

SedonaOffice

The #1 Financial Software for Security Companies

Commissions and Payroll Reference Guide

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About this Guide

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How Commissions are calculated on Jobs

SedonaOffice allows you five optional ways of calculating the commission on a job by creating commission types that fall into one of these five categories. You can create as many commission types that you need, but they all must be one of these five types.

Commission Type	Description	Type	Inactive
Adjustment	Adjustment	Other	N
Bonus	Bonus	Other	N
Estimated Install	Estimated Install	Est Profit	N
Gross Install	Gross Install	Gross Profit	N
Installation	Installation	Non Recurring	N
Monitoring	Monitoring	Recurring	N

Include Inactive

Commission Type Edit

Code: Description: Inactive

Commission Calculated Against:

Recurring (R) Estimated Profit (E) Other (O)
 Non Recurring (N) Gross Profit (G)

Buttons:

Recurring

The commission is calculated based on the total recurring for a job.

Non-Recurring

The commission is calculated based on the total non-recurring (installation and parts) for a job.

Estimated Profit

The commission is calculated based on the estimated profit. This number is determined by values entered on the Job Cost form.

Gross Profit

The commission is calculated based on the gross profit. The number is determined when the job is closed and all costs are figured against the job.

Other

The type allows you flexibility to key in whatever base amount that you need. This type is typically used for bonuses and adjustments.

Employee Commission Plans

Once the commission types have been defined, you can then assign which commission types apply to each employee in the company. The rate of the commission is assigned to the employee in Employee Setup. This way, employees can share the same commission type but be paid at a different rate.

The screenshot shows the 'Sedona Office Setup (Five-O-Alarm)' application. On the left is a 'Sedona Setup' tree view with categories like Warehouses, Commission Types, Contract Forms, etc. The 'Employees' category is selected. The main window displays a list of employees with columns for Employee Code, First Name, Last Name, Department, and Inactive status. Below the list is an 'Employee Edit' section for 'Drew Stanton', which includes a 'Commission Setup' tab. This tab contains a table of commission types and their percentages.

Employee Code	First Name	Last Name	Department	Inactive
414351	Peter	Wolf	Service	N
52409	Bob	Smith	Commercial Sales	N
7607851	Kyle	Petty	Commercial Sales II	N
88551	Cal	Ripken	N/A	N
89814	Ed	Jones	N/A	N
98144	Steven	Tyler	N/A	N
Drew Stanton	Drew	Stanton	Service	N
Ed	Ed	Smith	Service	N
Harry Connick Jr	Harry	Connick	Service	N
Harry Hausin	Harry	Hausin	Service	N
Healy, Joyce	Brian	Jones	Integrated Systems	N
Jerry Garcia Jones	Jerry	Garcia	Service	N
Joe Smith	Sedona	Master	Integrated Systems	N
John	John	Jones	Service	N
Kevin Jones	Kevin	Jones	Service	N
Michael	Michael	Miller	Sales	N
Mike Adams	Mike	Adams	Service	N

Commission Type	Description	Type	Percentage
Bonus	Bonus	Other	15.00
Estimated Install	Estimated Install	Est Profit	7.00
Gross Install	Gross Install	Gross Profit	5.00
Installation	Installation	Non Recurring	15.00
Monitoring	Monitoring	Recurring	5.00

Job Types and Commissions

Defining commission types at the job type level will allow you to let the system automatically calculate the commissions based on the job that is sold. This is a great feature when you pay different commissions to the same employee based on the **type** of job. You can still pay commissions to jobs that are not assigned commission types but by predefining the commission types by job, you prevent data entry errors.

The screenshot shows the 'Sedona Office Setup (Five-O-Alarm)' application window. On the left is a 'Sedona Setup' tree view with various configuration areas. The main window is titled 'Job Types' and contains a table of job types and a 'Job Type Setup' section for the 'Residential' job type.

Job Types Table:

Job Type	Description	Category	Pctg Billing	Inact...
CCTV Installation	CCTV Installation	Installation	N	N
Commercial FA	Commercial FA	Installation	N	N
Just For Run	Just For Run	Installation	Y	N
Just Install It	Just Install It	Installation	N	N
Progress Billing	Progress Billing	Installation	Y	N
Progress Billing_Copy	Progress Billing	Installation	Y	N
Residential	Residential	Installation	N	N

Job Type Setup (Residential):

Job Type: Residential | Description: Residential | Inactive

Detail | Job Tasks | Costing | Items | Accounts | **Commission Types** | Approvals

Commission Type	Description	Type
<input checked="" type="checkbox"/> Installation	Installation	Non Recurring
<input checked="" type="checkbox"/> Monitoring	Monitoring	Recurring
<input type="checkbox"/> Bonus	Bonus	Other
<input type="checkbox"/> Gross Install	Gross Install	Gross Profit
<input type="checkbox"/> Estimated Install	Estimated Install	Est Profit
<input type="checkbox"/> Adjustment	Adjustment	Other

Buttons: Apply, New, Copy, Delete

Job Commission Auto Fill

Within the commission entry for a job, you will be able to select the **Auto-Fill** button to have the system fill in all of the commission for the job based on the setup described above.

Job | **Customer** 20133 | **Site**

Job Number: 20090115 | Megan Fox | Megan Fox
 Job Type: Residential | 8414 Smith St | 8414 Smith St
 Job Status: In-Progress | Nashville, TN 37228 | Nashville, TN 37228
 System: 20133 Burglar Alarm | (888) 444-1323 | (888) 444-1323
 Labor Units: 197 (0 Used)

Commissions

Commissionable / Splits

Install Total: 15000.00 | Salesperson 1: Drew Stanton | 100.00 %
 Commissionable %: 100.00 | Salesperson 2: | 0.00 %
 Commissionable: 15000.00 | Split Sales Production:
 Recurring: 25.25 | **Auto Fill** | **Apply**

Salesperson	Commission Type	Post Date	Commissionable	Rate	Commission

Total Commission: 0.00

Salesperson: **Drew Stanton** | Commissionable: 0
 Commission Type: | Rate: 0
 Posting Date (GL): 1/15/2009 | Commission: 0
 Select from all other Salespeople | **Apply** | **New** | **Delete**

When the Auto-Fill option is chosen, SedonaOffice will populate the commission for that salesperson on this particular job type. If there is a second salesperson and he has been allocated a percentage of the commission, those will also be auto filled.

Job - 20090115 (Megan Fox)

Job	Customer	20133	Site
Job Number: 20090115	Megan Fox		Megan Fox
Job Type: Residential	8414 Smith St		8414 Smith St
Job Status: In-Progress	Nashville, TN 37228		Nashville, TN 37228
System: 20133 Buralar Alarm	(888) 444-1323		(888) 444-1323
Labor Units: 197 (0 Used)			

Commissions

Commissionable / Splits

Install Total: 15000.00
 Commissionable %: 100.00
 Commissionable: 15000.00
 Recurring: 25.25

Salesperson 1: Drew Stanton (100.00 %)
 Salesperson 2: (0.00 %)

Split Sales Production

Remove All Apply

Salesperson	Commission Type	Post Date	Commissionable	Rate	Commission
Drew Stanton	Installation	1/15/2009	15000.00	15.00	2250.00
Joe Smith	Installation	1/15/2009	15000.00	3.30	495.00
Drew Stanton	Monitoring	1/15/2009	25.25	5.00	1.26

Total Commission: 2746.26

Salesperson: Drew Stanton
 Commissionable: 0
 Commission Type: [Dropdown]
 Rate: 0
 Posting Date (GL): 1/15/2009
 Commission: 0

Select from all other Salespeople

Apply New Delete

Additional Commissions to Managers

You can setup a manager to receive a commission based on the commission paid to the salesperson of record on a job. This is done in employee setup by setting a commission rate for the supervisor. Any non-recurring commissions paid to this employee will generate commission of the same type but using the defined rate for the supervisor.

The screenshot shows the 'Sedona Office Setup (Five-O-Alarm)' application. On the left is a 'Sedona Setup' tree view with categories like JM (Job Manager) and OP (Other Parameters). The 'Employees' section is selected. The main window displays a list of employees and an 'Employee Edit' form for 'Drew Stanton'.

Employee Code	First Name	Last Name	Department	Inactive
414351	Peter	Wolf	Service	N
52409	Bob	Smith	Commercial Sales	N
7607851	Kyle	Petty	Commercial Sales II	N
88551	Cal	Ripken	N/A	N
89814	Ed	Jones	N/A	N
98144	Steven	Tyler	N/A	N
Drew Stanton	Drew	Stanton	Service	N
Ed	Ed	Smith	Service	N
Harry Connick Jr	Harry	Connick	Service	N
Harry Hausin	Harry	Hausin	Service	N
Healy, Joyce	Brian	Jones	Integrated Systems	N
Jerry Garcia Jones	Jerry	Garcia	Service	N
Joe Smith	Sedona	Master	Integrated Systems	N
John	John	Jones	Service	N
Kevin Jones	Kevin	Jones	Service	N
Michael	Michael	Miller	Sales	N
Mike Adams	Mike	Adams	Service	N

Employee Edit		Inactive	
Employee Code	Drew Stanton	<input type="checkbox"/>	
General Information Payroll Commission Setup		Created: 12/30/1899	Updated: Administrator 9/24/20
User Code	[Dropdown]	First Name	Drew
Type	SL	Last Name	Stanton
Assigned To	Service	Middle Initial	J
Supervisor	Joe Smith	Date of Hire	[Field]
& Credit Request Handoff	[Field]	Termination	[Field]
Commission %	3.30	Job Approval Group	Officer

Commissions Due on a Dollar per Dollar basis

Commissions that post to the GL are accrued and can be tracked as commissions owed per salesperson. As payments are applied to the job, those commissions show as DUE on the commissions due report.

Job - 20090115 (Megan Fox)				
Job	Job	Customer	20133	Site
Labor	Job Number	20090115	Megan Fox	Megan Fox
Journals	Job Type	Residential	8414 Smith St	8414 Smith St
	Job Status	In-Progress	Nashville, TN 37228	Nashville, TN 37228
	System	20133 Burglar Alarm	(888) 444-1323	(888) 444-1323
	Labor Units	197 (0 Used)		
GL Journal	Journal			
Part Journal	Account No.	Description	Debit	Credit
	2211	Wages & Salaries - Accrued	\$0.00	\$2,746.26
	2221	WIP Commission	\$2,746.26	\$0.00
		Total	\$2,746.26	\$2,746.26
Net				(\$2,746.26)
				\$2,746.26
Tools				
Quotes				

The report below shows a job that has been invoiced and 50% payment has been received for the job. This report will perform a dollar per dollar calculation and tell you what is due in commission to the salesperson based on the payments received.

Commission Due		Five-O-Alarm									
Cut-off Date: 1/15/2009											
DrewStanton											
Job	Customer	Sold	Status	Job Amount	Job Paid	% Paid	Commission	CommRMR	Comm Paid	Comm Bal	Comm Due
20090115	Megan Fox	1/15/09	Job Complete	15,000.00	7,500.00	50.0%	2,250.00	1.26	0.00	2,251.26	1,125.63
										2,251.26	1,125.63

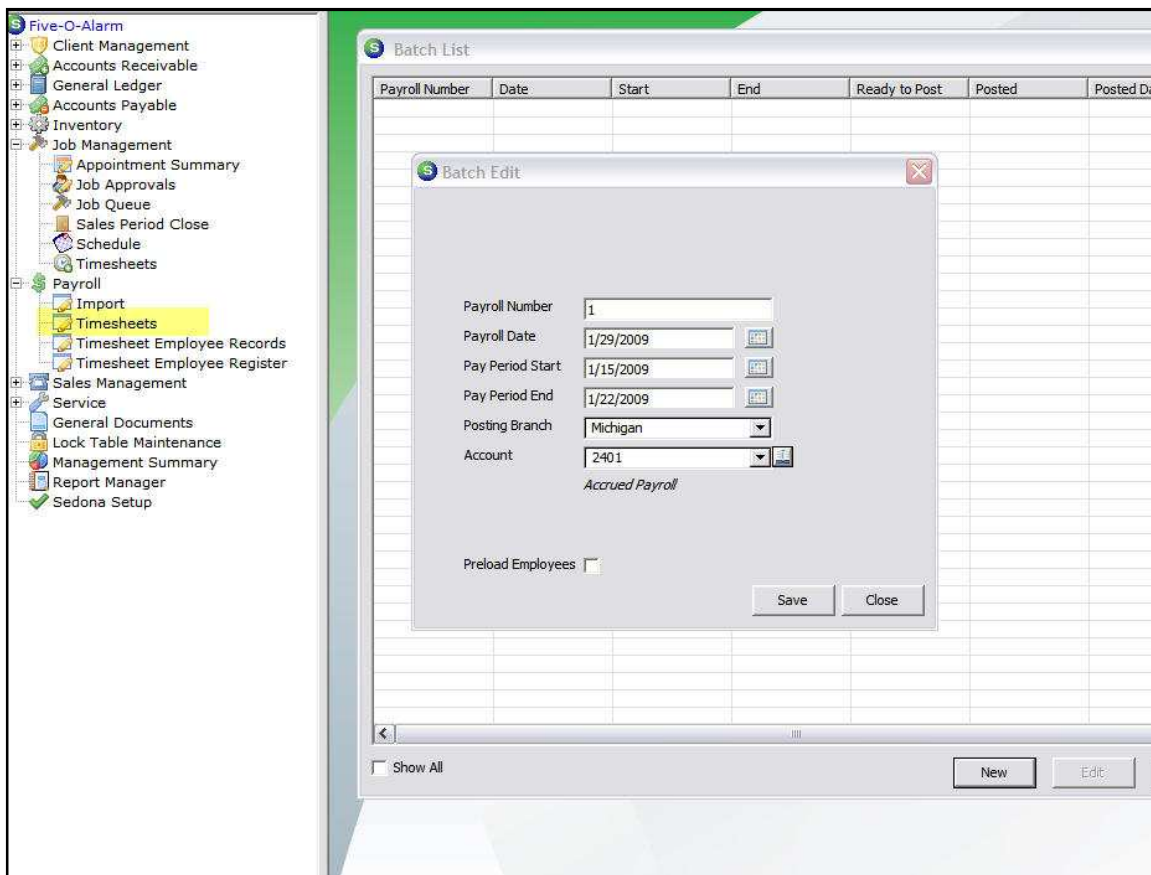
Using Payroll Timesheets to Track Commissions Owed and Paid

By using the feature to post commissions to the GL, we can maintain an accrual of commissions by salespersons for each job. The Payroll Timesheet entry will track payments to salespeople and provide a means to know what's due to them.

The Payroll Timesheet process in SedonaOffice is designed to allow you to track and post all of the payroll information. Though SedonaOffice doesn't create the actual paychecks and manage the earnings and taxes, it does allow you to manage job costing and commissions.

Continuing with our example here, we'll use the Payroll Timesheet entry to "pay" commissions to the salesperson on our test job.

First, we'll go into the Payroll menu and select the "Timesheets" option and create a new payroll batch.



Then, we'll go into that batch and pay commissions to the salesperson on our test job.

Payroll Timesheet

Batch Information

Payroll Number: 1	Payroll Date: 1/29/2009
Posting Branch: Michigan	Pay Period Start: 1/15/2009
Account: 2401	Pay Period End: 1/22/2009

Timesheets

Job	Work Date	Job Task	Labor Task	Earnings Type	Hours	Rate	Amount	Memo	Exp Type
20090115	1/22/2009			Commission	1	389.00	\$389.00		C

Timesheet Edit

Employee: Drew Stanton	Earnings Type: Commission	Job Type: Residential
Stanton, Drew	Job Task:	System Type: Burglar Alarm
Job Code: 20090115	Labor Task:	Category: Installation
Megan Fox	Memo: Commissions To Date	
Work Date: 1/22/2009	Expense Type: C	
Hours: 1		
Rate: \$389.00		
Amount: \$389.00		

After this batch is posted, the commissions paid to this salesperson will now appear in the job record. You can see a debit has been applied to the accrued account in the amount paid on the last timesheet post.

Job - 20090115 (Megan Fox)				
Job	Job	Customer	20133	Site
Labor	Job Number	20090115	Megan Fox	Megan Fox
Journals	Job Type	Residential	8414 Smith St	8414 Smith St
	Job Status	Job Complete	Nashville, TN 37228	Nashville, TN 37228
	System	20133 Burglar Alarm	(888) 444-1323	(888) 444-1323
	Labor Units	197 (0 Used)		
Journal				
Account No.	Description	Debit	Credit	Net
1198	Accounts Receivable	\$15,765.03	\$9,001.43	\$6,763.60
1700	Installation HoldBack	\$1,501.43	\$0.00	\$1,501.43
2002	Inter-Branch Billing	\$0.00	\$389.00	(\$389.00)
2121	Unapplied Credit	\$1,501.43	\$1,501.43	\$0.00
2153	Deferred Monitoring	\$0.00	\$14.31	(\$14.31)
2211	Wages & Salaries - Accrued	\$389.00	\$2,746.26	(\$2,357.26)
2221	WIP Commission	\$2,746.26	\$2,746.26	\$0.00
2551	State Tax (Corp.) Payable	\$0.00	\$750.72	(\$750.72)
4111	Installation Revenues	\$0.00	\$15,000.00	(\$15,000.00)
6071	Commissions	\$2,746.26	\$0.00	\$2,746.26
	Other	\$7,500.00	0.00	\$7,500.00
	Total	\$32,149.41	\$32,149.41	

This data allows us to create a report for each salesperson showing the earned, paid, and due commissions for each job. Two examples of reports in SedonaOffice that exist today are the Commission Due and the Commissions Due 50/50.

Commission Due		Five-O-Alarm									
Cut-off Date: 1/22/2009											
Drew Stanton											
Job	Customer	Sold	Status	Job Amount	Job Paid	% Paid	Commission	Comm RMR	Comm Paid	Comm Bal	Comm Due
20090115	Megan Fox	1/15/09	Job Complete	15,000.00	7,500.00	50.0%	2,250.00	1.26	389.00	1,862.26	736.63
										1,862.26	736.63

Notes: