How to Setup Commissions on Job Orders

Commissions in Akken can be setup as single tier or multiple tiers in AkkenCloud. While you do have the ability to assign the commission information in a Job Order, it is most essential that it be added to a Job Assignment. If it is added to a Job Order, it will push over to an Assignment automatically.

Regardless of whether you enter the commission information to a Job Order or an Assignment, the setup of commissions first occurs within the Admin menu.

Single Tier Commission

For this option, the only thing that needs to be setup in Admin is under 'Manage Roles'. There are several Roles that Akken creates for you, however, there is NO commission amount pre-assigned. You can use these Roles or add any others that are applicable to your business without adding commission earnings to merely track who is involved and in what capacity with each Job Order / Assignment. This is helpful because in AkkenCloud, you can have only one record owner.

However, our intention is to add the Commission Earnings information to Roles. Below is the list of Roles that Akken creates for you:

We will work with a Role, called Recruiting Manager and assign a commission rate to that Role, but let's first review the buttons that appear at the top of the grid in Admin → Manage Roles:
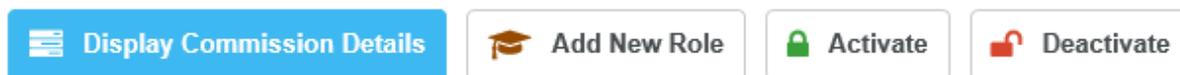
- Display Commission Details – The options here are either enable or disable and controls whether the commission earnings amount is visible on the Job Order/Assignment. This information, like people's salaries, are often confidential, so it's quite likely that you'll choose to disable the details.
- Add New Role – This will be the option we'll use momentarily to setup our new Role and commission rate.
- Activate – If a Role was no longer in use but was once again needed, you could use the Activate option to make it selectable from the Job Order/Assignment again.

- Deactivate – A Role has become obsolete, but there is history tied to it, so we can't delete it. We can, however, deactivate it so that it no longer displays as an option in the Job Order/Assignment screen.

Let's click 'Add New Role' and assign a title or 'Recruiting Manager'. For the next option, 'User Input on Commissions', we are going to use 'Disable'. This option controls whether the user can enter / edit the commission rates from the Job Order/Assignment screen. I want to maintain those rates myself and not all my users to change it. For Commission Plan, click 'Add New' and enter the Effective Start Date. This is ongoing, so I'm not going to enter an End Date.

In determining the commission earnings, you can use either a flat amount or a percentage and base that calculation on a few options, the most common being 'Margin', but could also be Pay Rate, Placement Fee, etc.:

Role Setup

Use this form to Add / Edit Role / Commission Plan.

Role Title*	Recruiting Manager	(Maximum 40 Character(s) allowed)

User Input on Commissions: ○ Enable   ● Disable

Commission Plan: add new   remove

☑ Effective Start Date* 03/01/2019 📅 End Date [   ] 📅 8   % [▼] of

Placement Fee
Bill Rate
Pay Rate
Salary
Margin
Markup

Our Recruiting Manager Role will earn 8% of Margin. After setting that up, be sure to save your changes. Our Role is now ready to use.

Next, I'm going to go to CRM → Job Orders and add that Role to an existing Job Order, though it can be added to a new one as well. In the 'Billing Information' section of my Job Order, I've identified two people with Roles – just to show that you can have more than one. Back in Manage Roles, I disabled visibility and editability to the commission rate, so all the user can see is the role name:

Commission / Splits

Add Person :	--select employee-- [▼]	se
Adam Apple	Recruiter [▼]	
Jennifer Aniston	Recruiting Manager [▼]	

With my Roles in place, I'm going to get a Candidate placed on the Job Order and push this through to the Back Office as an Assignment.

Candidate Name	199 - Margaret Beaufort
Created Date	01/14/2019
Created By	1 - ASonya Santangelo
Office Location	Nashua, USA-NH, United States of America
Assignment ID	ASGN100402

My Role information is visible on the Assignment and I can change it if necessary as part of the process of maintaining the Assignment. I will leave mine as is and just go ahead and approve it, so my Employee can begin submitting time:

Assignment screen (looks just like Job Order screen):

With the Assignment approved, a timesheet submitted and approved and an invoice pushed to Invoice History, I can now run my commission reports. With a Single Tier Commission structure, the report that I will use can be found under Analytics → Accounting → Customers → Invoice Based Commission Data. Enter whatever criteria you need – invoice date range, specific customer, employee, etc. and 'Export to Excel'.

This report doesn't show the dollar amount for the commission owed to the Employee(s). It does show the rate they earn, margin percentage, pay/bill rates. *Please note that I'm hiding certain columns so that the columns we need to work with are near each other for screenshot purposes.*

Quantity	Cost	Pay Rate	Bill Rate	Margin	Assignment Start Date	Amount	Invoice Total	Commission Amount	Commission Amount Type	Commission Based On	Commission Employee	Role Name
40	37.5	22.5	37.5	42.86	1/14/2019	1500	1500	10	%	Margin	Adam Apple	Recruiter
40	37.5	22.5	37.5	42.86	1/14/2019	1500	1500	8	%	Margin	Jennifer Aniston	Recruiting Manager

What I want to do first is figure out the dollar amount for the margin. To do this I'm going to insert a column and add a formula of Qty (hours) x Bill Rate. I'm going to multiply that by the Margin percentage and divide by 100:

`=(G2*K2)*O2/100`

O	Q
largin	Margin Value	Assig
42.86	642.9
42.86	642.9

Now that I have the Margin Value, I'm going to add another column that multiplies this value by the Commission Amount:

`=Q2*AA2/100`

	AB	
	Role Commission Earnings	Co: Am Typ
L0	64.29	%
8	51.43	%

That's all there is to Single Tier Commissions in AkkenCloud!

Multiple Tier Commissions

All of the previous steps apply to using a Multiple Tier Commission structure in AkkenCloud, so we are going to take our Recruiting Manager Role to this next level. Just as with setting up the Roles, we need to begin in Admin. This time we're going to 'Manage Commission' and selecting 'Setup Tiers' from the submenu.

In Setup Tiers, the three buttons at the top of the grid function in the same way as with Roles:

- Add New – used to define new Commission Tiers
- Activate – If a tier has been deactivated but needs to be used again, it can be activated
- Deactivate – Used if a Commission Tier is no longer relevant

We are going to 'Add New'. The Commission Level Name is 'Recruiting Manager'. *Please note that it doesn't have to be the same as the Role Name*. The type can again be a percentage or dollar amount calculated on a few things such as Margin, Bill Rate, etc. With those in place we now build the tiers:

Edit Tiers Setup

Instructions:

- Click on "Add Tier(s)" to add commission tier(s).
- If selected commission type is % then minimum, maximum and commission should be %.
- If selected commission type is Flat Amount then minimum, maximum and commission should be Flat Amount.

- Deleting any tier will automatically update / re-arrange the minimum, maximum and commission values.
- The commission tier with no maximum value will be considered as the last tier.

Commission Level Name:* Recruiting Manager
(Maximum 40 Character(s) allowed)

Commission Type:* % of Margin

Minimum($)	Maximum($)	Commission(%)	
0.00	10000	10	✖
10001	20000	12.5	✖
20001		15	✖

Add Tier(s)

Our example is a percentage of Margin and has three tiers. When you reach the last tier, leave the maximum blank.

With the Tiers setup, the next step is to assign my tiers to each individual Employee. For that, I'm going back to the Admin menu and selecting 'Manage Commissions'. In this grid, you will also have the Add New, Activate and Deactivate buttons which have the same functionality already discussed. I'm going to 'Add New' and set the Commission Tier 'Recruiting Manager' to the Employee Jennifer Aniston:

Add Commissions

Commission Plan Nick Name* Jennifer

Select Employee to setup their Commission Plan* Jennifer Aniston

☑ Add Commission Tier: add new   remove

☑ Effective Start Date* 03/01/2019   End Date   Commission Tier * Recruiting Manager

☐ Add Commission Override: add new   remove

The Commission Plan put in place here is unique to each Employee. I'm using the Commission Plan Nick Name field for the Employee's first name, and will select her full name from the next row. I'm adding one of the Commission Tiers that I've setup with and choosing my Effective Start Date. This is ongoing, so I won't enter an End Date.

Now that we have our Employee associated with this Tier, let's **leave our example aside** for a moment and talk, in general, about the Roles and Tiers work together. Let's say we have Role with a commission

amount of 10% of Margin. Let's say that our margin for a particular invoice is $1000, then our Commission value is $100. That's where it ends if just using Roles.

However, we are now adding Tiers so what happens in that case is that $100 is put into Commission Role 'bucket'. The amounts defined in the Employee's assigned Tier determine what percentage of the total amount in the 'bucket' they will earn.

Let's assume this is the Employee's first Assignment with the Company, the cumulative margin earnings for the role are $100. This means the earnings will fall within the first tier, or 10%. The actual earned dollar amount will be $10.
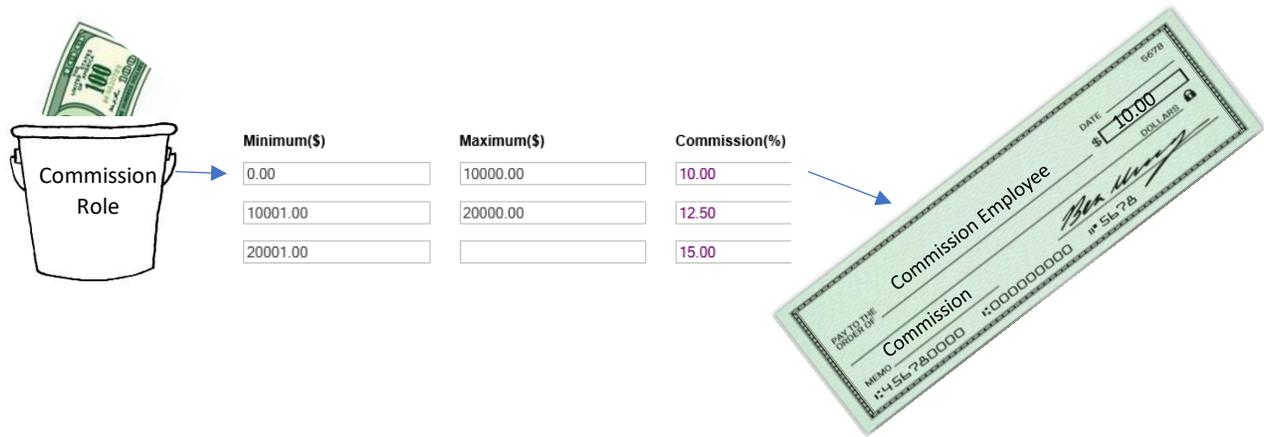
Back to our working example, we again need to have submitted and approved timesheets and an Invoice in Invoice History.

There are a series of reports that we can run, which include the columns for the calculations of the earned dollar amounts. The most commonly used one is shown below, Analytics → Accounting → Customers → Invoice Commission Revenue. Enter whatever filters are needed, by Invoice date, Employee, etc and 'Export to Excel'. *Please note that I've hidden columns in the screenshot below*.

C	I	J	K	L	M	N	P	Q
Role Title	Invoice Amt	Before Burden GP	GP $	% Apply	Before Burden GP Available	GP Available For Comm	Comm Amount	Comm %
Recruiting Manager	1500	600	600	8	48	48	4.8	10

With this report, Column L, shows us what the percentage is applied as defined by the Role. That percentage is calculated against the GP in Column K. That calculated amount is shown in Column N. In this case, the Recruiting Manager Role bucket has $48. Based on the assigned tier and cumulative earnings, commission will be calculated at 10%, from Column Q and the actual amount earned from this one invoice is $4.80 as in Column P.