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FINANCE SERIES 24, SPECIAL INCOME HANDLING)

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Finance Series 24R

SPECIAL INCOME

There is a type of income called "special income". It is huge lump sum income that might have to be returned. It can't be immediately delivered and consequently can't be included in the CGI. It does count on the org GI but must be deducted as part of the computation of CGI on the allocation form.

The crux of special income is that it is huge lump sum income for something that the org cannot now (and may not be able to in the future) deliver.

There are many possibilities of what could be classified as special income. A few of these are:

- A) A huge sum donated for the training of staff for a yet to be established organization. The liability being that the funds may be requested to be returned as "unused" before such organization comes into being.
- B) A huge sum donated for services which the organization does not deliver currently or which it may not deliver in the future. A specific example could be someone wishing to donate to an organization for upper level services which he hopes may be deliverable in the future at that organization.
- C) A huge donation for an unspecified service or services. For example, a person donating his life savings to Scientology without having specific services in mind but simply feeling it to be the best place for his money. The org could then possibly be in a position of not being able to deliver fully and in the future might be in a position where the person or even his estate would request the funds back for services at a higher org or any of a number of other things.
- D) Variations and other possibilities exist.

The way special income is handled is by subtracting it from the org GI in the CGI calculation and depositing it in a special account by the org FBO specifically for this purpose. This account is to be known as the Finance Office No. 3 Account. The signatories on this account are the same as for the Finance Office No. 1 and 2 Accounts. The "special income" account should be a high interest bearing account.

When an org FBO receives "special income" for deposit he should notify the Reserves ED in the International Finance Office

of the amount received, its designated use and any other specifics connected with the matter.

Funds received and deposited as above are not considered org reserves and may not be used for anything until the org delivers service against it. Once the org delivers service against the "special income", the amount delivered (and only the amount delivered) is added to that week's CGI for the org and is available for allocation, while leaving the remainder (the undelivered portion of the "special income") in the Finance Office No. 3 Account. Any interest accrued is to be sent by the FBO to reserves.

If "special income" is actually treated as special income as above then all will be well. If it is not handled in this manner it can cause endless trouble for an organization.

So treat these funds for what they are and it will make things smooth for both the organization and the public concerned.

L. RON HUBBARD
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