

How do I get paid?

Listing firm XYZ has a house on the market for \$200,000. The seller has agreed to pay a commission to XYZ for 6% of the selling price. Assuming the sales price is \$200,000 the commission would be \$12,000 paid to XYZ firm. The \$200,000 is called volume. XYZ has put the property into the Multiple Listing System and is offering a 3% commission to a co broke firm.

Bob at firm RC has a buyer that has put a contract on the property that XYZ has listed. At settlement, RC receives a check from the settlement company for 3% from XYZ's commission of 6%. The check is for \$6,000 to RC. This is called GCI. (Gross Commission Income)

Bob is an Independent Contractor with RC and has an agreement as to how the GCI will be split between him and the firm. If Bob were on a 60/40 split he would receive a check for 60% of the GCI, \$3,600. Bob is responsible for his own tax liability as an Independent Contractor.

What was the Volume of this transaction?

What was the GCI to RC in this transaction?