# Article # 1228

**Technical Note: Tracking Commissionable Sales in AccountMate**

**Difficulty Level:** Beginner Level AccountMate User

**Version(s) Affected:** AccountMate 12 for SQL, Express, and LAN
AccountMate 11 for SQL and Express
AccountMate 10 for SQL, Express, and LAN
AccountMate 9 for LAN

**Module(s) Affected:** AR, SO

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## DESCRIPTION

One of the strategic ways that many companies use to motivate ther sales force is the implementation of commission-based compensation. Employers need information about which sales are subject to commissions so they can measure the performance of each salesperson and estimate the commissions that are due to them.

AccountMate offers two options for tracking sales. You may set up AccountMate to track commissionable sales on each inventory item sold or on each sales order or AR invoice.

## SOLUTION

### Setting Up the Commission Bases

To set up the basis for tracking the commissionable sales, access the **AR Module Setup > General (1)** tab and select one of these options in the Commission section:

- **Based on Inventory**
  If you select this option, AccountMate will track all commissionable sales for each inventory item sold based on the commission codes assigned in the inventory records.

- **Based on SO/Invoice**
  If you choose this option, the commissionable sales will be tracked based on the commission codes assigned to the sales orders and AR invoices.

### Creating and Maintaining Commission Codes

A Commission code is one type of a miscellaneous code. Miscellaneous codes are optional information and do not have a separate Maintenance function for each code type; rather, these are set up using a single **Miscellaneous Maintenance** function *(see Figure 1)*. You can access the **Miscellaneous Maintenance** function window by drilling down on any miscellaneous code field label.
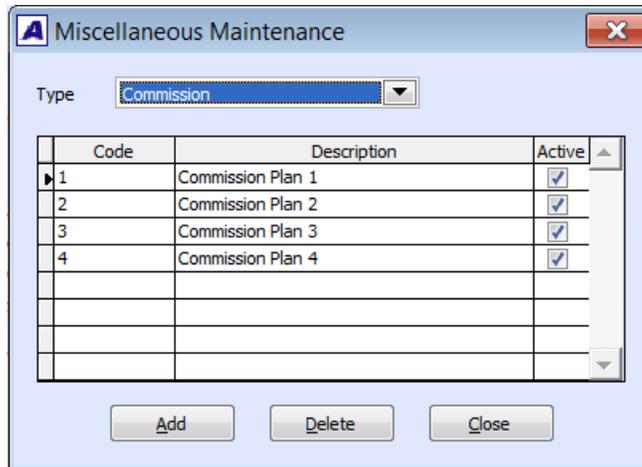
**Figure 1. Miscellaneous Maintenance window**

You can create the Commission codes by performing these steps:

1.  Click on the **Commission** field label in any related functions including but not limited to **Inventory Maintenance** (*see Figure 2*), **Create Sales Order**, and **Create Invoice**.
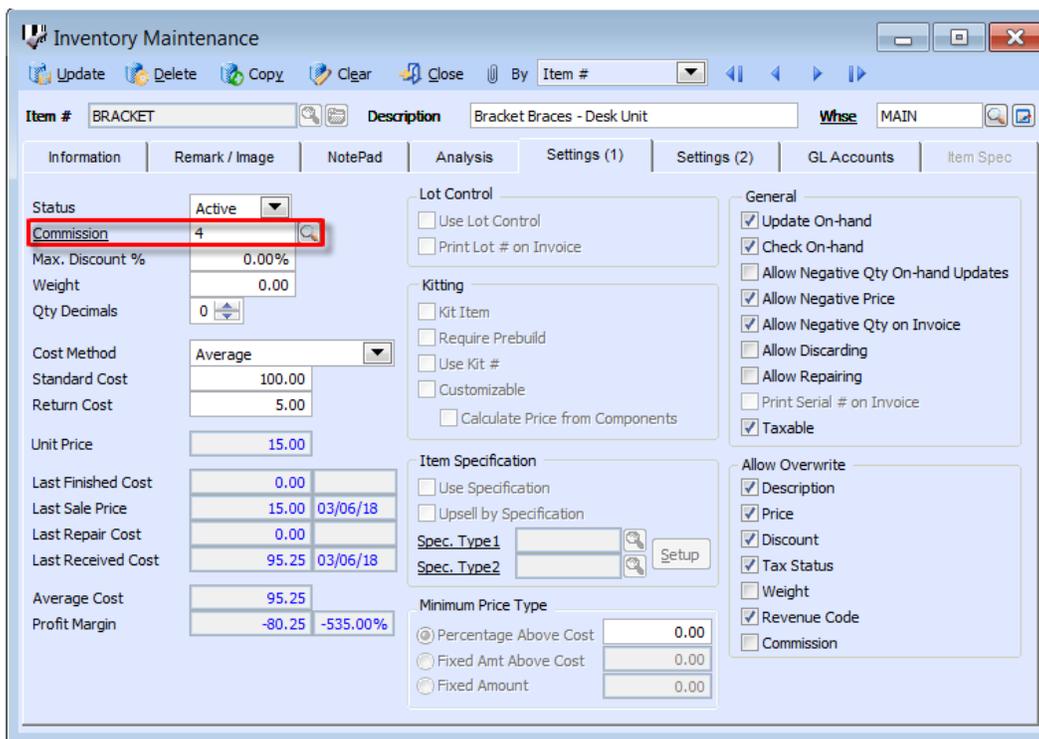


**Figure 2. Inventory Maintenance > Settings (1) tab**

> **Note:** *In AccountMate for LAN versions the **Commission** field is found in the **Inventory Maintenance > Settings** tab.*

2. In the **Miscellaneous Maintenance** window (*refer to Figure 1*) you can add, edit, or delete commission code records. If you want to restrict usage of a particular commission code, unmark the **Active** checkbox that corresponds to it.

**Getting Started with the Feature**

AccountMate recognizes and records revenue after an invoice has been created; thus, the commissionable sales increase only after invoices are created. There are two ways of recording sales in AccountMate:

- By creating, shipping, and invoicing an order in the Sales Order module; or
- By directly creating an invoice in the Accounts Receivable module.

Note of the commission basis option that is chosen in **AR Module Setup**. If the **Based on Inventory** option was chosen, the **Create Sales Order/Create Invoice** function > **Information** tab **> Commission** field will be grayed-out and disabled. AccountMate will use the commission code assigned in the inventory item record and will increase the commissionable sales for each invoice created. If the **Based on SO/Invoice** option was chosen, the **Inventory Maintenance** function **> Settings (1)** tab **> Commission** field will NOT be disabled; however, AccountMate will use the commission code assigned to the sales order/invoice and will increase the commissionable sales for each invoice created.

Amending or voiding invoices will directly affect the commissionable sales. Sales returns also attribute to a decrease in commissionable sales.

**Generating the Commissionable Sales Report**

The **Commissionable Sales Report** is accessible from the Accounts Receivable module **>** Reports menu **>** Salesperson Reports option. You can select the method by which the report should be sorted and the content to be included in the report. You can sort the report according to Commission Code, Salesperson #, or Territory depending upon your preference.  You can also filter the information that you want to be included in or excluded from the report. Salesperson#, Commission Code, Territory, Invoice #, Item #, Invoice Date, and Apply Date are the criteria available to you should you want to include all records, a specific list of records, or a range of information from within your selected criterion.

If the commission is set to be **based on inventory**, you can choose one of the following bases for the commissionable sales calculation:

- **Commission Based on Net Ext Price**
  Choose this option if the basis for the commissionable sales calculation is the invoice line item's net extended price.

- **Commission Based on Payment**
  Choose this option if you want AccountMate to use the paid invoice amount as basis for calculating the commissionable sales.

- **Commission Based on Profit Margin**
  Choose this option if you want to base the commissionable sales on the invoice line item's profit margin.

If the commission is set to be **based on SO/Invoice**, you can choose one of the following bases for the commissionable sales calculation:

- **Commission Based on Invoice Subtotal**
  Choose this option if the basis for the commissionable sales is the invoice subtotal amount.

- **Commission Based on Gross Profit**
  Choose this option if you want to base the commissionable sales on the gross profit per invoice. AccountMate calculates the gross profit per invoice by deducting from the invoice subtotal amount the extended item cost of all line items and adjusted for the freight amount when the **Include Freight in Commission** option is chosen.

You can further filter the report by marking any of the applicable checkboxes:

- **Include Freight in Commission**
  Mark this checkbox if you want to add the freight amount to the commissionable sales amount.

- **Include Adjustment in Commission**
  Mark this checkbox if you want to add the invoice adjustment to the commissionable sales amount.

- **Include Freight in Invoice Total**
  Mark this checkbox if you want to include the freight amount in the total invoice amount shown on the report.

- **Include Sales Tax in Invoice Total**
  Mark this checkbox if you want to include the sales tax amount in the total invoice amount shown on the report.

- **Include Adjustment in Invoice Total**
  Mark this checkbox if you want to add the invoice adjustment in the total invoice amount shown on the report.

*Note: The **Include Freight in Commission**, **Include Adjustment in Commission, Include Freight in Invoice Total, Include Sales Tax in Invoice Total,** and **Include Adjustment in Invoice Total** checkboxes are available only when the commission is set to be based on SO/Invoice.*

- **Show Upsell Line Items Only**
  Mark this checkbox if you want to display in the report only the commissionable line items that are included in the invoice as upsell items.

*Note: The **Show Upsell Line Items Only** checkbox is available only when the commission is set to be based on inventory. To use the Upsell features, be sure to activate the Upsell Management module.*

- **Show Extended Cost**
  Mark this checkbox if you want to display in the report the extended item cost.

The **Commissionable Sales Report** displays the invoice details including the total invoice amounts/item amounts, applied amounts (collected amounts), and commissionable amounts. The value in the **Comm'ble Amt** column will vary depending upon the chosen options in the report interface.

AccountMate's commissionable sales tracking feature can help management in monitoring commissionable sales and in evaluating each salesperson's performance.

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