

AUDIT AND DEBIT MEMO MANAGEMENT

Q&A



AUDIT QUESTIONS

Question 1. Why does Delta not refund AY taxes?

Answer. Certain taxes and fees are required to be remitted regardless of the ticket usage. Delta Air Lines does not refund any taxes, fees or surcharges collected on domestic nonrefundable tickets (travel within US or travel between the US and Puerto Rico, US Virgin Islands or Canada) regardless of where the ticket is issued. Additionally, Delta Air Lines will refund taxes on nonrefundable tickets issued for international transportation only where required by law. Please refer to Delta's Contract of Carriage which has always stated the refundability/non-refundability of taxes.

Question 2. What are the ADM fees for chargebacks? Why does this amount not include the merchant fee?

Answer. For chargeback ADMs, Delta charges a \$50 flat fee that covers the merchant fee and audit /bank charges along with the value of the ticket.

Question 3. Why does Delta charge both a service fee and a compensatory fee for credit card disputes?

Answer. In answer to the first question, Delta Air Lines does not charge a fee for debit memo disputes.

Answer. For Credit Card Rejection ADMs, please reference [pro.delta.com/Delta's Debit Memo Policies and Fees](http://pro.delta.com/Delta's%20Debit%20Memo%20Policies%20and%20Fees) which states a fee of \$50.00 will be assessed for Rejected Credit Card Charge ADMs. The \$50.00 administrative fee per ticket is to recover the cost of managing the ADM rejection process and associated bank fees incurred due to the rejection. All travel agents are liable for the fee and the carrier's recourse is to collect for associated charge from the agency. The ADM is issued for the value of the ticket plus the \$50.00 Administrative Fee.

Answer. For invalid form of payment where the wrong type of credit card was used or should have been a cash only sale the ADM fee is \$75.00 + the merchant fee which is approximately 2.80%.

Question 4. Can a travel agency use their corporate credit card to issue a ticket on behalf of a client?

Answer. Delta Air Lines does not accept travel agent's corporate credit card as form of payment for the purchase of a ticket.

Question 5. Why does Delta use an audit vendor for their debit memos?

Answer. Delta Air Lines uses an audit vendor because it is more economical due to the large volume of transactions. Our vendor also audits Delta internal sales as well. Additionally, the audit vendor has created automation to assist them with performing the audit. If Delta were to audit in-house, we would need to design and create the audit automation and hire additional staffing which would involve significant cost for Delta.

Question 6. Where can we find the table of fees that Delta charges for the different types of debit memos?

Answer. The information can be found on pro.delta.com using the following link:
<https://pro.delta.com/content/agency/us/en/policy-library/distribution-and-revenue-recovery/debit-memo-policies-and-fees.html>

Question 7. Does Delta audit 100% of the tickets or just a random sample?

Answer. Yes, Delta Air Lines audits 100% of tickets.

Question 8. What is Delta Air Lines' minimum dollar amount threshold? 10.00? 15.00?

Answer. Delta does not have a minimum threshold. Where applicable, we will combine multiple tickets into one memo if it is the same agency etc.

Question 9. When a ticket is issued against a credit card transaction, why does it take 3 days to detect it was fraud? Why is a debit memo not raised immediately?

Answer. Delta Air Lines does not know it is fraud until we receive a credit card rejection from the bank. As soon as the card holder rejects the charge is when the process begins. Once the charge is rejected then the bank notifies the carrier and the reject is researched thoroughly before an ADM is issued.

Question 10. How does an agent determine a credit card is fraudulent?

Answer. Review ARC's Fraud Prevention "Protect Your Business from Fraud" for Travel Agencies and attend ARC's Fraud Webinars

Question 11. How does Delta verify flight information for schedule changes and irregular operations?

Answer. Delta Air Lines has a Flight Operations Information System that maintains current and historical data on the operation of each flight which includes schedule changes, irregular operations and flight cancellations. The audit vendor has access to this information for audit purposes.

DISPUTES AND INQUIRIES QUESTIONS**Question 12. Do travel agencies need to send the entire sales contract for debit memo disputes?**

Answer. Due to frequent amendments made to Delta contracts, Delta Air Lines does not accept copy and paste portions of a contract as support. The complete contract that shows which amendment was being used at time of ticketing must be attached for review. This ensures your agency was using the correct contract version or amendment at the time of ticketing. Additionally, this ensures you are not missing a contract or amendment.

Question 13. Why do we receive ADMs from Delta, when we are able to deduct non-refundable taxes as a cancellation fee on a tax refund through Sabre?

Answer. Information regarding the refundability of taxes is located on the www.pro.delta.com website as well as in Delta's Contract of Carriage. Delta Air Lines does not understand how Sabre is allowing your agency to deduct non-refundable taxes as a cancellation fee as this has a negative impact to the audit and carrier accounting as well. We will advise Sabre Taxes should always be shown as taxes in order to accurately report regardless if original sale, exchange or refund. Accurate distribution of all data impacts travel agents and carriers ensuring government tax authorities are receiving correct data to avoid tax audits that can result in costly fines/penalties.

COLLECTIONS QUESTIONS

Question 16. According to Delta's collection process, Delta receives a master file from ARC on a weekly basis. Is that the Agency List File (ALF) or some other products by ARC? How is that information different from the one on My ARC's carrier dashboard?

Answer. Delta Air Lines receives two agency list files: (1) A Master Weekly File and (2) an Updated Weekly File.

(1) The A Master Weekly File contains general records for the agencies.

(2) The Updated Weekly File contains records that have been updated within the week.

The ARC Carrier Dashboard provides the same data but in more detail. The Carrier Dashboard provides the bond information, status of the agency and any notifications for that agency. These notifications include address change, default, termination status and so forth.