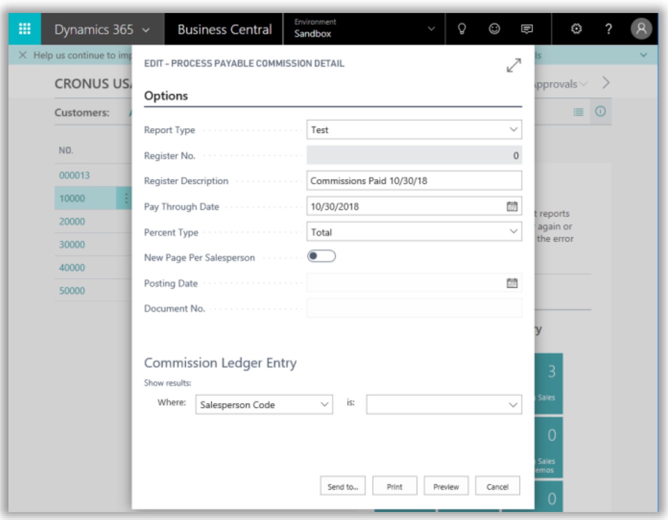
PROCESS PAYABLE COMMISSIONS

At some point you need to payout commissions due to your sales staff. A convenient way to do this is to use the Commissions Due report (Detail or Summary) to understand which commissions have become due and then process/pay the commissions using the Process Payable Commissions detail report. Once this report is executed in mode Final, the commissions due to the salesperson will be set to paid.

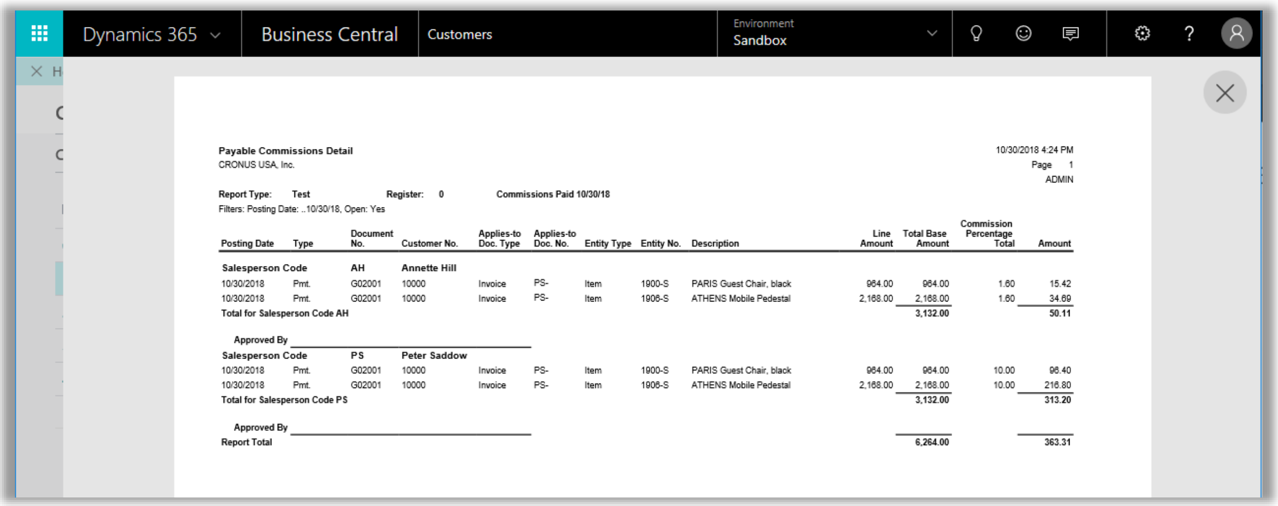


PROCESS PAYABLE COMMISSION DETAIL

Select Process Payable Commissions Detail and the Report filter screen will open. Enter the Salesperson code if you know it or use the drop-down arrow to the right. Next, select the Options fast tab. If you use a Report type value can of "Test", the commissions due will not be set to "paid". A report option of "Final" means that the commission due will be set to "paid". A report option of reprint simply reprints a previous report and has no effect on the commissions paid. The pay through date indicates that all commissions on or before that date will be marked as paid.

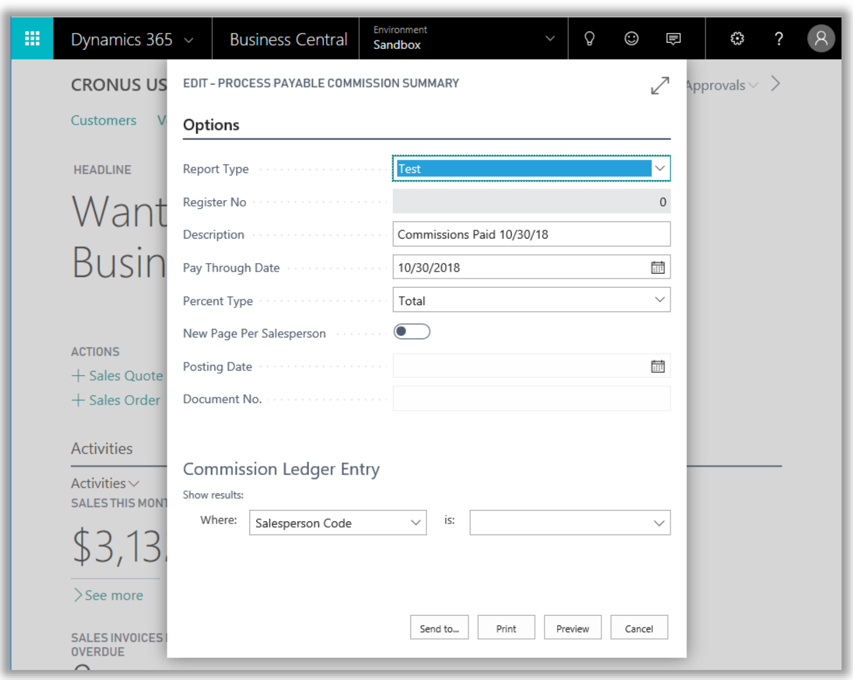


Notice the report on page 1 shows a commission due amount to Mary Dempsey of $114.06 for invoice a sales invoice. If the Process Payable Commissions Detail report is run in Final mode, it should set the commissions as being paid, which can be verified by re-running the Commissions Due Detail.

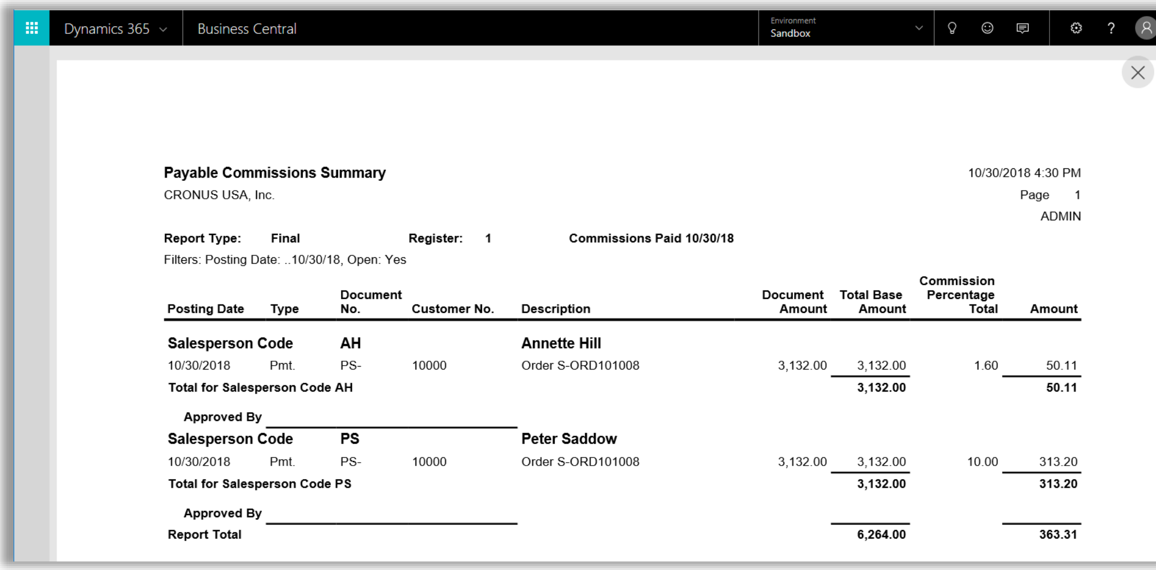


PROCESS PAYABLE COMMISSION SUMMARY

There is also a Process Payable Commissions Summary report which will process just like the detail report. However, it will only show the total commission paid, rather than the individual commission amounts for each item on the invoice.



We will set the Report type to Final and the Description to “Commissions Paid 10/30/2018” and the Pay through Date to 10/30/2018. Then press the Send to → PDF Document to run the report.
Here is the Payable Commissions Summary report showing the commission amount of $363.31 being paid.

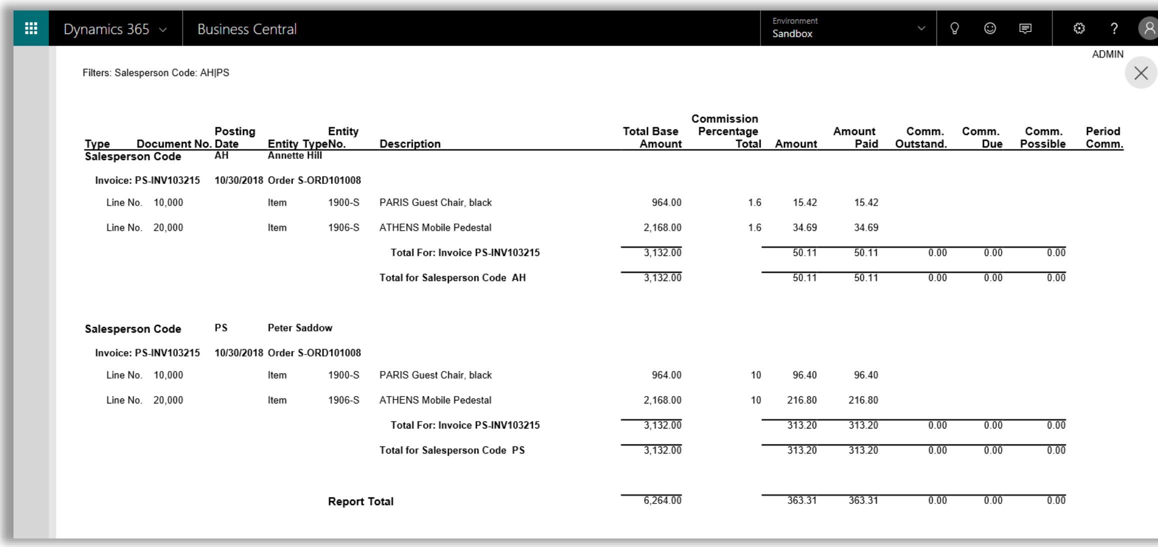


Payable Commissions Summary 10/30/2018 4:30 PM
CRONUS USA, Inc. Page 1
ADMIN

Report Type: **Final** **Register:** **1** **Commissions Paid 10/30/18**
Filters: Posting Date: ..10/30/18, Open: Yes

Posting Date	Type	Document No.	Customer No.	Description	Document Amount	Total Base Amount	Commission Percentage Total	Amount
Salesperson Code		**AH**		**Annette Hill**				
10/30/2018	Pmt.	PS-	10000	Order S-ORD101008	3,132.00	3,132.00	1.60	50.11
Total for Salesperson Code AH						**3,132.00**		**50.11**
Approved By								
Salesperson Code		**PS**		**Peter Saddow**				
10/30/2018	Pmt.	PS-	10000	Order S-ORD101008	3,132.00	3,132.00	10.00	313.20
Total for Salesperson Code PS						**3,132.00**		**313.20**
Approved By								
Report Total						**6,264.00**		**363.31**

Now let us re-run the Commissions Due Detail report and check “Show History” to see what has changed from the first time it was run. Notice that the Commissions Due column is now zeros and the Commissions Paid column has a value of $363.31 indicating the commission was paid.

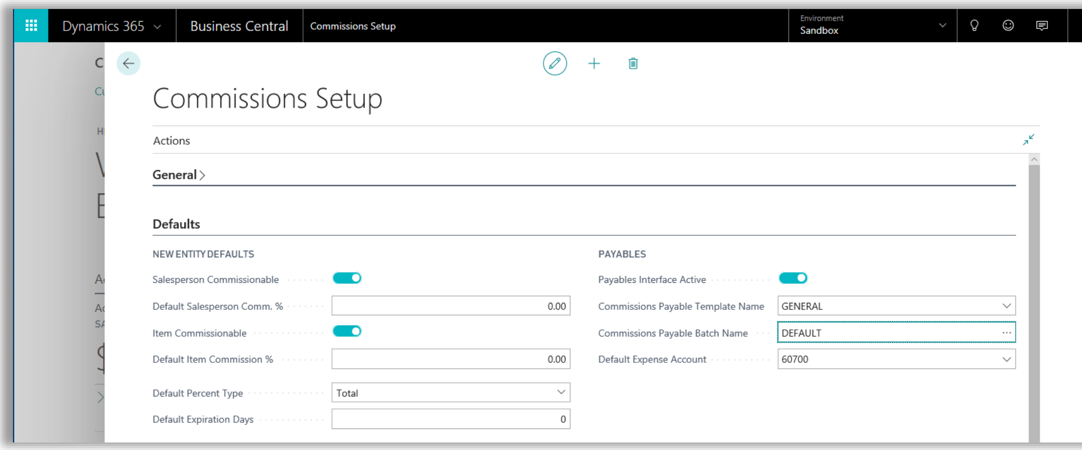


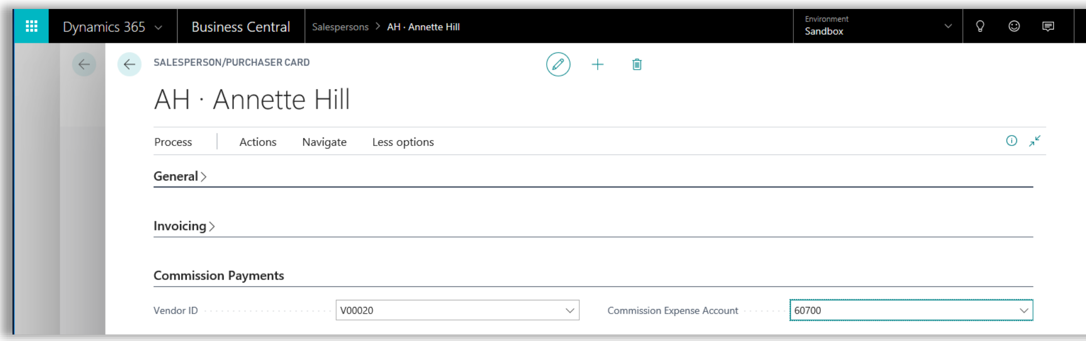
ADMIN
Filters: Salesperson Code: AH|PS

Type	Document No.	Posting Date	Entity Type	Entity No.	Description	Total Base Amount	Commission Percentage Total	Amount	Amount Paid	Comm. Outstand.	Comm. Due	Comm. Possible	Period Comm.
Salesperson Code		**AH**	**Annette Hill**										
Invoice: PS-INV103215		**10/30/2018**	**Order S-ORD101008**										
Line No.	10,000		Item	1900-S	PARIS Guest Chair, black	964.00	1.6	15.42	15.42				
Line No.	20,000		Item	1906-S	ATHENS Mobile Pedestal	2,168.00	1.6	34.69	34.69				
					Total For: Invoice PS-INV103215	3,132.00		50.11	50.11	0.00	0.00	0.00	
					Total for Salesperson Code AH	3,132.00		50.11	50.11	0.00	0.00	0.00	
Salesperson Code		**PS**	**Peter Saddow**										
Invoice: PS-INV103215		**10/30/2018**	**Order S-ORD101008**										
Line No.	10,000		Item	1900-S	PARIS Guest Chair, black	964.00	10	96.40	96.40				
Line No.	20,000		Item	1906-S	ATHENS Mobile Pedestal	2,168.00	10	216.80	216.80				
					Total For: Invoice PS-INV103215	3,132.00		313.20	313.20	0.00	0.00	0.00	
					Total for Salesperson Code PS	3,132.00		313.20	313.20	0.00	0.00	0.00	
				Report Total		6,264.00		363.31	363.31	0.00	0.00	0.00	

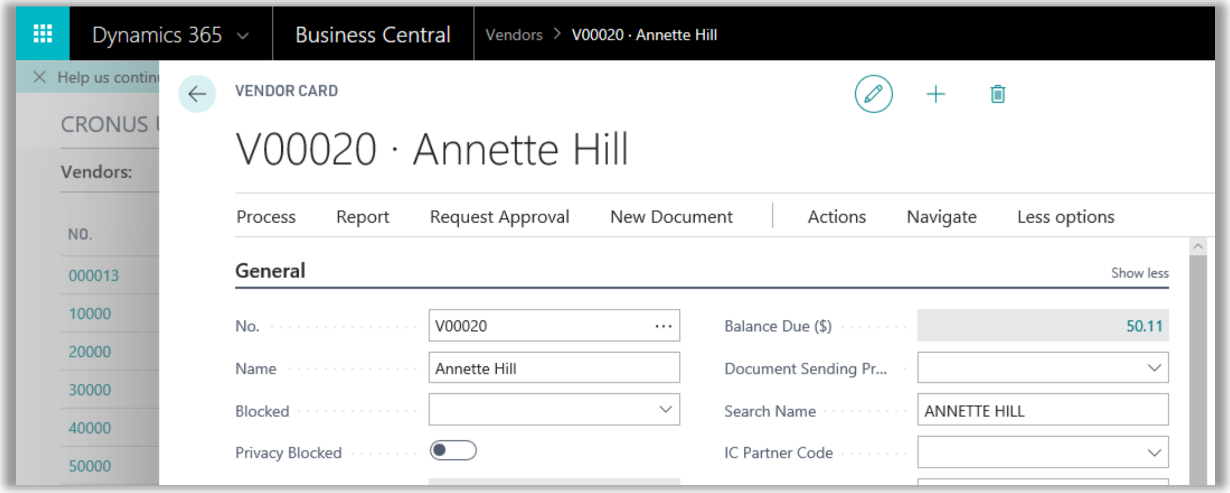
PAYABLES INTERFACE

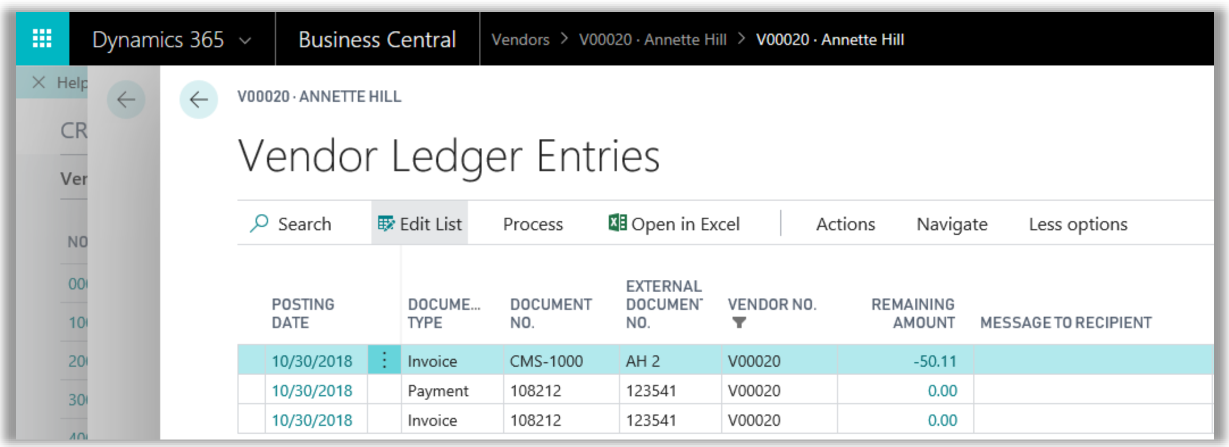
If the payment interface is turned on, as it is in our environment. What we will also see is an invoice has been created against the vendor that has been setup on the salesperson card.



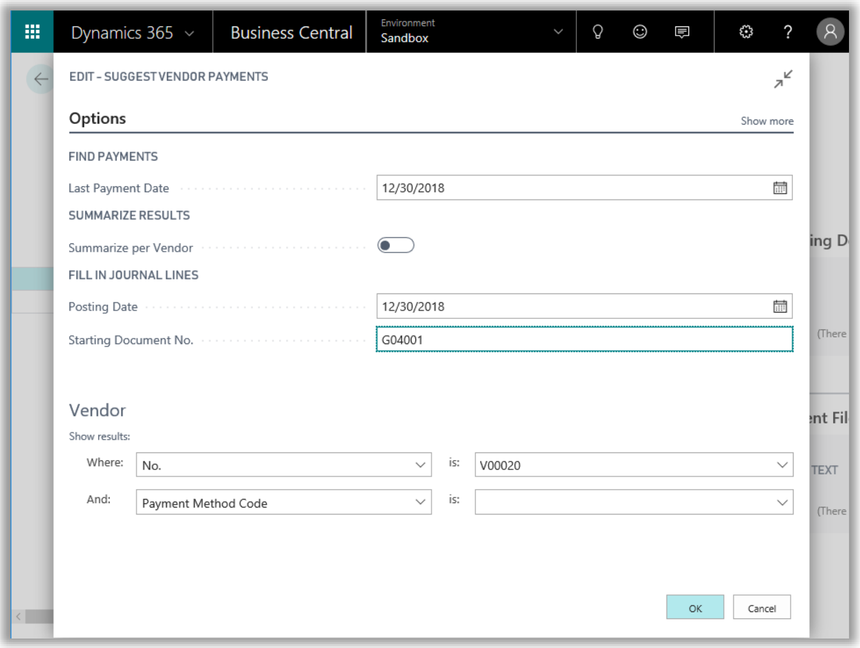


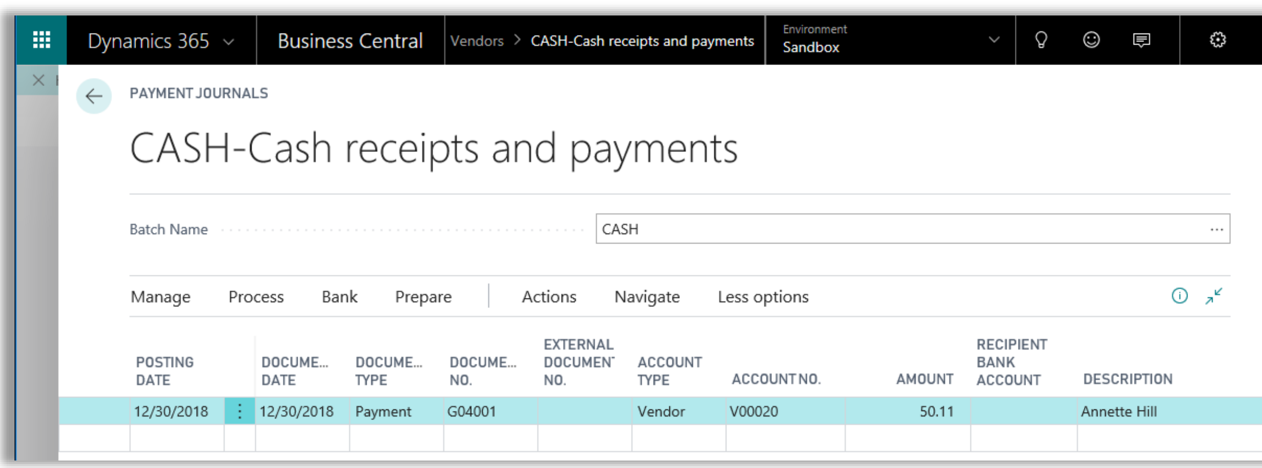
If we open the Vendor card for Vendor V00020 and open the Vendor Ledger entries, we will see an invoice for $50.11 (the total commission amount that was set to paid to Annette Hill)





Now, if we run Suggest Vendor Payments from the Payment Journal our invoice to Annette Hill (V00020) will appear.





We can now initiate payment to Annette for her commissions by any of the forms of payment you have setup in Dynamics 365 Business Central (Cash, check, ach, eft, etc.)