404B: Production Commission Report, Lawn, Tree, & Shrub Care

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Section: Accounting
Subject: Production Commission Report, Lawn, Tree, & Shrub Care
Approved by: Elizabeth Duggan
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Policy Owner:

Policy

For each employee under a percentage of production compensation arrangement, a Production Commission Report will be completed each month. This report will be used to calculate the employee's total earnings each month. Should any non-sales employee earn sales commissions, this report will be used to calculate those commissions.

The procedures for completing this form are as follows. Each line number of these procedures corresponds to a line number on the Production Commission Report (page 6 of this policy).

Special Note: The Wage & Hour Division of the Department of Labor requires us to record total hours worked for commissioned employees. For this reason, it is necessary to enter the total hours worked in the upper right hand box of the form.

1. **Lawn, Tree & Shrub Production Commission**
    - Regular Production for Home Service Center - Enter the total month's regular production amount for this technician for this Service Center only. This amount is found on the Routeman Commission Report which is generated during the month-end closing process (See Periodic Reports Menu, Report #12; example on page 7 of this policy). Multiply the production amount by the appropriate commission rate for this employee and enter the result under Commission

Amount.

- Initial Service Production - Enter the total month's initial service production amount for this employee for this Service Center only. This amount is found on the Routeman Commission Report which is generated during the month-end process (See Periodic Reports Menu, Report #12; example on page 7 of this policy). Multiply the production amount by .16 (16%) and enter the result under Commission Amount.
- Annual Aerations - Enter the total month's annual aeration production amount for this employee for this Service Center only. This amount is found on the Routeman Commission Report which is generated during the month-end process (See Periodic Reports Menu, Report #12; example on page 7 of this policy). Multiply the production amount by .20 (20%) and enter the result under Commission Amount.
- Chargebacks - Enter the dollar amount of lost lawn business from the Lost Business Log. Chargebacks are based on the annual contract amount less customer payments for accounts cancelled during the first year. Multiply this amount times the appropriate commission rate for this employee and enter the result under Commission Amount.

2. **Lawn, Tree & Shrub Production Commission for Other Service Center(s)**
   - Regular Production for Other Service Center(s) - Enter the total amount of lawn production for this employee for any other Service Center(s). This amount is found on the Routeman Commission Report generated by the respective Service Center(s) during the month-end process (See Periodic Reports Menu, Report #12; example on page 7 of this policy). The respective Service Center should fax the employee's page of this report to the home Service Center for inclusion in the employee's earnings calculation. Multiply the production amount by the appropriate commission rate for this employee and enter the result under Commission Amount.
   - Initial Service Production - Enter the total month's initial service production amount for this employee for any other Service Center(s). This amount is found on the Routeman Commission Report generated by the respective Service Center(s) during the month-end closing process (See Periodic Reports Menu, Report #12; example on page 7 of this policy). Multiply the production amount by .16 (16%) and enter the result under Commission Amount.

- Annual Aerations - Enter the total month's annual aeration production amount for this employee for any other Service Center(s). This amount is found on the Routeman Commission Report generated by the respective Service Center(s) during the month-end closing process (See Periodic Reports Menu, Report #12; example on page 7 of this policy). Multiply the production amount by .20 (20%) and enter the result under Commission Amount.
- Chargebacks - Enter from the Lost Business Log the dollar amount of lost lawn business at any other Service Center(s) as it pertains to this employee. Chargebacks are based on the annual contract amount less customer payments for accounts cancelled during the first year. Multiply this amount times the appropriate commission rate for this employee and enter the result under Commission Amount.

3. **Sales Commission (Services Started/Completed & Collected)**
   - Pest Prevention - Enter the dollar amount of Pest Prevention sales in Total Sales Amount. This information is found under Amount to be Commissioned on the Pest/Lawn Commission Report (Custom Menu #1, Report #21; see example on page 8 of this policy). Multiply this amount times .10 (10%) and enter the result under Commission Amount.
   - Pest Lead - Enter the dollar amount of Pest Prevention sales (annual amount of contract) resulting from a lead provided by this employee. This amount can be found on the Lead Log. Multiply this amount times .025 (2.5%) and enter the result under Commission Amount.
   - Lawn, Tree & Shrub Care - Enter the dollar amount of Lawn, Tree & Shrub Care sales in Total Sales Amount. This information is found under Amount to be Commissioned on the Pest/Lawn Commission Report (Custom Menu#1, Report #21; see example on page 8 of this policy). Multiply this amount times .10 (10%) and enter the result under Commission Amount.
   - Lawn Lead - Enter the dollar amount of Lawn, Tree & Shrub Care sales (annual amount of contract) resulting from a lead provided by this employee. This amount can be found on the Lead Log. Multiply this amount times .025 (2.5%) and enter the result under Commission Amount.
   - Subterranean Termite - Enter the dollar amount of Subterranean Termite sales completed and collected. This information is found on the Termite Commission Report (Custom Menu #1, Report #22; see example on page 9 of this policy). Multiply this amount times .10 (10%) and enter the result under Commission Amount.

- Baiting ($7.00 Per Linear Ft and Over) - Enter the dollar amount of Sentricon sales sold at greater than or equal to $7.00 per linear foot. This information is found on the Termite Commission Report (Custom Menu #1, Report #22; see example on page 9 of this policy). Multiply this amount times .10 (10%) and enter the result under Commission Amount.
- Baiting ($6.00 to $6.99 Per Linear Ft) - Enter the dollar amount of Sentricon sales sold between $6.00 and $6.99 per linear foot. This information is found on the Termite Commission Report (Custom Menu #1, Report #22; see example on page 9 of this policy).
- Baiting ($4.50 to $5.99 Per Linear Ft - EPT or Special Programs Only) - Enter the dollar amount of Sentricon sales sold to existing customers as conversions under the Extended Protection Treatment Program or other programs authorized by the President. This information is found on the Termite Commission Report (Custom Menu #1, Report #22; see example on page 9 of this policy). Multiply this amount times .05 (5%) and enter the result under commission amount.
- All Termite Leads - Enter the dollar amount of all termite sales in Total Sales Amount. This information can be found on the Lead Log. Multiply this amount by .025 (2.5%) and enter the result under Commission Amount.

4. **Other Earnings**
   - Vacation, Holiday & Sick Pay - Enter the number of days and dates of Vacation, Holiday and Sick time off taken by this employee. Multiply the number of days in each category times $50 per day to calculate the Commission Amount.
   - Training Pay - Enter the number of days and the dates of any training meetings which this employee attended. Multiply the number of days times $50 per day to calculate the Commission Amount.
   - Professional Development Program - Enter the additional amount earned by this Sales Inspector under the Company's Professional Development Program. This information can be found on the most recent Employee Status Form for the employee.
   - License Fee - In some cases, a technician who is a Certified Operator will earn a fee for the use of his/her license. This will be noted on the Employee Status Form.
5. **Total Month's Earnings** - Add the sum of all categories of commission amounts for the month's earnings for this employee.

6. **Less Guarantee (Amount Paid Last Pay Period)** - Subtract the amount of the employee's guarantee that was paid the previous pay period. In most cases, this will be a one-half month's guarantee. In cases of partial employment, unauthorized absence and unauthorized unpaid leave of absences, the amount will be less than one-half month's guarantee.
7. **Total Commission Due** - Subtract line 5 minus line 6 to calculate the earnings due the employee for this pay period.

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