

HUBBARD COMMUNICATIONS OFFICE  
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 SEPTEMBER 1979A

Remimeo  
EDs/COs  
Exec Secs  
FBOs  
Treasury  
FP Committee

ISSUE III

Re-revised 22 April 1980

(Revisions not in Script)

Finance Series 20RA

FINANCIAL PLANNING PROGRAM NUMBER 1

Cancels LRH ED 55 INT	FINANCIAL PLANNING PROGRAMME
SO SPECIAL	NO. 1
Cancels LRH ED 55 INT	FINANCIAL PLANNING PROGRAMME
	NO. 1
Cancels LRH ED 79 INT	FINANCIAL PLANNING PROGRAMME
	NO. 1 ADDITION

Carefully planned financial handling will result in an organization which is not only solvent, but expanding on a sound gradient scale.

To do this, an organization has to first of all assess the following:

1. (a) How many basic staff members are required to run and handle the organization?  
(b) How much is needed weekly to pay the staff?
2. How much is required for the basic organizational needs to merely keep the organization there:
  - (a) 1. How much is the rent weekly (or mortgage or BIC loan repayments)?
    - ii. What amount needs to be set aside weekly for the upkeep of the building (if owned) so that it retains and increases its value?
  - (b) How much is the telephone weekly?
  - (c) How much is the electricity weekly?
  - (d) How much is the water weekly?
  - (e) How much are the rates weekly?
  - (f) How much is the oil weekly?
  - (g) What amount needs to be set aside weekly to handle back bills and creditors past due?
  - (h) How much needs to be set aside weekly to build Tax Reserves?
  - (i) How much is insurance weekly?
  - (j) How much is the gas weekly?
  - (k) How much needs to be allocated for Org Guardian Office basic expenses?
  - (l) How much needs to be set aside weekly for Ests to maintain the org buildings and MEST?
  - (m) How much are the basic admin supplies like pens, paper, file folders, carbon paper, staples, paper-clips, etc. weekly?

3. How much is required weekly for basic promotion actions:
- (i.) How much are envelopes, stationery and stamps for so many letter registrar letters out weekly?
  - (d) How much is required to keep up and mail out advance registration packets weekly?
  - (c) How much does it cost on a weekly basis to mail a magazine or broad mailing to your full address list once a month?
  - (d) How much does it cost on a weekly basis to mail out statements to people who owe the organization money?
  - (e) How much does it cost to mail out information packets to your new names weekly?
  - (f) How much does it cost to advertise your basic Div 6 Intro courses weekly?
  - (g) How much does it cost on a weekly basis to keep FSMs supplied with selection papers and materials?
4. How much is required for basic delivery actions:
- (a) How much is clay weekly?
  - (b) How much is required to keep tape players operational?
  - (c) How much does it cost weekly to keep up supplies of mimeo forms? (Auditor Report Forms, Routing Forms, Pink Sheets, Auditing lists, etc.?)
  - (d) How much does it cost on a weekly basis for Auditor worksheet paper?
  - (e) How much is needed weekly for course materials? (Reference books for courses, HCOBs, Policy Letters, course packs, translated tapes, etc.)
  - (f) How much is the weekly payment on International Training Org (ITO), FOLO, or New World Corps billings for staff training?
5. How much does it cost weekly to keep in your basic communication lines:
- (a) How much is the weekly amount to Trustee?
  - (b) How much is the weekly payment to Flag?
  - (c) How much is the weekly payment to FOLO?
  - (d) How much is the weekly payment to the Continental GO?
  - (e) How much is the weekly cost of freight, mail and telex to keep the org in comm with management?
  - (f) How much is the weekly payment to GO Reserves (Defense)?
  - (g) How much is your weekly mimeo expense internally and/or to Pubs/FOLO? This covers remimeoing all issues for staff distribution, org business forms, mimeo files, newsletters, and payment to Pubs/FOLO for mimeo sent to your org.
- FOR SO ORGS:
6. How much is required to pay crew:
- (a) How much is required weekly to pay SO members their basic allowance?
  - (b) How much is required weekly to pay non-SO staff their basic allowance?
7. How much is required for basic crew upkeep:
- (a) How much is needed weekly to feed the crew?
  - (b) How much is needed on a weekly basis for medical fees and dental fees?

- (c) How much is required on a weekly basis for crew uniforms?
- (d) How much is required weekly for crew laundry?
- (e) How much is required on a weekly basis for basic cleaning supplies -- brooms, disinfectant, soap, etc.?
- (f) How much is required on a weekly basis for basic house supplies -- soap, toilet paper, light bulbs, etc.?
- (g) How much is required on a weekly basis for crew transport?
- (h) How much is required on a weekly basis to berth the crew?
- (i) How much is required on a weekly basis for baby and child care?

After carefully figuring out your weekly costs per the above, you now know exactly how much FP Sum you will require weekly in order to exist and promote. If you do not currently get this amount of FP Sum weekly, you will know at once that you are spending more than you earn and are not delivering viably to your public at which point everything must be done to sell more services and get those services delivered to your public.

After completing the actions as listed above, the low average weekly FP Sum for the last four months is to be calculated.

This is done per the calculation in HCO PL 28 Sept 79 Issue II, Finance Series 19, FBO AND TREASURY WEEKLY REPORTS, THE NEW FINANCE SYSTEM taking the last four months, and excluding any one week Power stats.

If the basic expenses of the organization are greater than the average weekly FP Sum, the operational costs must be reduced and the organizational expenses CUT BACK to a figure below that of the average weekly FP Sum. (By CUT BACK, it is meant that an organization has to decrease its operational costs. Fixed amounts such as rent of course remain on the FP Program Number 1 in full and must be covered as the bills will come in for these. However, operational costs can be decreased through more stringent control on economy within the organization; i.e. policing wastage and so forth. These reductions must show in decreased operational costs -- not just a lower figure on the FP.)

If the organization also has past bills owing, the organizational expenses must be cut back even further to permit past bills to be paid. The FP Program Number 1 must then include an amount to be set aside weekly to pay off back bills, and judgement would have to be used in determining the amount in accordance with the amount of bills past due. These are then carefully paid on a dateline payment basis.

Should the organization be in such a condition that it is impossible to reduce their FP No. 1 figure to fit within the org's FP Sum then the FP Committee must, using HCO PL 22 Feb 65 Issue III, EXECUTIVE DIRECTOR COMM LINES, Section "Purpose of Comm Lines", and the EMERGENCY FORMULA, work out a foolproof plan to handle low income and/or delivery immediately. There is definitely a maxim with regard to money and it's:

**THE LESS AMOUNT OF INCOME AN ORGANIZATION OR AN INDIVIDUAL HAS, THE MORE CAREFULLY AND WISELY FINANCIAL PLANNING MUST BE DONE.**

When an organization is no longer in a Danger Condition as regards society and now has more allocation than it has bills, it can gradually use its excess allocation to do more promotion, to expand its staff to make more income to do more promotion and to buy more facilities to increase promotion and so forth.

There are many ways an organization can obtain service facilities like chairs, desks, typewriters, address machines and mimeo or offset machines without driving the organization into debt and causing it to have vast monthly payments which exceed its ability to pay. Inexpensive second hand equipment can be obtained while the org sets aside so much money until outright purchase can be made, or it can lease equipment with an option to buy.

Even if an organization is in the position of having more income than bills, such basic data as this will help in planning for better expansion.

#### HOW TO USE THIS PROGRAM

In doing the Financial Planning Program Number 1, it is expected that the basic costs of the organization would be less than its FP Sum, but even if they aren't, the FP No. 1 would give the CO/ED and Executive Council an idea of how much they would have to make and deliver to barely survive and every once in a great while it would require added effort by the organization to pull its income and delivery up to bare existence level.

Therefore, each Executive Council and Ad Council of each organization should meet weekly to review the basic operational costs in order to really get in this Financial Planning Program.

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