Group Client Payments on MCO

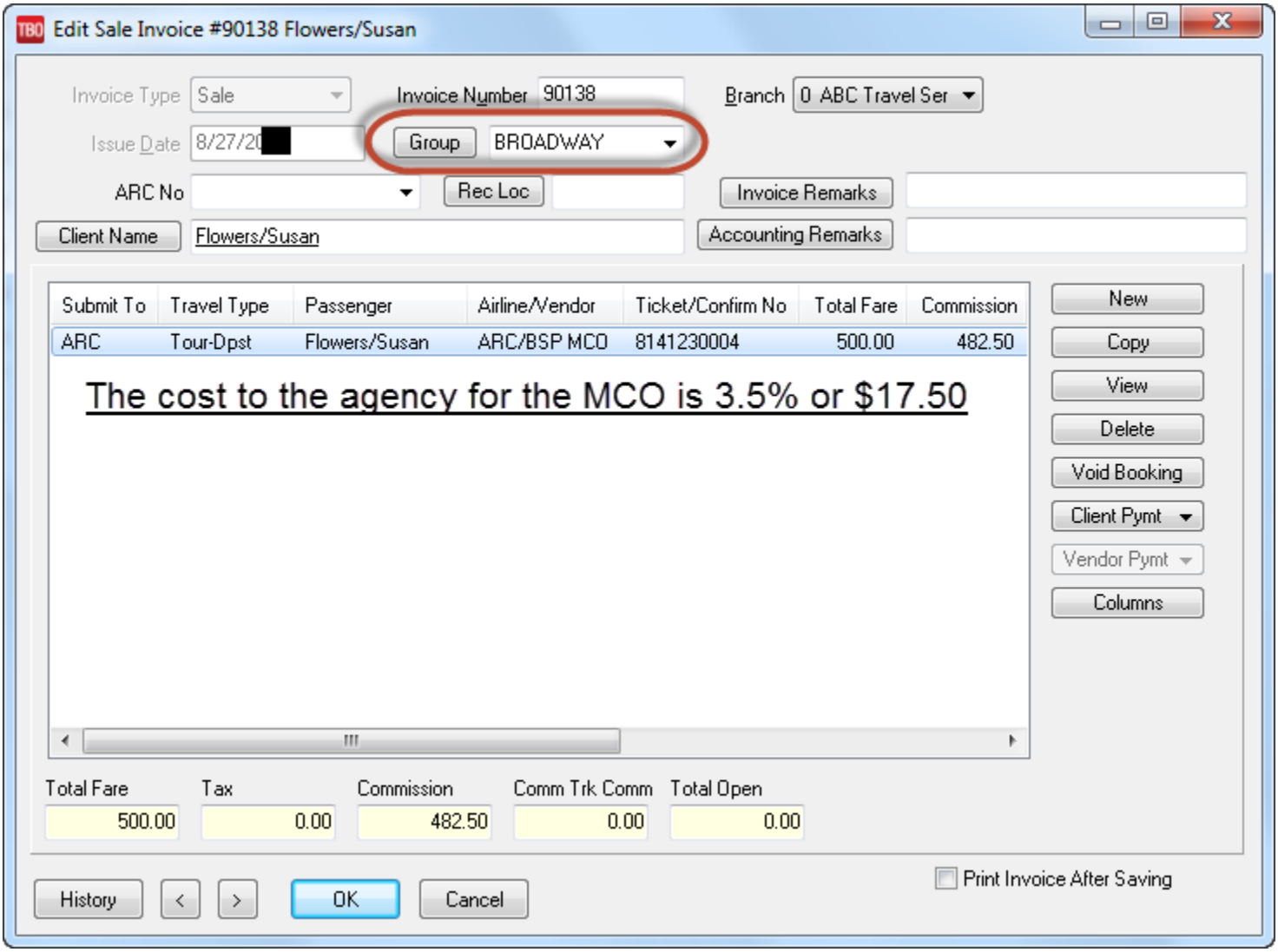
Accounting for Client Payments charged on an MCO can be very time consuming and challenging. If it is absolutely necessary to handle Client Payments this way, this document will describe the process required to account for these transactions in TRAMS Back Office.

There are two ways to handle these transactions:

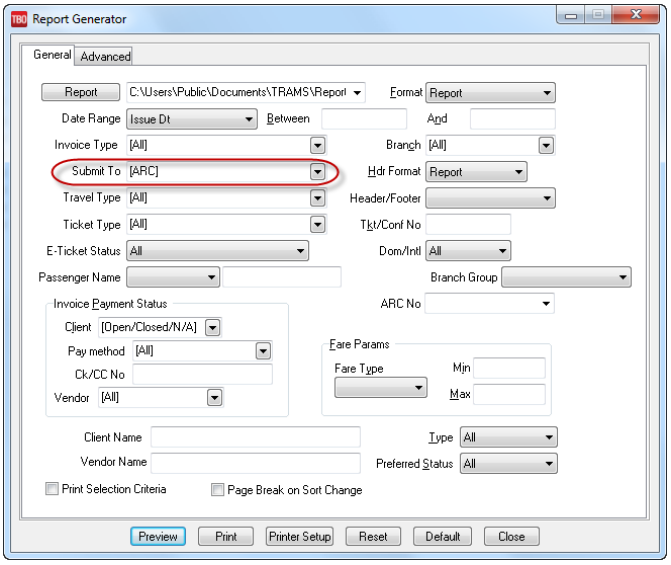
1. The Client is charged the amount due to the Vendor and the Agency absorbs the cost of the MCO transactions.
2. The Client is charged the 3.5% cost to run the MCO through ARC or BSP by adding it onto the MCO.

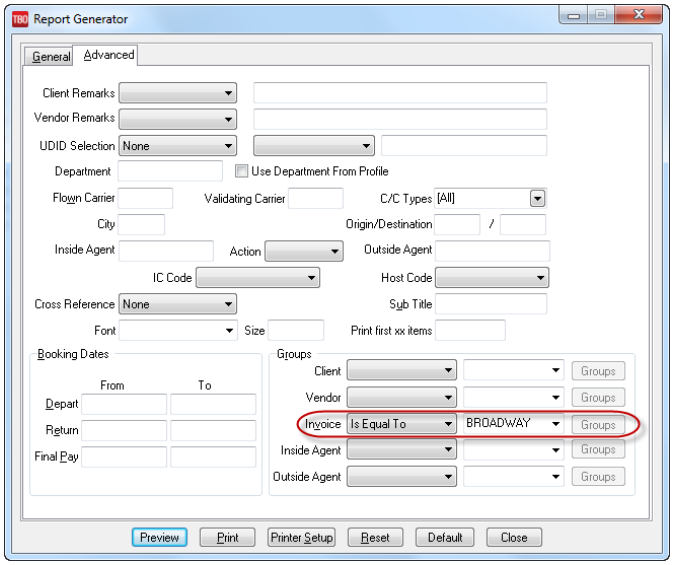
Scenario One:

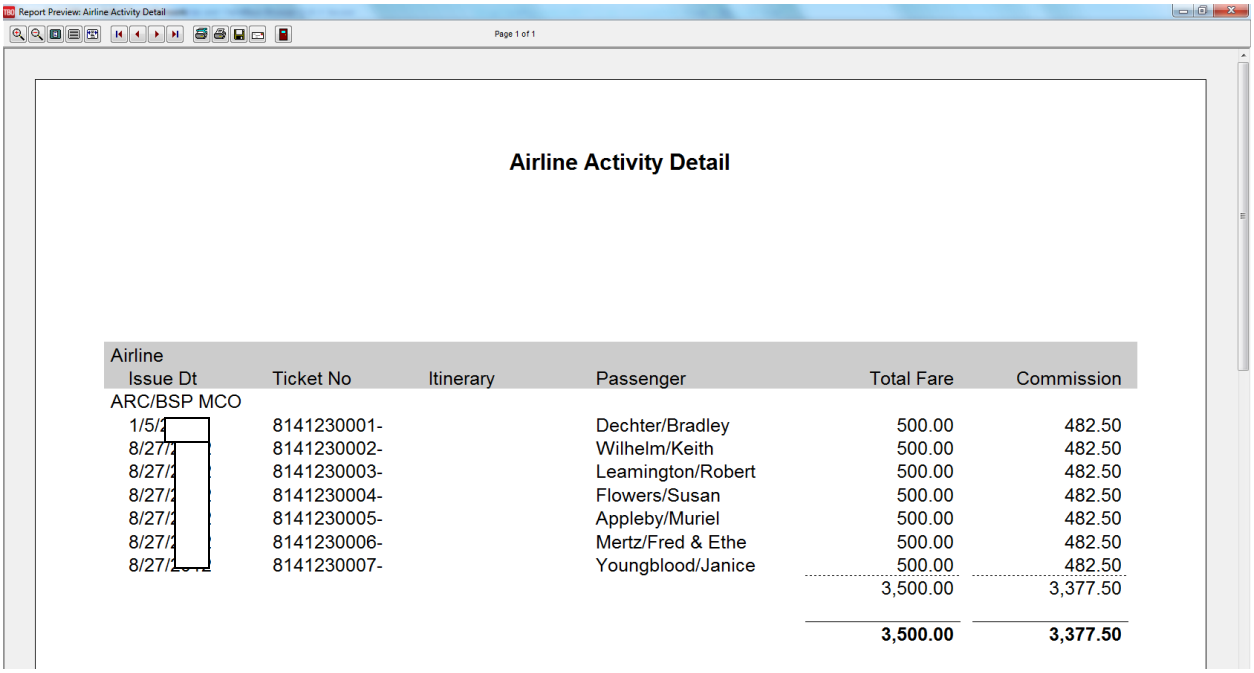
1. The agent issues an MCO for a $500.00 deposit with a commission of $482.50
It is important to use the GDS format to put the Group Name on the Invoice.
If the MCO is for an individual that is not part of a group, it might help to use a Group Name of "MCO" to track this type of payment. The procedure would be the same as for a Group, but on an individual basis.



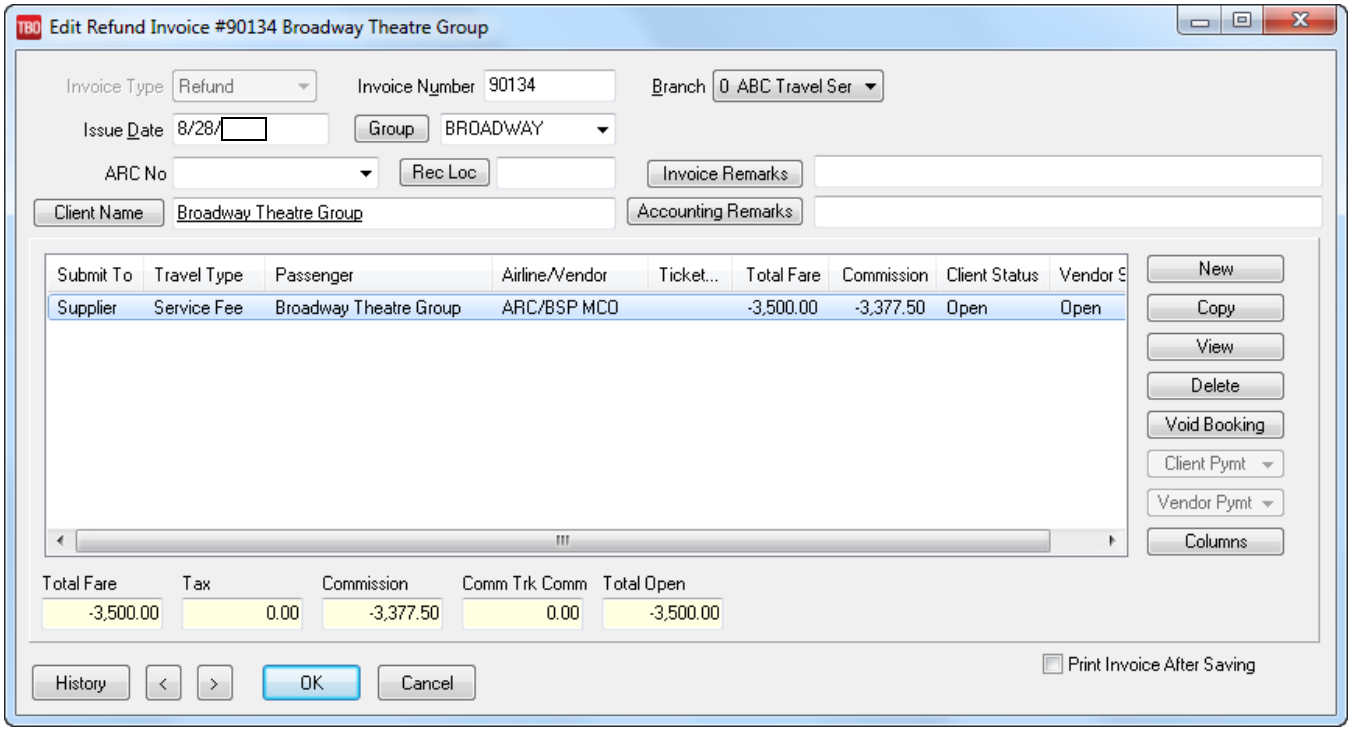
2. The TBO user runs a **Report Generator** report that lists the MCO's issued for the Group.
Report Generator/Print Report: **AL_AD.rpt** ***Submit To***: ARC or BSP
Invoice Contains: Group Name



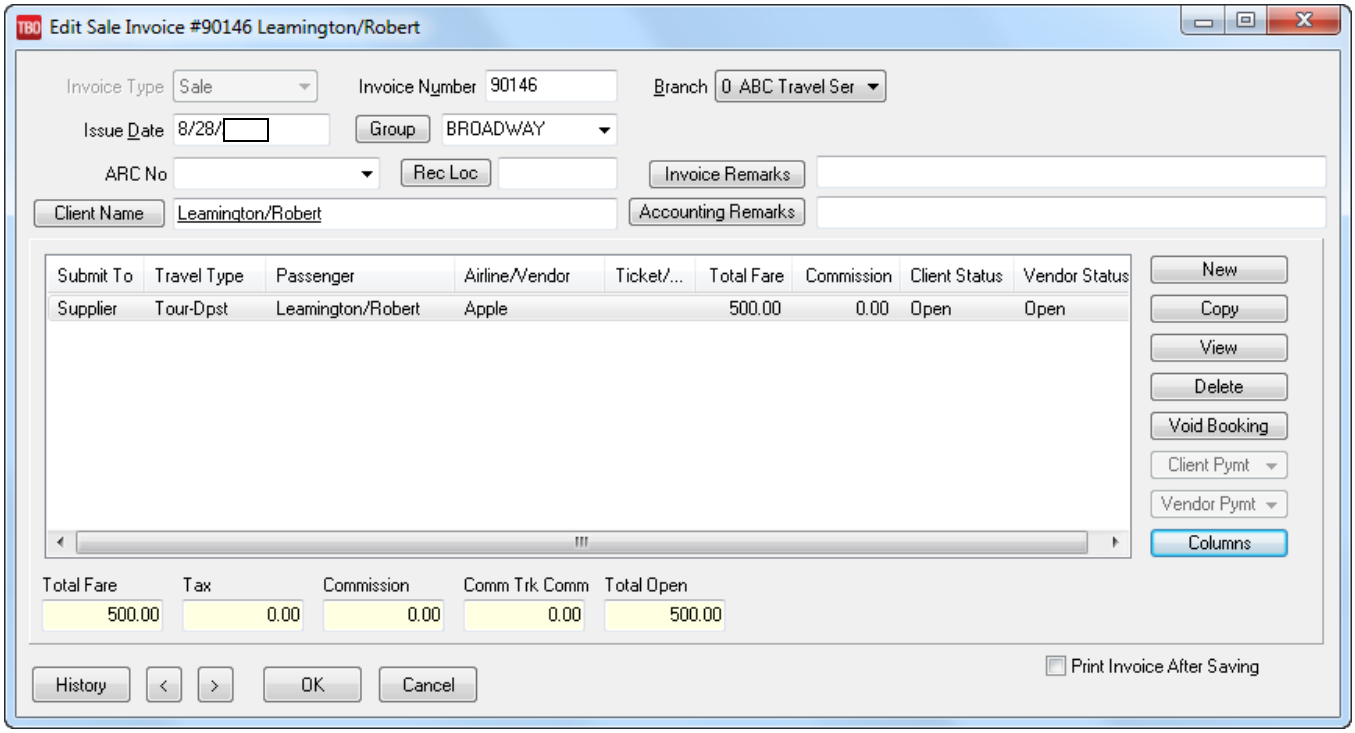




3. The TBO User issues a **Refund Invoice** with a ***Submit To***: Supplier to reduce the Total Fare and Commission of the MCOs issued for the week.

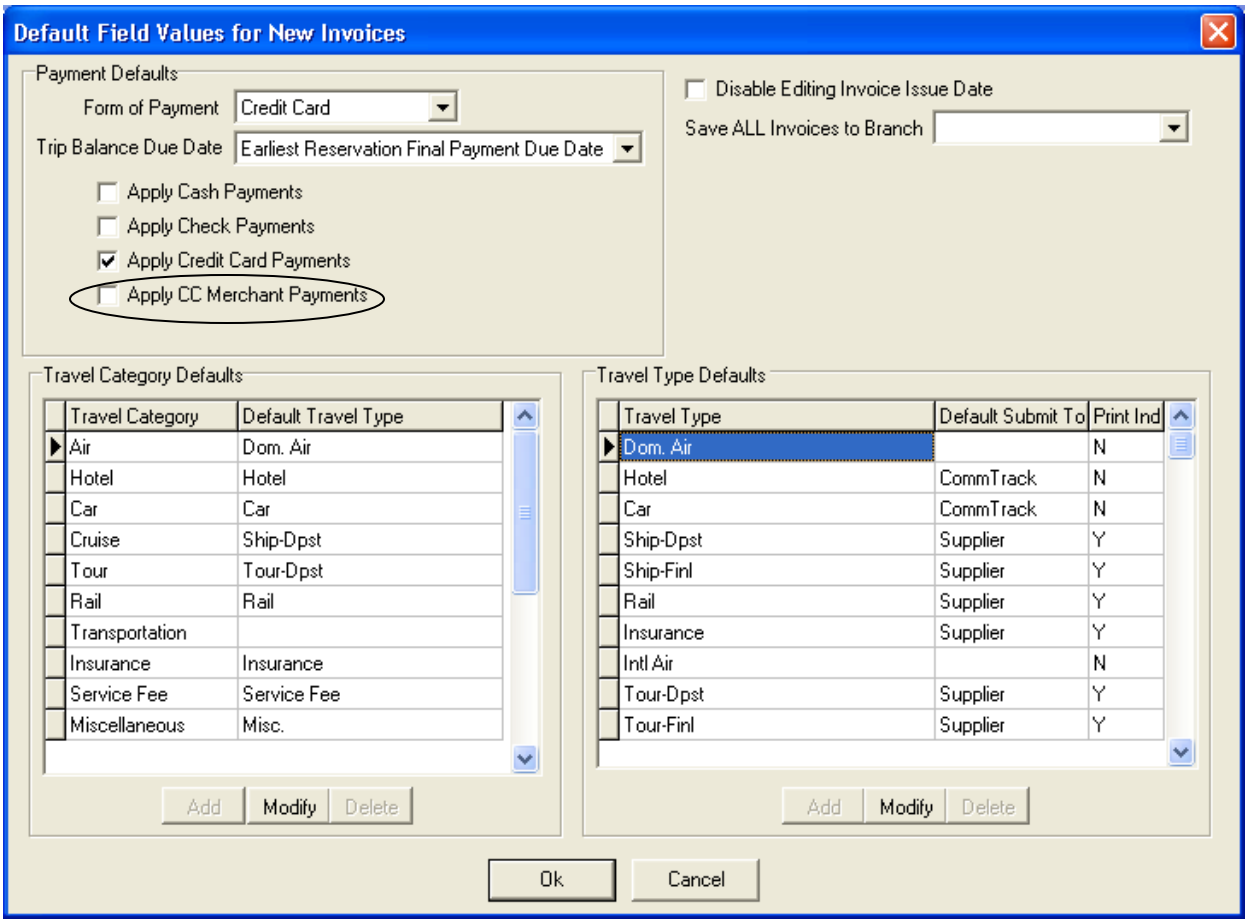


4. The Agent issues a 2nd invoice for the same amount as the MCO with a commission amount of zero for a Tour or Cruise deposit or with the actual commission for a final payment. This invoice can be issued in the GDS with a FOP of Check or in ClientBase with a FOP of CC Merchant.



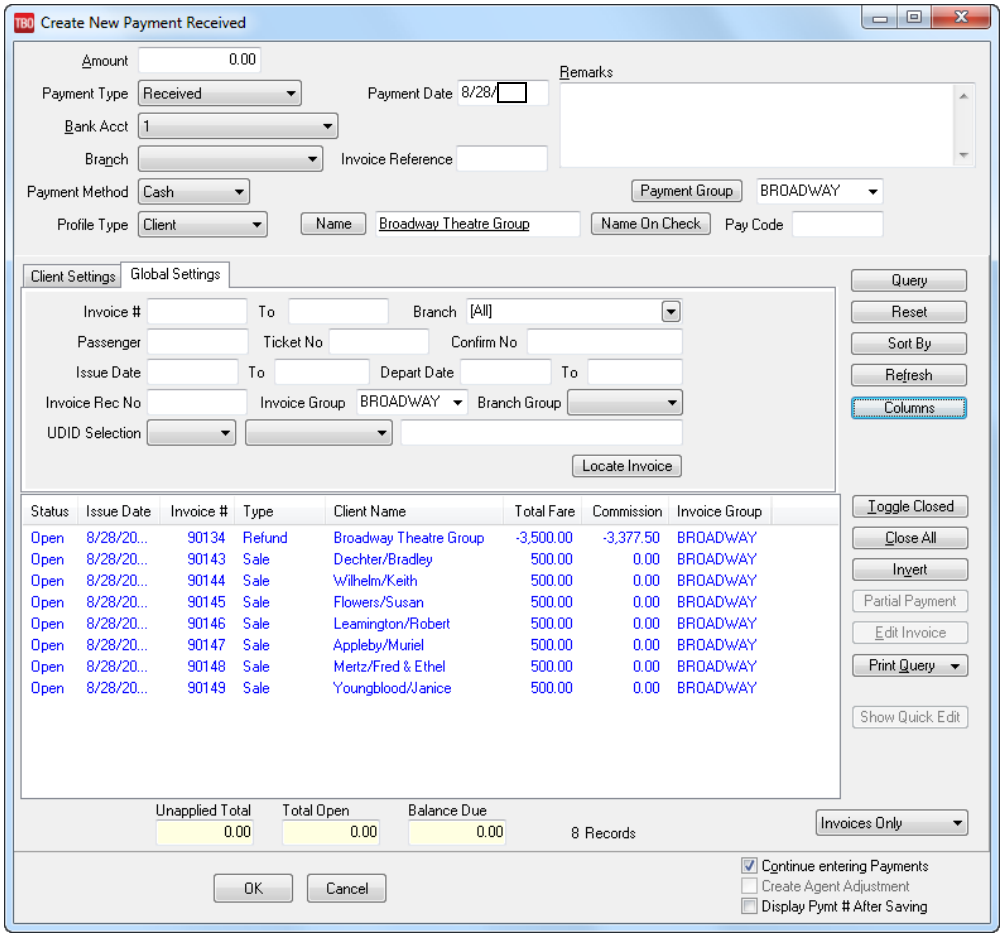
Note: When the invoice is issued in ClientBase with a FOP of CC Merchant it will show as Paid by Credit card on the first invoice issued. If the invoice is re-printed it will show closed by cash.

In CB **Global Defaults / Default Field Values for Invoices** the invoice can go to TBO as open or closed.

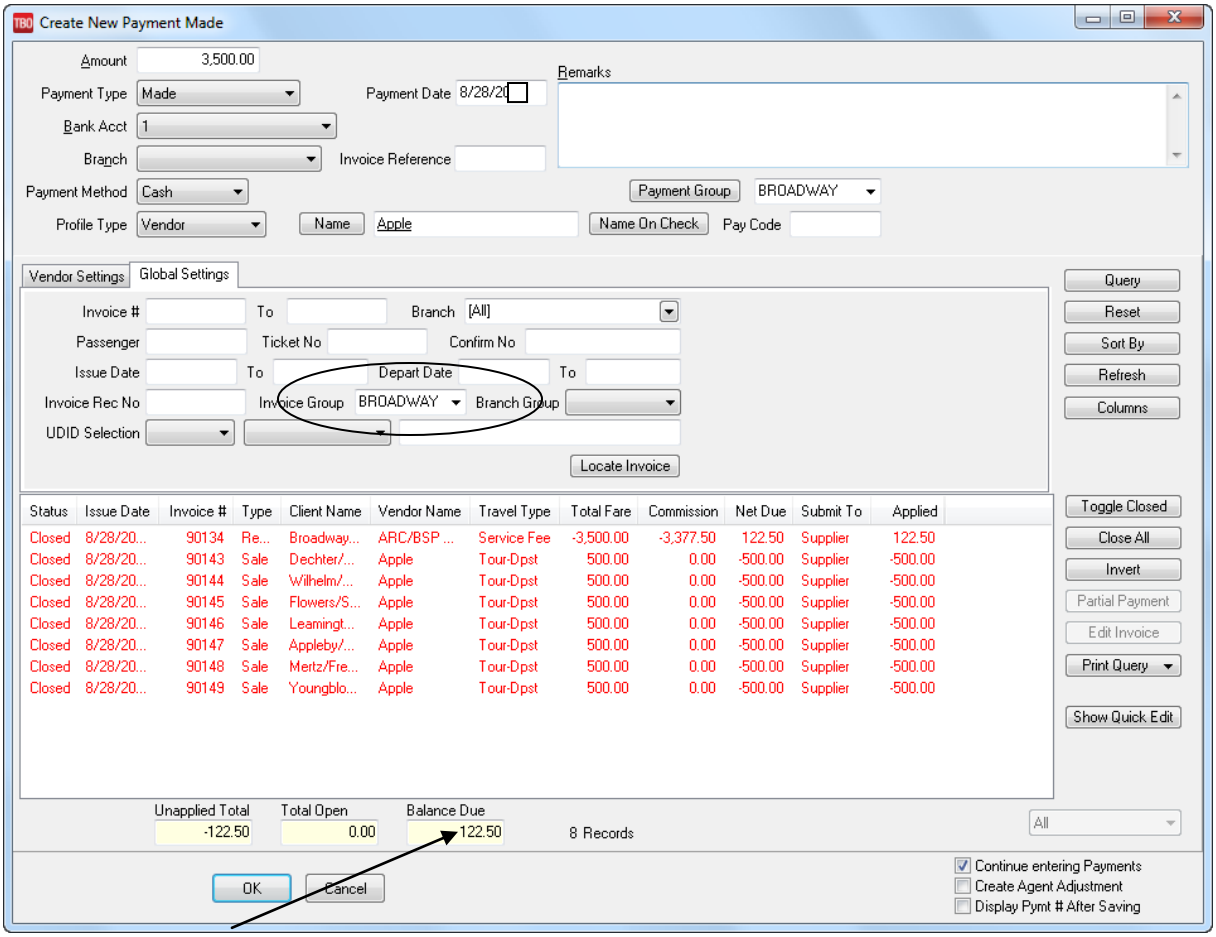


If the box **"Apply CC Merchant Payments"** is not checked the invoice will be open in TBO which would make it easier to apply the Refund invoice to the new Sale invoice. If the box is checked, the TBO user would have to void the payment in order to apply the Refund invoice.
Note: Rather than have the Agent issue the 2nd invoice, this could be done by the TBO user. The disadvantage of issuing the invoice in TBO would be for ClientBase users who would not have a record of the invoice in the Res card.

5. The TBO user would enter a zero ***Payment Received*** / ***Pay Method***: cash or other. Use the Corporate Profile in the Group Name / click on "All Clients" and on the ***Global Setting Tab*** enter the Invoice Group. Click on ***Close All*** to apply the Refund invoice towards the Sale invoices.



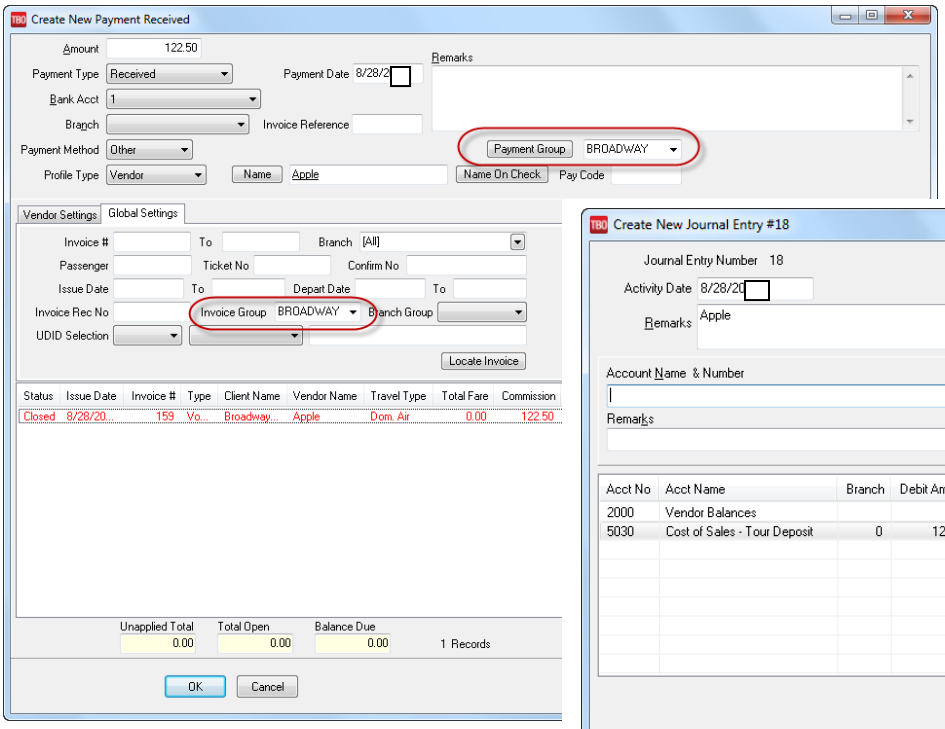
6. To close the **Vendor** side of the bookings and send a check to the Vendor, enter a ***Payment Made*** / ***Pay Method***: ***Check*** for the total amount due to the Vendor. Click on ***All Vendors*** and on the **Global Settings** Tab enter the **Invoice Group** Name**. Important*:*** ***All Vendors*** pulls up the ARC/BSP MCO refund invoice as well.

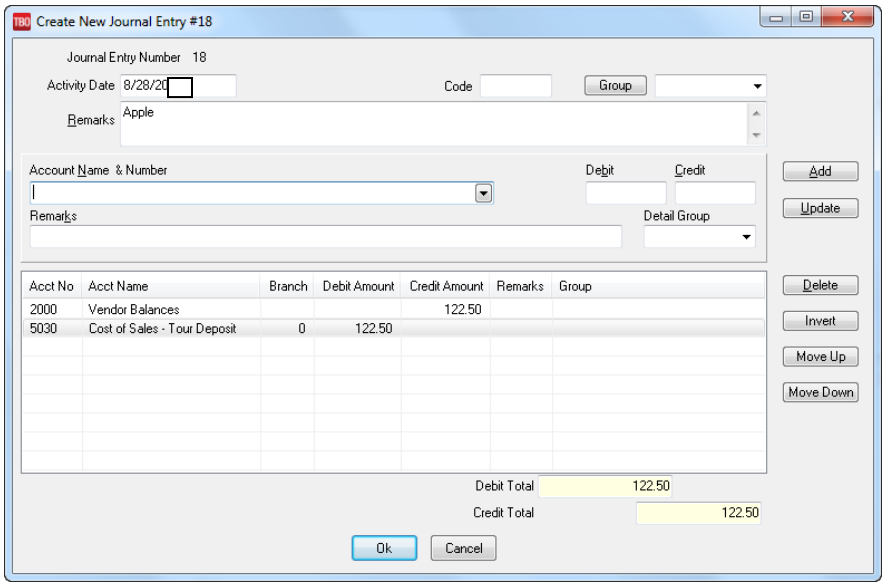


The remainder in the **Balance Due** box is the cost of running the MCO's. Create a voucher on the Vendor Profile for the amount in the Balance Due box.

7. When you are ready to close the Group, enter a ***Payment Received*** for the Total amount of the Vouchers on the Vendor Profile. ***Pay Method: Other*** . Toggle the Vouchers closed and create a **Journal Entry** to **Debit** the **Cost of Sales** account for the Travel Type used for the Group. This will increase the Cost of Sales for the group by the cost of running the MCO's.

Note: If you are doing this for individual Clients, you can close/reconcile the voucher immediately after entering the check to the Vendor using the same method as in # 7.





Scenario Two:

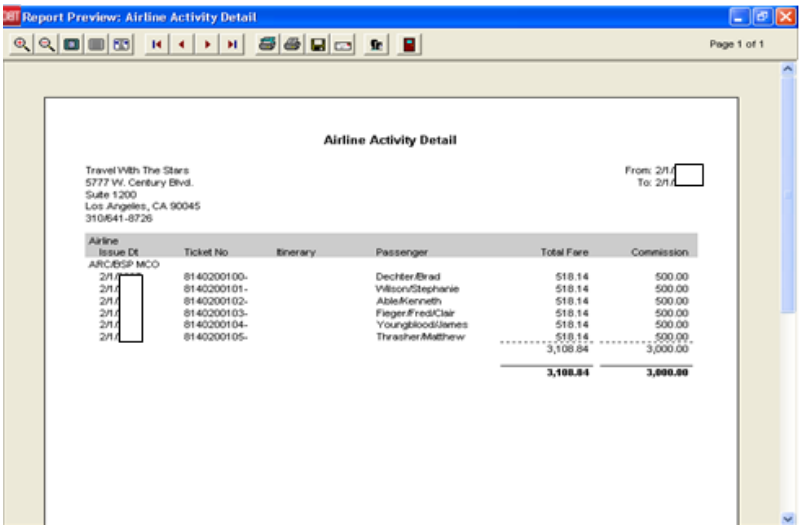
The Agency adds the cost of the MCO to the Total Fare:

Charge would be.....for .....Net

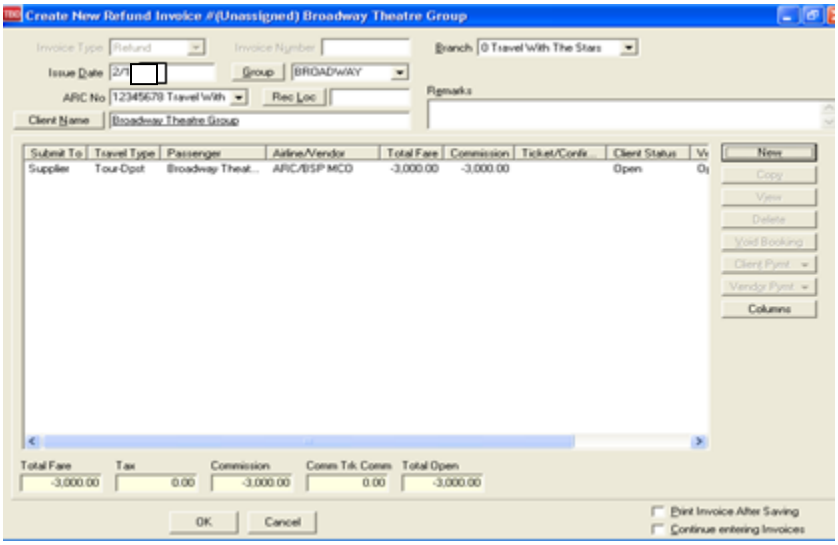
$518.14	$500.00
$414.50	$400.00

1. The agent issues an MCO for a $518.14 deposit with a commission of $500.00
It is important to use the GDS format to put the Group Name on the Invoice.
If the MCO is for an individual that is not part of a group, it might help to use a Group Name of "MCO" to track this type of payment. The procedure would be the same as for a Group, but on an individual basis.

2. The TBO user runs a **Report Generator** report that lists the MCO's issued for the Group.
Report Generator/Print Report: **AL_AD.rpt** ***Submit To***: ARC or BSP
Invoice Contains: Group Name.



3. The TBO User issues a **Refund Invoice** with a ***Submit To***: Supplier to reduce the Total Fare and Commission of the MCO's issued for the week. This time the Total Sales and Commission will be the same. The $108.84 charged to the Clients to run the MCO is left as a Sale.



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Note: When the invoice is issued in ClientBase with a FOP of CC Merchant it will show as Paid by Credit card on the first invoice issued. If the invoice is re-printed it will show closed by cash.

5. The TBO user would enter a zero ***Payment Received*** / ***Pay Method***: cash or other. Use the Corporate Profile in the Group Name / click on "All Clients" and on the ***Global Setting Tab*** enter the Invoice Group. Click on ***Close All*** to apply the Refund invoice towards the Sale invoices.

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No further steps are necessary with Scenario Two.