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Credit Card Charge Backs

When the credit card company will not pay American Airlines, additional fees may apply to the debit memo(s) issued.

Debit memos resulting from a cardholder dispute - The first debit memo may be sent without any extra fee. The memo can be remedied by obtaining a signed, imprinted charge form with a current validation and a current authorization code. If the charge form used to clear the first debit memo results in a charge back, a second debit memo may be sent, this time with a $25.00 USD administrative fee assessed, and the only acceptable remedy for the debit memo will be a check. Payment must be made to American Airlines or via the sales reporting process. A second charge form will not be accepted.

Debit memos resulting from a card acceptance violation, invalid account number, card that was on warning bulletin, expired card, invalid or no approval code, submitted too late per Credit Card Company, etc. - The first debit memo will include a $25.00 USD administrative fee. The memo may be remedied with a signed, imprinted charge form with a current validation and current authorization code. If the charge form used to clear the first debit memo results in a charge back, a second debit memo may be sent with an additional $25.00 USD administrative cost of processing.

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Debit Memo Tips

Debit memos may be issued whenever an agent fails to follow the rules of the fare or makes an error in booking or ticketing. Below are some guidelines to help travel agencies avoid debit memos.

The best way to safeguard against receiving a debit memo is to make certain everything is documented in the PNR record. It is good practice to note the full name and phone number of the person assisting you and to request and confirm that the American Airlines agent has documented their advice in the historical remarks of the PNR.

The following are common violations that can cause a debit memo to be issued:

Non-Refundable Ticket Refund

Only American Airlines can process the refund of a non-refundable AA/001 ticket, with the following exceptions:

- American withdrawal/discontinues service in a market
- Flight Cancellation:
  - For Travel Notice Exception Advisory
  - Schedule Irregularity/IROPS
- Length of Delay 60 minutes and greater for Schedule Change or Schedule Irregularity
  - Agency may submit via GDS/ARC or GDS/BSPLink Refund Application

Note: American Airlines Reservations department cannot authorize exceptions to this policy. It is the agency's responsibility to review Schedule Change guidelines to determine how the refund should be processed.

Non-Refundable Ticket Endorsement

Per the Tariff rule/restrictions all non-refundable tickets, the original ticket and the reissued/exchanged ticket must be annotated in the endorsement box as follows– For the original issued ticket - NONREF/CXL BY FLT TIME OR NOVALUE – For the reissued/exchanged ticket - NONREF/CHGFEEPLUSFAREDIFF - see examples below:

**ORIGINAL ISSUED TKT:**
ENDORSEMENTS/RESTRICTIONS-
NONREF/CXL BY FLT TIME OR NOVALUE

**REISSUED/EXCHANGE TKT:**
ENDORSEMENTS/RESTRICTIONS-
NONREF/CHGFEEPLUSFAREDIFF
Per the Tariff rule/restriction for non-refundable tickets “reissued/exchanged” to a refundable fare the following rule applies:

Whenever a non-refundable fare ticket is “reissued/exchanged” to a refundable fare the notation Non-Refundable must be carried forth to the endorsement box (see example below) of the new ticket and it will remain non-refundable for ANY subsequent reissues/exchanges. The following information must be indicated in the endorsement box:

ENDORSEMENTS/RESTRICTIONS- NONREF

OA Private or Contracted Fares
OA (other airline) Private or Contracted fares may not be ticketed on American/001 tickets. American is not a participant in other carriers’ private agreements. As well, OA Ticket Designators may not be used on AA/001 tickets. American does not honor other carriers’ discount codes.

Period of Ticket Validity

Unless your ticket indicates otherwise, tickets are valid for transportation for one year from date of initial use, or if unused, for one year from date of purchase.

Refundable Ticket Validity - Voluntary Changes

The ticket will be valid as follows:

- **Wholly unused tickets** – Travel must commence within one year from the original ticket issue date.
  Example: If a ticket is issued on August 1, 2017, the new ticket travel must commence no later than August 1, 2018.

- **Partially used tickets** – Unless otherwise specified in the fare rule, travel must be completed within one year from the outbound travel date.

Any fare difference must be paid and tickets must be reissued when the itinerary is rebooked.

Non-Refundable Ticket Validity

If the ticketed reservations are canceled prior to the ticketed departure time, the ticket will be valid as follows:

- **Wholly unused tickets** – Travel must commence with one year from the original ticket issue date.
  Example: If a ticket is issued on August 1, 2017, the new ticket travel must commence no later than August 1, 2018.

- **Partially used tickets** – Unless otherwise specified in the fare rule, travel must be completed within one year from the outbound travel date.

Any fare difference and applicable change fees must be paid and tickets must be reissued when the itinerary is rebooked.
Incorrect Use of a Ticket Designator

Ticket designators are appended to the fare basis code, e.g., SA07ERD1/GMT05.

- Verify the ticket designator is correct.
- If ticketing from a contract that requires a specific ticket designator, double check your ticket. If the correct contracted ticket designator is not used, then a debit memo may be issued.
- If the fare basis code / ticket designator is more than 13 characters, enter as many as possible in the correct order.

*Note: You should not shorten the fare basis code to accommodate the ticket designator.*

Special Contracts

- Ensure that the CART and/or authorization number (AN) number are indicated in the IT box (CART then AN Number).
- For special contracts such as Group and Meeting Travel and Corporate, the AN must appear in the tour code box preceded by the letter "A" or "AN". The agency is ultimately responsible to ensure that the AN is on the original ticket as well as any reissued ticket. The contracts state that the AN must be manually documented in the Tour Code Box or a debit memo may be issued.
- For any contract that requires a CART number, you should ensure that it appears in the Tour Code Box of each ticket or you may be subject to a debit memo.

Exception: When American provides specific requirements indicating information must be added to the IT box, the "other documentation supersedes" the special contract information in the tour code box (i.e. Travel Notice).

Calculating Partial Refunds

When refunding a partially used refundable ticket, the refund should be calculated according to the amount actually paid less the amount actually used, less any penalty. Contact tariff for assistance.
Duplicate Tickets

Travel agencies should do all possible to avoid the issuance of duplicate tickets. To avoid duplicate ticketing:

1. **Void** – If within the applicable ticketed window, VOID the ticket and issue a completely new ticket.
2. **Reissue/Exchange** – If the ticketed fare allows changes, reissue/exchange the ticket for the new itinerary, rather than issue multiple tickets within the same PNR.
3. **Refund** – If the ticketed fare is refundable, issue/process a refund and then issue a completely new ticket in the same PNR.

If a customer has accidentally paid for truly duplicate tickets, please follow Duplicate Ticket Refund procedures.

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Multiple Tickets – Same Passenger/Same Itinerary

When issuing a AA/001 ticket, if the travel agent experiences a delay in a ticket number being generated, please do not enter multiple times as this will generate more than one ticket for the passenger. One of the tickets will be a "ghost" ticket and will not be indicated as a reported sale. Please verify the Passenger Name Record to confirm that multiple ticket numbers did not generate for the passenger. If more than one ticket number was issued in error, the agency is responsible to properly void the first VCR (ghost ticket), so that only the last ticket entered is the usable ticket. A debit memo will be issued for agency multiple tickets that have not been properly voided due to this issue.

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Properly Voiding a Ticket

Electronic tickets may be voided directly in the GDS by 11:59 PM local time, but must be done prior to 11:59 PM Eastern Standard Time for IAR to process correctly. To ensure the ticket is properly voided, it should be voided through both your IAR report and GDS. Failure to void in both IAR and the GDS may result in the passenger being charged.

American recommends checking to make sure the ticket is voided and also voiding the PNR to prevent passenger travel. For more information, visit www.arccorp.com and contact your GDS. A maximum of one electronic ticket may be voided at a time. If multiple tickets must be voided, a separate void entry must be entered for each ticket.

View additional guidelines for Voiding a Ticket.

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Late Reporting
Each report period ends at the close of business on Sunday. The report should be sent to the area bank as soon as possible, but no later than midnight Tuesday (or Wednesday if the Monday or Tuesday is a holiday) under the terms of the Agent Reporting Agreement. If ARC returns an item to the agency for correction, the resubmittal is considered a late report when keyed with an "O" error code, and a debit memo may be issued for a late sale reporting charge equal to 5% of the ticket fare amount.

**Infant/Child Indicator**

If a ticket is issued for an infant or child the "IN" OR "CH" indicator must follow the fare basis code. If using a ticket designator, document as follows: SA07ERD1CH/GMT05 or SA07ERD1IN/GMT05 (Only 13 characters are allowed in this field. Document in the correct order and do not alter the fare basis code).

- In the example given, the T05 will drop off.

**Disputes in General**

Per the addendum to the ARC agreement, an agency must pay or resolve debit memos within 30 days. Please use ARC Memo Manager for all disputes.

- **Required Documentation for disputing a debit memo** - Provide comments, upload or attach any documentation to verify your claim in ARC Memo Manager. (Example - ARC/BSP report, copy of waiver, copy of contract).

**Credit Card Transactions**

Travel Agencies must obtain a valid credit card authorization on all credit card transactions. Additionally, the valid authorization must appear on all coupons of the ticket. Please see the guidelines set forth in the ARC Industry Agents Handbook, Section 8.2.

Any credit card company merchant fees issued by the credit card company for policy violations will be passed on to the travel agency in the form of a debit memo. These fees can be easily avoided by obtaining a valid approval code for all credit card transactions.
Travel Agency Sales and Audit

For questions about specific debit memos, contact Travel Agency Sales and Audit:

Phone: 817-786-4327
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Updated: August 16, 2017