

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

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FINANCIAL PLANNING TIPS

FP need not be a burden at all.

If these five conditions exist then FP is very easy.

1. **PRODUCE AS AN ACTIVITY.** Look over what your products should be, particularly your Valuable Final Products, and then begin to get those products somehow anyhow. This and only this is the shirring reason why you can have a decent allocation. If it is then denied you you can howl and be sure of redress. A cap in hand with no product is a sure route to chopped FP. (Example: An org with half a million collectable on its books but which didn't even send out statements had an awful time with FP. Asking for "allocations" that were really handouts, neither its FP body nor its FBO fully understood WHY, but it just seemed unreal to give it money. It was asking for money. It wasn't requesting the return to it of money it had made and was entitled to. It did not make other value so could not justify value. Therefore it "sort of looked odd" to Finance. Even Finance did not know why. The wildest example of this was the 1950 LA Foundation which, under a US Navy Ex-rear Admiral, wanted \$47,000 a week to subsidize a foundation potentially making \$80,000 a week. But he closed its doors and wouldn't run it until he could get "legal" and subsidized. Another one is DK 1969 wanting Flag to pay it \$3,000 a week to keep it going when it wasn't even sending out letters and did not even own a typewriter yet was accidentally making \$5,500 a week average. There are tons of such examples. Activities go on to government appropriation think instead of *promote-sell-collect* and *deliver* and wind up with no pay, no food, no uniforms and FP troubles and conflicts you wouldn't believe possible.)

2. **KNOW YOUR FINANCE PACK.** When members of FP bodies have not done their Finance Pack they get into total confusion. Further any Finance authority gets disgusted with their admin irregularities and won't regard their propositions or troubles with any seriousness. Failure to do, refusal to do a Finance Pack (which only takes a couple part time study days) can give an FP body a bad name with Finance people simply because their ignorance is mistaken for foolish proposals.

3. **SEPARATE OUT DIFFERENT TYPES OF EXPENDITURE.** An early FO on "Title" of various items helps clarify. Find out and get it agreed to what is covered under Title A (permanent) Title B (valuable non-expendable) and Title C (issuable or usable) and get Finance to agree to what is which and exactly what one is doing FP on and the tangle becomes easier to undo. What is Permanent Fixture? Does one FP for new ships, new buildings, vital repairs, vital spares? (Actually no, but it has to be covered in general Finance.) Is one FPing for gimmicks and oddities and possibly useful things (Title B). Or is one FPing for expendables, wages, food, fuel, papers? (Title C.) Maybe one FP's for all three BUT in the category of necessities to operate and would be nice and future hopes. Necessary spare parts for Title A that would break everything down are of course necessities. So probably should pass without question. Whereas Finance people often don't see them that way. Wages, food, uniforms, fuel are subject to cutbacks where an activity is not able to demonstrate production. Good idea Title B usually comes in for purchase when the activity is really making the money and otherwise are a yawn. Future hopes depend totally upon one's profitable use of what one has. Once you get all this agreed to with Finance people they can't change the rules on you every FP. And a lot of the strain goes out of it. No FO or P/L could easily set up exact rules for every type of activity there is. Essentially it would be what is agreed upon between the Finance people and the FP body. The Finance people want to get cash to reserves and they resent justly a freeloader activity that has subsidize or unwise think. They want to give an activity X beans (money) and get back X beans plus. When they give out X beans and get back *no* beans they are hard to live with. Even a ship that produces no money directly still sells org help events and trained experienced SO members for beans from orgs. Any org would give it good hard beans for real help and trained experienced SO members. If AOLA could "buy" all the

excellent SO members it wanted and needed from the station ship it would be delirious with joy. But if the SS has not been making them, it has a hat-in-hand aspect to Finance people. Finance people then shift the rules around to try to get out of giving *any* money at all, naturally. While this is covered in No. 1 above, it also affects No. 3, this one. Everything is considered Title C, even the ship, and subject to total reduction as it does not increase Finance people's viability. So "the rules" get shifted on the FP body. If it isn't making a valuable final product that can be changed for cash with something that has cash (No. 1 above) and if it doesn't know general Finance rules (as in No. 2 above) and if it has no solid agreement with the Finance Authority on Title A, B and C, then of course FP is a nightmare for everyone concerned.

4. **NEGLECTING NECESSITIES.** When an FP body is not aware of the necessities of its operation and neglects to FP for them Finance people (Bureau Three Treasury and FBOs) have to do it for them. This causes a lot of bad feeling from Finance people. A new drinking fountain or trampoline mat for staff and no postage FPed for is sure to cause a lasting engram! An FP body should have a list of vital necessities by division and FP for those first before it begins to wonder. Strangely, pay, food, uniforms are not considered necessities. They do not directly influence an activity's income. A "necessity" is what it takes to make products and valuable final products. In a cap-in-hand activity food is qualified as "some food, oatmeal maybe". Pay becomes "maybe but no bonuses ever", Uniforms become "none". Recruiting posters YES. Fuel becomes "economical amounts carefully used". Training materials becomes YES. So what's a necessity? A necessity is what it takes to make *the* valuable final product, not individual survival but group survival. So an FP body doing individuated think can get in severe FP trouble just by the nature of economics.

5. **USING FP TO NEGLECT DUTY.** It is a shame but true that people will excuse lack of vital action by blaming FP. "The building burned up because we couldn't get fire hoses through FP." "The main engine broke down because FP rejected. . . ." Actual tracing of such statements usually discloses the item was never FPed for at all even to the FP body or that "FP" was used as a means of escaping the work. If you buy all this blame of FP you will think FP and Finance people villainous. Actually FP is often a whipping boy to excuse not doing the job or to delay it. Failure to handle and saying it was FP when it wasn't is Comm Ev stuff. So don't let FP get a bad name unjustly. It's grim enough even when done right.

The future of any activity depends upon these five factors above. It is an economic world in which we live, regardless of "isms" like Capitalism or Communism or Socialism.

If you have these five things cared for you can do FP quite merrily.

The essence of getting money is making money in the first place. FP is the second step of what do we do with the money we make. It will never solve neglecting to make it. You always have trouble with money if you don't make any.

I hope this helps lead sane Finance bodies out of the jungle into the sun.

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Founder

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