

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

Re: HCO POLICY LETTER OF 29 JANUARY 1971
Finance Packs
SO & Son Orgs

FINANCE BANKING OFFICERS

The Finance Office is an autonomous Office (similar to the Guardian's Office). It has representatives in every Bureau and every Continental Liaison Office and every org, SQ and Son.

It is located on the Org Board in the Office of LPH.

Its authority stems from the corporate authority of the company and exists at company director level of the corporation.

Its representative is called the FINANCE BANKING OFFICER (FBO).

When the office is established in an area and an org is designated as part of this corporate authority, (as already exists in the SO at this writing) the following procedure is followed.

The FBO verifies and collects all income received by the org from the Cashier or Income Dept, Div. III, Treasury Division. This is done daily.

Appropriate receipts are given the cashier or Director of Income.

The FBO immediately banks this money in a Finance Office Account or in his safe, making express and useful records of this action.

When the org or activity has undertaken its financial planning (FP) to the satisfaction of the Treasury Sec (or Purser) who can verify that the FP covers the necessities of org operation, the FP is transmitted to the Treasury Bureau Aide or Assistant Aide. It is again verified.

Accompanying the FP from Ad Council level must be a statement of expected future income and its planning. It is upon this that the Bureau bases its authorization.

This authorization is then forwarded to the FBO complete with all papers and FP.

The FBO on his own discretion then transfers to that Org's Main Account the needed funds. This is the ALLOCATION.

From this Main Account the org now further transfers funds to its other accounts.

Any reserves being built by the org are taken from the Allocation.

The management of the Allocation remains with the org.

The judgment of the FBO, based on the org's expected income as stated in the FP, and on the FP submitted, as to what amount the FBO allocates is entirely up to the FBO and is not subject to appeal. The FBO must make his experienced allowances for down periods and for the actual production of Final Valuable Products of the org.

Any cash shown on a Cash Bills Graph is cash salvaged from former allocations (org reserves) or current allocations. The cash expressed on the Cash Bills Graph of the org must exist in actuality and must be real sums that can be expended. It may not be "credit coming to us from an FBO" nor collectible but not received sums. Even cheques delayed in clearing may not be part of this org cash figure.

The FBO also pays from his own funds so collected from orgs, management expenses of the corporation incurred locally. These are no part of an org's expenses.

The sums and accounts of the FBO are the property of the corporation and no longer under the org's control. Allocated sums for the org are under the org's control.

Funds requested by an org FP, or by an FBO from the corporation for a specific use must be applied to that use or refunded to the FBO if not so used.

The orderliness and in-admin of a Treasury Division in an org are under the overall supervision of the Org's Treasury Sec and the Org's Treasury Sec and the state of his division and the reality of his activities are the responsibility of the Treasury Bureaux of the corporation as well as under the Executive Director or the Commanding Officer of that org or activity.

Balance Sheets and other reports are under the same responsibility as the Treasury Division but in the matter of balance sheets and tax also come under the Guardian Office Finance to which both Treasury Aides and A/Aides are answerable.

The viability of the org and area are the local responsibility of Treasury Secretaries and A/Aides and Aides of the Treasury Bureaux and, as it may seem to them to apply, the Guardian Office.

The solvency of the orgs and areas is the responsibility of the FBO.

The FBO statistics consist of cash paid in to management central reserves and the allocation - production ratio of each org and of the area.

Management reserves are used for defenses and potential refunds and management overall cost and viability.

Org Reserves are used for local emergencies or periods of down stats or large acquisitions to increase production.

The exact financial administration to bring this policy letter into full use are offered for approval to and authorized by the corporate board.

Nothing in this policy letter disturbs in any way existing Finance Policy except to modify the cashier's and Dir Incomes actions in turning over all income properly accounted for to an FBO and receiving, via FP and the Treasury Sec of the org and the Treasury Bureau application, from the FBO the allocation passed upon by the FBO.