

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

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Finance Packs
SO and Scn Orgs
FBO Hat

Finance Series 1RA

FLAG BANKING OFFICERS

The Finance Office has representatives in every bureaux and every Continental Liaison Office and every org, SO and Scn.

It is located on the org board in Department 21.

Its representative is called the FLAG BANKING OFFICER (FBO).

The authority of the FBO stems from his position as an officer of the Church organization he is part of.

When the office is established in an area, the following procedure is followed.

The FBO verifies and collects all income received by the org from the Cashier or Income Dept, Div 3, Treasury Division. This is done daily.

Appropriate receipts are given the Cashier or Director of Income.

The FBO immediately banks this money in the organization's Finance Office account or in his safe, making express and useful records of this action.

When the org or activity has undertaken its financial planning (FP) to the satisfaction of the Treasury Secretary (or Purser) who can verify that the FP covers the necessities of org operation, the FP is transmitted to the FBO. It is again verified.

Accompanying the FP from Ad Council level must be a statement of expected future income and its planning. It is upon this that the FBO bases his authorization.

The FBO on his own discretion then transfers to that org's Main Account the needed funds. This is the ALLOCATION.

From this Main Account the org now further transfers funds to its other accounts.

Any reserves being built by the org are taken from the allocation.

The management of the allocation remains with the org.

The judgment of the FBO, based on the org's expected income as stated in the FP, and on the FP submitted, as to what amount the FBO allocates is entirely

up to the FBO and is not subject to appeal. The FBO must make his experienced allowances for down periods and for the actual production of final valuable products of the org.

Any cash shown on a cash-bills graph is cash salvaged from former allocations (org reserves) or current allocations. The cash expressed on the cash-bills graph of the org must exist in actuality and must be real sums that can be expended. It may not be "credit coming to us from an FBO" nor collectible but not received sums. Even checks delayed in clearing may not be part of this org cash figure.

The FBO also pays from his own funds so collected from orgs. management expenses incurred locally. These are no part of an org's expenses.

The sums and accounts of the FBO are solely under the control of the FBO. Allocated sums for the org are under the org's control.

Funds requested by an org FP from the FBO's accounts for a specific use must be applied to that use or refunded to the FBO if not so used.

The orderliness and in-admin of a Treasury Division in an org are under the overall supervision of the org's Treasury Sec. and the org's Treasury Sec and the state of his division and the reality of his activities are the responsibility of the Treasury Bureaux as well as under the Executive Director or the Commanding Officer of that org or activity.

Balance sheets and other reports are under the same responsibility as the Treasury Division but in the matter of balance sheets and tax also come under the Office of Special Affairs and the Finance Office to which both Treasury Aides and A/Aides are answerable.

The viability of the org and area is the local responsibility of Treasury Secretaries and A/Aides and Aides of the Treasury Bureaux and, as it may seem to them to apply, the Finance Network.

The solvency of the orgs and areas is the responsibility of the FBO.

The FBO's statistics consist of cash paid in to central reserves and the allocation-production ratio of each org and of the area.

Central reserves are used for defenses and management overall cost and viability.

Org reserves are used for local emergencies or periods of down stats or large acquisitions to increase production.

Nothing in this policy letter disturbs in any way existing finance policy except to modify the Cashier's and Dir Income's actions in turning over all income properly accounted for to an FBO and receiving, via FP and the Treasury Sec of the org. from the FBO the allocation passed upon by the FBO.

L. RON HUBBARD
Founder

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