Set Up Commission Module

SUMMARY
Learn to set up Paperless Pipeline's Commission Module to support your office's specific commission needs.

IN THIS ARTICLE

SET UP

Introduction

The Commission Module is an add-on module within Paperless Pipeline that allows you to calculate agent & broker commissions, generate financial and production reports, give agents access to commission statements and reports, and more. After the Commission Module has been activated →, it needs to be configured to meet your office's specific commission needs.

This article will walk you through those quick and easy steps, including how to set up *Commission & CDA Settings*, *Company Settings*, *User Settings*, and custom *Fees* and *Deductions*.

Once you've completed setting up Commission Module, learn to Use Commission Module here →

Who Can Do This?

Only master admins can complete the full setup of Commission Module.

Full Video ⍰

This video will walk you through setting up Commission Module from beginning to end.

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About the Commission Disbursement Authorization (CDA) ⍰

One of the useful features of the Commission Module is that it will automatically generate a *Commission Disbursement Authorization (CDA)* form, sometimes called a Commission Demand Letter, when you manage commission on a transaction.

The CDA document instructs the Title Company, Escrow or Closing Attorney on how to disburse commission for a transaction.

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To set up *Commission & CDA Settings* for a Location:

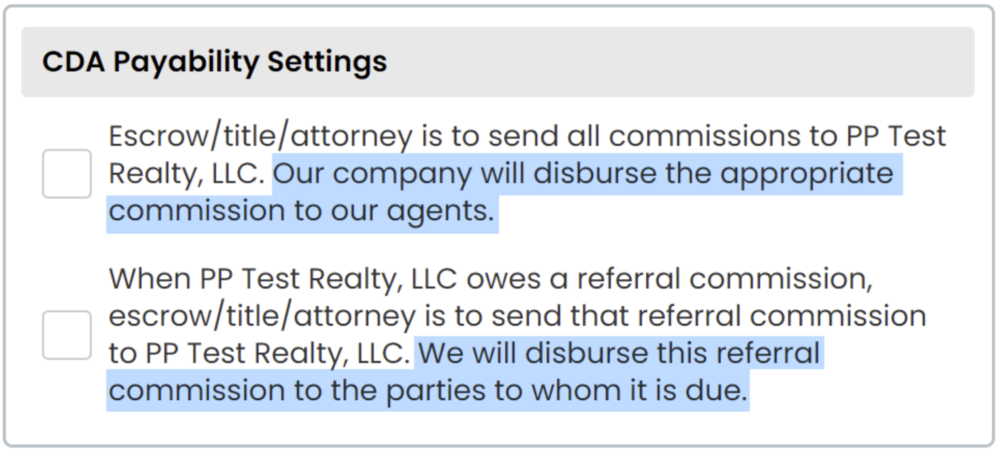
1. **Click your name in the upper-right then [Admin / Settings].**
2. From the left menu, **click [Manage Locations].** You'll need to complete the setup for each Location in your account where you plan to manage commission.
3. **Click the ⚙ next to the Location, then [Commission & CDA Settings].** From this page, you'll be able to customize how the form works.
4. **Complete the fields as appropriate** (described below).

5. **Click [Save Settings]**.

> You'll need to complete the setup for each Location in your account where you plan to manage commission.

CDA Payability Settings

CDA Payability Settings determine who commission is paid to. For both agents and referrals, you have the option to instruct Escrow or Title to pay commission to your brokerage or to pay agents / referrers directly.



To set your preferred *CDA Payability Settings*:

1. **Check the first box** if your brokerage is responsible for disbursing commission to agents. If you prefer Escrow or Title to pay agent commission directly to agents, leave the box unchecked.
2. **Check the second box** if your brokerage is responsible for disbursing commission to referrals.
   If you prefer Escrow or Title to pay referral commission directly to agents, leave the box unchecked.

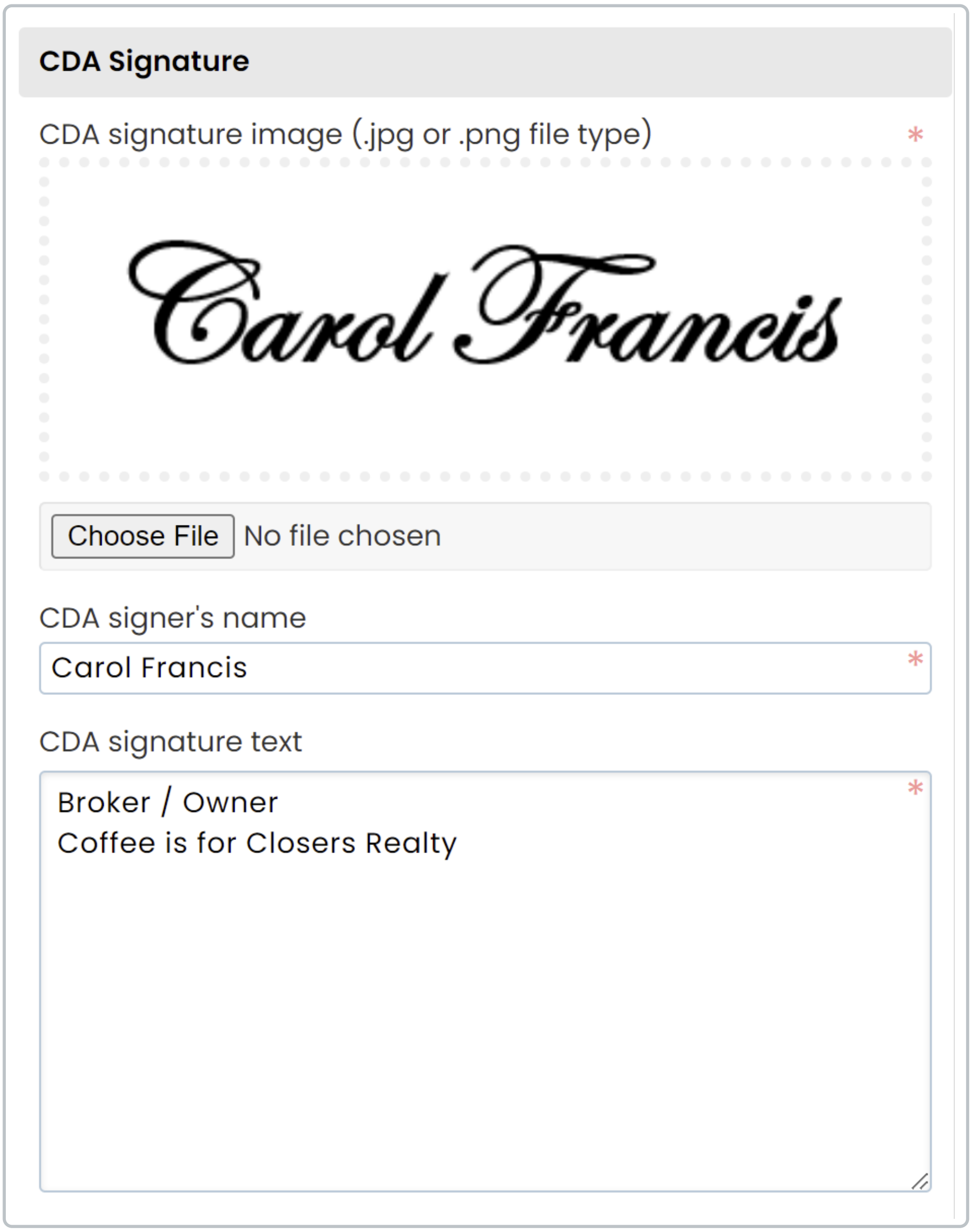
CDA Signature

Add the signature of the broker or person authorized to sign the *CDA*.

To add a *CDA Signature*:

1. **Upload the *Signature Image*.**
2. **Complete the fields with the *Signer's Name*, and *Signature Text*** (such as title and company

name) that you'd like to appear under the signature.

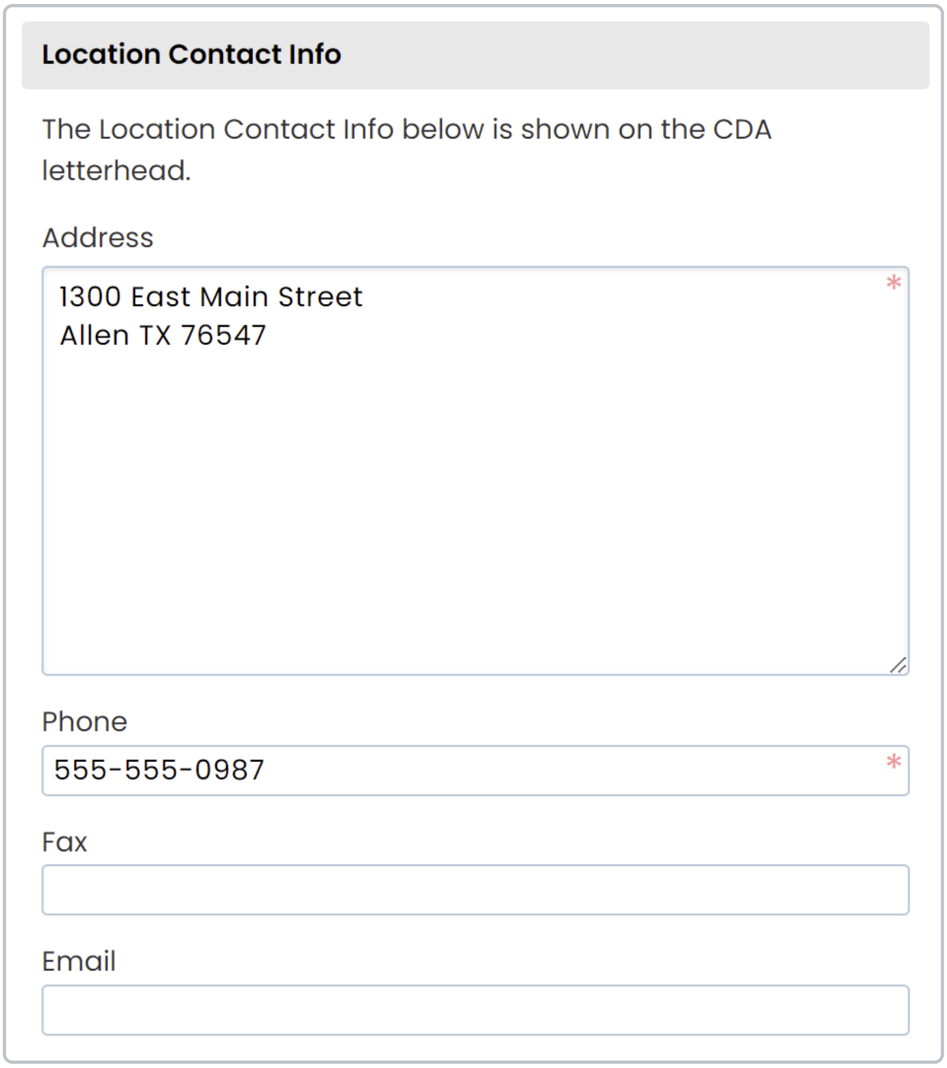


Location Contact Info

Add the broker or appropriate company contact information to be displayed in the header of the *CDA*, as shown in this example:

To add your *Location Contact Info*:

1. **Enter your broker (or appropriate Contact's)*Address*, and *Phone Number*.**
2. Optionally, enter their *Fax* or *Email*.



Franchise Fee

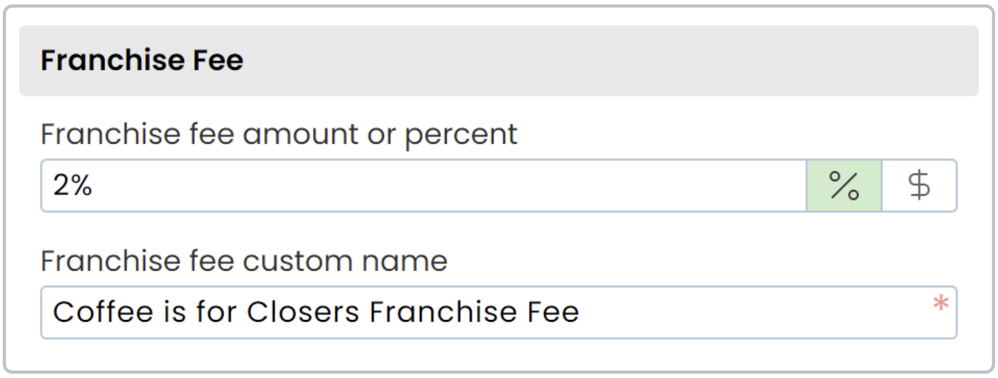
If your office pays a franchise or corporate fee per transaction, customize your company's *Franchise Fee* and optionally base the fee on a percentage or flat dollar amount When managing commissions on a transaction, the *Franchise Fee* will be deducted before the*Broker / Agent Disbursement*.

To customize your *Franchise Fee*:

1. If your office does not pay a*Franchise Fee* per transaction, **leave the *Franchise fee amount or percent* empty.**
2. If your office does pay a*Franchise Fee* per transaction, **select [%] or [$], then enter the *Franchise fee amount or percent*.**

- If the amount varies per transaction, enter 0.
- If the amount is fixed, enter the fixed amount.
- If the amount is based on a percentage of each transaction's *Net Commission* amount, enter the percentage amount and select [%].

3. **Enter the *Franchise Fee custom name.***



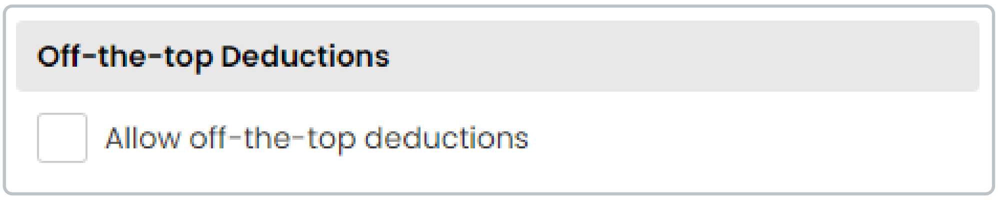
You can edit the *Franchise Fee* amount when you're managing commission on a transaction as needed.

Off-the-Top Deductions

You can optionally collect custom off-the-top *Deductions* such as B&O, Royalty Fee or State Tax.

To turn on the ability to collect off-the-top *Deductions*:

1. **Check the box next to [Allow off-the-top deductions].** If you do not collect off-the-top deductions, leave the box unchecked.

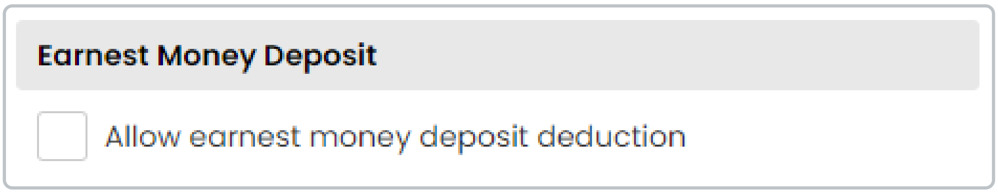


Earnest Money Deposit

You have the option to allow *Earnest Money Deposit* deductions if your brokerage holds earnest money that needs to be credited at closing.

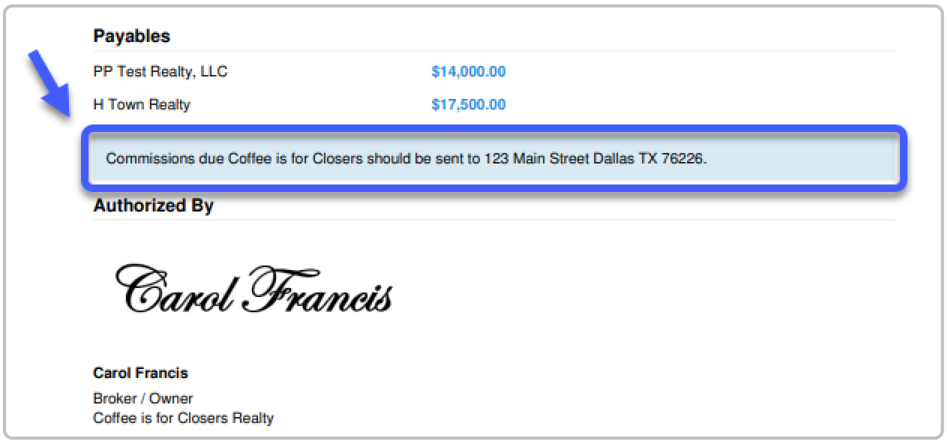
To allow *Earnest Money Deposit*:

1. **Check the box next to [*Allow earnest money deposit deduction*].** If you do not hold earnest money, leave the box unchecked.



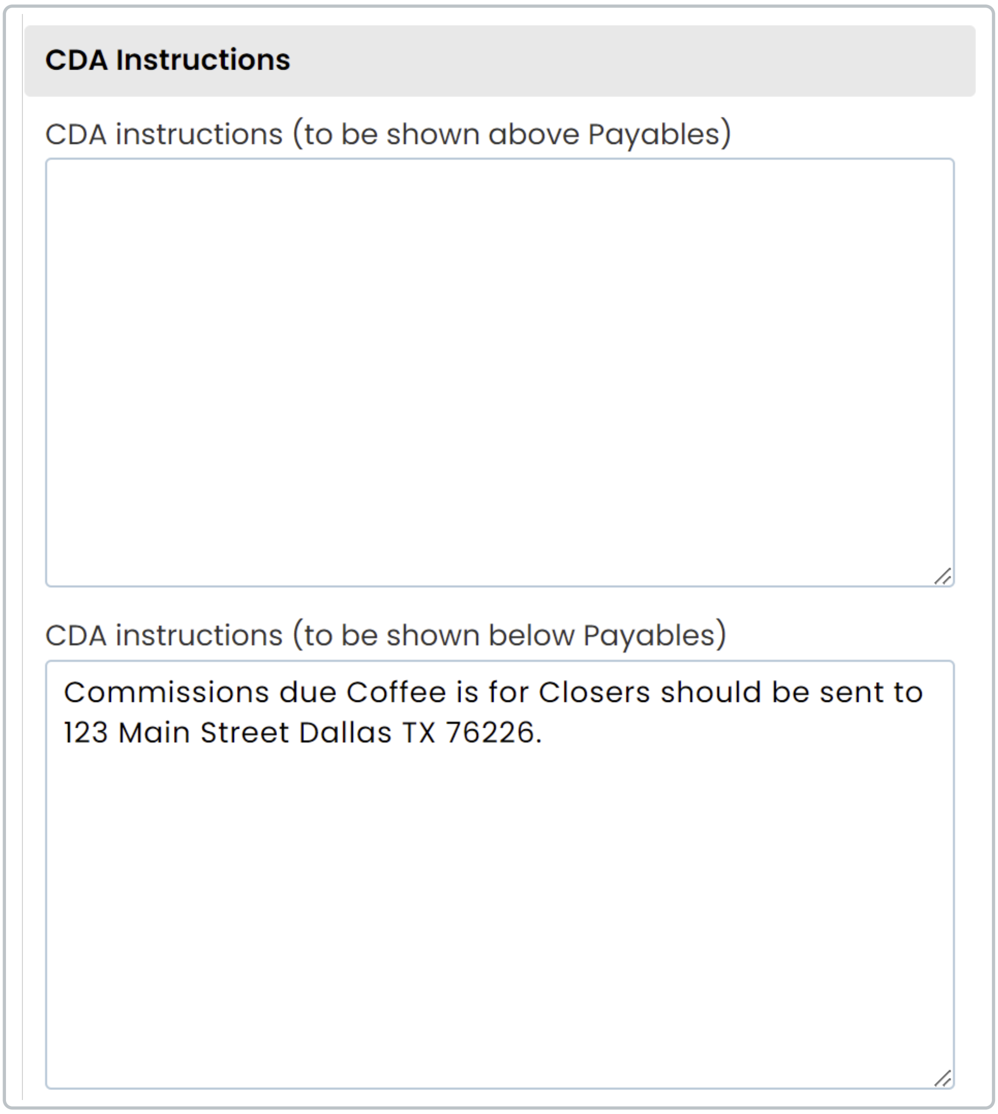
CDA Instructions

Create your own custom text that will appear on the*CDA*. For example, you can include wiring instructions or details on where the Title Company should mail the commission.



To add *CDA Instructions*:

1. **Enter your desired instructions** in *CDA instructions (to be shown above Payables)* and / or CDA instructions *(to be shown below Payables).*



Learn how to Format CDA Special Instructions →

You can add or edit these default *CDA Instructions* when you're managing commission on a transaction as needed.

Company Settings

Configure your commission-related *Company Settings* to meet your office's specific needs.

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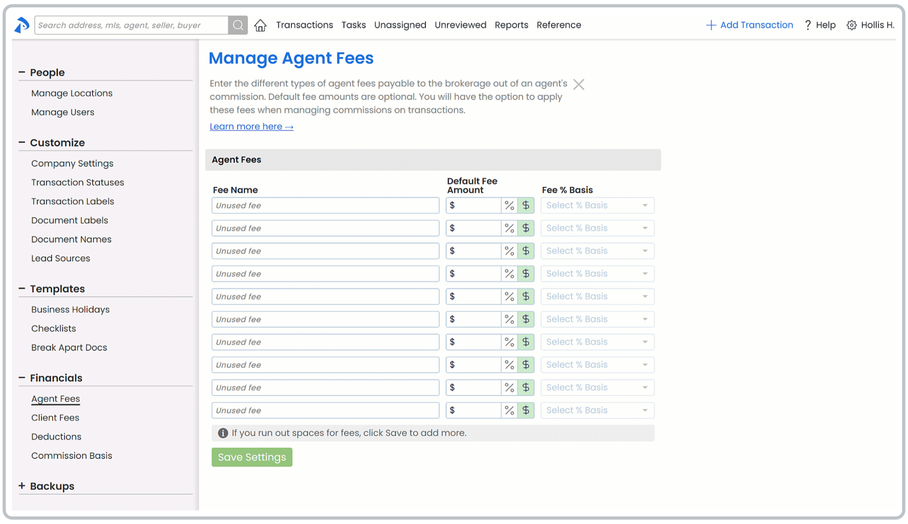
Agent Fees

Agent Fees are fees paid to the brokerage from an agent's commission.

To add agent fees:

1 **Go to the** [Agent Fees page](#) **.**



2 For each fee, **type the fee name in the *Fee Name* column.**

3 In the *Default Fee Amount* column, **enter the standard amount for the fee.** The amount you enter here will be inserted for that fee when managing commissions on transactions. You can change the amount during that process for any individual transaction, if needed.

> If the agent fee varies from transaction to transaction, leave the fee amount blank.

4 **Choose [%] or [$]** to specify whether your default amount will be based on a percent or dollar amount.

5 If you selected the [%] option, select the *Fee % Basis* in the next column to specify the value on which to calculate the percentage.

Fees can be automatically calculated based on a percentage of *Gross Commission, Sale Price, Distributable Commission, Broker Gross, Agent Gross*, or *Gross Commission less Referral.*

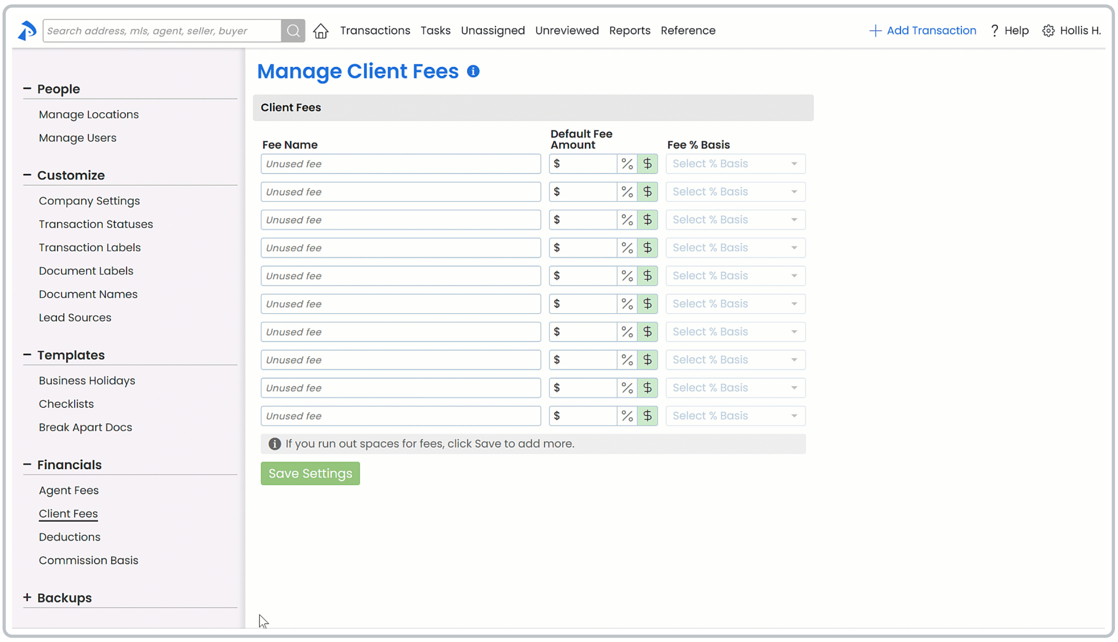
6 **Click [Save Settings].**

Client Fees

Client Fees are fees paid by buyers or sellers outside of normal commissions. *Client Fees* can be paid directly to the brokerage or agent on the transaction. Some examples of *Client Fees* include agent bonuses, state fees, or taxes or transaction fees charged to clients.

To add client fees:

1. **Go to the [Client Fees page](#) .**



2. For each fee, **type the fee name in the *Fee Name* column.**
3. In the *Default Fee Amount* column, **enter the standard amount for the fee.** The amount you enter here will be inserted for that fee when managing commissions on transactions. You can change the amount during that process for any individual transaction, if needed.

> If the client fee varies from transaction to transaction, leave the fee amount blank.

4. **Choose [%] or [$]** to specify whether your default amount will be based on a percent or dollar amount.
5. If you selected the [%] option, select the fee percent basisin the next column to specify the value on which to calculate the percentage.
6. **Click [Save Settings].**

When managing commissions on transactions later, default fee amounts will auto-populate but can be updated or deleted as needed.

Deductions

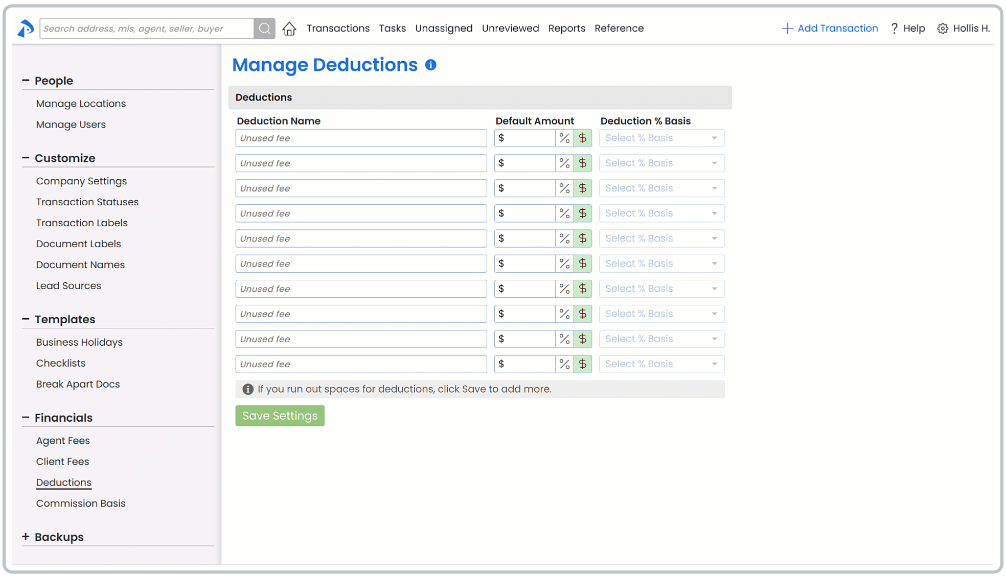
Deductions are fees that can be taken off-the-top before the broker-agent split or paid directly from the broker or agent share of commission. Some examples of *Deductions* include Charitable Contributions, Client Rebates, MLS Fees, Home Warranty Fees, or payments to an in-house user such as an assistant or transaction coordinator.

- *Off-the-top Deductions* can be used to pay money to the broker, in-house agents or third parties.

- Regular *Deductions* paid from the broker or agent's share of commission can be paid to in-house agents or third parties.

To add deductions:

1. **Go to the Deductions page .**



2. For each deduction, **type the deduction name in the *Deduction Name* column.**

3. In the *Default Amount* column, **enter the standard amount for the deduction.** The amount you enter here will be inserted for that deduction when managing commissions on transactions. You can change the amount during that process for any individual transaction, if needed.

> If the deduction varies from transaction to transaction, leave the deduction amount blank.

4. **Choose [%] or [$]** to specify whether your default amount will be based on a percent or dollar amount.

5 If you selected the [%] option, select the deduction percent basis in the next column to specify the value on which to calculate the percentage.

- *Off-the-top (OTT) Deductions* can be calculated as a percentage of *Gross Commission* or *Sale Price*.

- Regular *Deductions* can be calculated as a percentage of *Gross Commission*, *Sale Price*, *Distributable Commission*, *Broker Gross*, *Agent Gross*, or *Gross Commission less Referral Commission*.

6 **Click [Save Settings].**

When managing commissions on transactions later, default deduction amounts will auto-populate but can be updated or deleted as needed.

Once you complete the Commission Module setup, you're ready to start using the Commission Module. Learn how to Use Commission Module here →