IDYNAMICS COMMISSIONS

USERS' GUIDE

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Author Name:	**DPT. I+D+I**

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iDynamics Commissions

Allows the calculation, allocation and settlement of commissions on sales of the salesmen of a company.

If you work with sales teams, team leaders can receive indirect commissions from the sales of the other team members.

1. To keep in mind

- Valid for invoices and credit memos generated from the *Sales invoice* and *Sales credit memo* page. Invoices and credit memos are not accepted from diary.
- Only applies to sales lines of "Product" type.
- The use of "Indirect Commission" provides for two levels (vendor and team leader). The team leader will never have a leader (at least for commissions).
- The commissions function works with a single currency. It is not multi-currency. It only draws information in local currency and does not convert the local currency; that is, the invoice/credit memo must be in local currency.
- The settlement of commissions to sellers (invoice or purchase credit memo) must not be made partially; that is, the settled commission corresponding to each sales line must be settled for the total amount of the established commission.
- The salesman-supplier relationship is unique; that is, each external salesman can only belong to one supplier. And each supplier can only have one vendor assigned to them.

2. Setup

2.1 General setup

Once the extension is installed, the first step will be to navigate to the manual setup section (within setup and extensions) to configure the module. It will be there filtering by *iDynamics Commissions* where will appear the different sections that must be configured before starting to use the module. Then you will have to navigate to the list of Salespeople/Purchasers. In the ribbon of options, included in the Navigate menu, the group "Sales Commissions" has been added, where we will have available the diverse actions aimed at configuring the function *Sales Commissions*.

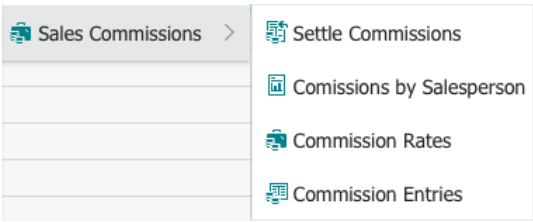


Figure 2.1. Idynamics Sales Commissions

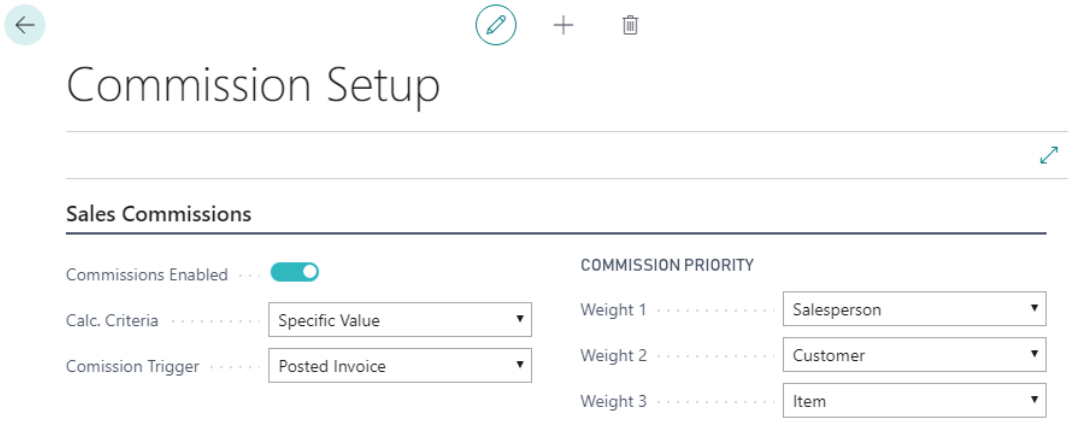


Figure 2.2. Setup

The available fields are as follows:

- **Commissions enabled**. Activate the Commissions function by checking or unchecking the checkbox. The commission movement, for the seller, is always generated at the time of recording (posting) the invoice or sales credit memo.
- **Calculation criteria**. The calculation of the amount of commission allocated for each product line can be made on the basis of two calculation criteria:
    - **Specific value**. The commission value for the most specific combination applicable to the *seller*, *client* and *product* of each invoice line must be applied. The order of specificity of the three variables is established by configuration through the *Commission priority* fields explained below.
    - **Highest value**. Of all applicable combinations of *Commission Rates*, the highest commission value will be applied.
- **Commissions trigger**. Indicates the condition required to settle (pay) the amount of commissions to the sellers. We have two possible conditions:
    - **Invoice generated**. The seller's commissions can be settled from the moment they are generated.
    - **Collected invoice**. The seller's commissions can be settled as soon as the invoice or the credit memo that generates them is collected/credited.

- **Commission priority**. Determines the order of priority between the *Seller*, the *Customer*, and the *Product* to establish the commission to be applied. It cannot be modified if *Commission rates* are defined.

2.2 Commission Priority Selection

When *Specific Value* has been configured, and using the values from the previous screenshot, where Salesperson has the highest priority and *Item* the lowest, as the starting point, commissions would be applied using the following order:

Salesperson	**Customer**	**Item**
No.	No.	No.
No.	No.	Group Code
No.	No.	All
No.	Group Code	No.
No.	Group Code	Group Code
No.	Group Code	All
No.	All	No.
No.	All	Group Code
No.	All	All
Group Code	No.	No.
Group Code	No.	Group Code
Group Code	No.	All
Group Code	Group Code	No.
Group Code	Group Code	Group Code
Group Code	Group Code	All
Group Code	All	No.
Group Code	All	Group Code

Salesperson	**Customer**	**Item**
Group Code	All	All
All	No.	No.
All	No.	Group Code
All	No.	All
All	Group Code	No.
All	Group Code	Group Code
All	Group Code	All
All	All	No.
All	All	Group Code
All	All	All

2.3 Commissions Groups

In order to facilitate the setup of commissions, it is possible to establish groups of *Sellers*, *Customer* and *Products*, and to define commissions based on these groupings.

2.3.1 Sales commission groups

They are a group of sellers to whom a common commission applies. It does not need to be defined.

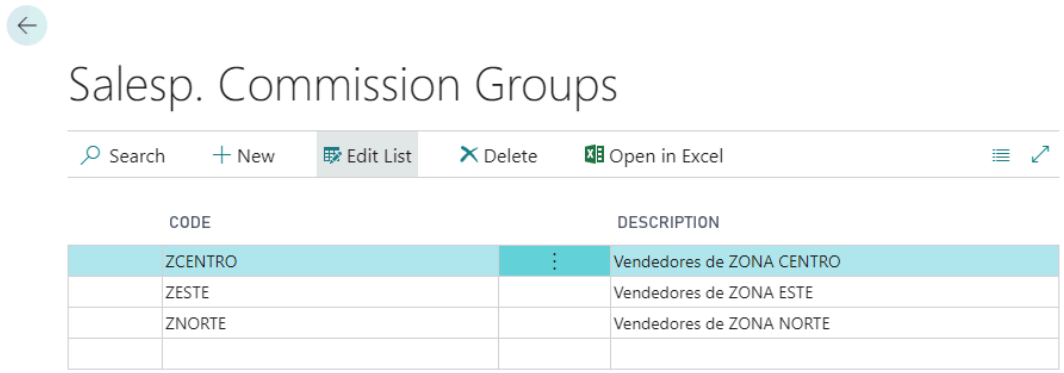


Figure 2.3 Sales commission groups

The salespeople's membership in the defined groups is set from the *Commission group* fields of the salespeople's file.

2.3.2 Customer commission groups

They constitute a grouping of customers when applying the percentage of commission on sale. It does not need to be defined.

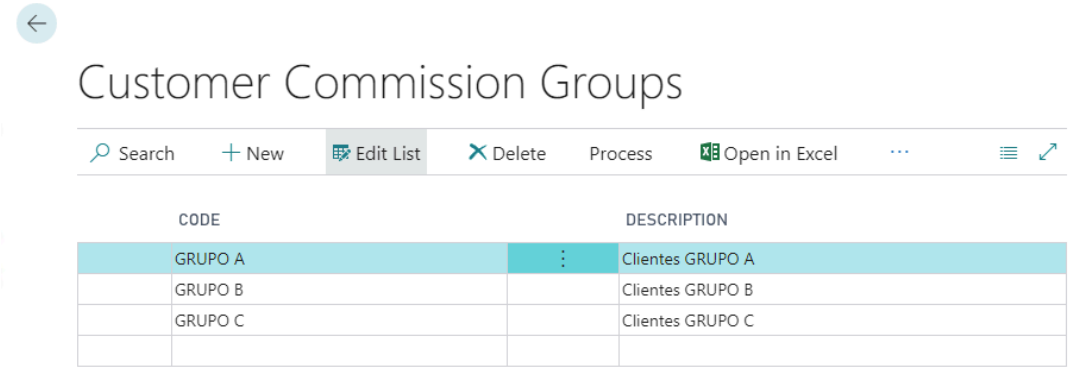


Figure 2.4 Customer commission groups

The client's membership in the defined groups is set from the Client commission group field of the client's file.

2.3.3 Item commission group

The percentage of commission on sales is applied as a grouping of products. It does not need to be defined.

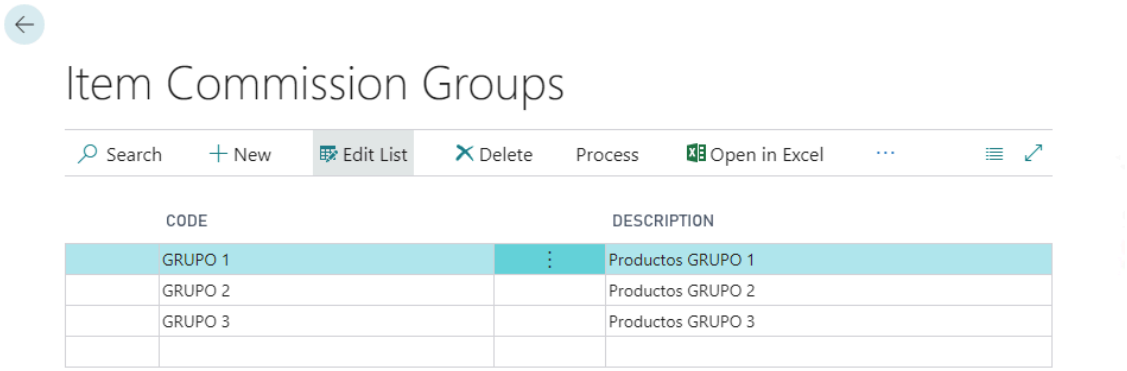


Figure 2.5 Item commission group

The products belonged to the defined groups is set from the *Products commission group* field of the product file.

2.3.4 Salesperson accounting groups

If we have external sellers, to whom we are going to settle by means of a purchase invoice, it will be necessary to define at least one group, to indicate the accounting account to which the lines of this invoice will be assigned.

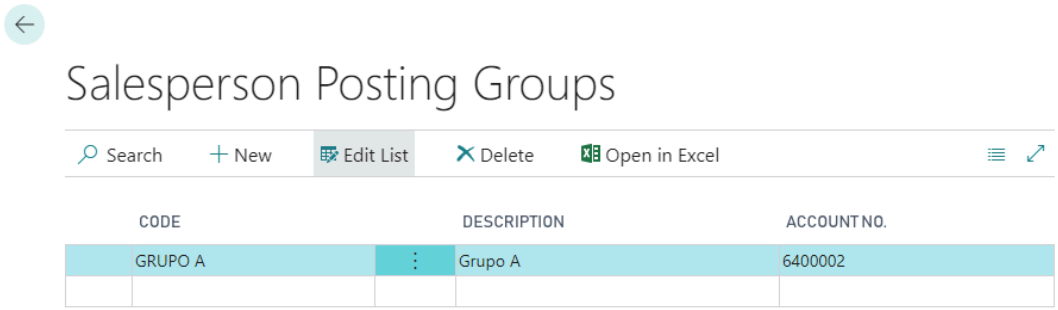


Figure 2.6 Salesperson accounting groups

2.4 Salesperson

In the salesperson's file we have a new block of fields where you can setup the way in which the commissions will be calculated and generated.

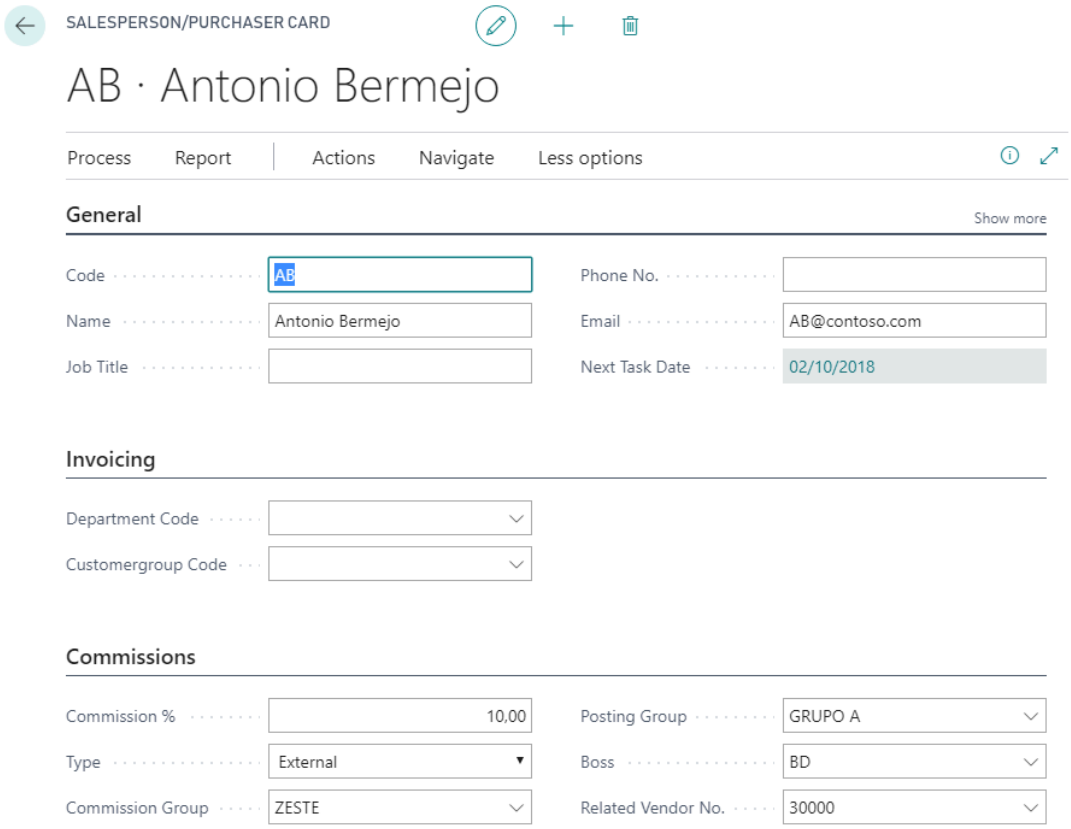


Figure 2.7 Salesperson file

The available fields are as follows:

- **% Commission**. This is the default % commission rate that applies when no rates are found to apply, when calculating commissions.
- **Type**. Sellers can be external or internal. Within NAV, the difference applies to the way commissions are settled: in case of external vendors, a purchase invoice will be created, and in the case of internal vendors, no particular document will be created (this commission will be paid by payroll).
- **Boss**. Allows you to assign another vendor code, which will receive an indirect commission when commissions are generated for it. *Note: Only the direct boss will receive commission. If this boss has another boss, no commission will be generated*.
- **Commission group**. Optionally, you can assign a sales group to simplify the configuration of commission rates.
- **Posting group**. If it is an "External" seller, it will define the accounting group to which the invoice lines with which its commissions will be settled, will be assigned.
- **Related vendor number**. Corresponds to the Supplier account assigned to the Seller for the settlement of sales commission. The seller-supplier ratio is 1:1.

In order to be able to settle commissions to an external vendor, you must have assigned an accounting group to it, and you must have assigned the vendor to a supplier account.

2.5 Sales Commission Rates

Once the generation of sales commissions has been activated, we will proceed to define the *Commission rates*. The creation of commission rates on sales works in a similar way to the creation of Sales Prices and Discounts.

You can access the setup of the *Commission rates* from the action bar of the lists and tabs of *Sellers/Byers*, *Customers* and *Products*.

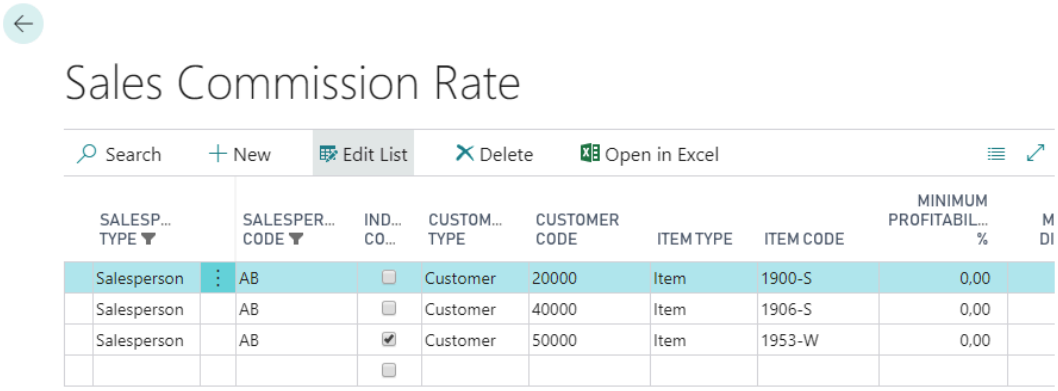


Figure 2.8 Sales commission rate

We proceed to explain the main fields of the table.

- **Seller type/Seller code**. The possible values are:
  - **"Seller"**. The value of the *Seller code* field will correspond to a seller.
  - **"Seller commission group"**. In this case, the value of the *Seller code* field will correspond to a *Seller commission group*.
  - **"All"**. *Seller code* will be empty and the rate will apply to all sellers.
- **Customer type/Customer code**: The possible values are:
  - **"Customer"**. In this case, the value in the *Customer code* field will correspond to a customer.
  - **"Customer commission group"**. The value in the *Customer code* field will correspond to a *Customer Commission Group*.
  - **"All"**. *Customer code* will be empty and the rate will apply to all customers.
- **Product type/Product code**. The possible values are:
  - **"Product"**. The value in the *Product code* field corresponds to a specific product.
  - **"Product commission group"**. *Product code* will correspond to a *Product commission group*.

- **"All"**. *Product code*, will be empty and the tariff will apply to all products.

- **Indirect commission**. This fee only applies to "Bosses". When a seller makes a sale, the commissions that have this check *unmarked* are searched for an applied. Once this is done, if you have a "Boss" assigned to you on your card, you will be asked to find the applicable rate for that Boss, among those who have *this checkmark*.
- **% Commission**. Indicates the % that is applied to the amount of the line for calculating the commission. The amount of the row is obtained after applying the row discount and before applying taxes. When the *Commission amount* field is filled in, the result of applying the % commission will be added to that amount.
- **Amount of commission**. It is a fixed commission value. It is additional to the commission obtained after the application of the *% commission*.
- **% Minimum profitability**. It is a percentage below which no commission is applied. Its calculation uses the following formula:

- (LinVenta."Unit Price" - LinVenta."Unit Cost (LCY)") / LinVenta."Unit Price" * 100
- // "Unit Price" is the selling price and 'Unir Cost (LCY)' is the cost price of the pro duct.

- **Maximum discount**. Corresponds to the maximum discount % of the sales line that can be applied. The sum of the line discount % plus the commission % may not exceed the % indicated in this fields. If so, the commission would not apply.
- **Start date**. This is the date from which the defined fare is valid. It may be empty.
- **Final date**. This is the date until which the defined rate is valid. It may be empty. If both dates are empty, the tariff is always active.

3. Usage

Once the functionality is configured and commission rates are created, commissions will be generated automatically when you register invoices and sales credits. The only tasks to be performed on a daily basis will be the consultation of commissions and the settlement of commissions accumulated by each seller.

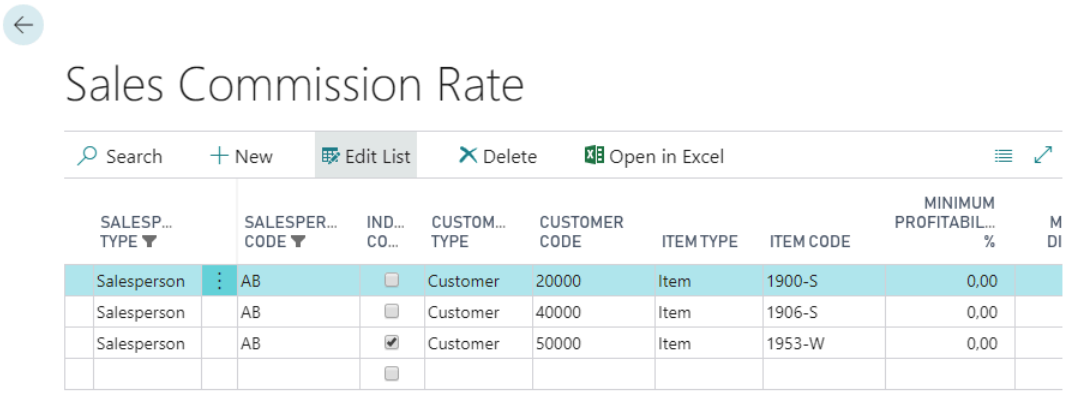
3.1 Commission movements

The recording of an invoice or sales credit memo involves the creation of one or more commission movements. A commission movement associated with the total invoice is always generated.

Let's take for example a sales invoice from the customer 20000 Trey Research The salesman assigned to the customer is "AB" (Antonio Bermejo). The product assigned is

1900-S. The invoice date is 23/10/2019. And the criteria for calculating commission is "Specific value".

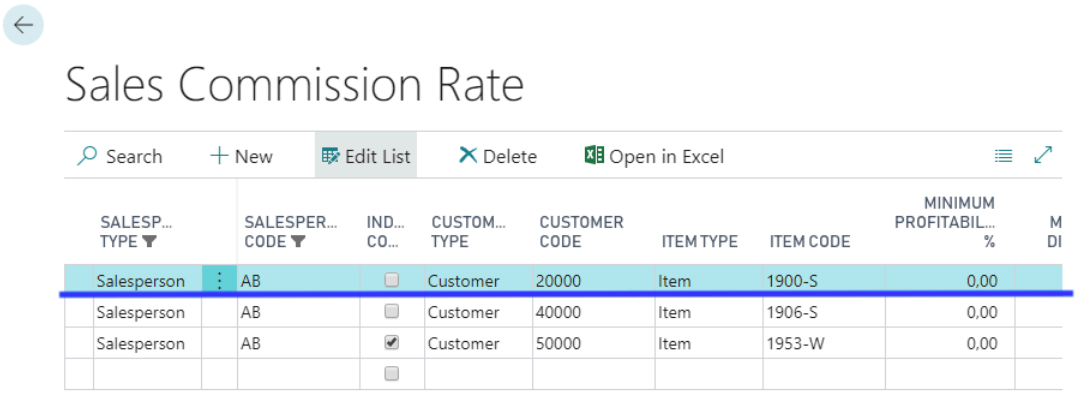
The defined commission rates are:



SALESP... TYPE	SALESPER... CODE	IND... CO...	CUSTOM... TYPE	CUSTOMER CODE	ITEM TYPE	ITEM CODE	MINIMUM PROFITABIL... %	M DI
Salesperson	AB	☐	Customer	20000	Item	1900-S	0,00	
Salesperson	AB	☐	Customer	40000	Item	1906-S	0,00	
Salesperson	AB	☑	Customer	50000	Item	1953-W	0,00	
		☐						

Figure 3.1 Defined commission rates

Taking into account all the variables that are present, the commission rates to be applied would be:



SALESP... TYPE	SALESPER... CODE	IND... CO...	CUSTOM... TYPE	CUSTOMER CODE	ITEM TYPE	ITEM CODE	MINIMUM PROFITABIL... %	M DI
Salesperson	AB	☐	Customer	20000	Item	1900-S	0,00	
Salesperson	AB	☐	Customer	40000	Item	1906-S	0,00	
Salesperson	AB	☑	Customer	50000	Item	1953-W	0,00	
		☐						

Figure 3.2 Details defined commission rates

For product 1953-W there is a tariff for the customer and supplier, therefore for that product is the most specific (as it happens in the 1906-S product). It also can exist a case in which the product has assigned one tariff per seller that applies to all customers (which will be the most restrictive in that case).

NOTE

If there had been one tariff for all customers and the individual seller, and another for all sellers and the individual customer, the priority would have depended on the order selected in the general commission settings.

In addition, in the case of the 1953-W product, the AB vendor has a team leader on his or her seller card (*BD*), and the system will search whether that team leader should

be assigned a commission rate for the sale made (the rate to be applied to the boss must be marked Indirect commission).

As can be seen in the image, there is an "indirect" commission rate, for the team leader AB, for customer 50000 and the product 1953-W.

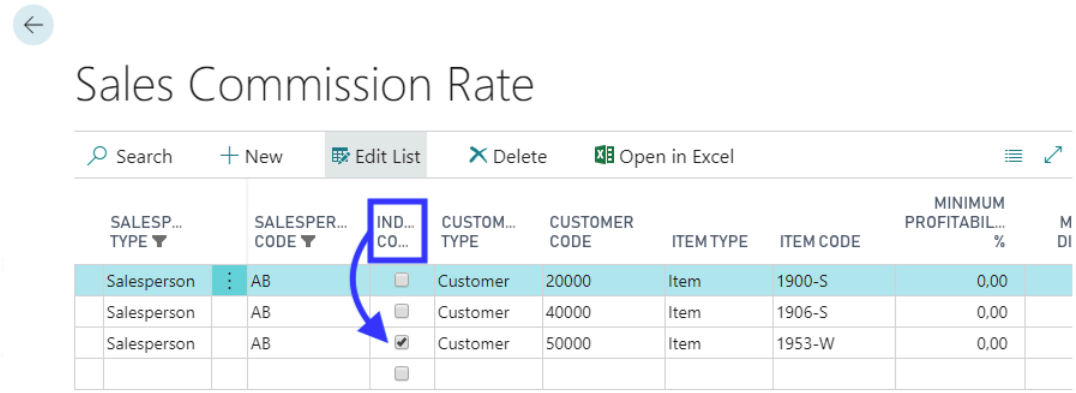


Figure 3.3 Details defined commission rates

The result of applying the *Sales commissions* function is the creation of the commission movements. In this case, a record is generated for each different combination of Document Number + Customer + Seller.

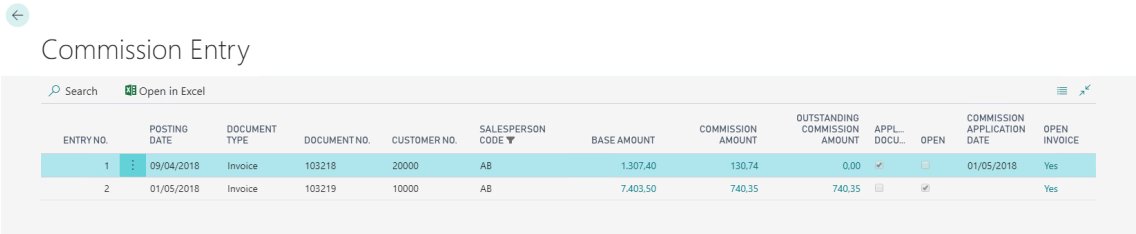


Figure 3.4 Comission mov.

From each commission movement, as many *Commission Movement Detail* movements are generated as there are lines of the product-type order, to which a commission rate has been applied.

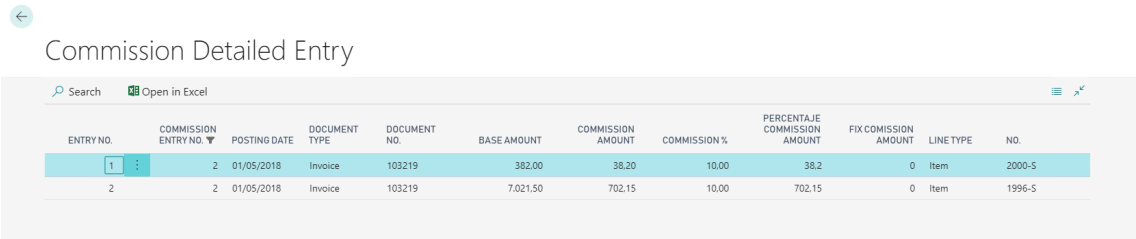


Figure 3.5 Comission mov. detail

You can view the generated commission movements for a particular salesperson from the Salespeople lists (see next section), or by using the Navigate action, available within the lists of posted shipments and sales invoices.

3.2. View commissions per seller

From the list of sellers, or from the seller's card, we have access to the commission reports, which show us in a summary or detailed way the commission movement of the sellers.

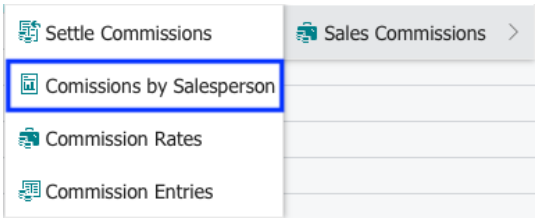


Figure 3.6 Commssions per seller

Filters can be applied to the fields of the seller's tab and commission movements.

For example, we can obtain a report of the commissions pending settlement, applying the "Pending=Yes" filter to the commission movements, and see the detail of amounts per source document by checking the "Show detail" option.

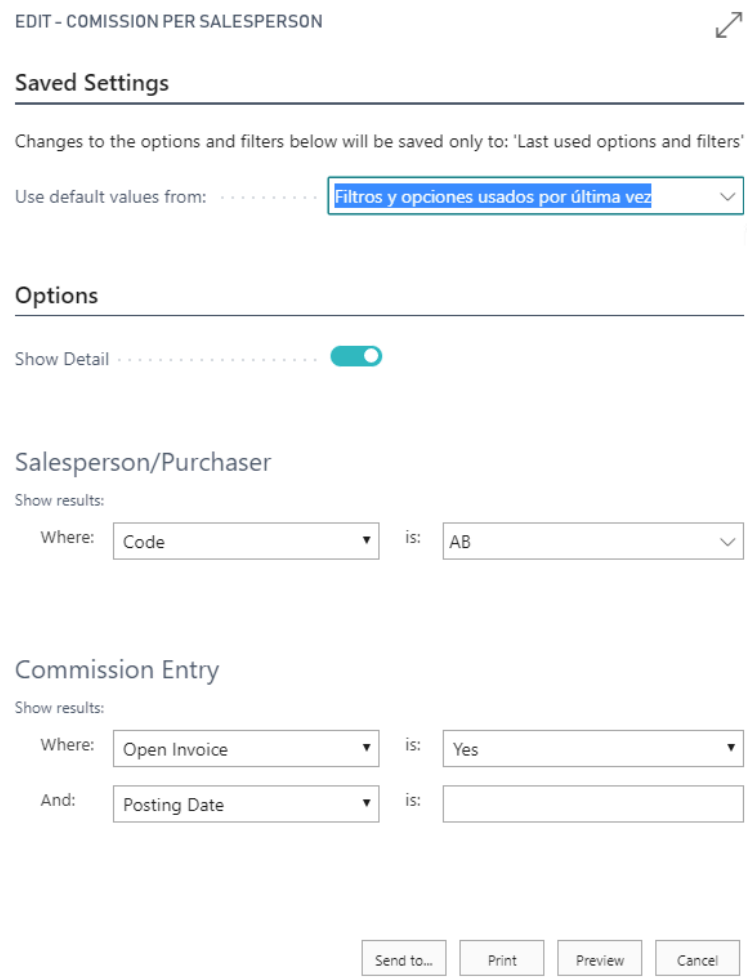


Figure 3.7 Editor commission per seller

The result would be the following::

Commission per Salesperson List
CRONUS ES

10. September 2018
Page 1
MIREIA.FALOMIR

Code: AB
Salesperson Code: AB

Salesperson: AB Antonio Bermejo External Boss: BD

Posting Date	Document Type	Document No.	Customer No.	Name	Base Amount	Commission %	Commission Amount	Applyed Amount	Outstanding to Apply
10/09/18	Invoice	103222	40000	Alpine Ski House	10,00	2,00	0,20	0,00	0,20
10/09/18	Invoice	103223	40000	Alpine Ski House	20,00	2,00	0,40	0,00	0,40
Salesperson Total: AB Antonio Bermejo					**30,00**		**0,60**	**0,00**	**0,60**
Total:					**30,00**		**0,60**	**0,00**	**0,60**

Figure 3.8 Result

If we uncheck the "Show details" option, only the summary of total amounts appears:

Commission per Salesperson List
CRONUS ES

10. September 2018
Page 1
MIREIA.FALOMIR

Code: AB
Salesperson Code: AB

Salesperson: AB Antonio Bermejo External Boss: BD

Posting Date	Document Type	Document No.	Customer No.	Name	Base Amount	Commission %	Commission Amount	Applyed Amount	Outstanding to Apply
Salesperson Total: AB Antonio Bermejo					30,00		0,60	0,00	0,60
Total:					30,00		0,60	0,00	0,60

Figure 3.9 Show details option

3.3 Settlement commissions

The sales commission workflow ends with the settlement of the commission amount. Depending on whether the seller is External or Internal, the settlement process will be different.

3.3.1 Outside sellers

External sellers must be related to a supplier. To settle their commissions, we will generate a purchase invoice for you partner supplier.

We will open the Purchase Invoice page. Fill in the header data, from the Lines tab, display the Actions menu and select "Bring commissions to settle..."

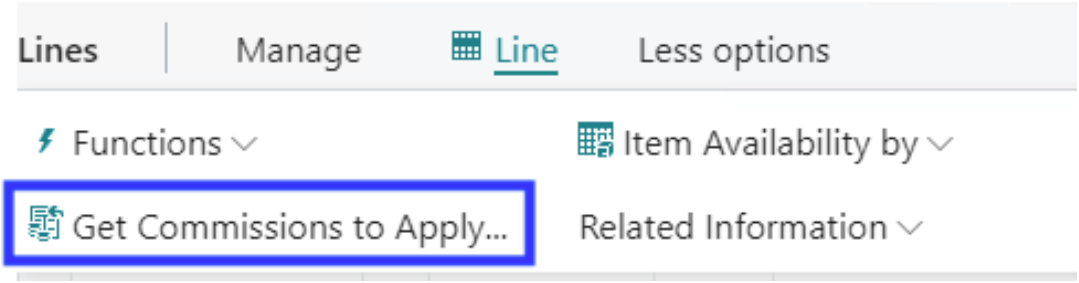


Figure 3.10 Commission to settle option

The page "Invoice - Mov.commission to be settled" will be opened, where all the commission movements of the seller that are pending to be settled will be shown.

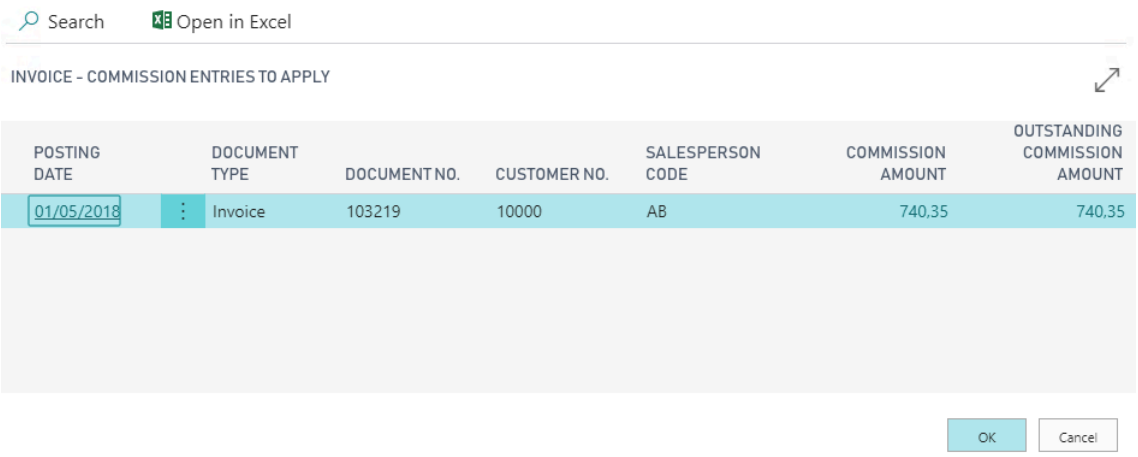


Figure 3.11 Invoice - Mov commission to be settled

Select some or all of the commission movements to be settled and click on the *Accept* button. The selected commission movements are added as purchase invoice lines.

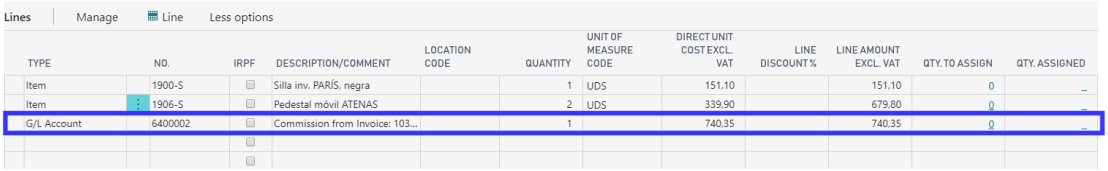


Figure 3.12 Lines

When you enter the invoice, commission movements are marked as *Settled documents*.

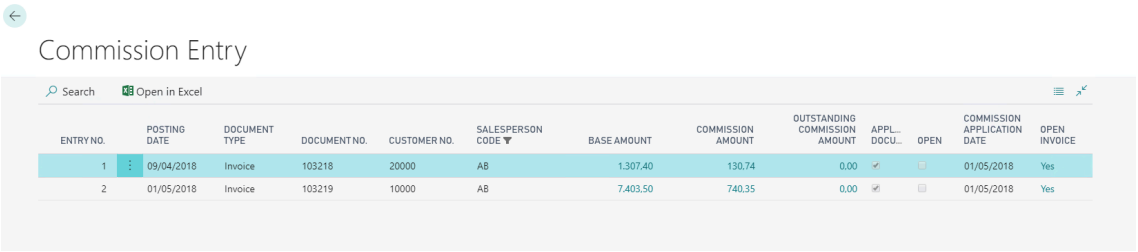


Figure 3.13 Checkbox

3.3.2. Inside sellers

These are salespeople who are part of the template or who are not related to a supplier file.

As the payment of these commissions will usually be managed within the payroll, iDynamics Commissions does not generate any kind of invoice from them.

Through the report of commissions per seller the user can consult the amounts to be settled for each seller and, once they are paid, launch the action of *Settle commissions* from the action bar, in the list of Sellers/Buyers.

Figure 3.14 Salespeople/Purchasers

This action will mark all outstanding commissions as settled.

If you want to settle the commissions of external sellers by a mechanism different from the generation of purchase invoices, this action also allows you to settle the commissions of this type of seller, without the generation of such invoices.