

Payment Plan Basics

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Payment Plan Basics

DISCLAIMER:

This training is NOT an exhaustive training on all payment plans. It is intended to assist new agents in understanding and creating payment plans to assist their clients. It will only cover the basics of how they work and how to use them to enhance your business.

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Payment Plan Basics

- When Can You Offer One?
- How Do You Create One?
- Using a Payment Plan as a Selling Tool

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Payment Plan Basics

- Payment plans are the process of YOU the agent taking multiple smaller payments from the client to add up to the package total. (Agent is responsible for processing)
- This is different from automatic payments scheduled and processed by the vendor. (These may include a soft credit inquiry in order to approve client and approval is not guaranteed)

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Payment Plan Basics

- **When Can You Offer a Payment Plan?**
 - Bookings that are made well in advance and do not require payment in full up front.
(Usually for trips booked 90 days or more in advance)
 - If the vendor offers a deposit date and a final payment date on the booking you can create a payment plan for your client in most cases

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Payment Plan Basics

- **How Do You Create a Payment Plan?**
 - Consider the number of payments you want to accept (monthly, bi-monthly, quarterly, weekly, etc.)
 - Consider the approximate amount your client can afford to pay each payment
 - On high cost trips also consider daily credit card transaction limits when making payments

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Payment Plan Basics

- How Do You Create a Payment Plan?

$$\frac{\text{Total Amount} - \text{Deposit}}{\text{Number of Payments}}$$

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Payment Plan Basics

- How Do You Create a Payment Plan?
Cruise Example

| Stateroom Requests | | Guidelines | | Complimentary Policy | | 9/27/2018 (USD) * | | 12/13/2018 (USD) * | | 2/28/2019 (USD) * | |
|--------------------|----------|-------------|-----------|----------------------|-----|-------------------|----|--------------------|-----------------|-------------------|--------------|
| Stateroom | Category | Description | Rate Code | Sgt | Dbl | Trp | Qd | Qnt | Ttl | | |
| 8C | 8C | Balcony | 1PGY | 6 | | | 6 | \$25.00/Person | \$250.00/Person | | Full Payment |
| 4C | 4C | Interior | 1PGY | 2 | | | 2 | \$25.00/Person | \$250.00/Person | | Full Payment |
| Total | | | | 8 | | | 8 | \$400.00 | \$4,000.00 | | |

Standard Calculation

Balcony Cabin (Double Occupancy) - \$2,086.80 (\$1,043.40 p/p)

Deposit \$50 (1043.40 - 50 = 993.40)

2nd Payment = \$250

Final Payment = (993.40 - 250) = \$743.40

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Payment Plan Basics

- **How Do You Create a Payment Plan?**
Cruise Example

Payment Plan Calculation - 4 Payments

Balcony Cabin (Double Occupancy) - \$2,086.80 (\$1,043.40 p/p)*

- Initial Deposit of \$50 p/p is due May 25, 2018
 - 2nd Payment of \$300 p/p is due August 24, 2018
 - 3rd Payment of \$300 p/p is due November 30, 2018
 - Final payment \$393.40 is due February 15, 2019
- Always give yourself a few days prior to vendor due date to allow for processing time***

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Payment Plan Basics

- **How Do You Create a Payment Plan?**
Vacation Package Example

| | |
|-----------------------------------|-----------------------|
| Total Amount of Payments | USD \$320.00 |
| Balance Due | USD \$3,048.47 |
| Deposit Due on 21OCT18 | USD \$320.00 |
| Full Payment Due on 21MAR19 | USD \$3,368.47 |

$3368.47 - 320 = 3048.47/3$
 November 15, 2018 - \$1,016.16
 January 15, 2019 - \$1,016.16
 March 15, 2019 - \$1,016.15

Always give yourself a few days prior to vendor due date to allow for processing time

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Payment Plan Basics

- **Using a Payment Plan as a Selling Tool**
 - Advertise that you offer “Flexible Payment Plans” or “Payment Plans Available”
 - Many are not aware that they can “Lay-away” their vacations
 - Encourage early planning to take advantage of flexible payment options

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Payment Plan Basics

- **Using a Payment Plan as a Selling Tool**
 - Works for everyone Good or Bad Credit
 - No extra fees or interest charges
 - No Pre-payment Penalties

Be mindful of your time and the number of clients/payments you will have to process when setting up payment plans - Especially with Groups

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