

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 SEPTEMBER 1979R

Remimeo
FBOs/AGFs
COs/EDs
Execs
Treas Secs
FOLOS

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(Revisions in Script)

Finance Series 22R

USAGE OF ORG BANK ACCOUNTS

Cancels BPL 6 July 75R Revised 9 Apr 76
Issue III, URGENT, Financial Management
Standardization Series 4R, STANDARDIZA-
TION OF USAGE OF THE CHURCHES' BANK
ACCOUNTS

With the introduction of the new allocation system, it is necessary to clarify the titles and uses of the various Church Bank Accounts. The following accounts should now exist in all orgs:

Finance Office Number 1 Account
Finance Office Number 2 Account
Main Account
Org Reserve Account
HCO Book Account
GO Reserve Account
CVB Reserve Payment Account
Local GO Account
FSM Account (Day and Foundation
Orgs separately)

SIGNATORIES ON ACCOUNTS

1. Finance Office (Org Name) Number 1 and 2 Accounts:

Joint local signatories:

Flag Banking Officer
Assistant Guardian/Assistant Guardian
Finance
Executive Director/Commanding Officer
FBO Cont
DGF Cont

The Finance Office Number 1 and 2 Accounts are in the local org's name and are controlled by the joint signatures of the org FBO and AGF (or AG) who control these accounts in accordance with policy on these.

In the event of the absence of the FBO or AGF without deputy, then the ED/CO may substitute as joint signatory until their return, or the appointment of a deputy.

The checkbooks for these accounts are securely held by the FBO.

2. Main Account and HCO Book Account:

Join local signatories (any two may sign):

ED or OES/CO or Chief Officer
HCO ES/Supercargo
Assistant Guardian
Assistant Guardian Finance
Treasury Secretary
HCO Area Sec
Flag Banking Officer
FBO Cont and DGF Cont

Plus: for HCO Book Account: Pubs Org signatories per
HCO PL 10 July 1979 Issue II, "Sales System for Pubs Orgs".

3. Org Reserve Account:

Joint Signatories:

DGF WW)	(DGF WW may delegate to Reserves
FBO Int)	Liaison if he wishes.)
Reserves ED)	
SOR Chief)	Jointly
CS-3)	

4. FSM (Instant Payment) Account:

Joint local signatories (any two may sign):

ED/CO
HCO ES/Supercargo (if no HES, D/ED can sign)
OES/Chief Officer (if not OES, DD/ED can sign)
Treasury Secretary
Distribution Secretary
Flag Banking Officer
Assistant Guardian
Assistant Guardian Finance
FBO Cont and DGF Cont

5. GO Reserve Account:

Joint signatories:

Assistant Guardian Finance
Deputy Guardian Finance Worldwide

6. CVB Reserve Payment Account:

Local sole signatory:

Assistant Guardian

Joint local signatories:

Flag Banking Officer)	Jointly
Assistant Guardian Finance)	
CO/ED)	Jointly
Treasury Secretary)	

(The ED/CO and Treasury Secretary are to sign checks on
this account only in instances when the AG, AGF and FBO are
not in the org at the time the checks are to be signed.)

FBO Cont
DGF Cont

7. Local GO Account:

Joint local signatories:

Assistant Guardian
Assistant Guardian Finance

Sole signatory:

Deputy Guardian Finance (Continental)

8. International Signatories:

Sole signatories on all accounts -- GO and org -- are:

The Controller
The Guardian WW
The Treasurer WW

NEW SIGNATORIES

New signatories and signatory changes are made in liaison with the org AGF and Treasury Secretary and these must comply with local legal requirements and bank regulations.

The required number of mandates* must be obtained and forwarded to the applicable terminals for completion.

The following is a quote from 'A Dictionary of Economics and Commerce', edited by S.E. Steigeler and Glyn Thomas.

*"Mandate: An authority in writing signed by the mandator empowering another person (The Mandatory) to act on his behalf. If this is to act in respect of a bank account the banker must be supplied with a specimen of the mandatory's signature on the Mandate."

USE OF ACCOUNTS

1. Finance Office No. 1 Account:

All income is banked into the Finance Office Number 1 Account, and all counter cheques and bounced cheques are handled by this account.

Any special income of unusual large, lump sums are held in the FO No. 1 Account until positive determination of their use has resulted.

A cushion is kept in this account to cover any bounced cheques as well as handle any additional allocation amounts the FBO pays to the org per Finance Series 1.

No money is paid from the Finance Office Number 1 Account in any form except transfer cheques. The only exception to this is the Management Bills Payment which is paid directly from this account and sent to the Continental Finance Office.

Transfer cheques are written per the balance section of the Allocation Table Form.

2. Finance Office Number 2 Account:

This account is used as ordered by approved Flag Red Purchase Orders only. Reference: Finance Series 14RB and 14RB-1.

3. Main Account:

The Treasury Secretary receives the transfer cheque from the FBO and immediately banks this in the Main Account. He then does the following:

- (a) Writes a cheque for the Trustee payment of 5%.
- (b) Pays out the salary and org allocations in accordance with policy on these and as directed by the approved Financial Planning Directive.
- (c) Writes a transfer cheque to the Continental Guardian Office for the Continental GO Support.

Set asides are retained in the Main Account and records are maintained according to policy on Estimated Purchase Orders.

The Main Account will now also serve the function formerly performed by the Reserved Payment Account in holding set asides for questioned bills, savings for large acquisitions, outstanding purchase orders and sales and salary taxes.

4. HCO Book Account:

All HCO A/C income except for 50% of book profits per the ALOT breakdown is transferred to the HCO Book Account weekly. This is the sum of all cash sales, APs received for books and Prepayments Used for books. This is proper HCO A/C income and must be transferred weekly. The HCO A/C is then used to replenish stocks of books, meters, tapes and other bookstore items, to finance book promotion, and other items in HCO PL 6 Oct 1966 Revised & Reissued 12 July 1976 Issue IIR, ADDITION TO HCO DIVISION ACCOUNT POLICY.

5. Org Reserve Account:

The use of this account is explained in HCO PL 9 March 1972 Issue I, Finance Series 11, INCOME FLOWS AND POOLS - PRINCIPLES OF MONEY MANAGEMENT, HCO PL 29 January 1971, FINANCE BANKING OFFICERS and HCO PL 18 Jan 1965, FINANCIAL MANAGEMENT - BUILDING FUND ACCOUNT. The reserves held in Org Reserve Account would be Uncommitted Reserves and the sum of these is to be reported weekly on the OIC cable as the stat of "Uncommitted Reserves".

Monies set aside for Tax Deficit Reserves are retained in this account also, so accurate records of committed and uncommitted reserves must be kept.

No money may be spent from this account without a full CSW approved by the Flag Finance Committee.

6. FSM (Instant Payment) Account:

FSM Commissions are paid instantly from this account. It is only to be used for the payment of FSM Commissions and Tours Org Commissions -- nothing else.

7. GO Reserve Account:

The weekly defense sum is transferred to this account as stated above. This account is used only at the direction of DGF WW.

8. CVB Reserve Payment Account:

Amounts are transferred into this account per the ALOT form to cover CVB claims. Money may only be paid out at the direction of the Claims Verification Board. Claims paid out, upon approval by the CVB, have the CVB Administrative charges deducted from the gross amount of the refund, and this is then forwarded to the CVB.

9. Local GO Account:

FP amounts for the GO as approved by the org's FP Committee or additional allocations, are transferred to the Local GO Account from the Main Account against specific approved POs.

Finance policy with regard to the use of approved allocations is to be maintained. The responsibility for this account and its admin lies with the AGF of the org, or in the absence of an AGF, the AG.

This account may also be used at the direction of DGF WW.

SUMMARY

All the orgs are to review their current operating basis as regards their org accounts and bring them into line with this issue. Any and all required signatory changes are to be handled immediately.

THE BOARDS OF DIRECTORS
of the
CHURCHES OF SCIENTOLOGY