

ON-LINE ACCOUNTING SYSTEM

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1. Introduction.

The Cargo on-line Accounting System was designed primarily to be used as an auditing function by the cargo accounting department.

The intervention by the auditing department ensures that the AWB is as complete as possible before being passed to the off-line (Commercial system) for customer billing, interline credits and debits and finally statistics.

The system improves cashflow, accuracy, and perhaps most important, customer satisfaction and confidence.

Discrepancies in AWB can be more quickly and more efficiently dealt with. There is an accurate audit trail kept on the AWB, which may be very beneficial in resolving questions raised by the customer or any other party within the cargo industry.

It also ensures that all AWBs, filtered or not to the auditing program, find their way to the Cargo Interface Tape.(CIT).

This document describes both User and System functions needed to successfully implement the on-line accounting system.

2. Operational data.

The data in the AWB (CAR) satisfies operational needs and also accounting needs. The operational data fills the CAR and the accounting data fills the AWB charges (ZDR). If the data is correct, controlled and complete, then little is left to any off-line accounting system to produce Agent billing, Interline billing, debits validation, revenue and statistics.

Within the operational data there are fields that have an impact on the on-line accounting system.

These are:

- 12312345678 The AWB number and prefix.
If it is Host, it can be part of Stock control, it could be a sales record or it may be a debit validation.

- 1LHR/DXBK/CMB The routing.
The full routing to indicate a total Host sale, an interline billing or a debit validation.

- 2,3,2T,3T The shipper and consignee or third parties to identify if they are clients with a credit facility or not.

- 4/ The Agent issuing the AWB to indicate if IATA or not and if/or with credit facilities

- 5CC The charge code along with the currency code to indicate the type of payment.

- 6A The quantity field to identify volume, commodity description and chargeable rate.

- 8 The charges field to indicate weight charges and other charges.

And finally the itinerary description to identify if a shipment is flown with the Host or handled Carrier and/or it has been transferred to a non handled carrier and a TFM has been produced.

3. Execution Date.

The system assumes the execution date to be the date of creation of the CAR data into the system.

This is an important feature to detect shipments that could potentially slip away from accounting control or have not been removed from the operational control within a specified period of time.

The automatic execution date can be manually altered to reflect the date of issuance of the AWB rather than the creation date.

This would be used when the AWB has been issued by a Freight Forwarder or received from a non handled carrier and rate charges need to be checked.

4. CRA creation list.

This list is automatically produced by the system and sent every day to the first created CRA printer.

It contains all AWBs that have been created into the operational system the previous day.

It can be used to reconcile shipments that will be accounted or for information purpose only.

Control of this list against an accounted shipment is currently a manual function.

5. Final disposition.

The CAR is final disposition when the operational cycle is completed. This is also the moment when the full CAR/ZDR can be sent, for auditing and control, to the on-line accounting system or directly to the off-line accounting system.

The indicator of final disposition (FD) is set automatically by the system based on one or more of the following conditions;

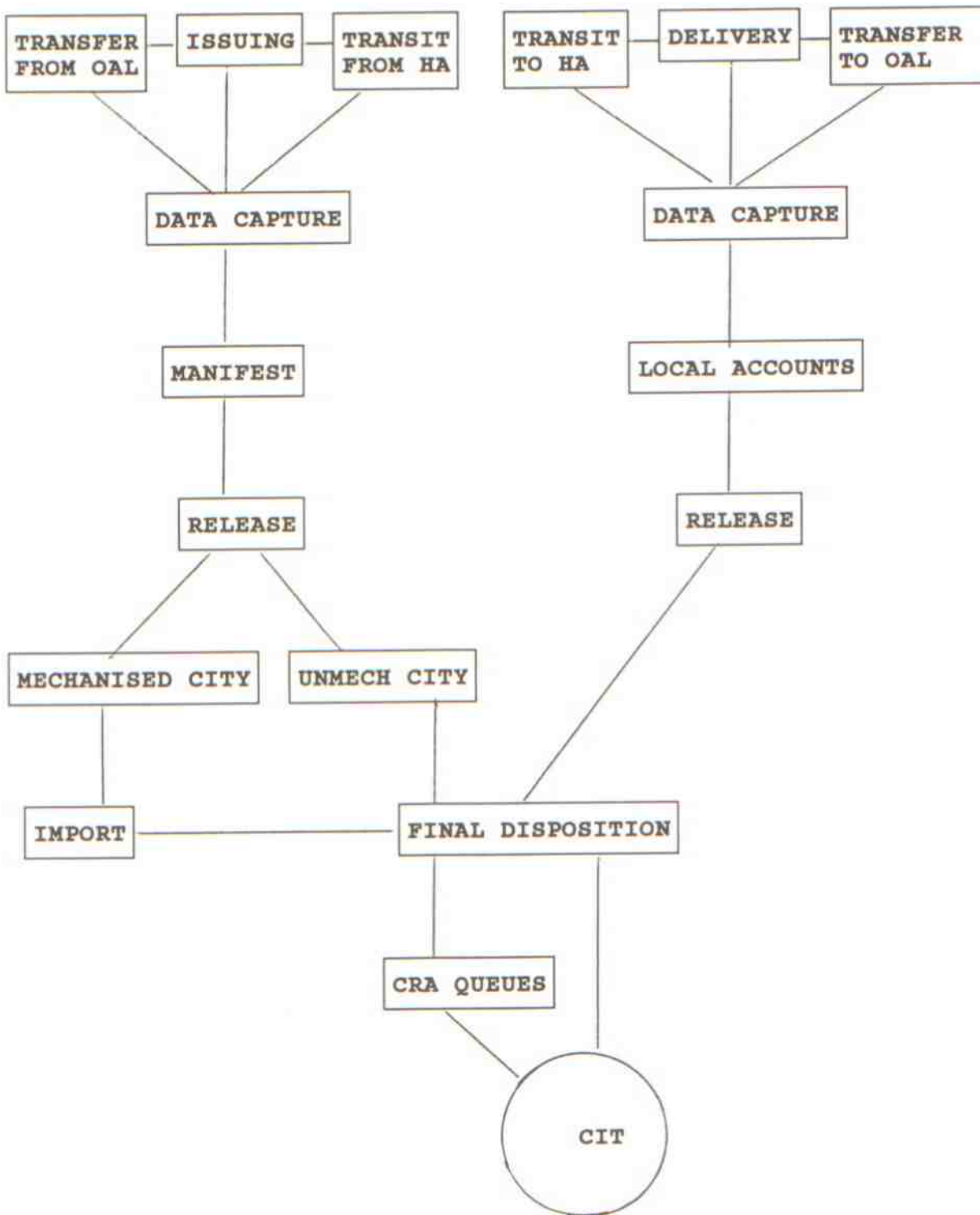
- Flown from a fully mechanised city to a non mechanised city.
- At any Customs out entry.
- At shipment transfer to a non handled carrier.
- At delivery note entry.

Whatever the condition, FD is only set once and it is not reversible.

6. Operational flow.

The shipment is under the operational control until it is either departed, delivered or transferred to a non handled carrier. Only when one of the above condition is met, the AWB can be considered closed and released to be accounted.

The following chart gives an idea of how things move and how the AWB cycle closes in a typical operational environment.



7. Cra queues.

The on-line accounting system allows the control and finalisation of chosen AWBs before they are passed to the off-line accounting system. This is done by the System by forcing the AWB to the on-line accounting queues.

There are 38 queues where AWB under specific conditions can be sent at first EOT and/or at final disposition so that a CRA agent can add some auditing information, control that the operational cycle is completed, that charges are correct and that proration or net revenue is inserted.

The queues are designed to suit the Airline own accounting procedures.

The Airline may choose to have the following queues structure:

- At first EOT. To control credit clients and wgt/charges.
- At FD export. To control sales and interline credits.
- At FD import. To control sales and interline debits.
- At X days from ED. To control why AWB are still pending.

An example of how SITA expect a specific queue to be designed would be:

Q/15 Title Proration Area 3
At FD export.
Weight charges collect.
Origin DXB
Second or third carrier in routing. TE/SQ/KE/JL/MH.
At EOT transfer to queue 16.

Q/16 Title Sales Area 3
At FD export.
Weight charges collect.
Origin DXB.
Host AWB.
Totally Host carrier in routing.

8.-Validated entries.

While in CRA queue, the Airline agent can add validated remarks containing codes that would allow the off-line system to identify and group the AWBs in order to produce relevant accounting documents.

We currently have 4 validated remarks.

- R*RA1/ETC for collect sales.
- R*RA2/ETC....for prepaid sales.
- R*RA3/ETC....for interline billing.
- R*RA4/ETC....for debits validation.

The agent can also enter auditing inputs, special indicators, proration using the 7 field.

9.-Purge date.

At each release the AWB obtains a purge date.

The purge date is a date beyond which the AWB is removed from the on-line system and sent to SITA archive.

An AWB will not be purged if it is residing in a CRA queue or if it has never been to the CIT. In both cases the System automatically lengthen the purge date until the last condition is met.

Purge date is set at flight departure, physical delivery of the shipment and at physical transfer of the shipment to a non handled carrier. The purge date will not be set if the AWB is irregular or it is still under operational control in a mechanised city.

SITA sets a global purge date based on the Airline requirement. This can be any number of days below 31.

10. First TW/TS EOT.

By first TW or TS End of Transaction is meant the time when the AWB is first created and it is now containing both operational data and accounting data.

The Airline may, at this point, choose to control these AWBs by having them sent to a specific CRA queue.

This is one way to make sure that, for instance, credit charge codes contain their relevant and correct account number.

Furthermore when the AWB is removed from Cra queue, it will be sent to the off-line accounting system so that the Airline may construct a pending file of AWB creations to be compared against AWBs finalisation to make sure that all AWBs created are eventually accounted.

A first TW or TS AWB sent to the off-line system will receive the indicator -E- and this is visible in the Auditing display of the AWB. (*A).

11.-Normal billing.

If the conditions set by the Airline have been met then the AWB will go to the CIT under normal circumstances.

A normal circumstance can be that the AWB has been finalised within a specified period of time, that the Final Disposition is set and that the AWB has been removed from CRA queues. When this happens the indicator - N - appears in the auditing display of the AWB record.

12.-Forced billing.

If the conditions set by the Airline have not been met within a specified period of time, then the AWB can be forced to CIT.

A forced circumstance may be that Final Disposition has not occurred after X days from execution date.

When this happens the indicator - F - appears in the auditing display of the AWB record.

13.-Partition purge.

The system checks if an AWB is sent to CIT and also checks why this AWB was sent to the CIT. If the conditions are either a -E- for first TS or TW Eot, or a -S- for Soft purge and the purge date it is at minus 7 days, the system will hold that purge date at minus 7 days until a CIT is run. When this occurs it will identify the AWB has having gone to the CIT under indicator -P-

14.-Soft purge.

At any time by manual intervention a CRA agent can force an AWB to CIT. The entry after displaying the AWB is 5SP1.

When this happens there will be the indicator -S- appearing in the auditing display of the AWB.

15.- Billing changes.

When the AWB has gone to tape, the System checks the purge date and it will make sure that there are at least 7 days left to purge. If during this 7 days a change occur to the payment record by entries performed by the Agent, then the AWB will be written to the CIT again under condition - C- which is reflected in the auditing display of the AWB.

16.- SITA 3 months purge.

Although all AWBs are trapped by the System to ensure they are accounted, SITA runs a function that checks AWBs that are under the operational control but have not been updated by the Agents some 3 months from execution date.

If this is the case the AWB is purged out of the on-line system into the SITA archive and also forced to the first available CIT. When this happens the indicator -X- appears in the auditing display of the AWB record.

17.-Cargo interface tape.

SITA currently offers two versions of interface tape.

One - in ALCS format record structure.

Two - in fixed format record structure.

The Airline can have access to both and ample explanation of contents will be given on request.

18.-Direct transmission.

Where a CIT is not the practical way to interface an offline accounting system, then SITA can provide direct transmission of the data via a File Transfer Program.

To obtain this the Airline must have a FTP receiver and an IBM or IBM compatible Mainframe.

19.-CIT contents.

The tape contains the CAR along with its history and ZDR and ZHR Therefore all the operational entries such as -,1,2,3,4,F,D,D- R,O,9, Etc are stored in the CAR. All changes made to the operational entries are stored in the CAR history.

All the accounting entries such as 5,6,7,8 are stored in the ZDR and any change made to the ZDR are stored in ZHR.

CAR means Cargo assembly record and history.

ZDR means Payment record.

ZHR means History payment record.

The CAR is the prime record, within the CAR is the ZDR address and in the ZDR is the ZHR address.

20.-CIT list.

Once the tape is produced the CRA agent may request a list containing all AWBs that have gone to tape.

The entry is Y.GCIT for the latest list. or

Y.GCIT/22JUL for a specific day list. or Y.CIT/D/12512345675 for a specific AWB.

The list will contain the AWB number, when and why it went to tape and its CAR address.

The reasons of going to tape are coded.

E for first EOT.

N for normal billing.

F for forced billing.

S for Soft purge.

P after CIT -E- or -S- condition and before purge date.

C after CIT -N- or -F- condition and before purge date.

X for SITA 3 months purge.

21.-Reconciliation.

To keep track of all AWBs and to make sure they are eventually accounted, every AWB creation should be kept in an offline pending file as they are transmitted from the on-line system at first EOT.

Each time an AWB is then completed and therefore accounted should be matched against the pending file and removed.

On a regular base the pending file should be checked to see

the reason why some AWBs have not been finalised and take the needed actions of rectification on-line.

22.-Automatic currency conversion.

Cra agent may keep the currency conversion table updated at all time. He may choose to enter all currencies and their bank or Iata conversion rate against the local currencies and viceversa. This is done by CRT inputs.

23.-Rating table.

The system can hold on-line up to 64 cities general and specific rates thus giving some 4032 city pairs rates. These are constructed by CRA agent using CRT inputs and are ideal for the domestic market.

The Airline may choose to access the Marquis system run by IAP which gives all International rating including the adds-on.

This is currently available.

24.-Autorating.

The Marquis system currently provides Published rates data base.

These are used for several purposes;

- 1- to automatically rate a consignment and print an AWB.
- 2- to match a manually rated AWB against an automatic rating.
- 3- to quote a rate to an enquiring Client.

25.-Proration.

Currently proration is entered on-line manually by the agent working the CRA queues. The agent will use the 7 field.

Example 7PN285/V12/P472/V56.

By end of 1992 proration will be an automatic function and will serve 3 purposes;

- 1- prorate before acceptance of an interline shipment to assess its value.
- 2- it will be linked to the Yield management function to assess its value.
- 3- it will automatically prorate at Final disposition or on request.

26.-Pricing.

Again by mid 1992, some items will be priced automatically;

- 1- pick up charges from city specific areas.
- 2- delivery charges to city specific areas.
- 3- insurance fee.
- 4- agent disbursement.
- 5- local tax.
- 6- valuation fee.
- 7- cod fee.
- 8- tax.
- 9- charges collect fee.
- 10- storage charges.
- 11- AWB fee.
- 12- clearance and handling

27.-Yield management.

This function will be released to the Airline once the full rating package and proration package are on-line.

The latter will be needed to establish the revenue value of the shipment. The yield function will be completed by also assessing the shipment destination value, client value against the flight segment historical commercial value. The result will indicate if a shipment is to be accepted, wait-listed or refused.

28.-Private rates.

Private rates will also be obtained from the Marquis data base and stored into a secured place in the ZDR for Yield control and net revenue billing.
It is expected that the function will be available by the end of 1992.

SUMMARY.

The on-line accounting system ensures that all AWBs have their correct rate application, that they have been pro-rated, that they have been divided for selected net revenue sales report and statistics and that they contain specific codes to satisfy any type of off-line accounting system.