

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

Remimeo HCO POLICY LETTER OF 16 JUNE 1969
(Amends HCO P/L of 20th April 1969)

AO-SH FINANCE 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 financials around the world.

FLAG BANKING OFFICER INTERNATIONAL

1. The post of Flag Banking Officer International is established herewith under the Staff Banking Officer, but subject to the orders of the 2nd Deputy Commodore 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, organized as a costing analysis and so 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 of rental of buildings, long term financial commitments, major changes in the Sea Org financial set-up must be approved by CS-3 Material Aide 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 the 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 CS-3. Any disbursements over and above allocation requires CS-3's approval also before the disbursement can be activated.

8. In the event of an FBOs failure to do his duty thereby bringing Sea Org monies to risk, the FBO INT has the authority to remove him/her from post.

Anyone appointed to the post of FBO, must be first cleared for such by the local Ethics Officer and the Ethics Officer International before they can be placed on post.

FLAG BANKING OFFICERS

1. Attached to each AO or AO-SH is an FBO who has the duty of ensuring the AO, or AO-SH and their adjacent OTL complies with Sea Org Finance Policy and is directly responsible in those 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's 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 Gross Income is forwarded to WW weekly for their defense purposes.

STAFF BANKING OFFICER

1. The Staff Banking Officer (Commodore's Staff under CS-3, located at Flag) receives from the FBO INT a monthly costing breakdown and income summary, made up from the combined reports of FBO's and subject to current orders from SBO as to content and format.
2. The SBO acts as senior to the FBO INT to originate programmes related to banking and reserves, and gets Finance policy and FO's complied with and to control the AO Banking and finance lines in co-ordination with CS-3. The SBO is responsible that the FBO INT performs his duties.
3. The FBO INT holds all administrative duties formerly done by SBO and he acts as senior to AO and AO-SH FBO's to accomplish the purpose of his post, reporting fully his actions and a summary of info received from each FBO in his daily reports to the SBO.

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 AOs and AO-SHs. The purpose of this hat is to assume the role of a heavy hussar if Sea Org Monies should be subjected to grave risk and to take actions and steps necessary to resolve the situation. His terminal is CS-3.

LRH:ei

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