

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 25 NOVEMBER 1971,
REISSUED 29 NOVEMBER 1977

Remimeo
FBO Hats
Treas Hats
Ad Council
Registrars

CANCELS
BPL 25 Nov 71R
Same Title

INTER-ORG EXCHANGE OF STUDENTS AND FEES

(HCO PL 7 December 1961, HCO PL 6 December 1969 and HCO PL 11 August 1971, Issue IV, all entitled INTER-ORG EXCHANGE OR STUDENTS, are hereby cancelled and replaced by the following policy.)

The transfer of students and PCs from one org to another and the question of transfer of fees have been the subject of various Policy Letters since 1961.

INTER-ORG EXCHANGE is defined as any circumstance or situation which results in a student or PC paying for service in one org and receiving that service - or other service on the basis of that payment - in another org.

INTER-ORG TRANSFER is defined as the transfer of funds between orgs as a result of inter-org exchange of students or PCs having occurred.

Each of the above PLs intended to handle current (at that time) situations with regard to inter-org exchange of students and fees for same. Each was subject to extreme applications, making them unworkable.

The 1969 PL was thought to authorize collection and use of income intended for other orgs or collection for services deliverable only at a higher org.

EXAMPLE: Individual X sends a pre-payment to Class IV Org A and includes with it a payment for Clearing Course intended for Advanced Course B, but the entire sum is invoiced and kept by Class IV Org A. This caused many upsets and was handled by the 1971 PL.

The 1971 PL was apparently taken to mean that orgs could deliver service against pre-payments collected by other orgs and many orgs thus found themselves suddenly and unexpectedly indebted to other orgs for sums owned in transfers of fees.

EXAMPLE: Individual Y at Org A is signed up for and started on an intensive based on his pre-payment made months ago to Org B but never used. The Treasury Division of Org A then applies to Org B for a transfer of funds. Org B now has a debt to Org A which it did not incur.

The present time result of this is that many orgs currently have large sums owing to other orgs in transfers, a debt which was neither expected nor planned for. As orgs with FBOs do not accumulate unused PPs in their accounts, it is a debt which can cause real difficulty.

As an expense, it represents time and money better spent on making new income.

CAUSE

The most common cause of inter-org transfer requests is simply a failure to deliver services signed up.

Fact is, inter-org transfers will not become a situation where a sharp and honest collection - sign up - call in - delivery line is drilled in and kept in.

The best approach, then, is to have and follow policies which will prevent inter-org transfers from becoming a situation - rather than to have extensive policy on how to handle them and what rules govern them.

Ample policy exists on the subject of collections, sign-ups, call in and delivery. As regards transfers among orgs of students and fees, the above named three PLs are cancelled and replaced by the following policy:

1. All advance collections of fees are for service which an org knows it can deliver and expects to deliver.
2. No org or Mission may collect and keep fees intended for other orgs or higher orgs.
3. Org promotional mailings and rate cards mailed and such posted within the org in public view must contain the following statement:

"SEND ALL PRE-PAYMENTS FOR SERVICES AT THIS ORG DIRECTLY AND ONLY TO THIS ORG. DO NOT MAKE SUCH PAYMENTS TO ANOTHER ORG OR MISSION."

4. Promotional mailings must make very clear where payments for that org's service should be sent.
5. Any payment received at an org which belongs to another org may not be invoiced but may only be relayed to the other org.

FOLOs collecting outstanding accounts for Flag are excepted as regards invoicing, but even they use a separate invoice series for this.

6. Any single course or auditing service begun and interrupted by the student or PC moving to another location or similar circumstance may be taken up and completed in another org without any transfer of fees. There is no such transfer of students allowed between orgs and Missions in any case.

7. Registrars and Treasury Divisions may and should always encourage additional cash payments to be newly made but may not solicit or encourage withdrawal of advance fees paid to other orgs in favor of services at their own org.

8. An org receiving application for service on the basis of advance fees paid to another org must advise the org concerned so that a proper ARC Break Program action or other handling may be applied.

Individuals should always be encouraged to take their service where they paid for it.

9. This Policy Letter may not be applied in such a way that public persons are ARC Broken and neither may it be applied so that service is given away free.

10. Transfer and return of pre-payment requests usually trace to a lack of Dissem Division contact and advance scheduling and call in actions or undelivered service and must therefore be the subject of a Board of Investigation requested by the FBO or Exec Dir when such occur in any volume or frequency. Frequent transfer requests indicate a breakdown of internal lines and an Ethics situation which the Board must be instructed to find and remedy.

NEW INCOME

It is the intention of this Policy Letter to draw attention to the development of new income sources from proper publics and CF and to reduce the frequency of inter-org transfers.

An org delivering service against advance fees paid to another org commits the other org to a debt which it did not incur or plan for.

Creditors and other sums owed will often represent a higher priority than getting such sums transferred.

This may not justify collection or use of income meant for another org but in most other cases it is far easier to just collect new income than to haggle over transfers owed.

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