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Air Age Accounting for Revenue

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AIR AGE ACCOUNTING FOR REVENUE

By R. G. LOCHIEL, Vice President and Treasurer, Capital Airlines, Inc.

It is almost impossible to give a comprehensive picture of the accounting problems of commercial aviation without presenting, as a backdrop, the scope of the business with those problems. Here are a few pertinent facts about Capital Airlines: It is the only major airline with headquarters in Washington; annual revenues for this year will exceed $50,000,000 and are growing more rapidly than the average business. Employees total some 5,000, about half of whom are employed here in Washington, D. C., producing a local payroll of some $15,000,000.

Capital, in turn, is a part of an industry which in twenty-eight short years has become one of the nation's leading forms of transportation. Today, it is America's newest billion dollar industry, handling more than 33,000,000 passengers annually. Naturally, in so short a period of time, the revenue accounting problems in handling this huge volume of traffic have become increasingly complex. Yet the systems and methods which have evolved, as the industry has grown, have been constantly streamlined so that today accounting practices are relatively simple despite the fact that air travel today is global, and time is measured in minutes rather than in days. Even though the terms and raw accounting material are different in form, the problems are basic and closely related to those of, say, a combination of a department store and a bank.

The accounting problems of an airline can best be understood if we start with the source of all revenue, a loaded airplane. One of our sleek, new turbo-prop Viscounts—incidentally, over a million dollars worth of airplane—is sitting at gate 3. This flight, 901—12:45 P. M. departure from Washington. The forty-four passengers surrendering their tickets at our counter represent a cross section of the more than two and a half million who will fly Capital this year, and contribute $46,000,000, or 92 percent of our total revenues. Now, they have boarded, and are comfortably relaxed in their seats for take-off. The airmail, stowed in the belly compartment of the plane, represents a part of the billions of airmail and first class letters we will carry, bringing us $1,300,000 for the year. A cargoveyer has boarded airfreight and express, the annual volume of which brings Capital about $2,000,000. From these figures, it is obvious that passengers are the really important source of revenue and it should also be obvious that subsidy is not a factor in our operation.

Now, let us accompany the hostess down the aisle, and look at the individual passengers, not just as people, but as accounting problems. For example, the pretty young lady with her baby in seats 1 and 2. She bought a machine vended one way ticket for cash. The lady and gentleman in seats 3 and 4, on their way to Chicago to visit their children, bought their tickets through one of our some 1000 travel agents, Ask Mr. Foster. Next, there are two buyers from a local department store, on their way to the furniture mart in Grand Rapids. Their store has a charge account with Capital, and they have used the world's largest charga-plate operation to purchase their tickets. Seats 7 and 8 are occupied by two representatives of the Department of Commerce and their tickets were obtained under the government charge account system—the use of a transportation request. Our next passengers represent a segment of our highly complicated interline problem—one bought her ticket from Eastern Air Lines at Raleigh, North Carolina, and has transferred to Capital at Washington while the other bought her ticket from Capital at Washington but is continuing to the coast from Chicago, via TWA.

The tickets of these passsengers represent the raw material for our Accounting Department. In preparing the tickets for ultimate accounting, it is immediately apparent that a great deal of the workload is not susceptible to mechanization. This may be easily visualized by noting Capital's average fare of $18.00 and dividing it into our annual passenger revenue of $46,000,000, a minimum of two and a half million individual tickets. Actually, many more tickets are involved, since many are issued in exchange for other tickets as a result of change in itineraries, cancellation, or other reasons. The workload in our Revenue Accounting can only be measured, in the final analysis, by the volume of gross ticket sales, which amount to about $64,000,000, a much higher figure than the amount which is retained in revenue.

Each passenger aboard the fictitious

Viscount flight to Chicago represents an individual problem in the audit, control and collection of the ticket fare involved in his particular journey. Let us first trace the activities involved in the Revenue Accounting process, commencing with the receipt of the Daily Sales Report from our Washington, D. C. airport ticket office. The report in this case is forwarded, by messenger, to the Revenue Accounting section of our Treasury Department. This section has a total complement of 74 employees divided into several distinct sub-units, each one specializing in a separate phase of revenue audit.

Each reporting office enters in one total amount the sum representing the aggregate collections for ticket fares, tax, excess baggage, etc. Although the beginning and ending number of each type and series of tickets sold is listed no provision is made for reporting each individual ticket. This report form is a simplified one that we have used since 1945, our objective being to minimize as much as possible the clerical workload on the field offices and to place the responsibility where we feel it belongs, namely, on our own Accounting Department.

While all tickets issued are accounted for in the numbers reported, no detail is required even in the case of charge sales. Tickets issued on a charge basis are merely grouped together in one batch, attached to supporting documents of numerous types, and are forwarded along with the Sales Report. In the past we required an itemized listing, ticket by ticket, of all cash as well as charge items, which represented a sizeable workload problem to our field offices.

Throughout Capital's system we have a total of 114 separate airport and city ticket offices and each office is required to submit a Daily Sales Report at the close of business each day, seven days a week, except in the few downtown locations where our offices are open only five days a week. These reports are checked in daily on a master control chart as they are received in the Revenue Accounting Section. If a report is delayed for any reason we immediately contact the sales office by teletype or telephone since prompt receipt of all reports is vital to our production line audit operation and, also, a most important phase of revenue control. Included with the Daily Sales Report are the auditor's coupons and supporting documents covering all cash and charge sales for the day. The cash items included in these individual Sales Reports produce a total of $22,000,000 in revenue for us each year.

Our regular Deposit Ticket, which we have designed to simplify handling, provides an initial breakdown of each deposit into the principal categories of cash collections. All cash collected by our field offices must be deposited each day in one of our 61 local system banks. In most cases, these funds are automatically transferred by means of the bank wire system into our principal depository accounts in Washington and New York. Part of our control system involves a separate verification that funds are deposited daily and that transfers are made on the established transfer dates depending upon the cash volume originating in the particular sales location. A duplicate Deposit Ticket must accompany each Sales Report and a separate Deposit Ticket verified by the bank must be mailed daily to our cashier. All transfers made by the local banks are, of course, receipted to us by our main depository banks and the local banks, in addition, mail us a written notice of each transfer. Policing this system assures us that deposits and transfers are made strictly in accordance with our established policies.

The various Daily Ticket Reports are allocated among the ticket auditors on a pre-determined basis in such a fashion as to evenly distribute the clerical workload. One auditor, for example, may be assigned the responsibility for processing three or four of our major station reports and another may handle fifteen or sixteen smaller stations, the distribution being governed by the respective sales volume. In processing the Daily Sales Reports, the ticket auditors first account for all tickets listed on the report to assure receipt of an auditor's coupon for each ticket and the receipt of all documents necessary to support the issuance of all charge sales. The tickets are next broken down into the several basic sales categories — cash — charge — and exchanges. Each group of tickets, in each category, is then audited to verify the accuracy of the fare and tax amounts shown on the ticket. In this process any discrepancies noted are individually written up and referred to the originating office for adjustment.

After audit, the Sales Reports and the auditor's coupons of the tickets are recapped and distribution is made to the respective accounts. The Sales Reports are then processed in pre-numbered controlled blocks to our Machine Accounting section where punch cards are prepared for the account distribution. Summaries are produced from these punch cards which constitute the basis for our monthly journal entries to record in our ledgers the appropriate revenue, receivable and payable amounts and the related liability for federal transportation and excess baggage taxes.

In addition to the machine accounting applications just referred to, we use IBM equipment in many other ways in connection with our Revenue Accounting activities. Each application is evaluated prior to adoption to satisfy ourselves that the mechanical operation will prove more economical than a manual one, or, if not more economical, then more efficient. We are constantly reviewing and refining our operating procedures to streamline them to the maximum and, also, to improve our employee unit productivity. In this process, we have and are still experimenting with quality control techniques and similar technological developments and, at the moment, are conducting studies in the modern field of electronic data processing—all with the objective of some day obtaining the optimum—mechanical audit of ticket fares. We hope to reach this goal in the not too distant future and, if so, we confidently expect to drastically cut our clerical costs.

In our industry, we must constantly move forward with the times. It is just as important for us to modernize our accounting techniques, ticket forms and ticketing procedures, for example, as it is for us to modernize our fleet of aircraft, our reservations procedures and, for that matter, every phase of our complex airline operation.

The large volume of cash sales we handle has been mentioned. Typical of a cash ticket is a Washington-Chicago online ticket. Actually, the ticket may be sold either for cash or charge—it is, for our purpose here, however, treated as a cash sale. The ticket is pre-printed. That is, the points of origin and destination are printed on the ticket as well as the fare and the tax. For flexibility in use, both one way and round trip fares are printed on the ticket. The ticket agent merely crosses out the inapplicable fare. If sold on a one way basis the second flight coupon must be kept attached to the auditor's coupon when the sale is reported. This ticket can be sold in either direction—Washington to Chicago or Chicago to Washington. If sold in Washington, the bottom flight coupon would be the one first detached. The reverse would be true if sold in Chicago. The validation stamp, indicating the point of sale, in all cases is placed on the back of the ticket. This dual purpose arrangement permits one ticket form to serve two purposes.

This particular type of ticket was developed by Capital in 1950 and is dispensed by a General Register "Automaticket" machine. The ticket is truly a push-button ticket similar to the tickets used in the motion picture industry. However, in our industry it is used exclusively by Capital. Our agents merely depress a push-button for the type of ticket desired which is instantly ejected by the machine. The agent then needs only to validate the ticket and hand it to the passenger. The chief virtue of this type ticket lies in the time saved at the ticket counters, although the ticket stock itself is considerably less expensive than the other type tickets. This type of ticket machine is installed only at our high density sales locations. We have also designed a more inexpensive ticket dispenser, using continuous strip tickets, which are in use at our less busy sales locations and which accomplish the same general objective of speedy ticket issuance.

A special sales report, used only to report the theatre type tickets, simplifies the reporting and accounting for these pre-printed tickets which are all of a fixed value, as contrasted to open face tickets where the fare is determined and written in by the ticket issuing agent.

In addition to cash tickets, each ticket report contains numerous charge items. Prominent among such items are the tickets issued upon the authority of Government Transportation Request Forms, which in effect are travel vouchers issued by the various government agencies. Capital's revenue from this source of passenger traffic amounts to about $2,300,000 annually. Each Government Transportation Request Form is audited for compliance with standard government travel regulations and the forms are then segregated by government agency for billing purposes.

We key-punch a separate IBM card for each item and use such cards to mechanically prepare a weekly bill to each agency against whom we have a charge. The Government Request Form accompanies each bill when rendered. Our bills to the various government agencies are presented on forms especially designed by us and approved by the Comptroller General. We currently render about 7,000 bills annually to 570 separate government agencies, each bill containing up to 25 individual items. This mechanization of government transportation bills has saved us many clerical hours over the previous procedure of preparing typewritten bills and it has also, by speeding up the release of bills, expedited payment from the government agencies.

The Transportation Request Form now in use is, itself, in the form of an IBM card which simplifies processing by the General Accounting Office. This improvement was inaugurated by the government July 1, 1955 and fits perfectly into the mechanized billing procedure which we adopted January 1, 1953. Mechanization of government billings, as described, represent an innovation by Capital Airlines which has since been followed by other airlines and also by several railroads.

Another category of charge sale involves the transportation purchased on the basis of an air travel card issued under the Universal Air Travel Plan, which is a charge system that has been in effect in our industry since the middle 1930's. From this source we realize more than $8,000,000 in revenue annually from our own and other airlines air travel card-holders.

This plan, in effect, is a gigantic chargaplate system wherein a company or an individual contracts with a specific air carrier for air travel credit privileges. An initial deposit of $425 is made with the contracting airline, who, in turn, issues as many separate air travel cards as may be required to the designated employees of the subscribing customer, or, in the case of an individual account, to the designated members of the individual's family. Such cards are honored by all airlines upon presentation for the purpose of transportation, the traveler merely signing a Transportation Receipt Form which is eventually used to support billing for the transportation purchased. We release monthly bills to our subscribers on the 25th of each month covering all charges received up to the cutoff date and payment, under contract terms, is due within ten days after receipt of the invoice. In our case, we have currently effective contracts with over 1,600 subscribers involving more than 15,000 individual air travel cards. Universally, there are over 61,000 separate accounts with over 650,000 cards outstanding. As you will realize, this system is quite flexible in that it permits the traveler to purchase transportation from any airline to any point authorized by the type of air travel card in his possession without any limit on the sum total of charges for any one month.

There are several different types of air travel cards issued by the various airlines. There are cards good only for transportation in the United States and Canada, known as North American cards, and others known as International Cards with which the holder can purchase transportation to and from almost any point in the world. Later on we will see how the Universal Air Travel Plan functions as between the various air carriers.

One category of charge sale that does not involve our Station Sales Reports deals with our commission agents accounts. Sales from this source of business produce about $4,300,000 in annual revenue for Capital. Our commission agents report their sales to us using separate report forms provided for this purpose.

At the present time we have about 1,000 commission agents located in all of the states in which we operate as well as in many states where we have no other representation. An agency relationship is created upon application of the prospective agent to the Agency Committee of the Air Traffic Conference. Only agents approved by this group are permitted to hold ticket stock and sell air travel. Special Agency tickets are used for this purpose, which are exactly like the tickets sold by airline offices so far as size and design is concerned. They do provide a separate "Agents" coupon for the agent's own use and, also, all such tickets are identified by the letter X following the form number.

Commission agents generate a very substantial volume of business and since there is no form of fidelity bond in effect you will appreciate the need for very close control. Due to an effective control and follow up procedure our losses from defaulting agents have been negligible over the years. Reports are required every two weeks and are first submitted to our District Sales Managers in the field who then forward the reports to us for audit. This arrangement gives us a closer control than if the reports were forwarded directly to our general office. In the case of an actual default by an agent, we immediately withdraw all ticket stock and cancel the agency agreement. When this occurs, other airlines who have tickets assigned to that agent do likewise so that the agent is effectively removed from the airline travel business.

Now let us go on to a discussion of interline tickets and the settlement of interline accounts among the carriers, utilizing the facilities of the Chase Manhattan Bank in New York City.

To give you a perspective of this activity you should know that there are 33 different domestic airlines who are members of the Airlines Clearing House, Inc. and who clear their interline accounts as we do. There are 43 airlines offering foreign service who, in addition to the other 33, also clear interline accounts with the domestic carriers through the Chase Manhattan Bank. All the domestic carriers are governed by the regulations promulgated by the Air Traffic Conference of America and the Airline Finance and Accounting Conference, both of which are components of the Air Transport Association of America. In addition, the carriers also are bound by the regulations emanating from IATA, which is the Inter-National Air Transport Association. In our industry, you can readily see that we not only must adhere to federal regulations governing air travel, but in addition to perhaps even more self-imposed regulations.

First let us see how ticket coupons initially sold by other airlines are received in our revenue section. Such coupons are not forwarded with the Daily Sales Reports from our field offices but instead are forwarded direct in separate envelopes, along with all the lifted online ticket coupons.

One of our Station Trip Flight Coupon Envelopes must be received every day for each trip out of each station whether or not there are any lifted flight coupons to be forwarded. In the lower right hand corner on the envelope a block is provided in which is entered the number of interline flight coupons enclosed in the envelope. This item serves as a control factor in accounting for lifted interline coupons.

An auxiliary control device is represented by the Cabin Attendants Report of Passengers Carried. This, in effect, is a separate "head count" of passengers aboard each flight out of each station and the passenger figures are checked against the "on board" passenger figures reported by the individual stations on the station envelopes I have already talked about. Any discrepancies noted in this auditing process are immediately investigated with the field offices who must satisfactorily account for all differences.

You may be interested to know that we microfilm all auditors' coupons, lifted flight coupons and station envelopes. This serves a dual purpose—we drastically reduce the space requirements that would be necessary to file millions of tickets and we have, as well, a readily available record of every coupon used on each flight. By use of the Recordak Reader we can quickly scan a ticket lift for any given flight. This is frequently necessary in connection with fare adjustments and claims of one sort or another.

Now let us cover the interline phase of the subject as it relates to the various carriers. The interline relationship between scheduled airlines enables a passenger to travel to almost any major point on the face of the earth on a single strip of ticket. Some of those passengers flying on Capital's Viscount from Washington to Chicago may possibly continue on to San Francisco, Hawaii, and Hong Kong. One ticket for each passenger will cover the entire passage, with Capital issuing the ticket and collecting the fare. Naturally, a large volume of such tickets creates a huge undertaking in the settlement of the various interline accounts. In our case, revenue from tickets sold by other airlines amounts to almost $10,000,000 annually.

The interline settlement problem was not as serious in the early days of our industry simply because the volume was not of great proportions. Today, however, the airlines, in the aggregate, clear interline accounts on an annual basis amounting to $545,000,000 net. In other words, even by offsetting receivables against payables, a net of $545,000,000 annually is still involved in effecting settlement of interline accounts among the carriers. Explanation of the operation of the airline interline ticketing system will clarify the picture of the interline settlement operation.

The numerous categories of ticket sales involve for example, both one way and round trip tickets which might be sold for cash either by airline offices or by established commission agents, perhaps issued against Government Transportation Request Forms, or which may be issued against a Universal Air Travel Card. Irrespective of the basis of the ticket sale, any carrier may issue the complete ticket all the way through from the point of origin to the point of destination, no matter how many other carriers may be involved in the segments of travel along the way. Standard ticket forms are in use by all carriers and must be issued when selling interline transportation although any carrier may use any form of ticket it pleases for travel exclusively on its own line. Formerly, each airline had its own ticket forms which were used for either on-line or interline travel and almost every one was different in design, size, and color, which not only complicated handling in the field but also delayed processing of the tickets in the auditing operation. Development of a standard interline ticket form was a major industry problem and took a good many years to accomplish. This may seem to you to represent no particular problem; however, each airline has its own peculiar operating procedures from the time a passenger checks in at the ticket counter to the time he reaches his ultimate destination. Evey horizontal and vertical line, every word, every space, and actually every single part of the interline ticket had to be designed so as to be completely acceptable for each carrier's internal handling. A standard ticket form was successfully developed and has been in use since 1943.

Going back to the interline ticketing operation itself, the first step is to issue a ticket complete in every respect. The correct fare and tax are shown in the appropriate spaces on the ticket, the basis of the sale is indicated such as cash, charge, government, etc., whether one way or round trip, whether full fare or perhaps coach fare or family plan fare, etc. Whatever the basis of the sale, the fare must coincide with the published fare for the trip as contained in official tariffs on file with the Civil Aeronautics Board. Interline tickets consist of an auditor's coupon, flight coupons and a passenger's receipt coupon. A typical interline ticket might be completed covering passage from Washington to Los Angeles and return. This ticket has been issued against an air travel card according to the letters ATP in the block in the lower left hand corner of the ticket. Under the fare class-basis column, the letter "F" denotes first class service and the letter "R" means round trip. The routing of this ticket is via Capital to Chicago, TWA to Los Angeles, American Airlines returning from Los Angeles to Chicago and Capital from Chicago to Washington. A separate flight coupon has been provided for each distinct segment or leg of the trip. Had more flight coupons been necessary to ticket this passenger, another ticket would be issued as a "Conjunction" ticket, since the Standard Interline Ticket form has a maximum of four flight coupons. If you were making this trip, when you checked in at our Washington ticket counter, our check-in agent would remove or "lift" the Washington-Chicago coupon and would return the balance of the ticket to you. The other carriers, in turn, would lift their respective coupons and eventually you would be left with only the passenger's receipt which you would retain as a record of your flight.

Each carrier accumulates all lifted flight coupons honored during each month from all the other carriers and individually prices each lifted coupon which is used to support the monthly billings. In the old days, most through fares, that is, the point to point fares, were chiefly a combination of each carrier's local fares from point to point so that the pricing of each flight coupon was not much of a chore. Over the years, however, many joint fares have been developed so that now a majority of the interline tickets must be priced by reference to complex rate prorate manuals in order to determine the exact value of the lifted flight coupons. A joint fare between two points is merely a fare via a routing involving two or more carriers that is equal to the fare published by any carrier who provides direct service between the same two points.

All in all, the present rate prorate manual contains over 10,300 joint fares and there are as many as 25 different prorates between the same two points, depending upon the overall routings. I mention this phase of the operation merely to point up the fact that pricing the individual flight coupons in itself is a sizable operation and one that requires a great deal of accuracy. In any event, under the former system the coupons, when priced, would be billed monthly to the ticket issuing carriers by the honoring carrier. In preparing the monthly invoices, tickets were segregated and listed in numerical sequence for ease in auditing against payables established by the selling carrier. Once each month, therefore, there would be a deluge of interline bills descending upon the accounting department of each carrier which had to be checked out and reconciled, ticket by ticket. This represented a monumental task, as you will readily appreciate, and one that was most time-consuming. It was so time-consuming that all carriers mutually agreed to pay the billing carriers 80 percent of the total invoice amount by the 20th of the month in which the bills were received if full payment could not be made; the balance being paid upon completion of the audit and submission of a detailed statement of differences. Frequently, carriers would find themselves backlogged three or four months and sometimes even longer in working out final settlements.

In the interest of simplifying the long drawn out process, the airlines collectively through the Airlines Finance and Accounting Conference adopted a clearing house procedure in 1943. A separate non-profit organization was established, located in Chicago, and an elaborate system of rules and regulations was adopted whereby prompt clearances could be effected. Over an extended period of trial and error, the system was finally developed to a point where settlements could be effected on an efficient basis. In 1950, the actual financial clearance was taken over by the Chase Manhattan Bank in New York City, although the original organization, which is known as the Airlines Clearing House, Inc., still remains as the administrative body, setting the regulations dealing with the member airlines. The transfer of the clearing function to Chase involves no charge to the airlines except for foreign clearances and the industry, by this arrangement, has been able to save approximately $108,000 annually, which was the cost of operating its own clearing system initially. The present system is highly satisfactory in its operation as contrasted to the old fashioned methods already explained.

Today, all airlines utilize IBM equipment in billing their interline accounts. The same ticket pricing process applies; however, cards are keypunched which are used to prepare the monthly bills in ticket number sequence. Interline ticket billings are prepared for each carrier whose tickets have been honored and a bill supported by the lifted flight coupons is released to the various carriers on the 15th day of the subsequent month. At the same time, a summary of all charges is presented to the Chase Manhattan Bank. The bank performs a clearing function by offsetting the charges against each carrier by the amounts billed by each carrier and arrives at the net settlement due. Upon notification by the bank, each carrier owing a net amount forwards the payment to the bank, who, in turn, uses the funds so received to pay the carriers with a net receivable in their favor. Settlement is effected on the 28th day of each month for the sum total of all amounts due. In this fashion, there is an immediate and complete settlement between the carriers for the full invoice amount of the interline billings. Each carrier then proceeds with the audit of the individual bills received from other carriers having the actual flight coupons in their possession for examination and audit as in the past.

Going back to the illustrative sale of a Washington-Los Angeles round trip ticket, you will now understand how both TWA and American would receive payment for the ticket sold by Capital. Under this system, there is no delay in settlements among the carriers. Any erroneous charges or corrections are charged back against the airline making the error in a subsequent month's interline bill accompanied by an appropriate rejection notice giving the reason for rejection.

The billing and settlement dates indicated earlier apply only to the settlement of interline ticket accounts. A separate settlement arrangement applies to the Universal Air Travel Plan business. The underlying procedure is basically the same as in the case of interline tickets and a summary of all charges is submitted to the Chase Manhattan Bank for clearance. Settlements are effected in the same way as in the case of ticket clearances, the only difference being in the settlement dates. In the case of Air Travel Plan settlements, the summary statement of accounts must be rendered to the bank not later than the 7th working day of the subsequent month and the actual cash settlement with the carriers is made on the 20th of the month following submission of such statement. This additional settlement period permits the carriers to invoice their subscribers and receive the necessary funds with which to settle the claims of the ticketing carriers. Adjustments, if any, are handled in the same manner as has been described for interline tickets.

This is the accounting situation at the moment. In the case of interline settlements, we are still looking for possible improvements. Studies are being conducted that might result in the adoption of an average fare, or rate per mile that might be applied to lifted interline tickets. If this, or something similar, can be successfully developed we might some day eliminate the need to individually price ticket coupons and merely exchange a deck of punch cards with the other carriers so that interline bills can be mechanically audited. Notwithstanding the possible developments that lie ahead, the progress already made to date is significant. It illustrates how a disjointed industry, without any standardization at all just a few

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ing matters, and then compare the copies to the original signed minutes or contracts. In addition to saving audit time, giving copies to the auditor insures a more complete, and possibly a more accurate permanent file.

Other items which are valuable to an auditor are copies of: pension plan agreements, trust agreements in connection with pension plans, union contracts, rate schedules, wage schedules where standard classifications are paid at standard rates, vacation policies, sick leave policies and copies of interim financial statements prepared by the company's accountant.

The outside auditor may, as a part of his preliminary organization of an audit engagement, arrange with management to have copies of certain of the above-mentioned documents made available to him during the course of his field work. If he does not do so, the company accountant can, on his own initiative, arrange for extra copies of all papers which he feels the auditor may need.

This simple step can be the means of saving a substantial number of audit hours which may well be more profitably spent on some more complex phase of the audit.

—Mary F. Hall, C.P.A., Washington, D. C. Chapter

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years back, has, in a relatively short span of years, been able to develop universally acceptable ticket forms and procedures and a basis for settling accounts involving many millions of dollars in a manner satisfactory to all.

This in itself is an indication of the developments made possible by the constant growth and increasing public acceptance of air travel everywhere and is at least one manifestation that our young industry may be approaching maturity.

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