



ARC Cash Settlement FAQs

FOR TRAVEL AGENCIES

Updated: April 2, 2020

As the global travel community adapts to the impact of the COVID-19 pandemic, ARC recognizes the enormous pressures facing our industry, customers and partners. This is an unprecedented time and is transforming our marketplace.

With refunds far outpacing new sales, the current market has become inverted. To ensure the integrity of ARC's core settlement functions, we are making some temporary changes to our settlement operations and schedule.

Effective period ending date (PED) 03/29/20, ARC is taking the following course of action until further notice:

ARC will move the weekly PED cash settlement day from Friday, five days after the end of the sales week, to the following Wednesday, 10 days after the end of the sales week. This change provides airlines with additional time to transfer the necessary funds to ARC for the successful settlement of cash refunds for that PED.

The calendar on the following page depicts the airline cash settlement schedule, effective PED 03/29/20.

Agency Cash Settlement Schedule



SINGLE SALES PERIOD

Effective PED 03.29.20

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	Beginning of Sales Week 1					
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
End of Sales Week 1		Agents Submit Final Sales Report by 11:59 p.m. ET Week 1				
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			Disbursement Date Week 1			
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY

1. Q: Why is ARC moving the disbursement/draft date from Friday to the following Wednesday?

A: ARC is working closely with participating airlines to secure the necessary funds to cover travel agency refunds. During this unprecedented time period, participating airline refunds now frequently exceed sales – creating an industrywide inversion in payment dynamics and requiring ARC and its airline customers to put new processes in place to secure necessary funds to allocate to agencies and keep liquidity in the market.

Given the scale of refunds for many airlines, including some facing weekly imbalances of tens of millions of dollars, wiring of these large sums is triggering additional internal processes and approvals that must be secured by airline staff before they are able to send ARC funds of these magnitudes. By moving the disbursement date from Friday, five days after the end of the sales week, to Wednesday, 10 days after the end of the sales week, ARC is ensuring that:

- Its more than 230 participating airlines have adequate time to navigate internal rules, procedures, approvals and systems to provide ARC with the necessary funds
- ARC is able to successfully execute its clearinghouse function between airlines and travel agencies
- Travel agencies continue to receive the cash disbursement they expect on a consistent, weekly basis
- Travel agencies can continue to rely on ARC for cash refunds versus having to work with each airline individually

If ARC were to continue with disbursement five days after the end of a sales cycle, there is an increased likelihood more airlines would be unable to provide ARC with the necessary funds in time and would be forced to manage refunds directly.

2. Q: Is there a chance that I will not receive the full amount on my weekly sales report?

A: ARC is diligently working to ensure agencies receive the full amount stated on their weekly sales reports, which is the primary driver behind this change. However, in the case that an airline does not provide ARC with sufficient funds to successfully settle cash refund transactions, ARC may delay settlement for refund transactions on that airline to the next PED.

3. Q: I received the following message in IAR - "ERROR – DO NOT VOID – Transaction temporarily restricted by carrier – visit www2.arccorp.com/refunds for more info." What does this mean?

A: Given the unpredictable nature of the present environment, travel agencies may see the following error associated with some of their refunds : "ERROR – DO NOT VOID – Transaction temporarily restricted by carrier – visit www2.arccorp.com/refunds for more info." ARC asks that the agency not attempt to void any refunds that display this error, as it could impact the agency's authorized net remittance. When these errors do occur, they will roll over to the next PED, or ARC's Customer Care Center will contact impacted agencies if additional steps are required.

ARC may, at its discretion or at the direction of an airline, direct agency refund requests to an individual airline. When this occurs, ARC will update its [dedicated refund webpage](#) and, as deemed necessary, notify travel agencies of its decision. Travel agencies will be required to reach out directly to the airline to process such refunds. By transitioning the disbursement day from five days after the close of the sales cycle to 10 days, ARC is seeking to limit the number of airlines that are forced to directly manage refunds.

4. **Q: If the draft/disbursement date moves from Friday to Wednesday, does that mean that both disbursements and drafts for any new sales happen on Wednesday?**

A: Yes. All settlement activity, for transactions with cash form of payment, is being pushed from Friday to Wednesday. In addition to disbursement taking place on Wednesday, agencies will be drafted for any sales on Wednesday, as well.

5. **Q: What about credit card refunds?**

A: At this time, no changes will be made to the way credit card refunds are managed through ARC. All settlement changes apply to cash transactions only.

- Q: Does this apply to ARC Pay transactions?**

A: Yes, these changes apply to ARC Pay transactions.

6. **Q: Is there an extension of the sales report deadline?**

A: The Tuesday sales report submission deadline will not change; the sales report submission deadline for PED 03/29/20 remains Tuesday, March 31, at 11:59 p.m. Eastern Time (ET). To ensure accuracy, ARC recommends that agencies review their sales reports on Tuesday prior to finalizing, and that agencies do not submit their sales reports prior to Tuesday.

7. **Q: Is it possible to extend the sales report deadline?**

A: Effective immediately, ARC is unable to extend the sales report deadline for any travel agencies. Because our industry is undergoing so much volatility, ARC seeks to keep as many aspects of settlement as consistent as possible.

8. **Q: When should I finalize my sales report?**

A: Given this extraordinary environment and to ensure accuracy and minimal re-work, ARC recommends that agencies review their sales reports on Tuesday prior to finalizing, and that agencies refrain from submitting their sales reports before Tuesday.

9. **Q: How should I go about processing refunds?**

A: Because of the unprecedented nature of these events, we are seeing an inversion of our typical environment, with refunds exceeding sales. ARC's settlement system remains fully functional and continues to facilitate commerce between agencies and airlines.

However, some airlines have opted to manage refunds directly, and have therefore inhibited refunds in the GDSs/IAR. Agencies will need to contact those airlines directly for refunds. For a list of airlines that have informed ARC that they have inhibited refunds in GDSs/IAR, [click here](#). For refunds on all other airlines, agencies should follow standard processes.

10. Q: How will I know which airlines are processing refunds through the GDSs/IAR and which are not?

A: As airlines inform ARC that they are inhibiting refunds in the GDSs/IAR, ARC will add information [here](#) as a resource for agencies. This page includes relevant contact information wherever possible. ARC is also asking airlines to notify their agency customers directly.

11. Q: With the rapid rate of refund requests agencies are receiving, is it possible to extend the void window?

A: ARC understands the immense pressures that the travel agency community is facing right now, particularly with the exponential increase of refunds. Many agencies find themselves receiving refund requests before the original transaction has even been submitted to the agency's sales report. Not only does this cause strain on agency staffing, but it also presents issues for large agencies that need to receive payment from sub-agencies.

Unfortunately, ARC is not able to extend the void window at this time. In such a volatile period, both travel agencies and airlines rely on the efficiency and timeliness of ARC's settlement processes. To the extent possible, for the foreseeable future, ARC is striving to maintain consistency in settlement processes outside of the minor changes we are making to the handling of cash refunds. The industry is rapidly adapting to constant changes resulting from this pandemic, so we feel it's important that we continue to serve the travel community with as little disruption as possible on our end.

12. Q: How should my agency handle exchanges?

A: Agencies should proceed as they typically would for exchanges, taking into consideration the fare rules, ticketing guidelines and fees put in place by the airline. In an environment that is rapidly changing, agencies should be sure to consult the airline's website, agency portals and any communications airlines have sent to the agency community. If an agency is unsure how to proceed with an exchange, they should contact the airline directly.

13. Q: How long do you expect these changes to be in effect?

A: ARC will continuously monitor the situation and adapt as needed to ensure settlement operations continue to run as smoothly and reliably as possible. As the air travel industry stabilizes, we expect to return to our normal operating procedures.

14. Q: Who should I contact with questions?

A: Please contact ARC's Customer Care Center at ccchelp@arccorp.com or 703-816-8003.