New and Enhanced Authorization Capabilities to Help You Everyday Coming 2024

There are times when the amount you get authorized is different from the actual amount of the charge. This situation can happen when a Card Member leaves an unexpectedly large tip or when a hotel guest extends a stay beyond the checkout date.

With valuable merchant sentiment in mind, we are building powerful capabilities to ease the transaction process and allow you to get back to business. One of the many ways American Express has your back.

### 4 Ways You Can Adjust Card Authorizations

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<th>Step</th>
<th>Authorization Type</th>
<th>Useful When</th>
<th>How It Works</th>
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<td>1</td>
<td>Estimated Authorization</td>
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<td>You can indicate that the authorized amount is an estimate to accommodate for potential variances in the submission amount.</td>
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<td>Incremental Authorization</td>
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<td>Partial Reversal</td>
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<td>Once the final charge amount is known, you can decrease the original authorization, which allows the Issuer to release the excess hold on the Card Members’s account.</td>
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<td>Full Reversal</td>
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<td>You can cancel a previous authorization in full, which releases the hold amount on the Card Member’s account.</td>
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For more information on authorization capabilities, contact your American Express representative.

See reverse side for more information.
When to Use Each Authorization Capability

Meet Sally, owner of Sally’s Fun Events, which arranges and hosts birthday parties for children. One of Sally’s customers, Adam, booked a birthday party for his daughter, Tara. Sally’s business can potentially benefit from all four of these authorization capabilities.

Here’s how:

**ESTIMATED AUTHORIZATION:**

Sally submitted an Estimated Authorization to reserve the venue for 10 kids plus an extra amount for an optional cake. The cake doesn’t have to be included in the final price if Adam chooses to bring his own cake for Tara.

**INCREMENTAL AUTHORIZATION:**

Adam’s reservation had an estimated authorization for 10 kids, but two more children attend the day of the party. Incremental Authorization allows Sally to add the cost of the additional attendees.

**PARTIAL REVERSAL:**

After adding peanut butter sandwiches to his party booking, Adam learns a few kids have peanut allergies. He cancels the sandwiches, and Sally’s Fun Events processes a Partial Reversal.

**FULL REVERSAL:**

Due to unexpected renovations at the event location, Sally’s Fun Events had to cancel Tara’s birthday party and process a Full Reversal.

Remember, when you have American Express Card authorizations that need to be estimated, increased, decreased or canceled, leverage these helpful merchant capabilities.

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No matter how frequently you need to adjust an authorization, here’s a friendly reminder that you have four capabilities to help ensure an easy purchase process for you and your customers.

### ESTIMATED AUTHORIZATION

**Useful When:**
You don’t have a total amount of what the final submission will be.

**How It Works:**
You can indicate that the authorized amount is an estimate to accommodate for potential variances in the submission amount.

### PARTIAL REVERSAL

**Useful When:**
The final charge amount is less than the authorization amount.

**How It Works:**
Once the final charge amount is known, you can decrease the original authorization, which releases the difference to the hold on the Card Member’s account.

### INCREMENTAL AUTHORIZATION

**Useful When:**
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You can increase the authorized amount one or more times without submitting another transaction.

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A charge will not be submitted, because the transaction has been canceled.

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You can cancel a previous authorization in full, which releases the hold amount on the Card Member’s account.

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When to Use Each Authorization Capability

Meet Yolanda, owner of Yolanda’s Fashions, an online women’s clothing store. Cara, a loyal customer of Yolanda’s, has ordered 3 dresses for an upcoming work conference. Here’s how Yolanda can use all four of the following authorization capabilities to manage her business:

**ESTIMATED AUTHORIZATION:**

Yolanda submits an Estimated Authorization for the 3 dresses Cara wishes to buy.

**INCREMENTAL AUTHORIZATION:**

To ensure she will get the dresses in time for her conference, Cara decides to pay for expedited shipping, which Yolanda charges using Incremental Authorization.

**PARTIAL REVERSAL:**

Upon learning that one of the dresses will not be available for two weeks, Cara decides to cancel it and buy just the two dresses. Yolanda is able to initiate a Partial Reversal for the canceled dress.

**FULL REVERSAL:**

After finding three dresses at the mall that she loves, Cara decides to cancel the order with Yolanda’s within the designated cancelation time period. Yolanda is able to process a Full Reversal of the charge.

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**A Quick Guide to Adjusting American Express® Card Authorizations**

For more information on authorization capabilities, contact your point-of-sale provider or processor.

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See reverse side for more information
When to Use Each Authorization Capability

Meet Mario, owner of Mario’s Bistro, a Mediterranean Bistro located in the business district of a large city. Mario receives a request from Stefan to book a company appreciation dinner for 20 people.

Here’s how Mario can use all four of the following authorization capabilities to manage his business:

**ESTIMATED AUTHORIZATION:**

Mario submits an Estimated Authorization for 20 dinners for 20 people.

**INCREMENTAL AUTHORIZATION:**

Stefan was so pleased with the meal and the serving staff that he asks Mario to add a 40% gratuity to the bill, which Mario does using Incremental Authorization.

**PARTIAL REVERSAL:**

Three of Stefan’s colleagues have to cancel at the last minute, bringing the total number of guests to 17. Mario issues a Partial Reversal of the 3 dinners.

**FULL REVERSAL:**

Stefan’s boss, Mary, decides to use her Card to pay for the dinner, so Mario issues a Full Reversal to cancel the charges to Stefan’s Card.

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When to Use Each Authorization Capability

Meet Maria, owner of Maria’s Countryside B&B, a scenic mountain retreat that welcomes guests from around the world, including Belinda who books a 4-night stay that includes 3 dinners.

Here’s how Maria can use all four of the following authorization capabilities to manage her business:

**ESTIMATED AUTHORIZATION:**

Maria submitted an Estimated Authorization to reserve the 4-night stay plus the additional cost of 3 dinners. The dinners don’t have to be included in the final price if Belinda chooses to shorten her stay.

**INCREMENTAL AUTHORIZATION:**

Belinda’s reservation had an estimated authorization for 4 nights and 3 dinners, but she decides to add a spa treatment as part of her stay. Maria processes the Incremental Authorization.

**PARTIAL REVERSAL:**

An unexpected work event forces Belinda to shorten her stay at the B&B by 2 days. Maria processes a Partial Reversal and cancels 2 nights and 1 dinner.

**FULL REVERSAL:**

Upon checkout, Belinda decides to pay using rewards points. Maria is able to process a Full Reversal of the charge to Belinda’s American Express Card.

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