

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 MARCH 1971R
REVISED & REISSUED 27 OCTOBER 1982

Remimeo
Finance Packs
FBOs

Finance Series 6R

(Revised to update sections on FBO purposes and statistics. Originally issued as an HCO PL adopted by the Board of Directors and is hereby reissued as revised as an HCO PL with the full authority of Policy. Does not include ALL FBO duties as some were added subsequent to the original PL and will be found in later HCO PLs. Some of these duties have been delegated to the newly created post of D/FBO for M.O.R.E. but are included here as still overall under the responsibility of the FBO.)

FBO HAT

This policy letter outlines FBO duties and actions as given in recent issues and in early 1968 Flag Orders by which the post was initially established.

ORG BOARD LOCATION:

1. The Finance Office is an autonomous office.
2. It is located on the org board in the Office of LRH, Dept 21.
3. Its authority stems from the ecclesiastical authority of the Church Hierarchy.
4. Its representative is called the FLAG BANKING OFFICER.

FBO PRODUCTS:

1. Management Reserves, hugeness of.
2. Cash to Management Reserves in acceptable range and rising in trend.
3. Increased org solvency as indicated by an increasing allocation-production ratio.
4. Int Finance Network programs, projects and orders quickly and thoroughly and completely done.
5. Data and reports completed accurately and on time and sent to Int and Cont'l Finance. Includes accurate and contemporary data to Data Bureau Flag and Continental.
6. The competent and terminated handling of local finance situations arising, by application of the related policies, and the reporting of such to Int and Cont'l Finance.
7. Solvency of Flag in the area.
8. Financing of Flag projects and actions in the area.

FBO PURPOSES:

1. TO MAKE THE ORG MAKE MORE MONEY.
2. TO GIVE THE ORG A WELL PAID STAFF.
3. TO MAKE IT VERY WORTHWHILE FOR FLAG TO MANAGE AND HELP IT.

FBO STATISTICS:

1. Payments to Flag.
2. Allocation-production ratio in the org.
3. Payroll divided by staff.

IMMEDIATE SENIOR:

1. The immediate senior of an Org FBO is the Continental FBO.
2. The immediate senior of the Continental FBO is the Int FBO located in the Int Finance Office.

FBO DUTIES:

1. To establish and maintain the proper uses, titles and signatories of the two FBO bank accounts No. 1 and No. 2, on policy.
2. To collect daily all sums of income from the org and to ensure that all incoming monies are invoiced and banked by the FBO before any allocation or expenditure may occur.
3. To ensure that any loans from SO Reserves and any debts to it are recorded as such.
4. To verify all sums collected by the FBO against the Org's invoices for that day, and to ensure that the Org's invoices tape-totalled equal the exact amount received by the FBO.
5. To issue an invoice of receipt to the Cashier or Dir Income.
6. To keep an FBO LEDGER into which all incoming monies are entered on the left hand page for that day, giving a total list of what the monies are.
7. To enter separately (bottom, same page) and apart from current income, any bounced checks returned from the bank that day, and any bounced checks re-collected by the FBO.
8. To record on the opposite (right hand) FBO LEDGER page for the same day the exact disposal of the day's income - to the FBO No. 1 account or abroad for exchange.
9. To inspect the dates and endorsements and currency of all checks for correctness before deposit.
10. To separate out any domestic non-convertible checks from other countries if such are received, to be sent by the FBO abroad for exchange.
11. To make a deposit slip for the day's income being banked and a separate slip for any bounced checks being re-deposited.

12. To deposit all incoming monies daily to the FBO No. 1 Account.
13. To keep a consecutive record of bank deposit slips in a notebook or bank deposit book provided by the bank.
14. To file a second copy of each deposit slip with the FBO invoices for the week.
15. To package and label FBO invoices weekly to include the in-series invoices and add-strip, a loose set of copies, the week's deposit slips, and the bank debit advice for any bounced checks for the week.
16. To keep express and exact record of any amount sent abroad for exchange and to follow up each such amount until returned. Such sums having been once invoiced by Div 3 on receipt may not return via Div 3 or be re-invoiced on return from abroad as such introduces an error into income.
17. To maintain enough float in the FBO No. 1 account to cover any bounced checks returned from the bank.
18. To collect daily from the bank any bounced checks.
19. To handle all bounced checks at once by urgent and personal contact with the drawer, obtaining immediately a new check or the drawer's authority to re-deposit. It is a fast and urgent contact action with Ethics in the offing.
20. To re-deposit such sums daily by separate deposit slip to the FBO No. 1 account.
21. To ensure that bounced checks are collected only by the FBO and that neither the bounced check nor the re-collection of it appear in org records or org GI or Div 3 stats. A re-invoicing of bounced checks by Div 3 would introduce an error into income. The only org records these show up in are the individual's accounts file and adding the amount collected to the org Corrected Gross Income.
22. To threaten legal action on any long uncollected bounced check and if still uncollected to give the action over to Legal.
23. To report weekly to Continental Finance Office the amount of checks bounced, checks collected and checks outstanding, with a copy to Int Finance Office.
24. To collect weekly from the Treas Sec a copy of the income sheets posted up by Dept heads from their Service Dept copies of the week's invoices.
25. To ensure that DEBIT invoices are also shown and clearly marked on these sheets and to ensure collection of DEBIT invoices by Div 3.
26. To weekly summarize receipts and income sources of the org for the org.
27. To search out org collection files and old invoices to detect and revive any previous income sources no longer current or dropped in volume.
28. To trace income sources to their successful promotional actions where such info is available as factual (not opinion).

29. To present the Exec Council and Ad Council of the Org with a factual summary of org income sources, to include the current week or month and copies of earlier reports and any past income sources newly discovered. This is presented prior to Financial Planning and assists the Exec and Ad Councils in preparation of FP.
30. To demand income increase from the org, particularly where past successful income sources or collections have been neglected.
31. To know the vital necessities required by the activity to produce its valuable final products and particularly its income.
32. To maintain agreement with the FP body regarding Title A, B and C expenditure and product necessities, and how these are covered by FP and general finance.
33. To receive the proposed Financial Planning and statement of projected income when passed as Okay by the org Exec Council.
34. To inspect the proposed FP with regard to (a) expectancy of income and the plan by which it is to be materialized and (b) the amount of FP, and to allocate to the Org accordingly.
35. To ensure that FP sums allocated by the FBO cause an increased income, thereby giving an increased allocation-production ratio and an increased statistic of cash to SO Reserves.
36. To transfer sums of expense thus approved by check to the org's Main Account.
37. To send to Int and Continental Finance Offices a copy of the approved Financial Planning against which the allocation was made.
38. To transfer all HCO A/C income to the org's HCO BOOK ACCOUNT.
39. To transfer to the org's CVB Account any refund monies required.
40. To transfer to the org's FSM Account monies for FSM Commissions paid, these not being subject to Financial Planning.
41. To issue to the Treas Sec of the org a voucher with each transfer check, detailing the amount and intended use of the monies.
42. To recover from the org any allocation amount (except HCO A/C monies) not applied to the approved use. Sums allocated by the FBO may only be used for the purpose requested and approved and if not so used must be returned to the FBO.
43. To receive a copy of any EMERGENCY PO not covered by the Org's Financial Planning but vital to org credit or promotion or product, and to deduct 125% of its amount from future allocation to the vessel or org.
44. To deduct from future allocation 200% of the amount of any EMERGENCY PO found to have been approved without any copy advising the FBO, or if the expense presented as an emergency was not an emergency in fact.

45. To collect from the Treas Sec a weekly disbursement sheet listing all vouchers and sums paid out by Div 3 during the week.
46. To ensure that the Treas Sec accounts for all monies issued to him by weekly total of expenses and cash on hand against monies from FBO that week.
47. To transfer by check from the FBO No. 1 account sums to SO Reserves and to the FBO No. 2 account for Management expenses incurred locally.
48. To see that amounts owing to Management for services and missions are collected from the Org and paid in full.
49. To keep a separate invoice-voucher series for the FBO No. 2 account, including separate deposit slip records and invoice and voucher packs as with the No. 1 account.
50. To pay from the FBO No. 2 account any International Management expenses incurred locally, keeping exact and express records of these.
51. To keep accurate and flawless record of all FBO receipts, banking, transfers and disbursements - as required of any accounting activity by standard Scientology Accounts Policies.
52. To make a brief weekly summary of receipts to and payments from both FBO accounts, sending these to Int Finance Office and keeping a copy.
53. To keep and reconcile weekly an FBO CASH JOURNAL for recording of any CASH amounts the FBO may hold on hand. A CASH JOURNAL and cash box are only for the occasional CASH disbursements, usually in connection with management expenses. FBO disbursements and transfers are normally only by check.
54. To receive checks cleared from the bank on the FBO No. 1 and 2 accounts and to tape these back into their original checkbooks onto the check stub.
55. To collect from the bank a month-end statement on the FBO No. 1 and 2 accounts and to reconcile each on receipt.
56. To tape-total, package and label monthly the FBO in-series vouchers with a loose set of copies. FBO No. 1 and No. 2 accounts each have their separate voucher series and the vouchers are packaged up separately.
57. To make a full monthly financial report to Int Finance Office summarizing all income to and transfers from the FBO No. 1 account - to include an attached copy of the month-end bank statement reconciled.
58. To make a full monthly financial report to Int Finance Office summarizing receipts to and disbursements from the FBO No. 2 account.
59. To include with this report a full statement of Management Expenses paid locally, categorized as required by Int Finance Office, and to include a xerox or carbon copy of all such bills paid and the voucher of payment. Also attached is a copy of the month-end No. 2 account statement reconciled.

60. To provide the required weekly and monthly finance reports on time and with total accuracy so that management and org solvency and viability can be centrally summarized at the Int Finance Office.
61. To provide Int Finance Office with a copy of the signature mandates for each of the FBO accounts and to provide revised copies whenever such mandates are changed.
62. To keep FBO accounts and funds completely secure at all times including an occasional check on bank security to ensure that only the authorized signatures are accepted.
63. To report FBO statistics promptly and accurately to Org OIC and to Cont'l and Int Finance Office.
64. To provide Int and Cont'l Finance Offices with a stat analysis of the FBO statistics at the end of each stat period.
65. To know and apply Scientology Finance and Accounts policies with regard to allocations to the org and with regard to the FBO's own accounting admin.
66. To act as a STABLE TERMINAL for Int and Cont'l Finance Offices.
67. To get Command orders and Finance Programs DONE quickly and thoroughly and exactly and to include in the compliance report exactly WHAT was done and the results.
68. To report Div 3 outnesses to FOLO and Flag Org Managers as well as Int and Cont'l Finance Offices and to follow up the handling of these.
69. To pick up and terminatedly handle local Finance situations arising by application of the related policy. This is by DOING the handling - not writing despatches.
70. To make a brief and concise weekly report of these, stating the SITUATION and its HANDLING. These weekly reports go to Continental Finance Office for relay to the Int Finance Office. A copy is made for Flag and Cont'l Data Bureaux.
71. An FBO produces raised FBO statistics, and orders and programs competently DONE, and reports completed accurately and on time, and situations handled - not reasons why, and can'ts, and problems.

OVERALL APPROACH

The chief concerns of an FBO are income sources, income demand and income increase.

It is factually the size of org income and the increase of allocation-production ratio that determine cash to reserves.

This does not mean that he runs the org via Financial Management. He does not.

But he does expect income increase and an increased allocation-production ratio from what he pays out, and if he doesn't get it, he finds out WHY. He finds his WHY in facts and figures, not opinion.

Org Managers can then take all this up along with other data affecting management.

And if the FP members are well-hatted and the FBO knows his job and does it, finance conflicts resolve and the results are expressed in rising stats.

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Revision written at the request
of the
CHURCH OF SCIENTOLOGY
INTERNATIONAL

Adopted as Official
Church Policy by the
CHURCH OF SCIENTOLOGY
INTERNATIONAL

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