Stinson Solutions'
Commission Calculator
User Guide

Contents

Setting Up QuickBooks to Track Sales by Rep

There are two basic elements Commission Calculator needs to automatically calculate commissions, the Sales Rep that receives the commission on each sale and the amount of the sale. Commission Calculator gets both of these elements from the QuickBooks invoice.

Entering Sales Reps

The Sales Reps can be set up all at once, or they can be added as each invoice is created in QuickBooks. QuickBooks maintains the Sales Reps in the Sales Rep List. This is accessible by selecting "Customer and Vendor Profile Lists" from the "Lists" menu and then selecting "Sales Rep List" (Figure 1-1).

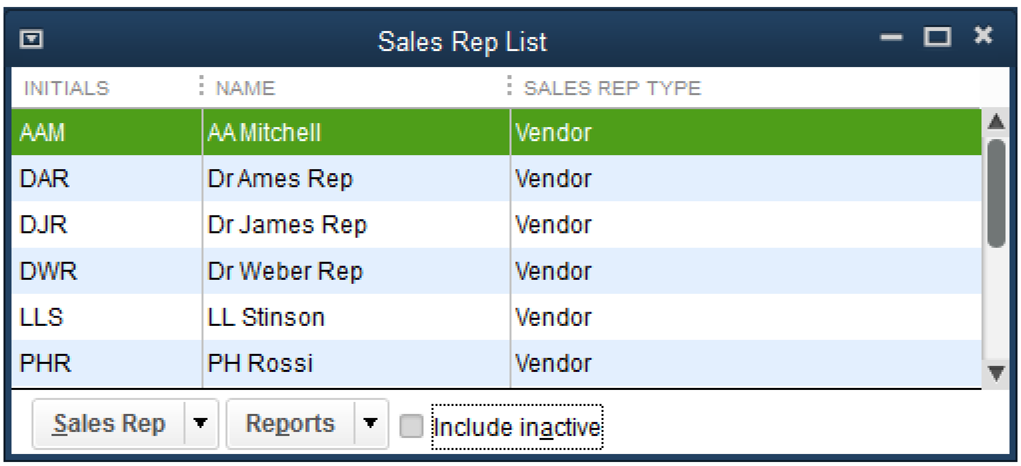


Figure 1-1

Adding the Sales Rep Field to the Invoice Template

To designate which Sales Rep receives Standard commissions on each invoice, you must make sure that the Sales Rep field appears on your invoice template. To check this, select "Create Invoices" from the "Customers" menu in QuickBooks (Figure 1-2).

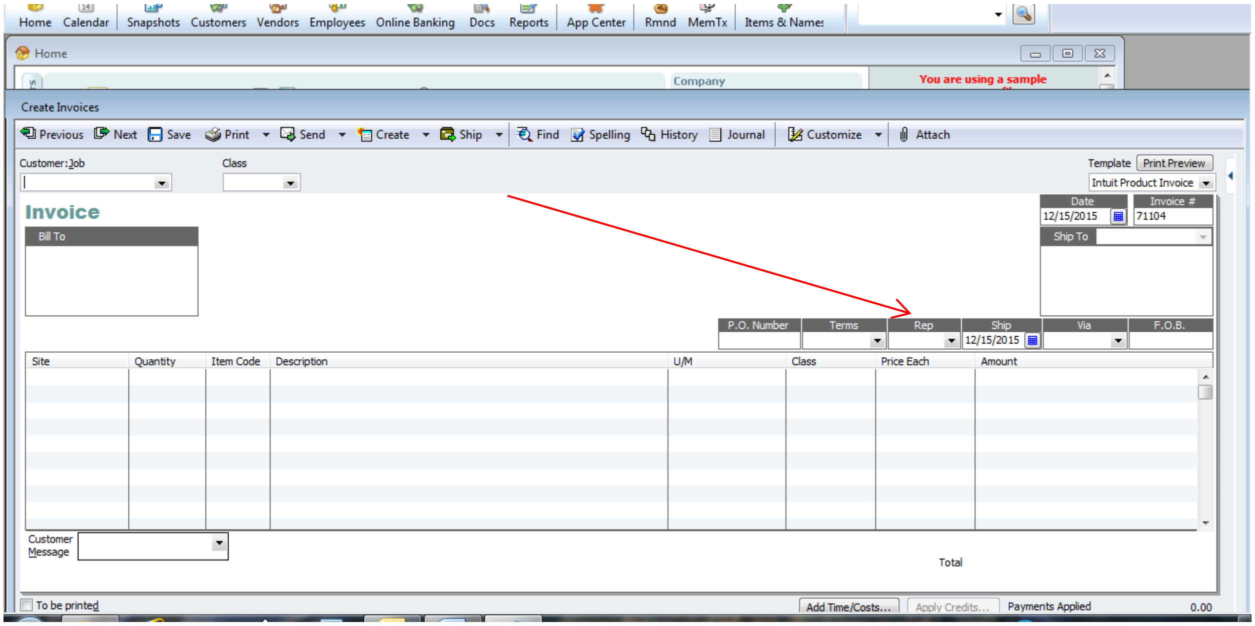


Figure 1-2

As you can see above, the "Rep" field already appears on the invoice template. If your invoice template does not include the Rep field, you add it by editing your invoice template. The invoice template name is shown in the top right of the invoice (Figure 1-3).

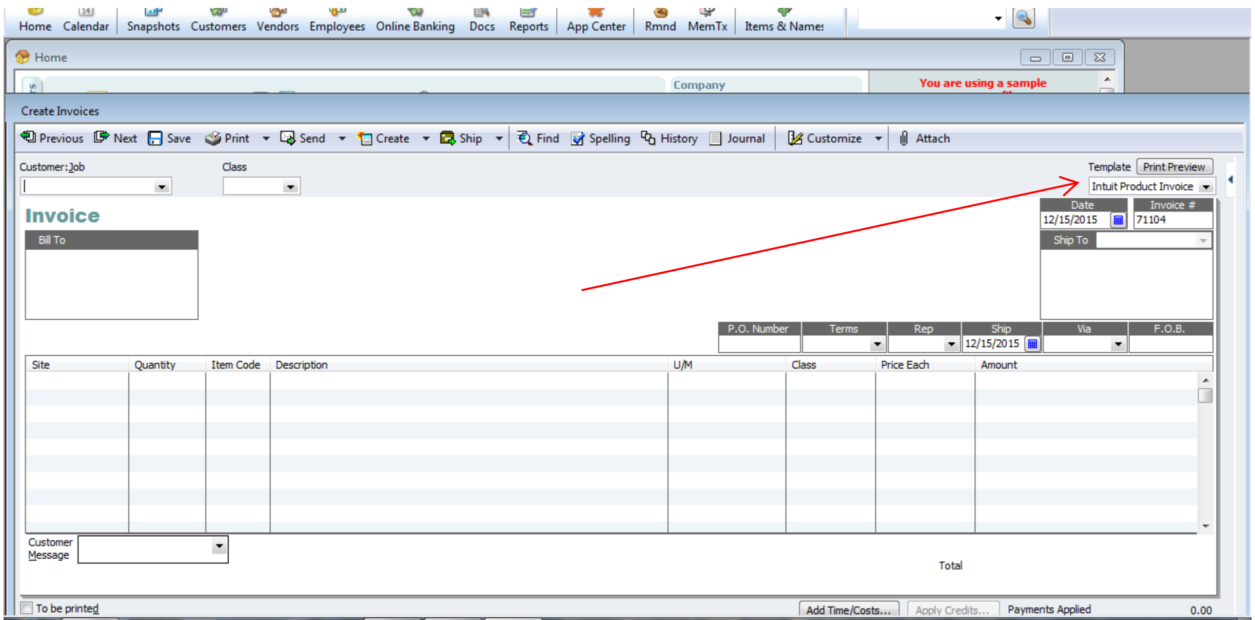


Figure 1-3

In this case, the invoice template name is "Intuit Product Invoice". To edit this template, select "Templates" from the "Lists" menu in QuickBooks, right-click on "Intuit Product Invoice" and then select "Edit Template" (Figure 1-4).

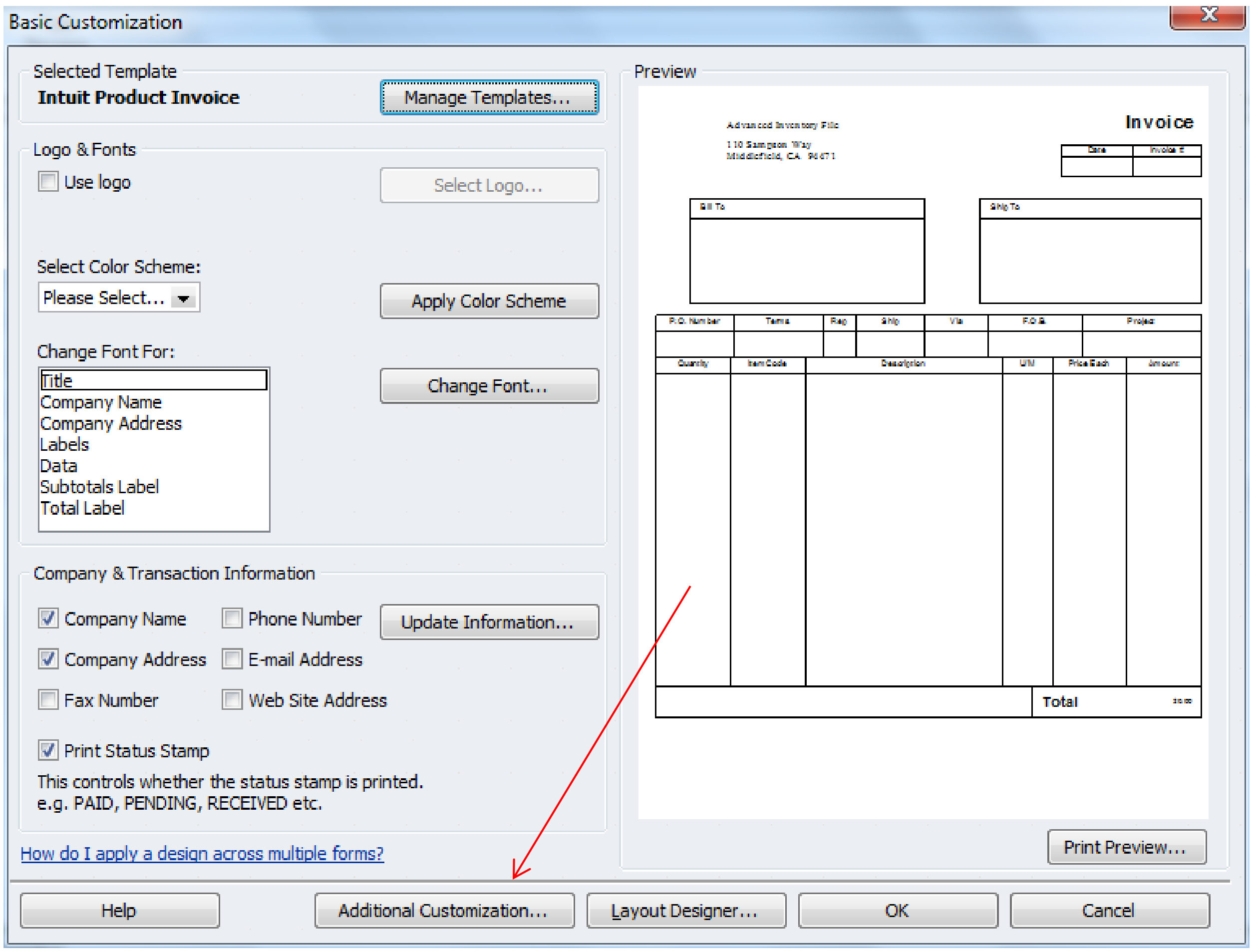


Figure 1-4

Then click on the "Additional Customization" button on the lower left. If you selected one of QuickBooks locked templates (designed to work with their preprinted forms), QuickBooks will make a copy of the template for you to edit and will open the "Additional Customization" form (Figure 1-5).

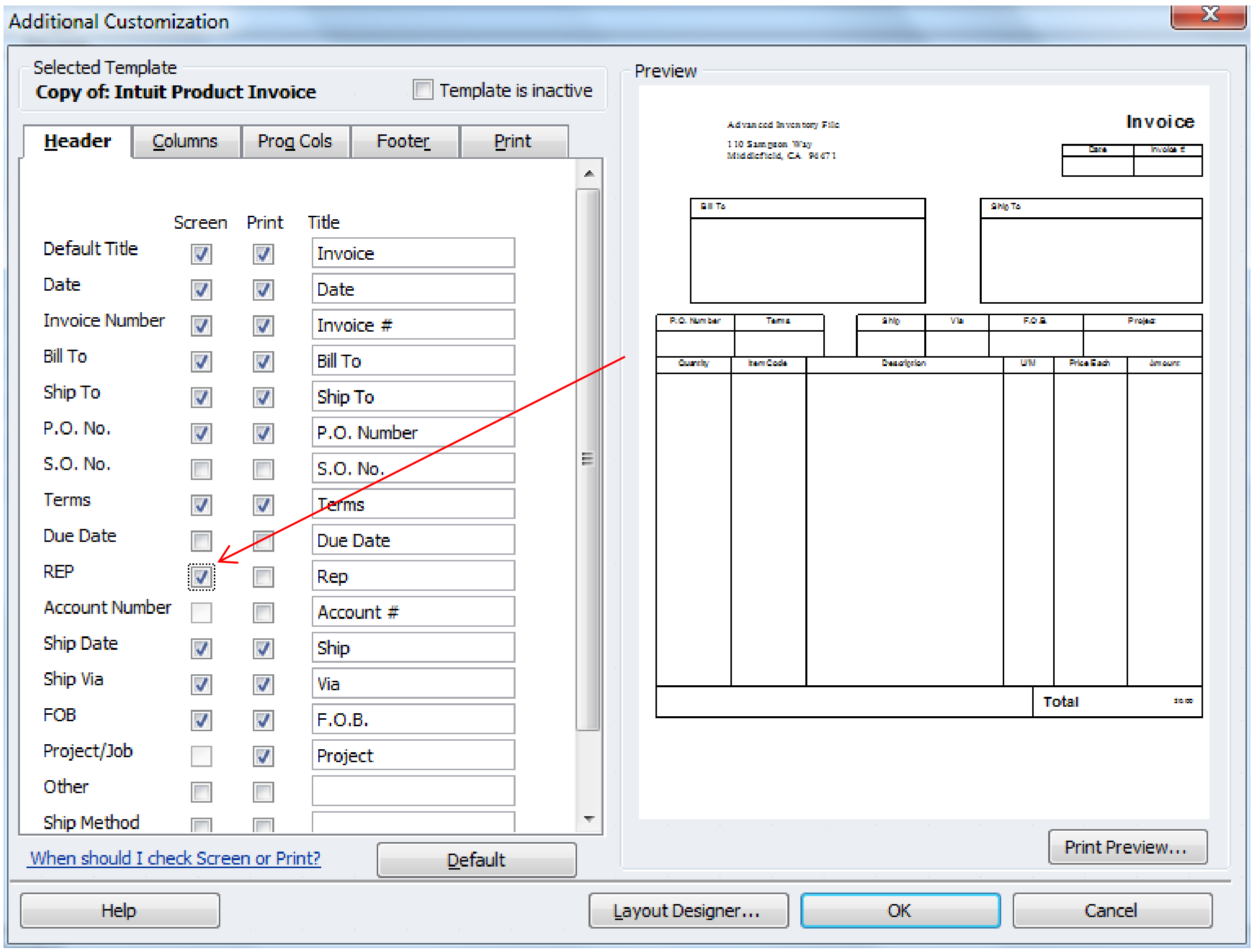


Figure 1-5

Check the "Screen" checkbox next to the "REP" field so that it appears when you are creating invoices in QuickBooks. Then click the "OK" button on both the "Additional Customization" and the "Basic Customization" forms and close the template list. QuickBooks is now ready to work with Commission Calculator.

Setting Up Commission Calculator to Calculate Commissions

Each time you open Commission Calculator, the Main Menu appears presenting all of the options needed to work with your commissions (Figure 2-1).

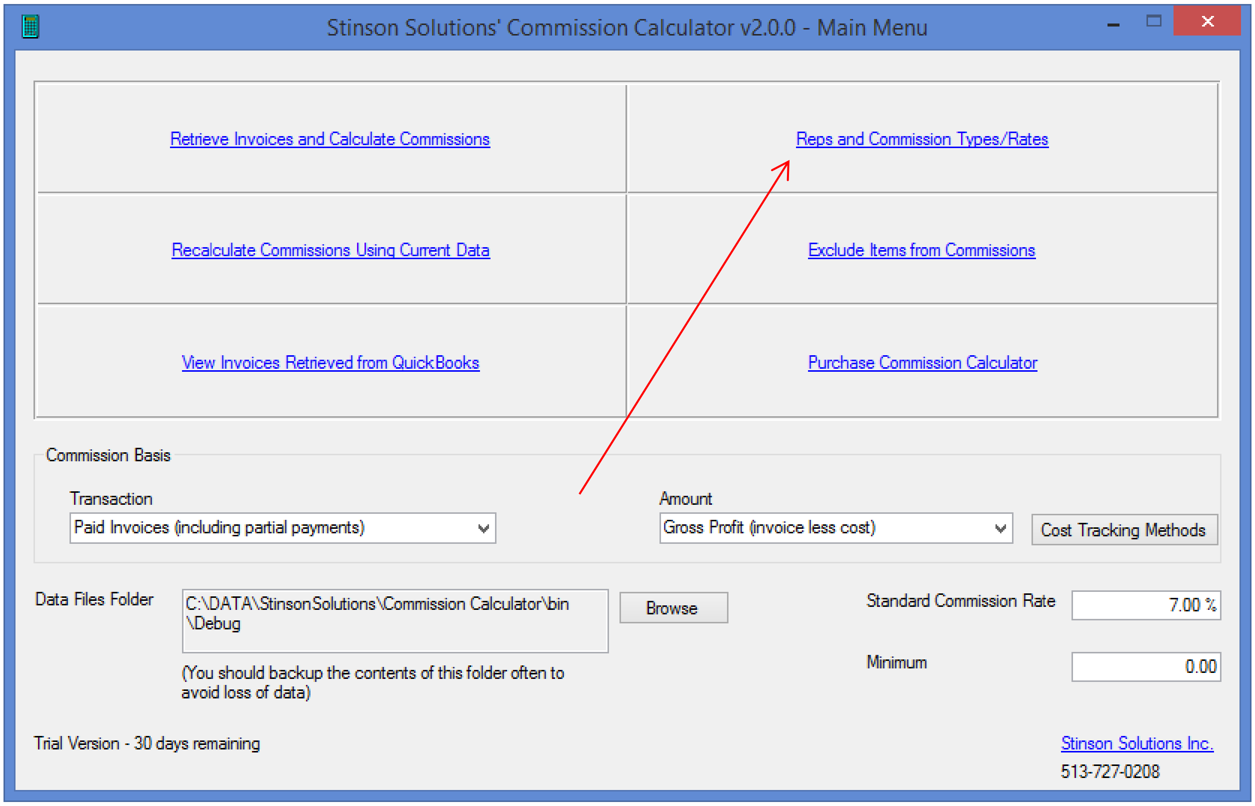


Figure 2-1

Click on the "Reps and Commission Types/Rates" option to automatically retrieve your sales reps from QuickBooks. The "Reps and Commission Types/Rates" form opens (Figure 2-2).

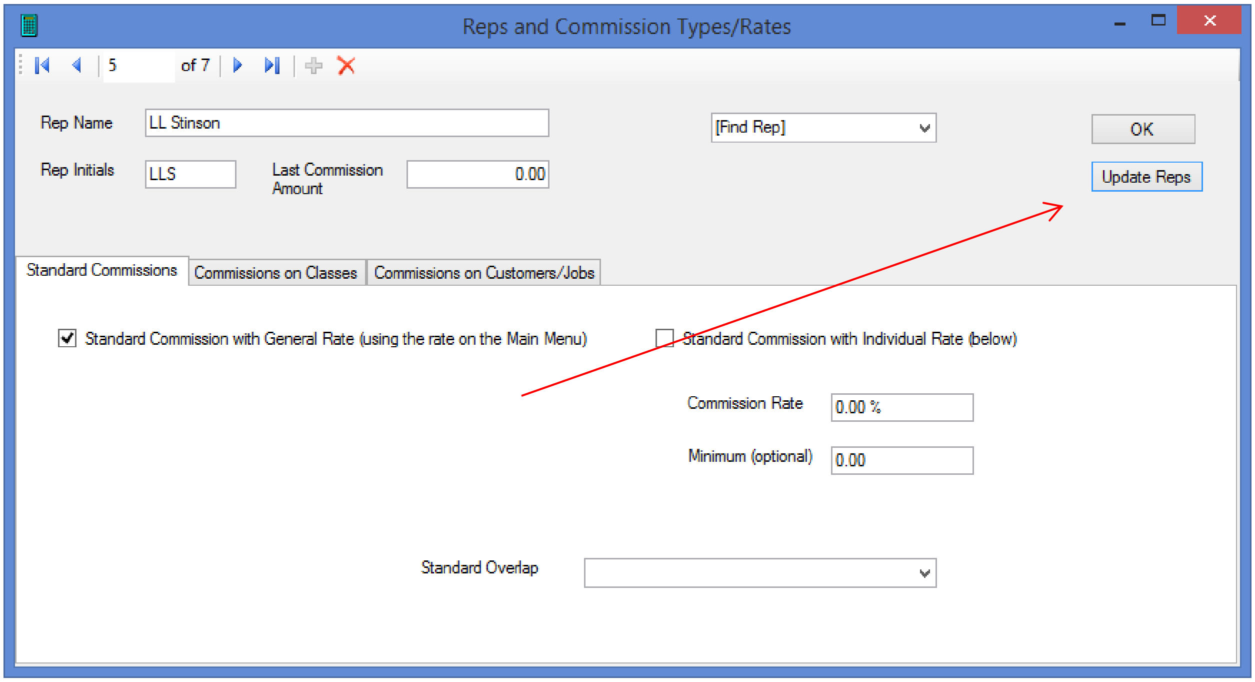


Figure 2-2

Since this is the first time Commission Calculator will be accessing your QuickBooks company file, it is important that you log into QuickBooks as Admin and (if necessary) switch to single user mode. Once you've done that, click the "Update Rep(s)" button to retrieve the sales reps from QuickBooks.

Commission Calculator will display a reminder to make sure you have logged in as Admin and are in single user mode (Figure 2-3).

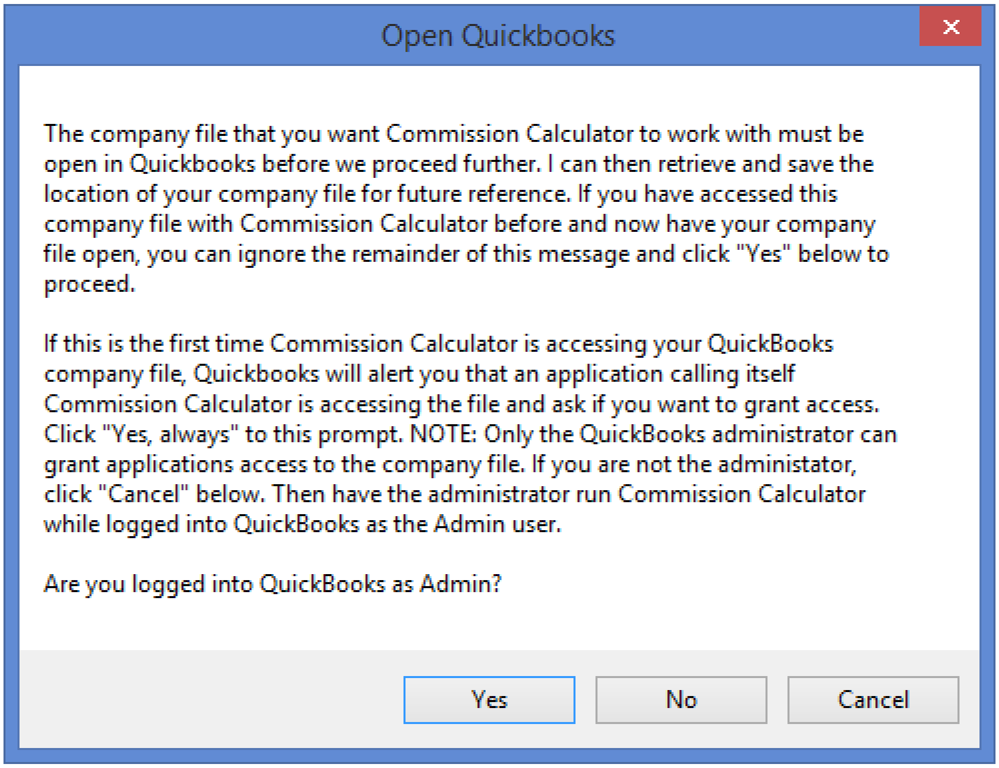


Figure 2-3

Click "Yes" to continue with the retrieval. QuickBooks will then alert you that Commission Calculator is trying to access your company file and ask if you want to grant permission (Figure 2-4).

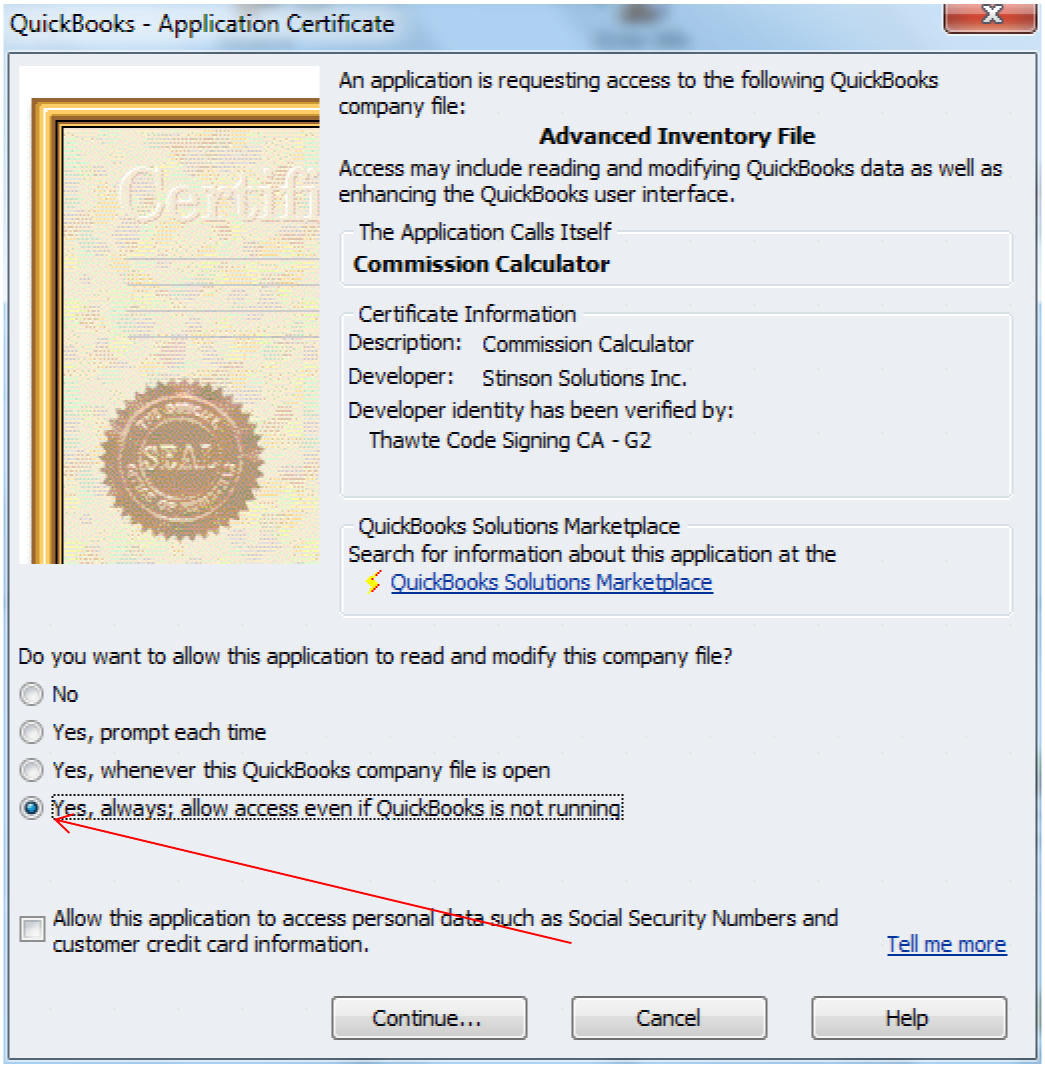


Figure 2-4

Select "Yes, always, allow access even if QuickBooks is not running" (and if you have multiple users, allow Commission Calculator to log in as Admin) and then click "Continue". QuickBooks will then display a confirmation (Figure 2-5).

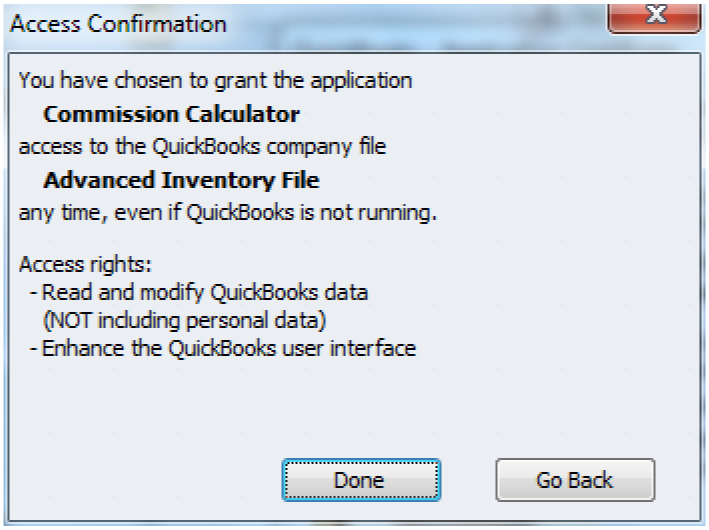


Figure 2-5

Click "Done" and Commission Calculator will finish retrieving your sales reps (Figure 2-6).

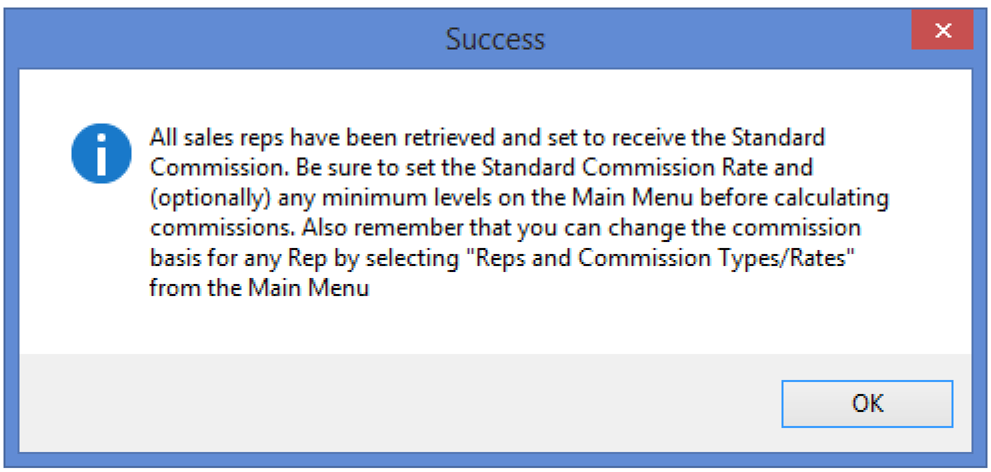


Figure 2-6

Click "OK" to the successful retrieval notice and your sales reps will be displayed on the "Reps and Commission Types/Rates" form (Figure 2-7).

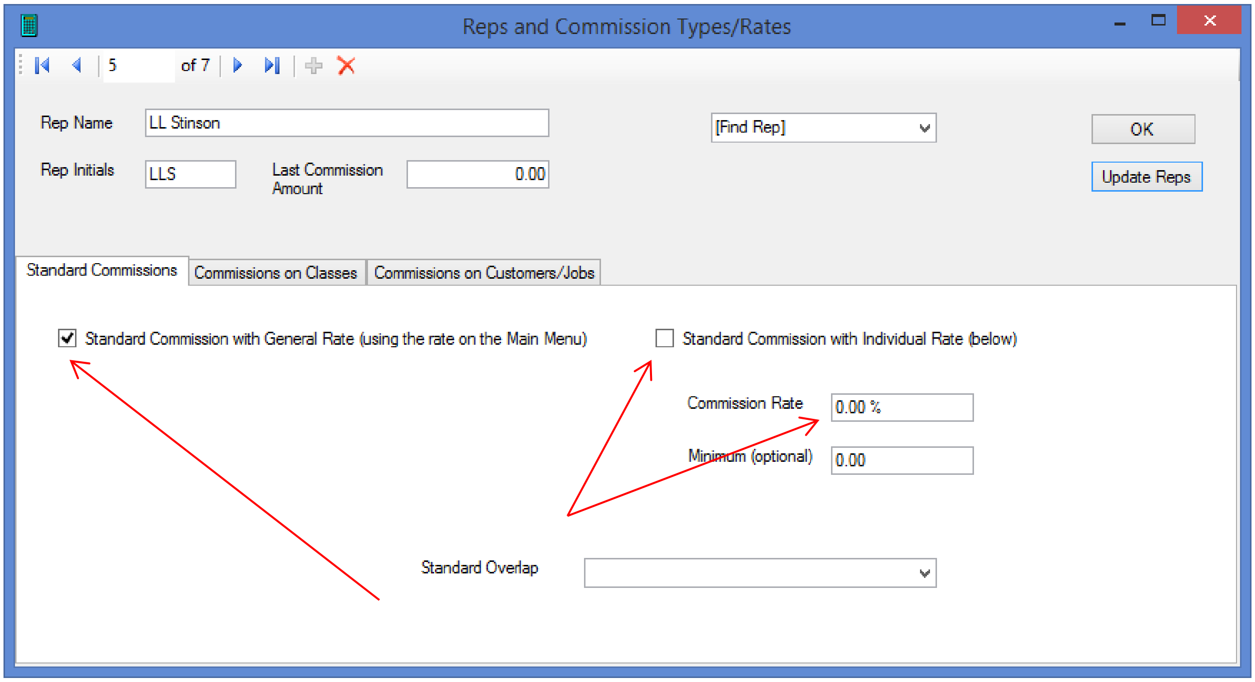


Figure 2-7

Setting Commission Types and Rates

Note that all reps have been assigned the "Standard Commission with General Rate" commission type by default. If you want to assign a different standard commission rate to one or more of your sales reps, check the "Standard Commission with Individual Rate" checkbox on the right side of the form and enter each individual's rate in the "Commission Rate" field directly underneath.

You can use the VCR type controls at the top left of the form to move from one sales rep to another or you can use the "Find Rep" dropdown (top right) to quickly move to a specific sales rep (Figure 2-8).

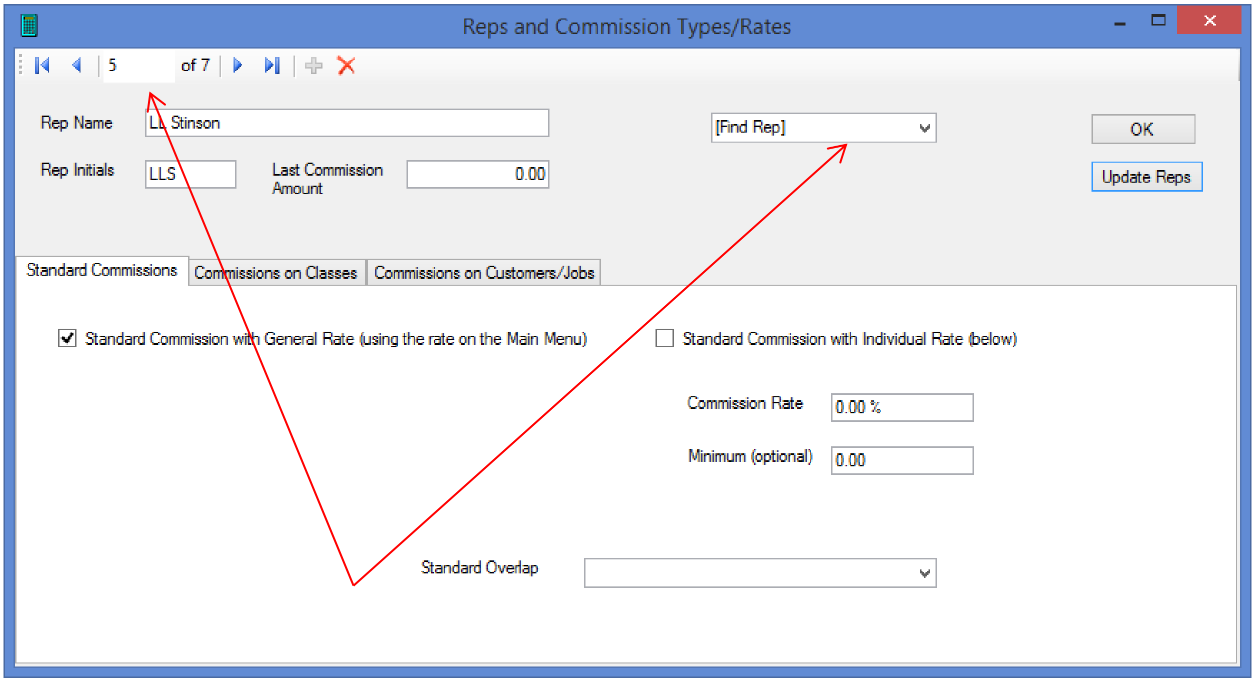


Figure 2-8

Sales reps assigned to the Standard Commission type (with either General or Individual Rate) receive commissions on all invoices where their initials appear in the "Rep" field in QuickBooks. The Standard Commission with General Rate allows you to assign the same commission rate to multiple sales reps by entering only one rate on the Main Menu (Figure 2-9).

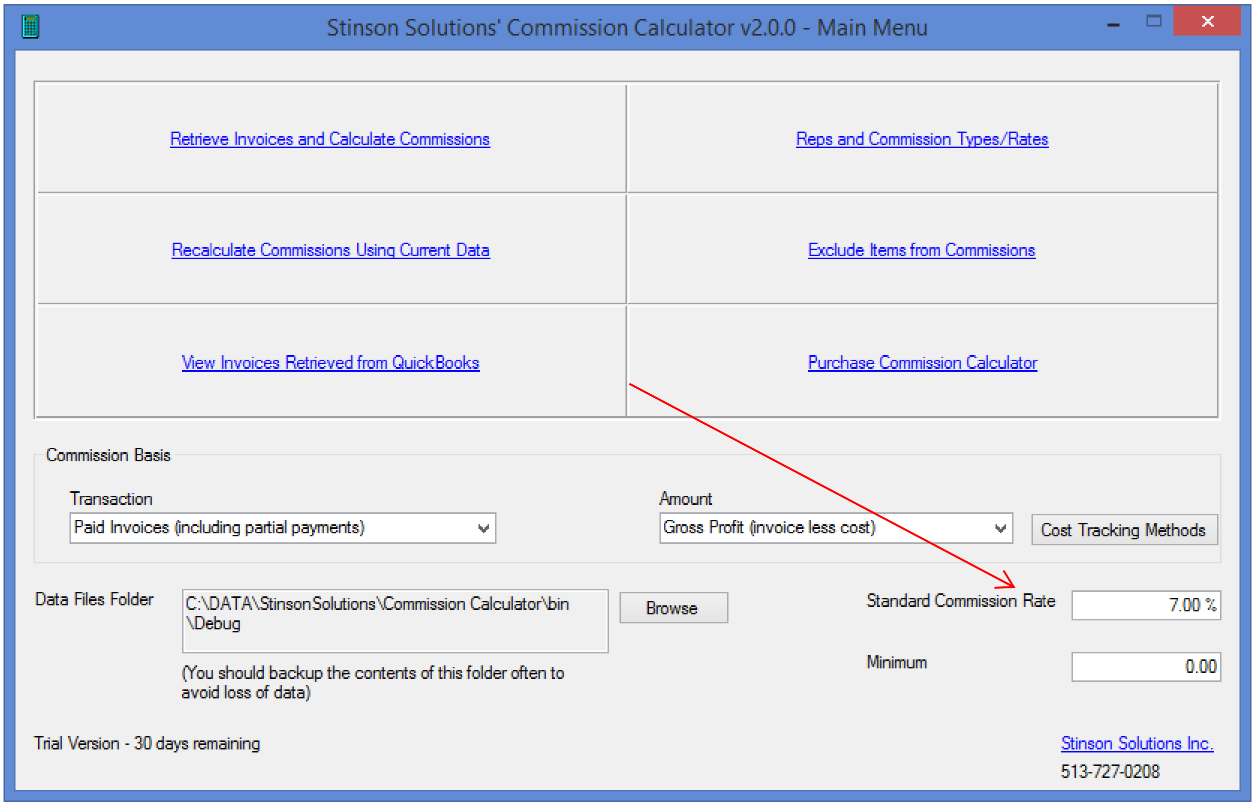


Figure 2-9

Setting Commission Basis

In addition to the "Standard Commission Rate", you will also notice two important dropdown lists in the "Commission Basis" section of the Main Menu, "Transaction" and "Amount". (Figure 2-10).

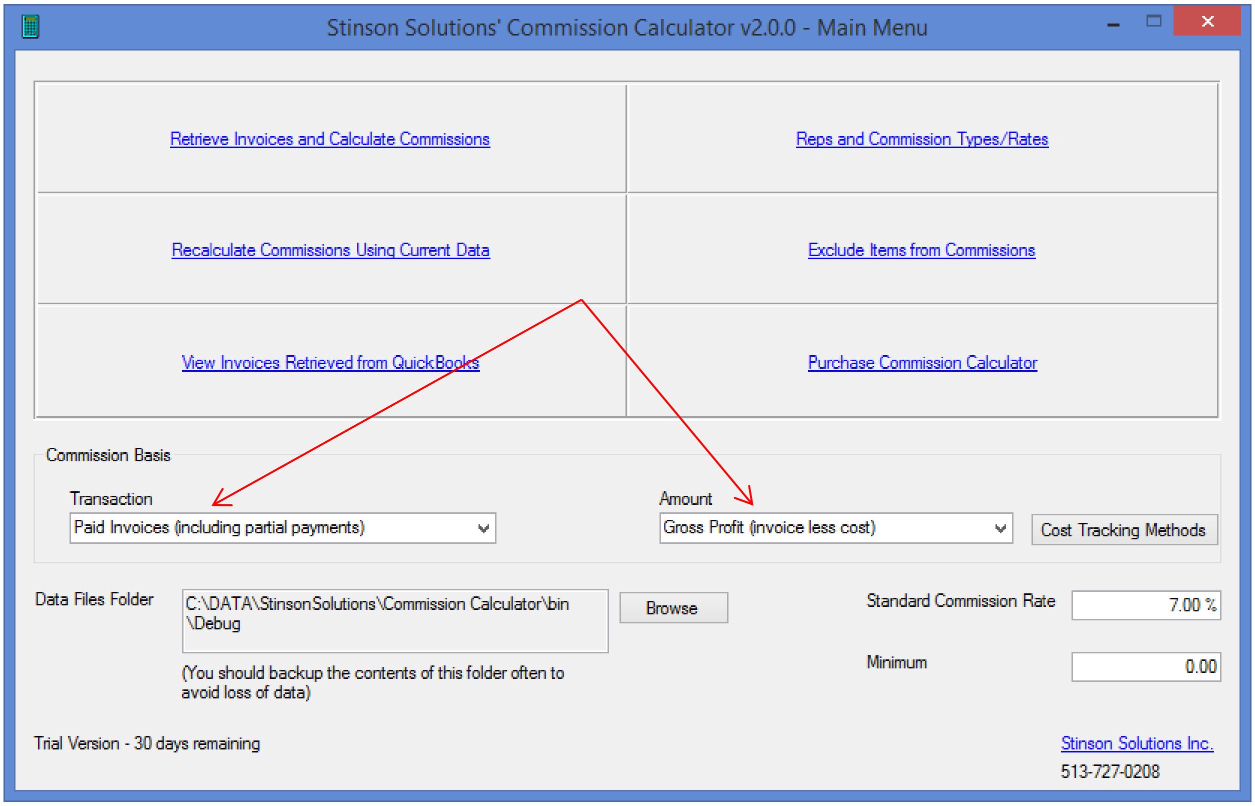


Figure 2-10

With the "Transaction" dropdown, you can choose to calculate commissions on (1) invoices issued, (2) invoices paid (including partial payments), (3) invoices paid in full or (4) open invoices with an unpaid balance. Using the "Amount" dropdown, you can calculate commissions on (1) the invoice amount or (2) the gross profit (invoiced amount less cost) amount.

Tracking Costs in QuickBooks (for gross profit calculations)

QuickBooks automatically maintains a Cost of Goods Sold database for all Inventory Items using average cost. Commission Calculator uses this database to retrieve the cost of all Inventory Items sold. Unfortunately, QuickBooks does NOT track any costs for non-inventory items (the term non-inventory items here meaning all item types other than Inventory Items, including Non-inventory Items, Service Items, Other Charge Items, etc.).

So when you sell non-inventory items, you must tell Commission Calculator where to find their cost in QuickBooks. There are two methods available with Commission Calculator, (1) cross-referencing the bills on which the item was purchased to the invoice on which the item was sold or (2) job profitability. To choose your preferred method, click the "Cost Tracking Methods" button on the Main Menu (Figure 2-11). NOTE: This button appears only when "Gross Profit (invoice less cost)" is selected in the "Amount" dropdown.

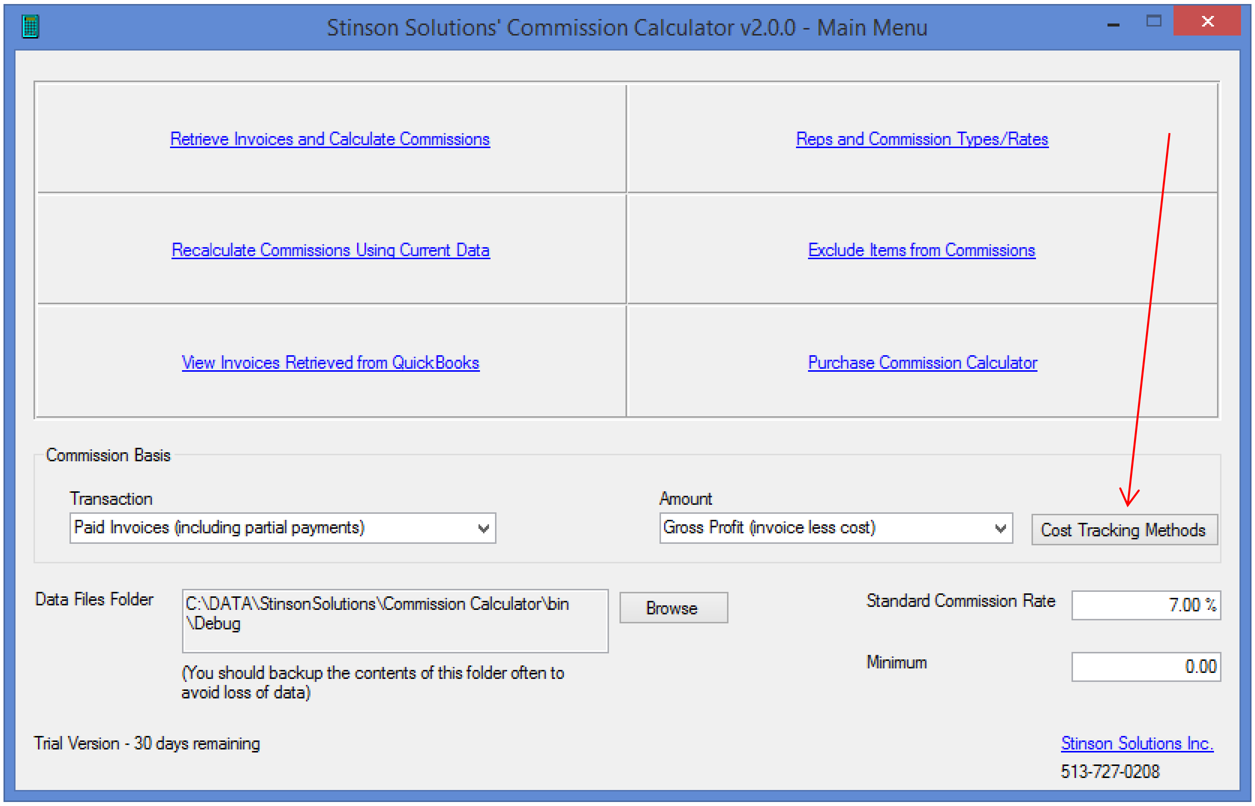


Figure 2-11

This calls up the following form (Figure 2-12).

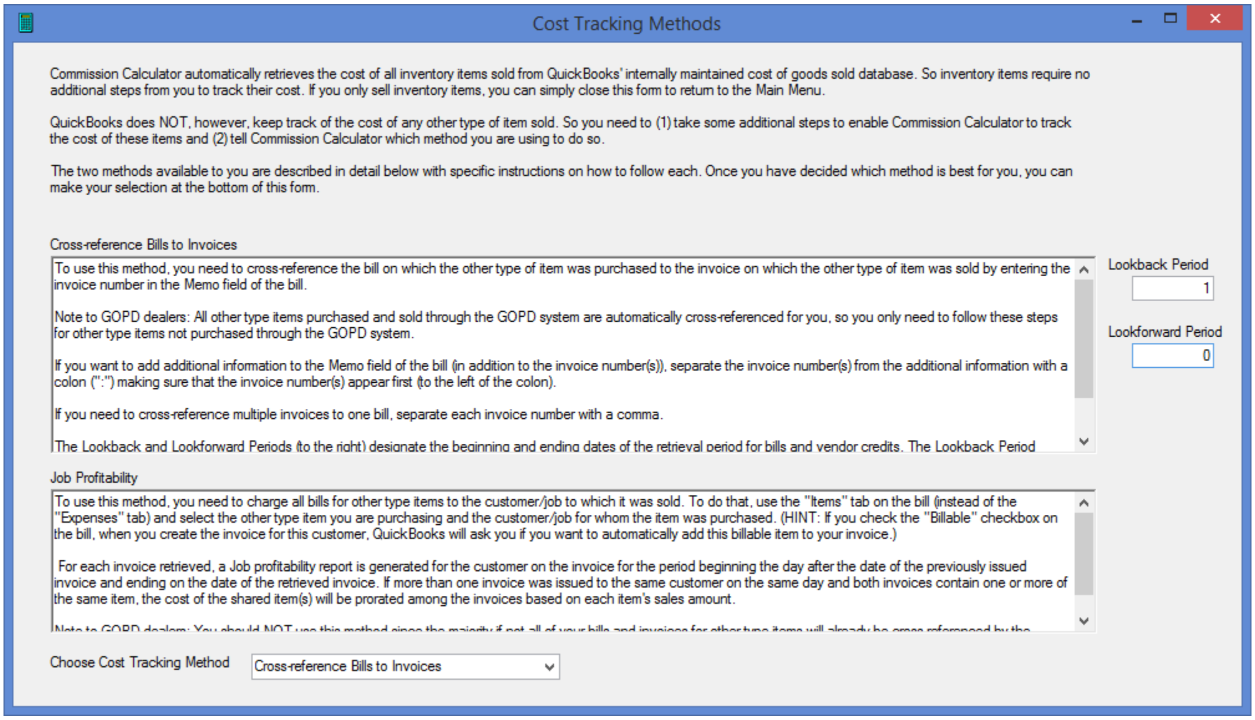


Figure 2-12

As the form explains, using the "Cross-reference Bills to Invoices" method involves entering the invoice number on which each non-inventory item was sold to the corresponding bill on which that item was purchased by entering the invoice number in the Memo field of the bill in QuickBooks. You can still use the Memo field of the bill for other information by entering the cross-referenced invoice number first followed by a colon (":") and then the other information. And you can cross-reference multiple invoices to one bill by entering each invoice number separated by a comma (",").

Since there is no direct link in QuickBooks between invoices and bills, you use the "Lookback Period" and "Lookforward Period" to tell Commission Calculator what period of time to retrieve the cross-referenced bills (Figure 2-13).

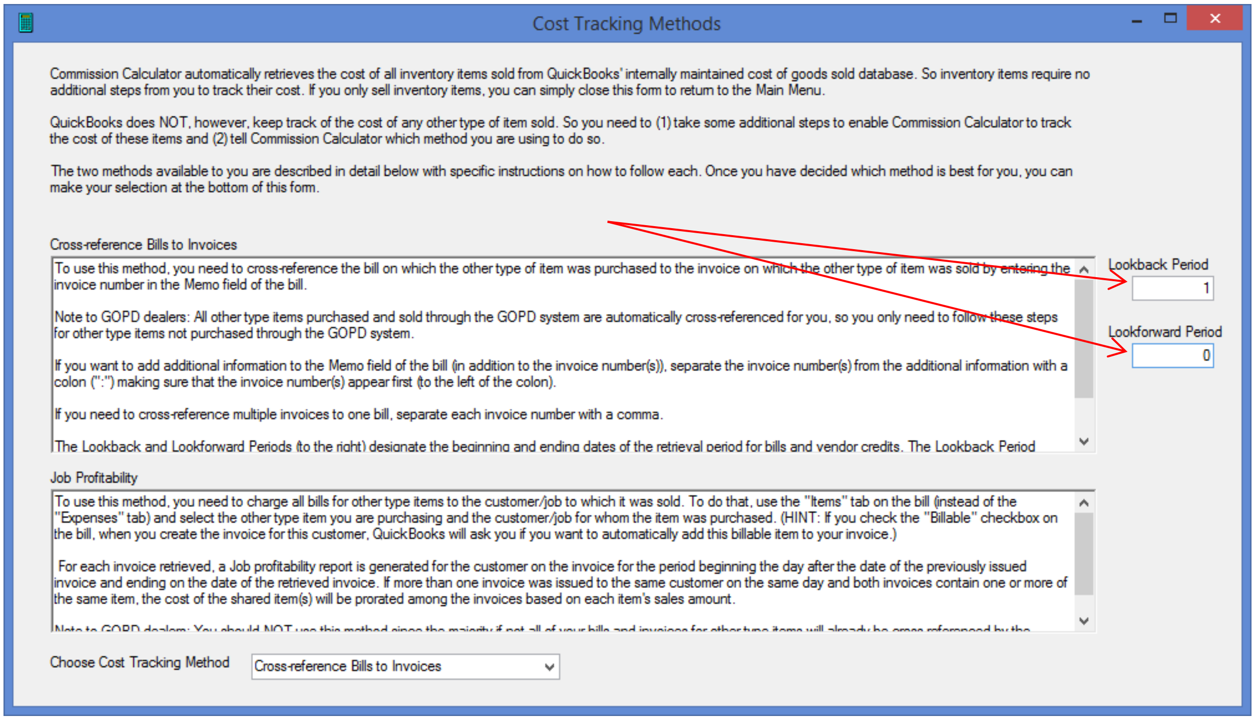


Figure 2-13

Typically, you would purchase the non-inventory item first and then invoice it shortly thereafter. So by default, Commission Calculator retrieves the bills for the period beginning one month prior to the date of the oldest invoice retrieved (the Lookback Period) and ending zero months after the end of the calculation period (the Lookforward Period). But if you find that your cross-referenced bills fall outside either of these periods, you can change them.

The retrieval of vendor credits (for returned merchandise or price adjustments) uses the same Lookback Period, but the Lookforward Period is always extended forward one month.

To use the "Job Profitability" method, you charge all bills with non-inventory items to the customer/job on which they were sold using the "Items" tab and the "Customer/Job" column on the line items of the bill in QuickBooks. On each commission calculation, Commission Calculator generates a Job Profitability report for each customer/job invoiced during the period and retrieves the cost of non-inventory items from that report.

Once you have determined the best method for you, make your selection from the "Choose Cost Tracking Method" dropdown at the bottom of the form (Figure 2-14).

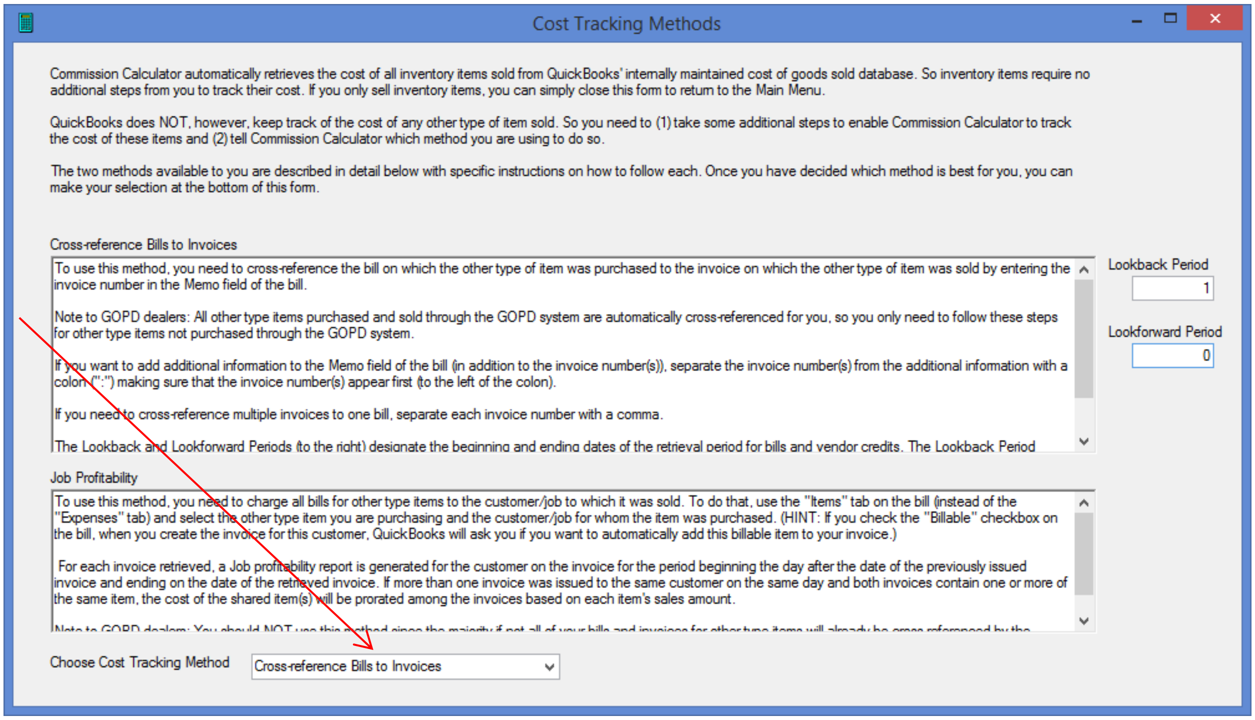


Figure 2-14

Exclude Item(s) from Commissions

You can easily exclude certain items from your commission calculations by selecting the "Exclude Items from Commissions" option on the Main Menu (Figure 2-15).

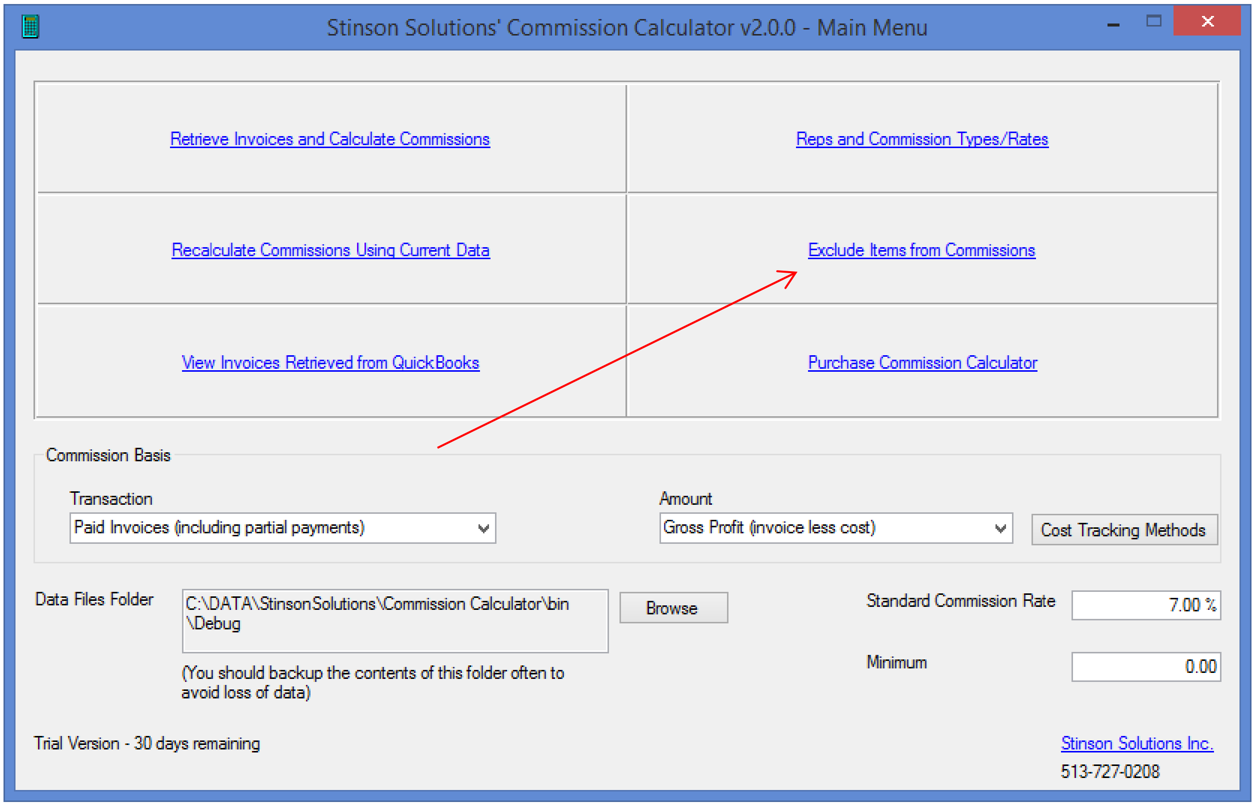
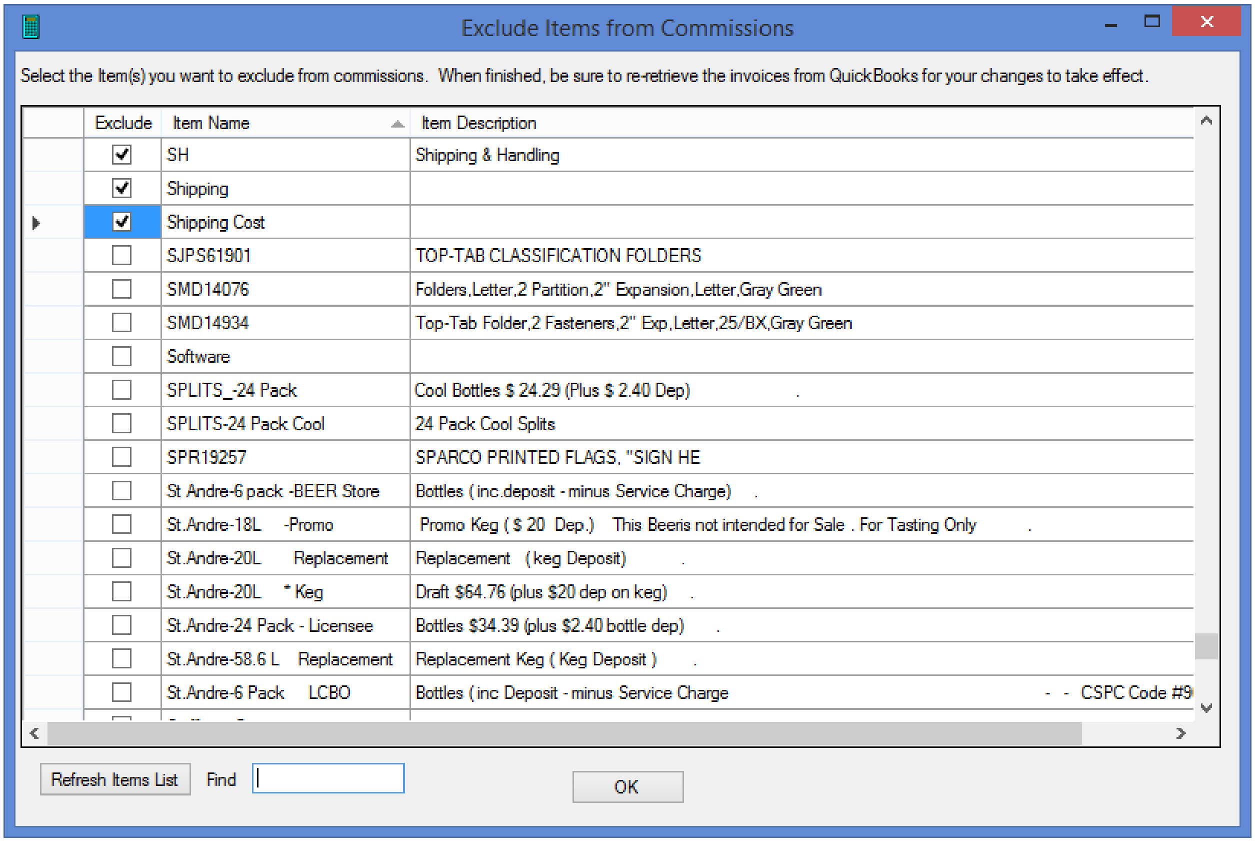


Figure 2-15

Commission Calculator automatically retrieves and displays your Items List from QuickBooks so you can select the Item(s) you want to exclude (Figure 2-16).



Exclude	Item Name	Item Description
☑	SH	Shipping & Handling
☑	Shipping	
☑	Shipping Cost	
☐	SJPS61901	TOP-TAB CLASSIFICATION FOLDERS
☐	SMD14076	Folders,Letter,2 Partition,2" Expansion,Letter,Gray Green
☐	SMD14934	Top-Tab Folder,2 Fasteners,2" Exp,Letter,25/BX,Gray Green
☐	Software	
☐	SPLITS_-24 Pack	Cool Bottles $ 24.29 (Plus $ 2.40 Dep) .
☐	SPLITS-24 Pack Cool	24 Pack Cool Splits
☐	SPR19257	SPARCO PRINTED FLAGS, "SIGN HE
☐	St Andre-6 pack -BEER Store	Bottles (inc.deposit - minus Service Charge) .
☐	St.Andre-18L -Promo	Promo Keg ($ 20 Dep.) This Beeris not intended for Sale . For Tasting Only .
☐	St.Andre-20L Replacement	Replacement (keg Deposit) .
☐	St.Andre-20L * Keg	Draft $64.76 (plus $20 dep on keg) .
☐	St.Andre-24 Pack - Licensee	Bottles $34.39 (plus $2.40 bottle dep) .
☐	St.Andre-58.6 L Replacement	Replacement Keg (Keg Deposit) .
☐	St.Andre-6 Pack LCBO	Bottles (inc Deposit - minus Service Charge - - CSPC Code #9

Figure 2-16

In this case, we've selected three shipping items to be excluded. Now when we retrieve invoices and calculate commissions, these three items on the invoices retrieved will be excluded from commissions.

Setting Minimum Levels for Commission Calculations

If you have certain sales, payments or gross profit that must be attained before commissions are calculated, you specify the level in the "Minimum" field on the Main Menu (Figure 2-17), or for sales reps assigned a "Standard Commission with Individual Rate", use the "Minimum" field on the "Reps and Commission Types/Rates" form (Figure 2-18).

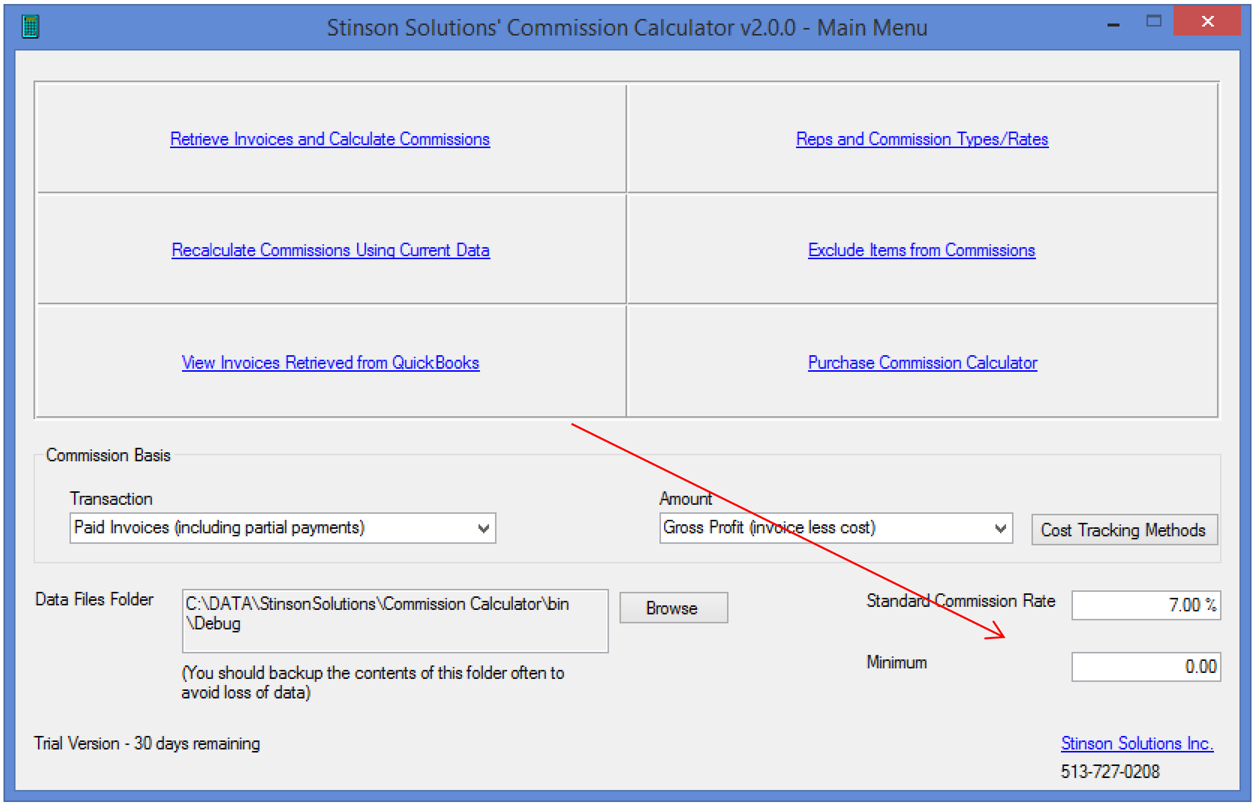

Stinson Solutions' Commission Calculator v2.0.0 - Main Menu
Retrieve Invoices and Calculate Commissions
Reps and Commission Types/Rates
Recalculate Commissions Using Current Data
Exclude Items from Commissions
View Invoices Retrieved from QuickBooks
Purchase Commission Calculator
Commission Basis
Transaction
Paid Invoices (including partial payments)
Amount
Gross Profit (invoice less cost)
Cost Tracking Methods
Data Files Folder
C:\DATA\StinsonSolutions\Commission Calculator\bin \Debug
Browse
(You should backup the contents of this folder often to avoid loss of data)
Standard Commission Rate
7.00 %
Minimum
0.00
Trial Version - 30 days remaining
Stinson Solutions Inc.
513-727-0208

Figure 2-17

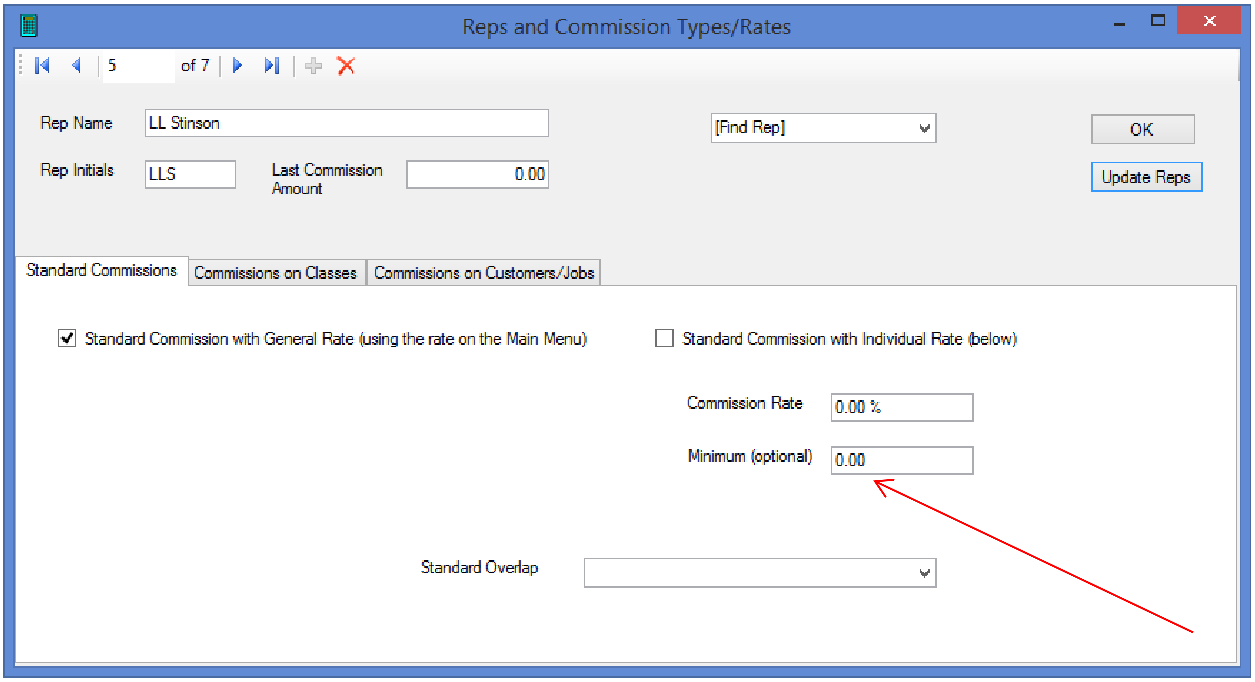


Figure 2-18

For example, suppose you require each sales rep to attain $5,000 of sales each commission calculation period before qualifying for commissions. You would enter 5,000 in the "Minimum" field. Commission Calculator would then accumulate the sales of each sales rep during the calculation period and only start calculating commissions once the minimum was attained.

Calculating Commissions and Generating the Commission Report

Now that all the basic settings in Commission Calculator have been made, we're ready to calculate commissions. To do so, simply click on the "Retrieve Invoices and Calculate Commissions" option (Figure 3-1).

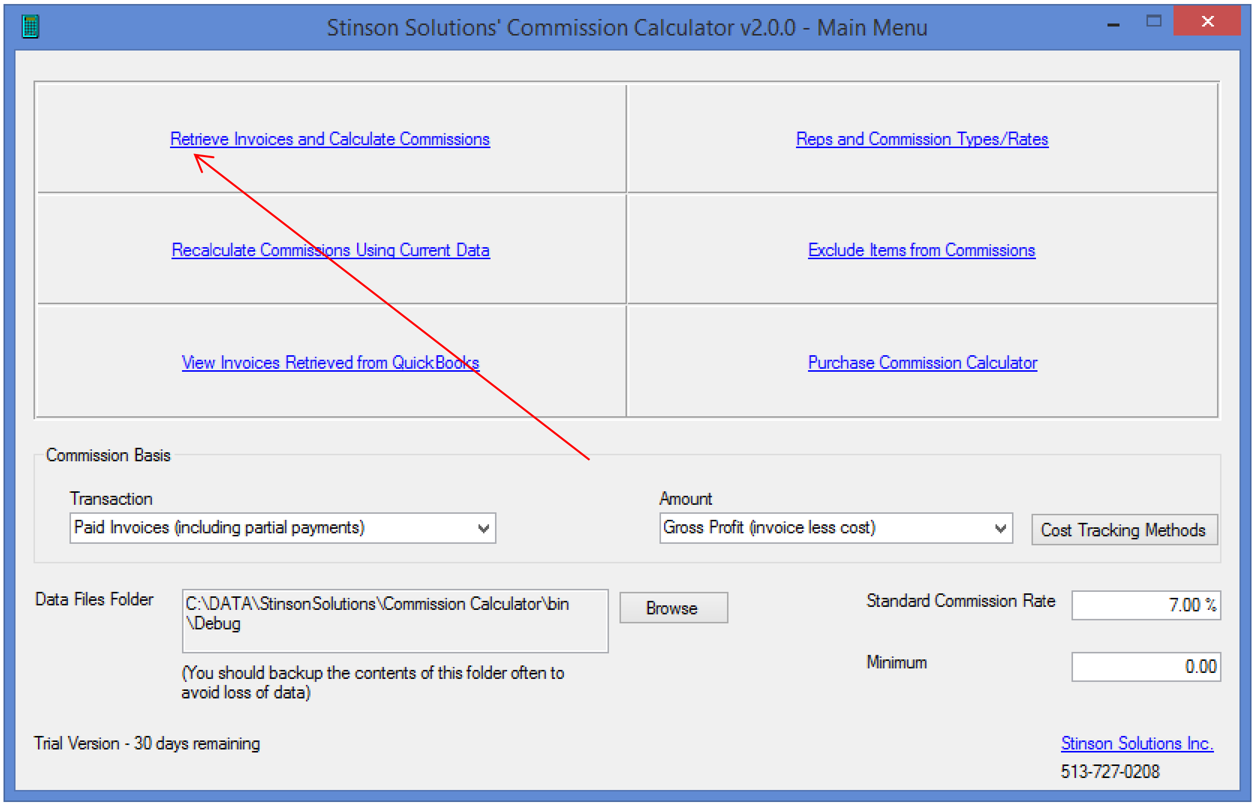


Figure 3-1

Commission Calculator then asks you for the beginning and ending date of the calculation period (Figure 3-2).

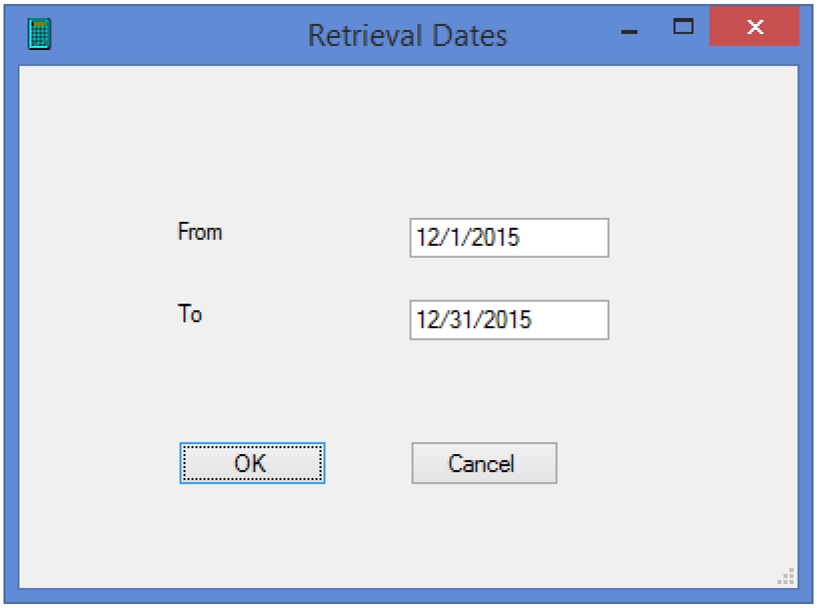


Figure 3-2

After entering the beginning and ending dates of your commission calculation, click "OK". Commission Calculator automatically (1) retrieves all transactions meeting your "Commission Basis" selections and date range specified and (2) generates a detailed commission report by sales rep.

When the report is ready, Commission Calculator allows you to see the report for all sales reps or a select few (Figure 3-3).

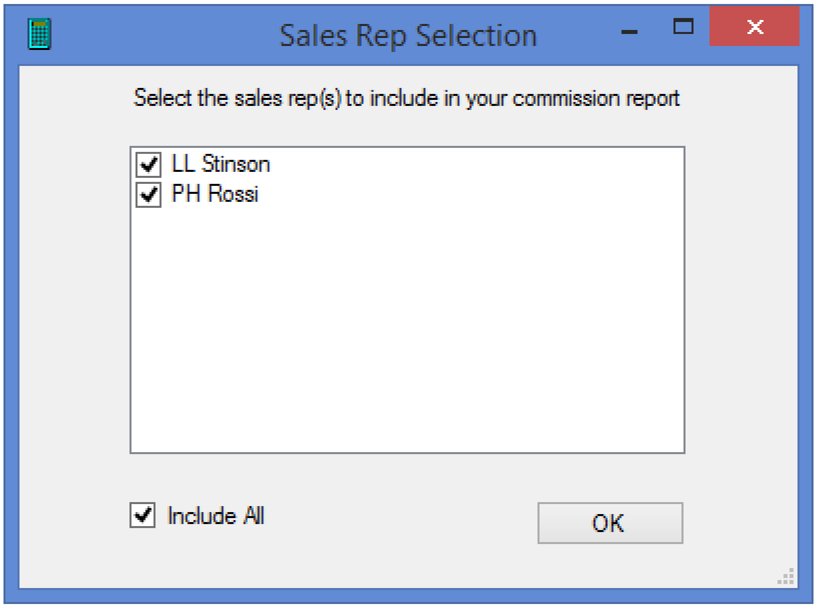
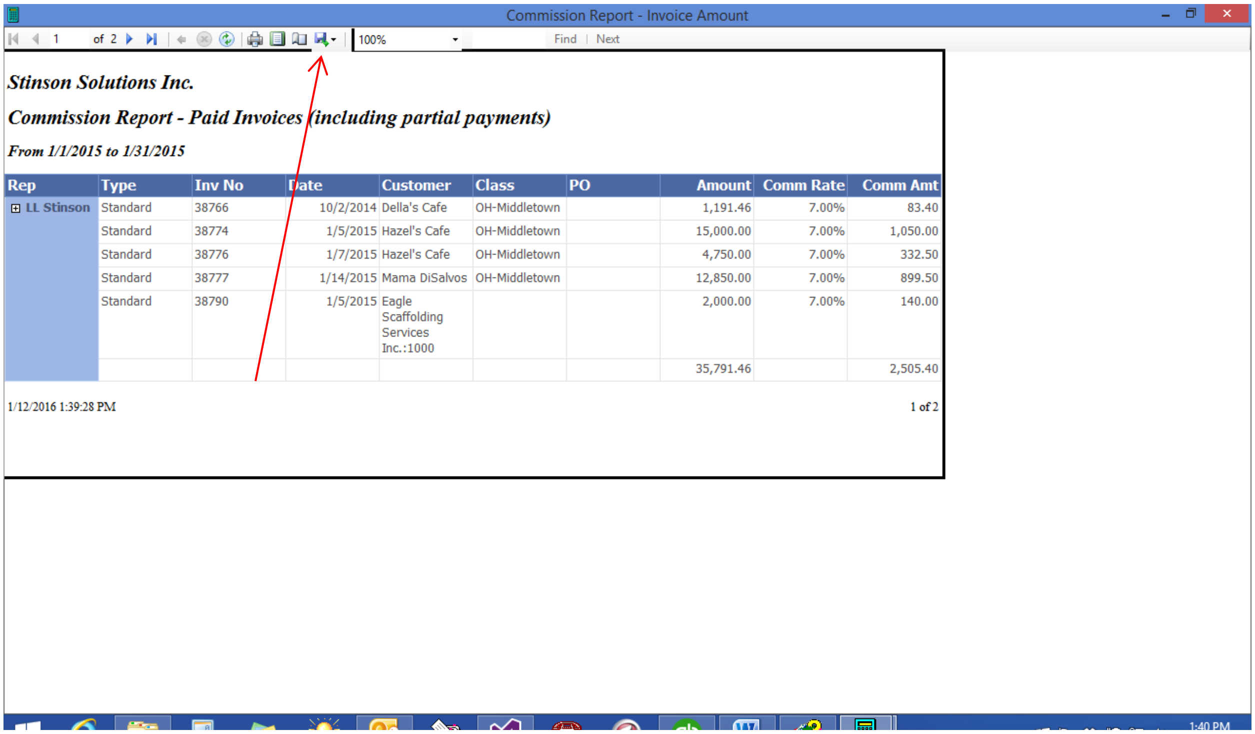


Figure 3-3

Each sales rep's commission details begin on a new page making distribution of the report easy and helps maintain confidentiality. A sample commission report appears below (Figure 3-4).



Stinson Solutions Inc.

Commission Report - Paid Invoices (including partial payments)

From 1/1/2015 to 1/31/2015

Rep	Type	Inv No	Date	Customer	Class	PO	Amount	Comm Rate	Comm Amt
LL Stinson	Standard	38766	10/2/2014	Della's Cafe	OH-Middletown		1,191.46	7.00%	83.40
	Standard	38774	1/5/2015	Hazel's Cafe	OH-Middletown		15,000.00	7.00%	1,050.00
	Standard	38776	1/7/2015	Hazel's Cafe	OH-Middletown		4,750.00	7.00%	332.50
	Standard	38777	1/14/2015	Mama DiSalvos	OH-Middletown		12,850.00	7.00%	899.50
	Standard	38790	1/5/2015	Eagle Scaffolding Services Inc.:1000			2,000.00	7.00%	140.00
							35,791.46		2,505.40

1/12/2016 1:39:28 PM — 1 of 2

Figure 3-4

The commission report can easily be exported to Excel, PDF or Word using the "Export" tool at the top of the report.

The report above shows commissions based on the invoice amount. Figure 3-6 below shows the commission report based on gross profit.

Stinson Solutions Inc.

Gross Profit Commission Report - Paid Invoices (including partial payments)

From 1/1/2015 to 1/31/2015

Rep	Type	Inv No	Date	Customer	Class	PO	Item	Qty	Amount	Cost	Gross Profit	GP%
⊞ LL Stinson	⊞ Standard	⊞ 38766	10/2/2014	Della's Cafe	OH-Middletown		58.6L Bohemia	10	450.00	575.80	(125.80)	-27.96%
							58.6 L Buzz	2	300.96	174.00	126.96	42.19%
							6 Pack-Buzz Beer	50	440.50	0.00	440.50	100.00%
									1,191.46	749.80	441.66	
		⊞ 38774	1/5/2015	Hazel's Cafe	OH-Middletown		System Setup	1	15,000.00	0.00	15,000.00	100.00%
									15,000.00	0.00	15,000.00	
		⊞ 38776	1/7/2015	Hazel's Cafe	OH-Middletown		System Setup	1	4,750.00	0.00	4,750.00	100.00%
									4,750.00	0.00	4,750.00	
		⊞ 38777	1/14/2015	Mama DiSalvos	OH-Middletown		System Setup	1	850.00	0.00	850.00	100.00%
							Software	1	5,000.00	3,500.00	1,500.00	30.00%
							Staffing - Contractors	1	7,000.00	0.00	7,000.00	100.00%
									12,850.00	3,500.00	9,350.00	
		⊞ 38790	1/5/2015	Eagle Scaffolding Services Inc.:1000			Staffing - Contractors	1	2,000.00	0.00	2,000.00	100.00%
									2,000.00	0.00	2,000.00	
		Total							35,791.46	4,249.80	31,541.66	
	Total								35,791.46	4,249.80	31,541.66	

1/13/2016 12:47:10 PM

Figure 3-5

Other Commission Types

Now that we understand how the Standard Commission type works, let's look at the other commission types available. Click the "Reps and Commission Types/Rates" option on the Main Menu to display that form (Figure 4-1).

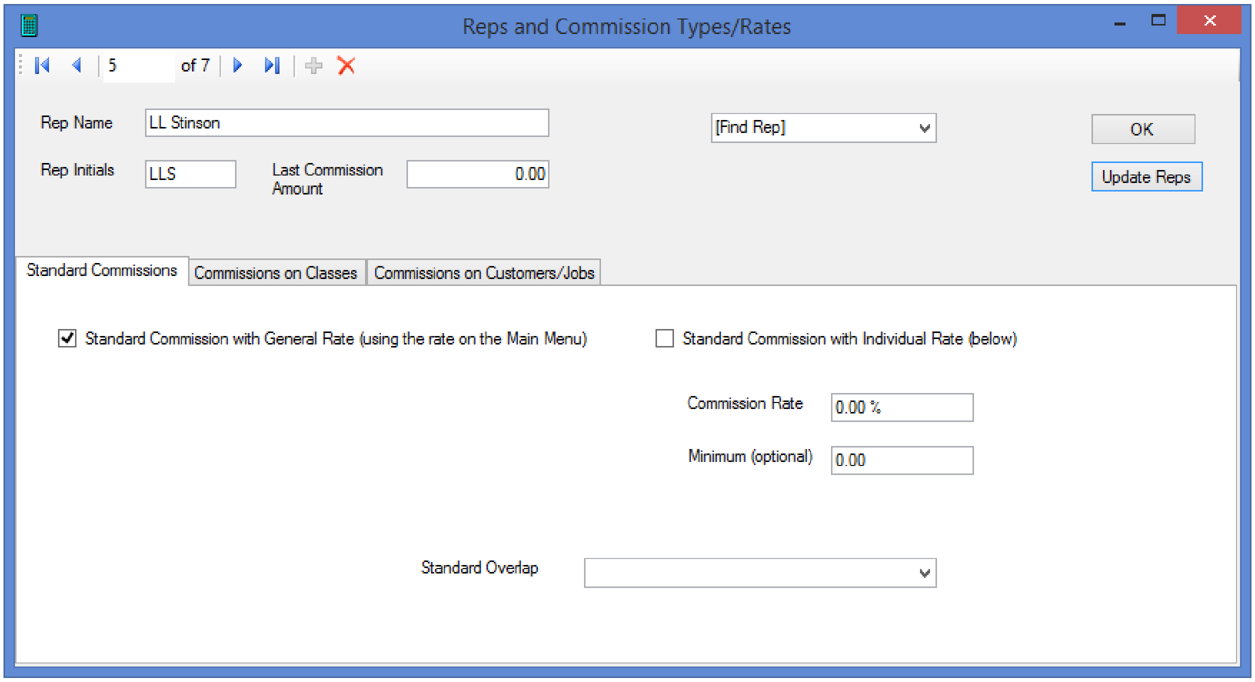


Figure 4-1

Commissions on Classes

This commission type allows you to pay commissions to a sales rep on all invoices assigned to certain Classes. This is especially useful for regional managers, a sales rep who oversees a number of other sales reps within a particular region. The individual reps within this region receive commissions on each of their invoices, and the regional manager receives commissions on all invoices within his region (designated by the Class on each invoice).

NOTE: If you do not see the Class field on your invoice template, you may need to turn on Class Tracking in QuickBooks. Refer to the QuickBooks Help file for further instructions.

To assign a Class Commission type to a sales rep, click the "Commissions on Classes" tab, select the desired Class from the Class dropdown and enter the commission rate for the selected Class (Figure 4-2).

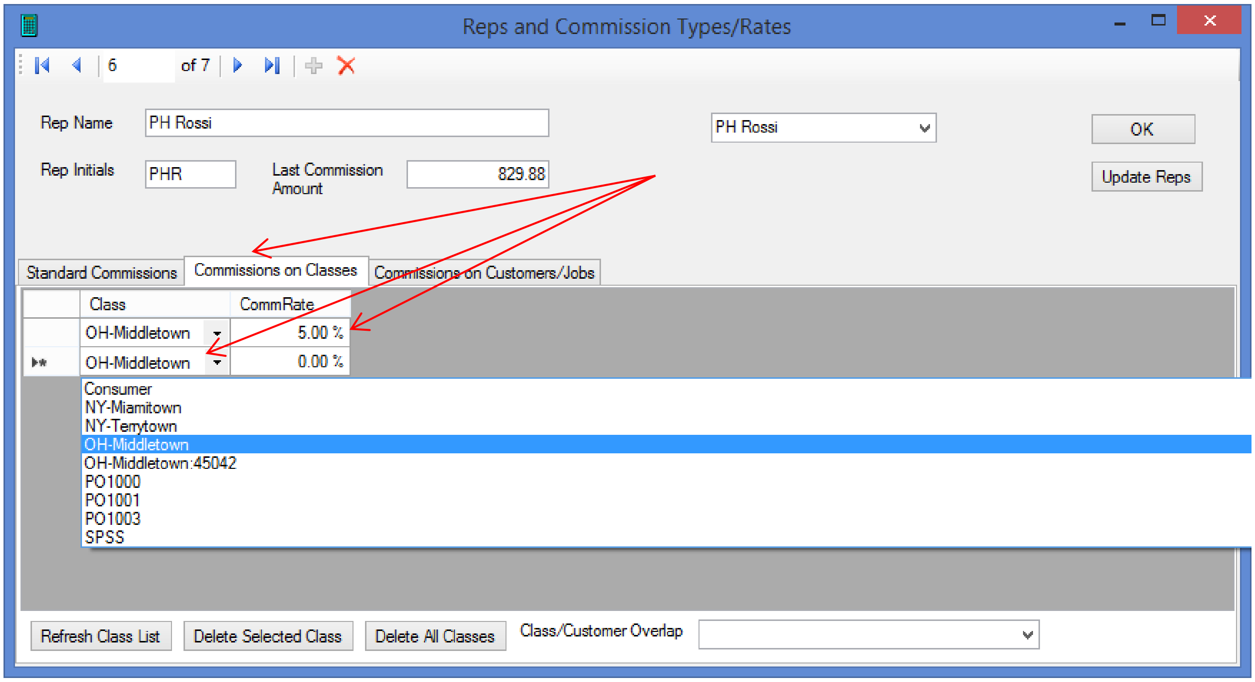

Reps and Commission Types/Rates
6
of 7
Rep Name
PH Rossi
PH Rossi
OK
Rep Initials
PHR
Last Commission Amount
829.88
Update Reps
Standard Commissions
Commissions on Classes
Commissions on Customers/Jobs
Class
CommRate
OH-Middletown
5.00 %
OH-Middletown
0.00 %
Consumer
NY-Miamitown
NY-Terrytown
OH-Middletown
OH-Middletown:45042
PO1000
PO1001
PO1003
SPSS
Refresh Class List
Delete Selected Class
Delete All Classes
Class/Customer Overlap

Figure 4-2

Commissions on Customers/Jobs

This type of commission allows you to assign one or more sales reps to certain Customers or Jobs. This overcomes the "only one rep per invoice" stricture in QuickBooks.

You assign this type of commission just like we assigned the Class type commission. Click the "Commissions on Customers/Jobs" tab, select the Customer or Job from the "Customer/Job" dropdown and enter the Customer/Job commission rate (Figure 4-3).

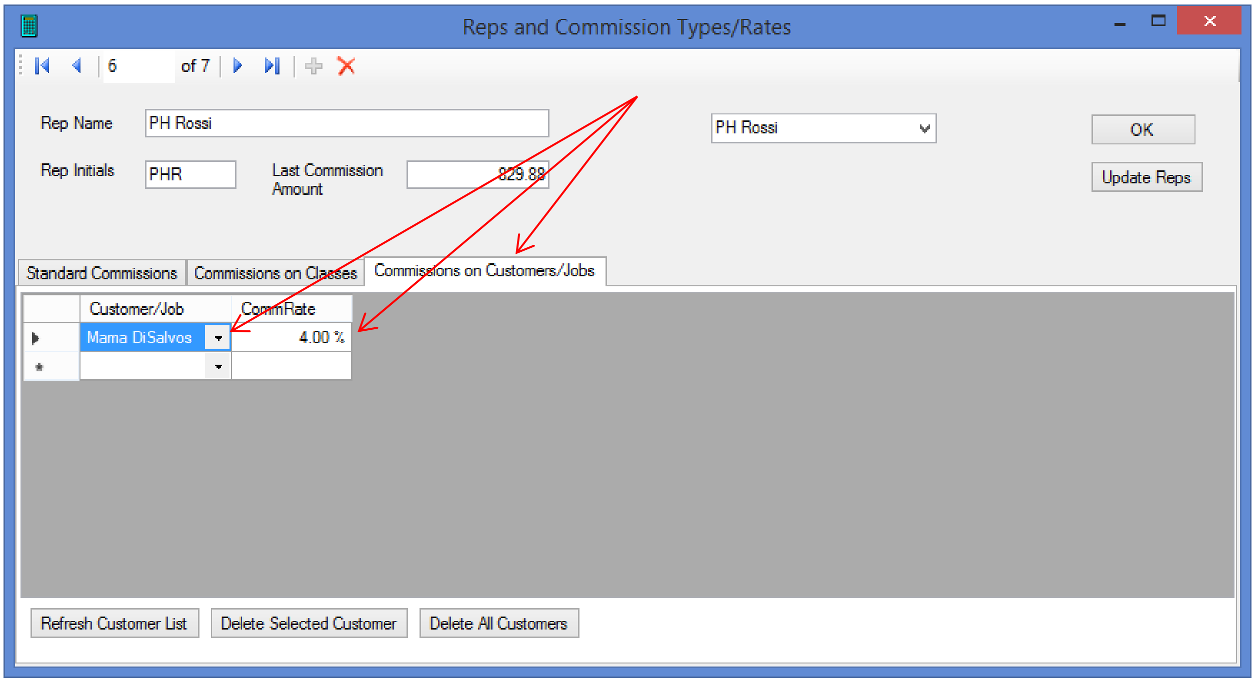


Figure 4-3

Commission Overlaps

Commission Calculator allows you to assign each sales rep a Standard commission, Class commissions AND/OR Customer/Job commissions. Any combination or all three! So what happens when one type of assigned commission overlaps with another?

Let's look at Mr. Rossi above. He is assigned to receive a 4% commission on all invoices billed to the customer Mama DiSalvos. Assume he also receives a 7% Standard. If Commission Calculator encounters an invoice where his initials appear in the "Rep" field AND the customer is Mama Disalvos, does it give him a Standard commission, a Customer/Job commission or both?

Commission Calculator prompts you to tell it what to do as soon as you select an overlapping combination of commission types. While Mr. Rossi was assigned a Standard commission of 7%, we clicked the "Commissions on Customers/Jobs" tab, selected "Mama DiSalvos" from the

"Customer/Job" dropdown and set his rate on that customer/job to 4%. Immediately, Commission Calculator detected the possible overlap and displayed Figure 4-4 below.

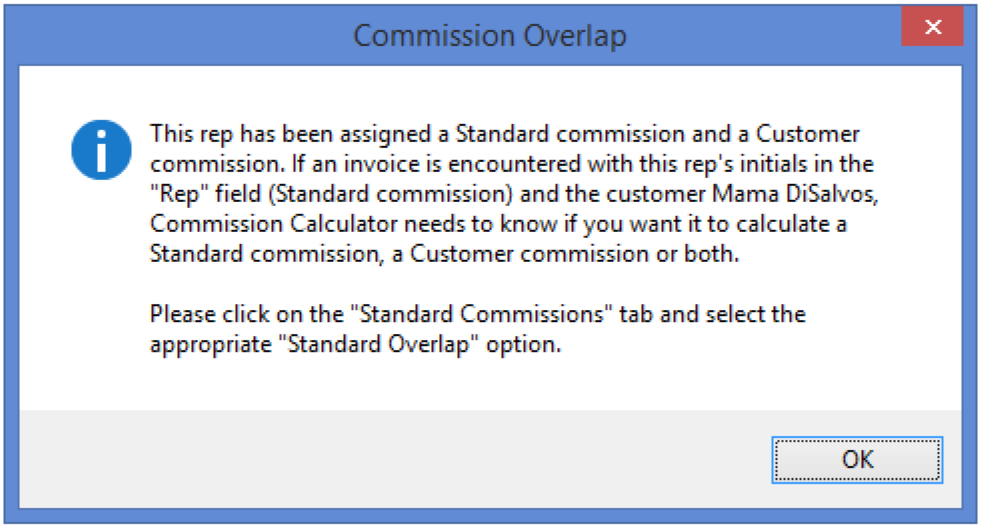


Figure 4-4

As instructed, we click on the "Standard Commission" tab and we see that the "Standard Overlap" dropdown allows us to choose which type(s) of commissions we want to give the sales reps when commission types overlap (Figure 4-5).

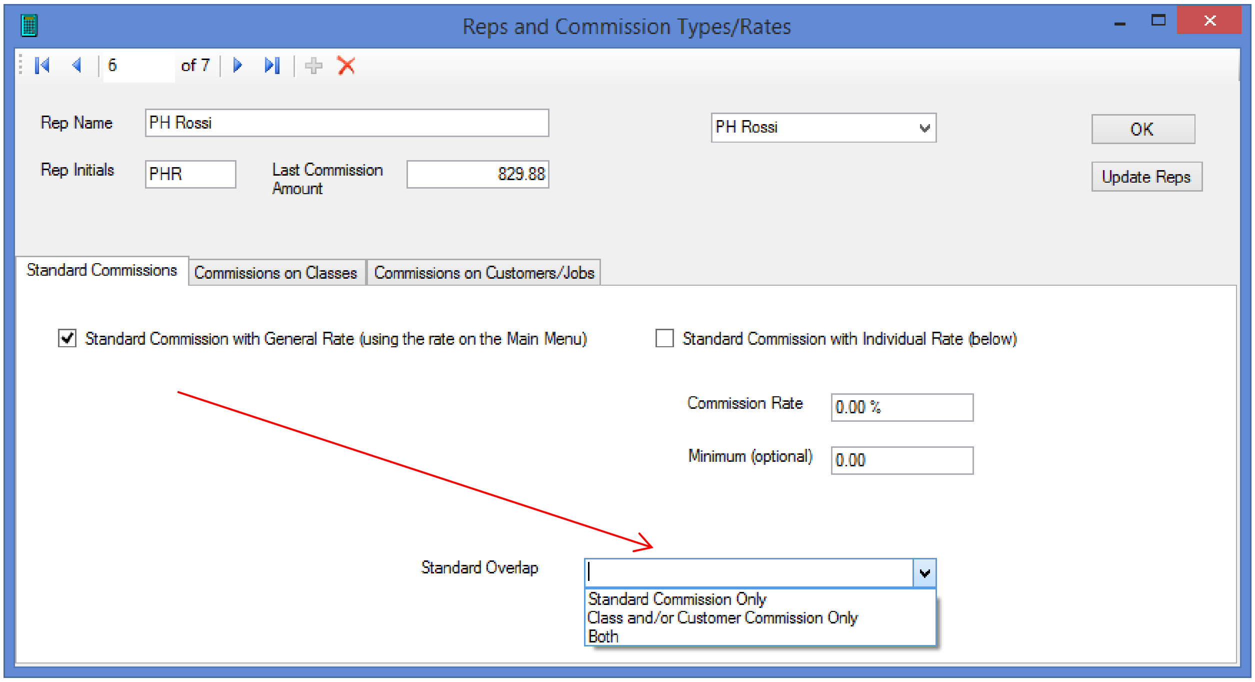


Figure 4-5

Similarly, when you assign both a Class and Customer/Job type commission to Commission Calculator, it prompts you to tell it if you want to give the sales rep a Class commission, Customer/Job commission or both.