

# Debit Memos

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[Credit Card Charge Backs](#)  
[Debit Memo Tips](#)  
[Definitions and Booking Violation Information](#)  
[Non-Refundable Ticket Refund](#)  
[Non-Refundable Ticket Endorsement](#)  
[Period Of Ticket Validity](#)  
[Incorrect Use Of A Ticket Designator](#)  
[Special Contracts](#)  
[GDS Booking Fee Monitoring Policy](#)  
[Calculating Partial Refunds](#)  
[Duplicate Tickets](#)  
[Multiple Tickets-Same Passenger/Same Itinerary](#)  
[Voiding A Ticket](#)  
[Late Reporting](#)  
[Infant/Child Indicator](#)  
[Disputes in General](#)  
[Travel Agency Audit](#)

## Credit Card Charge Backs

When American Airlines receives a credit card dispute (charge back), we use the following procedures:

- Charge back received prior to departure:
  - Invalidate the ticket prior to departure to prevent usage
  - Issue a debit memo in the amount of the commission recall only
- Charge back received post-departure
  - Issue a debit memo for the full ticket value

[Return to top](#)

## 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.

Review [Best Practices for Effective Debit Memo Resolution and Prevention](#)

Review [Top Memo Reasons and How to Avoid Them](#)

Also, 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:

## Definitions and Booking Violation Information

Note: this is not a comprehensive list:

**Churning** – excessive or constant book/cancel activity including ancillary products which may or may not result in a confirmed booking.

American Airlines prohibits travel agents from repeated booking and canceling of segments using the same PNR or multiple PNRs, in the same or different classes of service, to circumvent ticket time limits, inventory controls, block-space, or meet productivity requirements.

**SSR Message added to PNR:** SSR OTHS YY RIPA/EXCESSIVE CHURNING OF SEGMENT (AA PNR) / GDS (GDS PNR)

**Hidden City** – for the purpose of gaining a lower fare, booking and/or issuance of a reservation or ticket for unintended travel to a more distant point(s) than the passenger's actual destination. For example, the travel agent tickets a reservation from LAX to AUS (connecting in DFW) in order to receive a lower fare for their customer who intends to terminate travel in DFW

Flight Coupons will only be honored in the order of the issued ticket. Issuing a ticket to a fictitious destination to undercut the applicable fare or circumvent fare rules is prohibited. This includes issuance of a ticket where any segment will not intentionally be used to create a different O&D than what will be flown or issuing multiple tickets to circumvent fare rules such as minimum/maximum stay requirements

**SSR Message added to PNR:** SSR OTHS YY RIPA/HIDDEN CITY PARTIALLY USED ITINERARY

**Inactive Segments** – flight segments within the CRS/GDS PNR with status codes UN, NO, UC, DL, DS, HX, IX, RM, US, UU, CN, WN or WK

Travel agents must remove Inactive Segments from their CRS/GDS PNR at least 24 hours prior to the scheduled departure of each flight segment or a cost recovery fee may be applicable.

**SSR Message added to PNR:** SSR OTHS YY RIPA/INACTIVE SEG REMOVED FOR CHECK IN

**Married Segments** – two or more segments of an origin and destination are married together to form a customer's complete journey and are treated as a single unit/sector instead of individual legs/segments

A violation occurs when multiple segments are married together to form a customer's complete trip. Whenever possible, connections should be sold from City Pair Availability and not point to point. The

breaking of married segments or creation of itineraries to circumvent married O&D segment logic is prohibited. Travel Agent must not issue a ticket unless the requested class of service is confirmed in American Airlines' internal reservation system available to sale for the city pair, O&D to be ticketed

**SSR Message added to PNR:** SSR OTHS YY RIPA/MARRIED SEGMENT VIOLATION

**O&D Manipulation** – American manages inventory on an Origin and Destination (O&D) basis. American's booking policy prohibits inventory manipulation and creation of reservations with the intent of obtaining inventory for ticket sales which American does not intend to offer between the passenger's actual origin and destination itinerary. Travel agents engaging in practices that circumvent American's inventory controls such as, but not limited to, married segment control logic, journey controls and O&D logic when building or making changes to PNRs will be held accountable for these violations.

**SSR Message added to PNR:** SSR OTHS YY RIPA/ORIG DEST VIOLATION CLASS NO AVAILABLE

**Unprocessed Schedule Change** – American Airlines put automation in place to assist with unprocessed schedule updates on ticketed reservations. The below SSR will flag the PNR 3 days prior to the scheduled departure that non-compliance occurred and a charge(s) will apply. The SSR will be added per ticket, and the affected ticket number will be noted within the SSR.

**SSR Message added to the PNR:** SSR OTHS YY SKD CHG REISSUE NON COMPLIANCE  
001XXXXXXXXXX

**Voluntary Change – Non-reissued tickets** - voluntary itinerary changes made after ticketing must follow fare rules and require the collection of any applicable difference in fare and taxes and ticket reissue.

**Type of voluntary change after ticketing:**

- **Outbound flight** – The entire itinerary should be rebooked and re-priced using the applicable fare, then the ticket must be reissued
- **Continuing/return Flight** –
  - Prior to departure of the outbound flight - changes to the return itinerary requires the entire itinerary to be rebooked and re-priced using the applicable fare, then the ticket must be reissued
  - After departure of the outbound flight - the continuing/return itinerary should be recalculated to an applicable fare, then the ticket must be reissued

**SSR Message added to the PNR:** SSR ADTK YY TKT REISSUE REQD BY "Date/Time"

## Non-Refundable Ticket Refund

Agencies are permitted to process a refund on a non-refundable ticket when following the published guidelines as follows:

### Original tickets issued prior to April 8, 2020

- Schedule Change – Flight Delay of 60+ minutes
- Schedule Irregularity/IROPS guidelines – Flight delay of 60+ minutes or canceled flight
- Customer must be Holding Confirmed (HK) at the time of the change
- Travel Notice – refer to the specific event
- Reduction/Suspension of Service – refer to the specific protection policy

### Original tickets issued on/after April 8, 2020

- Schedule Change – Flight Delay of more than 240 minutes
- Schedule Irregularity/IROPS guidelines – Flight delay more than 90 minutes or canceled flight
- Customer must be Holding Confirmed (HK) at the time of the change
- Travel Notice – refer to the specific event
- Reduction/Suspension of Service – refer to the specific protection policy

Travel agencies who process unauthorized refunds are subject to a debit memo. American reservations sales representatives may not authorize exceptions to this policy. The waiver code is limited to 15 characters.

## U.S. Agencies Processing through ARC

Process refund through your GDS:

- Valid wholly unused, partially used tickets and tax only refunds should be processed via your GDS

ARC/IAR Refund Exchange Notification (REN):

- If unable to refund through your GDS, you may process in your IAR/Refund Detail Screen
  - Input the applicable **waiver code** on the Refund Detail Screen
- For assistance, contact the ARC Help Desk at 855-816-8003

## International IATA agencies processing through BSP

Process refund through your GDS:

- Valid wholly unused, partially used tickets and tax only refunds should be processed via your GDS
  - If unable to refund through your GDS, contact your GDS help desk for assistance

BSP Refund Application (RA):

- If necessary, you may submit a BSP Refund Application (RA)
  - Input the **Reason for Refund** and any applicable **waiver code** on the RA and include why you are unable to process through your GDS
  - For instructions on how to access IATA and use BSPLink, contact the local IATA/BSP office

[Return to top](#)

## 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/CHGFEEPLUSFAREDIF/ - see examples below:

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

**REISSUED/EXCHANGE TKT :  
ENDORSEMENTS/RESTRICTIONS-  
NONREF/CHGFEEPLUSFAREDIF**

**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.

[Return to top](#)

## 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.***

[Return to top](#)

## 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).

[Return to top](#)

## GDS Booking Fee Monitoring Policy

American Airlines incurs GDS segment booking fees for inactive segments that are present in the GDS PNR within 24 hours of departure time.

[Return to top](#)

## 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.

[Return to top](#)

## 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](#)

[Return to top](#)

## [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.

[Return to top](#)

## [Voiding a Ticket](#)

For ARC/IAR Void information refer to [ARC IAR – Voiding a Ticket](#)

For BSP/Canada Void information, refer to [BSP Same Day Void](#)

Refund within 24 Hours of Ticket Issuance, refer to [BSP Ticket Refund](#)

[Return to top](#)

## [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.

[Return to top](#)

## [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 disputes on tickets issued via ARC.

- **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).

For tickets issued via BSP, you have 14 days after the issuance date to dispute an ADM. Disputes should be submitted in BSPLink by selecting ADM/ACM query and choosing ADM. Once you choose ADM, a new screen will pop-up with the dispute option at the bottom. Please enter the dispute and submit.

**Note:** Please be advised that Agency Relations is not the avenue in which to dispute, waive, or reduce Debit Memo's. All ADM's must be disputed via the above channels before any exception requests can be considered.

[Return to top](#)

## 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.

[Return to top](#)

## Travel Agency Sales and Audit

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

Email: [debit.memos@aa.com](mailto:debit.memos@aa.com)

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