



Knowledge Base Article

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Article ID: 4132
Subject: Establishing Commission Plans
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Applies to: Pro Gold i2 3.xx

Purpose: This section provides an overview for establishing commission plans for your agents. Pro Gold i2 supports various commission plans; however, an agent can only be assigned to one plan at a given time. Agents can be moved to a different plan when necessary. You may enter as many plans as needed.

Flat rate plans are those with only one fixed percentage. For example, a 100% company would only need one plan set to calculate at 100%. Companies that have several plans, but all at fixed rates would need a plan for each rate (e.g., 50% Plan, 60% Plan, 70% Plan, etc...)

Some plans have tiers/levels with a different rate for each level. Tiered plans must have a parameter associated with the plan that allows an agent, once assigned to it, to be able to progress through the levels. The following is a list of parameter types tracked within Pro Gold i2:

- **Company Earnings** (Based on the amount the company receives from the split calculation)
- **Agent Earnings** (Based on the amount the agent receives from the split calculation; **Agent Gross Commission**)
- **Sales Volume** (Based on the selling volume assigned in the Agent Tab of the property record)
- **Listing Volume** (Based on the listing volume assigned in the Agent Tab of the property record)
- **Total Volume** (Based on the listing and selling volume assigned in the Agent Tab of the property record)
- **Number of Units** (Based on the unit amount assigned in the Agent Tab of the property record; **1 unit per side**)
- **Net Commission** (Based on agent's net check amount; **Agent Net Commission**)
- **Adjusted Gross (Gross Commission Income [GCI] less an outside referral fee)**
- **Source of Call** (Based on % entered for Source of Call; overrides plan %)

Procedure: Main Menu => Transactions => Agents and Offices => Commission Plans icon

- Pro Gold i2 provides two default plans: a 50% Plan and a tiered plan with four levels based on Company Earnings. These can be renamed and modified as needed. There are several points to consider when setting up a tiered plan:
 - The separation between the tiers (Difference between top of a range of one level and the bottom of range of the next level) for plans based on dollars is .01 [e.g., \$10,000.00 Top next bottom \$10,000.01]).
 - The bottom of range of the first tier must be zero on all plans.
 - The top of range of the last tier should be a very high number so that agents cannot exceed it and thus stop out at that tier 's rate
 - If your commission plan allows agents to start at different tiers, you will need to add a plan for each possible start tier. For example, a plan that has 50%, 60%, 70%, and 80% tiers would need to have plan that starts at 50% and goes to 80%, a plan that starts at 60% and goes to 80% a plan that starts at 70% and goes to 80% and a plan at 80%.

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- There are four percentage columns for a plan. The List Side and Sell Side columns are for rates to be used when the company has both sides of the deal. The Co-op List column is the rate to be used the deal is an In-House listing and a Co-op sale. The Co-op Sale column is the rate to be used when the deal is an In-House sale and a Co-op listing.
- Fields denoted in **Red** indicate a required entry
- Use names that are easily recognized (e.g., 80% Plan, Basic Plan 60% start, etc...)
- Agents' production level data used for plan calculations are controlled by the **Start Year** and **End Year** date range setup in each individual agent's record. Dates for fixed periods must be manually entered and updated once the period ends. Dates for revolving periods are automatically updated.
- Assign a commission plan to an agent.
 - Main Menu => Transactions => Agents and Offices => Agent Information icon => Commission tab
- There are other factors which affect the way commission plans function. They are threshold options, time base and base frequency and are set within each individual agent's record.
 - Threshold options control the way Pro Gold i2 calculates an agent's commission when a transaction crosses a tier level:
 - Option 1: Calculate at Lower Percent: Calculates entire commission at lower level
 - Option 2: Calculate at Higher Percent: Calculates entire commission at higher level
 - Option 3: Pro-rate between percents: Calculates portion at lower level and remaining amount at higher level
 - **Note: Pro Rate does not apply to Adjusted Gross and Net Commission type plans**
 - There are several Time Base options:
 - **Option 1: Fixed Period:** Production period is based on a specific timeframe (e.g., calendar year, trial period, individual production year, etc...) that does not change until the end of the period (must be manually updated once period ends)
 - **Option 2: Revolving Monthly:** Production period is based on a monthly basis (e.g., last 6, last 12, last 18 months, etc...) that automatically shifts forward (system starts with "previous month" back through the numbers of months specified in the Base Frequency field based on system date of PC)
 - **Option 3: Revolving Daily:** Production period is based on daily basis (e.g., last 365 (year), last 180 (half year), etc...) that automatically shifts forward each day (system starts with "previous day" back through the numbers of days specified in the Base Frequency field based on system date of PC)
 - Base Frequency is used in conjunction with the Time Base option:
 - Fixed Period: Enter zero (0)
 - Revolving Monthly: Enter number of months to use for production period (e.g., 3, 6, 12, etc...)
 - Revolving Daily: Enter number of days (e.g., 120, 180, 365, etc...)

References: Below is a link you can use to access Enhancement HelpNet Center resources, which includes the Knowledge Base Article (KBA) Library, Pro Gold i2 Documentation, and Training Webcasts:

<http://secured.progoldi2.com/webcast.aspx>

- The Enhancement HelpNet links are located on the right side of the web page.

Related articles: N/A

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