Deductions

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Deductions come out of the brokerage's share or an agent's share of a commission and get paid to someone else — an in-house teammate or an outside company.

Introduction

Not every dollar on a closing goes to the brokerage or the agent. The transaction coordinator gets paid. The home warranty company gets paid. A teammate is owed a cut, a buyer is getting a rebate. All of it comes out of the commission on the way past.

That's a deduction. It's the flexible one, because unlike an agent fee it lets you name whoever gets paid, and it lets you say whose share the money comes out of, the brokerage's or an agent's, deal by deal. The types themselves are created once at the account level. From then on, the person entering commissions picks a type and answers the two things that change from one closing to the next: out of whose share, and to whom.

Worth knowing before your first one: a deduction has to exist as a named type before you can use it. There's no way to type a one-off charge onto a single deal, so a sign install or a one-time credit needs a type made for it first. Once the list reflects how your office actually pays people, most closings come down to a couple of picks and an amount.

How It Works

Set up the types, then choose the payer and the payee on each transaction.

Where Deductions Live

The list lives in **Admin / Settings**, under **Deductions** in the *Financials* section of the left menu. Only master admins can see or change it. A deduction type has to exist before you can apply it — there's no way to type a one-off deduction name directly on a transaction.

Whose Share It Comes Out Of

In *Step 3 — Fees & Deductions*, [Enter deduction for brokerage] takes it from the brokerage's share; [Enter deduction for this agent] takes it from that agent's. Both happen after the broker/agent split, so a deduction here changes one party's net and nobody else's.

Who Gets Paid

Choose **[external]** and type the payee's name and address into **Payable To**, or choose **[in-house]** and pick a Pipeline user. What a deduction can't do is pay the brokerage — money owed from an agent to your office is an agent fee.

Dollars or Percent

Each deduction type carries a default amount as a flat **[$]** figure or a **[%]**. A percentage can run against **Gross Commission**, **Sale Price**, **Distributable Commission**, **Broker Gross**, **Agent Gross**, or **Gross Commission less Referral Commission**. Hover over a deduction's **[%]** while entering commissions to see which one it uses.

How It Reads on the CDA

A deduction paid to an outside person or company becomes its own payable line — title cuts that check directly. A deduction paid to an in-house user rides inside the brokerage's single payable instead, so it doesn't show as a separate line.

The Ceiling

A deduction can't exceed the share it comes out of. The Commission Module disburses commission, so it doesn't record a negative payout — if the brokerage earns nothing on a transaction, there's nothing for a broker deduction to come out of. When that's the reality of the deal, the amount goes into the CDA's special instructions as text.

Add a Deduction Type

> Create a deduction so it's there when you enter commissions.

> **Who Can Do This**: Master admins.

To add a deduction type:

1. Click the [Gear] in the upper-right corner, then [Admin / Settings].
2. Click [Deductions] in the *Financials* section of the left menu.
3. Type the name in the **Deduction Name** column.
4. Enter the standard amount in the **Default Amount** column, or leave it blank if the amount varies.
5. Choose [%] or [$] to set whether that amount is a percentage or a dollar figure.
6. If you chose [%], pick the percentage basis the deduction should be calculated on.
7. Click [Save Settings].

The deduction now appears in *Step 3 — Fees & Deductions*, and in the off-the-top dropdown if your location has that turned on.

Delete a Deduction Type

> Take a deduction off the list so it stops appearing when you enter commissions.

> **Who Can Do This**: Master admins.

To delete a deduction type:

1. Click the [Gear] in the upper-right corner, then [Admin / Settings].
2. Click [Deductions] in the *Financials* section of the left menu.
3. Clear the **Deduction Name** of the deduction you want to remove.
4. Click [Save Settings].

It stops appearing on new commission entries. Amounts already recorded on past transactions stay as they were.

Take a Deduction from the Brokerage's Share

> Pay a third party out of what the brokerage earned on the transaction.

> **Who Can Do This**: Admins with the *enter financial data* permission for the transaction's location.

To take a deduction from the brokerage's share:

1. Open the transaction and click [Manage Commissions] or [Update Commissions] in the left menu.
2. Work through to *Step 3 — Fees & Deductions*, then in the *Broker's Fees & Deductions* section click [Enter deduction for brokerage].
3. Select the deduction name. If it has a default amount, that amount fills in.
4. Confirm the amount or enter a different one, as a dollar figure or a percentage.
5. Choose who it's paid to: [external] and type the payee's name and address into **Payable To**, or [in-house] and select the user.
6. Repeat for any other deductions, then continue through the remaining steps and save.

Pipeline subtracts the amount from the brokerage's net payable. External payees appear as their own payable line on the CDA; in-house payees ride inside the brokerage's payable.

Take a Deduction from an Agent's Share

> Pay a third party out of what one agent earned on the transaction.

> **Who Can Do This**: Admins with the *enter financial data* permission for the transaction's location.

To take a deduction from an agent's share:

1. Open the transaction and click [Manage Commissions] or [Update Commissions] in the left menu.
2. Work through to *Step 3 — Fees & Deductions*, then in that agent's *Fees & Deductions* section click [Enter deduction for this agent].
3. Select the deduction name. If it has a default amount, that amount fills in.
4. Confirm the amount or enter a different one, as a dollar figure or a percentage.
5. Choose who it's paid to: [external] and type the payee's name and address into **Payable To**, or [in-house] and select the user.
6. Repeat for any other deductions, then continue through the remaining steps and save.

The amount comes off that agent's net payable and shows as income to the recipient in your financial reports.

Deductions FAQ

Deductions come out of one party's share and get paid to another, and they can't be created on the fly or exceed the share they come from. Answers to the common questions about payees, reporting, and when to reach for something else.

See Deductions FAQ

Deductions Troubleshooting

A deduction that won't go in? Start here.

- Why Won't a Deduction Save or Apply?