

HUBBARD COMMUNICATIONS OFFICE
SAINT HILL MANOR, EAST GRINSTEAD, SUSSEX

HCO SECS.
Assoc. SECS.
DIR. ACCTS.
MASTER FILE
DO NOT RE-MIMEO

HCO POLICY LETTER OF FEBRUARY 19, 1961

ACCOUNTS: HOW TO DO A PAYROLL

UNDER THE FOUR-FILE ACCOUNTS SYSTEM, ALL MONIES RECEIVED ARE INVOICED. EVERY SUM EXPENDED INCLUDING PETTY CASH IS PUT ON THE DISBURSEMENT VOUCHER MACHINE. THIS MEANS THAT PAYROLL GOES THROUGH THE DISBURSEMENT MACHINE.

THERE ARE TWO MAXIMS THAT REGULATE THIS: ONE: THE LESS COPYING FROM ONE PIECE OF PAPER TO ANOTHER THAT AN ACCOUNTANT DOES, THE GREATER THE RESULTING ACCURACY - ENTERING OR CROSS - ENTERING OF FIGURES SHOULD BE ABOLISHED AS FAR AS POSSIBLE. TWO: IF YOU WANT TO SPEED UP A COMMUNICATION LINE YOU TAKE MEST OUT OF IT. THUS IN ACCOUNTS, THE USE OF LONG SHEETS OF PAYROLL COMPUTATIONS AND LISTS SHOULD BE MINIMIZED.

VOUCHER COMPUTATION

THE ACCOUNTANT KNOWS THE NUMBER OF PEOPLE HE WILL HAVE TO PAY, THEIR NAMES AND PAY RATE.

IN A SMALL ORGANIZATION HE HAS A LIST. IN A LARGE ORGANIZATION HE OBTAINS IT FROM THE WEEKLY DEPARTMENTAL REPORT (WHICH ARRIVES IN HIS HAND TUESDAY AFTER AD COMM) WHICH LISTS PERSONNEL IN EACH DEPT AND THEIR PAY (PART OF THE ONE DEPARTMENTAL REPORT PER WEEK SYSTEM).

THE ACCOUNTANT HAS IN THE BACK OF HIS CREDITOR FILE A FILE FOR EVERY ACTIVE STAFF MEMBER. THIS FILE CONTAINS (IN THE COMMONWEALTH) ALL THE GOVERNMENT BOOKS FOR THE PERSON AS WELL AS ALL PAPERS AND INVOICE COPIES RELATING TO PAY PLUS HIS STAFF APPLICATION SHEET.

THE FIRST ACTION IN PREPARING A PAYROLL IS TO TAKE THESE FOLDERS OUT OF THE FILE CABINET AND MAKE SURE THAT ONE HAS A FOLDER FOR EVERY ACTIVE STAFF MEMBER TO BE PAID AND THAT ANY DEPARTED STAFF MEMBER FILE HAS BEEN RELEGATED TO INACTIVE AND IS NOT INCLUDED. THIS IS DONE BY CHECKING THEM OFF AGAINST THE PERSONNEL LIST OF LAST WEEK'S DEPARTMENTAL REPORTS.

LAY THIS MASS OF FOLDERS ON A TABLE AND MAKE UP A FOLDER FOR ANY NEW STAFF MEMBER AND PUT IN INACTIVE FILES ANY FOLDER FOR A DEPARTED STAFF MEMBER. ADD UP THE NUMBER OF UNITS BY GOING THROUGH THE FOLDERS AND COMPLETE SALARY SUM CALCULATIONS, OBTAINING THE VALUE OF THE UNIT. CAREFULLY CROSS - CHECK UNIT VALUE TO MAKE SURE IT IS ABSOLUTELY RIGHT AND THAT UNITS UNIT VALUE EQUALS SALARY SUM BEFORE YOU GO FURTHER.

TAKE THE DISBURSEMENT VOUCHER MACHINE AND PLACE IT TO YOUR RIGHT, LEAVING A BLANK AREA BETWEEN MACHINE AND FOLDERS.

TAKE FILE NUMBER ONE. OPEN IT. KNOWING THE UNITS OF THE PERSON, THE UNIT VALUE AND HAVING ANY DEDUCTIONS TO HAND IN THE FOLDER ON THE VOUCHER IN THE MACHINE DO ANY AND ALL CALCULATION. IF A CALCULATOR IS USED, PUT DOWN ITS RESULTS ON THE VOUCHER. DO NOT USE SCRAP PAPER. USE THE DISBURSEMENT VOUCHER IN THE MACHINE.

MAKE ANY GOVT. CALCULATION FROM ANY GOVERNMENT TABLES AND PUT THE RESULTS DOWN ON THE VOUCHERS AND IN ANY GOVT. BOOK FROM THE PERSON'S FOLDER.

ADD UP THE PAY AND DEDUCTIONS ON THE VOUCHER IN THE MACHINE ARRIVING AT ANY AMOUNT THE GOVT. GETS, ANY AMOUNT DEDUCTED FOR THE ORGANIZATION, AND THE ACTUAL MONEY NOW COMING TO THE PERSON.

PULL THE MACHINE HANDLE. BUNCH UP THE THREE VOUCHERS TO BEGIN A PILE AWAY FROM THE FOLDERS AND MACHINE. PUT THE FOLDER THAT HAS BEEN CALCULATED FURTHEST FROM YOU.

TAKE THE NEXT FOLDER AND REPEAT THE OPERATION WITH IT, AGAIN MAKING ALL CALCULATIONS ON THE NEW VOUCHER IN THE MACHINE. EVEN SCRIBBLES MUST BE PUT ON THE VOUCHER SINCE WE WANT ACCURACY AND LEGIBILITY NOT NEATNESS.

CRANK THE SECOND THREE OUT OF THE MACHINE AND LAY THEM ON THE FIRST VOUCHER CROSS-WISE. PUT THE SECOND FOLDER AT THE BACK OF THE PILE.

CONTINUED.....

REPEAT THIS OPERATION THROUGHOUT THE FOLDERS.

WHEN ALL FOLDERS ARE SO CALCULATED AND COMPLETED, PUT ALL THE FOLDERS BACK IN THE FILE CABINET AND CLOSE IT. THERE ARE NOW NO FOLDERS OR BOOKS ON THE TABLE, ONLY THE MACHINE AND THE CRISS-CROSSED PILE OF VOUCHERS. TAKE YOUR DATA FROM THE WHITE. DO NOT SEPARATE OTHER COPIES.

REMOVE THE DISBURSEMENT MACHINE.

PUT AN ADDING MACHINE IN ITS PLACE.

CLEAR THE ADDING MACHINE.

TAKE UP THE PILE OF VOUCHERS. FIRST ADD UP THE TOTAL OF MONIES, IF ANY, TO BE PAID TO THE GOVT. BY GOING THROUGH THE VOUCHERS. GET THIS OR THESE FINAL FIGURES ON A TAPE. MARK WHAT THE TAPE IS ON THE TAPE WITH A PEN. PUT THE TAPE ASIDE FOR LATER REFERENCE.

GO THROUGH THE VOUCHERS AGAIN, PUTTING ANY ORGANIZATION DEDUCTION FOR EACH PERSON ON THE ADDING MACHINE.

TOTAL THE FIGURE. EXTRACT THE TAPE FROM THE MACHINE AND MARK IT AS ORG. DEDUCTION.

LAY THE TAPE ASIDE.

TAKE THE VOUCHER PILE AGAIN, AND AGAIN FROM EACH WHITE, PUT THE PAY OF EACH PERSON ON THE ADDING MACHINE.

TOTAL AND REMOVE THE TAPE. MARK IT PAY.

TOTAL THE THREE TAPES AND SEE IF THEY COMPARE WITH THE SALARY SUM YOU STARTED WITH.

IF THEY DO NOT, COUNT THE NUMBER OF VOUCHERS AND THE NUMBER OF FIGURES ON THE TAPE. COUNT THE ORG. DEDUCTIONS AND THE NUMBER OF VOUCHERS WITH ORG DEDUCTIONS. COUNT THE NUMBER OF GOVT. DEDUCTIONS AND THE NUMBER ON THAT TAPE. IF THE ERROR IS NOT FOUND BY REASON OF AN OMISSION, START A AT THE BEGINNING AS ABOVE, PULLING OUT THE FOLDERS AND ONCE MORE RE-CALCULATING THE NUMBER OF UNITS AND PAY AND THE AMOUNT OF A UNIT. CONTINUE ON THROUGH ALL CALCULATIONS UNTIL ERROR IS LOCATED.

IF ERROR MEANS CORRECTION OF A VOUCHER HAVE LOOSE PIECES OF CARBON PAPER TO CORRECT THEM WITH AND BE SURE TO CORRECT THE COPY STILL IN THE MACHINE. IT IS DOUBTFUL IF MORE THAN ONE OR TWO VOUCHERS WOULD HAVE TO BE SO CORRECTED AS THEY DO NOT ACCUMULATE THE ERROR, EACH ONE BEING A SEPARATE COMPUTATION.

TAKE THE THREE MACHINE TAPES, ADD THEM CAREFULLY.

MAKE OUT A CHEQUE TO THIS SUM ONLY. ENTER CHEQUE, ITS DESCRIPTION AND PURPOSE ON THE DISBURSEMENT MACHINE, GIVING ON THE VOUCHER ANY GOVT. SUM, ORG. SUM AND ACTUAL PAY.

MAKE OUT A SEPARATE CHECK FOR PETTY CASH. PUT ITS FULL DESCRIPTION AND PURPOSE ON THE VOUCHER.

TAKE THESE TWO CHEQUES AND THESE TWO VOUCHERS AND ALL VOUCHERS FOR PAY TO CHEQUE SIGNING PERSONS FOR THEIR INSPECTION.

TO GET THE EXACT RIGHT CHANGE FOR A PAYROLL MAKE A TABLE BEFORE GOING TO BANK. WRITE DOWN LEFT TO RIGHT ACROSS A SHEET OF PLAIN PAPER POUNDS, TEN SHILLING NOTES, TWO SHILLING COINS, ONE SHILLING, SIXPENCES, THREEPENCES, PENNIES, OR IN U.S., TEN DOLLAR BILLS, FIVE DOLLAR BILLS, ONE DOLLAR BILLS, FIFTY CENT PIECES, QUARTERS, DIMES, NICKELS, CENTS. TAKE THE VOUCHERS AND DO A SIGHT BREAKDOWN OF EACH PAY SUM TO BE PAID IN CASH. PUT DOWN THE NUMBER OF POUND NOTES ETC. IT WILL TAKE TO PAY THAT PERSON AND MARK EACH MONETARY PIECE UNDER THE APPROPRIATE COLUMN. THEN ADD UP EACH COLUMN, WHICH WILL GIVE THE EXACT NUMBER OF EACH MONETARY PIECE REQUIRED FROM THE BANK. NEEDLESS TO SAY, ADDITION ACROSS THE BOTTOM SHOULD ADD UP TO THE AMOUNT OF THE GROSS PAY CHEQUE. AS YOU WILL ALSO HAVE COINS IN YOUR PETTY CASH CHEQUE ERRORS IN PAY-OUT CAN BE REMEDIED.

CASH CHEQUE AT THE BANK, MAKING SURE YOU OBTAIN ENOUGH CHANGE. DO NOT GET THE MONEY IN PACKETS FOR EACH PERSON. JUST GET A LUMP SUM.

BUY GOVT. STAMPS OR POSTAL ORDER TO GIVE THE GOVT. THE AMOUNT IT HAS COMING FROM THE CASH YOU HAVE IN HAND.

THE ORG DEDUCTIONS ARE NOW INVOICED ON THE INVOICE MACHINE AS LOANS OR INCOME. THE MONEY FOR THIS SUM IS TAKEN FROM THE CASH YOU RECEIVED AT THE BANK AND PLACED IN THE USUAL INCOME CASH BOX.

PAY DAY

ALL DISBURSEMENT COPIES AND CASH ARE LAID OUT ON A TABLE.

PERSONS TO BE PAID COME IN PERSON TO THE ACCOUNTANT OR CASHIER.

THE PERSON IS GIVEN HIS WHITE DISBURSEMENT VOUCHER FOR INSPECTION.

BY USE OF A CARBON BETWEEN THEM HE SIGNS THE YELLOW AND BLUE COPIES.

THE PERSON IS PAID THE PAY SUM FROM THE DISBURSEMENT COPY.

THE PERSON RETAINS THE WHITE.

THE ACCOUNTS OFFICER TOSSES THE YELLOW AND BLUE INTO HIS FILE BASKET AS SOON AS THAT PAYMENT IS DONE.

ALL PERSONS ARE PAID. ANYONE NOT THERE TO BE PAID HAS THE THREE VOUCHERS AND THE CASH PLACED IN AN ENVELOPE. IT IS SEALED AND LEFT IN CASH BOX UNTIL PICKED UP, AT WHICH TIME THE YELLOW AND BLUE MUST BE SIGNED AS BEFORE.

FILING

THE SIGNED YELLOW COPY IS FILED IN THE CREDITOR FOLDER OF THE STAFF MEMBER.

THE SIGNED BLUE COPY IS FILED IN THE WEEKLY PAY BREAKDOWN ENVELOPE.

PAYING BY CHEQUE

NO STAFF MEMBER MAY BE PAID BY CHEQUE.

HOLDING PAY

NO STAFF MEMBER MAY LEAVE HIS PAY TO ACCUMULATE ON THE BOOKS OF THE ORG. IF HE IS SAVING PAY FOR SOMETHING IN THE ORG., HE HANDS THE AMOUNT HE REQUIRES HELD BACK TO ACCTS WHO AT ONCE INVOICES IT SAYING EXACTLY WHAT IT IS ON THE INVOICE AND GIVES THE STAFF MEMBER THE INVOICE WHITE. SUCH A STAFF MEMBER SHOULD ALSO BE GIVEN A DEBTOR FOLDER AT ONCE. A COPY OF THE INVOICE IS THEN FILED IN IT, SINCE DEBTOR FOLDERS MAY BE PLUS OR MINUS WITH THE ORG.

U.S. MODIFICATION

AS IN THE U.S. SOME ORG'S MAY NOT PAY THE GOVERNMENT ANYTHING, GO OVER THE ABOVE WITH A PENCIL AND SCORE OUT ALL REFERENCES TO GOVT. PAYMENTS.

COMMONWEALTH ACTION

THE GOVT. STAMPS BOUGHT AS ABOVE SHOULD BE POSTED IN THE BOOKS WHEN THE YELLOW IS FILED.

ANY GOVT. SUMS SHOULD BE POSTAL ORDERED AS WE DON'T WANT THE AMOUNT GOING BACK THROUGH OUR SYSTEM. THE RECEIPT FOR THE ORDER IS FILED IN THE CREDITOR FILE MARKED GOVT. WITH ALL OTHER BILLS, THE GOVT BEING ONLY A CREDITOR AFTER ALL.

ADDITIVES

ADDITIONAL FILES TO HANDLE PAY OTHER THAN THOSE MENTIONED ABOVE ARE NOT ALLOWED PAYBOOKS ARE NOT KEPT. ONLY PAY FOLDERS, THEMSELVES COMPLETE.

REPORTS

IF A PAYROLL REPORT PERSON BY PERSON IS REQUIRED BY AN EXECUTIVE OTHER THAN THE DEPARTMENTAL REPORTS THAT COME TO ACCOUNTS IT IS NOT MADE BY COPYING OR TYPING. THE WEEKLY PAY BLUE VOUCHERS, SIGNED, ARE ENVELOPED AND SENT TO THE EXECUTIVE WHO SENDS THEM BACK.

A MUCH BETTER EXECUTIVE REPORT IS THE WEEKLY LARGE ENVELOPE THAT CONTAINS THE FINANCIAL BREAKDOWN SHEET FOR THE WEEK. (THIS DOES NOT EXIST IN FIXED PAY ORGANIZATIONS. THE BLUES SHOULD BE SENT INSTEAD.)

FIXED PAY ORGANIZATIONS

ANY ORGANIZATION NOT ON UNITS BUT PAID ON FIXED PAY SHOULD GO OVER THE ABOVE AND PENCIL OUT ALL REFERENCES TO UNIT CALCULATION TO SIMPLIFY THE USE OF THIS DIRECTIVE.

COMPLIANCE

THIS SYSTEM IS EFFECTIVE AT ONCE UPON RECEIPT. MAKE UP CREDITOR FOLDERS FOR STAFF MEMBERS, OBTAIN ANY OF THE ABOVE MENTIONED EQUIPMENT AND GET THIS SYSTEM IN BECAUSE IT WILL SAVE YOU TIME.

IF YOU ARE KEEPING PAY BOOKS, ETC. ETC. DROP THEM AND FILE THEM IN AN EXTRA FOLDER AT THE BACK OF THE STAFF CREDITOR FOLDERS SO THAT THEY CAN BE USED FOR STAFF THAT WANTS YEARLY SUMMATIONS. ALL SUCH SUMMATIONS SHOULD COME IN THE FUTURE FROM THE FOLDER OF THE STAFF MEMBER SINCE THAT WILL NOW CONTAIN ALL FUTURE DATA.

PLEASE REALIZE IT IS EASIER TO DO THIS AND THAT THIS IS MORE ACCURATE THEN THE SYSTEM YOU ARE USING AND GET IT IN ACTION NOW.

LRH:js

COPYRIGHT (c) 1961
BY L. RON HUBBARD
ALL RIGHTS RESERVED

L. RON HUBBARD