

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

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AGs
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FBOs
Exec Councils
Ad Councils

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Finance Series 21R

FINANCIAL DICTATORSHIP

WHAT IT IS AND HOW IT WORKS

In this new finance system, there is a Financial Dictatorship, which is run by the org AGF (when there is no AGF, the AG or Cont DGF takes on this function of Dictator).

Definitions:

FINANCIAL - (Adjective) "Having to do with the management of large sums of public or private money." (World Book Dictionary)

DICTATORSHIP - (Noun) "Absolute authority, power to give orders that must be obeyed." (Thorndike Barnhart Dictionary)

A Financial Dictatorship is called basically when an organization has not achieved its FP Number 1 over a 2 or 3 week period or when the FP Number 1 has been met but no bonuses (i.e. Reg, Tech, Exec or Staff Bonuses) have been paid for 1 whole month.

The reason for this is that this new Pay & Financing System is geared to total Expansion for all and therefore is designed to make it possible to increase one's pay with no real limit. If we are not achieving this then we are putting our resources to work in the wrong things.

A Financial Dictatorship not only handles Finance but can call upon and obtain assistance from all echelons and all N/Ws, so that the true and real purpose of this system can be achieved.

If a Financial Dictatorship has had to be established several times then on the 3rd or 4th time an Exec B of I must be called and handled by a Senior Echelon as something must be grossly wrong. This Exec B of I must be held and concluded within a maximum of one week. If this is not done then the area that did not get it done will have a B of I of the same nature in its area. Also the FP Number 1 has to be rechecked and if necessary redone and all disbursements and incurred expenses must be reviewed, verified and if necessary corrected in order to prevent an org being in a Dictatorship. Factually it shouldn't be. This is very necessary.

An FBO's duties in this new Finance System include using his tools of income source training, financial planning, promotion ensuring, etc. to ensure the org does not go into a Dictatorship. He works with org execs to plan out what is needed to ensure a Financial Dictatorship is not called.

If: a Dictatorship is called the FBO will assist the AGF in getting an FP that will pull the org out of it rapidly.

He provides Income Source Summaries analysis to the AGF and informs the AGF of any barriers or difficulties he has encountered in his actions to boom the org prior to the Dictatorship being called.

Once FP in Financial Dictatorship has been authorized he will then work with the org terminals to get those products the FP has sought produced. Which if well done sets the ground to avoid future Dictatorships.

The following actions are taken by the Dictator:

1. Upon the issuance of a Financial Dictatorship declare the Financial Dictator immediately informs the FBO, Exec Council and Ad Council that the org is under Financial Dictatorship. This is done by Urgent Directive per HCO PL 31 Oct 86 I, Admin Know How II, ACTIONS, EXECUTIVE, FOR HANDLING DISASTROUS OCCURRENCES, and the Dictator must have a Board of Investigation convened per the above policy so that the causes of the allocation being below the FP Number 1 and each of the Bonus Payments can be found and immediately handled.
2. As the Dictator is having to bypass Ad Council and Exec Council on the subject of org finances, he must declare a Danger Condition and see it is strictly enforced and followed. If this Danger Condition is not done within a reasonable time period the pay of Ad Council members and the Exec Council can be withheld until it is done.
3. The FP Number 1 of the org has to be rechecked and if necessary redone.

A review must immediately be done of all disbursements, incurred expenses, over expenditures, etc. All figures and data are to be reviewed, verified and if necessary, corrected. Any form of misuse of org funds, etc. must be sought out and if present found and eradicated.

The Financial Dictator orders Treasury to turn over to him all org checkbooks and these are held in his safe. The FBO still holds his checkbooks unless a GO Heavy Hussar Danger Declare has been issued. In the case of the Dictatorship by the Cont FBO or DGF, orders are given to Treasury that the only checks that can be chased and spent are: (a) those signed by the FBO and DGF Cont or (b) those approved by telex or dispatch by the FBO and DGF Cont. No money may be spent without the approval of the Dictator.

Except in the situation of absolutely no money, there are to be no stops whatsoever on the HCO BOOK ACCOUNT and FSM ACCOUNT as these accounts are vital to the prosperity of the org. The Dictator nevertheless holds the checkbooks and his approval must be gotten.

4. At the weekend, the Ad Council meets and does its planning for the coming week. The FP Committee then meets and based on the Ad Council's planning, gathers the Purchase Orders being offered for approval and submits these along with the planning to the Executive Council. The Exec Council reviews the package and when OK, authorizes the planning and endorses the proposed POs. (All POs proposed to the FP Committee must be forwarded with the package even if rejected by the FP Committee or Exec Council; this is for the information of the Dictator.) This package once approved by the Exec Council is forwarded to the Financial Dictator.

5. The Financial Dictator, based on the income and delivery planning, does the FP and allocates accordingly. All but vital POs are shut off.

All Staff Bonuses are paid under a Financial Dictatorship automatically as they are earned but Exec Bonuses are paid only at the discretion of the Financial Dictator who may OK their payment but may only do so based upon the actual production achieved by those Execs and its adequacy in aiding the org's progress toward getting out of Dictatorship.

Should a Dictatorship continue too long with no sign of improvement or the org pulling out of it with increased income and delivery, or if some other aspect of the org's finances is such that a Dictatorship is required, then the Continental DGF assumes the hat of the Dictator. Adequate actions must then be taken on the AGF for failure to handle the situation in the first place.

Should the Cont DGF in liaison with the FOLO be unable to handle the situation with Missions, etc. Flag in liaison with GOWW will then bypass and handle, assigning Danger as needed.

If an org continues too long in a low range of just barely above its FP No. 1 amount so as to only stay out from Financial Dictatorship and with no sign of income and delivery increase in sight, then this too would warrant either local implementation of a Dictatorship or from the Cont level if the situation goes unhandled locally.

7. When the situation is handled and the org is once again getting a higher FP sum than their FP No. 1 amount, the Financial Dictator informs the FBO, Ad Council and Exec Council that they are now in control of their org's finances and cancels the Urgent Directive written per point 1.
8. The Ad Council and Exec Council then assume FULL control of the org's finances. The FBO and the Treasury N/W person (per Finance Series 1) remain on the FP authorization line per existing policies, but may not disapprove the FP or bypass the org on FP matters. The FBO and Treas N/W person would instead hat and correct any outnesses found in the FP Committee in order to bring about a better FP and planning and thus increased income and delivery.

NOTE: This does not cancel the authority of the Finance Office or Guardian's Office to declare a Danger Condition and bypass on finance matters if the situation warrants it, but it is very unlikely this would occur if the org is producing well and was covering its FP No. 1 expenses.

If an org's financial condition should become so severe with dishonesty and corruption in regard to this finance system then there is a step beyond a Dictatorship. The org loses any right to this finance system and comes under the control of the Board. Board Financial Management begins with ethics actions. This gives you a deeper stage than Dictatorship -- a Dictatorship beyond the Dictatorship. The Cont FBO or AGF discovering dishonesties or corruption concerning this finance system then acts from his authority per HCO PL 29 Jan 71, Finance Series 1, FINANCE BANKING OFFICERS or HCO PL 1 Mar 86 THE GUARDIAN and declares the the concerned org under Board Financial Dictatorship. He alerts FBO Int and DGF WW and the Board that he has done this and what he is doing to handle. He liaises with the FBO or DGF Cont and the CO FOLO and a mission is sent to

get Ethics IN and the finance system being used honestly and per policies. The guidelines for handling a Board Finance Dictatorship are HCO PL 18 Jan 65, FINANCIAL MANAGEMENT BUILDING FUND ACCOUNT, HCO PL 28 Jan 65, HOW TO MAINTAIN CREDIT STANDING AND SOLVENCY, HCO PL 1 Mar 66, THE GUARDIAN. The same procedure can and must be originated at Flag and GOWW level if it is observed that this finance system is being used dishonestly by an org. Appropriate ethics action would be also taken on the Cont level terminals that failed to observe and handle the dishonesty; the least of which would be the assignment and enforcement of a Danger Condition.

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