

How to Enter and Use Commissions

Introduction

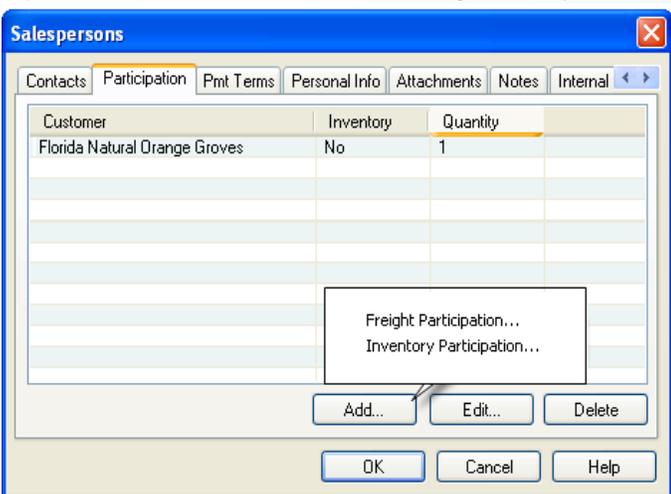
In your Magaya system, you can automate the payment of two types of commissions: Freight and Inventory.

In your Magaya system, you can add salesperson's profiles and include commission participation rates for each salesperson for inventory and freight.

Freight Commission

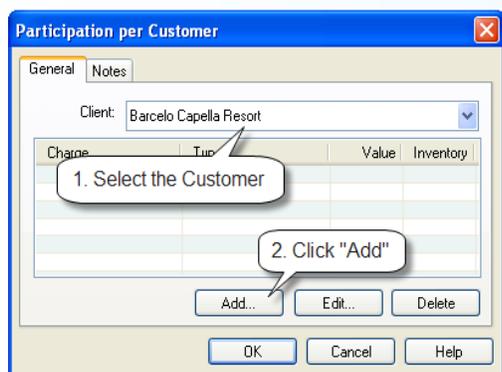
To add a freight commission ("participation") for a salesperson, open their profile in Maintenance > Salespersons. Click on the Participation tab and perform the following steps:

1) Click the "Add" button and select "Freight Participation".



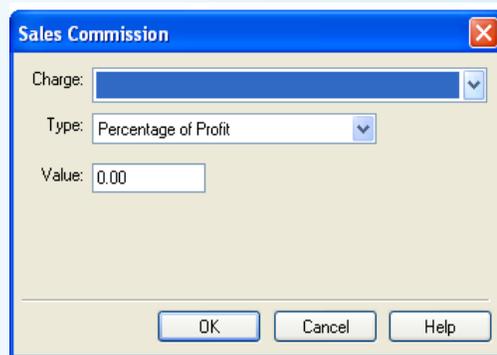
Note: The freight and inventory options are available in the Magaya Supply Chain Solution and Magaya Commerce System.

2) In the "Participation per Customer" screen, select a customer to associate with the commission. This means each transaction that includes this customer will generate a commission for this salesperson based on the amount set here.



3) Click the "Add" button.

Select the Charge such as "Priority Freight Service".



To choose how you want to calculate the commission, click the "Type" dropdown and choose the type of commission. This example shows percentage of profit, but you can also select a flat rate, or set the amount to calculate by volume, weight, or pieces).

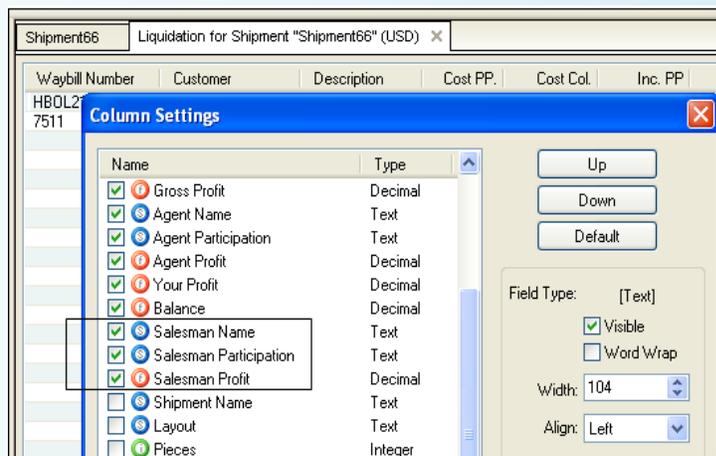
Enter the value such as "5" for five percent of the profit.

Click OK to save.

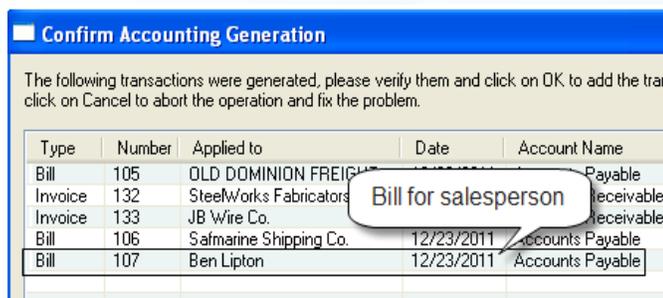
Freight commissions are generated in the Liquidation screen.

In the Shipment screen, click the "Liquidation" button.

Click the "Actions" button to see the list of columns you can add to the Liquidation screen. Select the columns for the salesman name, participation, and profit.



When you click the "Generate" button in the Liquidation screen, a dialog box opens listing all the accounting transactions for the shipment, including the Bill for the salesperson's commission.

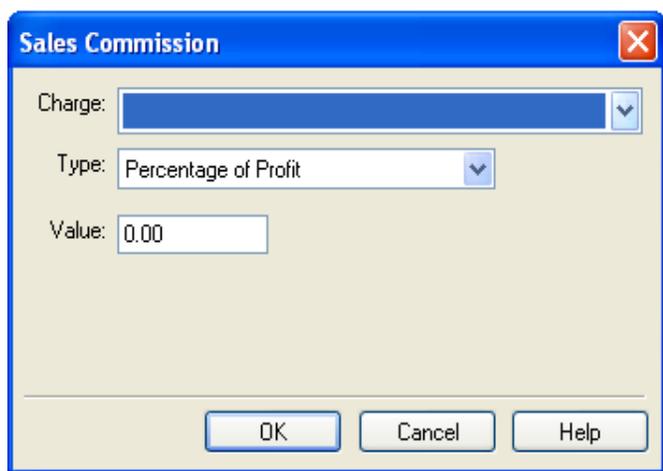


The bill and other transactions are saved in the Magaya accounting folder.

Inventory Commission

To add inventory commission (“participation”) for salespeople who sell inventory items, select the option from the pop-up menu on the Participation tab of the Salesperson’s profile, and add the information in the dialog box.

- 1) Click the “Add” button and select “Inventory Participation”.
- 2) In the Salesman Participation screen, click the “Add” button. Set up the commission details in the “Sales Commission” dialog box:



- 3) Select the Charge: This is the inventory item that you want to assign a commission amount to for this salesperson.

The items in the Charge dropdown list are from the Items and Services list of Inventory Items. You can add an item here if needed.

Select the Type of charge such as Percentage of Profit.

Enter a Value such as 10 for 10%.

Click OK to save.

Transaction Example:

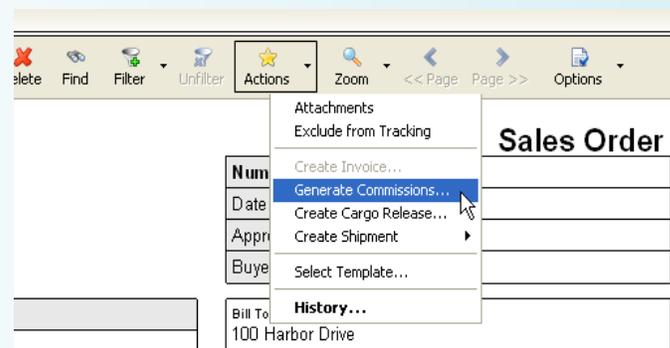
TV wholesale price = \$175 each

TV resale price = \$255 each

A salesperson sells five TVs for a total of \$1275 income. The wholesale cost of the five TVs was \$875. The profit is calculated as 1275 - 875 = 400.

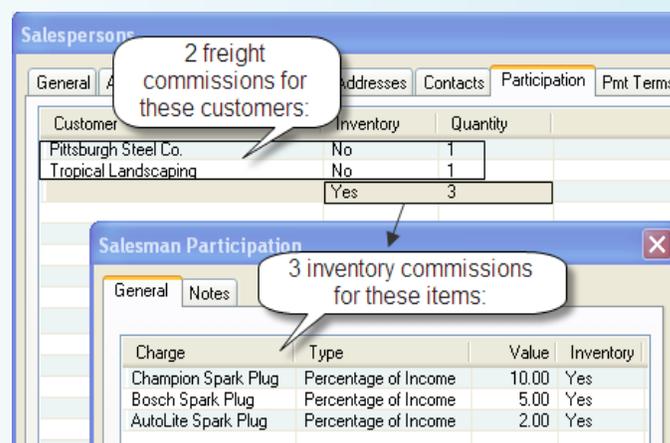
Type	Value	Calculated by	Commission
% of Income	5	1275	\$63.75
% of Profit	5	400	\$20.00

Inventory commissions are generated in the Sales Order screen, and the Magaya system creates a Bill to pay the salesperson their commission.



Note: An invoice must be created before the commission can be generated.

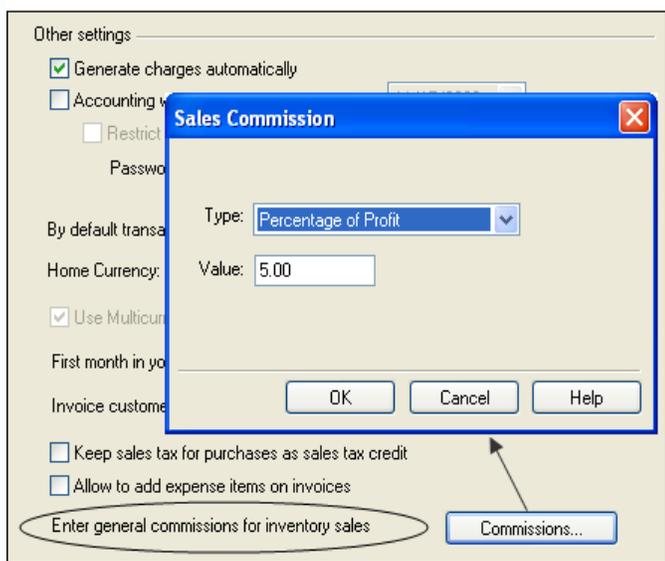
One salesperson can have multiple customers and multiple commissions per customer. For example, this salesperson has two freight commissions and three inventory commissions:



Set up General Inventory Commissions

To set a system-wide commission, use the following method. The Magaya Commerce System and Magaya Supply Chain Solution can be configured to apply a general commission for sales of all inventory items. This setting will apply the same commission to all sales people who sell this item. Note: If a different commission value has been set for an individual salesperson, that setting will override this system-wide setting for that person when they sell that item. To set up the system-wide option:

- 1) Go to Maintenance > Configuration > Accounting
- 2) In the "Other Settings" section of the screen, click the "Commissions" button.



In the dialog box, select the Type and Value of the inventory commission. This will be applied to all inventory items sold. This example shows 5% of the profit. (Do not type in "0.05" for 5%. Type "5").

Types of commissions are:

- Flat Value
- Percentage of Profit
- Percentage of Income
- Calculated Amount

- 3) Click Save. ■