Preferred Provider Rework

The Preferred Provider system is an existing, but underutilized, part of Listingbook. This rework will make it more user friendly, and also make it profitable for Agents. The majority of existing code can be lifted in large chunks into the new structure. However...

Different Page Flow

A lot of the changes in this rework center around altering the linking and layout of web pages. This document describes the new links between existing and new pages, but it only roughly defines the onscreen layout within a page. Owing to a need for speed, issues of webpage design and marketing narrative are being developed in parallel with, rather than prior to, issues of code and database. For the present, regard all attached mocked-up webpages as guides of function but not of style. That is, as long as the links take you to the proper destination page, don't worry about how ugly the destination looks. The JPGs will meet the GUIDs in the middleware in about another week or two.

Money to Agents

To date, the only consumer of seriously meticulous accounting information has been our own accounting department. A big change in this rework is that Listingbook will begin paying commissions to Agents who get Providers to subscribe. Because these Agents will want to know in detail about their commissions, we've got to build a general ledger.

To date, Listingbook has been a business expense deduction for Agents (and Providers), but now Listingbook is about to become a source of income, taxable income, for Agents. We'll have to build a collector of IRS form W-9 information into the system so that we can generate IRS 1099 forms at each year's end.

Money from Providers in Multiple Ways

The existing system provides a no-cost way for Agents to compile a list of preferred Providers which Listingbook can then present to those Agents' Clients. The new system will continue to support that, but with a twist: the freebie entries will be visible only to Clients of those Agents who type in those entries. As things stand now, a freebie entered by one is visible by all, and may well have gone out of business two years ago. We often have no idea how to contact a Provider, and we'd rather not take on the burden of having to freshen the list. The new system deals with that by putting the burden on the Agent who entered the freebie. If a Provider wants to be visible to everyone, he's got to spend money... and he's going to be offered more than one price level.

Highly Flexible Tables

The tables described in this document are intended as suggestions only, but they attempt to address every eventuality brought up so far in conversation. For example, we've mused through about nineteen scenarios of subscription pricing and commission pricing without any live market feedback to tell us which will produce the most acceptance. Especially in the context of rolling this out in steps by way of the Triad Client, the odds are excellent that a repricing while in motion will be necessary. Also, the best-tuned model for one market will likely be radically different from that of another market.

Reworked Concept Overview

Every Agent has a short list of Providers (plumbers, insurance agents, etc.) whom the Agent trusts not to wreck a good real estate sale, and every Agent will *prefer* those Providers whenever asked for recommendations by a Client.

Without paying a dime, a Provider can get himself on one particular Agent's Preferred list by doing good work in view of that Agent. But what would it be worth to a Provider to get in view of thousands of Agents, and tens of thousands of Clients? And how do we pose such an offer to Providers, the vast majority of whom are unknown to us today?

Revenue Sharing

While we don't know many Providers, we do know lots of Agents who know Providers, and these Agents are highly motivated by commissions. Let Listingbook share revenue from Provider subscriptions with Agents, and they'll make the pitch for us.

The Pitch To The Providers

We can offer you cost-effective and highly targeted advertising services. In return for a monthly flat fee, you acquire static visibility in front of the entire Listingbook community, meaning that your name can be found both by category browsing (leafing through the Yellow Pages, so to speak) and by keyword searching (like Google). For an additional price per event, you can directly advertise special offers to precisely those prospects most likely to be in need of your services at that moment.

The Pitch To The Agents

You can continue to recommend individual Providers as before, with no need to ask Providers to sign up. However, every time you convince a Provider to sign up through you, you earn commissions. This cash money accumulates in a balance at Listingbook, where you can either use it to pay for your own Listingbook services (Open Houses, etc.) or, once the balance exceeds $49.98, ask Listingbook to mail you a quarterly check.

Tuning and Re-tuning

For this project to succeed, we have to tune several issues to "best guess" settings prior to rollout, knowing that we will almost certainly have to re-tune them after rollout as we see what's selling and what isn't. The more of these issues that can be adjusted with UPDATE queries rather than code rewrites, the easier it'll be on us all:

- set subscription fees for Providers so that payment is never an obstacle to joining (this includes leaving intact the no-fee level of service so we don't expel prospects)
- arrange the user interface so that the process itself is never an obstacle to joining
- deliver enough benefits to Agents that they'll sell Providers on joining (and staying)
- deliver enough benefits to Providers that, once joined, they won't want to leave
- show Providers enough additional benefits that they will want to upgrade their service

Reworked Stages In Provider Relationship

No Acquaintance

There is a carpenter named Joe out there somewhere. Many Agents may personally know Joe, and trust him to do good work, but Joe and Listingbook haven't met yet.

Invited, Preferred By One (Level 0)

Agent Mary types Joe's name, phone and email into Listingbook's Invite New Provider form. Joe's info immediately begins to appear as a text entry on Mary's Preferred Providers list, visible only to Mary and to Mary's clients. Even better, we now know Joe, so we send him an email with a URL link inviting him to see what we can do for him.

Landed, Still Preferred By One (Level 0)

Joe clicks the enclosed URL and comes to a Provider Landing Page explaining the benefits of subscribing. A value in the URL relates it back to Joe's email and Mary's user id.

Subscribed (Level 1 or 2)

Joe decides to subscribe. Currently, he can choose between two benefit packages:

> **Level 1 (White Pages Only) - $4.99 per month per geographic area**
>
> Joe is now discoverable in text form by *every* user who browses or searches for a Provider. At first, though, Mary is still the only Agent who has *preferred* him.
>
> **Level 2 (White+Yellow Pages) - $24.99 per month per geographic area**
>
> Joe is not only discoverable in text form, but also in color and with graphics. Joe composes a color business card to appear in lists. Joe composes a brochure (an Info Page accessible as joecarpenter.listingbook.com). Joe also begins randomly appearing to all users at the right side of their screen in the Featured Provider space.

Preferable By Many

When Joe subscribes, he remains on Mary's list of Preferred Providers, and he can now be preferred by any other Agent who notices him without that Agent needing to invite him. Preference simply means that Joe rises towards the top of lists as seen by Clients of the preferring Agent. Agents other than Mary won't make a penny from preferring Joe. Rather, they'll do it because they want to maintain a short list of reliable service providers who won't sabotage their real estate sales. By hosting this relationship, Listingbook improves the odds of success for Agent home sales, thus increasing loyalty, and it also improves the odds of a Provider selling his services, thus improving retention.

Transition Issues in the Triad

Because there is an existing Provider program up and running in the Triad, there already exist 2 groups of Providers: those who currently pay nothing yet are visible to everyone as a text entry, and those who currently pay a significant fee to have Info Pages, etc. We loosely call these groups Levels A and B.

The transition for Level A is easy: the moment the new system goes online, a Level A becomes a Level 0 in the My Preferred Providers list of every Agent who is, at that moment, preferring them. That Provider will then cease to be visible to anyone but the clients of those Agents. He is not paying us anything. He does not have an account with Listingbook. We do not have an email address for him. But the Agent(s) who have preferred him will have both the ability, and now the motivation (commission), to invite him to become a Level 1 or a Level 2. If he's no longer in business, and one or more Agents choose to let his entry remain on their list of preferred providers, well, they're only making themselves look bad in front of their own Clients. No one else on the system will be able to see him anymore.

The transition for Level B is differently easy: we don't disturb him in any way. For the Triad only, there will be a fourth group of Providers, Level B. It will deliver the exact same set of benefits as before, and it will cost the exact same thing as before. Why not try to convert them? Because whenever you tell existing subscribers that things are about to change, even when the change will save them money, lots of them cancel their subscriptions.

No Agent gets a commission from any existing paying Level B Provider. To offset any potential for hard feelings, every Agent in the Triad who currently receives premium service by way of preferring a certain number of providers will, in the new system, receive premium service free of charge no matter what they do.

Site Changes - Agent

Agent's Nav Menu and Frontpage

We understand that there are other forces at work elsewhere in the system, but for purposes of defining this project in isolation, we are presuming that the Agent's Nav menu will receive a new top level option, Providers. In any event, the Agent Frontpage will lose the Provider Services box entirely, instead gaining a link & explanation which leads to the Providers Dashboard page.

Agent's Providers Dashboard

Clicking either Providers link leads to a completely new Dashboard page. The intent of this page is to deliver to the Agent an all-in-one toolkit for managing Providers. Yes, it's really ugly at the moment. Pay it no mind. Help is on the way soon.

Find Existing Providers (and Prefer Them)

The Find box allows for a keyword search of all Providers currently subscribed in the system. The keyword search is set to narrow itself by geography to the local area of this Agent, though it can be thrown wide to search for Providers across all areas of this MLS. The required functionality currently exists, but three alterations are needed. First, categories need to become keywords. That is, anyone wanting a plumber should find every plumber in the system by typing in either plumber or plumbing or plumb. Second, the visual presentation could be dramatically improved, especially when no match is found. Third, the Agent needs to be able to *prefer* one or more Providers found by this search.

The Find box also allows Browse By Category, which leads to the page formerly known as Select/Nominate Providers. Here again, the required functionality currently exists, and as before the purpose of this page is to help Agents *prefer* existing Providers. Every time an Agent goes in search of an already-subscribed Provider, the odds are excellent that the Agent will wish to either prefer, or unprefer, that Provider, by the end of whatever interaction they have. There's just no point in even offering a read-only list to an Agent.

My Preferred Providers

The formerly separate My Preferred Providers page is simply absorbed into the bottom left hand side of the Dashboard page. It displays a list of all Providers this Agent currently *prefers* that her Clients do business with. Checkboxes allow for unpreferring of a Provider via a Save My Changes button. Both this functionality, and that of Print My Preferred Providers, currently exists and needs no significant alteration.

Invited, Not Yet Subscribed

This box lists every prospective Provider whom this Agent has sent an invitation email, but who has not yet subscribed. It provides for re-inviting either by email or by fax.

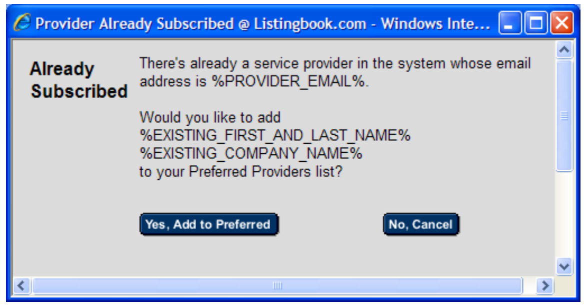
Subscribed By Another Agent

This box lists every Provider this Agent invited who then chose to subscribe through the invitation email of another Agent. Given that this is necessary info but salt in the wound, a link allows the Agent to dismiss each item from further view. If the count of this list is zero, don't show the box at all.

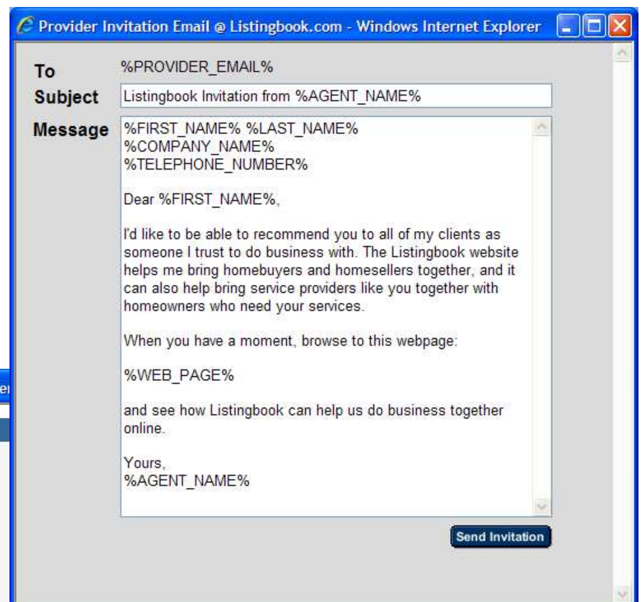
Invite New Provider (and possibly Make Money)

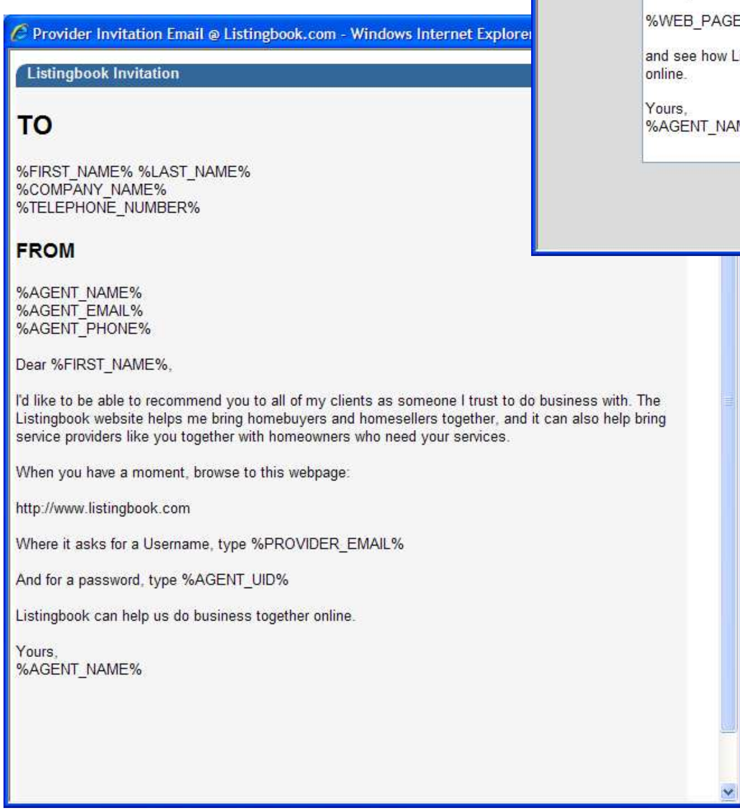
If an Agent wishes to recommend a not-yet-subscribed Provider to his/her clients, the Agent fills in the Invite New Provider form on the Agent's Providers Dashboard page.

After the Agent clicks Preview The Invitation, the system should check whether it's seen the suggested email address before. If there's already an existing Provider who subscribed using an invitation emailed to that address, the system should so alert this Agent. However, if other invitations have gone out to this address from other Agents but the Provider hasn't subscribed yet, the system must not complain. A Provider is welcome to remain non-paying while being preferred by as many Agents as wish to recommend him. And the first Agent who convinces him to subscribe gets the commission.



When the Provider is not already subscribed, a Preview window allows the Agent to alter the default text suggested by the site prior to sending the invitation. The %JARGON_TAGS% won't appear in that manner to the Agent. By the time this page arrives on the Agent's screen, %FIRST_NAME% will have become Bob, Joan, etc.





If the Agent has difficulty conveying an email to the Provider (anti-spam software, mainly), a "Plan B" page can be called up which can either be printed and faxed, or read aloud by the Agent over the phone to the Provider. The instructions, as a result, need to be quite simple and direct (see Scott Ferner re Web2Fax and shortURL.com).

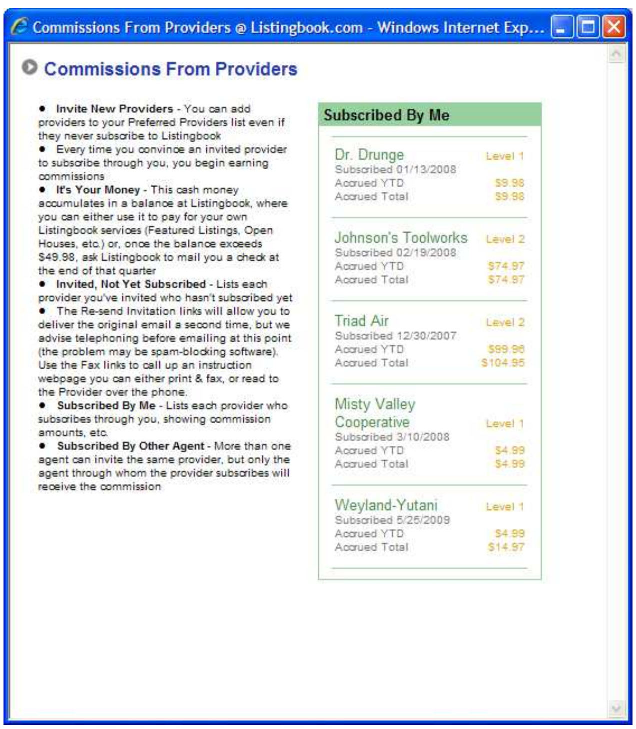
It’s Your Money

This box on the Dashboard shows the Agent the current balance of commissions. Exact details of what should appear here are still in flux. See **Accounting and Legal Issues** below for more details.

The Check, Please! link will appear only during the last month of each quarter, and even then only when the balance exceeds a certain minimum (currently $49.98). Clicking that link leads to logic which first checks to see whether Listingbook LLC has IRS W-9 form information on file. If not, the system asks the Agent to provide this information... including SSN. See **TAXES** below for more details.

Agent’s Commissions From Providers

Clicking Learn More in the Dashboard’s It’s Your Money box calls up an entirely new page which itemizes how the current balance of commissions came to be that way. It will list at least those Providers who were subscribed by the Agent, but it may also display a running history account of transactions. Again, see the Accounting department for details.



Subscribed By Me

Lists every Provider this Agent has invited who’s then subscribed, and it shows how much money the Agent has ever made by inviting each Provider. If the count of this list is zero, show the box with a “You could be earning commissions” nudge.

Site Changes - Provider

Agent's Shingle Page

Many agents hang a webpage shingle onto Listingbook and use this as the URL they print on their business cards. Currently, it invites prospective Buyers and Sellers to find out more. We suggest it additionally invite prospective Providers to subscribe by linking them to http://www.listingbook.net/services/preferred_providers.php.

Provider's Landing Page

When a prospective Provider receives an invitation email from an Agent, and then clicks on the URL contained in the email, the Provider needs to be brought to a Landing Page which explains in plain English what's in it for him to become a Listingbook Provider. The narrative contents of this page ought to be held in such a way that Marketing can make alterations with minimal developer involvement.

Provider's Subscription Page (More Details...)

If he's interested enough to click More Details..., we show him his various purchase options. Most of the required functionality already exists in other credit card collection pages, but the specifics of what the Provider can actually purchase get a little complicated. See **Suggestive Table: Provider Packages** for more details.

Crucial: whatever email address each Provider uses to arrive at the Landing Page, plus the inviting Agent's UID, must be stored in non-editable hidden fields in his account. See **Suggestive Table: Providers** for more details.

Provider's Welcome Page

After a Provider successfully pays by credit card, he should be presented with a Welcome Page which tells him his new username and password. The narrative contents of this page ought to be held in such a way that Marketing can make alterations with minimal developer involvement.

Provider's First Page After First Login

The first page a newly subscribed Provider reaches after login is Approve Your Profile. Although this page currently exists, it could do with some cosmetic alterations.

Provider's Frontpage

Once the newly subscribed Provider has tweaked his business card, brochure, etc., and has approved his profile, he should be taken to the Provider Frontpage. Note at the left of the page the link explaining that his marketing literature is currently hidden from all users. It should be possible for the Provider to switch his visibility on and off easily so that, at times when he needs to alter his literature, prospects can be kept from seeing the changes mid-alteration.

Suggestive Table: Provider Packages

The pricing structure for Provider subscriptions needs to be stored in a table which contains at least this information (though by no means necessarily in this format):

LevelKey	Level	Description	Price	Frequency	Ofr	All	Category	Region	Vol
guid	text	text	currency	enum	bool	bool	foreign key to provider_category table	foreign key to regions table	int
4000	Level 0	PrefByOne	$0.00	Never	F	F	NULL	NULL	1
4001	Level 1	WhitePages	$4.99	Monthly	T	T	NULL	NULL	1
4002	Level 2	YellowPages	$24.99	Monthly	T	T	NULL	NULL	1
4003	Level 2	YellowPages	$20.00	Monthly	T	T	NULL	NULL	2
4004	Level 2	YellowPages	$10.00	Monthly	T	T	NULL	NULL	3
3001	Level Bq	Legacy Q	$75.00	Quarterly	F	T	NULL	NULL	1
3002	Level Bh	Legacy H	$150.00	Halfly	F	T	NULL	NULL	1
3003	Level By	Legacy Y	$250.00	Yearly	F	T	NULL	NULL	1

The Ofr field indicates whether the row should be offered to a new subscriber. Certainly Level 0 should never be offered because it's given gratis by the act of an Agent inviting a not-yet-subscribed Provider. This row is in this table to indicate what benefits a Level 0 has access to, but it isn't a level that makes any sense to *sell*. Similarly, the Triad needs to continue supporting legacy subscribers, but their old payment plans shouldn't be offered to new subscribers. And, a year from now, the original Level 1 may be replaced by a new and improved Level 1, so we'll need to hide the old one yet still support its subscribers.

The All field indicates whether the subscriber is visible to all Agents and Clients (true) or visible only to the Clients of Agent(s) who've filled in the Invite New Provider form (false).

A NULL in either foreign key field means that this record is the catch-all default. As to Category, it is currently planned that we'll charge landscapers the same rate as bankers, but expect that this will not always remain so. As to Region, again it is currently proposed that we charge one price for any one region, but we may someday wish to charge more for The Hamptons than for Queens.

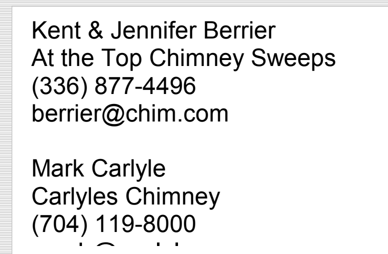
The Vol field tries to deal with volume discounted pricing when a Provider subscribes to multiple geographic regions. The plan is to charge Level 1 subscribers $4.99 per month per region regardless of volume, so a 3-region subscriber would pay $14.97 per month. Level 2 subscribers, though, are to be charged $24.99 per month for the 1st region, $20 more per month for a 2nd region, and $10 more per month for every region from 3 onward. Please by all means suggest a clearer means of handling that. Do expect, though, that pricing schemes will differ from one MLS to the next, so plan for flexibility.

Benefits For Providers

These functions all exist, but each needs to be associated variably with a package level. Currently, Levels 0&1 = ABCD while Level 2 = ABCDEFGHI, but this may change.

WHITE PAGES

A. Ability to **Run Promotions**.



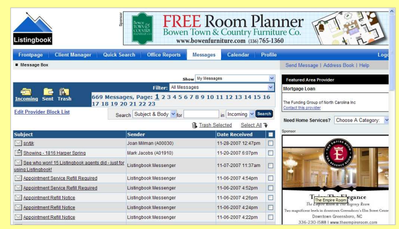
B. **Text-only Alphabetical Listing**: Business name, contact name and phone number appear under appropriate Category in Service Provider Guide

C. **External email address and/or website URL** appear along with business name, contact name and phone under appropriate Category in Service Provider Guide.

D. **Searchable Business name and contact name** become via Search For Services (to Find Services or Providers) Preferred providers appear bold in White Page Text Lists but remain in alphabetical order.

YELLOW PAGES

E. **Listingbook Messaging account** so Provider can be reached online by anyone who finds his information: Also, link to send message to Provider appears along with business name, contact name and phone number under appropriate Category in Service Provider Guide.



F. **Business Card** (Yellow Page Box Ad):
Also, Document Library to hold logos, photos, etc., in support of this and other more-than-mere-text objects

G. **Prime positioning** in search results and Category list pages (pay your way to the top).

H. **Web Brochure page** (info page) to be hosted on Listingbook's website detailing the Provider's skills:

I. **Featured Area Provider Banner** randomly in right-hand side wrapper:

Suggestive Tables: Provider Benefits

If we associate each Benefit with an entry in a table, we can then associate that Benefit with every subscription Level which buys the right to use that Benefit. This will allow for the altering of the contents of subscription packages by the execution of a few UPDATE queries rather than by the rewriting of source code.

BenefitKey	Description
guid	text
A	Ability to Run Promotions
B	Text-only Alphabetical Listing
C	External email address and/or website URL
D	Searchable Business name and contact name
E	Listingbook Messaging account
F	Business Card
G	Prime positioning
H	Web Brochure page (info page)
I	Featured Area Provider Banner

The BenefitKey field is meant to be a guid, but for sake of discussion in this document, I'm just using the letters associated with each benefit on the **Benefits For Providers** page.

BenefitKey	LevelKey
D	4000
D	4001
D	4002
D	4003
D	4004
D	3001
D	3002
D	3003
E	4002
E	4003
E	4004
E	3001
E	3002
E	3003

The examples in this table indicate that Benefit D, the ability of a Provider to be found by either Keyword Search or by Browsing Categories, is granted to every level of Provider in the system. On the other hand, Benefit E, the right to a Messaging account, is granted only to Level 2 and legacy Providers.

In places where a benefit must be denied to a Provider, it would be a good marketing nudge to make him aware of the existence of the benefit if only he'd pay more. For example, the Approve Your Profile page will be extremely bare as seen by someone who's subscribed to Level 1 if it only indicated the benefits he was currently purchasing. If, however, it were to show, maybe greyed out, those benefits he could be enjoying for a higher price, it might tempt him to trade up. That is,

IF benefit IN package
THEN accessible by Provider and visible to Clients/Agents
ELSE mentioned to Provider as a good reason to upgrade.

Suggestive Tables: Agent Commissions

Commission pricing needs even greater flexibility. It may be necessary to specify either a percentage of the Provider's payment, or a flat amount (or both). It may be necessary to do one thing on the first month of subscription and a different thing on all subsequent months. It may be necessary to do one thing on months 1 and 12 of each subscription year different from what is done on months 2 through 11 of the same subscription year.

LevelKey	Event	PercentOfEvent	FlatAmt
guid	int	float	currency
4000	NULL	0%	$0
3001	NULL	0%	$0
3002	NULL	0%	$0
3003	NULL	0%	$0
4001	1	100%	$0
4001	13	100%	$0
4001	25	100%	$0
4001	37	100%	$0
4001	49	100%	$0
4001	NULL	0%	$0
4002	1	100%	$0
4002	13	100%	$0
4002	25	100%	$0
4002	37	100%	$0
4002	49	100%	$0
4002	NULL	0%	$0
4003	1	100%	$0
4003	13	100%	$0
4003	25	100%	$0
4003	37	100%	$0
4003	49	100%	$0
4003	NULL	0%	$0
4004	1	100%	$0
4004	13	100%	$0
4004	25	100%	$0
4004	37	100%	$0
4004	49	100%	$0
4004	NULL	0%	$0
NULL	NULL	0%	$0

There's a LevelKey field because separate commission scenarios need to be maintained for each subscription package. For example, no commission is paid on Level 0 Providers (4000) because it's a freebie to all involved. Similarly, no commission is paid on legacy Providers (3001, 3002, 3003).

At the moment, the same commission scenario is planned for both Level 1 and Level 2 (4001+), but don't be surprised if that isn't sweetened at least once after the system is up and running.

A value of 1 in the Event field means that this row applies to the very first payment a Provider ever makes on his subscription to Listingbook. A value of NULL means that this row applies if no other row's Event value matches the count of payments the Provider has made so far. Values of 13, 25, 37, and 49 mean that those rows apply to the anniversary months of the original payment for years 2, 3, 4, and 5. There's got to be a more elegant way of expressing "12x + 1" but I can't think of it right now.

Although this table defines the currently anticipated commission scenarios, it can be easily altered to pay out, say, 10% on all months other than 1st months, or pay out $3 on the 7th month but only on Providers who subscribe to 2 regions, or if a commissionable package is ever set up as, say, Quarterly, this table can accommodate paying a commission every 3rd quarter.

Suggestive Table: Invitations

There needs to be a table to track every Invite New Provider event:

KeyEmail	KeyAgent	First Name	Etc.	VisitedLanding	VisitedPaypage
text	text	text		bool	bool
joe@carp.com	A00027	Joe	and	T	T
joe@carp.com	A00223	Joseph	so	F	F
joe@carp.com	A83331	Joey	forth	T	F

From this table we can tell how far along Joe the Carpenter is in the prospect process. We can tell each of the three inviting Agents that each is not the only Agent who's invited Joe. We can tell each of them whether Joe has used their email to visit the Landing Page and even if he's gone further into the site.

Suggestive Table: Providers

To handle Joe the Carpenter after he's paid and is a subscribed Provider, we'll need a few extra fields in the existing table(s) behind the providers view:

Provider	KeyEmail	KeyAgent	EditableEmail	Etc.
text	text	text	text	
P00004	joe@carp.com	A00027	joe@carp.com	and
P00005	luke@r2d2.com	A00031	luke@c3po.com	so
P00007	jbond@hmss.go.uk	A00416	jbond@nhs.go.uk	forth

Whatever email address each Provider uses to arrive at the Payment Page, plus the inviting Agent's UID, must be stored in non-editable key fields in his account.

The KeyAgent field allows the system to know that, every time Provider P00004 spends money, Agent A00027 will be the recipient of any commission that might be payable.

The KeyEmail field is every bit as crucial, though. Before Joe the Carpenter signed up and was christened P00004, the system only ever knew him uniquely as joe@carp.com. Agent A00027 sent an invitation to that email address, but so did Agents A00223 and A83331. It just so happened that Joe chose to sign up by following the URL in the email sent by A00027. That leaves two stale invitation emails floating around out there. Without the KeyEmail field, should Joe later go into his Profile and alter his email address, we would have no way of identifying those stale emails should their URL links ever be clicked. Such stale links should take the Provider to the Login page rather than attempt to sign up someone who's already signed up.

Other Programming Considerations

We need a way in-house of hiding an entire professional category of Providers from all Clients of a single Company. In many places, Companies make money from sales of insurance, etc., so the presence of competitors' advertising on Listingbook is a show stopper for these (typically large) Companies.

Other thoughts...

Can we detect cart abandonment? If so, can we email a discount offer?

Can we set the reply-to of Invitation emails to be the Agent's own non-Listingbook email account without appearing to be spoofing? Perhaps mailto: instead?

When in need of sending a fax from Agent to Provider, can we automate with Web2Fax?

If an already subscribed Provider wants to upgrade his level of service, does he have to resubmit his creditcard information? I'm betting yes.

Can Info Page display "Agents Who Prefer Me"?

Accounting and Legal Issues

We need to address RESPA in the Terms of Use. Randall to provide wording.

To support the tracking of Provider purchases in order to share that revenue with Agents, the database serving the webserver will need to record each accounting event in a double-entry general ledger table to be specified by our accounting department. A rough draft of the central table of such a system is included as a starting point.

The following cycle of commission payments best fits IRS considerations:

events that occur between 1 Nov	- 31 Jan	pay in Feb
events that occur between 1 Feb	- 30 Apr	pay in May
events that occur between 1 May	- 31 Jul	pay in Aug
events that occur between 1 Aug	- 31 Oct	pay in Nov

Let commission payments *lag* incoming revenue by a month. That is, when a Provider pays for a subscription on Jan 4, the commission on that payment doesn't accrue to the balance of the inviting Agent until Feb 4. This reduces the odds of having to retract commissions in the event the Provider regrets his purchase and forces a chargeback.

We will need to abandon the current habit of issuing funny money credits instead of refunds so as not to blur the distinction between earned income and returned purchase price. If an Agent uses commission money to make an in-house purchase and then later has the purchase undone for whatever reason, we need to return the purchase price to the commission balance and reduce the amount of that Agent's taxable income by the same.

There will also be a need to (rarely) cut a check for possibly less than the minimum. This will occur when an Agent resigns her commission and leaves the industry. Part of the cover we have with MLS's is that these commissions can only be paid to active Agents.

We need to lay out the handling of credit card (and eventually checking account) Rebill. In particular, we need to deal with issues resulting from failure to rebill, whether it's because the Provider's card is too near its spending limit or has been closed. Also, we'll need an easy way for a Provider to cancel his subscription from inside Listingbook so that he never feels compelled to have his card company issue a chargeback to stop it.

The moment we're unable to acquire ongoing payment, we need to have a de-escalation procedure: first, leave the account active but take its ability to broadcast advertising offline; second, to mothball the account at some point; third, to delete the account.

See also the document RECOMMENDATIONS FOR PROVIDER SERVICES by WAM dated 7/27/2007 regarding data problems in the existing version of the program.

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Suggestive Table: General Ledger, see Tammi for LOTS more details

xact_no	date	uid_by	uid_affected	chart_of_accts_no	amt_debit	amt_credit	memo_txt
1000001	02/19/2008	P00222	P00222	12401 (Asset, Cash via creditcard)	24.99		Provider 222 signs up
1000002	02/19/2008	P00222	P00222	34010 (Revenue, Provider Level 2 monthly)		24.99	
1000003	02/19/2008	COMPU	A00777	51011 (Expense, Accrued Commission)	24.99		First month 100%
1000004	02/19/2008	COMPU	A00777	22401 (Liability, Accounts Payable)		24.99	Agent Bal: 24.99
1000005	02/20/2008	P00333	P00333	12401 (Asset, Cash via creditcard)	24.99		Provider 333 signs up
1000006	02/20/2008	P00333	P00333	34010 (Revenue, Provider Level 2 monthly)		24.99	
1000007	02/20/2008	COMPU	A00777	51011 (Expense, Accrued Commission)	24.99		First month 100%
1000008	02/20/2008	COMPU	A00777	22401 (Liability, Accounts Payable)		24.99	Agent Bal: 49.98
1000009	03/19/2008	COMPU	P00222	12401 (Asset, Cash via creditcard)	24.99		Provider 222 is rebilled
1000010	03/19/2008	COMPU	P00222	34010 (Revenue, Provider Level 2 monthly)		24.99	
1000011	03/19/2008	COMPU	A00777	51011 (Expense, Accrued Commission)	0.00		Subsequent 0% commission
1000012	03/19/2008	COMPU	A00777	22401 (Liability, Accounts Payable)		0.00	Agent Bal: 49.98
1000013	03/20/2008	COMPU	P00333	12401 (Asset, Cash via creditcard)	24.99		Provider 333 is rebilled
1000014	03/20/2008	COMPU	P00333	34010 (Revenue, Provider Level 2 monthly)		24.99	
1000015	03/20/2008	COMPU	A00777	51011 (Expense, Accrued Commission)	0.00		Subsequent 0% commission
1000016	03/20/2008	COMPU	A00777	22401 (Liability, Accounts Payable)		0.00	Agent Bal: 49.98
1000017	04/07/2008	A00777	A00777	00119 (Comment, no monetary effect)			W-9 info acquired, taxable event 1
1000018	04/07/2008	A00777	A00777	22401 (Liability, Accounts Payable)	4.00		Agent Bal: 45.98
1000019	04/07/2008	A00777	A00777	31008 (Revenue, purchase of a Featured Listing)		4.00	
1000020	04/23/2008	A00777	A00777	00119 (Comment, no monetary effect)			Agent asked for a check
1000021	05/01/2008	TAMMI	A00777	00119 (Comment, no monetary effect)			taxable event 2
1000022	05/01/2008	TAMMI	A00777	22401 (Liability, Accounts Payable)	45.98		Agent Bal: 0.00
1000023	05/01/2008	TAMMI	A00777	12401 (Asset, Cash via outgoing check)		45.98	

Tax Implications As Presently Understood

The legacy Preferred Provider program does not seem to cause tax implications because *no possibility exists* for the Agent to receive cash. The IRS does not regard the receipt of premium service or open house promotions in return for the Agent preferring Providers to be a taxable event. However, once an Agent has the *opportunity* to receive cash from Listingbook, regardless of whether the Agent acts on that opportunity, even the use of commissions to purchase services *becomes taxable, reportable income* to the Agent.

An Agent who accrues $1000 credit balance with Listingbook through revenue sharing, but who neither asks Listingbook to cut a check, nor makes even one purchase of Listingbook services using that credit balance, has *not* earned even one penny of income from Listingbook... yet. The IRS does not expect Listingbook to issue a 1099 form, nor does the IRS expect the Agent to report anything, because nothing's been earned.

If that Agent asks Listingbook to cut a check during the course of the year, the amount of that check is taxable income to the Agent. If the total amount throughout the year is $599 or less, the IRS does not expect Listingbook to issue a 1099 form because the amount falls below this year's paperwork reduction threshold, but the IRS still expects the Agent to report the amount and pay taxes on it, even if it's $1.

If that Agent doesn't ask for a check, but instead uses the credit balance to purchase any amount of Listingbook services during the course of the year, that amount is taxable income to the Agent just as surely as if a check had been cut. Again, if the total amount throughout the year is $599 or less, the IRS does not expect Listingbook to issue a 1099 form, but the IRS absolutely does still expect the Agent to pay tax on the amount. Of course, by declaring the cost of the bought services as a business expense, every penny of this taxable amount is precisely offset. The net effect is $0, but the IRS wants the Agent to report both the outgoing and the incoming amounts even though they cancel each other out. The Agent isn't getting away with anything by failing to report it because the amount is canceled out by the expense. All the Agent is doing is risking, to no gain whatsoever, a very unpleasant conversation and a near certain fine in the event of an audit.

The only time Listingbook issues a 1099 is when the **sum** of any **checks** cut to a single Agent, plus the cost of any **services bought** by that Agent with revenue sharing credit, exceeds that year's paperwork reduction threshold ($600 this year).

On the page where the Agent *either* asks to cash out his balance *or* to pay for Listingbook services with any of the balance... After verifying the mailing address and PayToTheOrderOf name, if this amount plus that of all prior taxable events this year is still less than $600, ask nothing else. If this event will take the total over $600, ask the Agent if he wants to continue. Answering No will leave him under the 1099 threshold (though if there's been even one purchase or check cut this year, he'll need to report that total-so-far anyway). If he says Yes, we must ask for the Agent's taxpayer number (SSN or EIN) and whatever else is needed to print a W-9 for Tammi automatically in-house so she can issue a 1099 after New Year's.