

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 APRIL 1979
ISSUE I

Remimeo
Div 3 Hats
Div 6 Hats
FBO
Org Signatories
Dept 3 Staff
FSMs
AGF

FSM PENALTY FOR
REFUNDS, REPAYMENTS, AND BOUNCED CHEQUES

Reference HCO PL 5 April 1979 II
New FSM (Instant Payment) Account

In the event of a selectee receiving a refund or repayment, or bouncing a cheque (which he refuses to make good) the following will be done to repay the Org for the FSM commission previously paid.

Future commissions paid to the FSM concerned will be deducted on a 50% basis until the falsely received commission is paid back in full to the Org. (At the request of the FSM the full amount of current commission can be deducted until his debt is paid but the minimum amount is 50%. The FSM can also pay the debt directly rather than using deductions from future commissions.)

As it is the FSM I/C (or Dir Clearing) who is responsible for policing the commission lines and making sure all commissions are legal and instantly paid, it is thus the FSM I/C (or Dir Clearing) who also keeps files and records on FSMs and FSM commissions paid and who should also ensure that any false commissions are repaid by the FSM.

REFUNDS, REPAYMENTS AND BOUNCED CHEQUES

To ensure the FSM I/C (or Dir Clearing) is kept informed whenever a refund or repayment is paid, the Dir Disbursements must dispatch the FSM I/C (or Dir Clearing) giving him the details of the refund/repayment. The Dir Income must likewise route to the FSM I/C (or Dir Clearing) a copy of all debt invoices for bounced cheques.

Whenever these are received by the FSM I/C (or Dir Clearing) he checks his files to determine whether or not an FSM commission was ever paid on this money (which has now bounced or been refunded). If he finds that there was, he opens the folder of the FSM concerned and staples a statement form to the inside front cover of the folder (see attached). He then marks on the statement a debit for the full amount of the commission now owed by the FSM. He should immediately inform the FSM of the situation and encourage him to bring in the selectee to handle his debt.

The next time a commission is earned by this FSM the FSM I/C (or Dir Clearing) opens his folder, and sees that the FSM has a debt to be repaid. He then handroutes the FSM's file, along with the FSM selection slip and 3rd copy of the invoice, to the Dir Disbursements.

When the Dir Disbursements writes the cheque for the commission he writes a DV showing the full amount of the commission earned and then deducts on the DV 50% from this leaving a 50% balance to be actually paid to the FSM. He then writes a cheque for the net amount, gets the cheque signed and handroutes everything direct to the FSM I/C (or Dir Clearing), as per HCO PL 5 Apr 79 II NEW FSM (INSTANT PAYMENT) ACCOUNT.

Once the FSM I/C (or Dir Clearing) has delivered or mailed the commission cheque to the FSM he goes to the FSM's file and marks on the statement form a credit for the 50% amount which was deducted from the commission and notes the balance on the debt. He then files the selection slip in the file.

This same procedure is followed until the full debt of the FSM is paid and the balance on the statement is zero.

NOTE: If an FSM is accumulating "bills" due to bounced cheques from selectees or selectees receiving refunds, and the FSM is not making payments or leaves the area then the FSM I/C (or Dir Clearing) places a dummy card in his FSM files stating that this FSM's file has gone to the Dir Income for collection. When the Dir Income has collected the debt in full the file is returned to the FSM I/C (or Dir Clearing). If after a 12 month period of time the Dir Income is unable to collect the debt the cycle is turned over to Legal for handling.

Of course the best solution is for the FSM to continually ensure that his selectee is happy with the course or auditing that he is receiving, and to report immediately to the FSM I/C (or Dir Clearing) any problems or disaffection found so that it can be speedily remedied.

On bounced cheques the FSM again can see that his selectee does make good his original pledge.

L. RON HUBBARD
FOUNDER

as assisted by

Ralynn Somma
FMO 2045R I/C

and

Ann (Hallblom) Beatty
CS-3

for the

BOARDS OF DIRECTORS
of the
CHURCHES OF SCIENTOLOGY

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