

BOARD POLICY LETTER

6 January 1976

Remimeo
FBO Hats (Cancels HCO PL 3 November
All Flag 1972R and its revision of
Staff 9 June 1974, PAYMENT OF FLAG
Mission BILLS INCURRED LOCALLY.)
Checksheets

Finance Series 14RB

FLAG EXTERNAL EXPENSES

The above cancelled policy letters sought to organize a bills payment and rendering line to handle Flag bills incurred via Org and FOLC FBOs and distant purchasers.

In practice this line has over its several years of use always proven hard to control in any degree of broad use. FPPOs, Missions and others ran it recently into an avalanche of unauthorized "Flag bills" even within the restraints of the cancelled issues.

The policies governing externally incurred Flag bills are now revised as follows:

1. No person or office including FPPO or Mission Ops or GO or any other may contract or incur any expense on Flag's behalf without FP authorization beforehand.
2. As Flag is within easy range of supplies, external logistics will be used only rarely if at all. All such orders must attach the approved PO or a copy.
3. Missionaires expenses will be issued by local FBOs only against a FLAG LETTER OF CREDIT. Amounts are doled out every week for few days but never all at once and never to exceed the total authorized by the letter of credit.

Flag letters of credit are issued by Flag Treasury Bureau to departing missionaries to a specific face amount on the considered estimates of Action Aide and against sums already authorized by FP. They deduct as their first amounts the missionary's travel fares and petty cash issued before departure. Local FBO disbursements to the missionaries are added to the tally each time, right on the back of the letter of credit until the authorized face amount has been reached.

Any mission overstaying its credit limit must get a new letter of credit issued in the same way before he may be given more funds. In issuing a second letter of credit (against fresh FP sums authorized for missions) Treasury Bureau would require the Action Aide recommendation to be based on extended time rather than missionary extravagance.

Any missionary extravagance condoned by the local FBO becomes at once an expense of his own org.

4. Recruit and returning veterans fares to Flag may be disbursed by an FBO only with the Flag FP authorized PO in hand.

Since Flag is in rapid comm with all areas, this cannot block recruit arrivals except by FPPO omission or neglect.

5. In no event will external Flag bills be cash reimbursed.

Orgs and FOLOs have debts to Flag for management and other services and these accounts can be credited to the amount of any properly authorized expense made on Flag's behalf. Provided that Flag Treasury Bureau can match up submitted FBO expense statements with their Flag FP authorization and PO, a credit invoice will be written applying to the org's Flag debt.

Because such credit invoice represent externally expanded Flag "income" and "expense" and must be present in Flag audit figures, Flag audit personnel may require any special invoice designation necessary to the orderly inclusion of such credit invoice amounts in Flag balance sheets.

If, through poor FBO submissions (lacking the paid bill or approved PO) Flag Treasury cannot marry up the expense to its original authorization, it will not be credited to the org's account. FBOs are thus warned to make both proper and timely submissions as POs age and may be retired if too long unclaimed for payment.

The format of FBO submissions may be any that facilitates identification of the expenses, excepting only that it must be neatly presented and complete with attachments. A returning missionary's used letter of credit, any left over cash and receipts will be examined at Flag and if in order will pass automatically to Bureau III Income for "reimbursement" to the org FBO by credit invoice listing his sums issued. Thus FBOs needed not submit for these unless the credit invoice becomes overdue.

In the event that Finance Aide authorizes FBOs to include such credits on their payment to Flag statistics, it could not of course be counted until Flag's crediting invoice is in hand.

6. FBOs with a mission in the Org or in a location normally accommodating recruit fares or occasional logistics are required by an early FBO duty to have adequate funds to hand in the FBO No. 2 account. They are after all Flag Banking Officers.

It should be understood that the intent of this issue is to extend all the usual controls of Finance policy and FP to distantly incurred Flag expenses and to prevent bills from mounting up in outer areas on Flag's behalf unknown or otherwise.

Thus it is also policy (always has been) that ANYONE IN ORGS ADVANCING MONEY OR COMMITTING FLAG TO EXPENSES WITHOUT A FLAG PO OR FP, INCLUDING LEGAL EXPENSES, TRAVEL AND, IN THE CASE OF MISSIONS, WITHOUT A LETTER OF CREDIT WILL BEAR THE EXPENSE THEMSELVES.

These policies should be well studied and understood -- you'll find them actually easier to follow than previous FBO bills systems.

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