

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

Remimeo HCO POLICY LETTER OF 20 APRIL 1969

AO-SH FINANCIAL CONTROL

With the current advent of Sea Org expansion and the recent establishment of an AO-SH, firm policy is established, as below, outlining who controls AO's and AO-SH's financially around the world.

FLAG BANKING OFFICER INTERNATIONAL

1. The post of Flag Banking Officer International is established herewith alongside and under the EC AOs, but subject to the orders of the EC AOs for administrative purposes only.

The purpose of this post is:

TO SAFEGUARD SEA ORG MONIES BY ENSURING MORE IS NEVER SPENT THAN ALLOCATED AND SUBSTANTIAL RESERVES ARE BUILT UP.

2. The FBO INT receives and evaluates financial data from FBOs attached to AOs, AO-SHs, OTLs, and the Pursers of any ships and Missions in his area. Essential data from the financial reports as required by current Flag Orders, is then forwarded to the Staff Banking Officer as one report, so organized that costing analysis is possible at Flag and that any non-optimum use of funds from any area under his control can be quickly spotted and handled by the FBO INT as a matter of course.

3. Proposals relating to tax, leases, purchase or rental of buildings, long term financial commitments, major changes in the Sea Org financial set-up must be approved by the FBO INT and forwarded to the 2nd Deputy Guardian for Finance WW for final okay before such can be activated.

4. The FBO INT in addition to his normal duties has the added responsibility of seeing Ships, Bases and Missions adhere to Sea Org finance policy and handles their financial needs through the FBOs.

5. Responsibility for handling any urgent matters relating to finance needs of Sea Org Missions must be delegated to the local FBO in the area.

6. An FBO must first see a copy of the Mission Orders and ensure that any proposed disbursements requested by the Mission are essential to the Mission, not excessive and in line with their orders. He may disapprove any proposed expenses on this basis.

Ships in the area will normally conduct their Missions on their usual allocation amount, no further expense is usually required.

7. Allocation sums for AO, AO-SH, OTLs, and Sea Org Ships in the area, etc. are set by and may not be changed without first obtaining approval from the FBO INT. Any disbursements over and above allocation requires the FBO INT's approval also before the disbursement can be activated.

8. The FBO INT may issue of his own determinism, and when required, Finance Base Orders applicable to one or all FBOs.

9. In the event of an FBO's failure to do his duty thereby bringing Sea Org monies to risk, the FBO INT has the authority to

remove him/her from post. His approval is required before an FBO may be appointed to an area.

FLAG BANKING OFFICERS

1. Attached to each AO or AO-SH is an FBO who has the duty of ensuring that the AO, or AO-SH and their adjacent OTL complies with Sea Org Finance Policy and is directly responsible in these duties to the FBO INT, receiving orders only from the FBO INT on financial matters. The Commanding Officer of an AO or AO-SH may issue orders to the FBO, but only on an administrative basis - NEVER ON MATTERS PERTAINING TO FINANCE.

2. In the case of an AO, AO-SH or OTL's gross non-compliance and failure to adhere to Sea Org Finance Policy, the FBO has the authority to temporarily reduce the org's allocation or allowances of the crew.

3. Financial Planning for an AO, AO-SH or OTL may not be activated without the final approval of the FBO. The major duty of the FBO in this regard is ensuring that promotion is adequately provided for within the allocation and is not reduced by wasteful expenditure on non-essentials.

4. In the event of any operational failure of a Division 3 AO or AO-SH, such as FSM Commission Payments backlogging, the FBO steps in, issues the orders necessary to handle the situation and obtains compliance.

5. The banking of an AO or AO-SH daily takings is handled by the FBO as laid down in Flag Orders. Care must be taken to ensure separate Income records are maintained for an AO-SH, as 10% of the SH's Corrected Gross Income is forwarded to WW weekly for their defense purposes.

STAFF BANKING OFFICER

1. The Staff Banking Officer (Commodores Staff) located at Flag, is responsible for receiving from AOs, and AO-SHs, that portion of their Income which is paid by them to Flag.

2. All reports formerly forwarded to the SBO, will now be received by the FBO INT. The additional duty of the Staff Banking Officer with regard to AOs and AO-SHs finance will be to receive monthly figures from the FBO INT and prepare from these a monthly costing analysis and Income Summary.

2ND DEPUTY GUARDIAN FOR FINANCE WW

1. The 2nd Deputy Guardian for Finance WW, in addition to his other duties, is appointed as the Finance Guardian over all AO's and AO-SHs. His primary duty in this new role is overseeing these orgs are given any help and advice they may require in handling matters relating to finance and tax.

2. He may not issue orders with regard to the disposal of Sea Org funds, aside from seeing the routine financial arrangements and policies governing the above-mentioned orgs are adhered to. His terminal on these matters is the FBO INT. However, in the event of Sea Org monies being subjected to grave risk, he may assume the role of a heavy hussar and take actions and steps necessary to resolve the situation.

3. A Saint Hill which was under WW control transferred temporarily out from WW and placed under the Sea Org, would still remain under the direct control financially of the 2nd Deputy Guardian for Finance WW. Under this arrangement no changes would be made regarding their financial set-up. Administratively, the org would take their orders from the Sea Org.

LRH:ei

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