

Pay if Unused🔗

You can find this setting by going to: **CRM > Settings > Referral Partner Settings > Referral Partner Defaults**. It is recommended to leave this setting "off" unless you meet the following criteria:

This setting only applies to unique situations in which a company, who has a multilevel payout system, needs to pay extra commissions to referral partners who make a sale not involving another level.

This is how referral commissions are calculated if **pay if unused** is set to **Yes**:

This referral partner program has 2 levels. This means that the partner who makes a sale is eligible for commission AND the partner who recruited that referral partner (the parent partner) is also eligible for commission. This program also has "pay if unused" enabled and has a value entered into that field in the referral program record.

Level 1 Commission = 20%: This goes to the partner who makes the sale (the child partner).

Level 2 Commission = 10%: This goes to the partner who recruited the partner who makes the sale (the parent partner).

Pay if Unused = 50%: This is the amount of commission you want to pay out. This percentage overrides the Level 1 commission, if there is only a level 1 partner. If there is more than one partner to pay, the system awards additional commission to the level 1 partner when there is an unused portion.

Scenario 1

Partner "Bob" makes a \$1000.00 sale, but no other partner was involved in recruiting him for your program. There is no Level 2 partner (parent). Bob will receive a 50% payout, even though the Level 1 Commission is only 20%. Bob will receive 500.00. If "pay if unused" was disabled, he would only receive \$200.00 (20%).

Scenario 2

Partner "Jim" makes a \$1000.00 sale. Jim (child partner) was recruited into your program by partner "Bob" (parent.)

Bob is the Level 2 partner. He did not make the sale, but is eligible for commission on the sale Jim made. Bob will receive a 10% commission, in this case, \$100.00.

Jim is the Level 1 partner. He made the actual sale. His commission will be calculated using the "pay if unused" value (see below)

Step 1: Determine "unused" value for the \$1000.00 sale:

Pay if unused (50%) minus Level 2 Commission (10%)

$$50\% - 10\% = 40\%$$

$$\$500.00 - \$100.00 = \$400.00$$

Step 2: Calculate Level 1 commission for the sale, factoring in the "pay if unused" value.

Unused value (40%) plus level 1 commission (20%)

$$\$400.00 + \$200.00 = \$600.00$$

The total payout for this scenario is \$700.00. When **pay if unused** is enabled, you end up paying out more commission than you otherwise would.

Level 1 to Bob: \$100.00

Level 2 plus **pay if unused** to Jim: \$600.00
