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The
Organization Executive
Course

AN ENCYCLOPEDIA OF SCIENTOLOGY POLICY

by
L. Ron Hubbard

FOUNDER OF DIANETICS AND SCIENTOLOGY

TREASURY
DIVISION

3

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Note: The materials in this volume are listed mainly in order of appearance. Additionally, some policies are listed in more than one section (with page numbers in italics), as they deal with more than one area of operation.

Relevant policies from other OEC volumes are also listed, with volume and page numbers in italics

A complete date order index appears in the back of the book, starting on page 366.

xiii

YOUR POST

A post in a Scientology Organization isn't a job. It's a trust and a crusade.

We're free men and women - probably the last free men and women on Earth. Remember, we'll have to come back to Earth some day no matter what "happens" to us.

If we don't do a good job now we may never get another chance.

Yes, I'm sure that's the way it is.

So we have an organization, we have a field we must support, we have a chance.

That's more than we had last time night's curtain began to fall on freedom.

So we're using that chance.

An organization such as ours is our best chance to get the most done. So we're doing it!

L. RON HUBBARD

xiv

[Org chart]

ORG

ORG EXEC SEC

DISSEMINATION DIVISION

2 DISSEMINATION SECRETARY

DISSEMINATION SEC. SEC.

UNDERSTANDING ENLIGHTENMENT

Department 5 Department 6

DEPARTMENT OF REGISTRATION

Director of Registration

TREASURY DIVISION 3

TREASURY SECRETARY

TREASURY SEC. SEC.

ENERGY ADJUSTMENT

Department 7 Department 8

DEPARTMENT or DEPARTMENT OF .

INCOME DISBURSEMENT

Director of
Disbursements

TECHNICAL DIVISION

TECHNICAL

SECRETARY

TECHNICAL SEC. SEC

1

ACTIVITY

Department 11

DEPARTMENT OF

TRAINING

Director of

Training

BODY PREDICTION

Department 9 Department 10

DEPARTMENT OF DEPARTMENT NT OF

RECORDS, ASSET TECHNICAL

& MATERIEL SERVICES

Director of	Director of
Records, Assets	Technical
& Materiel	Service

DEPARTMENT OF

PUBLICATIONS

Director of
Publications

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1

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 AUGUST AD9

CenOCon

[excerpt]

PROMOTIONAL FUNCTIONS OF DEPT OF
ACCTS

Accounts is commonly so snowed under with Bookkeeping and Prop income that it doesn't think of itself as a promotional unit. But it is. Snappy and accurate accounting, quick and accurate and even tough rendering of statements is all promotion of a sort. We are accustomed to thinking of an Accts Dept as being figure-figure non-reach sort of department but this is far from true. (That's figure-figure.) Accounts is promotional just by rendering bills properly and on schedule. And they're promotional by making sure the public contributes to the organization in money; by thoroughly backing up the PrR, Accounts does a lot of promotion. Further, there is another thing that an Accounts Dept can do in the promotion line. We are usually undermanned in the Accounts Dept and seldom realize that lack of people in it is one of the most foolish economies we can make. it's lack of people in the Accounts Dept rather than lack of willingness that keeps our Accounts in a turmoil.

There should be one person on Statements, one person on Current Bills book and one person on Prop Income breakdown even if one or two of these people are part-time. If there are three - and there should be - part of the work of each would be promotion as follows: Statements - noticing that credit is good on some person in the Statements book, should write and tell the person so and give a list of such people to the Dir of PrR. Current Bills, who should handle purchasing and filing too, probably, has a public relations function in handling the merchants with whom we deal and getting them interested in what we are doing rather than allowing a purely trade relationship to exist. Prop income, who also usually does the invoicing, has a promotion function in making sure that the receipts get back to the payee along with some kind of pat on the back for helping Scientology along. MONEY is the attention unit of this society. A lot of Scientologists say 'how mercenary' when I start talking about money. They don't believe in it to the degree that they don't want to attract any attention personally. And that's the crude truth. We've got to get over that attitude. The commonest sense tells us that if we had enough money we could advertise and build and hire our way straight up the line ten times as fast as we are doing. Well one of the ways we fail is to fail to use money as a promotion factor and to fail to fully utilize commercial transactions and monetary exchanges as promotional avenues. Think that over and buy the Dir of Materiel the new building he wants and see how they start crowding in. The Dept of Accounts is our most neglected promotional sphere and this we must overcome.

L. RON HUBBARD

LRH:brb.rd

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[Excerpted from HCO P/L 26 August AD9, Promotional Functions of Various Depts. A complete copy is in Volume 7, page 135.]

PURPOSE

DEPT OF ACCOUNTS

[From HCO Policy Letter of 27 November 1959,
Key to the Organizational Chart of the Founding
Church of Scientology of Washington DC]

To keep the business affairs of the organization in good order,
to maintain the good business repute of the organization and to see
to it that the business activities of Scientology are up to date in
an excellent condition. To make sure that income exceeds outgo.

L. RON HUBBARD

LRH:js.rd

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[A complete copy of this Policy Letter is in Volume 7, page 138.]

2

THE PROMOTIONAL ACTIONS

OF

TREASURY DIVISION 3

(From HCO PL 20 November 1965, The Promotional Actions
of an Organization. These are given complete for all divisions
in Basic Staff Volume 0, starting on page 84.)

41. ORGANIZATION SECRETARY - Co-ordinates and gets done the
promotional functions of Division 3.

42. DEPARTMENT 7 (Dept of Income) - Persuades payment of cash
or increase in purchase whenever possible.

- 43a. Collects outstanding notes by monthly statements.
- 43b. Collects outstanding notes through Field Staff Members via Dept 17.
44. Gets all mail orders invoiced and/or collected so they can be shipped at once.
45. DEPARTMENT 8 (Dept of Disbursement) - Keeps bills paid in such a way that the org is in excellent credit repute. (Promotes with good credit rating.)
46. Gets salaries accurately and punctually paid to keep staff happy.
47. DEPARTMENT 9 (Dept of Records, Assets and Materiel) - Gets proper quarters to make the org look good, whether for momentary or permanent use for all divisions.
48. Keeps materiel of org bright.
49. Acquires reserves to give a reputation of stability to org.
50. Keeps staff clothing issued and in good order (in those orgs providing uniforms).

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 SEPTEMBER 1965

STATISTICS FOR DIVISIONS

[Excerpt/

Org Division 3 -

Credit collections vs Bills paid.

It will be seen that gross income is established by many in the Org but collections as a special income is purely the Org Division's. Bills paid require gross money in, so reflects the gross - no money in, no bills paid. This is a dual statistic which shows the industry of the Division in general. It even touches materiel as no bills paid equals no supplies. Monies paid into Reserve Payment do not count as Bills Paid.

L. RON HUBBARD

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[Note: A complete copy of this Policy Letter can be found in Volume 1, page 328.]

3

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 SEPTEMBER 1970

Issue II

Remimeo

Treas Secs

Dir income

SO & Scn

CREDIT COLLECTIONS

DEFINED

CREDIT COLLECTION includes

1. Monies collected for services given on credit.
2. Monies collected on bounced checks.
3. Freeloader collections.
4. Collection on any amount OWED to the org for service or items sold. (Not advance payments.)

Industrious collection action by Div III is all it represents. Any Treas Sec reporting a CREDIT COLLECTION stat differently than as above must take this definition and advise CS-3 at once of the date and any graph change resulting, with carbons to Cont and WW OIC.

LRH:VP:sb.ka.rd
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1. Credit Collected
2. Bills Paid.

Lt. Vicki Polimeni
CS-3 for
L. RON HUBBARD Founder

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 FEBRUARY 1971

Issue V

ORG GROSS DIVISIONAL
STATISTICS

REVISED

/Excerpt/

TREASURY DIVISION 3

Credit Collected is defined in HCO Policy Letter 30 September 1970, issue II - Credit Collections Defined.

Bills Paid includes all org bills, including materiel. Monies paid into Reserves do not count as Bills Paid.

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[Note: A complete copy of this Policy Letter can be found in the 1971 Year Book.]

4

HCO Aide for L.

RON HUBBARD

Founder

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 MARCH 1971

Issue II

Remimeo SO & Scn Orgs

Treas Secs Starrate on

all Div 3 Staffs OIC

TREASURY DIVISIONS GDSes

ALL ORGS

(AMENDS: HCO PL 30 Sept ,65, "Statistics for

Divisions", HCO PL 5 February 1971 - Issue I, "All
Orgs, OIC Cable Change", HCO PL 5 February
1971

Issue V, "Org Gross Divisional Statistics Revised",
and HCO PL 8 February 1971, "Handling of
Bounced
Checks and Refunds", page 2, para 2. CANCELS:
HCO PL 30 Sept '70, "Credit Collections
Defined".)

Effective for ALL ORGS, SO and Scn, FEBC orgs and others, the
Division 3 Gross Divisional Statistics are revised as follows:

1. TOTAL ADVANCE PAYMENTS AND TOTAL CREDIT COLLECTED FOR THE
WEEK.
2. TOTAL BILLS PAID FOR THE WEEK.
3. TOTAL ORG MATERIAL AND LIQUID ASSETS.

ADVANCE PAYMENTS is defined as a payment well in advance of
readiness or arrival for service

CREDIT COLLECTED includes collection for Qual Services and any
other services given on credit, Freeloader collections, and any
monies OWED to the org for services or sales.

Credit collections and Advance payments are plotted separately on
the same graph.

BILLS PAID include all field creditor bills, and staff salaries
paid, but does NOT include FSM Commissions paid, as these are
reported separately as a Public Div stat.

ORG MATERIAL AND LIQUID ASSETS include all org reconciled
balances, any cash on hand, value of properly inventoried assets,
properties and material, and value of bookstocks and inventoried

supplies.

The asset value of any item is evaluated against its purchase price, its present state and condition, and annual depreciation.

FOUNDATION ORGS

A Foundation org, where one is operating alongside a Day org, will only report its TOTAL ADVANCE PAYMENT AND CREDIT COLLECTED stat on its OIC cable, as the two other GDSes are shared with the day org and need not be reported.

OIC CABLE REPORTS

Effective for the week beginning 8 April 1400 and ending 15 April 1400 1971 for the first report, and effective thereafter, the new Div 3 GDSes are to be reported in the OIC cable as follows: (Per the HCO PL 5 Feb 71 "All Orgs-OIC Cable Change").

After the Gross Income figure:

Gross Income / NEW Advance Payments / Credit Collected / Bills Paid / NEW Org Assets / (Following order of the cable unchanged.)

On the fourth week following date of change and thereafter, the OIC Cable is reported as above, without the prefixes "NEW".

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Founder

HASI SOUTH AFRICA

HCO BULLETIN OF 9 NOVEMBER 1956

ACCOUNTING &

FINANCIAL Accounting Department. To take care of:

NOT HCO POLICY LETTER

ORIGINAL COLOUR FLASH NOT

GREEN ON WHITE

Maintenance of adequate ledgers for the corporations.

2. Filing of tax returns
3. Preparation of Profit and Loss and Credit statements
4. Supervision and preparation of bills, of collections on notes owed to the organizations, and submission of a monthly statement
5. Preparation of weekly pay checks for signature by Treasurer
6. Custody of notes and paid bills for the organizations.

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

37 Fitzroy Street, London W. 1

To All HCO Secretaries:

1. All funds received from whatever source shall be scrupulously and correctly invoiced on a triple-copy invoice machine.

2. All monies paid out shall be scrupulously and correctly

invoiced on a triple-copy invoice machine.

3. All funds received shall be banked at the main bank HCO account. No funds may be withheld for expenses and no funds may be withdrawn from cash for any charge or any emergency of any kind.

4. All cheques are to be signed only by signatories authorized by LRH. No new accounts may be started except by mandate from L. Ron Hubbard. All bills are to be paid by HASI - except Petty Cash items for HCO.

5. All financial policies to be valid must bear the signature and seal of L. Ron Hubbard.

6. Tax Accounting is to be done entirely by a well-reputed accounting firm. All data in the form of copy in and out invoices is to be forwarded to them and all books are to be submitted to them quarterly for auditing. Any action they wish to take must be reviewed by L. Ron Hubbard before being put into effect.

7. The account system as outlined by LRH above must be installed and followed meticulously. This is the HCO account system. Please follow it exactly.

8. The two invoice machines used by HCO shall contain complete records of all funds which have entered and exited from the office. These should be transferred quarterly to a ledger, in a single IN and OUT column system. They are to be entered under various categories for which a code system is to be evolved. For example:

(a) 10% received from HASI (b) Rent received from HASI etc.

9. The policing of the HCO Accounts system is done by HCO Secretary, who is to ensure the above is executed at all times and to report to L. Ron Hubbard accordingly.

10. HCO Secretary is to ensure each Monday morning that the

correct cheque for the 10% of HASI gross income for the previous week is paid to HCO, and recorded properly as above. Also ensure HASI rent is regularly paid and that the cheque is promptly deposited to the HCO bank account.

11. HCO may not loan money to any HASI or spend sums for HASI bills. The above provisions have the status of law under US and British corporation commissions and failure to adhere to them can bring about legal or criminal action against an offender or confederates.

All persons connected with the finances of the HCO are required to be alert to adherence of these policies to be accused of collusion in case of loss of funds.

BASIC FINANCIAL
POLICY
HCO

27 November 1958

6

L. RON HUBBARD

copies to:

Acct Dept
Dist Center
Maxine - invoice Academy
HGC
Steves
HCO File
Ron

The income (white) disbursement sheets of the Academy, the Hubbard Guidance Center, and the Founding Church for the past week

(3 sheets in all), must be on my desk by 2.00 p.m., Monday.

NOT HCO POLiCY LETTER

ORIGINAL COLOUR FLASH NOT

GREEN ON WHITE

FOUNDING CHURCH OF SCIENTOLOGY
1812 19th Street N.W., Washington, D.C.

FINANCIAL PROCEDURE LETTER OF 11 MARCH 1957

INCOME

REPORTS

Director of Training is responsible for the Academy Sheet, the
Director of Processing the Hubbard Guidance Center Sheet, and
Invoice Academy the Founding Church Sheet.

The Distribution Center Income Sheet would also be appreciated at
the same time.

The Disbursement Sheets of the Academy and Distribution Center
are made up by Accounting and should be presented by Monday
afternoon to me.

LRH:rd

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W.1

HCO POLICY LETTER OF 6 FEBRUARY 1959

HCO ACCOUNTS
WORLDWIDE

The following will be done to handle Accounting World:

1. A post will be created in the HCO Office, London, called HCO Accounts.
2. This post will have as its function the receipt from all HASI Offices the weekly income report sheets, the bank statements for all accounts and a duplicate set of invoices from each office.
3. This post will check these reports, add all invoices, check the proportioning of funds and check the bank statements.
4. This post will report to the Director of Accounts, World, the accuracy or inaccuracy of all reports.
5. This post will have as its duty the presentation to the Executive Director of all requests for sums from the Building Fund of the various organizations.
6. This post will also receive reports from the various organizations of HCOs concerning the receipt and expenditure of funds from all HCO accounts. This post will check same.
7. This post will have as its Director the Director of Accounts, World, Mary Sue Hubbard.

LRH:mp.gh.cden

L. RON HUBBARD

37 Fitzroy Street, London W.1

HCO POLICY LETTER OF 5 JUNE 1959

Modifies previous directions

Convert
to Sec ED

INCOME REPORT REQUIRED

The Association (Organization) Secretary is entitled to weekly income reports from the following departments:

DEPARTMENT OF ACCOUNTS

Payments on notes
Payments on loans
Payments on memberships

TRAINING DEPARTMENT

All student enrolment fees
All Extension Course fees

PROCESSING DEPARTMENT

All preclear processing fees
All testing receipts

PE FOUNDATION

All HAS student fees
All Co-audit student fees

BOOK SECTION (HCO)

All mail order sales

RECEPTION

All across counter sales

These reports are made on a large sheet labelled "Income Sheet" available from the Department of Accounts or HCO WW.

These reports are compiled by department heads after Thursday at 2.00 p.m. on the week's income ending then. They are due on the Association (Organization) Secretary's desk by Monday, 2.00 p.m.

The sheets are compiled from yellow invoice copies by the Dept head or his deputy.

Penalty for missing, inaccurate or incomplete sheets, week's pay of department head held until sheet is submitted or corrected.

The Accounts department collects the sheets and places them on Association Secretary's desk.

The Accounts department clips to these an official record of the Bank deposits made into all accounts the preceding Friday.

The Association (Organization) Secretary initials each sheet and gives them to the Advisory Committee on Tuesday, the next day. Advisory Committee minutes are compiled from these sheets.

Immediately after the Tuesday Advisory Committee meeting these sheets are returned to the Accounts department by the Director of Accounts or his deputy and are there bound into a permanent record.

The yellow invoice slips from which these are compiled, are retained in their respective departments and do not accompany the sheets at any time.

L. RON HUBBARD

LRH:gh.cden

HCO POLICY LETTER OF 27 JANUARY 1960

HCO Secs
Assn Secs
Div of Accts
of
Central Orgs

ACCOUNTS POLICIES
(Cancels Earlier Directives)

Rules Governing Accounting

All income from whatever source is banked intact. never drawn on before being

All funds are disbursed by cheque even when disbursed again by cash.

All transactions are recorded in full, and all invoices and disbursements are given any history known about them on the invoice or the voucher. There is no reason for making accounts history a matter of memory.

All financial receipts and disbursements are reported weekly (by Monday 2 p.m.) by Accounts to the Org Sec or Assn Sec. These are also reported by Dept heads on their income and disbursement sheets.

All purchases require purchase orders before made. If a purchase is made with no order or no okay on an order, the staff member making it must pay for it.

The accounts project is responsible for enforcing financial policy on staff.

Current Bills

File

Every firm or person - even staff members, has a place in our accounts files in a separate file folder. One firm or person = one folder. All records, bills, letters, etc relating to such are placed in this person or company's file. Any bank or other loan has its own file.

Cancelled cheques and bank statements are kept in their own files by account. But, where possible, a photostat of each cheque back and front is made and filed with the firm folder to which it was issued. So are invoice and disbursement copies also filed as they apply in these files.

A summary sheet of billing and payments to one firm is kept in the folder of that firm.

These folders are retired to dead file each year when actually dead.

Statements Files

Each debtor of any company we are handling has his own file and all papers related are in it.

All invoices and papers relating to such debtors are kept in this file folder.

A statement sheet is also kept in this folder.

A copy of the contract (photostat) is kept in this file. The original is kept in a valuable document file in the safe.

This applies to any company, firm or person who sends us money or owes us money.

Invoicing

(Note colours may be different in different areas of the world.)

All monies received are invoiced with full data.

paper.

The white goes to the payer as a receipt.

The yellow goes to the Project Supervisor or person most interested.

The red goes to accounts for filing in folders.

The blue stays in the machine and is never detached from its consecutive pad of

Invoices are used to sort out banking, reports, statements, etc.

9

voucher.

Disbursement Vouchers

All disbursements, whether by cash or cheque, are written on a disbursement

Payroll vouchers are signed while still on the machine by the recipient.

Cheque numbers, a firm's bill number, any data applying, is written on a voucher.

The white goes as a complementary statement to the firm, obviating letters or other papers. It is all that goes with the cheque. (We keep all bills).

A copy of the voucher goes to the Project Supervisor most interested.

A copy goes to Accounts for filing in the folder of the firm or person.

A copy remains in the machine and is not disconnected from its pad.

Banking

All monies are placed in the safe at once they are invoiced and are only removed to be banked.

The Accountant is responsible for them from the moment the mail is delivered to him until they are banked.

The Accountant should be bonded.

All money banked is recorded on deposit slips stamped by the bank. These are filed then with bank records along with statements and cheques.

Collections done by the bank are recorded with new invoices and must be sent to us by the bank.

Adjustments and transfers in Accounts are subject to Disbursement Voucher recording and should be so recorded. These are done by cheque, not letter.

Department Files

When a department head receives his invoices and vouchers, he records these on appropriate sheets and presents them by 2 p.m. Monday, for the week passed, to the Assoc Sec or Org Sec who then passes them to Accounts.

They are filed by Accounts in appropriate folders. Dept heads may have access to these folders.

Accounts also presents its own report.

Paying Bills

A cheque is made out on an account and is presented with the full folder on the firm or person to receive it.

The total of cheques is added up on separate slip.

Current bank statements are also presented.

These items are necessary to the payment of any bill.

All bills being paid by bankers order are recorded routinely in the folders.

Bills being paid by cash require the initials of the Assn Sec or Org Sec.

Income

Breakdown

Income breakdown is done weekly on appropriate sheets after separating invoice copies into appropriate piles. A tape is run on each pile. A total of all tape totals should equal cash in hand. Cash is then banked in appropriate accounts as above. The papers and all worksheets related to income breakdown are filed in an envelope for that week.

General

All tapes of addition and other accounting records and all rough computations are kept by Accounts and appropriately filed.

L. RON HUBBARD

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10

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 FEBRUARY 1961

/Excerpt/

Cen Orgs
Copy for each
Staff Hat
Not for Franchise

THE PATTERN OF A CENTRAL
ORGANIZATION

Dept of Material

Headed by the Director of Material (Dir Mat) the Dept of Material owns every Mest object including pieces of paper in the entire organization and is responsible for its inventory, existence and good repair and usage.

Material sets up and clears away rooms, keeps the place clean, maintains everything, orders and supervises construction and even procures new office or auditing space. If it's Mest, take it up with Material. If it's service or significance or personnel, take it up elsewhere

Material does all purchasing for the organization.

Purchasing can be done only after a Dept Head and Assn Sec approval on a purchase order, no matter how small the item. The greatest single threat to organization survival has been Purchasing by Material without proper judgement and authorization by purchase order. Both Washington and London have been all but crushed by this function done wrongly. Johannesburg, purchasing with bad judgement, wound up with very little material despite huge bills. Purchasing is a fine art and in Central Orgs a primary threat if done too abundantly or wrong. Purchasing can be so bad that the Organization can go broke while acquiring nothing. Further, enough money to pay its bills and have things is a better index for necessary income than the unit. If the disbursement fund is kept more than adequate, the unit will also be high. Financial management includes what is to be bought. When it's okayed by the Assn Sec. Material can buy it. But if Material, in liaison with Accounts, sees danger in buying Material must take it up with the Assn Sec with more figures even if the Assn Sec has already okayed it.

The biggest potential upset next to purchasing is "job completion". An Organization can be torn apart if each job, started, is not finished before new jobs are begun. Unfinished jobs can upset everything. They must be avoided.

Material should be given proper schedules of activities so that rooms can be set up or auditoriums procured well ahead of schedule.

Cleanliness of quarters is a public point of acceptance of Scientology.

Dir Mat is a highly responsible job. It can make or break an Organization.

Dept of Accounts

Headed by the Director of Accounts, the Dept of Accounts

receives, safeguards and expends funds in the Organization. No other person can expend money, though others can receive it if it is promptly handed to Accounts.

Scientology Orgs had trouble with accounts until a special accounting system for Central Orgs was developed. That system is of a vital nature to the Accounts Dept and must be followed without additives, ponderous ledgers, peculiar sub-systems or deletions.

A Scientology Accounts system is simple. It works It consists of writing an

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invoice on a four-copy machine for everything received and a disbursement voucher on a four copy disbursement machine for everything expended, even petty cash, with a completed statement of what Accounts knows of the expenditure.

The system consists of four files - one with a file for every creditor, one with a file for every debtor, one with a complete file for every bank account and one with a file for every weekly breakdown envelope.

A board with nails on it for pinning up invoices for every category on the breakdown sheet and a book to put income sheets in plus an adding machine and cabinets completes the entire system.

Then if accounts will file every piece of paper, letter, invoice, voucher and receipt that comes in in these files properly, anybody can summarize them and financial management becomes possible.

Monthly, on a mimeo sheet that bears the name of every creditor, all bills are listed from the Creditor file (not from bills mailed in by firms) added up and presented to the Assn Sec with bank statements for his directions as to payment.

owe us.

A similar mimeo sheet is made up of debtors each month and the amounts they

Pay is paid not by cheque but in cash by the signature of the staff member on a disbursement voucher that tells the whole tangled story. Staff members each have a folder in the creditor file at the back in which copies of the voucher are filed.

A chartered or certified accountant can always do a quarterly balance sheet for the Central Org rapidly from these files if they are kept up and are as designated.

We don't copy figures from figures into vast piles of day books, ledgers, statements and other mysteries unknown. The files are these books. The law demands records everywhere. These are the records we want.

When people pay on their bills, invoice it, (send them the white with their next statement) and file it in their file folder.

Our weekly breakdown sheet, showing gross and units, amounts deposited to salary sum, disbursement account, building fund must be displayed to the staff each week on a staff bulletin board.

We are interested in complete, orderly files and their individual summation. That's accounting in Scientology. If the Accounts Department is doing something else, they're still in the 19th century when accounting was a vast mystery and managers went broke.

We have had good accounts and an easy life for Dir Accounts everywhere the moment this whole system went in. Even governments were satisfied.

Only one report (and its income sheet) is permitted per department per week - except in PrR where each of its two sections report.

We don't allow random report forms to develop in a Central Organization. Everything anybody wants to know is on a dept's single report sheet for the week.

HCO WW ultimately receives all except income sheets.

L. RON HUBBARD

LRH:aecJs.rd

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[Note: Excerpted from HCO Policy Letter 14 February 1961, 7.-he Pattern of a Central Organization. A complete copy is in Volume 7, page 147.]

12

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 NOVEMBER 1961

Central Orgs

Accts Depts

ACCOUNTS

(Modifies HCO Pol Ltr of July 6, 1961, Accounts
so as to make it suitable for use in Central
Orgs or City Offices)

NOTE: IT IS NOT INTENDED THAT THIS POLICY LETTER SHOULD BE

PUT IN FORCE AT ONCE IN ALL CENTRAL ORGS. BUT IF ANY CENTRAL ORG WISHES TO TRY THE SYSTEM OUT, THE ASSOC SEC SHOULD REQUEST PERMISSION TO DO SO FROM L. RON HUBBARD. THIS POLICY LETTER OUTLINES A SIMPLIFIED SYSTEM OF ACCOUNTS WHICH COULD BE USED IN CENTRAL ORGS OR CITY OFFICES. IF THIS SYSTEM IS OPERATED, A QUALIFIED OUTSIDE FIRM OF ACCOUNTANTS SHOULD BE EMPLOYED TO MAKE A REGULAR QUARTERLY AND ANNUAL BALANCE.

Two Accounts Divisions are instituted.

These are: The Income Division and the Disbursement Division.

They are in separate areas and are run by different persons.

They must be kept separate.

INCOME
DIVISION

The Income Division performs the following actions:

A folder is made for every organization or person who pays the Org money. This includes HCO WW and other Scientology Orgs (if applicable), and all these income accounts are kept in no other place nor by any other person.

The Income Division sees that Statements, pre-addressed by Addresso on proper envelopes, go out to each foldered person or organization once each month. This statement is a Thermofax copy of the summary sheet in each folder, stuffed in these pre-addressed envelopes. New addresses for this list are routinely forwarded to Addresso Dept to be added to the monthly list. Old addresses withdrawn are also routinely passed to Addresso to be deleted from the plates or stencils.

No ledgers are kept by the Income Division. No notebooks or journals are kept. All data is retained in folders.

Each folder has a summary sheet for Thermofaxing. All accounts are written on this sheet.

All invoicing is done by the Income Division.

Division.

Notice of all bank payments paid in, and all bank statements, go to the Income

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When invoicing, mark each invoice for what it is - Processing, Training, Books, etc.

White Copy (top copy) goes as receipt in the next statement mailing.

Next copy goes to department concerned, and thence to C/F. Next copy goes to basket for Income Summary, and when summarized is filed in folders. Final machine copy is retained as income summary, not torn but kept consecutive.

On Monday following a week, the basket copies are sorted into boxes:

Processing, Training etc. Each box is totalled and given an adding machine tape which is marked Processing, Training, etc. The tapes are then totalled and marked; the cash deposited or received in the bank must equal the final total.

These tapes are stapled together and passed to the Registrar, Assoc Sec (Org Sec) and HCO Sec. as income information. When returned to Income Division they are stapled to the machine Copies. These are put in an envelope, dated for the week and filed. This is total accounting record.

The basket copies are now filed in the folders and each figure is entered on the statements sheet in the folder. The filing is done all at once. Once a month the Statements Sheets are brought to date from these invoice slips. When a slip is put on the Statements Sheet an X is put on the invoice slip to show it is entered.

It does not matter if all statements are up to date when Thermofaxed for mailing. Bring them routinely to date as a continuing activity, not in a monthly rush. Folder Statements Sheets not up to date one month as to debit and credit will be up to date the next.

The folder Statements Sheets are mimeoed in general and lettered in particular - i.e. they can be mimeoed in quantity in a generalized form, but they must be filled in in detail. Make sure that the mimeo ink and the ink or type used is capable of being copied on the Thermofax machine, as this machine will not copy water based inks.

On invoicing books (if this is done by Income Division), this is the first operation of the day. The invoices go at once by hand to Shipping so books may be mailed same day. This is a rush invoice item.

Folders are filed alphabetically by class, which is to say other Orgs form a group, individuals form a group, bookstores form a group, etc.

It is the responsibility of the Income Division to know what the Org is owed and to see that it is collected.

If Disbursement Vouchers, bank slips, etc are sent by debtors, they are never entered on the Statements Sheets. They are kept in the folders, for information only. Only money received in the bank is entered.

The income report from the Income section also includes the amount shown on the last statement for each bank account. There is no further attempt to balance cash deposited but not shown on statement, or cheques issued but not cashed in by the person or firm who received them. This weekly report is the Money on Hand report. It goes to the Assoc Sec and the HCO Sec. It is then filed with the week's income report. It is compiled and despatched when all statements for the week are in. It is not attached to the Income report but is separate. In practice, if convenient, it could be so attached.

The Income Division retains and has all invoicing machines but no Disbursement machine.

The Income Division makes all deposits of cash and cheques into the bank.

DISBURSEMENT DIVISION

The Disbursement Division has the responsibility of correctly disbursing the money of the Org, such as bills, wages, mortgage payments, etc.

Each creditor, including staff members, has a red folder. Each folder has a statements sheet in it.

Whenever a cheque is disbursed or a wage or cash is paid out, a Disbursement Voucher must be written giving all particulars.

The white Voucher (top copy) is sent or given to the creditor, the next copy is filed in the statements folders. The next copy goes to Central Files (if applicable). The machine copy is retained unseparated and filed in an envelope dated as of the week disbursed, in a block.

The copy of the Disbursement Voucher for filing is placed in a basket for filing and then is filed without entering it at that time on the Statements Sheet in the folder of the firm or person disbursed to.

All incoming bills are placed in a basket along with the Disbursement Vouchers. They are all filed at once at the same time as the Disbursement Vouchers. They are not entered on the Statements Sheet at that time.

Once each month minimum, or every two months maximum, the folders' Statements Sheets are brought up to date. This is a routine and continuing action. All debits and credits are entered on the Statements Sheet. These sheets are kept in the folder.

When a Disbursement Voucher or a company's bill is entered on the Statements Sheet a large X is drawn on it. It is returned to the folder.

These folders when brought up to date are brought up on the not-X'ed bills and vouchers.

The Purchase Orders are filed in these folders and bills are checked against them.

Disbursement is from 30 to 60 days on bills.

Wages are preferably paid by cheque. Each cheque issued for wages or bills must be written on a Disbursement Voucher. Persons receiving wages do not have to initial or sign the voucher. They receive the white copy (top copy). The Folder copy is filed in their folder. Their pay books, etc are kept in their folders, not in any separate file. The Government has a folder of its own, one for each department of the Government to which we pay out. Other pay papers than in the folder are kept in the Government folder for pay. This folder is filed adjacent to the pay folders of staff. There must be no loose tables, folders or booklets kept anywhere

but in folders.

BANK STATEMENTS are filed in folders provided for the banks. There is one folder for each bank account. The cheque books are in the same file drawer but not in the folder.

Cancelled cheques are filed loose in the bank's folder for each account until a cheque book is empty. Then each cheque is scotch taped, not stapled, to its counterfoil.

Counterfoils are kept only in date, and no other data (not even amount), as Disbursement Vouchers are used for record, not Counterfoils.

Cheques may not be taped into cheque books in use, neither voided nor cancelled cheques.

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There is only one report, and that is monthly. Mimeographed sheets carrying the name of each company to whom we disburse are marked with the last debit figure on the statements sheet and how long the amount is owing. It is expected that all such statements will be brought up to date before the monthly report is made. This report totals all bills owing. When executive directions are given on them, cheques are issued as directed against this monthly report.

There are no other reports except when requested for some firm.

SUMMARY

The Disbursement Division makes no income reports on reconciliation of bank statements. The Income Division makes no reports on Disbursement.

Every quarter an Accountant audits the books and submits a

quarterly report in summation form. He does not make books. The law requires records to be kept. We keep records. Actually we keep books as above, but their pages are folders.

HISTORY: The bugbear of accounting is the failure to record all one knows about each transaction. An executive is later expected to remember it all and spend two or three weeks going over tangled accounts with each audit. This is circumvented by writing all you know about the transaction on the Disbursement Voucher or on the Invoice. We are at this writing being a lot too brief on our History. If you know something about the transaction related to what it's for and why, or what's odd about it, put it on the Invoice or Disbursement machine, not in a dispatch or in memory. Example: Joyce Bibbin orders æ2 worth of books but sends æ3.10.0. She wants us to retain æ1.10.0 for a future purchase. Make out one invoice for æ2.0.0 and one for æ1.10.0 but say on each what and why and that it came out of æ3.10.0.

Also, if you know a purchase was for some particular purpose or department of the Organization, put it on the Disbursement Voucher when the bill is paid. This way we'll not be racking our brains, and can have an audit without the place being torn down.

The person doing the audit should do it on the spot, on our premises. Do not part with folders and records.

All correspondence relating to a firm or person and all data on that person is kept in the same folder. There are no 'Business Files'.

L. RON HUBBARD

LRH:esc.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 MAY 1964

Sthil
Cen 4 copies
to each Org

ACCOUNTS
POLICIES

There are two sections to the Accounts Department. One is the income Section.

The other is the Disbursement Section.

THE INCOME SECTION

The income Section invoices all monies received on the appropriate machines and designates what each amount is for. Sums received in one cheque for two or more services are made into two or more invoices.

A copy goes to the appropriate service unit in the Organization delivering the service being paid for. Another copy goes to the customer's folder in Central Files. Another is retained by accounts for the weekly summary. The original goes to the customer as a receipt. Invoices must be very legible and complete.

The money goes to the bank each week. The bank receipts, a copy of every invoice for the week and appropriate addition tapes for each type of purchase, are all packaged together and submitted weekly to the Treasurer, Mrs Hubbard, for review, or in other Orgs to the financial manager.

The accounts week closes at 2.00 p.m. Thursday, at which time a new accounts week begins.

The Income Section also posts all receipts in ledgers starting January 1, 1964, one for each company concerned.

The income Section also furnishes breakdowns of income of various types when required.

The Income Section keeps a firm record of every debtor and a file on each debtor. These files are kept up to date and contain the full picture of what we are owed by everyone in detail. All related correspondence is filed in the income Files.

The Income Section sends out monthly formal statements to each debtor. On those who are consistently delinquent the Income Section originates collection letters and also reports the full details to the Treasurer, Mrs Hubbard, or in other Organizations to the financial manager, for review and additional action. It is the purpose of the income Section to permit no past due accounts.

Any sums owing in any other department such as the Book Department is the business of the Income Section and comes under its recording and collection function.

Any legal action for collection is undertaken by the Income Section.

ALL receipts are banked. No cash may be used before being banked.

Prompt invoicing to facilitate shipment within the working day, accurate receipt and recording of all sums owing, safe banking and safeguarding sums until banked, rapid and urgent collection and accurate and prompt reporting to the Treasurer, or in other orgs to the financial manager, summate the main functions of the Income Section.

THE DISBURSEMENT SECTION

The Disbursement Section is responsible for the payment and recording of all sums owed.

Every creditor whether paid in cash or cheque, whether submitting a bill or not is given a folder in the Disbursement Files and all correspondence of a business nature

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with that creditor, whether Concerned with money or not comes to the Disbursement Files. There must be no separate "Business files", only the Disbursement Files. The only exception is debtor correspondence about money owed us in the income Files. It is mandatory that no other "business file" exists in the Organization.

Disbursement never pays from a received bill alone. All bills received are first filed in the Disbursement Files. Then the file is reviewed as a whole when the time comes to pay bills. It is forbidden to short circuit this line and pay bills just as they drop into the In basket. They are filed. Then all files are reviewed once a month, summated and the result entered in a statement sheet in the file folder and on a Bills Summary Sheet. This Bills Summary Sheet is prepared on the 10th of each month and submitted with or without folders (as requested) to the Executive Director or Treasurer along with a Summary of the amounts in each bank account. When thereafter requested to do so, the Disbursement Section makes out the cheques as indicated or readies the cash. These cheques are then given to the Treasurer or in other Orgs to the financial manager, to sign and when signed are mailed or given to the creditors.

The weekly payroll cheque is drawn for signature and given to the Treasurer, or the financial manager, on Wednesday of each week and the cash received from the bank on Thursday. The payroll is made up

and paid on Friday noon, not before. Any bonuses are given at this time. The only exception is a Friday holiday.

All disbursements whether by cash or cheque or petty cash are vouchered on the Disbursement machine of the debtor company. No payment of any kind may be made without voucher. The voucher must clearly state what the payment was for.

Purchase Orders must accompany every order to Purchasing before the fact and must come to Disbursement before a bill can be paid.

Purchases made for a company without prior purchase order render the employee ordering to payment of the account from his own salary.

All contracts drawn must priorly be validated by a Purchase Order signed by the Treasurer, or in other Orgs to the financial manager. This applies to Service Contracts, contractors and all such. Utilities escape Purchase Orders by necessity but fuel oil, etc. do not. Domestic expenses (minor charge accounts such as gas) are by quota, not purchase order and are exempt so long as they remain in quota. Such quotas are set by the Executive Director or the Treasurer, or in other Orgs by the financial manager.

The Disbursement Section posts all vouchers in ledgers for the companies concerned with an appropriate breakdown of the amounts for each activity to assist in financial management. Posting is done in separate ledgers for different companies. Posting is done in periods of one week ending 2.00 p.m. Thursday to agree with the Income period. To facilitate this Disbursement voucher copies are filed as made in trays of the separate divisions of posting.

Disbursement vouchers are handled as follows:

The original to the person or firm being paid, a copy to that person or company's folder, a copy to the posting trays and copy to the weekly Income Report Envelope, the last copies being carefully

kept in numerical sequence.

The gross amount of money in each bank account, without any adjustments for cheques outstanding, is made up from the bank statements weekly and enclosed in the Income Envelope roughly for the week in question.

All bank statements are kept by and all statement-cheque reconciliations done by the Disbursement Section.

The Disbursement Section in England and Commonwealth countries may not overdraw a bank account without specific permission. Where the permission is given, let us say to £700 overdraft, the Disbursement Section may then not exceed that figure without new permission. In the United States no overdrafts are permitted.

The good credit of the companies involved or the person for whom disbursement is being made is the full responsibility of the Disbursement Section. Bills should not be carelessly left outstanding. Such bills must be called to the Treasurer's, or in other Orgs

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to the financial manager's attention and note made on the Bills Summary Sheet of how long it is overdue when it is not in the same month that the Bills Summary Sheet is for. Bank Accounts may not be overdrafted antagonizing bank managers and causing endless correspondence. The moment things appear critical and margins small, the matter must promptly be brought to the attention of the Treasurer, or in other Orgs to the attention of the financial manager. Under the heading of good credit comes remarks or comments on company affairs that threaten its credit reputation. All such observations should be made to the Treasurer in good time.

When money is advanced to anyone above their wage the matter of its collection out of wage remains the concern of the Disbursement

Section. If money is advanced to anyone or any firm, Disbursement passes the matter to the Income Division for its collection activities when the matter falls due.

SUMMARY

Procuring money is the main function of the Income Section, not merely recording it.

Safeguarding credit and solvency is the main function of the Disbursement Section, not merely spending it.

Both the Income and Disbursement Sections must keep the Treasurer and the Executive Director fully informed of the facts of procurement of money and the credit and solvency of the Companies. Financial emergencies occur only when both sections have failed to do their jobs in keeping management advised, for management can always promote income or adjust expenditures easily if given enough warning. It takes about half a year for competent management to recover from a bad imbalance of income and outgo. It takes as long as a year and a half for competent management to recover from a real financial emergency.

Solvency is only that condition where Income exceeds Outgo. Insolvency is only that condition where Outgo exceeds income.

With the Income Section making sure the income is coming in and the Disbursement Section making sure that it isn't going out faster than it is coming in, and with both sections keeping management advised of fluctuations, solvency becomes possible. And jobs for people exist only where solvency is maintained.

(Note: The Treasurer or the Executive Director may, as in London which is near to hand, direct that all an organization's cheques be signed only by the Treasurer at Saint Hill. Especially in cases where insolvency seems chronic and not mending, regardless of distance or inconvenience envisioned, the Treasurer may direct that

no cheques may be signed except by the Treasurer and all other cheque signatories dropped from the account. In such cases all the above actions are still undertaken and the nominated financial manager in the organization receives all the reports and forwards only those portions required to the Treasurer with the cheques ready for signature in ample time to be airmailed in return. This action has uniformly resulted in returned solvency for the organization. Such an action changes none of the above except as noted here. LRH)

(Note: in small organizations both Income and Disbursement sections are handled by one person, but if so each section has its complete files and functions just as above. LRH)

L. RON HUBBARD

LRH:dr.cden

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 MAY 1964

Sthil CenO 4

copies to each

Org

ACCOUNTS POLICIES

(Addenda to HCO Policy Letter of May 6, 1964)

At end of first paragraph in the INCOME SECTION, add: TOTALS ON ALL Invoices are to be shown in STERLING.

At line 5 (under INCOME SECTION) add: OR TO Business Files if the Invoice shows a debit or credit.

Between second and third paragraphs (under INCOME SECTION) add:
If a student has a debit or credit at St Hill, his or her file must be in the Business Files, NOT in CF, and CF must be informed of the fact. In such cases, where a file would normally be expected to be in CF, the fact that the folder is in Business Files must be signalled in CF by a dummy folder (i e., a BLANK PINK CARD, the same size as a file-folder, bearing only the person's name and address) being placed in the correct position in Central Files.

On page 2, third paragraph, delete "noon, not before".

At end of twelfth paragraph page 2, add: But bank statements are to be available to INCOME SECTION as necessary.

LRH:jw.oden

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Issued by: HCO WW Area Secretary for L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 JANUARY 1966

Remimeo

Exec Sec Hats

Org Division Hats

URGENT

ACCOUNTING POLICES
OF
SCIENTOLOGY
COMPANIES

(Scientology organizations long have had exact firm rules regarding accounting procedure. They are repeated here. These MUST be in use from 1 Jan 1966 forward in all organizations. If they are not, put them right back to 1I Jan 1966 so we can get a proper and swift audit in 1967.)

The Accounting policies of a Scientology Company are:

1. ALL AUDITS MUST BE DONE FROM ORIGINAL RECORDS. (No secondary books, journals or ledgers may be consulted in doing an audit and are illegal in a Scientology Company anyway.)
2. ALL SUMS RECEIVED FROM ANY SOURCE MUST BE LEGIBLY INVOICED AND BANKED. (They may not be spent before banking, not even a penny no matter the emergency.)
3. ALL SUMS DISBURSED MUST BE DISBURSED BY CHEQUE. (Even petty cash and salary sums must be drawn by cheque before being disbursed.)
4. ALL SUMS DISBURSED MUST ALSO BE DISBURSED BY LEGIBLE VOUCHER GIVING FULL DETAILS AS WELL AS CHEQUE GIVING FULL DATA. (Wages for each person must have a disbursement voucher for that person and signed by that person. Every cheque also has a voucher. A voucher is like an invoice, same machine.)
5. WEEKLY INCOME INVOICE MACHINE COPIES WITH A CARBON COPY OF THE BANK DEPOSIT SLIP FOR THAT WEEK AND A TAPE OF THE INVOICES ADDING THEM MUST BE PLACED IN AN ENVELOPE AND DATED AND CAREFULLY FILED. (This gives a complete record of bankings for the year by week.)

6. ALL BILLS MUST BE FILED WHEN RECEIVED IN A FOLDER FOR EACH COMPANY AND THE FOLDER SUMMARIZED BEFORE THE BILL IS PAID. (Bills may not be paid merely by reason of receipt in mail or before filing.)

7, EVERY MONTH ALL BILLS OWING ARE LISTED ON A MIMEO FORM AND PRESENTED TO THE SIGNING EXECUTIVES WITH A LIST OF MONIES IN THE BANK AND PLANNED FOR PAYMENT BEFORE ANY CHEQUES MAY BE WRITTEN OR SIGNED.

8. EVERY PERSON OWING ORG MONEY HAS A COLLECTION FOLDER INTO WHICH COPIES OF INVOICES OF ALL PAYMENTS MADE ARE FILED, THE FOLDER TO INCLUDE COPIES OF ALL CONTRACTS AND NOTES.

9. COLLECTION FOLDERS ARE SUMMARIZED MONTHLY AND STATEMENTS ARE SENT OUT MONTHLY TO DEBTORS. (Any bill written off for tax is still billed to the debtor monthly.)

10. ALL PERSONS OWNING MEMBERSHIPS FREE OR PAID ARE RECORDED IN ACCOUNTS AND BILLED 30 DAYS BEFORE MEMBERSHIP, FREE OR PAID, EXPIRES.

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11. ACCOUNTS ORIGINAL RECORDS AS ABOVE MUST BE SENT TO WORLDWIDE EVERY QUARTER FOR AUDIT AND PREPARATION OF BALANCE SHEETS AND TAX RETURNS.

12. BANK STATEMENTS MUST BE RECONCILED (COMPARED TO DEPOSITS AND VOUCHERS) WHEN RECEIVED. (TO KEEP THE BANK FROM MAKING ERRORS.)

13. CHEQUES WHEN CLEARED AND BACK FROM BANK MUST BE TAPED IN TO ORIGINAL CHEQUE BOOK ONTO THEIR STUBS (COUNTERFOILS).

14. EVERY PERSON TO WHOM A SALARY IS PAID HAS A FILE FOLDER INTO WHICH ALL HIS PAPERS, CONTRACT, DEBTS TO ORG AND VOUCHER SHOWING EACH AMOUNT RECEIVED ARE FILED WEEKLY.

There is a peg board system of separating the weekly invoices and vouchers into categories of income and expense. This refinement is described in earlier policy.

If you have any other accounting system in operation, it is contrary to company policy which is based on the above only.

As Executive Director will not sign any balance sheet or return not taken from the original records. Balance sheets or statements of affairs based on secondary ledgers and journals or double entry systems or punched card computer systems or any "books". The law requires that accurate records be kept. This does not mean ledgers and double entry and such are not required by law anywhere in the world.

Accounting is no mystery. When it becomes so by complex systems executives cannot manage their companies and they go broke.

The introduction of complex accounting contrary to policy is a suppressive act on laymen.

Scientologists with little or no accounting experience can run the above system and interpret it easily.

The decline of more than one Scientology organization can be traced to violations of the above accounting policies. Executives could not manage the company when intimidated by mysterious complex accounting. Accounting cost more than the company could afford. The field ARC Broke on being billed erroneously. Accounts collections were neglected and staggering sums went uncollected because they weren't billed or poorly billed due to violations of the above.

This system is a very simple one and a good one, designed for Scientology orgs and successful.

L. RON HUBBARD

LRH:ml.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 JANUARY 1966

Issue III

Remimeo

Exec Sec Hat

Org Sec Hat

All Org Div Hats

Org Div

ACCOUNTS

PROCEDURES

Minus invoices and

Vouchers

In invoicing income and in writing disbursement vouchers, all corrections are done on additional invoices or vouchers.

This makes it unnecessary to search wildly for the machine copies to correct them. The original invoices or vouchers are often already distributed when a need of correction arises.

Invoices

Instead of correcting the original write a MINUS INVOICE giving what transaction was being corrected as fully as possible.

In case of a REFUND from cash just received or a CORRECTION of amounts just received or in case of a BAD CHEQUE informed from the bank, write a MINUS INVOICE and clearly mark it so and for how much and to whom and why.

In adding the week's income these show up easily.

When separating out invoices into classes of Income for an audit these MINUS INVOICES show up clearly and are subtracted from the type of income.

Mark the invoice

MINUS

in big capital letters so nobody can miss it.

Disbursement

Vouchers

Minus disbursement vouchers are made every time a cheque is VOIDED or when a payment comes back unaccepted or when for any reason something already Disbursed is found not to be disbursed after all and must be added back.

Mark the voucher

MINUS

in Capital letters so nobody can miss it and give FULL DETAILS.

When sorting out classes of disbursement for an audit these Minus vouchers are dealt into the class of expenditure but when it is totalled, they are subtracted.

Cheque Book Assembly

Always tape your cheques coming back from the bank into the

original cheque book, onto their counterfoils.

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Never let these cheques drift loose.

When a cheque book is refilled with cancelled cheques mark on its cover:

19.... Date to Date

Corp name and place

Packet invoices

Be sure to packet the week's machine copies of the invoices unseparated in an envelope clearly marked for what week and year and what org.

Put the addition tape of the invoices with it.

Put a copy of the bank deposit slip with it.

Put another complete set of invoice copies in with it so they can be dealt into boxes for classes of income received.

That is a complete weekly packet.

File carefully.

From this a quarterly audit or a yearly audit can easily be done.

Packet Disbursement

Vouchers

Packet the monthly machine copies of disbursement vouchers unseparated and a set of loose copies in an envelope.

Mark the envelope with the year, the month and the corporation and place.

File carefully

Tallied with the taped cheque book and bank statements, this gives the material for quarterly and annual audits.

It is not hard to do if done on schedule and not all at the end of a year - heaven forbid!

Summary

If you ever had to audit original records it would make you very careful to label everything with full details at the time you know them.

And if you ever try to audit a careless accounts personnel's work, with bits missing, hell hath no fury.

Keep your records safe, complete and accurate or somebody will inevitably get into trouble which could easily have been avoided.

It's very important.

L. RON HUBBARD

LRH:ml.cden

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HCO POLICY LETTER OF 2 AUGUST 1966

Remimeo
Applies to
Exec Secs,
Secs Treasury
Div and OIC

GRAPH CHANGE

AD COUNCIL
STATISTIC

OIC will graph bills owing as a total accumulation of statements and purchases. This makes a true picture of what is currently owed.

Cash in Hand will be from reconciled bank statements.

AD COUNCIL STATISTIC

A new graph will be added to the Ad Council's statistics that shows total debt of the org including all HP, mortgages, any bonds, notes or other indebtedness whether due or not, plus the bills owing.

This graph will have a second line showing a current estimation of the org's assets and property.

[See also HCO P/L 1 July 1972 "Cash/Bills and Org Reserves", for expanded definitions of "Cash/Bills" and data on Org Reserves.]

L. RON HUBBARD

LRH:lb-r.rd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 16 OCTOBER 1969

Remimeo
HCO ES Hat
OES Hat
E/O Hat

FINANCE COURSE

VITAL ACTION

As of 1 Dec 1969 it shall thereafter be a Comm Ev offense for an OES or a Treasury Sec or a Deputy Guardian for Finance or any Div 3 member to be on post or take post without having done the Finance Course Pack starrate.

The financial survival of orgs and for all of Scientology has been threatened too many times for staff to be on Finance lines without having had this short course.

It costs orgs a fortune to have this one factor out.

SO Missionaires are alert to this.

LRH:rs.ei.kd
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L. RON HUBBARD
Founder

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 MAY 1970

Issue II

Remimeo

(Reissue of HASI Policy Letter of 1 May 1958
Financial Management)

FINANCIAL MANAGEMENT

Purpose: Makes certain the org makes money and continues in good credit.

Hat Worn By: The Assoc Sec and by his deputization, the Dir Admin. Policy comes from Assoc Sec. Execution comes from Dir Admin.

Financial Management guarantees solvency. It does not concern itself with accuracy of bills, payments or collection. This is the job of the Treasurer and by deputization, the Disbursement Clerk. For example: The order to pay "it" comes from Assoc Sec. The correctness of "it" is the task of the Treasurer and Accounting. Accounting receives the order from Assoc Sec to pay, passes the bill to Treasurer for correctness, and then Accounting pays. Assoc Sec passes an order to collect "it" to Accounting. Accounting checks with Treas as to correctness and then collects it. The cost of an item must be less than selling price. All pertinent items to cost no matter how remote are part of the cost. Using this rule, financial management prices items. He adds to cost all profit that can be made and still make the item sell. He publishes, then, an item's "price". That the price of an item is collected is the business of the Treasurer who issues proper orders concerning it.

Financial Management must now establish cost and price of all

items sold. And must adjust, for organization credit, what bills must be paid in concert with how much money there is to pay them.

LRH:sb.aap

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L. RON HUBBARD

Founder

SOLVE IT WITH SCIENTOLOGY

[Excerpt from HCO Policy Letter of 24 February 1964

Urgent - Org Programming]

If the Org slumps: Don't engage in "fund raising" or "selling postcards" or borrowing money.

Just make more income with Scientology.

It's a sign of very poor management to seek extraordinary solutions for finance outside Scientology. It has always failed.

For Orgs as for pcs "Solve it With Scientology".

Every time I myself have sought to solve finance or personnel in other ways than Scientology I have lost out. So I can tell you from experience that Org solvency lies in More Scientology, not patented combs or fund raising Barbecues.

LRH:dr.rd

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L. RON HUBBARD

[A complete copy of this Policy Letter appears in
Volume 4, page 367.]

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 2 JUNE 1959

Sec ED

one.

A COMMENT ON
FINANCE

The history of finance in Dianetics and Scientology Organizations
is an interesting

But a recent repetition of early financial history in Washington
and London must bear comment.

In 1950 and 1951 I did not have financial control of Dianetics
and Scientology organizations. I was, administratively, a
figurehead.

In less than one year from start the early HDRFs were crowded
into financial difficulties and went broke. In early 1952 I started
the first organizations I controlled, the "Office of L. Ron
Hubbard" and the HAS. Impeded badly by the HDRF credit history, I
nevertheless was able to build the HAS and its successor the HASI
into a 6 1/2 million dollar organization, fully solvent.

Now in the past few months I gave check signing and financial
concerns over to others in Washington for the FCDC and for the past
two years to London for the HASI London.

In these few months FCDC went \$19,000 into the red from a total pay up as of January 1, 1959 when I gave over. To go \$19,000 into the red and to show every sign of going deeper (while business volume remained fairly usual) took some hard work on somebody's part.

In HASI London the organization in two years of non-control went £18,000 into the red!

I am now busy making FCDC solvent and am sending Nibs over to see to it.

I have already cut the HASI London bills payable from £18,000 to £7,000 in the past 90 days. And this without even having an accounts department to help. I've also made HASI London pay me back £2,000 of the money it has owed me personally for SIX years.

In other words, we don't have many people who can handle finance smartly. That this sag was not accompanied by other slackening or increasing activities, is quite a comment.

Beside myself, only Jack Parkhouse and Julia Lewis Salmen amongst all of us have a proven record of good financing.

It might interest you how I do this trick: I disseminate like mad to lots of people and get in lots of money. I don't run up bills if I don't have money. I spend money freely only when it has been made and is in the bank. I don't worry about wasting money if I have made the money first. I never "plan for emergencies". I just make lots of money for the organization. To any financial problem I answer by making money. To any crucial organizational problem, I answer by disseminating like mad, improving service and getting in lots of money.

I answer money problems with lots of money, not with worry or sadness or impractical hope. I never count on any one source. I

always plan to get the total sum of all the money I need from each one of 3 or 4 ways or sources.

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But most important, I don't run up bills if I don't have the cash in sight to pay

I am not parasitic on the organization. I always make many times the amount I may spend on hybrid horned toads with pink ribbons for the front hall.

I do now and then throw money away when it's been made and isn't needed.

Now I've taught you many things. Let me also teach you to make tons of money for the organization. It's the one thing staffs do poorly-the making and spending of money. They can evidently spend it, they don't well make it. So let me teach you this: Disseminate like mad and make tons of money. Please? |

By the way, both DC and London went completely sour in only two functions - the buying of printing and the failure to send their magazine once a month to everybody in CF. In other words, HCO printing hat and the Department of Materiel hats were to blame for the sag.

No ruin faces us. I'm still here, still working hard, still communicating.

But by golly you better learn to do this one for yourselves: disseminate like mad and make money: don't incur a single bill until you have the cash to pay it already in the bank.

I've put DC and London on tight budgets for current expenses and have other ways to float their barks. If need be I'll pay the bills

out of my own pocket, which would be unjust, since I didn't incur in any way the more serious debts and repayments to me in both cases summed only a fraction of their total.

So get smart about money. It's only money. It's made and if you make it, you can have some. If you don't you can't: it won't be there to be had.

L. RON HUBBARD

LRH:gh.oden

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 3 JUNE 1959

CenOCon

FINANCIAL MANAGEMENT

The financial management hat of Scientology Organizations has assumed a great importance now.

Financial management is ordinarily done by the Assoc Sec. the Org Sec or the Treasurer and possibly, in some cases, the Director of Accounts, but is always under the direct responsibility of the Assoc Sec no matter who wears the hat.

It is the purpose of the hat to ensure solvency of the organization and its divisions.

This hat would be worn both in the service organization and HCO and/or in some cases for both the service organization and the HCO.

The basic principle of financial management is a simple one. income must be greater than outgo.

Amongst the principles of financial management are these: One cannot spend money unless he has it. Never contract bills or debts unless the money is immediately in sight to pay for them. Calculate all predictions necessary to security. Disseminate like mad and make money rapidly.

Every organization should be on a contract and purchase budget. A certain amount of money is laid aside every week to pay salaries and current operating expenses and no debts are incurred until the money is there to pay for them or can be predicted to be there to pay for them. Any money left over is used to pay past bills and handle special projects.

The calculation of the budget is very simple. It is done as follows:

1. Take a dozen of the lowest weeks in the past year (ignore the high weeks), add up these 12 weekly incomes and then divide by 12. This gives you an average low week of income. This is then obviously a fairly safe figure on which to base a budget.

2. From this average low income week deduct 10% to HCO. From this 90% subtract 45% of it, not of the gross. From this 45% deduct 8% of the 90% figure. This gives you the amount of money now available for operating expenses of the organization, rents, utilities, supplies, equipment and other expenditures including advertising.

Example:

Average low week

Less HCO 10%

90% balance 45% (Exp
and Bldg F.)

_.08 Spec. Fund

14.40

We can see from this that our total available budget must now cover rents, purchases, time payments, hire-purchase, utilities, supplies, equipment, paper, printing, the whole works.

Total available for budget: æ66.12 per week. In calculating the 10% for HCO and

Exp and Bldg F.

Special Fund..

.æ200

.20

... 180

.45

. 900

720

.. 81.00 ..

14.4

æ66 .6

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the 8% for the Special Fund, one takes these, of course, from the actual gross. The figures above show the portion which comes from the budget figure in order to establish the budget. After the budget is once calculated it is adhered to. The æ66 above is the actual figure. It is not recalculated. It is spent for all expenses. HCO 10%, Salary Sum, 8% for special Fund ail come out of the actual weekly income entire and are transferred at once to

proper accounts.

The way HASI London got into trouble was to have an authorized buying and contracting at every hand without regard to income and the way it tried to stay out of trouble, rather laughably but serious enough in the long run, was to only pay as many bills as they had money in the expense sum. This, of course, was an idiotic procedure. The control point must be on purchasing and contracting not on paying bills. As a result of this policy when I returned to financial management overall at a board level and put a financial management hat into the organization we had £18,000 of unpaid bills, which were so secret that no record was even kept of them by the Accounts department. They were evidently waste-basketed. One of the methods used to 'follow the comm lines' was after a purchase was made, the goods delivered, a purchase order would be hastily made out so as to "make the records complete". Accounts not being able to pay the bill would then file it carefully in some mouse-hole and not advise anybody about it.

The point of entrance of financial management then is the regulation of purchase and contract and the severe calculation of and precise ordering of all supplies and the careful calculation of future rents.

Here we are not fooling. We must run within our income or we won't have any organization at all.

What happens to the money which is left after we have spent our budget? We can do several things with it, but the best thing is to take this money periodically and bring the organization up to snuff with equipment and supplies to the degree that we have actual cash with which to pay for them, and not to buy one more paper-clip than we can buy with cash. Furthermore this money can be utilized for wide advertising programs and other things which we so desperately need. But unless we budget ourselves within an income and only spend money that we have and not contract for expenditures of money that we do not have and cannot expect to have we won't survive very

long.

Therefore, the fundamental of financial management is guaranteeing the survival of the organization within the economic framework of the society.

However, financial management must also be real. If it has a £66.0.0 a week budget for the expenditure of the organization on current bills, rents, etc. it must spend it and not try to chip down on its actual budget. It counts on high weeks to simply provide extra funds which will be needed probably semi-annually to buy the things the organization has been out of for a long time or to engage in special projects desperately needed for dissemination.

Running 8-c on money is very difficult to do, I am told. I personally have never found it so but many people have.

If the organization is only permitted to spend a certain amount of money it has a prediction and there is no question about it. Salary sum varies. All other sums for transfers, of course, come out of the main account but the budget sum must cover all the expenses, rents, equipment and other things of the organization.

It is up to a financial manager to be very, very, very tough and to learn how to say no, no, no, no. In fact, it would be a very good thing if he stood in front of a mirror for ten or fifteen minutes a day saying "no". This would be an excellent drill.

It is very important to this hat to be handled at once and it would be enforced ruthlessly, otherwise we are going to continue to run into financial jams and never have enough money to do any broad advertising in the London "Times" and "Saturday Evening Post" or anything else. Besides which, we won't even be there to do it.

The budget of Washington and London have already been set by Sec ED and is not to be changed. Other organizations should set up their own budget as above.

LRH:mp.rd
4th Jun 59

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 JULY 1959

CenO HCO Sec for seeing
it gets back to HCO WW

ACCOUNTS INSPECTION

All Assn Secs and Org Secs should inspect their Accts Dept and
answer the

Dir of Accounts - Do you have one?

Are you confident of his or her responsibility with money?_
records?

Do you have the following:

1. Current Bills book where all bills due and all sums paid on
them are recorded? is it up to date?

2. Statements Book where all accounts receivable are entered?

3. Business Files where all business papers, statements, and
bills are entered?

4. Mimeographed sheets which assist breakdown into prop income? _

Are you doing the following?

(a) Sending out statements to all debtors monthly? accurate?

(b) Suing all delinquents?

(c) Reassuring all past due creditors by letter avowing their account routinely?

Do you receive:

I (a) A report on Monday showing income of past week?_

I (b) A report on Tuesday so you can OK payroll person by person in org?_

I (c) A weekly summary of bills to be paid?

I (d) A weekly summary of notes to be collected?

NOTE: You realize of course that all monies received by an organization must be invoiced and banked without being touched and that all disbursements must be by cheque. Is this being done?

The most trouble the old HASI had was financial. Nearly all of it stemmed from carelessness in the Accounts section (extravagant purchase, bad collections, poor records). Insolvency was not the fault of PRr but of accounts.

As we enter into a new status let us be sure we leave the old turmoil behind us.

Please make your inspection and report. Then report again when you have remedied any omissions or negative answers.

LRH:brb.cden

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L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 JANUARY 1965

International
Board Members
Sthil Executives

FINANCIAL MANAGEMENT
BUILDING FUND ACCOUNT

Effective June 1, 1965, no rents, cleaning bills or any other
actual expense
sum bills may
be expended from the Building Fund Account.

Such sums must be paid from the Expense Sum.

The weekly proportion of income owing to the Building Fund
Account must be paid
into
it weekly and may not be withheld.

SIGNATORIES

Account.

The Chairman Secretary and Treasurer are the signatories for the

Building Fund

Only international Board Members may sign on the Building Fund Account. There may be no local or national signatories.

PRIMARY PURPOSE OF BUILDING FUND

The purpose of this account is to provide a cushion by which an organization which is becoming insolvent may be salvaged.

The following steps should be taken by the International Board in event of the threatened insolvency of a local org:

(a) Remove its Organization or Association Secretary by transfer to lower post or, in flagrant cases, dismissal; and

(b) Use the Building Fund Account to prevent the organization's collapse until a new Association/Organization Secretary can be found and the newly appointed Organization/Association Secretary can get things going; or

(c) Pay the expense involved in sending a Board representative to the area to investigate its activities but only when these show no signs of being mended locally.

SECONDARY PURPOSE

The secondary purpose of the Building Fund is to purchase property, but when this is done, the purchase must be for cash or, if any mortgage is involved, all further payments than the initial payment must be made from the Expense Sum.

THIRD PURPOSE

Building Fund monies, being under the control of only the

International Board, may also be used for other Board purposes without local consultation. These include research projects or experimental dissemination projects in the local area, or research on an international basis.

FOURTH PURPOSE

The repayment of loans made by the International Board to an area may be repaid to the International Board from the Building Fund, but only on arrangements originated by the International Board.

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FIFTH PURPOSE

Finance of International Board projects may be obtained by the international Board by simple withdrawal of funds from the local Building Fund Accounts without permission or consultation with area or national officers or their accounts units; these, however, must be informed of the withdrawals.

CURRENCY REGULATIONS

Where the 10% of the gross income may not be paid to the International Area weekly by reason of local currency regulations, an additional bank account must be set up locally to receive them and the 10% must be paid weekly into that account.

This account is to be called the HASI INTERNATIONAL ADMINISTRATIVE ACCOUNT.

Only International Board Members may be signatories on the HASI INTERNATIONAL ADMINISTRATIVE ACCOUNT.

Funds so deposited may be handled in any way the International Board chooses and are in no way the property of the local area organization.

THIS POLICY ALSO APPLIES TO FRANCHISE HOLDERS. Any "inability to transfer funds to the International Organization by reason of Currency Restrictions" are handled in the above fashion always.

DEMANDS FOR FUNDS

As in my experience an organization always spends all it makes, financial management on an International level consists not of carefully balancing income above outgo in an effort to save a surplus in an organization, but of (a) preventing an org from spending more than it makes and (b) setting aside enough money from its income to care for salvage operations and salvage expenses.

Part (a) is done by good financial supervision.

Part (b) is done on an International Level without any regard whatever for the protests and "financial necessities" of the org in question. An organization, whether Standard Oil or any other will always spend all it makes and try to spend more. The task is on the one hand to keep it from spending more than it makes and on the other to make some of its expenditures recoverable in cash.

Never, on an International basis, be so fatuous as to believe an organization will continue to have the difference between its income and its outgo. It will never have that. It will spend it in some way.

An avalanche of reasons it must not save money, or (same thing) why it must spend it, is routine and is to be expected. "The government will tax it", "We can't get auditing rooms" and a thousand other reasons may be advanced as to why the org must spend all its money.

Truth told, I could run any org we have on only 25 percent of the income I would promote for it and pay high wages. I have done so repeatedly. But I do it by making the org apparently spend all it

makes while actually spending the surplus in a recoverable fashion. This is the only way I have ever achieved a surplus for an org in actual practice.

Accountants deal in figures. I deal in people. Some championship chess players liken life to chess and yet can't make a go of it in life. In life the pieces think. They have impulses. So chess rules, like accountants' rules, don't apply.

Collective-think is always closer to bank-think than individual reasoning. That's because the bank is the one constant people have in common. And it's crazy. So almost any individual alive can plan better than a group will execute and certainly better than a group can plan.

Scientology groups are far superior to human groups. But the rule still applies that collective-think is always less sane than the thinking of an individual.

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In finance, which is pretty weird to begin with, collective-think is always less wise than individual reason. So a group is quite certain to behave contrary to good sense in financial matters. This factor, far more than accounts balance sheets, must be given attention. A group, poorly supervised as in a government, will usually try to spend more than it makes. Heavy supervision and economy can prevent this. Only the physical removal of money can achieve a surplus.

INCOME POTENTIAL

The income potential of any usual group is established by the demand for income, not by any other important factor.

In financial supervision on an International basis, this is the only factor one works with. While it is reasonable to suppose that

income will occur for other reasons and can be achieved in other ways, the actual fact is that only demand by the group produces any income at all.

You can, for use in financial supervision, make the requirement almost anything you like and so long as a group believes it is spending all it makes and needs more, you will have adequate income.

For practical purposes, no other rules apply.

Scientology orgs have always spent all I would make for them. They have adjusted their "need" to how much could be made. In supervision of their finance it is only necessary to reverse this and they adjust their income to their "needs".

When a surplus is made part of the "need" by disguised outgo, a surplus occurs. Only then will it occur. It will not happen otherwise.

You can waste 15% of an organization's income to obtain a 5% surplus and it will be a wise action. If you seek a surplus by trying to save the 15% instead in a visible way, you will not only lose the 15% but the 5% also.

You can only attain a financial cushion in an org by removing it out of reach so that it appears to be spent, then producing it when the org overspends or gets in trouble.

Orgs, like children, are fantastically improvident. And a group, to work, must believe it is spending all it makes.

Money, to begin with, is only an abstract idea. Therefore it is the victim of all manner of thoughts and opinions.

All we want out of an org is for it to stay there and continue. To do that we have to have financial ideas that work. Incredible as

it may seem, the above are the only practical financial ideas which have worked and which have produced surpluses and guaranteed org continuation.

Add to these good promotion and excellent technical and you have the reasons we are becoming strong all over the world.

Financial management is not accountancy. It's people. As head of an org, if you can think your way around collective-think you can become solvent and even have a surplus. Maybe it shouldn't be that way but it is.

LOCAL FINANCE

When local finance is poor, don't ever look at anything or any one but the Association or Organization Secretary. This being can either think his way around collective-think or he can't. If he can, he's got a solvent org. If he can't, he'll go broke.

An org that runs only on collective-think will go broke.

The only symptoms of approaching insolvency in an org one needs to look for are (a) demands by it for money belonging to the International Org or myself or (b) consistent low income.

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In either case, the remedy is to get somebody in charge who doesn't demand monies belonging to the International Org or myself and who gets a higher income coming in for the org. An Assn/Org Sec who can't do this is the effect of the collective-think in his org and is not the org leader or the dominant planner of the org.

At Continental or International level one must never seek for the "reason" why International or LRH monies must be used by the org or why income is consistently low. You can get reasoned to death. If these two facts exist, then there's so much else wrong, one would

go mad tabulating it.

The steps to take are:

Remove the Assn/Org Sec.

2. Put somebody in who can handle collective-think.

3. Use any local surplus to carry the org during the upsets of transition.

Experience has taught me that distant efforts to right local extreme wrongs are usually disastrous. You can right small wrongs, show the way and so on. That's only normal leadership. But when an org begins to skid financially or get upset over "its" money being used Internationally, you don't fool about. You just act.

The longer you put off acting, the more local people get hurt. Because behind those facts of poor finance are some very ugly other abuses always.

I don't want any orgs in a games condition with the International Org. For this is only a symptom of the imminent collapse of the local org anyway. It goes into a games condition only after its overts stretch from A to Zed.

You don't see the overts from a distance. You do see financial conditions and demands.

It would be impossible today for a cleanly run, on-policy, up-tech org not to own its area totally in 10 years.

Financial insolvency? What nonsense!

So financial policy is based on good individual ability heading up each org and is not based on either accounting or collective-think. Neither one will build any future for Mankind.

The reasons behind the Building Fund Account have been set forth above in full.

Good local leadership always results in good local financial credit and strength. Weak local leadership has always resulted in financial insolvency and trouble. Broad general supervision of orgs uses financial protests and upsets and trouble to detect weak leadership.

Without adequate and sensible leaders, orgs would slump into collective-think in their planning, spend more than was made and cease to exist.

We want orgs to be successful, to stay there and continue. That requires sensible financial provisions and management.

STABLE DATA

1. An org will try to spend more than it makes.
2. Economy is aimed at preventing it from spending more than it makes.
3. A surplus is achieved only by making it part of what an org spends.
4. An org's expenditures are not regulated by what the org needs in order to do business but by what an org thinks it has available for expenditure.
5. Financial management can not achieve a financial surplus by economy alone.

6. A surplus to be achieved must be made part of what an org

thinks it spends. Income is regulated by what an org thinks it has to have to operate.

8. Income is never regulated in a usual org by desires for a surplus.

9. To achieve a surplus it must be masked as a "necessary expenditure".

10. Economy, to achieve a surplus, does not include saving on expenses. It includes only adding an "expense" that becomes a surplus.

11. To achieve a surplus one must add an expense that can then thereafter convert to a surplus. One can waste up to 50% of an org's income to achieve a 10% surplus. In some cases this is the only way a surplus can be achieved. Why? See 1 and 2 above.

12. An individual is always more sensible than a group.

13. When an org is losing ground financially it is being "run?" by someone who is only the effect of the group, and cannot act as an individual in planning or control the group.

14. The only possible Board action when an org is not making its way financially is to remove the Association or Organization Secretary. The incumbent is only the effect of the group and is not planning or controlling.

15. The earlier one detects a bad Assn/Org Sec and replaces him, the better it is for the people in that area.

16. The ways to detect a bad Assn/Org Sec are:

(a) Their games condition by any part of the org with the board;

(b) Their desires to be financed by the board or use the board's

or my income to run on;

(c) Generally low income;

(d) Protests against the board using "their money".

Under these or any of them will be found an org out of control and messing people up. Therefore the quicker the board acts to replace the Assn/Org Sec. the easier the situation will be to handle and the faster the org will recover.

17. Board efforts to "straighten up an area" without replacing the local head have never been successful in 14 years. If let go too long under incompetent management an org's recovery requires heroic efforts and vast financial expenditure by the International Org.

18. Bad local publicity and trouble always follows after #16 to the degree that the Board d d not act.

19. Financial management as contained in this policy letter, closely followed, will prevent almost all trouble and org upsets, not just in finance but in all other areas.

L. RON HUBBARD

LRH:jw.rd

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HCO POLICY LETTER OF 19 JANUARY 1965

Gen Non-Remimeo
Saint Hill Executives
Board Members

FINANCE - ORG ACCOUNTS

BUILDING FUND ACCOUNT

Effective June 1, 1965, no rents, cleaning bills or any other actual expense sum bill may be expended from the Building Fund Account.

Such sums must henceforth be paid from the Expense Sum.

The weekly proportion of income owing to the Building Fund Account must be paid into that account weekly and may not be withheld from it for any reason.

SIGNATORIES

International Board Members only may be signatories on any Building Fund Account - to wit: the Chairman, the Secretary and the Treasurer at international Headquarters. No other signatures may be designated for this account.

One signature only as above suffices to withdraw monies.

TAX POSITION

The Building Fund monies, once deposited, cease to be the property or concern of the local organizations and are not part of their assets.

Any tax on Building Fund sums are to be paid from the Building Fund but only by the international Board.

These sums are to be regarded as part of the cost of international Management. The regular paid 10% of gross income is not affected by this arrangement and continues to be paid.

USE OF BUILDING FUND

follows:

Entirely at the discretion of the International Board, the sums may be used as

1. When an organization's income is low or the organization is in danger of insolvency, the International Board may bridge the financial gap between the inevitable removal of the old Association or Organization Secretary and the appointment of his or her replacement.

2. When serious trouble develops which local officers seem unable to handle, the International Board may use the Building Fund monies of that or a nearby org to send a representative to handle the situation.

3. Wholly at the discretion of the International Board, Building Fund monies may be expended by the International Board to purchase property. If such property is bought for cash the whole of the purchase price, if available, may be paid from the Building Fund. But in case of a down payment and mortgage, the mortgage of a building used by a Central Organization or City Office, must be paid off from the Expense Sum, as it replaces rent payments which would otherwise be made.

4. Building Fund monies may be expended by the international Board or transferred without any consultation with the local organization. Such purposes include local dissemination or local experimental projects, local collection of data, International Research, and any other purpose.

5. The repayment of loans made before January 1, 1965, by the International organization or its board members, may be done by the International Board from the Building Fund. Bills owing to the international Organization before January 1, 1965, may be collected from the Building Fund Account by international Board action.

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SUMMARY

Greatly increased local income makes it possible to return to the original plan and use of the Building Fund Account.

It should be realized that this account was made available to the local organizations some years ago to bridge the research gap now traversed. The actual action here is simply restoring some of the status quo extant a few years ago, signaling the end of an emergency assistance period.

As early as 1957, orgs commonly had surpluses while paying 25% of their income into a separate account and this money was never touched for local activities. I permitted after this rents to be paid from the Building Fund and some other expenses to expedite org growth and to ease the research gap until processes stabilized.

It should also be noted that the above arrangements permit an org to catch up on past debts for 10%^s, books, tapes (but not Saint Hill student enrollment or expenses) owing to the International Org.

STARTING THE ACCOUNT

Most such accounts are already started.

For a new org to start one it is only necessary to obtain the usual papers and cards from a nearby bank and send them to Saint

Hill.

The Treasurer at Saint Hill completes them and returns them direct to the bank and also informs the org of the fact.

A cheque book must be requested of and received from the bank by Saint Hill. All relevant papers and the cheque book are made part of the Treasurer's Files.

Such accounts do not become the concern of either the International Org Sec or the Saint Hill Accounts Unit.

ACCOUNTING

Deposit slips noting deposits into the Building Fund Account of a local org are sent to the Board Treasurer at Saint Hill directly along with weekly reports.

These slips are not invoiced by Saint Hill Accounts as the monies are not actually received at Saint Hill.

They are invoiced by the Treasurer on a separate machine and the white is returned to the org by usual channels.

All bank statements on such local accounts are directed to be sent only to the Treasurer.

The Treasurer's Files contain, then, a file book for each org with its sections chronologically marked into which the basic papers, the bank statements, the copies of the invoices, the cheque book and all correspondence and activities relating to that account are carefully kept in order and up to date.

At the org, a routine file for the white slips and deposit slip copies is kept. into this file the local accounts unit also places its disbursement voucher for each deposit into the Building Fund Account. Note that the local org makes out a disbursement. voucher

for all deposits into the Building Fund Account, treating the money as expended. A copy of this voucher accompanies the deposit slip to Saint Hill.

All correspondence with an org relating to the Building Fund Account goes only to the Treasurer and is not handled by the international Org Supervisor or Saint Hill Accounts.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 JANUARY 1965

Remimeo
Int Bd Members
Cont Dirs
HCO Cont Secs
Org/Assn Secs
HCO Secs
Accts Units

ACCOUNTS HATS FINANCE
HOW TO MAINTAIN CREDIT STANDING &
SOLVENCY

(Hat check on Org/Assn Secs and Accts Assistants)

Credit does not entirely deal with money. It has everything to do

with confidence and reliability.

When the world saw a recently elected government act foolishly with customs dues, etc. it had no confidence in that government and the currency of that government went to pieces on the world market.

Money is basically a matter of confidence. So is credit.

An accounts unit that handles money poorly wrecks the org's credit rating. Insolvency is much less often the source of poor credit than just poor money handling.

Almost all our orgs have good credit. But where they don't it is money handling, not the amount of money available, that wrecks credit.

An Assn/Org Sec who handles bills in a certain way has good org credit. One who doesn't has bad credit.

To try to assign credit to the amount of money available is completely false.

You can have lots of money and horrible credit. You can have little money and excellent credit. So saying "our income has been poor so our credit is bad" is a lie.

The business world judges Scientology not on its scientific validity but on its financial credit rating. If the org's credit is good, then "Scientology is okay". If your credit is bad, "Scientology is a racket", in business general opinion.

Melbourne's financial credit went bad before its general reputation earned it an Enquiry.

Good credit is a primary dissemination line. It breeds confidence. You can't have bad credit and still be thought of as a valid science.

So financial management must help general dissemination by maintaining good credit.

A bad credit rating comes from negligence in Accounts, not from the lack of industry of the Registrar.

To begin with, an org has no business spending more than it makes. To do so shows stupidity in management and accounts, lack of a purchase order system and a general beatnik state of organization.

Make all the money you can. Spend less than that. That's the simple ABC of financial control.

Make sure all the income is accounted for and banked.

Make sure no unauthorized purchases can be made by executives or staff by requiring an authority to purchase or contract from the head of the org before any purchase can be made or contract signed. Sure that's slow. Who wants it fast? The slower it is, the less you spend.

You want speed on the income line. The disbursement line is something else.

So never listen to somebody saying "But it takes so long to get a purchase order that I just bought it ---". Yawn and say, "You bought it without authorization. You can pay for it personally." Never let your Purchase Order system break down. If you do you will soon be spending more than you make. Fact. No exceptions.

A company to most people is something to bleed. They never realize that a company can only spend what it makes and that what

it has is made by individuals. So if you have somebody around who is always saying "the org will pay or should pay", point out that the org is its staff's collective pocket book and that that pocket book has a bottom.

SOLVENCY

You sometimes hear around an org a wave of "we're broke" when spending is restrained. This hurts credit. For it's not true. Economy is not a sign of being broke. It's a sign of increasing prosperity. Without curtailed and watched spending you never have prosperity.

So don't tell everybody "We can't buy it because we're broke". That's a lazy, dull reason. A better one is, "We can't buy it because we don't need it", and is usually the truth. "We have a P.O. system because we want to prosper" is the real reason you have one.

Make lots of money. Spend it frugally.

So it gives a tax problem. So what? Your accountants should be capable of avoiding tax problems. Whether you do or don't have money you will always have a tax problem because governments are crazy. The way to solve tax problems is to have money, not to be broke.

Taxes exist only to destroy businesses. Be impudent. Get rich and to hell with them. Governments are just a reactive bank we have to live with for a while. Learn to handle them. But not by refusing to make money or have it.

But solvency depends on how you handle things, not on how much you have. Micawber, in "David Copperfield", said that if you had twenty-one shillings and spent a pound, you had happiness. But that if you had nineteen shillings and spent a pound, you had misery! A pound being twenty shillings, that's all there is to solvency.

If you have to spend a million dollars, then you better make one million one hundred thousand first. And then make sure you don't spend one million two hundred thousand.

The secret of solvency is:

Make a lot of money. The way to do that in Scientology is covered in HCO Policy Letter of January 21, 1965 - "Promotion and Organization"

2. Spend less than you make. That's covered by having a good P.O. system and alert financial management.

3. Make it before you have to spend it.

4. Gather bit by bit a cushion of cash to fall back on and don't ever fall back on it.

5. Keep your credit excellent as a second cushion.

6. Refuse to spend reserves. Make more money to meet the emergency instead. (It's usually quicker to make it than to dig it out of old hiding places. Never borrow to pay bills It's less trouble just to make the money)

7. Realize that collective-thought regarding finance is just bank and that bank is dead against the creation of anything good and all for eating up everything that exists. Thus financial planning and control is an individual job, is often contrary to group demands and succeeds only when the individual handling it can rise superior to the group. A tame dog financial manager, trailing along behind the group, yessing everything, will always make the group insolvent. The person you put in charge of financial management should be able to say "No!" no matter how popular a silly "Yes" would be. The financial manager is not there to buy his own popularity with org funds.

In the early years of Scientology, my whole answer to org solvency was just to make a lot more money than people could waste. It's a good answer, lacking all others. When I finally attained control of orgs, I was able also to curtail the waste while making lots of money and we've been pretty solvent ever since. The principles I used to achieve and continue this state of solvency are accurately and completely listed in 1 to 7 above.

CREDIT

When you realize FINANCIAL CREDIT is vital in dissemination, you become very interested in what it is. As I said above, this is confidence.

Given some degree of solvency, you still do not have a good credit rating. That is achieved by HOW YOU PAY BILLS.

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This is the one big point that is vital to know thoroughly in this policy letter.

If an Association or Organization Secretary and the Accounts Assistant does not know exactly this data, the org will have bad credit and financial trouble, no matter how much they make.

There is an exact way to pay bills.

This is to pay the bills up to a certain date always. It is called "Paying by dateline".

Never "pay a little bit on each bill" to save money or help cover a lean period. That will never help. On the contrary, it advertises your lean period and hurts your credit.

Instead, always, lean or fat, pay all the bills behind a certain

date and none closer to PT than that date.

That's why we have the type of disbursement system we have. So you can do this trick. If your disbursement system and its files are not up to the mark and are sloppy, you will always have bad credit because they can't then do this trick of Dateline Paying.

Look to the inefficient accounts unit and the lack of this bill-paying system if your local credit is poor. Don't go off into income-outgo. Just demand that our general accounts system be followed and that Disbursement Files are up to date.

If you find an accounts personnel giving financial management the razz-ma-tazz about why it can't have good disbursement files and if this bills-paying schedule is always being violated, assume at once that that personnel is overtly wrecking the org's credit and get him or her away from that post and get somebody in who will follow our system accurately and help pay bills only by dateline.

You can have six months worth of unpaid bills in some areas of the world and still have a good credit rating providing you do not have one bill that is ten months unpaid.

Never "pay bills" any old way. A financial manager should always refuse to pay bills one at a time on different days, or when accounts submits a check.

Tell Accounts "Give me every bill we owe prior to August (three months ago)." Add these up. Let's say the amount exceeds our cash. Cut it back one month. Order "Write cheques for every bill up to July 1." (That's four months back.) That we can cover fully with cash. We pay all bills up to July 1. We demand of Accounts "Are you very very very very sure that no bills dated prior to July 1 now exist?" If the answer is "None exist", okay. But if we find out next week that one existed for April 1 that wasn't included, we overhaul the unit as destructive of credit.

Business men handle their books by bills owed month by month, not by total sums owed. When a Check comes in paying his July 1 bill, then it's plain you're paying your bills. If you send a small sum hopefully to "stave them off" they can't dismiss any one statement with it and so get panicky. It looks like you aren't paying your bills.

After you've paid all bills older than 4 months, get busy and make money. In 30 days, request of accounts "all bills up to 15 August". Let's say we find that we have cash to cover. We say "Pay all bills up to August 15". Now we're only 3 1/2 months behind.

A month hence we pay "All bills up to Oct 1." Now we're only 3 months behind.

If you get some eager beaver into finance who doesn't use or understand how to do this, you can suddenly look up and find that you thought you were doing all right but you're broke. The eager beaver paid randomly anything in the files he or she came across "in order to pay our bills". We aren't interested in bills as bills. We're interested in "all bills earlier than a given date".

You can go pretty smash on an eager-beaver bills-paying spree with no regard to the age of each bill.

Only pay by this system: PAY EVERYTHING UP TO A DATE ALWAYS and no further.

And get a new Accounts Unit if Disbursement Files aren't accurately kept so financial management can do this.

EXCEPTIONS

Government tax bills, water bills, occasionally rent or 'phone are sometimes accompanied by threats of vast action unless the whole bill is paid instantly. Still try to

use the above system. But if you can't, pay it and retard other bills accordingly. And thereafter, don't pay that outfit's bill on any other terms than threatened trouble.

If a tradesman, despite the use of the above system, demands further payment or threatens suit, caution him that if he carries on this way you'll deal elsewhere. And carry out the threat. Never continue to use a private business firm after they become obnoxious about bills. Trade elsewhere. And say why.

If you're using the above dateline system and a tradesman gets upset, then he is gypping you or he has too little finance to handle your account, so stop trading with him. Always make that an iron-bound policy. Be very proud and haughty about bills. Never propitiate.

So the points here that are important are:

1. Pay by dateline only and pay all up to that dateline. Put the dateline far enough back so you can pay all up to that date.
2. Have an Accounts Unit that can do this and change one that flunks it.

And that handles the whole of credit rating.

Simple?

OUR SYSTEM

The other day two high-g geared chartered accountants were giving me a lot of stuff about how I needed a double entry system and that the existing system was wrong.

They said, "We can tell you 21 days after the 30th of the month where you stood in that past month using our double entry system."

I said, "The system we have to have must tell us four days after the past week exactly where I stand. We operate in the 20th Century, not the 19th."

They said, "But your system is wrong."

I said, "In a double entry system, you need each bit we have, don't you? Invoice all the money, bank it, reconcile the deposits with the slips and statements, file all the bills, verify them, pay them by cheque and voucher and keep all records."

They looked at each other and were very quiet. "Yes, that's correct," they said.

I said, "All right, that's our system. Now you can do anything you like with that system from there on, so long as you don't prevent us from knowing where we stand four days after the past week and don't bar out a non-accountant from discovering what's what in the Accounts Unit. Now go ahead and on our system erect any system you like. No government requires anyone to have books. They only require records. But books, if they help, should also be kept made up from our records." They agreed.

So if you are getting propaganda about how our system is inadequate as a reason not to operate and have accounts, get somebody in who can make it work. For our system is the basis of every other system and if it's in order and done, you can have books. If it isn't in order, no books can be kept by any system.

So we don't care what accountants do with our basic system so long as we still at least have that. On that, any type of books can be erected or any balance sheet made.

If you have the basic data you can add it up.

If your accounts unit can't add up whatever you need then our system is not kept up and no system would work in that unit. Where there is Accounts trouble there is:

1. Non-comprehension of our basic system as the basic of any accounts system,

2. Nothing being done.

Get our system in so you know where you are with cash and bills.

Manage by paying all bills up to a specific dateline only.

Advance the dateline as you can cover all with your cash and make lots of money so you can advance it further toward PT. Practise economy so you can advance it even closer.

Continue to do that and you'll always have a good credit rating.

We have a lot of fine accounts units. They do a good job. They can handle this if they understand it. It's your job now to get it understood and done.

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HCO POLICY LETTER OF 2 MARCH 1965

Remimeo
Int Bd Members
Cont Dirs
HCO Cont Secs
All Accts Executives

FINANCIAL MANAGEMENT

(ACCOUNTS HATS)

(Ref: HCO Pol Ltr Jan 28, 1965)

PURCHASE ORDER FILING

All Purchase Orders must be filed in the folders of companies from whom material is ordered regularly or in the Unpaid bills file immediately the purchase is made.

There may be no additional "Purchase Order File" which retains original POs.

When making up the monthly bills statement the Accounts Unit must examine folders for POs outstanding not covered by statements and report these on the monthly bills statement to the financial manager.

Failure to so check lays us open to error in dateline paying of bills. An account from a company that is sloppy in sending statements can suddenly emerge from a period earlier than the dateline set and mess up our paying of other bills.

For instance, you confidently pay all bills up to, say, September, only three months earlier than current. Two weeks later Accounts tells you that you owe another \$5,000 back from summer. You have to back up the dateline to handle them. There is nothing wrong with backing up the dateline. But there is everything wrong with having \$5,000 more bills than you bargained for. it's a nasty shock and oversets all financial planning and estimates of the

state of the org.

The way this can happen is that two or three companies have never submitted statements for work done and accounts didn't see the bills were missing. Then said companies submit bills and bang, there goes financial management.

We care nothing for the interest the money would draw if we didn't pay until a statement was sent. We do owe the money and it is better to pay it. That they sent a statement five months late is no advantage to us. Actually it's a mess up.

So keep all POs in the proper files so you can also check them for appearance and in lack of appearance on the statements we get. Don't be hopeful such firms will forget. They never do. They just jump up suddenly and scream for money right when you think you're going great. Their failure to send statements will get them into a financial mess which they then solve by frantic demands for money.

Try not to deal with such firms as they have pretty lousy managers and will mess us up by slow delivery and all.

But even so, look for big POs particularly that don't appear on statements yet before you feel secure that your monthly bills summary for financial management is "all there is up to September". Otherwise you put our credit at risk and wreck all efforts to estimate the condition the org is in.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 4 MARCH 1965

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ACCOUNTS HATS
RESERVED PAYMENT ACCOUNT

All organizations must start, . as an additional bank account, a Reserved Payment Account with signatories the same as other routine org accounts.

The Reserved Payment Account, as its name indicates, is money set aside for a certain destination but not yet sent.

PURPOSE OF THE RESERVED PAYMENT ACCOUNT: To prevent a false idea of the financial position of the org from occurring by providing a place where money awaiting disbursement can be placed before it is actually paid out, thus removing it from the general accounts and estimates of financial position of an org.

QUESTIONED BILLS: Anytime a bill is in question, it is not paid to the creditor until fully settled. However, dateline paying becomes very disrupted by such sums and the actual financial position of the org becomes difficult to estimate while such sums remain in its regular accounts. When a past bill prior to the dateline is being challenged and corrected, the full amount is deposited in the Reserved Payment Account. To pacify the creditor who may get the idea you are just stalling, also always send him a copy of the Reserved Payment Account Transfer Voucher, writing: "Dear Blitz & Co: Your bill is being audited for verification or correction. Meanwhile its payment is being held in our Reserved

Payment Account. If verified or corrected the amount owing to you will be paid to you from this account." The transfer voucher is clearly marked "Blitz & Co, Reserved Payment Account Transfer for March bill, being checked." Such vouchers accompany other cheques being presented to the signatories of accounts. When the actual sum is verified, that amount is then paid the creditor by a cheque from the Reserved Payment Account. For any money not paid, it is eventually returned to the regular accounts.

At times when the books are being closed for the period just past, any excess money in the Reserved Payment Account is returned to the regular accounts as a transfer or left as a saving for future purchases as directed by financial management.

TAXATION: All taxation monies which are owed governments but are not yet paid are deposited in the Reserved Payment Account and eventually paid to the government as owed. This means that where an org must pay withholding tax, PAYE and other such sums, TWO salary cheques are drawn each week, one for the staff, one for the government. The government cheque is deposited to the Reserved Payment Account. Once a month or as wise, the government is paid off to date with a Reserved Payment Account cheque or cheques amounting to the sum owed. In cases of org income tax payments, any sum estimated can be placed in the Reserved Payment Account as seems prudent, fitting the conditions of the area.

OUTSTANDING PURCHASE ORDERS: Where, on preparing a Monthly Bills Summary for dateline paying, large POs for which statements are not yet received, incurred prior to the dateline must have their amounts deposited in the Reserved Payment Account or a liberal estimate of the amount. Such large POs must not remain undetected and must be part of the dateline payment system. If a large PO exists for August but the creditor has sent no statement and the dateline being paid to is September 1, then the amount of the large PO is deposited in the Reserved Payment

Account when the other bills are paid. There it remains until a statement is submitted by the creditor.

SAVINGS: When the org desires to buy something big or expensive, it should not use time payments, hire purchase or mortgages. It should start putting money into its Reserved Payment Account and when the full sum is there, buy the item for cash, using the fact to obtain a good big discount. While the Building Fund on Building Purchases is also intended to help buy buildings outright, there is nothing wrong with also depositing available amounts of the Disbursement Sum in the Reserved Payment Account to help out.

All monies transferred to the Reserved Payment Account are made the subject of a Disbursement Voucher which clearly states why and for what the payment is being reserved for. Of course, when any amount is paid from the Reserved Payment Account another voucher is written, referring to the first one regarding the original transfer. So it is necessary that when one makes a Disbursement Voucher for transfer into the Reserved Payment Account, a copy of that voucher is spindled or put into a handy single file. Otherwise one won't be able to recall why the Reserved Payment Account has money in it and so may let it be used for something else as an apparent overflow-much to everyone's eventual embarrassment when the X bill gets straightened out and wants money to pay it.

The Reserved Payment Account is an easy system. People often handle their own personal money this way - \$20 aside for a new jacket, 515 for this week's share of the rent when it falls due. Add to this \$12.50 "for the money Bill says I borrowed and he has to find the note for" and put it all in the broken tea-pot on the top shelf and you've got the purpose and action of the account.

You can object to it on the grounds that "it ties up capital on which we pay interest in another account" etc. but frankly such small interest bits are little to pay for the security of knowing you can meet your obligations. To juggle with already committed

funds is financial Brinkmanship.

You see, by just an orderly scheduling of payments (as per dateline paying) and being prudent in setting big amounts owing but not paid aside, an org can move up to present time.

I know no other way of getting an org's finance (or a pc) to present time except by pulling off the things which hold him in the past.

An org is far more aware, and far saner if it's in Present Time. Just like preclears. Hence dateline paying and the Reserved Payment Account.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 MARCH 1965

Gen Non Remimeo

Accts & Financial

Management Hats

HCO Sec Hats

Assn/Org Sec Hat

EMERGENCIES AND ACCOUNTS

PERSONNEL

Any tendency of Accounts to use "we're poor" or "we're in an emergency" to turn down POs or explain to tradesmen why bills are not paid reverses the emergency formula (1) Promote (2) Change (3) Economize and (4) Deliver. Crying poverty is a violation of the formula, to say nothing of being a sour postulate. All you have to do to really fail in an emergency is to use the wrong sequence in the formula. If you use economy in the name of "promotion", the whole org is threatened and may collapse.

When the org is doing all right and accounts personnel falsely uses an emergency formula to turn down POs the org can be thrown into an urgency condition, since poverty, wrongly announced, brings poverty and frantic promotion becomes necessary to save credit. In the Emergency Formula the first action is Promote. This applies to the money section of the org as well. While they don't have to write letters to new applicants they do have to promote the org's credit standing both to staff and tradesmen.

Accounts and finance promotion in a time of emergency is to bolster confidence in the org's credit by putting a good face on things and encourage the staff to make more money.

For example, a politician recently destroyed his country's credit abroad by howling "economic money crisis" instead of promoting England. Saying to somebody, "You cannot have this Purchase Order because we're broke" is sometimes a social falsehood, told to escape having to tell the applicant that the Purchase Order is silly. One doesn't downgrade the org's credit to make an extravagant staff member stop blowing our money. One says, "Maybe if your department made more money, you could have this. Until your department does, you can't." It's really a matter of they are broke, not the org. If the department is doing well and still submits a wasteful Purchase Order, just say so. Say, "We aren't making money to be silly with it. We need what we make to expand, not to buy " whatever the PO calls for. The criterion of all POs is, "Is this PO for something that will increase our ability to expand or is it just somebody's got-to-have?" That's the judgement

in signing a Purchase Order as OK. Some items actually retard expansion, consuming more time to us than they save.

In the case of a tradesman demanding for a bill only slightly overdue you will usually find they have done poor work or slow work if you're at all solvent and paying your bills. Don't say, "We're too poor and we can only send you a little but we will try." If you do and anybody hears of it in the org, it may become the subject of discipline if not Committee of Evidence. Say properly, "I don't see that your bill is much overdue. It takes a bit of time to pay a bill you know. I will check over your account and see if it is all right. And by the way, people who dun us either have insufficient finance to handle our business or something is wrong with their bill. I am setting your bill aside for audit and if you call again about it, we will sever the account."

Be tough. They're probably a gyp outfit anyway. I've never found otherwise.

For a bill in actual question say, "The amount of your bill is deposited to our Reserve Payment Account and will be freed when we have finished an audit on your statement." And tell them how they can help.

If the org has foolishly let itself get deep in debt and there is little money, the surest way to make tradesmen demand full payment is to tell them how "poor" you are. They will instantly rush to serve you with suits. Just say, to tradesmen who dun, "Oh really? We'll send you a cheque." Never say how much. And stay steady with dateline paying and you'll make it. Your casual air is itself promotion. If a personnel has money trouble of his own he thinks everybody else must have. That is not true. Very few people have real money problems. So don't sell money problems. That's not promotion, that's sabotage. Sell good sense and sound finance and good credit.

Downgrading Scientology credit rating by careless or false statements concerning its financial condition is very, very, serious. And should be regarded as such.

We control an awful lot of money in Scientology. We are as rich as we promote and deliver and handle our money sensibly. To say "Scientology is broke" is very, very much a suppressive act. Bolster credit in emergencies, that's the promotion action for Accounts.

I never write a letter that concerns money without promoting our credit standing. Never. I always promote our credit. "Dear Bank Manager: Our expansion is going so rapidly that" or "Dear Blitz and Co: Demands for Scientology are such that our org wishes to buy a new Blitzet, providing we don't have to wait on delivery. We can't. Etc." Promote the org's credit. Public confidence in Scientology depends on our promoting and maintaining excellent credit everywhere, and even when you're on the ropes in emergencies, still promote our good credit. After all, we'll be around for the next trillion or more. Why not have good credit standing while we work. Credit is just an idea. Help plant it. And then make it come true.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 APRIL 1965

Issue II

Gen Non-Remimeo

Saint Hill Execs

Board Members

HCO Policy Letter of January 19, 1965 "Finance - Org Accounts"
is herewith cancelled.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 NOVEMBER 1965

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Council Hats

Org Div Hats

Executive Division

Org Division

FINANCIAL PLANNING

The Financial Planning Hat is worn by the Advisory Council.

Financial Planning means-How to handle the money and assets of an
org so as to maintain outgo below income.

The actions of Financial Planning are as follows:

1. Directing the payment of bills (as designated by the Ad
Council);

2. Directing any necessary delay in the payment of certain bills;
3. Handling finances in accordance with "dateline paying" as covered in an early policy letter;
4. Setting limits on the Purchase Orders that may be signed;
5. Preventing divisions or departments in Emergency from buying any but essential promotional supplies or postage;
6. Adjusting payrolls;
7. Setting limits on pay, overtime or bonuses and all authorizations for pay overtime or bonuses;
8. Fixing prices;
9. Directing any transfers of funds;
10. Deciding upon any large purchases;
11. Authorizing the sale of any equipment or property;
12. Passing upon prices offered for any equipment or property.

Any matter affecting the financial health of the organization has to be passed upon or planned by the Advisory Council.

LRH (Office of LRH, Financial Planning Authority) can set aside Advisory Council decisions in any Financial Planning matter whether referred to him or not.

Only large transactions or important long range decisions should be referred to the Office of LRH and then only when the Advisory Council is divided.

DISBURSEMENT SECTION

The Disbursement Section furnishes the data without which financial planning is impossible.

A short summary of the data required for financial planning is as follows:

The Disbursement Section files every bill received in the Disbursement Files.

Those bills that are repetitive are filed in folders under the company name. The one-time bills are filed in a loose folder for a single month.

The Disbursement Section has made up a Mimeographed form. This is the Monthly Bills Summary.

This form has the name of each company with which the org does business plus adequate blanks after each alphabet letter for new companies to be added.

This form has four columns. The first column is the company owed. The second column is the grand total of money owed that company. The third column is the amount that is past due. The fourth column is the month since when the bill has been past due.

All bills are filed on arrival. They are not kept out and entered. They are filed in the folders. This is important. No one must pay bills just taken from the post and save up. They are promptly filed.

Then one takes the folders one by one and makes up the Monthly Bills Summary. As each folder is taken up the bills are examined for correctness, straightened up and entered in the Monthly Bills Summary.

The way the system breaks down is to make up too many folders.

Only a repeating creditor rates a folder. One the org does business with routinely like the light company, the landlord, the paper company, etc. The occasional bills go into the folder for the month.

Each time a Monthly Bills Summary is made up, the occasional folders for past months containing unpaid bills are gone through again and added to the statement.

The Statement for one month complete, then tells one the total monies owed by the org for that month. Thus there is a statement for each month. The Monthly Bills Summary is due in the hands of the Ad Council on the second Tuesday of each month.

BANK RECONCILIATION SECTION

The Bank Reconciliation Section of the Dept of Records, Assets and Material makes up the latest bank records of monies on deposit concurrent with the Monthly Bills Summary.

This section once each month (concurrent with the Monthly Bills Summary) reconciles all bank statements, tapes all cancelled cheques on their counterfoils and in short makes certain there are no bank errors or omissions.

A Monthly Accounts Summary is then prepared showing the amount in each bank account. This too is a mimeographed form showing the names of the bank used, cheques outstanding, etc. It also carries a total sum of monies in the bank.

This form also carries a section devoted to loans outstanding that the org must pay.

This form, made out, is submitted to the Ad Council on the 2nd Tuesday of each month.

INCOME NOTE COLLECTIONS SUMMARY

THE COLLECTIONS SECTION

The Collections Section of the Department of Income submits to the Ad Council a form called the income Note Collections Summary.

This form carries an amount for cash collectible from notes (possible to collect) and a cash collectible from notes past due and the amount of notes that are, apparently uncollectible. The total is added into grand total of Credit Advanced.

It gives the total of payments received during the month past (the 1st to the last day of the month).

It gives the number of statements mailed in the month just past.

It gives the number of persons with overdue notes who have been handed over to the Director of Clearing and passed on to Field Staff Members.

It gives the number of notes to date given to lawyers for collection that remain uncollected.

This income Note Collections Summary is placed in the hands of the Advisory Council on the 2nd Tuesday of each month.

ADVISORY COUNCIL ACTION

The first action of the Advisory Council is to prepare and get mimeographed the three forms described herein.

The second action of the Advisory Council is to make sure the Org Division is so organized as to be able to make out the forms

provided easily, that their files are so arranged as to do so and that personnel exists to do them.

The third action of the Advisory Council is to make sure the persons making up the forms know this and other pertinent policy letters.

The fourth action of the Advisory Council is to make sure that it receives the proper forms on the second Tuesday of each month, ready for use in Financial Planning.

The fifth and continuing action of the Advisory Council is to make sure routinely the forms are accurate and actual and not generalized or "roughly estimated".

The sixth and most important action each month is to plan financially on the basis of the three reports and set limits or restraints on POs or personnel numbers or whatever is necessary to achieve "Outgo less than Income" and get or keep the org solvent.

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INCOME

The Advisory Council's Actions of assigning conditions to divisions on the basis of the gross divisional statistic and actions in straightening up Divisions in Emergency and pushing standard Promotion as per HCO Policy Letter 22nd November 1965, will keep income up.

It is more vital to pressure income up than to save money by Financial Planning restrictions. The emergency formula places, rightly, economy after promotion Promotion comes first.

But economy is also vital. It is handled in relation to income.

When income is far down the Advisory Council simply shuts off all

but promotionally vital POs.

Where a Division is in Emergency the Ad Council shuts off all POs except those vital to promotion in that division. (The tendency of a Division in emergency is sometimes to demand extravagant or unwise purchases.)

CHEQUE SIGNING

The Cheque signing line contains all three of the above reports as of the last time they were prepared and a tape of all cheques paid since.

Cheque signing policy as already released thus requires the other two monthly reports as well as the other items specified.

To that policy, also add, that a cheque signer must, to sign a cheque, also have before him the last issued orders of Financial Planning.

It is very easy to confuse a cheque signing line with a Financial Planning line.

They are, however, completely different.

One signs any Cheque only after Financial Planning has been done and with the total reports of Financial Planning and decisions taken, before one.

Cheque signing is a secondary action and is the result of Financial Planning decisions.

One pays only what Financial Planning has okayed to be paid and how.

DISBURSEMENT ACTION

When Financial Planning indicates what to pay or not to pay, Disbursement makes up the cheques and sends the lot to cheque signers.

Cheques signed during the period are signed as authorized by Financial Planning each week, such as, "Franking Machine, FSM Commissions and Petty Cash up to may be paid in the coming month." This, part of the Financial Planning Minutes of each meeting, is the guide by which weekly cheques are made up, submitted to signers, signed and sent.

SUMMARY

Unless all these actions are done, an org cannot in fact prosper, has poor credit and is generally upset.

One has to get in the Income. That is done by making divisions do their proper promotions and keep their statistics up. The mechanism is Gross Divisional Statistics, assignment of conditions and investigating and putting right Divisions in Emergency by Ad Council personal inspection. Sometimes, where a divisional emergency is continued too long, the Ad Council has to order an E-Meter and case survey of its personnel as an SP is surely about.

In Financial Planning one safeguards what one gets in as described above.

Cheque signers and PO Signers are not necessarily Ad Council members but whether they are or not, are governed entirely by the last Ad Council Financial Planning directive.

The Financial Planning Directive of the Month is issued promptly after the second Tuesday meeting of the month as an Exec Division Admin Letter with the Month and Financial Planning of it in caps such as FINANCIAL PLANNING FOR MARCH.

This is the second part of the Ad Council Assignment of

conditions to divisions.

Long range planning also appears on this directive, this long range financial planning is not binding and is often changed in view of current happenings. It is a guide by which other executives can tentatively plan.

LRH:ep.ca.rd

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 DECEMBER 1965

6 copies to

Each Org

Master Files

Org Exec Sec Hat

HCO Exec Sec Hat

Org Sec Hat

Dir Dept S

LRH Communicator

LRH FINANCIAL RELATIONSHIPS TO

ORGS

After a careful review of various tax situations in orgs I have come to the

following conclusion:

1. That no understanding is given by tax officials when the

relationships of LRH, an individual, to organizations has been handled on a very charitable basis by LRH an individual;

2. That when LRH an individual does not precisely bill and demand payment of debts by orgs to LRH an individual, the tax authorities twist the matter to our discredit;

3. That leniency where financial relationships between LRH, an individual, and any org rebounds to our discredit tax wise;

4. That when sums owing by an org to LRH, an individual, are not fully accounted for in the books and balance sheets of an org as due and owing to LRH, an individual, tax problems arise for the org and for LRH, an individual;

5. That tax problems stem from the leniency in this relationship.

For fifteen years I have personally paid for research, have loaned and advanced orgs money, have guaranteed their overdrafts, have given them the benefit of my personal credit rating which is high. I have not sought for reimbursement; I have not collected adequate pay or given orgs bills for what they owe me.

The 10% sent by orgs is fully consumed by administrative service (and much more than 10%) and is routinely invoiced to the managing organization and spent by it, or is sometimes held by LRH as a trustee. It is not given to LRH, an individual as records prove without exception.

All this for 15 years has been an effort on my part to help our organizations. But it is interpreted in other ways by tax officials, winds orgs up with what it owes LRH an individual showing as a "profit" and upsets LRH, an individual's personal tax picture. Thus I have had to conclude that the majority of tax troubles stems from

(a) Orgs not keeping a proper record of monies owed to LRH an

individual.

(b) LRH an individual not regularly billing orgs for monies owed.

(c) LRH, an individual not exacting proper salary, payment and reimbursement!

In 1966 we will begin to set this right. A recapitulation will have to be made and records corrected.

Although it is not easy to imagine that a benign attitude on the part of LRH an individual is incomprehensible to tax officials, it is easy to realize that tax persons are unused to dealing with unselfish acts and suspect anyone so engaging.

Therefore the following policies are laid down:

A. Every org must carefully record and keep in record all sums owing to LRH, an individual;

B. All sums owing to LRH, an individual, must be reflected on yearly balance sheets;

C. Adequate salary and compensation must be allowed for LRH, an individual by all orgs;

D. The Office of LRH must also keep a record;

E. The Office of LRH must bill the orgs routinely;

F. Sums so owing must be paid;

G. Every effort must be made to set the earlier records in order;

H. The current indebtedness must be carefully accounted for;

1. The LRH Communicator is responsible for the LRH an individual

financial sums

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appearing in the balance sheets of the org and that routine bills are rendered.

Note: These policies stem from US internal Revenue actions by which the Founding Church of Washington DC is under threat of large tax bills it does not owe and the tiny amount reimbursed to LRH, an individual, for actual outlays on behalf of that org are under challenge and actual sums owing to LRH, an individual, are not properly recorded or taken into account. All the trouble stems from the lack of A to I policies immediately above.

DEFINITIONS

LRH, AN INDIVIDUAL, means L. Ron Hubbard, a private person as distinct from a trustee, a director or a staff member. LRH, an individual often advances goods or sums without reimbursement, has borne the whole cost of research of Scientology and used his own money to found organizations.

LRH, TRUSTEE. This is L. Ron Hubbard in the capacity of a trustee as distinct from a director or individual or staff member. LRH, Trustee, holds money for corporations or persons or holds property for them.

LRH, TRUSTEE FOR TRANSFER. For some years the Commonwealth (overseas, not US) interests belonging to the Hubbard Association of Scientologists, International, incorporated, in Arizona, have been held by LRH, Trustee for Transfer. As the overseas interests were worthless to the US Corporation in the US (HASI, Arizona) due to currency exchange laws, and was costing it money, the board of HASI, Arizona, appointed LRH a Trustee for Transfer for all Commonwealth Corporation property or interests with orders to hand it over to a UK corporation. As Arizona law forbids giving the

assets to any but a non-profit corporation, non-profit UK and Commonwealth Corporations had to be formed. The UK tax authorities make a company operate for a year before declaring it non-profit. So far no Commonwealth company has been granted tax exemption for companies LRH attempted to form. HASI Ltd was such an effort. Non Profit status was refused it. But progress is now being made in another direction so these assets can be delivered eventually to UK and Commonwealth companies.

LRH, A DIRECTOR, is a director on the board of directors of several companies. No salary may be paid for this post.

LRH, A STAFF MEMBER, works on staffs as a case consultant, training officer, lecturer, design and planning consultant, promotions adviser and a department head of the Office of LRH and as such should receive compensation. As a staff member his expenses are paid by orgs. The pre-Dianetic salary level of LRH an employee was several times that given by orgs subsequently.

10% ROYALTY, LRH an individual owns, since he paid for the original research as well as later research and never received a salary for doing it, all Copyrights, registered marks and trade marks and rights of Dianetics and Scientology. Orgs send 10% to Saint Hill and this is used by HASI to administer orgs, paying for communication costs, administration, bulletins, etc. etc. It is invoiced to the Saint Hill Org and has never been given to LRH, an individual, a matter of record. Some US 10% have been held by LRH, a trustee, and returned in legal in loans and other official matters to orgs in the US. Therefore the 10% royalty owed for use of name, materials and research by orgs has never in fact been paid. The Franchise 10% is similarly used up by Saint Hill in giving service. No org or field auditor or Franchise Holder has ever paid for its use of name, copyrights, material, writing and research.

SALARY, LRH, an individual has received a salary from time to time always less than that given to comparable positions in other

orgs. It is currently æ25 a week, advance.

I have tried to put as little financial strain as possible on Scientology orgs. This is not understood and we are penalized for it.

Therefore we must bring earlier arrangements up to date and keep current.

This does not mean I want money. I spend my money on behalf of Scientology one way or another anyway. It does mean that to stay away from tax trouble in the future we must understand and put my relationships to orgs on a sound current footing financially and keep scrupulous records of it.

LRH:ml.rd

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 4 JANUARY 1966

Issue VI

Gen Non-Remimeo LRH

Communicator Hat HCO

Area Sec Hat Exec Sec

Hats Org Secs Hats

LRH RELATIONSHIPS TO ORGS

I have several posts and relationships to orgs which make up several identities.

Unless these are understood many errors can occur, not the least of which are tax errors, and not the least dangerous, power pushes and upsets.

For instance, there are two Offices of LRH at Saint Hill. And one more for every other org. This is a familiar situation. It has happened in LA, Phoenix, DC and London-1 always specially work with the org where I am situated as well as continue to handle all other orgs on an International basis and remain the chief executive of each org elsewhere.

An org where I am, making more than other orgs, always bears the expense of international activities. In this case, here at Saint Hill, the org also shares international income and so its cost is light.

Thus I have several hats and resultant Comm lines here at Saint Hill and at least one more in each org. These can be described as identities and posts as follows:

LRH, AN INDIVIDUAL

This is LRH a private person. This identity is the one who is entitled to any royalties and leases copyrights and trademarks and technology for use by Scientology organizations. This identity paid for and did the research, organized the organizations. This is the identity that loans orgs money or guarantees their bank accounts, etc. and on death is a private trust for my family.

LRH, TRUSTEE

This identity is a trustee who holds in trust properties and money for Scientology and since 1957 has held UK and Commonwealth corporations in trust for the original US company until these assets can be transferred to a UK non-profit corporation. As UK tax people will not okay such a non-profit status until after a year of

operation we have formed other corporations in the UK and Commonwealth time and again only to have them refused non-profit status. The laws of Arizona prevent transfer of HASI assets abroad to any but a corporation with non-profit status. This leaves me as a Trustee of all assets outside the US until they can be transferred. But even after transfer I will still be a trustee for Scientology corporations. All money sent to LRH an individual is received by LRH a trustee or a corporation and is seldom paid to LRH an individual but turned over to companies without being given to LRH, an individual. This is a vital point, often missed even by accountants who then get us involved. If the money were 1. received by LRH, an individual and then 2. turned over to LRH a trustee and/or 3. received and used by a company, it would hang LRH an individual for huge tax sums for money he has never really received or used and indeed won't ever get. Example: Mr. X sends a \$20 franchise pay to "L. Ron Hubbard". This is always invoiced by an org as "Franchise payment". Therefore one concludes that "LRH" in that case is LRH, a trustee. If one erred and said it was the income of LRH, an individual, that identity, never seeing the money, would yet owe tax on it, which is unfair. All

incoming 10% to "LRH" mean LRH, a trustee, and are used in company expenses or are put away to be in general defense. The point of confusion is that LRH, an individual, is actually owed those 10% as royalties to support research, etc. But the companies receive and use the money and it doesn't even go through the hands of LRH an individual. LRH, an individual, has not cancelled monies owed to him. He has not received them. LRH, a trustee, seldom gives LRH an individual any Scientology money. Tax authorities are astounded at this (believing the worst of everyone) but those on our accounts lines know it is so. This is LRH, a trustee. "Trustee" is an identity and activity almost all movements, churches, and benevolent associations have and in each case the "Trustee" does just what LRH a trustee is doing - safeguarding property and assets of an association. It's a very

usual role.

LRH, BOARD MEMBER

This is an unpaid identity on several boards. It is entitled only to out-of-pocket expenses and almost never puts in for any. This is a member of a board of directors. These must be paid no salary in a non-profit corporation, only expenses. "Chairman" comes under this. Also "President".

LRH, EXECUTIVE DIRECTOR

This is better understood as "General Manager" as it isn't as a member of the board that it is held but as a manager. This is a paid post in any corporation or association. There are numerous LRH Exec Dir titles and identities; for this title repeats in each area and org and in the international Division.

It means "highest executive of the organization", "third member of the Advisory Council", "head of the department called the Office of LRH". Therefore there is one of these titles for each org we have and for the international Exec Division as well. Perth for instance has an LRH Executive Director, Perth, LA has LRH Executive Director LA, etc. Then there is LRH Executive Director WW.

The identity of the LRH Communicator in the org or activity gives clue to this. Each LRH Executive Director title has an LRH Communicator.

There are two LRH Communicators at Saint Hill, LRH Communicator WW, who attends to each org for LRH Executive Director WW via each org's LRH Communicator and LRH Communicator SH who handles the traffic both of LRH Executive Director WW as sent to it from the LRH Communicator WW and for LRH Executive Director SH.

This is only possible as the orgs are all similarly engaged. HCO Area Secs filled this role for years and still do where there is no

LRH Communicator. HCO Area Secs still have duties for the Executive Director regardless of the LRH Communicator as old policy letters show. "Sec Ed issue" is one of these.

Proper routing from an org is through the LRH Comm of that org to LRH Executive Director of that org and forwarded on to LRH Comm WW who sees that LRH Exec Dir that org receives it in absence. LRH Exec Dir WW may issue a blanket order concerning it but it is usually answered by LRH Exec Dir that org.

The Advisory Council of any org operates without its third member, LRH Exec Dir of that org but in case of disputes or errors finds LRH Exec Dir that org taking it up.

LRH, STAFF MEMBER

In addition to all these other identities and titles there is that of LRH, Staff Member. As such I give staff lectures in the org where I am, assist where I can, crack cases and train students as "Co-ordinator of Research" (meaning application of

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research), write magazines, take pictures, act as a routing expert, listen to problems, and do a lot of other things.

I am chiefly a staff member of the org where I am located but am also a staff member of each org.

COMPLEXITY

Necessarily, no one person can hold all these posts and identities. But at the same time, over the years, I have found they are the minimum number I must give attention to.

To handle this complexity I have many persons assisting me. I

expect them to act with initiative. I expect them to carry out the purposes I have regarding orgs and Scientology so as to keep things expanding and the lines clean and flowing and keep me from getting so involved on just one point I can't do the rest of my jobs.

For quite in addition to these posts, I have my research hat (our most important hat) and an organizing hat and a promotion hat and a public relations hat. My writing-books hat should absorb most of my time with research complete but not wholly published.

Thus I expect people to do their jobs so I can then do my job and don't like people to flub theirs and require special attention on it. Only this holds us back because I then can't do my jobs which eventually breaks down our expansion and dissemination.

OTHER ARRANGEMENTS

Many other arrangements have been tried, fewer "identities" less traffic for me. But each time some catastrophe has occurred. This then required more work than wearing that hat in the first place. The early Dianetic corporative catastrophes occurred because I did not have or wear all my Exec Director hats and had no legal control of the orgs. Since I began to wear these and took responsibility things have been much better indeed, so I can't shed them. So these identities are a minimum by trial and error and by success.

SUMMARY

Anyone on high executive and Accounts lines should understand these things thoroughly and LRH Communicators should point them out.

Only when these relationships are misunderstood do we get in trouble.

Our growth depends on our staying out of trouble, getting our lines in and keeping corporate structure straight. And

understanding these separate identities or titles and functions and using them.

It is doubtful if this situation will change. As orgs grow, my assistants grow also and become more competent and refer less to me and work on delegated authority. My work is lighter the bigger we get so eventually I will hold only titles with no actions or duties. This can be continued easily and so there is no need to reduce identities to simplify lines. And there wouldn't even be a need to reorganize if I wasn't there in the flesh at all. All I need to do is work out a succession of assistants to make the activities continue. There is no succession of myself to be worked out in any identity regardless of what happens to me simply because I did the original work and as it is done there is no reason to have a succession for it as it is itself.

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My identities are therefore woven in to the pattern so they don't have to be altered to keep things going. LRH an individual becomes an estate. The rest is by appointment from "LRH Executive Director" with that title activated by the Int AdCouncil or board but still used as a title but not of a person. The "Office of LRH" is part of org structure. And before long even LRH "a board member" will be needless to be filled in the flesh by delegated signature of LRH.

This is not only today then, but tomorrow as well and the above identities are firm as identities whether I am here or not. Even today 99% of my functions are done by delegated authority. The 1% left is heavy enough for 20 men but it is getting lighter each year and so can be seen to be only a post in a few years and so it can continue. Trying to fill up the post is all that would cause "a war", so leave it activated as itself, none assigned to it, assistance to it by established formula. We won't vanish if I as a person vanish. And these identities never were me anyway so they can survive. It is a part of basic org structure. My post title is used ten thousand times a day on matters I never will hear of, so

why should I hear of any in the long run as only the delegation of authority is in action anyway.

So whatever happens to me as a person leave these LRH identities on the org board unfilled and all will be well. If you try to fill them catastrophe will result. Only how authority is delegated by "LRH Executive Director" in my absence needs to be worked out and that will be published.

Somebody some day will say "this is illegal". By then be sure the orgs say what is legal or not.

L. RON HUBBARD

LRH:ml.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 MAY 1968

Issue I

(Amendment of HCO Pol Letter of 14 Jan 1966

Issue II)

Gen Non-Remimeo

HCO Exec Sec Hat

Org Exec Sec Hat

Dept 1 Hats

Financial Planning Hats

Org Sec Hat

Qual Sec Hat

HIRING PERSONNEL

LINE FOR

This is the exact line to be followed for the hiring of personnel.

A person who comes in or calls in response to an ad is put on lines to the Personnel Procurement Officer in Dept 1, Div 1.

The Personnel Procurement Officer finds out all the pertinent data about the person, i.e. past experience, training, what position or type of position they are interested in taking and only if the person mentions it, their expected wages.

The Personnel Procurement Officer takes him to Personnel Control Officer to be put on post immediately.

ALLOCATION BOARD

In Dept 1, an Allocation Board is to be kept which shows vacancies. This Board is a piece of cardboard which shows all Divs and Depts of the Org Board aligned much as the Org Board. It is kept by Personnel Control and when a request for a staff member comes in, the Personnel Control Officer writes on a small strip of paper the post that is vacant and who requested the personnel on the reverse side of the paper. A pin is then stuck through the end of the paper and it is stuck in the Dept where the vacancy is. The same action is taken when an ED comes out in which new personnel is authorized, and these are taken up at once, with all priority.

The Personnel Procurement Officer is never told what kind of personnel to procure, unless a professional photographer or some such is required and he has to put ads in the paper. Mostly his whole attention is just to be on procuring staff, all kinds, not categories.

The Personnel Control Officer, when he receives a new Staff member from PPO, looks over the person's qualifications, checks his allocation board and places him in a suitable position. Or, he can be allocated to replace a staff member who is wanting to be transferred.

At the top of each Div and Dept is the maximum Quota of personnel authorized for that Dept or Div by the Exec Council and the current number of persons in the Dept concerned and the Division.

FINANCIAL PLANNING

Since Wages comes under Financial Planning and the Quota is set by Exec Council, all this data must be presented to them, however it is sent to them after the person is put on post, with all details about his qualifications and where he has been placed.

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Council:

The. Personnel Procurement Officer then. when hiring a new person. sends to Exec

(a) A P.O. giving all details of the interview with the new person. (b) The person's preference as to where to work. (c) Personnel Procurement's recommendation as to placement. (d) The Allocation Board up to date.

Financial Planning gives a maximum figure for the person taking into consideration his/her training, and the type of position to be filled.

The final say in the Placement of the Personnel remains with the HCO Exec Sec as one of the functions of her office.

DISMISSALS

The Org Exec Sec through the Org Sec and Qual Sec has the power to dismiss personnel in accordance with Ethics and status policies.

SUMMARY

Since the hiring of Personnel and Wages play a big role in the overall well-being of the org, planning and care has to be taken on each person or else we will find ourselves way overboard on the admin side or paying huge wages to clerical help and a consequent disintegrating organization turned bureaucracy.

The way to keep this under control then is not to cut down your procurement. This should go ahead at a tremendous rate, and meanwhile you should be pushing your people out the top of the organization to the next highest org or sending those eligible for training. Allow your staff to expand and move on. Do this by procuring enough replacements as want to leave.

L. RON HUBBARD

Founder

LRH:js.cden

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[Note: This issue of 14 January 1966 policy of same title puts in the line from Personnel Procurement Officer to Personnel Control Officer for immediate placement on post (paragraph 4), instead of Personnel Procurement Officer "...tells them the data will be forwarded to the proper person and they will be notified in the next day or two"; changes keeping of Allocations Board from PPO to PCO; adds paragraphs 6 and 7; gives CSW to Exec Council for Financial Planning purposes after placing new person on post (paragraph 9); and adds final paragraph. "Ad Council" is amended to

"Exec Council" throughout.]

[This 22 May 1968 issue was later amended by HCO P/L 21 July 1972, issue IV, Staff Qualification Requirements for Hiring Cancelled, where the procedure of putting new persons on post immediately was changed to assigning new personnel to the HCO Expeditor Pool and instant hatting them on what they are to do and putting them to work immediately under supervision.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 JANUARY 1966

Issue II

Remimeo

Exec Secs Hats

Org Secs Hats

All personnel Org

Division Hats

OFFICE OF THE
TREASURER

The Office of the Treasurer is formed herewith at Saint Hill.

On the Org Board it belongs under the corporate name at the upper right of the Board. Its personnel come directly under the Treasurer but for staff posting belong in the Org Advisory Section of the Office of the Org Exec Sec Int Executive Division. There may be other personnel in that section and also an Org Division Advisor but the section is junior to the Treasurer.

The Office of the Treasurer has the following purpose:

TO HELP RON SAFEGUARD THE FUNDS AND ASSETS OF THE ORGANIZATION AND THROUGHOUT THE WORLD AND TO BE RESPONSIBLE FOR THOSE FUNDS, THEIR PROPER RECEIPT, ACCOUNTING AND DISBURSEMENT BY ALL STAFF PERSONS AND TO PREPARE PUNCTUALLY ALL QUARTERLY AND ANNUAL ACCOUNTS FOR ANY AND ALL PURPOSES.

All Organization Secretaries and Organization Division staffs must concur and act at once upon any orders issued by the Treasurer. Such orders issued and signed by the Treasurer take precedence over any local orders which may conflict or seem to conflict with them.

The duties and policies of the Treasurer are issued as HCO Policy Letters, SEC EDs and Treasurer's Directives, the latter serving to amplify or explain HCO Policy Letters or SEC EDs.

The "B" Routing channel of Communication is from the Treasurer to the Org Exec Sec WW to the Office of LRH WW to the LRH Communicator WW to the LRH Communicator Area to the Org Exec Sec of the Area to the Org Sec of the Area.

The "A" Routing is from the Treasurer WW to the Org Sec Area.

Any orders passed on "A" Routing must be available to the Org Exec Sec WW and the Org Exec Sec Area and may not be denied them.

Within ten days after the end of every quarter the standard accounts items required for summary, as specified by the Treasurer, must be airmailed or HCO Couriered from the area org to the Treasurer at Saint Hill. These dates are:

April 10

July 10

October 10

January 10

The Treasurer will prepare and summarize accounts from these

records and return them by air or HCO Courier to the Org.

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At the end of the Org's year a full accounting will be furnished suitable for filing with Company Registrars and Tax authorities.

All orgs should shift their reporting year to the actual year Jan 1 to Dec 31 as feasible.

The employment of outside accounting firms is no longer required.

Advices for tax reporting may be obtained from the Office of the Treasurer WW.

This policy letter does not interrupt or cancel any obligation of the org to account to governments for the year 1965. The earliest reports to be done by the Treasurer will be 1966.

All orgs must adhere severely to the 20th Century accounting systems of Scientology without variation and may not revert in any way to older accounting methods as these obscure from executives of the org their true financial position and delay knowledge of affairs.

The Office of the Treasurer is formed to make the burden of accounting easier and to regularize the accounting activities of all organizations and improve their position and reputation.

L. RON HUBBARD

LRH:ml.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

Remimeo
Ad Council
Members

HCO POLICY LETTER OF 15 DECEMBER 1966

FINANCIAL PLANNING

A set of proportionate figures recently compiled on Financial Planning at Saint Hill are of general interest to Ad Council members.

The period chosen was a fairly average one for income, covering the three months (12 weeks) late August, Sept, October, 1966.

Four sums of monies actually disbursed were obtained.

These were:

1. Total Salaries Paid.
2. Total gross of Building POs (would constitute maintenance expenses and rent).
3. Total gross org expenses.
4. Total FSM Commissions.

The total gross income of the period was added up.

10% was deducted from it for Research (adding up to Admin 10% of most orgs).

10% of the gross was taken to operate as a Reserve or to catch up errors and overages in planning and in case income went down in the next quarter.

The remaining 80% was then proportioned amongst 1 to 4 above.

The percentage results were as follows:

1. Total salaries pd Government payroll deductions

2. Total Building

3. Total Org Expenses

4. FSM Commissions

10% Admin or Research

10% Leeway or Reserve

This gives some sort of a guide.

31%

4%

17%

21%

7%

80%

10%

10%

100%

=

During this period the org was being pulled up from a high bills - low cash ratio so the expense sum is perhaps a trifle high. And it had a building programme going so Building POs may be a trifle high. Its Leeway or Reserve simply paid off back bills.

However, the fact remains that this was a period of gain of org financial affairs and, being at the end of summer and into autumn, not a period of extraordinary income which occurs just before summer at Saint Hill. So it is felt that these percentages are safe.

The way one could use this table would be to calculate the past quarter of the year's gross income when the new quarter begins and then allocate these percentages each month for the next quarter.

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The percentages took a 12 weeks quarter but expenses were also for 12 weeks so they are just percentages and so are valid for a 13 week quarter.

Let us say income Jan-Feb-Mar (13 weeks) was Q dollars.

One could then divide Q by 13 and get an estimated future weekly gross figure. We will call this W (meaning gross income for a week).

One could then divide Q by 3.12 and get an estimated future monthly gross income average. We could call this M.

Therefore to set a ceiling on all expenses for the coming 13 weeks for each week we would have:

$.31 \times W =$ Weekly salaries

$.04 \times W =$ Weekly Tax pd by company or personnel
 $.17 \times W =$
Building and Rent ceiling

.21 x W = Weekly org expense ceiling .07 x W = FSM Commission estimate .10 x W = Admin or Research 10% .10 x W = Leeway or Reserve 10%.

Then we would also have our figures as an estimate of-monthly expenses where Financial Planning is done monthly:

.31 x M = Salaries/Month

.04 x M = Company pd salary tax .17 x M = Bldg and Rent Ceiling

.21 x M = Org Exp Ceiling .07 x M = FSM Commission Estimate

.10 x M = Monthly Admin or Research 10% .10 x M = Leeway or Reserve 10%.

Org Exp includes all utilities, bills, services, the lot.

By keeping to or under these figures one could then be considered to be planning safely.

By getting departments and divisions to turn in their estimated POs before the beginning of the month for the next month one could plan successfully (remembering their POs don't include utilities and many routine bills which must be deducted from the org expense amount before one signs any POs).

It is realized that where one is on a 55% of 90% proportionate pay plan, the above indicated safe salary sum is greatly exceeded which is on (in all) 35% of 80%. This may be why orgs tend to develop a high bills-low cash ratio. Lack of stability (poor financial picture) and expense money may reflect back on the gross income tending to depress it and thus really reduce wages despite the 55% of 90% proportionate wage allocation. The staff might make more and have more future if their pay was only 31% of 80% with 4% of 80% for tax. Certainly staff at Saint Hill makes more than staff

in other orgs and has consistently even in low income years.

Anyway there are some figures on which financial planning can be based.

L. RON HUBBARD
Founder

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 25 JUNE 1967

All Executives of all orgs
All Accountants LRH
Finance Comm OT
Central Committee
Guardian WW
Treasurer WW

SCIENTOLOGY ORGS
TAX AND BALANCE SHEETS

There is a confusion on the subject of tax and balance sheets as they involve or concern monies owed on balance sheets. Extraordinary solutions are being advanced and the matter should be reviewed.

There are certain principles involved here which vitally affect Scientology companies as companies and indeed are basic in any business.

1. If you acquire the profit of an asset without paying for it, all monies received become a false profit and taxable.

2. If you invoice money as your own that is in fact owed to someone else you wind up with a false profit and get taxed for it.

3. There are certain principles of business having to do with income and debts which cannot be thrown aside even by a tax department.

4. The moment you vary from the exact truth of any transaction you involve yourself in potential confusion that requires extraordinary solutions.

5. When you find yourself being asked for extraordinary solutions you have departed from the truth of the transaction.

As tax departments have never to my knowledge accepted without question the year's return or balance sheet of any corporation, efforts to get such departments to accept a return or balance sheet by putting in wild solutions avail nothing. The tax people aren't going to accept anything at all anyway ever without challenge. If you are challenged, you better have the REAL facts right there. This doesn't mean one should tell them all the truth in a geyser and gush. The real stable datum in handling tax people is NEVER VOLUNTEER ANY INFORMATION. It does mean one must not tell them or give them false data. It only means that when you give them data you can't back up or report profit you didn't make you will get into severe trouble.

The basic errors of Scientology corporations in accounting and tax matters lie in (1) to (5) above.

Under (1), all existing companies have acquired assets from me without paying for them and therefore show a false profit.

They sell books they do not own the copyrights for, acquire technology they never paid for and, in the case of Saint Hill, acquired a business worth upwards of two million pounds and an estate worth £80,000 without ever showing any debt. So the profits then look very large in any Scientology company. And this involves them with tax.

Because the government accuses them of paying me (which they don't), they think it must be a crime to pay me anything and so are pushed into a profit situation because they have never paid for their main assets. Of course, a tax department wants to see them with a big profit which can be taxed and so blocks the truthful fact that the companies owe me money.

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Recently a law in England, passed by the boilermakers playing politician, threatened to call any company a Close Company which owed any money to an individual and put Close Company tax at 67%. Well, the loophole is that if they don't owe it to an individual they'd pay tax anyway at high percent. And if they did owe it they'd have no profit. And 67% of nothing is exactly nothing. So using the Close Company law to say I can't be owed anything is just bad thinking. And it leaves SH with £2m of "profit" that CAN be taxed which it doesn't really own as profit at all.

Under (2) above, whenever you invoice money as your own income that is owed to somebody else you wind up with a false profit on which you will then have to pay tax you don't owe.

Let us take an Advanced Clinical Course I have given. I paid my fare, often the bulk of expenses and took no fee. The ACC was invoiced in as org income. Yet it wasn't. It was my income. Yet the org not only invoiced it in, it didn't even note on its balance

sheets it owed it to me and so wound up with a taxable profit.

Take the book "Dianetics, Modern Science of Mental Health" as a property. I bought it back from the publishers in New York for \$15,000 of my cash. I turned it over to the Distribution Center Inc in DC which then sold tons of copies of it, invoiced each one as its own income and never paid me any royalty at all. Further, it never noted on its balance sheets it owed me for it and soon had US Tax bills against it for its "profit".

In addition to all that, DC, London and notably Saint Hill have taken over bank accounts of mine, have invoiced royalties owed to me only for movies and books, even my veteran's cheques and yet never noted in any balance sheet or return that it owed it. So it wound up with a taxable sum.

Of course the government tax offices will say not to put down your debts as then they have a profit to tax!

Under (3) governments can pass all the legislation they want, but certain business actions remain themselves. One buys, one sells, one collects, one owes. The government would like to upset all this but truth is no government really can, not even in Russia, as they are flying in the teeth of the fundamentals of commercial interchange.

If one acquires a \$10 dress for nothing one now has \$10 worth more than one had before. If one paid \$10 out and took a \$10 dress in the books balance. A thief must be in continual trouble in economics and with tax agencies as he acquires without spending which leaves him heavily assetted without debt and so taxable to the hilt.

Under (4) above, the moment you depart from the truth of records with explanations or gimmicks, you cannot substantiate your statements. The records no longer line up.

So you have to destroy the accounts system or muck it up so it can't be read and promptly you are in real trouble.

You can assign new values to some data, you can honestly reassess the meaning of your figures (such as advanced payments are not income) but note you are going in the direction of more truth.

The truth of Scientology orgs is that I built them with my own money (which they didn't record) and made them affluent where they are without pay. I gave them technology they did not Nuance, books on which they pay no royalty and cash they forgot to mark down.

The result is that they show a profit which does not exist in fact as the wherewithal by which the money was made was not ever reimbursed.

Not only were assets acquired which had not been paid for, but additional monies were invoiced they did not have coming. The result is an apparent profit and, of course, trouble with the tax people.

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Under (5) when you depart from facts and basic planning you then have to have very extraordinary solutions. And when you seem to have to have extraordinary solutions you have departed from basics and fact.

Right now there is a lot of tax yap. And it is being set up to clobber Scientology with huge tax bills in England and the U.S.

This isn't because people are mad at Scientology, It's because Scientology orgs have given themselves a huge swollen profit by not keeping good records and by not letting the real debts be debts.

Every SP on the lines is of course frantic at the thought of Ron getting hold of any money. What will Ron do with it? More research,

more orgs, more Scn more freedom. The record clearly states this is the case. When I draw \$10,000 as a repayment of debt which it was, I promptly expand Scn to make it another \$100,000. So it goes. Sometimes, in development, some money gets "wasted". But it always comes back 10 for 1 in the long run.

So of course an SP tries anything or says anything to prevent my getting hold of any more money than I have. And all sorts of weird "laws" and opinions are dug up to show that I can't be paid.

The last phoney was that if money owed me was shown on current balance sheets then All Past Years of All Orgs would have to be redone. Not so: It's up to the government to demand that and in that case it would all be corrected anyway so it's no argument and wouldn't even happen. In past orgs, I had control. I no longer have it. So it's natural that the investment had to be added up and paid back.

A debt is a debt. Newly discovered debts are common in any accounting system.

So what does one do? Report it all as profit and get taxed out of existence? And help it happen by telling a lie-that it owes me no money?

As for the sale of SH to C of S of Calif, the tax on any sum paid is on me not the org. So it is not the org's business. It IS the org's business to be sitting there with the full income of several million all invoiced as profit. That is the road to ruin taxwise.

There are a lot of people around who "know best". This "best" usually winds us up in the soup.

MY orders on this stand and are not open to opinion. And these orders are:

1. Record in balance sheets as owed proper payment for any

property or business acquired from me.

2. Record all sums invoiced into an org that were really mine as still owed to me.

3. Carry on with standard income-outgo recordings and business procedures regardless of "law".

4. Tell and record the exact truth of all transactions past and present.

5. Put into effect the basic solutions I have written out in full for the handling of monies and debts.

Don't be dismayed because somebody in a "panic" says one must do something odd to "stay within the law". They probably don't realize how lawful our conduct of business really is.

And Scientology orgs if they record their debts owed for assets and their incorrect invoicing of my money as their own and report what is really owed on their balance sheets, will come out straight on tax.

The governments are in the business of falsifying other people's records so as to collect more tax. If you report a bad debt they say it's a good debt. If you report a debt you owe, they say it isn't a debt. They can be counted on absolutely to assign a significances to figures to increase tax. But even the craziest pervert in the tax office

CAN'T argue down actual records so your only defense is actual records.

When YOU fall for the gag that YOU must falsify your records to "satisfy" some "law" or some cookey official stick you are just

playing into their hands.

Further, some accountants paint black pictures of the government to cow their clients and ask them to falsify records by omitting actual facts or demanding weird solutions. The thing to do is stick with the truth and the real invoices doggedly.

Now as to TAX, why this is mainly anybody's game of what is a PROFIT. The thing to do is to assign a significance to the figures before the government can. The whole thing is a mess only because arithmetic figures are symbols open to ANY significance. So I normally think of a better significance than the government can. I always put enough errors on a return to satisfy their bloodsucking appetite and STILL come out zero. The game of accounting is just a game of assigning significances to figures. The man with the most imagination wins. BUT there must be correct figures and there must not be gross misassignment of debts as profits or the whole thing won't hang together.

Income tax is a suppressive effort to crush individuals and businesses and deprive the state of national gross product (since none can expand). The thing which baffles any suppressive is truth. It's the only thing that works. Significances one assigns figures are neither true nor false but always must be reasonable and defensible. And the figures themselves must always check out.

Income does not mean profit One can and should make all the INCOME one possibly can. Always. The only crime really is to be broke. But when one makes INCOME be sure it is accounted for as to its source and that one covers it with expenses and debts. Handling taxation is as simple as that.

Scientology income is high in most orgs. But it IS high due to the investment of time and money in earlier years. So if the balance sheets omit all the money that was invested and show only the money that was made, they are false balance sheets. And that is what the government wants us to turn in - a false balance sheet

that shows all income as profit, with no repayment or retirement of debt.

Yesterday's unreported debts became invested money for expansion. The debts of 1950 have not been lost at all where they remain unpaid, but show up as DEVELOPED business.

When the debt was not paid, that sum was used to expand. So the debt is still there and today's "profit" in no small way can be traced to the orgs not having to pay. Instead the money was used to develop the org and area. The income from that development is still there. Thus the debt must be there, must be shown on the balance sheets and books, or it will involve the org eventually in tax trouble.

L. RON HUBBARD
Founder

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HUBBARD COMMUNICATIONS OFFICE,
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 APRIL 1969

Remimeo

AO-SH FINANCIAL
CONTROL

With the current advent of Sea Org expansion and the recent

establishment of an AO- SH, firm policy is established, as below, outlining who controls AOs and AO-SHs financially around the world.

FLAG BANKING OFFICER INTERNATIONAL

1. The post of Flag Banking Officer International is established herewith alongside and under the EC AOs, but subject to the orders of the EC AOs for administrative purposes only.

The purpose of this post is:

TO SAFEGUARD SEA ORG MONIES BY ENSURING MORE IS NEVER SPENT THAN ALLOCATED AND SUBSTANTIAL RESERVES ARE BUILT UP.

2. The FBO INT receives and evaluates financial data from FBOs attached to AOs, AO-SHs, OTLs and the Pursers of any ships and Missions in his area. Essential data from the financial reports as required by current Flag Orders, is then forwarded to the Staff Banking Officer as one report, so organized that costing analysis is possible at Flag and that any non-optimum use of funds from any area under his control can be quickly spotted and handled by the FBO INT as a matter of course.

3. Proposals relating to tax, leases, purchase or rental of buildings, long term financial commitments, major changes in the Sea Org financial set-up must be approved by the FBO INT and forwarded to the 2nd Deputy Guardian for Finance WW for final okay before such can be activated.

4. The FBO INT in addition to his normal duties has the added responsibility of seeing Ships, Bases and Missions adhere to Sea Org finance policy and handles their financial needs through the FBOs.

5. Responsibility for handling any urgent matters relating to finance needs of Sea Org Missions must be delegated to the local FBO in the area.

6. An FBO must first see a copy of the Mission Orders and ensure that any proposed disbursements requested by the Mission are essential to the Mission, not excessive and in line with their orders. He may disapprove any proposed expenses on this basis.

Ships in the area will normally conduct their Missions on their usual allocation amount, no further expense is usually required.

7. Allocation sums for AO, AO-SH, OTLs, and Sea Org Ships in the area, etc are set by and may not be changed without first obtaining approval from the FBO INT Any disbursements over and above allocation requires the FBO INT's approval also before the disbursement can be activated.

8. The FBO INT may issue of his own determinism, and when required, Finance Base Orders applicable to one or all FBOs.

9. In the event of an FBO's failure to do his duty thereby bringing Sea Org monies to risk, the FBO INT has the authority to remove him/her from post. His approval is required before an FBO may be appointed to an area.

FLAG BANKING OFFICERS

1. Attached to each AO or AO-SH is an FBO who has the duty of ensuring that

the AO, or AO-SH and their adjacent OTL complies with Sea Org Finance Policy and is directly responsible in these duties to the FBO INT, receiving orders only from the FBO INT on financial matters. The Commanding Officer of an AO or AO-SH may issue orders to the FBO, but only on an administrative basis-NEVER ON MATTERS PERTAINING TO FINANCE.

2. In the case of an AO, AO-SH or OTL's gross non-compliance and failure to adhere to Sea Org Finance Policy, the FBO has the authority to temporarily reduce the org's allocation or allowances of the crew.

3. Financial Planning for an AO, AO-SH or OTL may not be activated without the final approval of the FBO. The major duty of the FBO in this regard is ensuring that promotion is adequately provided for within the allocation and is not reduced by wasteful expenditure on non-essentials.

4. In the event of any operational failure of a Division 3 AO or AO-SH, such as FSM Commission Payments backlogging, the FBO steps in, issues the orders necessary to handle the situation and obtains compliance.

5. The banking of an AO or AO-SH daily takings is handled by the FBO as laid down in Flag Orders. Care must be taken to ensure separate Income records are maintained for an AO-SH, as 10% of the SH's Corrected Gross income is forwarded to WW weekly for their defense purposes.

STAFF BANKING OFFICER

1. The Staff Banking Officer (Commodore's Staff) located at Flag, is responsible for receiving from AOs, and AO-SHs, that portion of their income which is paid by them to Flag.

2. All reports formerly forwarded to the SBO, will now be received by the FBO INT. The additional duty of the Staff Banking Officer with regard to AOs and AO-SHs finance will be to receive monthly figures from the FBO INT and prepare from these a monthly costing analysis and income Summary.

2ND DEPUTY GUARDIAN FOR FINANCE WW

1. The 2nd Deputy Guardian for Finance WW, in addition to his

other duties, is appointed as the Finance Guardian over all AOs and AO-SHs. His primary duty in this new role is overseeing these orgs are given any help and advice they may require in handling matters relating to finance and tax.

2. He may not issue orders with regard to the disposal of Sea Org funds, aside from seeing the routine financial arrangements and policies governing the above-mentioned orgs are adhered to. His terminal on these matters is the FBO INT. However, in the event of Sea Org monies being subjected to grave risk, he may assume the role of a heavy hussar and take actions and steps necessary to resolve the situation.

3. A Saint Hill which was under WW control transferred temporarily out from WW and placed under the Sea Org, would still remain under the direct control financially of the 2nd Deputy Guardian for Finance WW. Under this arrangement no changes would be made regarding their financial set-up. Administratively, the org would take their orders from the Sea Org.

Lt. Robin Roos
CS - 3, Material Aide
for L. RON
HUBBARD Founder

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(Amends HCO P/L of 20th April 1969)

Remimeo

AO-SH FINANCE

CONTROL

With the current advent of Sea Org expansion and the recent establishment of an AO- SH, firm policy is established, as below, outlining who controls AOs and AO-SHs financially around the world.

FLAG BANKING OFFICER INTERNATIONAL

1. The post of Flag Banking Officer International is established herewith under the Staff Banking Officer, but subject to the orders of the 2nd Deputy Commodore for administrative purposes only.

The purpose of this post is:

TO SAFEGUARD SEA ORG MONIES BY ENSURING MORE IS NEVER SPENT THAN ALLOCATED AND SUBSTANTIAL RESERVES ARE BUILT UP.

2. The FBO INT receives and evaluates financial data from FBOs attached to AOs, AO- SHs, OTLs and the Pursers of any ships and Missions in his area. Essential data from the financial reports as required by current Flag Orders, is then forwarded to the Staff Banking Officer as one report, organized as a costing analysis and so that any non-optimum use of funds from any area under his control can be quickly spotted and handled by the FBO INT as a matter of course.

3. Proposals relating to tax, leases, purchase or rental of buildings, long term financial commitments, major changes in the Sea Org financial set-up must be approved by CS-3 Material Aide for final okay before such can be activated.

4. The FBO INT in addition to his normal duties has the added

responsibility of seeing Ships, Bases and Missions adhere to Sea Org finance policy and handles their financial needs through the FBOs.

5. Responsibility for handling any urgent matters relating to the finance needs of Sea Org Missions must be delegated to the local FBO in the area.

6. An FBO must first see a copy of the Mission Orders and ensure that any proposed disbursements requested by the Mission are essential to the Mission, not excessive and in line with their orders. He may disapprove any proposed expenses on this basis. Ships in the area will normally conduct their Missions on their usual allocation amount, no further expense is usually required.

7. Allocation sums for AO, AO-SH, OTLs and Sea Org Ships in the area, etc. are set by and may not be changed without first obtaining approval from CS-3. Any disbursements cover and above allocation requires CS-3's approval also before the disbursement can be activated.

8. In the event of an FBO's failure to do his duty thereby bringing Sea Org monies to risk, the FBO INT has the authority to remove him/her from post.

Anyone appointed to the post of FBO, must be first cleared for such by the local Ethics Officer and the Ethics Officer International before they can be placed on post.

FLAG BANKING OFFICERS

1. Attached to each AO or AO-SH is an FBO who has the duty of ensuring the AO, or AO- SH and their adjacent OTL complies with Sea Org Finance Policy and is directly responsible in those duties to

the FBO INT, receiving orders only from the FBO INT on financial matters. The Commanding Officer of an AO or AO-SH may issue orders to the FBO, but only on an administrative basis - NEVER ON MATTERS PERTAINING TO FINANCE.

2. In the case of an AO, AO-SH or OTL's gross non-compliance and failure to adhere to Sea Org Finance Policy, the FBO has the authority to temporarily reduce the Org's allocation or allowances of the crew.

3. Financial Planning for an AO, AO-SH or OTL may not be activated without the final approval of the FBO. The major duty of the FBO in this regard is ensuring that promotion is adequately provided for within the allocation and is not reduced by wasteful expenditure on non-essentials.

4. In the event of any operational failure of a Division 3 AO or AO-SH, such as FSM Commission Payments backlogging, the FBO steps in, issues the orders necessary to handle the situation and obtains compliance.

5. The banking of an AO or AO-SH's daily takings is handled by the FBO as laid down in Flag Orders. Care must be taken to ensure separate Income Records are maintained for an AO-SH, as 10% of the SH's Gross Income is forwarded to WW weekly for their defense purposes.

STAFF BANKING OFFICER

1. The Staff Banking Officer (Commodore's Staff under CS 3, located at Flag) receives from the FBO INT a monthly costing breakdown and income summary, made up from the combined reports of FBO's and subject to current orders from SBO as to content and format.

2. The SBO acts as senior to the FBO INT to originate programmes related to banking and reserves, and gets Finance policy and FOs

complied with and to control the AO Banking and finance lines in co-ordination with CS-3. The SBO is responsible that the FBO INT performs his duties.

3. The FBO INT holds all administrative duties formerly done by SBO and he acts as senior to AO and AO-SH FBOs to accomplish the purpose of his post, reporting fully his actions and a summary of info received from each FBO in his daily reports to the SBO.

2ND DEPUTY GUARDIAN FOR FINANCE WW

1. The 2nd Deputy Guardian for Finance WW in addition to his other duties, is appointed as the Finance Guardian over all AOs and AO-SHs. The purpose of this hat is to assume the role of a heavy hussar if Sea Org Monies should be subjected to grave risk and to take actions and steps necessary to resolve the situation. His terminal is CS-3.

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Lt. Robin Roos CS-3

Material Aide

for

L. RON HUBBARD

Founder

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 NOVEMBER 1969

Remimeo
PES Hat
OES Hat
Accounts Hats
Finance Course Chksht
PRO Course Checksheet

ACCOUNTS AND PRO

Public Relations Office or Officer is meant by "PRO". it is also slang for "Controlled Good Relations in the Community or Area".

When you "PRO" something you visit, write, handle it so as to enhance and improve your Public Image.

A terrific amount of PRO effect occurs on ACCOUNTS lines.

Bad or inaccurate statements of debt can ruin your PRO with a customer, pc or student.

Unfair accounts decisions can mess up the PRO of a whole area.

Unpaid bills can ruin your PRO in a whole town.

So there is a lot of PRO connected with accounts actions.

Repairing the damages done by not submitting correct accounts to customers or failing to pay commercial bills or rents or utilities is a PRO action and requires sane thought and careful handling so as to restore the org's PRO.

The biggest crime one can commit in this modern society is to be without money. Even in a Supersocialism this is a crime.

For an org not to have and make lots of money is stupid. Given a potentially remunerative activity, only thoroughly lousy service and horribly bad handling of promotion or criminal carelessness in accounts can leave an org without money. Doing standard org actions, giving excellent service and adequate promotion brings plenty of money. The outnesses which prevent income or waste outgo have to be truly glaring and goofy to leave an org without money.

The way to have NO PRO is to have no money at all.

Lack of money or wild outnesses in handling money can practically destroy an org's PRO.

"Credit" as a quality is a sort of god in Western society. If your "credit is bad" that finishes you to one and all. It is a statement far worse than mere "murderer". it must be since psychiatry murders daily but is well thought of in governments.

So you get the extreme value of "good credit".

Dateline paying and other accounts policies prevent bad credit.

But when it has gone bad, it takes making money and brilliant PRO actions to restore a good credit image. AND IT MUST BE RESTORED.

Money as a total motivation for an action is not high grade motivation. In espionage services the man who works for money only is expected to turn his coat and allegiance and is regarded with contempt.

But money is a basic point of judgement on which higher levels of motivation can be built in a wog world. It is PRO to the commercial world which has no real dedications.

So billing debtors and paying creditors have high PRO value to an org.

All this can become a Strange cycle. The org mucks up its area, let us say, by bad

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or indifferent service, promotion then is unreal so the org PRO with customers collapses. These don't buy service. The org runs out of money. Its bills mount up and its commercial community PRO collapses so it has no public credit. There goes the org.

Accounts is the area hit and will go on being hit until it begins to insist on GOOD SERVICE, the repair of all bad service, good real promotion and finds money to spend on PROMOTION. Then money will come in. Accounts actions must now PRO the commercial field, get that handled with good PRO accompanied by money on dateline payments and sound arrangements.

Further money is spent on more PROMOTION. Former bad service is handled. Credit is re-established in the area. Any accounts trouble with customers is cleared up. The org is fully there again. i

There is no substitute in Accounts PRO for knowing one's finance policy and following it.

Sloppy accounts files, no Financial Planning, no Purchase Order system, ignorance of finance policy as in the Finance Checksheet can lead an org directly into losing its community PRO regardless of service quality or promotion. So just as accounts can be mucked up by lack of money coming from bad service or bad promotion, it also happens that Accounts all by itself can wreck an org's Community PRO.

Therefore it is VITAL to PRO that an org:

1. Has its Accounts personnel have their Accounts Hats on and finance policy being closely followed.

That Financial Planning is real and income remains greater than outgo.

3. That adequate funds are available for promotion and that org funds do not get all soaked up by the HCO ES and OES divisions on film cabinets and new roofing paper.

4. That the pcs and students (customers) of the org are handled to generate high PRO on their accounts contacts.

5. That the commercial connections of the org in the community, the org's creditors, are smoothly handled to generate high PRO.

6. That any adverse reactions along accounts lines are instantly handled to restore good PRO. These can include a covert operation to one's creditors by some enemy - which is handled by proving the falsity of the accusation. They can include wrong change, failure to refund, reluctant or inaccurate or failed payment to Field Staff Members. These and any other adverse Accounts action MUST be pushed back to good PRO fast.

Lack of money comes from slow or bad service, and a failure to go flat out to remedy it or from no or poor or unreal promotion. Or no money can stem directly from off-policy or messy handling of accounts and org finances.

In the final analysis it's a PRO world and high PRO cannot be effected for an org if there is anything wrong in its accounts lines. Thus PRO is affected strongly by accounts and finance actions.

Our orgs do not go into debt, do not finance themselves by borrowings. Our orgs make their own way. That is why they are still our orgs. And Accounts PRO has a lot to do with it.

L. RON HUBBARD

Founder

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 4 NOVEMBER 1970

Issue IV

Remimeo SO & Scn Orgs
and ships COs & Exec
Dirs FBOs & A/GFs &
ECs to activate All Div
Secs Treas Sec Hat Dir
Disbs Hat Purchasing Hat
Accts & Materiel Bureau

ESTIMATED PURCHASE

ORDERS

NECESSITIES

The divisions and staff of an org or ship require certain necessities to operate and promote and deliver service.

Stats enter this where stat rise and vital function require certain quantities of supplies directly related to a particular stat or function.

To get more letters out would require more letterhead paper.

NECESSITY = Materiel needs directly related and necessary to the vital functions, promotion, delivery, stats and acceptable image of a division or org or ship.

Financial Planning operates to create and maintain viability by causing the org to make money and continue in good credit.

It directs payment of existing bills (dateline) and authorizes PT expense.

In handling PT expense, Finance is planned and used to back and provide the necessities with which Div Secs and staff can cause GDS and income rise. Not every stat or function requires materiel. Some do. Some don't. Some do more than others.

The judgment required is the line drawn between actual need and "got to have". Finer judgments are "how much" and "what quality".

Aligned to stats and vital function the judgment becomes easier.

A Financial Manager who would permit vast quantities of letterhead ordered far in excess of need and at the expense of other necessities actual in present time or would approve an expensive paper when a less expensive one would do as well would be as unwise as one who would ignore the need and reduce or halt the letter stat by denying paper altogether.

The object and orientation and action of FP is to enhance viability by providing promotional and operational necessities which assist or cause stat rise.

The operative term is NECESSITY. Not because an org should ignore facilities that better image and conditions. But because finance channeled into NECESSITIES first brings back the return and increase which permits facility improvement.

ESTIMATED PURCHASE ORDERS HISTORY

An FP system which seeks to provide necessities but admits only exactly priced

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purchase orders sometimes collides with the fact that the exact cost of a vitally needed Item is sometimes not known or obtainable when FP convenes.

Extensive and time consuming price searches for items then not accepted by FP is time lost.

Ships, being mobile, are subject to price variations from port to port.

Bills files have prices but many items are infrequently purchased and have no price on file or easily accessible.

Or a vital dissem mailing may lack the 3 required quotes when FP is held.

This leaves FP members with 3 choices:

1. Delay the whole FP to obtain the missing prices.
2. Delete the unpriced items ignoring need.
3. Accept POs which, although apparently valid, are actually a guess and which get the originator into trouble with accounts or which deny him the item anyway when the real cost is discovered, or even worse, results in a bill far exceeding the planned amount.

SOLUTION

To solve all this and provide a workable FP system which prevents

exclusion of
vital
org necessities, ESTIMATED PURCHASE ORDERS were developed aboard
Flag and
are established by this policy letter for use in all ships and orgs.

EPO

EPO = ESTIMATED PURCHASE ORDER.

AN EPO IS NOT A PURCHASE ORDER AND GIVES NO AUTHORITY TO
PURCHASE.

An EPO is submitted to FP in place of an actual and valid
purchase order when the exact cost of a needed item is not yet
known: it serves to hold aside the ESTIMATED amount needed until an
ACTUAL purchase order with exact cost can be raised against it.

That's all it does.

No purchase or order may occur by reason of an EPO.

EPO format and color are distinct and different from that of an
actual and valid Purchase Order.

An EPO is mimeoed in black ink on white low grade low cost paper.

CSW required of an EPO is the full and exact reason for need.

EPOs are made in duplicate-one for FP use, carbon for Div Sec to
retain and use when making actual POs against them.

RED PO

An actual and valid PURCHASE ORDER is on deep pink paper and
because of this is called a RED PO.

ONLY AN ACTUAL (RED) PURCHASE ORDER EXACTLY PRICED AND

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SIGNED BEFORE PURCHASE AUTHORIZES PURCHASE AND NO PURCHASE
OR COMMITMENT TO EXPENSE MAY OCCUR WITHOUT ONE.

A Red PO has the exact cost of an item and any specifications
(size, color, quantity) required by Dept 8 to purchase. It is not
another estimate or an EPO re-copied on a Red PO form. It is
EXACTLY COSTED.

Red POs may go direct to FP before meeting.

Red POs raised between FP meetings are only against already
approved EPOs.

This gives two possible sequences:

A. 1. Red PO made and complete prior-to FP meeting.

2 FP meets.

3. Red PO approved (or not).

4. Purchase occurs if Red PO approved.

-OR

B. 1. Exact cost unknown, an EPO is made instead.

2 FP meets.

3. EPO approved (or not).

4. If approved, exact price obtained as and when available.

5. Red PO made up.
6. EPO and Red PO matched up by Dept 8.
7. Red PO signed (or not) by PO signer.
8. Purchase occurs if Red PO approved.

In either case PURCHASE OCCURS ONLY BY REASON OF RED PO APPROVAL,
AND ONLY AT THE PO AUTHORIZED COST OR LESS. NEVER MORE.

FP ACTION

Date and time of FP meeting published in Orders of the Day or by staff notice board sets the deadline for submission of newly prepared EPOs and Red POs for the coming week or month. The primary requirement is coverage of all NECESSITIES.

FP members take up EPOs and Red POs in meeting against the gross amount established as available for PT expenditure.

At the moment when POs and Estimated POs thus presented reach the established sum the EPO and PO signing is stopped. No further POs are acceptable except those subsequently raised against the approved EPOs.

As POs and EPOs presented often exceed the allocated sum prior to FP meeting the first action of the meeting is adjustment or elimination to meet the allowed total before any EPOs or POs may be signed.

FP approval authority should require rejected POs and EPOs submitted by separate folder with completed FP for a check of items rejected.

Any real essential found rejected in favor of items less vital to

function and promotion causes FP to be reconvened or is adjusted by the FP authority himself.

DEPARTMENT OF DISBURSEMENTS

Dept 8 receives from FP:

A) Approved Red POs for immediate purchase.

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B) Approved EPOs to be held awaiting Red POs. C) The FP directive listing these by division. D) Dateline established for bills already owing.

A basket set up in Div 3 Comm Center and labelled "RED POs" collects the Red POs submitted by Div Secs and staff against approved EPOs.

Purchasing section empties the basket once daily, staples to each Red PO its corresponding EPO and prepares the day's collection in a folder for PO signer. The action is only once daily. No RUSH POs and no body traffic.

On return of the signed Red POs Purchasing Section activates and routes to Bills File of the appropriate company. (Ships being mobile and having many creditors normally file POs and bills by month instead.)

Bills arriving then match up with the Red POs already in the bills file and are subject to payment by dateline.

PO SIGNERS

PO signing and FP approval is by FBO or A/GF, D/GF (or A/G if held from above), where there is one. SO units and ships having no

FBO send FPs and Red POs to the area FBO (Continental Finance Office). A remote OTL operates against an established basic FP and reports expense in summary form to the nearest SO Finance Office.

FP approval and PO signing in Scn Orgs where there is neither FBO nor A/GF or A/G occurs at Exec Sec level. Any Exec Dir may add himself as mandatory signer if he considers org financial position warrants it.

Signature of a Red PO exceeding the EPO amount would be occasional and would be only on receipt of factual advice by Dept 8 that there exists sufficient overage on other EPOs to compensate. There is no obligation to sign. He may require the EPO held for next FP and the shortage made up by a second EPO at that time.

EPO AND RED PO MATCHING

EPOs and Red POs usually match up one-for-one but not always.

1. An item too costly for allocation by one FP meeting may hold aside EPOs of partial cost until accumulated EPOs reach the total cost. This would give several EPOs against one final Red PO for actual purchase. Thus, purchase of a large item can be covered by several months' EPOs for it accumulated from FPs granting it.

2. Sometimes a single EPO may also accumulate Red POs against it.

"Routine org supply items for February" could be a Div 3 EPO against which there could be a Red PO for dispatch paper, one for carbon, one for pens, etc. Maybe more is needed a few weeks later and there's a second Red PO for dispatch paper.

Ships never know exact agent fees until arrival in a port and sometimes not even then. Thus there is an EPO for "Agent's fees for January" against which Red POs for actual agent bills accumulate.

Such an EPO is good until its total value has been used up by Red

POs. It is then removed from EPO file as expired.

Red POs raised against this type are in duplicate so that the original can go to bills file leaving a copy attached to the still valid EPO to indicate partial use of the total amount.

The most usual type of EPO is one-for-one and expires on use of a single Red PO

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to match it-even when there is money left over due- to actual cost being less than estimate.

HOW TO ACTIVATE THIS POLICY LETTER

1. Have adequate copies of the attached EPO form mimeoed off and distributed to Div Secs

2. Have this policy checked out on all Div Secs and staff and particularly on Execs.

3. Require that the necessities of each division are represented by Red POs or EPOs at the time of regular FP meeting.

4. See that EPOs do represent divisional needs and allow no change or swap of EPOs after FP meeting. EPOs do not represent a divisional allocation subject to change of amount or use. An EPO for light bulbs cannot become something else. it's light bulbs or nothing. EPOs do not substitute for planning. They only make it smoother and more real.

5. Enforce it if necessary by assignment of pay loss to any division or staff member neglecting vital needs or requesting other items at the expense of real necessities.

6. Groove your Div 3 in thoroughly on EPO and PO handling as in this PL.

7. Refine it by preparation and use of divisional checklists of materiel needs required to effectively promote and deliver.

8. Refine it further by organizing a 5th disbursement voucher copy for routing of vouchers to the Div Sec concerned so that a divisional cost reference file builds up.

9. Apply the use of EPOs to improvement of FP ease and effectiveness. An EPO system properly applied and supplementary to the existing Purchase Order system (which is unchanged) gives the margin that allows a simple and effective FP action without which the untended materiel needs of a division or org can suddenly leap up as a real emergency.

10. Recognize any other use of this system as a misapplication to be reported to ethics and to result in starrate checkout of the offender on this policy letter and personal payment for any unauthorized or illegal purchase or expense to the org in excess of authorized amount.

Lt. Vicki Polimeni
CS-3 for L. RON
HUBBARD Founder

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DIVISION:

ESTIMATED COST:(in US \$)_

ITEM:

REASON: (attach CSW)

DATE:

NUMBER:_

FP ESTIMATED P.O.

HAS NO VALUE OR EXCHANGE VALUE
AND HAS NO AUTHORITY TO PURCHASE

(in local currency)-

It is understood that this is an estimated cost and the item cannot be bight until a fully and exactly priced PO has been submitted and signed by PO Signing Authority.

ORIGINATOR

DIV HEAD

FP MEMBER

FBO, A/GF, A/G_

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 FEBRUARY 1971

Remimeo

Add Finance

Checksheet

All FP members

FINANCIAL PLANNING TIPS

FP need not be a burden at all.

If these five conditions exist then FP is very easy

1. PRODUCE AS AN ACTIVITY. Look over what your products should be, particularly your Valuable Final Products, and then begin to get those products somehow anyhow. This and only this is the shining reason why you can have a decent allocation. If it is then denied you you can howl and be sure of redress. A cap in hand with no product is a sure route to chopped FP. (Example: An org with half a million collectable on its books but which didn't even send out statements had an awful time with FP. Asking for "allocations" that were really handouts, neither its FP body nor its FBO fully understood WHY, but it just seemed unreal to give it money. It was asking for money. It wasn't requesting the return to it of money it had made and was entitled to. It did not make other value so could not justify value. Therefore it "sort of looked odd" to Finance. Even Finance did not know why. The wildest example of this was the 1950 LA Foundation which, under a US Navy Ex-rear Admiral, wanted \$47,000 a week to subsidize a foundation potentially making \$80,000 a week. But he closed its doors and wouldn't run it until he could get "legal" and subsidized. Another one is OK 1969 wanting Flag to pay it \$3,000 a week to keep it going when it wasn't even sending out letters and did not even own a typewriter yet was accidentally making \$5,500 a week average. There are tons of such examples. Activities go on to government appropriation think instead of

promote - sell - collect and deliver and wind up with no pay, no food, no uniforms and FP troubles and conflicts you wouldn't believe possible.)

2. KNOW YOUR FINANCE PACK. When members of FP bodies have not done their Finance Pack they get into total confusion Further any Finance authority gets disgusted with their admin irregularities and won't regard their propositions or troubles with any seriousness. Failure to do, refusal to do a Finance Pack (which only takes a couple part time study days) can give an FP body a bad name with Finance people simply because their ignorance is mistaken for foolish proposals.

3. SEPARATE OUT DIFFERENT TYPES OF EXPENDITURE. An early FO on "Title" of various items helps clarify. Find out and get it agreed to what is covered under Title A (permanent) Title B (valuable non-expendable) and Title C (issuable or usable) and get Finance to agree to what is which and exactly what one is doing FP on and the tangle becomes easier to undo. What is Permanent Fixture? Does one FP for new ships, new buildings, vital repairs, vital spares? (Actually no, but it has to be covered in general Finance.) Is one FPing for gimmicks and oddities and possibly useful things (Title B). Or is one FPing for expendables, wages, food, fuel, papers? (Title C.) Maybe one FPs for all three BUT in the category of necessities to operate and would be nice and future hopes. Necessary spare parts for Title A that would break everything down are of course necessities. So probably should pass without question. Whereas Finance people often don't see them that way. Wages, food, uniforms, fuel are subject to cutbacks where an activity is not able to demonstrate production. Good idea Title B usually comes in for purchase when the activity is really making the money and otherwise are a yawn. Future hopes depend totally upon one's profitable use of what one has. Once you get all this agreed to with Finance people they can't change the rules on you every FP. And a lot of the strain goes out of it. No FO or P/L could easily set up exact rules for every type of activity there is. Essentially it would be what is agreed upon between the Finance

people and the FP body. The Finance people want to get cash to reserves and they resent justly a freeloader activity that has subsidize or unwise think. They want to give an activity X beans (money) and get back X beans plus. When they give out X beans and get back no beans they are hard to live with. Even a ship that produces no money directly still sells org help events and trained experienced SO members for beans from orgs. Any org would give it good hard beans for real help and trained experienced SO members. If AOLA could "buy" all the

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excellent SO members it wanted and needed from the station ship it would be delirious with joy. But if the SS has not been making them, it has a hat-in-hand aspect to Finance people. Finance people then shift the rules around to try to get out of giving any money at all, naturally. While this is covered in No. 1 above, it also affects No. 3, this one. Everything is considered Title C, even the ship, and subject to total reduction as it does not increase Finance people's viability. So "the rules" get shifted on the FP body. If it isn't making a valuable final product that can be changed for cash with something that has cash (No. 1 above) and if it doesn't know general Finance rules (as in No. 2 above) and if it has no solid agreement with the Finance Authority on Title A, B and C, then of course FP is a nightmare for everyone concerned.

4. NEGLECTING NECESSITIES. When an FP body is not aware of the necessities of its operation and neglects to FP for them Finance people (Bureau Three Treasury and FBOs) have to do it for them. This causes a lot of bad feeling from Finance people. A new drinking fountain or trampoline mat for staff and no postage FPed for is sure to cause a lasting engram! An FP body should have a list of vital necessities by division and FP for those first before it begins to wonder. Strangely, pay, food, uniforms are not considered necessities. They do not directly influence an activity's income. A "necessity" is what it takes to make products

and valuable final products. In a cap-in-hand activity food is qualified as "some food, oatmeal maybe". Pay becomes "maybe but no bonuses ever". Uniforms become "none". Recruiting posters YES. Fuel becomes "economical amounts carefully used". Training materials becomes YES. So what's a necessity? A necessity is what it takes to make the valuable final product, not individual survival but group survival. So an FP body doing individuated think can get in severe FP trouble just by the nature of economics.

5. USING FP TO NEGLECT DUTY. It is a shame but true that people will excuse lack of vital action by blaming FP. "The building burned up because we couldn't get fire hoses through FP." "The main engine broke down because FP rejected...." Actual tracing of such statements usually discloses the item was never FPed for at all even to the FP body or that "FP" was used as a means of escaping the work. If you buy all this blame of FP you will think FP and Finance people villainous. Actually FP is often a whipping boy to excuse not doing the job or to delay it. Failure to handle and saying it was FP when it wasn't is Comm Ev stuff. So don't let FP get a bad name unjustly. It's grim enough even when done right.

The future of any activity depends upon these five factors above. It is an economic world in which we live, regardless of "isms" like Capitalism or Communism or Socialism.

If you have these five things cared for you can do FP quite merrily.

The essence of getting money is making money in the first place. FP is the second step of what do we do with the money we make. It will never solve neglecting to make it. You always have trouble with money if you don't make any.

(c) hope this helps lead sane Finance bodies out of the jungle into the sun.

L. RON HUBBARD

Founder

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 FEBRUARY 1971
Issue II

All Finance Hats
To be displayed
on the desk of
every Finance
Personnel

FIRST FINANCIAL POLICY

INCOME IS MORE IMPORTANT THAN DISBURSEMENT.

Board of Investigation FCO 1121
Lt. David Murphy, Chairman Lt.
Peter Warren, Secretary Ens. Bill
Lawrance, Member for

L. RON HUBBARD
Founder

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 16 APRIL 1959

BOOKS, COST OF

Inform all Assoc Secs

The principal comm particles of Scientology Organization are books.

Obviously, books cost money.

When books are sold their money must be safeguarded so that replacement books can be bought.

Book monies cannot be part of Prop Income. A book is bought by a Central Organization at 50% of the list price, sold to members at 80%. If this 80% is halved for prop pay and added to salary sum, it costs the Org 10% of list just to handle the book! This means a 10% loss every time a book is sold! Therefore books cannot become part of the salary or expense sum. They must remain as they are, the income from them kept ready to buy new stocks when old stocks are exhausted.

The price of all books should be computed on the basis that when 20% is deducted from the price for members, a round sum remains which is not less than 4 times the exact printing cost. No book may be listed at less than 5 times the cost of one volume. Only then can the sale of books be remunerative enough to buy new stocks.

As policy, no book may be printed without my permission. Most books will be printed in London or the U.S.

These books will be sold to Central Orgs by HCO Ltd for a distributor figure of 50% of the list price.

The books will be shipped as soon as ready.

The continental magazine should forecast only any book (or tape) until it is actually in hand, then announce it as arrived and on sale. No book should be neglected. Send copies gratis to local papers for review always each time a new book appears, or whenever an old book has been neglected in this way. Announce in the magazine. Advertise on the Bulletin Board. Push books at Congresses.

From 10 to 25 people read every book sold, according to advertising people. This then is high level dissemination.

Send out the continental magazine every month or two, one issue to the whole list you have, not just to members. And advertise Books, Books, Books.

About once a year send a full list of books on hand on a sheet order form to everyone. This says "Which of these books don't you have?" People order them by the ton from the form by marking X and sending a cheque.

Book business is cash business from a Central Org to the field. Credit on books can be a bad headache in several ways.

Send out your magazine to the whole mailing list frequently. Heavily advertise books first, services second. And set the money you get aside.

I am about to do several new books. A new book can sell two to

three thousand copies in your area in a few weeks if you handle it right. Books are the sparks you need to light the fire. Let's handle them so they make us (as above) not break us.

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 14 MAY 1959

Distrib.

"Central"

HCO Offices

only

HOW TO ESTABLISH PRICE OF BOOKS AND TAPES

BOOKS

Establish fully the printing cost. Multiply by five. This is cost of the book to usual buyers. However, a book price can be further increased so that when one gets a 20% reduction he pays a whole figure. Example: Printing cost X = 20 shillings. This is minimum safe retail price. This can be fixed further so members buy it for 20 shillings after their 20% discount, i.e. $24s \times 20\% = 20s$.

TAPE PRICING

Add:

1. Cost of tape original.
 2. Cost of recorder and equipment depreciation (2 yrs per recorder); includes cost of recorders in copying.
 3. Cost of time of engineer (gross weekly).
 4. Cost of tape for copy master.
 5. Cost of tapes for copies.
 6. Rental cost of recording room or rooms.
 7. Performer cost. (Min. \$15.0.0./week)
 8. Shipping cost of whole package by air + insurance.
- Add 100% of above.

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BOOK PRICING FORMULA

/Excerpt/

16. The costing formula for pricing a book by the publishing agency (not the seller) is as follows: Printing cost x 5 + 2 x Surface post to furthest org. This is the standard publisher costing formula and allows for discounts up to 50% for large distributors, overhead and royalties. To sell for less than this is to cause loss and prevent distribution. This also allows enough

money for the distributor and the publisher both to advertise. This is a minimum price formula.

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[Exerpted from HCO Policy letter of 10 February 1965, Ad and Book Policies. A complete copy of this Policy Letter can be found in Volume 2, page 101.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 FEBRUARY 1961

HCOs

Central Orgs

Franchise

PROFESSIONAL

CHARGES

No Franchise or Field Auditor may charge less for services than the Central Organization for that Continent.

They may, however, charge more.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 JUNE 1962

CenOCon
Franchise
Field Auditors
BPI

L. RON HUBBARD

PROFESSIONAL CHARGES
(Amends and amplifies HCO Pol Ltr
of 10 February 1961, same title)

No Franchise or Field Auditor should charge less for services than the Central Organization for that Continent. They may, however, charge more.

The Organization cannot be fully responsible for the excellence of any auditing that is not regularly purchased through the Registrar and done in the HGC at a Central Organization. However, in the case of complaints against an auditor, if it is found that the auditor has conscientiously applied standard procedures to the best of his ability, and has not charged less than the recognized fee for the area, he may expect some support from the HCO, HASI and myself

All auditing rates in an area are uniform. Field auditors are supposed to charge the same as the Organization.

Good auditing today is excellent. It is worth far more than the fees charged in the HGC. Bad auditing is money wasted.

No responsibility need be accepted and no legal help or advice need be given where, on investigation of a complaint, it is found that an auditor has given auditing for fees that are less than those charged by the Central Organization for the area. In the event of preclear complaints in such circumstances, severe disciplinary action may be taken against the auditor concerned.

The Central Organization should take steps to ensure that all field and Franchise auditors in its area are kept informed of their current charges and terms, so that field auditors can align their charges and terms accordingly. Field auditors also should assume responsibility for keeping themselves informed of the current charges.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 SEPTEMBER 1964

Remimeo

Interested Sthil Staff

/Excerpt/

COST OF SERVICE

You must realize, despite propaganda about our expensiveness,
that our services break into two parts.

(a) Cheap, broad services for everyone.

(b) Personal services at a much higher (but cheaper than any other field) price.

Don't get confused and try to make (a) expensive or (b) cheap.

Whenever I get a plea from some staff to "cut our prices" I now realize they haven't got (a) and (b) separate and they're confused and try to identify all service with all service.

Make our cheap services (PE, HAS, Co-audit, brief assists) very, very, very cheap. Give them away, in fact. This is broad, general Scientology. You have to spend money to give them away. The book auditor, the Extension Course, the dollar book, the magazine, these are all part of these cheap services.

Most orgs err in never really spending money on cheap services. They get all tied up with income needs and sell only expensive services and never get a whirlwind of interest going.

Cheap service costs the org money. You have to hire staff just to administer it. You have to have people to care for it. You answer letters from book auditors (but the Letter Reg doesn't) and PE people and greet out-of-Towners with a hostess.

You don't turn such traffic off because it doesn't buy. You form a place for it to come to like a public lounge. You give it tape plays. You whip it up to a roar. And you don't let it into your production departments or lines because it bothers these and upsets them.

For instance, you never give away an Academy Course. You always

charge heavily for it. But you give public tape plays that train the "multitude".

ALL PERSONAL SERVICES RENDERED TO THE INDIVIDUAL RESULTING IN A GOOD PROCESS RESULT OR A WORTHWHILE CERTIFICATE MUST BE CHARGED FOR HEAVILY.

L. RON HUBBARD

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[Excerpted from HCO Policy Letter of 23 September 1964, Policies: Dissemination and Programmes. A complete copy of this Policy Letter can be found in Volume 2, page 41.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 MAY 1965

Remimeo

Registrar

Tech Sec HAT

Qual Sec HAT

Org Sec HAT

Dir Accts HAT

Cashier's HAT

HAT TECHNICAL & QUALIFICATIONS

DIVISIONS

DIVISION 4 - 5

URGENT

AUDITING FEES
PREFERENTIAL TREATMENT OF PRECLEARS
SCALE OF PREFERENCE

There is a definite and positive Scale of Preference for accepting and scheduling preclears (including students sent to Review) for auditing in the HGC and in the Case Cracking Section of the Department of Review.

Last on the list is any person who seeks auditing as a favour "to demonstrate to others what it can do" or "because of importance as a person". The auditing of someone just because the result would "prove" something or other or because the person has money or power and might donate, by firm policy since 1950, has been relegated to the "circular file" (the waste basket). Giving auditing away to such persons or their friends or children or psychotic brother in the asylum is in fact forbidden. Giving preference in scheduling to such persons is governed, when for pay, entirely by the Scale of Preference. Such bids are a snare and a delusion; it sounds good; it doesn't work out Mr. Big takes his place in line with Mr. Little, and the Scale of Preference alone applies.

The person who has to be audited AT ONCE for desperate reasons is also governed only by the Scale of Preference.

The person who will only be audited by a certain or special auditor is also governed entirely by the Scale of Preference (See A).

SCALE OF PREFERENCE

Assignment of Auditor and Preferential Scheduling is governed as follows:

A. Best Available Auditors, earliest possible commencement;

E.

G.

Pcs Paying full rate Cash in Advance with the longest consecutive auditing period purchased, Where two pcs have to be chosen between for the best auditor, the one who has purchased the most auditing in consecutive periods is given the best auditor at the earliest moment. (It is obvious that to get a special auditor one should pay full public rate in cash even when entitled to Professional Rate. Otherwise there may be no pc requested auditor assignments. Buying additional auditing or offering a specified donation in addition to the full rate as per A can also influence the assignment of a requested auditor. The auditor does not have to accept.)

B. Skilled auditor (but not specially requested auditor), early commencement; Full rate pass whose credit has proven excellent and prompt by past experience.

C. Good auditor, early commencement; Pcs paying cash in advance professional rate.

D. Auditor staff available scheduling;

Full public rate pcs with 50% deposit and unknown or not established credit. Interne Auditor and any scheduling convenient to org;

Full public rate pcs requiring up to 75% credit, credit unknown. Any Interne Auditor, and any scheduling convenient to org;

Professional rate requiring credit.

Any student, any scheduling convenient to org; Total credit at any rate, credit unknown.

H. Students who need practice, cases not supervised except for

student check sheet in Examinations, scheduled randomly or by waiting list, charity or pcs on full credit of a pcs unknown nature.

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In scheduling there is also the problem of matching Interne Auditors in pairs so they can crack their own cases.

This is normally done by Case Parity. Cases more or less the same in state of case should be matched up.

Auditors who goof seriously in handling specially assigned processes in HGCs or Case Cracking Sections and are removed from active auditing because of it as dangerous, are normally paired with the last one who goofed and they are assigned as a co-audit team and they are permitted to slug it out, getting a better reality on goofs and their cases in shape as well. This is not disciplinary assignment. It is prevention of case damage to others, both by giving them a reality and by advancing their cases Their folders are carefully watched by auditing supervisors for false entries on auditing reports.

The whole theory of the above is not Cash. It will be found that those who will pay were the most able to begin with and have the greatest value to others. Their worth as persons is greater. Thus good, swift auditing brings up even this value.

I have never thanked myself for giving any concessions on fees or scheduling not based on the above. I can say with complete case histories that giving free service to those who demanded it or sought it has never resulted in any useful gain for Scientology. On the contrary some of our biggest headaches administrationally come from those who continually sought free courses and free auditing.

In the case of award auditing or training it is a different matter. Here it was worked for and deserved before the fact. The

Registrar is never faced with such persons as awards are given staff and staff has staff staff auditors.

The "the world owes me a living" preclear (or student) is a candidate for the Better Dead Club. There were two branches of this Club, by the way-Better Dead for their own sakes and Better Dead for the sake of others. Demands by individuals for free service on any pretext should be given a light, airy laugh. It doesn't do anybody any good, often not even the person who received it.

Real charity cases who never pay are actually hard to find. In Charity Auditing one must always give them a chance to pay.

A Registrar's matter of fact attitude about paying for auditing or training is a valuable asset. Giving the person a problem about how and what they'll pay is poor Registraring. Don't make them choose about paying in full or not paying in full. Just tell them "Go to the Accounts Cashier". An evil laugh when they advance the idea of some tiny down payment on auditing and a remark, "Well, that would put you on the waiting list and give you a new student," might be very effective.

Printing up the above preference scale for presentation to falterers on payment might be effective.

Accounts must always give Scheduling Personnel a copy of the invoice.

Accounts must mark the invoice clearly as per the above preference scale.

Scheduling may only be done by scheduling personnel and must be done in accordance with the above Scale of Preference, and the prospective preclear already in the office (not on promotion lines) should be informed that the above scale exists.

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 OCTOBER 1967

Remimeo

CHARGES

As WE NEVER VALIDATE A DOWN STAT (it is entirely fatal to all to do so) we ALWAYS CHARGE FOR RAISING STATS ON ANY DYNAMIC.

And we always adjust charges in proportion to the degree the stat was down. The further down, the more we charge.

L. RON HUBBARD

Founder

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 SEPTEMBER 1970

Issue I

Remimeo
Cashiers
Div Ills
Pub Div
Hats Div
II Hats
FSMs
F/Os

Organization Series No. 6

CUTATIVE PRICES

HCO PL of 27 Apt AD 15 "Organizational Price Engram" is fully valid and must be followed. It explains why price cuts damage orgs.

Price cuts are forbidden under any guise.

1. PROCESSING MAY NEVER BE GIVEN AWAY BY AN ORG. Processing is too expensive to deliver.

2. BOOKS MAY NEVER BE GIVEN AWAY BY AN ORG OR BY PUBS ORG.

They are too expensive to manufacture.

3. FSM COMMISSIONS MAY NEVER BE PAID ON DISCOUNTED OR CUT RATE ITEMS.

If an FSM can't sell for full value he does not rate any commission.

4. SCHOLARSHIPS FOR COURSES ARE LIMITED TO INTERNESHIIPS, HSDC AND ACADEMY LEVELS.

5. COURSE SCHOLARSHIPS ONLY MAY BE OFFERED FSM ON CONTEST AWARDS.

6. SCHOLARSHIPS ARE ONLY AVAILABLE TO WORKING FSMs OF PROVEN SELECTEE SUCCESSES.

7. ALL SCHOLARSHIPS AND AWARDS OUTSTANDING TERMINATE IF NOT TAKEN BEFORE 1 JANUARY 1971.

8. FSM COMMISSIONS ARE PAID ONLY ON THE ARRIVAL OF A STUDENT OR PC, NOT ON RECEIPT OF THE FEE.

Adv payments are sometimes refunded.

9. ONLY FULLY CONTRACTED STAFF IS AWARDED FREE SERVICE, AND THIS IS DONE BY INVOICE AND LEGAL NOTE WHICH BECOMES DUE AND PAYABLE IF THE CONTRACT IS BROKEN.

10. FSM BONUS AWARDS TO ORGS MAY ONLY BE DELIVERED TO CONTRACTED STAFF MEMBERS OF THAT ORG.

L. RON HUBBARD

Founder

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Remimeo
Cashiers
Div 3s
Public Divs Hats
FSMs
Franchises

FSM CONTEST AWARDS
(Modifies HCO PL 27 Sept 1970,
CUTATIVE PRICES)

FSM Awards outstanding as of 27 September 1970 were to be taken by 1 Jan 1971 or forfeited by the above policy letter.

Many were not able to arrange to take their awards within the stipulated time.

In response to public requests the deadline for claim and use of such awards is abolished.

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Lt. V. Polimeni CS-3
for L. RON
HUBBARD Founder

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

Issue II

Remimeo

ORGANIZATIONAL PRICE ENGRAM

It's an awful good thing I found the engram in organizations before we released the new pattern of orgs and began to expand prices.

Had I not found it we would have expanded to insolvency!

A few suppressive persons with their "everybody" and "they" have here and there over the years set up a price ridge between orgs and public.

"You charge too much!" "Money" "Prices too high!" combined with "everybody thinks" and other generalities have made executives believe that the public won't pay.

Not detecting the true reason for this attack, the executive swallowed it whole. The true reason is a suppressive reason-if we don't charge we will vanish.

A guilt complex (I won't use a Scientology term on anything so low) arose about money.

Accommodatingly around the world org Scientologists tended to cease to exist financially. All to please Jo-Jo the famous loop of Capetown or Too-Too the famous paranoid of Sydney or Gut-growl the renowned psychotic of Washington or Oh-no the wildly celebrated pervert of Los Angeles or Sinangulp the loudest mouth in Johannesburg.

These ARC Break specialists howled so loud their minority was overlooked. They wanted us gone. We helped people. A dastardly act.

To prove it, Sinangulp tried to give away Johannesburg's buildings! And stole HASI's equipment and tapes and recorders

Staffs resenting these attacks, resisted. But gradually succumbed.

Covertly prices were lowered.

Very covertly.

While still reporting and advertising high prices some orgs were charging very small.

It's a case of how crazy can one get.

It's one thing to advertise the discounted price. It's quite another to only advertise the high price while secretly selling at a ridiculously low price.

The tendency then against which we must guard is covert lowering of prices once set.

The prices given me last year for use in computing a discount programme were in some orgs higher than the actual price taken by the org.

Therefore, when we went on the early 1965 programme, the lie about former prices made it appear to the public in some areas that we had raised prices from 400% to 1000%! Hence, no business and the Jan-Feb slump.

It's good this happened while we were still small in orgs. For had we expanded without discovering this the tendency of secretly lowering prices would have wrecked us. The bigger we got the broker we would have been and the poorer the staff.

I now know why staffs got higher than average units on

proportionate pay when I managed an org personally. I just didn't cut-rate things. And the public paid happily.

The lesson we have learned and which we must never lose sight of is that secret price cuts by separate orgs and discounts can undermine all financial planning and lay in an engram that can destroy all expansion.

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Hardly one price actually collected in the world was the authorized price or the advertised price. And when the false data was used for planning the public was confronted with a HUGE increase even in the discounted price, which was based on reports that made the discounted price equal to the advertised 1964 price. But that reported 1964 price was not the price received for service.

I personally am of the opinion that even top executives in orgs did not know what their staffs were charging by the org.

What it amounts to is that a big false report by orgs lay behind the 1965 Jan-Feb slump. They did not report their actual low prices, only their advertised prices.

Therefore we can draw up some policies on prices.

1. The advertised and reported price of anything sold by an org must be the actual price received by the org for that item.

2. There may be no hidden discounts, trick reductions, whims or favours given in pricing.

3. Merchandising by advertising that prices are going up soon is forbidden.

4. Anyone covertly reducing prices is guilty of suppressing an org which is a high crime.

5. Any price passed upon at Saint Hill by myself may not be changed for anything by anyone else in any org.

And finally:

6. Efforts to reduce prices below a set scale will be considered suppressive acts.

I can easily handle a situation when I have all the data. It was easy to re-shuffle programmes to get us again into an income range where orgs and staffs will prosper and which pleases the public. But it was a lot of worry until I got the real story.

We have learned some valuable lessons by the Jan-Feb 1965 slump.

And we were saved by the bell. We didn't have a public book pouring in people and we didn't set up the orgs to boom. Had these two things been done, without my establishing a programme which started the rabbits out of the brush and into view, we would have been wiped out by a boom.

Now we can plan with a better reality and set up the org and release some popular books and boom.

The only other datum on this also teaches us a lesson. Earlier in 1964 a query to all orgs about their prices elicited a good response. I several times asked for those despatches to be collected in a folder and given to me and it was not done. In the press of things, I didn't notice I was getting a non-compliance here and so never saw them until last week. However those price reports too were not correct. And I did have other data given me later in the year of 1964 on prices and National Councils did inspect the raises without comment.

There's no mystery left about this - the price data given by most orgs for planning were not the prices actually paid by the public - and orgs sold things for far less in most cases than what they said they did. And the '64 discount complexity was greater than the '65. The engram was that prices were covertly reduced and the new prices of 1965 were thus many times the old.

Don't listen to suppressives. Turn them in to HCO. And hold the prices set. And tell me the truth.

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 APRIL 1965

Remimeo

Sthil Execs

Franchise

insert separately

in Auditor 8 as

a printed Pol Ltr

BPI

May be mailed to

Scn Mailing Lists

ALL SCIENTOLOGY

PRICES LOWERED BECAUSE OF NEW

ORGANIZATION STREAMLINE
COST OF TRAINING, PROCESSING
AND BOOKS LOWERED BY NEW
DISCOVERIES

Cancels HCO Policy Letters:

19 Oct 1964 Pricing Formulas
30 Oct AD14 Mailing List for Franchise Holders
31 Oct 1964 Issue II: Current Policies, Orgs & Franchise
3 Dec 1964 Pricing Meetings Final Policy
23 Dec 1964 Field and Public Programming
15 Mar 1965 Issue II: Only Accts Talks Money
22 Mar 1965 Saint Hill Services, Prices and Discounts

Scientologists may now have a Membership Free.

And all prices and sign up procedures revert to 1964 levels and conditions. We are retaining all that was good of the programme such as obtaining funds and heavily advertising books. We are only cutting out discount puzzles and raised prices.

I have answered your request that we do so by streamlining orgs and I have returned you to the 1964 arrangements that you did like and wanted. We can do this because of costing lowered by our new organizational pattern.

All International Memberships recently purchased will be extended 6 months free.

The Professional Auditors' Bulletins (the PABs) will no longer be shortened and will be restored to their old format and are to be sent to all International Members regularly. They will contain the tremendous backlog of invaluable data of HCO Bulletins of 1964. HCOBs printed in it will come on up to present time and will continue to be issued as PABs as before.

The higher prices and discount plan of early 1965 are rendered unnecessary because of technical and organizational advances.

LOWER LEVELS

The technical advances which came from the level above clear when I contacted It, opened not only the top, but the bottom of the levels and I found many new "sub-zero" levels and developed many of the processes that go with them. This lets us undercut the toughest cases we've ever seen in the fastest possible TIME.

DISSEMINATION FORMULA

Also, I have discovered and developed the long awaited dissemination formula which makes it a walk in the park to easily present Scientology to even the roughest objector, much less decent people.

Its drills just need to be written up in Bulletin form and they will be part of the PABs in due course. You will get the PABs with your International Membership.

FIELD STAFF MEMBER

With the Field Staff Member programme and lots of book auditors we don't want a complicated price programme to stand in anyone's way now.

FIELD AUDITOR PRICES

All Field Auditors and Centres are now being required to return to the 1964 price level of their Continental Organization and may not charge more or less than those prices.

Such auditing is not supervised from Saint Hill. Only HGC and

Academy auditing and training is supervised by me.

To charge a fee an auditor must be Classified up to the level being run for fee.

ORG PATTERN

The new org pattern makes for a somewhat less costly org per person trained or processed so the prices can be dropped back.

Also volume will be rising.

NEW BOOKS

I am holding up new books here until orgs are better able to care for very heavy traffic flows. The new books will increase the volume again.

Before we start pouring new public in we want to clean up all our old clearing contracts and our existing field auditors and Scientologists. This should take about a year. After all, they have first call on org services and we'd better not start such a heavy flood of business that the old timer will be crowded out before his case and training are up.

PLANNING

I've been working to remove any obstacles in the way of the training or processing of any old time Scientologist.

If we can get all our present people well up while we still have breathing space, their help will be invaluable as we spread out.

Therefore, consider the 1965 discount programme run out and erased. We don't need it and you found it hard to understand.

Things are as they were in 1964 - same prices, same services,

same courses - same people, but the orgs with a new streamlined pattern based on technology taken from the high levels above clear.

I'm glad to be able to give you this break.

And I'm going to need every last Scientologist in the world as highly trained and processed as possible.

And so I have swept aside all the blocks I could. We must we can get the show on the road in time.

So let's get the show on the road!

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L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 OCTOBER 1964

General Non-

Remimeo

Assn/Org Sec

HCO Sec

Adcomm

Deputy Assn/Org

Sec

PRICING FORMULAS

Reference: HCO Exec Ltr of July 3, 1964, (Requested Data on

Prices).

(This Policy Letter modifies HCO Pol Ltr of Sept 23, 1964, in giving three months' average income, instead of one month's as the average price for training and processing. Otherwise, HCO Pol Ltr of Sept 23, 1964, is generally valid.)

PRICES AND DISCOUNTS ARE EFFECTIVE JANUARY 1, 1965, (but must be prepared for and announced as contained herein.)

First, thank you for your response to my request for pricing data. I now have formulas and data to give to you as policy now issued.

THE NEEDS OF A NEW PRICING FORMULA

The needs for new pricing formulas are required by:

1. Inflating currencies in all countries. 2. Low units in many orgs. 3. No flexibility.

PRICING FORMULAS

The pricing formulas are:

1. The price of a 25 hour intensive or any one course above the level of HAS shall be computed as costing the same as three months' pay for the average middle class working individual. Each Continental District shall make its own computation of what this sum is. From this total price a Lifetime Member shall have a discount of 20%. An International (yearly) member may have a discount of 30%. For the purpose of Courses and intensives only these two discounts may be additive. Courses above the level of HPA may be increased in price at the discretion of the Continental Director or Executive Director. Processing bought in amounts more than one 25 hour intensive may be decreased proportionally at the discretion of the Continental Director or the Executive Director.

ASSISTS

2. Assists are to be charged at the hourly division of the above, but no assist shall be more than five hours and must be delivered in one session. Discounts are allowed. Two or more assists may not be sold the same preclear in any one month.

PE FREE COURSES

3. HAS Courses are to be divided into a free period of one or two weeks, but only for five or six evenings on Course.

HAS COURSES

4. The HAS Course is to continue for an additional series of evenings paid for by the evening or in advance and shall be no less than 30 and no more than 60 additional evenings on course. The amount to be charged is based on three weeks pay of the average, middle class pay rate and, if paid in advance, is subject to a refund in cash or future credit of 25% of the total fee, providing the course is fully completed

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and the refund payable only at the end of the course. Lifetime 20% and International 30% discounts apply.

PROFESSIONAL RATES

5. Professional rates are abolished as they are cared for by membership discounts.

STAFF MEMBER AUDITING

6. Staff members, full or consistent-part-time under contract, may be audited 12 1/2 hours or 25 hours in any week in the HGC by giving up half of their units for a 12 1/2 hour intensive and all

their units for 25 hours which then serve as a general rise in all the others' units; but staff members may not have more than one 12 1/2 or 25 hour intensive in a month. They may have 12 1/2 hour intensives over week-ends by directly paying the staff auditor auditing them the average units for the week before last calculated for 2 1/2 days only, if this is overtime for the staff auditor, or by paying the org the same amount, if the staff auditor is a regular, week-end, part-time auditor. No staff member may be audited if paying pcs consume the available auditing time. Two staff members must be audited in the same week by the same auditor if only 12 1/2 hours is taken.

BOOK DISCOUNTS

7. Book discounts will be:

(a) Central Orgs which act as the Continental Book Dept for the continent and Saint Hill from Washington or Washington from Saint Hill get a 50% discount on the retail sales price, plus postage and any shipping charges.

(b) City Offices which are not the Continental Book Dept, and Franchise Holders get 33 1/3% discount with no other discount, whether ordering from Saint Hill, Washington, or a Central Org or a City Office, plus postage and any shipping charge.

(c) An International Member gets a 10% discount, plus postage and any shipping charges on tapes, books and meters.

(d) A Lifetime Member gets a 10% discount on tapes, books and meters, plus postage and any shipping or handling charges, whether buying from Saint Hill, Washington, Central Orgs, or City Offices, but not binding on Franchise Holders. BOOK PRICES ARE NOT UNIFORM CONTINENT TO CONTINENT, BUT ARE FIXED WITH PERMISSION FROM SAINT HILL.

(e) Lifetime and international Membership discounts are additive

in all cases except where the Lifetime Member has been promised before Nov 15, 1964, a 20% discount on books, tapes or meters, in which case the discount will be honoured in all orgs, but the additional international Membership discount does not apply then on tape, book and meter purchases. The maximum membership discount is therefore 20% in all orgs including Saint Hill on tapes, books and meters.

(f) Any org may buy tapes from Saint Hill at 50% discount.

(g) Other discounts on tapes, books and meters to be arranged from time to time.

(h) Central Organizations and City Offices may arrange for discounts with the Director of Publications at Saint Hill on quantity purchases of meters, tapes, insignia, etc. Any such discount is a temporary arrangement. Evidence that an organization or office is selling books, meters, tapes or insignia at cut rates (below list price for that area less proper member discounts) will cause cancellation of all further meter, or insignia discounts (except membership discounts) to that area.

INTERNATIONAL MEMBERSHIP FOR STAFF MEMBERS

8. Staff members full or part time, continuously employed and under contract are given their international Membership yearly without charge. Their Lifetime Membership must be purchased by themselves. On departure from staff a staff member's international Membership is cancelled as of that date, but may be renewed on proper payment.

THE NATIONAL MAGAZINE

9. International Members receive every other month a Major issue

of the National Magazine. Everyone in the address files receives the Minor issue in the alternate months,

THE AUDITOR

10. The Auditor goes to all Founding Members, International Members, Lifetime Members and Professional Auditors, but the mailing of this magazine is not to be promised and comprises no part of the pricing programming, Saint Hill making no promise to continue to issue it to any certain person or anyone.

THE PROFESSIONAL AUDITOR'S BULLETIN

11. The Professional Auditors Bulletin goes to all International Members and Professional Auditors either direct from Saint Hill or as an enclosure in a Major national issue.

RESEARCH TEN PERCENTS OF GROSS INCOME

12. (c) Central Orgs, City Offices and Franchise Holders contribute 10% of their gross weekly income to various expenses and usages at Saint Hill or to L. Ron Hubbard as Director of Research. But this 10% shall not include payments received for books by anyone.

BOOK TEN PERCENTS

13. Washington and Saint Hill pay 10% of their gross book sales to the Research Fund Account of Scientology Library and Research Ltd., but only on books actually published and printing paid for by each area. If Washington publishes a book it pays 10% of the gross retail sales price as sold. If Saint Hill publishes a book it pays 10% of the gross retail sales price as sold. If Washington, for example pays Saint Hill for a shipment of books and sells them from Washington, then Washington does not pay any 10% and vice versa. Although it is not policy at this time for other offices to reprint books, if one ever does get permission, it will also pay 10% to the

Research Fund of Scientology Library and Research Ltd on each.

INTERNATIONAL AND LIFETIME MEMBERSHIP PRICES

or \$30.

14. International Membership shall be uniform at this time for the world at £10

Lifetime Memberships shall be uniform at this time for the world at £25 or \$75.

Neither Membership may be bought at a discount. Memberships are not refundable.

RECEIPT AND USE OF INTERNATIONAL AND LIFETIME MEMBERSHIP MONIES

15. Both International and Lifetime Memberships shall be paid in to the HCO in the Area Office and deposited only and at once in the HCO Book Account, and shall serve, amongst other things, to defray magazine printing, handling and postage costs of the National magazine. All Memberships must be paid for in cash, made out directly to HCO Book Account. Memberships shall be deposited only in the Main Book Account of the Area Office. The Continental Office may call on sums proportionate to the number of magazines (their cost of printing, handling and postage) mailed in the area of the HCO Area Office, but book ads saying books are available at the Area Office and the ads of the Area Office must be carried in the magazine. All sums additional to magazine cost in both the Area and Continental Office shall be used only to purchase

more books, and tapes and to defray expenses of high quality facilities for tape playing and the expenses of Congresses. All Membership monies received by an Area Office, not called upon to defray magazine printing and postage may be retained in the Area

Book Account.

CONGRESS FEES

16. All Congress fees shall be received into the Area Book Account of the area where held.

No Congress fees, membership fees, or book monies received may be used for the payment of units, rent (except for Congress Halls) or organization expenses.

USE OF CONGRESS, MEMBERSHIP AND BOOK MONIES

17. Congress, membership and book fees may be used for advertising Scientology books in magazines, but not for newspaper or magazine advertising of PEs, auditing or services.

FURTHER USE OF CONGRESS, MEMBERSHIP AND BOOK MONIES

18. Any further use or disposition of Congress fees, membership fees or book receipts shall be at the sole permission, personally signed, of the Executive Director.

HCO BOOK ACCOUNT SIGNATORIES

19. The HCO Continental Sec and HCO Area Sec or where the HCO Continental Sec is also an Area Sec. by the HCO Continental Sec and the HCO Communicator jointly, or the single signatures of LRH and MSH are requisite on any Book Account cheque for it to be valid and all bank mandates for that account must so state and must include the signatures of LRH and MSH.

OTHER PRICES

20. All other prices of all other commodities or services shall be set by the Continental Director in agreement with the HCO Continental Sec for all offices in their continental area.

COMMITTEE DETERMINATION OF AVERAGE MIDDLE CLASS PAY

21. The determination of what constitutes 3 months' pay for an average middle-class individual for a continent shall be determined by a Committee of which the Continental Director shall be chairman and each Association or Organization Secretary of that zone a committee member. All government data and averages shall be consulted as available from departments or ministries involved in commerce and labour and from other sources and it is the responsibility of the Chairman that this data is obtained.

MEETING TIMES OF THIS COMMITTEE

22. This Committee is to meet in the fourth week of November in this year and on the first week of September in succeeding years to determine the price scale that will become effective on the first of January of the coming year and these prices shall be announced in the National Magazine at once as they will generally be found to be rising in the coming year, causing a rush of business in December.

CONGRESS DATES

23. Congress dates should be set for the period July 1 of the coming year to June 30 of the next year after and announced in the same issue of the National Magazine.

AUTHORIZATION OF PRICES

24. Final authority for prices must be obtained by cable from the Executive Director before publication with brief supporting data.

Membership and a Lifetime Membership is held by an applicant for training above the level of HAS and below the level of HPA or for processing, then there must be one pc or student per month per staff member to give each staff member 1 1/2 times the average pay of a comparable post to his own in an outside business firm.

A staff of 20 would have to sign up 5 students or pcs per week on courses above the level of HAS or 25 hour intensives to do that and it was common (at comparable prices to those arranged for in these formula policies) in Washington or London in 1956 to sign up more than that with a staff of less than 20. (But book ads were being regularly placed - an action amply provided for in this plan.)

HCO AREA SEC BONUS

25. The HCO Area Sec is granted a bonus of 2 percent of the gross receipts of the local Book Account.

ASSN SEC/ORG SEC BONUS

26. The Association/Organization Secretary is granted 2 percent of the gross receipts of the HCO Book Account but may not be a signatory to that account.

HCO CONTINENTAL SEC BONUS

27. The HCO Continental Secretary is paid 1/2 of one percent of each Book Account in the Area, whether or not acting as an HCO Area Sec as well.

CONTINENTAL DIRECTOR BONUS

28. The Continental Director is paid 1/2 of one percent of the gross receipts of each Book Account in his continent, when acting as an Assn/Org Sec or when not.

MONTHLY PAYMENT OF BONUS

month.

29. All such bonuses are payable monthly only, computed on the first of the

NO ADVANCES OR LOANS FROM HCO BOOK ACCOUNT

30. No Demon may be paid such a bonus in advance nor may any loan be made to any person from any HCO Book Account.

HCO BOOK ACCOUNT BONUS SUSPENSION

31. When a Book Account tends to become insolvent by reason of owing more than it receives, bonuses are suspended until the condition alters but in no event less than 60 days.

REGULATIONS CONCERNING HCO BOOK ACCOUNT

32. Book, Congress, Tape and Membership income may not be used or loaned for any salary sum, expense sum, building fund or past bills of the organization as a whole, but past book and tape bills are an exception.

STAFF MEMBER LOANS

33. All loans to staff members from any organization or outside source must have the permission of the Treasurer at Saint Hill before being granted or received. Exception is actual personal leases and/or Hire Purchase or Time Payment purchases by the staff member for his or her own use, and no monies may be borrowed by full or part time staff members from past or present organizational students or pcs.

STAFF REGULATIONS

34. Any staff member accepting for training or processing any student or pc for his personal profit or for favours during his time of employment on staff or any HASI

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student or pc for two years following will be subject to a Committee of Evidence and possible revocation of certificates.

REPORTING OF UNUSUAL FAVOURS

35. Any unusual favours received by a staff member from organizational students or pcs must be reported to HCO Exec Sec World Wide via the HCO Area Sec and Continental Sec. This includes uses of cars, apartments or receiving expenses as well as other favours.

FRANCHISE AND FIELD ACTIVITIES

36. Franchise and Field Auditors are influenced in prices in that they must not charge less than but may charge more than the auditing and training prices above the level of HAS for their continent, but they may credit the facts of International and Lifetime Memberships discounts, even though they should not sell them.

INTENSIVES OF MORE THAN 25 HOURS

37. Additional sliding scale discounts may be given when pcs or students buy more than one intensive or course at the same time but the reductions for quantity purchases must be passed upon by the Continental Director.

TAPES

38. No tapes may be manufactured, copied or copied for resale by

any Central Organization or City Office. Only Saint Hill may copy tapes. Evidence of any tapes being copied or copied for resale in a Central Organization or City Office will suspend their tape discount for one year.

Please note that the only discount Policy Letter marked BPI is Pol Ltr of October 31, 1964. This is a repeat of others and additional data of special interest to and clarification for the Franchise Holder and the public. The one you release is October 31, 1964.

DO NOT RELEASE ANY OTHERS OF THIS PRICING SERIES OF OCTOBER - NOVEMBER 1964 TO FRANCHISE OR THE GENERAL PUBLIC.

CREDIT PAYMENTS

39. Previous policy disallowing discounts on credit are cancelled. This does not mean that memberships may be had for credit. They cannot be. It does mean that all discounts apply whether the full or only a part of the payment for training, processing or other service or materials are purchased.

However a reasonable deposit, covering the actual cost of the service or material must be procured in all cases where credit is extended.

On future credits, after January 1, 1965, no penalty clauses should exist on new credit notes signed and these are hereby cancelled for new notes. Interest must not be lower than the highest permitted by law in the area or 10% in areas having no limit.

Interest for the term of the note is added in full sum for the term of the contract to the note on signing it, the amount of the note then being owed sum plus interest for the entire term of the note.

RELEASES REQUIRED

40. Releases of the older type are now required on all sign-ups, particularly credit sign-ups where an even tougher release form should be drawn up especially for those persons signing notes.

Sign up policy remains otherwise unchanged.

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Note: New programming, new processes, new PE format, the technology of how we lose pcs and students, the data in HCO Pol Ltr of September 23, 1964 and Exec Ltr of October 5, 1964, a recognition of the field and franchise auditor as a pc and student source that must be encouraged, a recognition of how units and staff members and business-done balance up, new books, new type Congresses, my general planning on your promotion lines and your increasing activity and alertness, combined with expected case gains, the new Book of Remedies, these things and others combine to guarantee an increasingly busy future with considerable rise in personal Income and general financial health. You realize, of course, that as you increase students you don't increase instructors to that degree and staff auditors pay for themselves as added, and that a great deal more income lies in salvaging all old cases and increasing the potential to earn in all new ones.

All this requires a lot of snap, pop and hard work but it can be done and you can be paid better for doing it.

In the business of fast plainly spiritual healing you will also increase your activity and income beyond expected average.

Advertising actions are arranged for in the above. Nobody expects magazines to cost any more than they have previously. Magazine cost and postage is dropped from org expenses.

Note also that under this plan the most neglected action in producing income in any area, BOOK ADVERTISEMENT, the No. 1 magic formula of dissemination, is pushed into being by restricting the expenditure of memberships and other HCO Book Account monies until, to get rid of the surplus, book advertisements nationally and locally on a large scale would have to be placed constantly. With quantities of book ads, income from students and pcs as well as books will flood in. It always has. This is the basic formula of the coming boom. Because they cost the org money it could spend and "needed" elsewhere, the number of national magazines printed was curtailed and book ads were dropped out and that has been the chief cause of any financial difficulty in any org.

- As local offices and franchise centres become truly active, they will cease to drain off the old timers from the Central Org and stir up more local business of which the Central Org gets its part in courses and pcs.

This all looks pretty favourable to me. I hope it does to you.

LRH:jw.cden

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[Important. See also HCO P/L 18 April 1965, page 93.]

L RON HUBBARD

[Note: in 34. STAFF REGULATIONS the phrase or any HASI student or pa has been added per HCO PL 26 November 1964. 7 (h), 38, 39 and 40 have been added per HCO PL 9 November 1964.]

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 OCTOBER AD14

Gen. Non-Remimeo

Sthil Students

Franchise Sthil

CF MAILING LISTS
FOR FRANCHISE HOLDERS

(HCO Sec: Note that this is an important piece of current promotion and see that it, with Pol Ltr on Pricing Formulas, Exec Ltr on CF Overhaul, are thoroughly known and understood by the Assn/Org Sec. Dir Prom Reg. and CF and Address In Charge. We're arranging a boom. Don't let any parts of how we're doing it go awry, in your Org. If all steps are taken and continue in force, the boom will be on in your area.)

For some years we have had a policy of no mailing lists should be sent or issued to the field.

That policy is now relaxed only so far as the following:

1. Franchise Holders in good standing may be issued a certain type of list.

3.

5.

2. The list may only be issued by being addressed on address envelopes for a brochure as follows and may not be in tape roll or card form and no plates may be given to Franchise Holders.

No list of persons actively in communication with the Central Org may be released and such persons may not be part of any list issued.

4. A Franchise Holder may receive lists only for the area in which he is actually operating.

No list issued becomes anyone's exclusive property and lists may be duplicated where areas are the same or overlap.

TWO TYPES OF ADDRESS FILES

A Central Org or City Office with Address Equipment and Files normally carries and preserves all addresses ever collected.

In practice, certain plates are retired to storage when the name has not been actively in communication with the Central Org for some time. This period has varied but was usually 3 years. In short, if someone was out of comm with a Central Org for 3 years, the address plate was retired to dead files.

If this procedure has not been followed, then this action will have to be done: All invoices ever written by the Org will have to be exhumed from Accounts and a whole new Address Plate File made, from the start of the Org up to its present "active" plate files.

If the plates have been kept, this is a simple matter. One simply regards "inactive address plates" as Franchise Files.

The two types of address files are then as follows:

File A: Active Address Files of the Central Organization.

File F: Franchise File.

All files are by districts as postal authorities usually require it for mail packaging. If they aren't then File F must be broken down into states or counties or some such geographical area. Population density, not square miles, is the best criteria, so you may have 3 districts for Greater New York and one for Arizona, New

Mexico and Wyoming.

BROCHURE FOR FRANCHISE

A special brochure for the Franchise Holder must be made up and printed by the Central Org. This should consist of the 17 basic definitions and what a Franchise Auditor can do and what training he can give. A Franchised Auditor should be defined. An invitation to communicate should be given.

A space for a Franchised Auditor to write, print or stamp his name or the name of his centre must be left on the brochure.

The brochure is provided with proper mailing envelopes.

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BROCHURE DRILL

On payment for a certain number of brochure copies (500, 1,000) to cover printing, addressing and posting the carton to him, a Franchise Auditor in good standing may receive addressed brochures from Central Orgs (not Saint Hill).

Address addresses the envelopes up to the number of addresses available for that district. Only File F (above) is used. Address does not stuff.

The addressed envelopes in one bundle of the carton and the brochures in another part of the same carton are shipped off to the Franchise Auditor.

Any part of the ordered brochure envelopes remaining when the number of plates for that area are exhausted, are sent blank for the Franchise Auditor to put his own addresses on.

The Franchise Auditor receives the carton, addresses the envelopes left blank as he wishes, has a printer run off his name and address on all the brochures or stamps them or writes his name and address on them, and, paying the postage, mails them out to his area.

People, finding service close to hand, will often break silence and correspond or call. Groups will form. Personal contact will revive. Now that we have why people dropped out (definitions not understood in older subjects or in Scientology, a fact which can be mentioned in the brochure), we can get them back.

FACTS ABOUT THE FIELD

It is hard for a Franchise Auditor to get in touch with people.

People when they know he is there will wake up and go to him when they never would come into the org.

A Central Org which does not cultivate auditors in the field does badly.

A Central Org has been known to misguidedly suppress field "competition".

A survey of pcs some time ago showed the majority originally had been sent in to the HGC by the field, a fact Central Orgs sometimes overlook.

The Franchise Auditor, delivering service as a well trained professional is nobody for an Org to deter but encourage.

Only bad experiences with squirrel, badly trained or untrained persons in the field lead Orgs to withhold from them. These experiences seldom if ever occur with Franchise Auditors.

It would be dull to release the total active list to the field.

It would be dull indeed to release File F to anybody and everybody, competent and incompetent alike. It would be equally dull not to forward the programme covered in this Policy Letter.

NEW PROMOTION

The above project should be undertaken quickly. The sooner it is undertaken, the higher the general activities of Scientology will increase.

The line must be grooved in now while it can be. The brochure must be prepared and printed. Special help must organize the separation of Files A and F and in at least one case File F will have to be put on plates all over again.

The reason this will have to be done quickly is because there won't be any spare motion later with which to do it.

New promotion is so rigged that City Offices will be putting out vast amounts of advertising of books locally and Central Orgs nationally.

These new book buyers have been missing in our planning for years for reasons of false economy. Now we are going to start them rolling in.

New Promotion - and new books-will send orgs into a state of such activity that they might flub the drill of Franchise brochures if begun later. So start it now and you will have it grooved in when things really start. You will soon have more addresses than you know what to do with.

HANDLING NEW ADDRESSES IN CENTRAL ORGS AND OFFICES

Starting right away, this is the drill for new book buyers. This

drill also will be kept in and followed after advertising begins.

1. A person buys a book personally or by mail for the first time.
2. The invoice is made out with the name and address bright and clear on all copies.
3. One copy goes to shipping or books whether mailed or just handed out.
4. One copy goes to own Address. (This is true of all orgs including City Offices. Whatever is done with remaining invoice copies is according to standard accounts procedure.)
5. Address cuts a plate or stencil and puts a date on it and a designation like BB 3/3/65, meaning the person bought a book on 3/3/65.
6. This plate is put in File A and receives whatever goes out to File A for 3 or 4 months.
7. Any new invoice, indeed all invoices, go to Address. If a BB in File A buys more books or training or processing Address obliterates the BB 3/3/65 on the plate or stencil either by just flattening it on a metal plate or cutting a new stencil in case of less durable stencils.
8. At the end of each quarter (Mar. 31, June 30, Sept. 30, Dec. 31 all approximate) Address removes all BB plates older than 3 months.
9. These plates are now placed in File F with its geographical mates.
10. Franchise Holders are informed they should buy new brochure sets and these should be addressed from File F. using all plates in it, old or new.

FRANCHISE OBLIGATION

To procure a set of addressed brochures, a Franchise Holder must pay cash to the org and must specify how many addresses for what districts and how many envelopes are to be left blank.

On receipt of the carton, the Franchise Holder is obliged to mail at least the addressed envelopes, containing the brochure furnished and any piece of his own additional literature, providing only that it mirrors no games condition with other auditors or the org, and contains no claims contrary to standard policy regarding healing, the insane, etc., as contained in HCO Pol Ltr of Oct. 27, 1964, or as amended from time to time.

The Franchise Holder is obligated to turn in to Saint Hill at the end of each year a COMPLETE LIST of the names and addresses of persons who have bought things from him - books, auditing, processing, courses - so that these people can be sent a copy of an International Magazine.

Failure to carry out these above named obligations would result in a cancellation of the privilege of receiving mailing lists, if not of Franchise.

CITY OFFICES

A City Office must forward copies of its new book buyer list to its Central Organization the moment it becomes File F. It must be plainly marked File F and include only File F names as above.

The City Office may keep its book buyers who then buy more books, training or processing (its File A). However, to get its people sent a magazine it should routinely send ENVELOPES pre-addressed by the City Office to the Central Org. If a City Office finds this arduous, it may simply send all its invoices to the Central Org for the Central Org's complete address and File A, File F handling.

A City Office may then (a) keep its own address unit going, or (b) count on the Central Org doing it all for them. Either one or the other must be selected and followed.

Where a City Office fails to keep its address unit cracking, the Central Org must demand the address unit copy be sent to the Central Org when the invoice is written up

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by the City Office just as though the Address Unit of the Central Org was part of the City Office.

A City Office may not retain the Address Invoice Copy if it is not maintaining an Address Unit, even if it "plans to" but must send the copy to the Central Org, not save it. It can note down and record its active "customers" in a book and still send the invoice copy to the Central Org.

The names and addresses of City Offices must be carried in each issue of every magazine mailed by Scientology Orgs.

A City Office may also buy its area's brochure but in this case should add to the envelope a sheet of its own stating it is a City Office and defining Central Org, City Office, Franchise Holder and Field Auditor as to their relative status and seniority in Scientology. This should be done without ARC Breaking Central Orgs, Franchise Holders or Field Auditors, but should also emphasize the virtues of a City Office as the responsible representatives for Scientology in the area.

DESIGN FOR THE BOOM

You see the promotion pattern emerge now. First, get the org streamlined, with tech high. Second, the Pricing Policy Letter of Oct. 19, 1964. Now the using of names to the fullest extent.

The HCO Pol Ltr of Oct. 19, 1964, is going to force city and national book advertising into existence. This is done by building an account up (HCO Book Account) that has only one real outlet-book advertising. I intend to get each org's HCO Book Account into a very swollen condition and get it spent on book advertising as the only possible value that saves it from the tax man. Into this channel, new effective books will be poured into the public's hands.

The ensuing prosperity will come first to Central Orgs and City Offices and then to Franchise Holders. Out of this prosperity the HCO Book Account is going to fatten up alarmingly and have to be spent prodigiously on advertising books.

Given only effective training and processing in accordance to current design and supported by our now existing technology, this cycle can continue over and over. The HCO Book Account in each Central Org and City Office will swell up by reason of processing and training discounts and book sales and can only be lowered greatly by new book ads.

The book buyers will be channeled to Franchise Holders as above. These, to cope, and because org income is spectacular, will become City Offices and coming under the rule of the HCO Book Account and now able to sell membership and higher level courses, will pour new advertising out in their areas. And new Franchise Auditors will come into existence and in their turn

Well, you get the pattern.

There are those who dread a boom. They think if it can all be kept small enough it can be handled easily.

But we don't happen to have easy handling of things as our main purpose, so I trust such won't be too spun about by the rush. The truth is, things are only hard to handle when you haven't got any volume. Right? So let it boom!

I said I was kicking the door open.

That pop you just heard was the top hinge.

LRH:jw.rd

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L. RON HUBBARD

[Important. See also HCO P/L 18 April 1965, page 93.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 31 OCTOBER 1964

Issue II

Gen Non-Remimeo

Franchise BPI

CURRENT POLICIES ORGS &

FRANCHISE

HQS Course

Permission

As of this date, no further permissions to teach HQS Courses will be granted to Franchise or Field Auditors.

Existing permissions for Franchise Holders to teach HQS Courses will expire on January 1, 1966.

The reason does not lie in poor teaching. The HAS Course has been expanded and is well designed and effective and is adequate and long enough to receive a good fee.

From this date forward permission to teach HQS will be given only to Central Orgs AND CITY OFFICES.

Franchise Soon To Be Required For HAS Franchise Holders.

As of Jan 1, 1966 the teaching of HAS or PE Courses may be done only by

As of that date the general permission to any field auditor to teach HAS or PE Courses will be ended.

City Office And Central Org
Courses

Eventually City Offices will be teaching HAS, HQS and PICA. Central Orgs will be teaching HAS, HQS, HCA, HPA and HCS Courses. In 1968 Central Orgs will also be given permission to teach HAA and HSS.

Franchise Becoming City
Offices

Successful Franchise Centres may become City Offices on application if their record and activity as a Franchise Holder is adequate.

The requirements of a City Office are (a) corporate regularity by which is meant their incorporation must be passed upon and in accordance with policy, (b) adequate premises, (c) the presence of a full time HCO Area Sec. (d) training of someone in org administration at their central org.

Membership

Sales

No Franchise Holder may sell memberships. International and Lifetime Memberships may be sold only by City Of rices and Central Orgs.

All Membership money received by a Central Org or City Office must be paid into the HCO Book Account of that office and this money is used for dissemination. Salaries and general org bills may not be paid from the HCO Book Account.

Franchise Holders receiving requests or monies for membership must forward the matter to the Central Organization, referring the requests and sending the money in its entirety. There is no commission.

This does not restrict a Franchise Holder from advising memberships - and indeed he should do so as he will receive the benefit of it directly, membership monies being invested mainly in advertising of books and assisting his own sale of these as well as bringing other indirect benefits.

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Membership

Discounts

Membership discounts on training and processing amount to 20% for a Lifetime Member and an additional 30% for an International Member. These discounts are additive, making a 50% discount in all for training and processing.

Membership discounts on books, meters and tapes are never more than 20%. An International Membership gives 10% and a new Lifetime Membership gives 10%, making the total of 20%.

Old Lifetime Memberships, bought prior to November 15, 1964 give a 20% discount on books, meters and tapes which will be honoured. But in this case an International Membership discount is not also added.

Memberships Non- Refundable

No membership monies are ever refundable even for a portion of a year since the purchaser of one usually receives many times its value in discounts within a few days or months.

Membership Prices

An International Membership is necessary to keep a certificate in force.

A Lifetime Membership costs £25 Sterling or 375.

An International Membership costs £10 Sterling per year or \$30.

Franchise Not Bound By Discounts

Franchise Holders do not have to give discounts because their book buyers, pcs or HAS students have memberships. But they may do so if they wish to bona fide members. They do not however receive membership monies but if any is offered, as above, they should send it at once to the Central Org. A Franchise Holder may persuade the student or pc to send the membership fees to the Central Org and then grant the discount as this all helps only dissemination and a boom, after all.

A Franchise Holder may not grant membership discounts to non-members.

Franchise Processing Fees

Franchise Holders must keep to the scale of processing fees announced by Central Orgs for each year. These are precisely calculated. However he can charge more than this amount if he wishes.

Increase Of Fees

A Central Org or City Office can also charge more for special auditors or considerations and for courses of higher levels above HPA. In fact any demand by a pc for a special or particular auditor or class of auditing should be cared for by an increase in fee for that particular person or level of service otherwise it could not be delivered.

R6 auditing should be double or treble any usual fee, with discounts allowed on the higher fee.

In November of this year (1964) and September of future years all Association or Organization Secretaries meet under the Continental Director to set the auditing and training fees for the coming year.

Other prices (HAS, etc) are set by the Continental Director of the zone.

Book Prices

Book, tape and meter prices are not uniform, Continental Zone to Continental Zone. U.S. and U.K. prices are on a parity of one pound equals three dollars for easy computation and to make up for exchange delays and fees.

Other Continental Zone book prices are computed on the cost of books generally in the area plus handling and shipping charges.

These prices are published from time to time in "The Auditor".

Central Org and City Office discounts are included in HCO Pol Ltr of Oct 19, '64.

Franchise Book
Discounts

Franchise book discount is 33 1/3 percent now whether the book is bought from Saint Hill, Washington, D.C., a City Office or a Central Org BUT this discount may not be given unless 25 or more books are bought at the same time. Otherwise only any Membership discounts to which he is entitled apply to the Franchise Holder.

Book Handling
Charges

All shipping and handling charges are contained in the price of a single book sale from Saint Hill or Washington on the new price list effective Jan 1, 1965. This is absorbed by Saint Hill or Washington.

Central Orgs, City Offices and Franchise Centres may still charge postage as is customary in mailing in the past.

Also, on lots of more than one book ordered from Saint Hill or Washington, postage and handling are added to the price of the order. But if from a Central Org or City Office the payment is received with the order in cash, Saint Hill and Washington will waive postage and handling. They will ship at the airmail price or the surface price as requested and in accordance with the proper amount received. Central Org, City Office and Franchise Centres receive all their discounts on the book prices published in "The Auditor". They need to pay, for air shipment on quantities, only the air mail price quoted if cash accompanies order. By cash payment at the surface price they may add the actual air cost but

will find it amounts to the same thing.

Central Orgs and City Offices may have books on credit where their payments are not far behind already, but must pay the postage and handling fees in addition, as we cannot carry these on credit, being due and owing at once from us by the shipping companies and agents.

No Credit

Credit is not extended at Saint Hill or Washington to Franchise Holders or members on books, tapes or meters as it makes too much accounting.

No SHSBC Discount

No Membership discounts are given at Saint Hill on the Saint Hill Special Briefing Course as no membership money comes to Saint Hill.

Membership Not Part Of

10%

No 10% administrative percentage is to be sent to Saint Hill on memberships sold. It all goes into the HCO Book Account in the area where the membership is bought and is not part of the organization's weekly gross income. Membership monies go to dissemination.

Saint Hill Discounts To

Members

Saint Hill, however, grants the standard membership discounts as above on all books, tapes, meters and insignia, etc.

Franchise Discounts Limited

Franchise Holders may not have membership discounts in addition

to their 33 1/3% discount on lots of 25 or more books.

There is no discount other than membership to Franchise Holders on tapes, meters, insignia, etc., but the membership discount is granted where their memberships are in force.

L. RON HUBBARD

LRH:jw.cden

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[Important. See also HCO P/L 18 April 1965, page 93.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 DECEMBER 1964

Gen Non-Remimeo

PRICING MEETINGS FINAL POLICY

On the basis of cables and minutes from various continents and accepting various recommendations fully explained or implied the formulas and policy letters of recent weeks are confirmed.

By adjusting the average weekly pay given in cables and minutes, I was able to honour most recommendations concerning what prices should be.

By re-working basic promotion and using what had proven successful in the past I therefore amended pricing policy slightly

as follows and with Mary Sue's help recalculated the sum known as the average weekly wage to mean "What sum did we have to charge to get staff the reported average weekly wage in an area?"

None by the way mentioned staff or pay in recommendations at the various meetings. I just wanted to be sure that we didn't set a price that impoverished staffs.

These reported sums were then computed and ratified on the following basis:

We took the average weekly wage reported as the required average wage of a staff auditor. This was multiplied by two to allow for one administrative staff per staff auditor. This sum was then considered to be 45% of the required gross. Then, examining recommendations for some reduction, we recalculated the figures for the various areas. They are very close to figures recommended by the committees in those areas all things considered. (The US requested a sliding training fee and this was met by giving HAS official academy day course status as well as retaining it as an evening course.)

UNITED STATES: Average income figure reported \$100 per week. Figure recalculated to meet requests for lower prices, \$83.33 giving a potential staff average pay of \$100. Full price of HQS, HCA, HPA or a 25 hour intensive, \$1,000 making 20% \$800, 30% \$700, 50% \$500. This is a reduction for US prices. HAS as a Cheap Academy I month course provides sliding scale. Free PE cautioned to be well done if retained.

LONDON: Average National Income reported £15 per week. Meeting in London recommended £12.10.0. Figure allowed for publication based on £11.3.4 per week. This gives full price of HQS, HCA, HPA or a 25 hour intensive as £134, 20% £107.4. 0, 30% £93.16.0, 50% £67.0.0. This is a very small increase, but a larger one considering initial outlay of memberships. It is not sufficiently great to cause many balks as some of the membership fee may be paid at HAS level on

students, and pcs can see advantage of discounts.

MELBOURNE: Average weekly income reported for Australian middle class workers was astonishingly high, showing inflated condition of Australian pound and high local prices prevailing. It was £25 Australian. The committee asked for changes in the number of weeks to be used but as no one else had, this was over-ruled and instead the weekly pay calculation figure was based on an average, lowered a similar amount to the weeks they wanted lessened (they wanted 2 months average pay for training and 2 1/2 months for processing). Accordingly the rough figure £18 Australian was authorized as this gives about £25 Australian as the potential average staff member pay. Full fee for an HQS, HCA, HPA or a 25 hour intensive £216, 20% £172.16.0, 30% £151.4.0, 50% £108 all pounds Australian.

NEW ZEALAND: Running with different currency and economic conditions, New Zealand reported £20 New Zealand as the average weekly income. Using this for staff member pay, the figure £15 New Zealand was authorized. This gives a full fee for HQS, HCA, HPA or a 25 hour intensive as £180.0.0, 20% £144.0.0, 30% £126.0.0, 50% £90.0.0.

SOUTH AFRICA: Meeting reheld as Continental Director just returned to Johannesburg from Saint Hill. Data not available yet so will not be reported in policy letters but only directly for local issue. These remaining policies in this policy letter are, however, binding on South Africa as these hold a majority opinion amongst committees.

HAS COURSE

The sliding scale of courses already working well in the US is retained not by lowering the HQS Course but by formalizing the HAS Course as an Academy course.

The price of this course is set by the Continental Director, who may wish to reset the price he first recommended in view of this change of status.

The HAS Course will be one month long, is to teach only data and listen style, has as its training goal a Scientology vocabulary and knowledge of Scientology philosophy and as its auditing goal "feeling free to talk to anyone".

This course also can be taught evenings as set by previous policy.

This gives a gradient of payment for courses. It also guarantees no missed words.

HAS is requisite for HQS.

HAS is not classified.

There is no final examination.

Certificate is given at course end and may be denied only be repeated tardiness or non-attendance, neither made up by the student.

You must realize in costing for the HQS Course that it is the old 1956 HCA/HPA Course, not a light course easily taught. Therefore to reduce its price would be to invite a reduction of quality. The earliest successful procurement was a cheap data course, well taught, followed by a tough auditing course. We have never reached the percentage of enrollment from that early data course to the tougher course since.

PC "COURSE"

In the Gradation Programme, we have pcs being taught. This

continues but don't confuse this pc training with any HAS Course or any Academy course. All pc training is done by the pc's auditor and that auditor's text assignments. No course makes a "pc"

The HAS Course is a data course teaching the basic fundamentals of Scientology as a vocabulary and a philosophy. It has no bearing at all on pc training.

CLASSIFICATION

A student is given his certificate when he completes any course's month's training, without final examination.

However to enroll in the next course the student takes his Classification Examination. This is just a good, comprehensive examination of the exact course he has completed earlier. It is in theory, practical and auditing. It takes about 3 hours. If the student flunks his Classification Examination he is enrolled in the next course anyway. He is not however classified.

This rule, then, is made:

- NO AUDITOR MAY ACCEPT PAY OR FEES FOR ADMINISTERING PROCESSES FOR A LEVEL HIGHER THAN THAT FOR WHICH HE HAS BEEN CLASSIFIED.

Example: J.B. is Class I (HQS). He takes PICA. On seeking to enter HPA he flunks his Classification Exam. He is permitted to take his HPA and at its end is again examined for Class 11. If he still flunks, he can only accept fees for Class I processing. In the upper grades he is only a Co-auditor. We have a Pro Class I with an HPA Certificate. He is a Grades II and III Co-auditor, only a pro in Class 1.

VIOLATIONS OF THIS POLICY MUST GO BEFORE A COMMITTEE OF EVIDENCE.

As the policy will be known to pcs (in the PC Log Book now under completion, and from the magazines) we can force status over to

Classification. Thus we end most sloppy field auditing. And where we have Classified auditors auditing we will get proper results in pcs in the field. Where there are bad field results, we will be able to take action, for it will uniformly be violations of Classification. We are that good at training now. Co-auditing is knowingly done at risk. Pro field auditing that is bad is a direct betrayal of us.

These policies keep auditors progressing at minimum public risk.

CO-AUDIT COURSES

You see how we have handled the "Co-audit Course" mentioned in earlier policy letters.

A Co-auditor is just somebody who never does get classified. Flunks exams for Classification. Doesn't turn up for them. He goes on getting trained, course after course. But he isn't a Classified Auditor. He's a Co-auditor. He can't audit for fee.

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This then is your answer to "But why take a course? I don't want to be a professional." You say, "But my dear fellow, who's trying to make you a professional? We just know you won't succeed in using Scientology unless you can audit."

And when the AMA starts to scream "Your people aren't qualified!" we look stern and say "These fast courses are for the public. Our professionals really have to study. More than yours with your six hours of lecture to make an MD into a psycho-quack" So this also has good propaganda value.

IMMEDIATE EXAMINATION

It will be found occasionally that an auditor is anxious for his

Classification in order to audit pcs at once on his return home at that level professionally for a fee.

In such cases, our policy is that we favour the professionally inclined auditor in all training. We will grant an immediate after course Classification Exam if the auditor's class record warrants it. If this class record does not warrant it, or if this professionally inclined auditor fails his Classification Exam given at Course end (rather than the beginning of the next course on which exam failures this section does not apply to anyone) we will permit the professionally inclined auditor only one repeat of the course he or she has taken, repeating the exact same course, but only its one month before re-examining. We will only do this once for one course paid for. We will not require further fee but HCO may charge the equivalent of one week's average national pay for having to give two examinations, one of which failed.

This favour is not accorded auditors not interested in fee auditing.

If the professionally inclined auditor still fails the second exam, he is yet awarded an In Training Classification for the level just above the one he is already classed for (or in the case of an HQS, an In Training Class I). With this he may audit for a fee providing he informs his pcs of the facts of his classification. An In Training Classification expires without further notice one year from date of issue. At that time or before, he can enter the next higher course, take an examination for the level he had In Training Classification for and if passed may receive it permanently as a Classification. He may also repeat the actions allowed to the professionally inclined auditor in this section at the conclusion of his next course. This is a favour not a right he has. The favour is extended only by the Org/Assn Sec.

All an org makes out of this is a better trained professional in the field.

But at no time may an organization sell the same course twice to any person or refuse a certificate for the course taken except on grounds of continual tardiness or non-attendance not made up.

HUSBAND-WIFE TEAMS ENTERING ACADEMIES

Husband-Wife teams should not be forbidden. But in all cases where husband and wife are trained to co-audit each other they must mail their auditor's reports routinely to the D of P for which they will be charged a nominal but real fee for case supervision.

Professional auditors or Co-auditors who use auditing in or out of an Academy to estrange husbands and wives are subject to a Committee of Evidence at their nearest HCO on complaint from either party, husband or wife, and a penalty up to suspension of certificate and 500 hours of HGC auditing at their own expense may be sentenced the offender if proven guilty.

During training it is against policy to team husbands and wives together for practice drills or actual Academy Auditing even when they will be co-auditing after leaving class

Where possible husbands and wives should, however, be persuaded to bring another couple to be trained rather than co-audit and it should be arranged that the wife audits the other wife and the husband the other husband after training. In this case it is all right to team them in any pairing under training for drills and actual class auditing.

DISCOUNTS

Discounts may be granted without full payment of fee for training or auditing. But a realistic arrangement of payment must be made and the first deposit must cover actual cost of the service.

The interest charged on notes should be the maximum interest rate allowable for the zone or state or 12 percent where there is no

limit.

LEGAL ASPECTS OF SIGN UPS

No persons may be admitted to an Academy or HGC who have not signed waivers (release forms) of the old type.

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All such waivers must include a statement that the person is there on his or her own determinism and that the person has no record of being committed in an institution or has a criminal record for felony.

Persons with such commitments or records should be referred to a field auditor near their home and refused training or processing at the organization.

Persons suspected of purely medical illness should be referred to a doctor for competent treatment if such a doctor or treatment exists.

Minors must have their parents or guardians sign the waiver and any note for time payments.

Known trouble sources as per recent HCO Policy Letter, all of which remains in force, should be required to straighten up their lives before enrolling or signing up for processing or should be forthrightly refused. They may however be referred to a field auditor near their home.

Anyone objecting to an E-Meter check should be refused entrance.

Thus by keeping the legal aspects straight you will be able to help the many and not be messed up by a few. For a very few such people (21 to be exact) were the sole sources of grief in the 1950

boom.

To have a boom, you have to keep your nose clean legally or you can be stopped by the enturbulence generated, both in the org and the public. Such enturbulence is all that shortens your lines or overworks staff.

NEWS POLICIES

Our news policies have not changed. Just kick reporters down stairs. Every time it has been relaxed we have not profited at all.

PLEDGING CODES

Applications for certificate must be made by every student for each course taken during the course. This should give how they want their name on the certificate, address, and the routing of the student out of the org, CF routing and all that.

This application must also carry a pledge stating that the applicant subscribes to and promises to uphold the Auditor's Code, the Code of a Scientologist and it must state he is informed of and will follow the policies relating to gradation and classification.

MEMBERSHIPS

Members enrolling must be furnished their cards at once. However, this is also done by application form and on that form the person signing must pledge himself to abide by the rules, codes and policies of the organization and that he understands there is no refund of membership and that he does not belong to or work for any hostile organization or group or any group undisclosed to us that is dedicated to the harming of Mankind.

Every Registrar must be or have near to hand in the organization - such as the receptionist - a person with notary powers, or where that is not available by reason of state restrictions, must

accomplish the same purpose otherwise, so that the member swears to his membership statement, its pledge and denial, under oath, to the end that anyone falsely signing may be prosecuted for perjury or false swearing.

In the case of mail-in memberships the same statement must be sworn to on the application by the person filling it out. This is done by the person going to a notary.

PINS

Wherever possible, make it easy for persons to obtain and wear Scientology pins, the S and double triangle.

Such a pin as available should be given new members. Pins should be purchasable for a small sum along with books in the reception office.

Policy as to who wears a Scientology pin is governed only by their being a member and subscribing to the membership application statement. However there is no penalty for non members wearing general pins that do not bear notation of class for grade or state of case.

HIGHER CLASS AUDITING

A DC applying for auditing higher than his grade should be smoothly put into the

Pcs who are not brought up through grades have many session-disabilities which if not handled in the lower grades, make the pc a very serious problem to the HGC or the auditing section of the Academy in the upper grades.

Technically it is foolish to be persuaded to let a pc jump grades. Pcs who demand to are always the roughest pcs and simply have some necessity for status rather than a wish to improve. To handle this, it is always permissible to charge more than a going rate for special consideration and this can be made so high the pc accepts the proper grade at normal cost. The higher rates are never quoted in the hope they will be paid but in the certainty they won't be.

Demands for special or certain auditors are similarly handled by increased fee. But in this case the fee can be quite real and is quoted to compensate for the trouble caused and it is expected it will be accepted. Example: "I only want a Saint Hill graduate." Correct response. "Very good. There is one here. The fee is exactly double normal fees but discounts still apply. You will of course be audited by him in your correct grade." Example: "I must be cleared at once and can only be audited by a Saint Hill graduate on Grade IV materials." Correct response to a Grade I pc. "Very well. The fee for that is five times the normal fee." Naturally he takes Grade I auditing.

TAPE PLAYS

Orgs can hold all the tape plays they want but only for a fee and not in lieu of taking courses.

Special courses are now forbidden as the materials are fitted to their levels and the courses for each level should be routine.

However, if a higher classed auditor wishes the right to listen to tapes, he or she should be charged an annual fee for the privilege of coming into an org and putting on the headphones. But the favour should not be available below Class IV. And it should not cost less than \$30 a year. Tapes may not be removed from the org or microphone copied.

Notes of tapes may not be published by individuals as it is an

infringement of Copyright

R6 COURSE

Permission to teach an R6 course will not necessarily be given to an org in 1968. The permission depends on an org's Academy excellence and volume reviewed between now and 1968 and re-reviewed in 1968.

Saint Hill training will not cease as permission has been granted by the government for extensive new buildings.

An org should therefore build its future on Grades 0 to IV and stress clearing as the highest offered goal, with no public mention of OT or even Grade V.

Keep it this lifetime and clear, all problems of training and processing now being cracked for easy training and processing up to Grade IV. Grades V and VI training and processing problems are all cracked but they aren't easy and nobody expects them to be easy, ever.

So new publications will slant at Grades 0 to IV.

PE COURSE

Where you can't guarantee an excellent free PE it is better to use only the new HAS sign up for fee as the student's entrance gate. In that way they won't drift off in a fog. They stay because they've paid and we get a chance to straighten them out.

With heavy book sales, you will have no trouble filling up an HAS Course for fee with no free introduction.

Free PE is allowed only where it is very high calibre and very text book. Otherwise it is abolished and HAS Courses for immediate fee only are offered. That's firm policy.

SCHOLARSHIPS

No scholarships are now allowed.

FIELD AUDITOR PRICE REGULATION

All regulation of field auditor prices is abolished. Field auditors may charge whatever they please for auditing.

COURSE FEES STANDARDIZED

Any course taught in a continental zone must conform to that zone's course fees.

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OUTSIDE COURSES

An Academy may send an instructor to teach a group formed for the purpose up to required course levels.

The fee in such a case may not be less than the full Zonal fee for the course per student. The fee must be paid in full in advance to the Registrar of the org. The group also pays for all facilities. The org sending the instructor pays his or her expenses while instructing that group.

Any such "outside course" conducted by an Academy shall be conducted as a day Academy Course, tightly scheduled and precisely conducted. It may not be instructed. as a night course or part time course.

In event of the group requiring classification examination first, it may be given by the instructor on arrival.

In cases where "fastest available transport" fee exceeds \$100 round trip, the group must also pay the instructor's travel fare and travel expenses. The \$100 is not deductible from these.

To receive an instructor, the group must have no less than 10 enrolling students.

This applies to all organizations and areas of the world.

Trips for translation and dictionary purposes may be arranged otherwise but in that case, where the above group instruction conditions are not met, no course of any kind may be taught.

STRESS ON TRAINING

It will now be seen that an organization potentially will make a larger staff unit from training than processing due to the lesser number of technical staff members required.

This is purposely designed. A boom depends on training, not processing.

The high auditing fee is maintained to deter pcs while shunting them into the Academy. A high processing fee in the HGC then permits higher training fees and keeps the org solvent.

When our Academies did less business and orgs concentrated on HGCs, gross income declined.

THE BOOM

The whole forward thrust of the boom depends upon:

1. Getting books to orgs.
2. Heavily, even extravagantly, advertising books and filling the orders.

3. Running an excellent Academy.

Getting books to orgs depends on me, on Saint Hill and upon orgs making sure they're ordered and paid for. If we take care to do just those things we'll see (1) above hugely successful.

Advertising books depends on intelligent adherence to the price-membership scheme, the Registrar pushing the advantage of membership with every breath. The Assn/Org Sec and HCO Sec are in the best position to see this doesn't choke off - hence their bonuses. It will cost them money personally not to plaster the place with book ads and drive memberships home. They are given no bonus on a net. Only a gross. They get paid a bonus from the book account based on volume not its profit. The Department Heads and Staff get their bonus indirectly by an org driving in a heavy volume through ads and books and the alertness of the Org/Assn Sec and the HCO Sec. Continental also has a vested interest in books flowing and is paid for it. Thus this point is cared for.

As for the Academy, it may not at first be visible why this has a dissemination value about 150 times that of an HGC. The following are long established data:

(a) Students disseminate. Pcs don't.

(b) High income in orgs has always occurred when the Academy was good. And when the Academy really did its job the income was continued. HGCs can receive a good income from the public, bad or good, but the flow of income suddenly shuts off when processing has been poor for six months. There is a 6 months lag and then a depression caused by a poor HGC. The lag is about one week on a sour Academy. I never have fathomed how the public finds out so fast about a bad Academy beyond knowing students disseminate and pcs don't.

(c) The only thing which ever gets us into public trouble is an

HGC. If we had no HGCs we would almost never have a ripple of discontent from the powers that be.

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Why? Because an HGC brings us the failed cases of the AMA-BMA psychoquacks. Thus we gather the lunatic fringe around orgs. One can never really discover the bad cases until they're processed and then it's too late. The characteristic of a lunatic is one-way-help- inflow. They don't want to help anyone. They only want to be helped. The moment you insist they help others they either (a) vanish or (b) do so and get well fast.

The dear laughable old buffoons, the psychiatrists, shut the door on their own boom with insisting on " 12 years of training (in meat carving) to make a psychiatrist". They made patients into patients forever and "trained" their students forever. We were well on the way to doing that in April this year when I took the helm again.

You must let people help or you condemn them utterly.

(d) The original plan, 1950, was to train people on short courses, let them go out and get some experience and then let them come back and be trained. By 1959 only I was doing this, with ACCs. We had too few courses.

We now have a remedy for this with lots of 1 month courses and examination after experience.

REGISTRARS MUST PUSH COURSES

The fairest, cheapest way to get auditing is to get trained and then co-audit.

An HGC doing its job well is really a public service unit, no more. I will not run down HGCs. We do a great job. But the moment

when we can train "outside" auditors to do that great job, we're no longer interested in an HGC as such but only in its income. It's money we don't need and it's very expensive money.

Stress must be on Get Trained! That's the pat answer to any questions about the cost of auditing or how to get audited.

HGC auditors and Ds of P. bless them, have alone held high auditing standards all these years. That was why they were there.

But wouldn't it be nicer to have those staff auditors running the org's co-audits and classes? Training groups in far places? Handling the Correspondence Courses?

We'll still have HGCs. But we must not count on them for income for more than another two years. (The time it will take to get really rolling on the boom.)

Instead, enroll pcs in the Academy whenever possible by:

1. Sell them auditing and also an HAS Course ("It will make you progress so much faster, Mr. Jones"). Short of that, sell the auditing and also a basic book and demand the pc do a chapter each evening during his intensive.

Put a ceiling (stated to the pc) on how much auditing you sell them before they take an HAS and insist on an HAS before you exceed that limit of number of weeks set, even when you accept them back in the HGC afterwards.

3. Use the HGC to feed the Academy and not the Academy to feed the HGC.

4. Count on Academy income only.

5. Use the HGC to square up field ARC Breaks to promote. To set an example. To pick up dropped balls. Not to make income.

Sell Training hard.

ASSN/ORG SEC MUST PUSH

ACADEMY

The state of the Academy should be the first thought every morning of the Assn/Org Sec. Not the despatch pile. How is that Academy doing? Better look in. Ah! Floor dirty. One minute past schedule and the sessions not running! Rave! An instructor explaining confusedly off-text. New janitor!

Make an Academy Taut Ship. Every halyard humming in the wind. And suddenly it will be full. Suddenly things get solvent. Suddenly the income soars. We start to go!

No matter how many students there are, make it a tremendous Academy. If there are 2 or 2,000, make it a streamlined piece of glittering efficiency.

Short of instructors? Coolly take the best auditors in the HGC. That makes the HGC short of auditors. So what? Enroll the pcs.

Teach Scientology in a Central Org or City Office. Don't try to process the world to enlightenment. Make it process itself in that direction. Otherwise you'll never make it at all.

The Assn/Org Sec must promote Academy hard and see, of course, we have a good HGC because it's a model, you know.

Income.? Think Academy.

Many people "want to know about Scientology but don't want to be an auditor you know.'

You'll have to break that attitude. Honestly how can a person use Scientology who can't audit? How can an executive use it in his business if he hasn't been trained? Well, he can't. That's the reality you must put across.

Don't say "If you want a happy home, get audited." For that may or may not be true. There may be so much messy environment and so little auditing time that there's no win. Say instead the bald truth as you and I know it, "If you want a better environment, become an auditor!"

Thank the HGC for what they do. Demand the Academy perform only miracles.

THE PROGRESS OF THE BOOM

- A. Person sees an ad, buys a book.
- B. Gets interested, writes in.
- C. Gets told he should be trained to HAS to get the full benefit of it.
- D. Person says "That's cheap. I will."
- E. Person really gets trained, no words misunderstood, really gets it, in a sparkling Academy.
- F. Person makes a big case gain in finding he can talk to anyone freely.
- G. Decides at home wants his wife audited and writes in.
- H. Is told to bring his wife to the HAS while he takes the HQS

Course. Etc.

THE PCS

Now what about the pcs who want to be pcs?

Don't be hoggish. Let the field auditor live.

Pcs who are only pcs can be salvaged too. But, being pcs they don't write in when they read a book.

So send people who haven't corresponded as name lists to field auditors who are franchise holders.

Field auditors make people trainable, people come in for courses eventually. Field auditors get fat. Everybody happy.

THE FIELD AUDITOR

You are only a rival of the field auditor if you are hungry for pc income.

The field auditor actually has sent orgs the bulk of the org business in the past.

So don't count on HGC income. Count on the much greater Academy income and earn and guarantee its continuance with fine training.

Encourage the field auditor to succeed. Make him take out a Franchise.

Use successful franchise holders as success stories. Use them as procurement agencies for more auditors.

Let them have their groups and pcs.

Keep them as friends. Sell them the next course they should take.

Make millions of field auditors.

SUMMARY

These then are the designs and policies which have shaped up. All earlier policies in this "boom series" stand.

It may seem odd to base staff member income on HGC pcs and then tell you you must not count on the HGC.

But this boom is just beginning. Your economy depends in a large measure on your HGC. It will have to go on pulling its load for a while. And you'll always have me! And there is another factor. I don't intend for a staff member to draw only an average national wage. And the ratio of 1 Admin staff to 1 staff auditor is quite low. As you get to swinging along it may become one technical staff member to more than 1 Admin personnel even when you have a huge Academy. For dissemination takes a lot of Admin. As you expand, you'll get tech thin. So Tech personnel have to be freed up by assistance from Admin as you expand.

So it's more that I want to be sure you still charge enough to be able to eat than that I expect you to go on with only HGC income.

That's the design.

If it needs improvement, we'll improve it. Right now let's make it work.

I've got to go off and get the books written. You get your end of it done too. Okay?

LRH:jw.rd

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L. RON HUBBARD

[Important. See also HCO P/L 18 April 1965, page 93.]

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 DECEMBER 1964

Gen. Non-Remimeo
Franchise
BPI

FIELD AND PUBLIC PROGRAMMING

Since April 1964 we 'nave been busy with organizational reorganization, public and field programming all armed at the realization of a boom. All levels and technology from Hubbard Apprentice Scientologist Level 0 to Hubbard Senior Scientologist Level VI are complete and being taught.

We have our boom already under way. Six Scientology organizations across the world have done more business in December than in any previous month this year. At Saint Hill, as a result of planning and new programmed mail volume rises daily and is entering boom proportions.

In the midst of all this change, we have had to grope our way and things are now being smoothed out.

This is the design of the boom:

BOOKS

We are about to broadly advertise books as never before and use all book and membership income to push book ads.

I am publishing several new books with public appeal.

Franchise Holders may also sell books.

BOOK PRICES

Pricing has done a bit of a wobble and is being corrected.

Publishing costs have risen enormously in the past few years but we are countering this.

Books being offered to the public in ads will be at cheap prices. More advanced books will be more in keeping with what the books cost to publish.

DISCOUNTS

People are expected to become both Life Members and international Members.

The cost is £10 sterling per year for International Membership or \$30. This gives a 10% discount on books, a 30% discount on training and processing. An International Membership is membership in the main International organization.

A Lifetime Membership costs £25 sterling or \$75. This gives a 10% discount on books (added to the International 10% making 20% if one holds both memberships). It gives a 20% discount on training and processing. This adds to the International 30%, making it possible, by holding both types of membership, to obtain a 50% discount on training and processing.

The old Life Membership (bought prior to Nov. 15, 1964) still gives 20% on books and 20% on training and processing. But on books only, this does not also add an international discount. 20% is the maximum book discount obtainable for

individual Scientologists. Lifetime Membership means membership in that Continental Zone Organizations.

Anyone can be an International Member and a Lifetime Member providing only that they are on our side.

All Membership monies go into supporting the advertising and sale of books, so it's in a good cause.

TRAINING AND PROCESSING FEES

Each Continental Area has now fixed its training and processing fees for its own

The increase, discounts considered, is very slight most places. And on training and processing fees 50% discount is obtainable by being both types of Member. So everyone gets a break as the membership costs less than what one saves with his first intensive or Level I Academy Course, and the discount is still valid afterwards. Only the International Membership has to be renewed yearly and this is far less than what one saves in books or Congresses or training or processing.

So there is a great deal of incentive to own both memberships. And the membership money goes to make a boom by advertising books and therefore expanding Scientology.

FIELD AUDITOR FEES

Field Auditors can now charge whatever they please for processing. Processing fees are no longer regulated for them.

This applies also to Franchise Holders.

Some field auditors have not understood this. They can charge now as much or as little as they please. Many charge more than orgs.

However a field auditor or Franchise Holder must now be Classified for any level he receives a fee for. If he or she is only classified for Level II and yet seeks to collect money for doing Level III processes, he or she will be subject to a Committee of Evidence. This is public protection as the field auditor should not use processes he or she is not trained to use. Processing is very workable today. Why spoil it by poor application?

And a field auditor seeking to run Level VI while classified only for Level IV on a pc who isn't up to Grade I on his own case is going to injure somebody. So this is frowned upon. Today's processes are very powerful.

Only the worst cases insist on upgrading their processes anyway - by which is meant demanding to be processed over their heads. They are a bit suicidal, it seems.

COURSES

All courses are now exactly one month long. These include HAS courses.

At the end of the course one gets his certificate without examination.

But before taking the next Level Course, students must be examined for classification. Even if they fail the classification exam they can go on and take their next course. But they can only process people as high as their own actual classification, duly awarded by a Hubbard Communications Office examiner.

PC GRADES

Pcs can be run on any process the auditor is classified to run.

All processes now belong in one level or another. Pcs are not limited nor do they have to be trained before being processed.

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For their own good, pcs should-

1. Make sure their auditor is classified in the Level being audited, and
2. Move up through the pc grades 0, I, II, III, IV and VI in an orderly fashion so they don't get in over their heads.

PE COURSES

PE Courses will still be taught by field auditors and franchise holders. They may cease to be taught in some orgs.

HAS COURSES

Hubbard Apprentice Scientologist Courses are now Academy type courses, less costly than others, but equally precise, and are 160 class hours in length whether taught daytime, evening or week-end.

Some very fine new processes and a full curriculum now exist for this Level 0 Course.

HQS COURSE

Until Jan. 1, 1966 some Franchise Holders can teach Hubbard Qualified Scientologist Courses. Mainly it is taught to certificate in City Office and Central Org Academies.

To give some idea of where we have gone technically, present HAS (Level 0) and HQS (Level I) Course data formerly was taught as HPA in the Commonwealth and HCA in the U.S. We have gone very high

above these levels and so have to have new courses to teach the material.

Further, we can't keep holding people in an Academy for a year at a crack and at the same time we can guarantee an auditor's skill by requiring he be classified in order to charge a fee.

So the new HAS and HQS courses embrace everything Academies used to teach. And above that, level by level, the new materials are laid out. Each level has a definite, finite, end product, attainable by an auditor if trained and by a pc if run up through the levels one by one.

SUMMARY

We are grooving in the policies developed for the boom. Be patient with the rough spots, old timer.

Part of our programing is to coax field auditors over to Franchise Holders, and Franchise Holders, by helping them with mailing lists for their areas, are going to be coaxed up to City Office status. And some City Offices are going to become Central Organizations in their own right.

With teamwork, hard work and patience we will climb the hill rather easily.

In April I started to work on orgs. Through the summer and autumn I also developed the lower levels to good effectiveness. Here in December I have just begun to receive org reports on the telex which speak of greatly increased volume as a direct result of all our hard work.

Shortly we will really begin to enter the boom. We are just on its fringes now.

Whenever lines become more active their weak spots show up. It's

our job right now to locate and fix those up. This boom will be an orderly one. The objective is extremely worth while for all of us.

And I myself am pretty cheered up. In April '64 I plan a boom. In December it starts to happen. There are no rough spots in it that can't be fixed up. So let's get the show on the road.

LRH:jw.rd

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L. RON HUBBARD

[Important. See also HCO P/L 18 April 1965, page 93.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 MARCH 1965

Issue II

Remimeo

ONLY ACCOUNTS TALKS

MONEY

Scientology organizations are service organizations. Now, it goes without saying, that service costs money. So please don't equate service with the idea that it is all give away. People expect to pay for good service, and they do pay for good service, unless you barrier the line, or by some foolish handling, convince them otherwise.

It is the job of the Registrar, whether it is Letter Registrar or Body Registrar, to find people to communicate to, to communicate with people, to PROMOTE whether by mail, phone, or in personal interview, SERVICE, and to help people arrive at and attain whichever Scientology service best suits their needs and goals. So the Registrar does take responsibility for them, listens to their problems and aspirations, becomes friend and advisor to them, AND CHANNELS THEM TO THE PROPER SERVICE AND CHECKS TO SEE IF THEY GOT THAT SERVICE, ROUTES THEM BACK TO THE DEPARTMENT FOR COMPLETION IF THEY DIDN'T AND BRIDGES TO FURTHER FUTURE SERVICE, IF THEY DID. Now a Registrar knowing about the road to Truth, hence knowing an infinity more about the person usually, than he or she knows himself or herself, must take responsibility for this and channel them and keep them on the road until the person cognites and reaches for the rest of the road himself Even then, the Registrar must work to keep them on the road, and keep them from falling into pitholes, side paths, etc. that the confusions and randomities and distractions of life present

But none of this has anything to do with money, except that such services are expected to be paid for. Money is an Accounting function. When money is a concern of the Registrar, and "how is he going to pay for this", and "we have got to keep our units up", "gads, I have got to write up a note form now", "that's going to cost him too much" (the guy has walked in and wants 75 hours of processing and 3 courses before going to Saint Hill)-when the Registrar's concern is all about money, money, MONEY MONEY MONEY, she gets all inverted into what are we going to get out of it, instead of what the person is going to get out of it. In all his years of auditing which exceed anything any of the rest of us have even dreamed about, Ron has never talked to the guy who wanted some auditing or whatever about money. Yes, it was understood it was going to cost something and what it would cost, but that was the end of it. Ron's concern was for the guy and getting him better, and he was not even remotely worried about the money, and the money rolled in because he got the guy better. Oh yes, sometimes he was paid in eggs or cheese, but the guy was wanting to pay because he

got service. He never had a problem about money, and he never talked about money. Registrar's concern on money barriers the line for someone coming in, and that's an overt any Scientologist recognizes - to barrier the line of someone coming into Scientology. Here is an example. A person who has been out of contact with Scientology for about 9 years writes in and says to the effect of "Are you there? I need auditing. Send me details, including costs" and was written back (by the FCDC Registrar, winter 1965), "Regarding processing. The original cost is \$1000, for 25 hours of auditing. (25 hours constitutes what we call an intensive.) We do have two memberships and there is a good discount on each of these. The first is the International membership (+,30) on which the discount is 30% making therefore auditing 5700; the second membership is the Lifetime membership (\$75) making a discount of 20% which would mean auditing would be \$800. If perchance you have both memberships, the discount would then be \$500. (50%.) You can have more than one intensive should you so desire, in fact, I believe you can have up to 250 hours at any one time." !!!!! The person writing in said "I need auditing". They were saying, "HELP!" and the answer was analogous to throwing a bunch of confetti in their face, just when they needed a stable datum.

The answer was a confusion and that confusion is a barrier. The answer to HELP! is help, not confusions. And if the Registrar's concern is on money instead of help then her communications are going to communicate a confusion, and barrier the line. It amounts to an alter-is, so REGISTRARS ARE FORBIDDEN TO TALK, WRITE OR THINK ANYTHING ABOUT MONEY.

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Well, how about money, then? How does this get handled?

Simple. MONEY IS AN ACCOUNTING FUNCTION. It IS the proper concern of Accounts.

Accounts, in the past, has had difficulty collecting in some cases where credit was extended. Registrars in the past had been on the money line, and were busy issuing credit, and the line to Accounts was poor or non-existent for checking to see if the person was a good credit risk or not. Well, that is a thing of the past, with money totally in Accounts where it belongs, and the following into operation:

1. Three fliers (printed handouts) are to be made, as follows:

A. International Membership Flier.

HASI INTERNATIONAL ANNUAL MEMBERSHIP

The Cash Discount Membership

The HASI International Membership is open to anyone, of whatever race, colour or creed, who is not hostile to Scientology. It is an annual membership, and the yearly fee is \$25.00 / æ10.0.0 (apply to your currency). It must be renewed yearly.

The HASI International Annual Member enjoys a 50% discount off the public price, when training and processing is paid for in full at the time it is taken. The HASI International Member enjoys the privilege of buying the books, tapes and meters and insignia of Scientology which are offered to members only, at 50% discount of the local price when paid for in full with the order. The International Membership is the ANNUAL 50% CASH DISCOUNT MEMBERSHIP. Its holder gets a 50% discount on everything and as many as he wants of anything.

The person applying for membership signs a pledge to abide by the rules, codes and disciplines of the organization and that he understands there is no refund of membership and that he does not belong to or work for any hostile organization or group or any group undisclosed to us that is dedicated to the harming of Mankind. The pledge signing must be notarized. The International

Member is a member of the brotherhood of Scientologists which span this planet. He or she receives a numbered membership card and Scientology pin (only issued once).

Those who already have an International Annual Membership in force may have a 50% discount until its expiry date if they have signed their pledge. The card is annual, and a new card is issued with renewal. HASI International Annual Membership brings all issues of (put your continental Magazine name) and the Professional Auditor's Bulletins, which is the oldest continuous Scientology publication, and is direct from L. Ron Hubbard to the professional field in Scientology. A HASI International Annual Membership is necessary to keep a classification in force. Membership may be applied for from the following Hubbard Communications Offices (put offices and addresses of all the HCOs of City Offices and Central Orgs coming under one Continental Office).

B. HASI Lifetime Membership Flier.

HASI LIFETIME MEMBERSHIP

The Scientology Credit Member

This is the Scientology wide open credit card, entitling the owner in good standing to one of anything in Scientology at a 25% discount from the regular price. One of any book published, one course, one grade of processing intensives, one meter, one tie, one anything. When the first one is paid for he can have another. There are no down payments, only routine billing. It is a full wide open credit card, valid all over the world.

The HASI Lifetime Membership is open to anyone, of whatever race colour or creed, who is not hostile to Scientology, and who is not in default on any credit extended to him or her by any Scientology organization. It is a lifetime membership and the fee is \$75.00 (put your currency). The HASI Lifetime Member enjoys the privilege of being extended credit by Scientology organizations. Flagrant default in payments on credit extended, and as agreed to, results

in loss of membership without refund. Fulfilling of payments within 12 months or before, when credit has been

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extended results in a gold star credit rating for that year. Credit may be extended only on one course, one intensive through one pc grade, 1 of each book, payment for which must be fully discharged before further credit may be extended on that type of item. And the further credit, again, may be on only one thing of that type. The credit may be up to 100% credit extended, and the 'one thing' it may be extended for include one course, one intensive through one pc grade, one of each book, one meter, one tape, one insignia - in other words, one of a kind only. Memberships may never be purchased on credit.

The HASI Lifetime Member, when using his credit privilege, enjoys a 25% discount off the regular price on courses, intensives, books, tapes, meters, insignia, etc. (If the person is going to pay in full, it is conceived that he would take out a HASI International Membership and enjoy the 50% discount.)

Loss of membership through default in payment may be regained by payment in full of the amount owed, plus a penalty fee of 25% of the amount owed in full at the time of default, plus the purchase price of the HASI Lifetime Membership fee- . Until the above is done, the person may not have a HASI Lifetime Membership. This however does not affect their international Annual Membership if held.

The person applying for HASI Lifetime Membership signs a pledge to abide by the rules, codes and disciplines of the organization and that he understands there is no refund of membership, and that he will fulfil the obligations within one year or before on any credit extended to him, and that he understands that failure to do so will immediately result in his loss of membership, and that in

order to regain his membership he must pay in full the amount owed, plus a penalty of 25% of the amount owed (in full) at the time of the default, and that he then may purchase a new membership. He must declare that he does not belong to or work for any hostile organization or group or any group undisclosed to us that is dedicated to the harming of Mankind.

The HASI Lifetime Member is issued a numbered membership card with years blocked in on the reverse side for impressing of the gold star credit rating when achieved.

Extant HASI Lifetime Members are granted the above credit if they sign the new declaration for membership and are not indebted to a Scientology organization. Otherwise they still get only a 20% discount.

HASI Lifetime Membership may be applied for at the following Hubbard Communications Office (list offices and addresses)

Services Offered

Academy Courses

HAS Level 0

HQS Level 1

HCA Level 2

HPA Level 3 etc.

Scientology

Processing 12 1/2 hr

intensive (1/2 week or

week-end)

25 hour intensive (1 week)

(Leading to Preclear Grades

0, I, II, III, IV - more than one

intensive may be required per

Grade).

The third flier is a rate card.

SCIENTOLOGY SERVICES RATE CARD

Full Public Price
(give in your
currency for
each item)

Lifetime Member
Price (Credit)
25% Discount
(Reduce each
item by 25%)

(Full Public Price is your local full price per January price
raises.)

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International

Member
(cash) price
50% Discount

On the back of each Rate card give a full book list of books you
have at your local prices.

SCIENTOLOGY MATERIALS

All sent Postpaid from your Local HCO

Books you actually have Full Public Lifetime Member
International

Advertised Price(Credit price Annual
25% off) Member (cash)
(50% off)

Titles of Books

Tapes

Meters

Materials, badges, etc

(but not pins which are now free) _

So now, you have these two fliers and this rate card. Now, the Registrar, in response to queries on prices, and otherwise in correspondence, talking, phoning, etc. supplies only these three things. Does not otherwise discuss money in any way, shape or form.

Now what happens when a person comes in, wanting to sign up? He or she doesn't "sign up" at all. The person is routed by Reception to Accounts for an Accounts Clearance.

In Accounts, the cashier is at post preferably in a wicket. This is exactly like a theater ticket front, complete with the glasses window with the hole (small and awkward) in it to talk through and the hole at the bottom to slide money through. Any accounts office door, if up front in the org, can be fixed with a half door to look like this. It would not at all be out of place for the cashier to wear a green eyeshade, and have a very detached attitude about anything except money or money matters. Very businesslike. The person coming in is routed to this cashier. Posted on the outside of the wicket or immediately in the area on display signs, is exactly the same data contained in the above fliers and rate card. If the cashier is asked for data, he points to the proper sign. The cashier's actions otherwise are:

1. He checks the membership. If none, he collects the money (if the person is seeking the HASI Lifetime membership, the cashier must check his defaulted list to make sure the person is not on it. [This tells you immediately that the defaulted list must be kept up to date daily, and defaulted lists circulated between orgs on a fast comm line, for immediate posting. No show is made to keep a

defaulted list confidential. It must be posted in Accounts.]). After collecting the money for the membership, he invoices it, marks the membership number in the invoice, issues the white copy as an Accounts Clearance slip for whatever kind of membership it is, and the person is routed to HCO to sign his membership pledge and receive his card which is issued on the spot by HCO in a log book. It is Accounts that keeps and assigns the numbers of members. These are coded LM + (area code letter such as Me for Melbourne) + 15 (Scientology year) + number in sequence for the area international is IM + (area code letters) + Scientology year + number in sequence. HCO gets a copy of the invoice which bears the person's name, address and number.

2. If the person already had a membership, or now having one per above (remember, if the person had a Lifetime membership and is seeking credit, the cashier must also check the defaulted list), the cashier does the following:

1. If the service or material is being paid for in full he collects the money and invoices, and issues an Accounts Clearance slip for whatever the service is, and the person is then routed directly by Reception to the service section (Division 2), directly into testing to the D of 1' or D of P and thence into class, or processing. In the event the person is not acceptable for processing by the D of P. who so marks the Accounts Clearance slip, the person is routed back to Accounts who immediately returns the money and voids the invoice upon having the slip turned in to him, or destroys the payment pledge. The routing slip for processing must say (name of person) CLEARED BY ACCOUNTS FOR PROCESSING (in whatever amount) THIS SLIP DOES NOT CONSTITUTE AN ACCEPTANCE BY THE HGC FOR PROCESSING, BUT IS AN ACCOUNTS CLEARANCE ONLY.

2. If the person is seeking credit, which he may have unquestioned, providing he has a HASI Lifetime Membership, and is

not on a defaulted list, but may have it for one item only (AND NO FURTHER CREDIT MAY BE EXTENDED ON THAT TYPE OF ITEM UNTIL THIS ITEM, COURSE, PC GRADE, ANOTHER COPY OF SAME BOOK, IS PAID FOR IN FULL, ON SCHEDULE), then the Cashier invoices the Course, Intensive, book(s), or whatever, i.e.

John Jones
address

I HCA Course S 1,000

L.T. discount 250

Charged to Account (c) 750 L.T. Membership No. LMDC 15459 John Jones (signed)

THE CASHIER MUST HAVE THE PERSON SIGN THE INVOICE (with carbons) so that the signature goes through on all copies. The white copy is given to the person. And he is issued an Accounts Clearance slip.

The Accounts Clearance slip which says -

John Jones
has been cleared by Accounts for 1 HCA Course.
April 25, 1965
Signature in full of Cashier.

Remember the slip for Processing must say, THIS SLIP DOES NOT CONSTITUTE AN ACCEPTANCE FOR PROCESSING, BUT IS AN ACCOUNTS CLEARANCE ONLY. A rubber stamp for this may be made and used.

The customer is led to look on these as monthly bills, not time payment or hire purchase.

There are NO notes. NO contracts. There is NO interest. This is simply a credit sale. This is maximum protection for us.

The statements are arranged for (1) (Academy bill), (2) (Processing bill) and (3) Books and materials. If the (1) Account is unpaid, no more credit courses until it is. If (2) account is unpaid, no more credit processing until it is, if (3) is large and unpaid no more books, tapes, etc. If nothing is paid in a year on any one of the three, no more membership.

Accounts, in billing for amounts owed, just issues a routine monthly statement. If a payment has been made on the account, then that, of course, is posted, and the next monthly statement reflects only the amount now due.

3. Scientology materials. Any person off the street, public, etc. who comes in wanting information on Scientology, etc. is only told by reception to get a book. In the reception office are placed books for sale. One section contains books for the public, marked BASIC SCIENTOLOGY BOOKS, and posters around saying, THE WAY INTO SCIENTOLOGY IS TO START AT THE BEGINNING, and DON'T ASK SOMEONE TO EXPLAIN SCIENTOLOGY TO YOU, GET YOUR OWN REALITY - READ A BOOK, THEN TAKE A COURSE, and THE DATA IN SCIENTOLOGY SPANS THE TOTALITY OF EXISTENCE, WHICH MAY SEEM TO BE AN ENTICING MYSTERY TO YOU, BUT IF YOU WANT TO UNDERSTAND THE TOTALITY OF EXISTENCE, THE MYSTERY WILL ONLY UNRAVEL BY INCREASING YOUR REALITY, OTHERWISE THE MYSTERY DEEPENS. BEGIN HERE with an arrow pointing to the Basic books.

The other books and materials of Scientology are in a divided section marked FOR HASI MEMBERS ONLY.

When the person has selected the book or books he or she wants, the cashier collects the money and reception delivers the book or books. If the person is a HASI member he gets 50% discount on the books in the Basic section, or the International Membership price if paying cash for materials for members only (must have

International Membership), or if seeking credit, must have the HASI Lifetime membership with the same checks on default as in Services applying, and the rule of one of each item applying. If the person is new and wishes a membership to get the 50% discount or to buy books from the Membership section, he or she is handled exactly as in (1) above. He or she is not then prevented from buying higher level books, but the signs still warn the person to start at the beginning.

Reception looks after books and their cases. Reception is to have nothing to do with money as she is a Division 1 personnel and is not Division 3.

If a person comes into the org not knowing what he wants, but presents only his or her problem, and wants help, he or she is routed to HCO to the Registrar who channels them according to their needs, but who does not talk money. The Registrar may (and must if pressed by the incoming person for information about costs) say "Only Accounts can talk to you about money. I am here to help you find what you need in the way of service." And when the person is routed by Reception to Accounts, it is all on the signs which the cashier merely shows them, or hands them the two fliers and rate card. The Registrar is forbidden to hand them to body callers.

Accounts is admonished not to mention credit. Also Accounts has no interest in credit rating before it is defaulted. Let the person ask about it. It was found many years ago that most people walked into the org with the money for the service on them. If the Registrar (in those days she was handling the money) asked, "Will this be cash or credit?", the person, with this invitation, inevitably said, "Oh, can I get some credit? Well, let's see, I'd like to pay so and so, and get the rest on credit." And they would walk out of the Registrar's office with the rest of the money still in their pocket. The Registrar's question should have been "Are you paying this by cash or check?", and if there is a question of credit, let them bring it up, as an origination. But today the Registrar mustn't talk money at all.

Think of the most exclusive restaurant that you know of. Get the idea of going in there and ordering a meal without any money or credit card. You cringe? Well, create that same kind of atmosphere and attitude for the org. All service today is "travel now pay later". This must pay because everyone selling service that way is rich and powerful. The public does pay its bills. Your prices are now rigged to absorb the 33 1/3% loss we have due to bad credit. The prices are 33 1/3% higher than cash. No interest or notes or trouble. Train now, pay later, get Grade 0 now (2 or 3 intensives) and pay later. If they don't pay, then worry. Don't worry everyone because 1/3 are dead beats. Create the attitude that a person's credit card is extremely valuable, and must be kept in good standing at all costs. It is practically a moral code in the society today. Use it. But it will not prevail with sloppy handling of accounts, breaking the rule for a friend, just letting this one go by. It will be strict and unbreakable 8-C on the line - heartless, maybe, but not any more heartless than a low, below living, unit check...not any more heartless than the guy who doesn't get into Scientology next year because there weren't enough funds to disseminate because the guy last year didn't pay for what he got. Well, what about the guy who got poor service - no gains, ARC breaks instead of training? Well, Accounts has a control line on that too. It is Accounts who issues the free week of processing, or who can send a student back for free retraining (not a next course up, retraining on the course that was flubbed on). And it's the whole org who is to scream when people start defaulting. Too many defaulters tells you there's bad tech going on, so it is an indicator, and you'd better start screaming, because people won't pay if there's no delivery. They'll say "To heck with it", the same way you would if you had a Diner's Credit Card, and every restaurant you used it in served you soup with flies in it, you found finger nail clippings in the mashed potatoes, and the steak was green on the under-side. You'd tear up your credit card, walk out without paying, and probably go see your lawyer. You have the total tools for delivery today. So deliver. Count on good delivery to collect the credit issued. Not on lawyers or complicated

registration.

Reception ONLY ROUTES. She does not answer questions except with "Oh, where you want to go is to Accounts", or "You need to get a book", and she routes. Accounts is to be located adjacent to Reception, and people are to be routed and handled with a friendly dignity. The public tries to wander all over - it is unaware, generally, of your hats and lines. They will try to put anybody's hat on the nearest guy they can get hold of. If it isn't your job, and hasn't come to you on the proper routing line, then you only route. A river will overflow if the barriers (banks) at the side are

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not there, or so weak that they can't hold up. If it has strong firm banks, the river will flow down the channel so delineated.

Having, by now, I hope, heard the tape of March 2, 1965 you recognize that you don't do a big acknowledgement job on the incoming student or preclear You don't say "Well, you arrived. Good. Fine. I am sure glad you got here." You don't end the cycle this way for him. Reception never greets. It is just barely at start. Getting the person to reception was not the cycle you are working for, and neither is the pc or student. So you say, "Well, you must be anxious to get going. Let's get you into class," or "Testing is waiting for you."

Staffs should dress and behave with appropriate dignity to create the attitude and atmosphere set out in this Policy Letter. So you have had a hard time and have no clothes! Well, get inventive, until you get so affluent that you can hire a tailor. Get inventive on low or no cost ways of sharpening up the premises, particularly that part which meets the public eye, until you are affluent enough to do something better about it. And demand cleanliness and neatness of premises at all times. But don't let clothes and

shaping up premises distract you from your job. Just make a habit of expectancy on it, got the idea?

The day of the doldrums is over, so just end cycle on that. THANK YOU. We have entered a new echelon of Scientology.

P.S.: The effective data of this Policy Letter is as soon as you are set up with your materials printed up, you need to get your wicket in and the personnel drilled on it, but at the latest June I, 1965. You will be receiving the additional data needed on this, how to handle pledges internally, membership card mock-ups, etc. In the meantime get going on what is supplied here. And muzzle Body and Letter Registrar on money. Route to Accounts.

Design by: L. RON HUBBARD

Written by: Marilyn Routsong

for

L. RON HUBBARD

LRH:jw.rd

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[Important. See HCO P/L 18 April 1965, page 93 and HCO P/L 11 March 1971, page 268.]

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 MARCH 1965

Gen Non Remimeo

BPI

SAINT HILL SERVICES, PRICES AND
DISCOUNTS

Saint Hill has just opened its Hubbard Guidance Centre in order to be in line with all orgs over the world in all departments.

The Saint Hill Course now handles all levels of Training but these courses are review courses at the lower levels and HCA (classed or unclassed) or old Commonwealth HPA (classed or unclassed) remain the entrance requirement. Students go through all levels, usually the lower ones very rapidly, and are Classified for each Level with a Saint Hill Classification.

Saint Hill Classification takes precedent over all other classifications in any level. A student's own Classification is not taken away but for the duration of the course is invalid but may be resumed on departure from the course. However the student usually has a far higher Saint Hill Class on leaving.

The purpose of the Saint Hill Special Briefing Course remains the same - to make the auditors and instructors who make the auditors and instructors over the world and to put the final polish on auditing. As auditors sometimes do not realize that an auditor of a higher level always audits at the pc's level, seeing and getting lower level results and clearing with them is very revelatory. One does not expect a Class VI auditor to run only Level VI. Quite the contrary, Level VI training is never applied to an untrained pc by an ethical auditor. A Level VI auditor should be able to do Level 0 work superlatively well. Level 0 processes release people with ease and many clear today at only Level II, much less IV. So the Saint Hill Course enters all students today at Level 0 and rapidly moves them right on up in quick time. Students who know the lower material of course get it checked out very readily. A student can always ask HCO Board of Review for a classification while on course, but of course must pass all lower classes before being tested for the one asked for.

DISCOUNTS

International Membership 50% discounts apply to all HGC pc and Course Student enrollments at Saint Hill, now.

Credit, by agreement with other orgs, which might lose business if Saint Hill allowed it, will not be extended by Saint Hill, so Lifetime Membership does not apply at this time.

This gives a 50% cash discount on all courses and Intensives.

COURSE

The Course (50% discount price) is still £275 sterling. This makes its public price £550, but of course no public applies. This is about £40 a level, making it a very cheap review course. It must be bought all at once or £275.

HGC

Intensives are the same price as in the U.S. The 50% cash discount makes an intensive 5500 or the equivalent in sterling.

Saint Hill Student price for an intensive (75% discount price for Saint Hill students only) is \$250. The student may be an old graduate or one currently on course. Academy Students do not qualify for the Saint Hill Professional Rate, only Saint Hill Students and Graduates.

Any level pc is taken but only the pc's level will be run, of course. However it will be run very well, usually by Level VI auditors.

Pcs are issued their Grade Certificate the moment they complete a level and this Certificate takes precedence over all other Grade Certificates in the world.

BOOKS

Saint Hill book prices carry a 50% discount from list for International Members.

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[Important. See also HCO P/L 18 April 1965, page 93.]

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 MARCH 1965

Gen Non Remimeo

Post Staff Not Public

Boards (Expose all
sheets on board)

CURRENT PROMOTION AND ORG PROGRAMME

SUMMARY

MEMBERSHIP RUNDOWN

INTERNATIONAL ANNUAL MEMBERSHIP

There are two Memberships-THE INTERNATIONAL ANNUAL MEMBERSHIP -
This is the CASH DISCOUNT MEMBERSHIP. It gives a 50% cash purchase
discount across the boards-Training, Processing, Books, Meters,

Tapes, Insignia, Congress, the lot. If we sell it, an International Member gets 50% off The Membership must be renewed every year. It expires on the same date the following year at one minute past midnight. It keeps one's certificates in force. No services are ever promised to its holders but a monthly magazine is sent and a copy of the Professional Auditors' Bulletins comes to them from Saint Hill providing Saint Hill is given their addresses and changes of address. Members' lists are kept in orgs and org Central Files and the Org Roster of Members. Anyone can have an International Annual Membership providing they are for us and not members of groups seeking to harm Mankind. The cost is £10 sterling or \$30 US. The entire fee is paid into the HCO Book Fund Account and buys advertising for Scientology books and pays book bills. (All receipts for books, meters, tapes, Insignia and all Memberships go into this Account. These are the funds that promote Scientology through books, the only effective way orgs have ever promoted.)

To obtain or renew an International Membership one must (1) Get an Accounts Clearance and (2) what will be called a Division 9 Clearance and (3) sign a sworn statement promising to uphold the codes of Scientology and declaring they are not a member of a group hostile to Mankind or Scientology. Note that there is no waiver of rights to sign now.

LIFETIME MEMBERSHIPS

THE LIFETIME MEMBERSHIP is the CREDIT MEMBERSHIP of Scientology. Its holders can obtain a discount from the list price of courses, intensives, books, meters, tapes, Insignia, Congresses, etc. They can have ONE of anything on credit. One course, and one grade worth of intensives. In books, meters, tapes, Insignia, Congresses, they in actual practice can have a reasonable amount, as it is too hard on accounts to keep more than three items in view (courses, intensives, books, etc). It acts as a Carte Blanche credit card. There is NO note, NO interest rate, nothing. The Lifetime or Credit Member is billed monthly on a standard charge account system. There

are no arrangements for payments at regular intervals. However, the Credit Member must have paid for his course or his Grade worth of intensives or his book bill before he can have another course or grade or beyond a reasonable amount of books. If the bill is not paid in 12 months the membership is forfeit. After a forfeit of a Credit Membership, if the person then belatedly pays his bill in full with any additional amount as penalty, he may now buy another Lifetime Membership if Accounts will sell him or her one. The idea here is to keep one's credit good, for the card itself has good value in supporting credit elsewhere. Old holders of these may have the new discount if they sign the sworn statement for the new status. If not, then they get 20% off on books, meters, courses, intensives bought for cash. Neither the old or new Lifetime Membership adds now to the International Discount. That went out because the International alone gives one the cash 50% discount. If a Lifetime-International combination Holder that bought both before March 1, 1965 insists on a 50% combination discount for credit the way we were selling we always deliver what we promised and he or she may have it by signing notes, paying heavy interest, giving the down payment and signing a waiver of liabilities and all that just like we were doing from January 1, 1965 to March 1, 1965. Newer ones (sold after March 1, 1965) can't have that "privilege". Actually it is likely to be more costly to them than the new system.

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For in 1966 we will begin to GOLD STAR the Lifetime Members' cards, giving them a GOLD STAR CREDIT RATING where they have promptly paid their bills and a Gold Star Credit Card in Scientology will carry a 45% discount. To get one really sizable credit will have had to have been advanced and promptly paid such as courses, or grades. A Gold Star Credit Rating must of course be kept good after award and default carries the same results as a new Lifetime Membership. A Lifetime Membership will be a handy thing to have-one will only have to sail into an org, get his Accounts Clearance slip and so have his next pc grade or course any time he feels like it. The Lifetime Membership costs æ30 or \$75 and need

not be renewed unless forfeited for payment failures. It is paid for in cash at the time of application.

Anyone can have one, of any race, colour or creed. They need only sign a sworn statement to abide by Scientology Codes and that they are not a member of a group hostile to Mankind or Scientology.

OLD HASI SHARES

You may wonder what to do with old HASI Ltd Shareholders.

The share, of course, can't be cancelled.

The answer to this is that a HASI Ltd Shareholder is not a Lifetime Member in any sense of the word.

The 20% discount if promised in that area is not additive. If the Shareholder buys books or intensives or courses, for cash of course, since nobody promised any credit discount ever, the HASI Shareholder-if the local offer to buy one said so originally-gets 20% discount and no other. It does not add to International.

A few of these shares in South Africa were maliciously held onto. Most other places converted back and turned their shares in.

Such Shareholders should be written to personally and advised of the advantages of a new Lifetime Membership and the above limitations of the old share should be heavily stressed. They should be told that the local government would not grant HASI Ltd a non profit status and so we remain HASI, Inc of Arizona and will continue so and offer them their money back or a new Lifetime Membership with all its advantages of full credit and good discount.

Please shake off these old HASI Shareholders so we can close the company. We're booming Internationally as HASI, inc.

It's to their advantage to become Lifetime Members now.

QUALIFICATION OF MEMBERSHIP

There is no grade, certificate or classification Qualification for any Membership.

One must only swear to abide by and uphold the Codes of Scientology including the Auditor's Code, the Code of a Scientologist and any other Code of Scientology and that one is not now a member of a group hostile to Scientology or Mankind.

This sworn statement is made in and the membership issued from the Membership section of the org at once.

OPEN DOOR

You may detect from the above that we have now opened the door of orgs for action. Hitherto one was interviewed and registered personally by the Registrar. This is no longer necessary. The Registrar is now HCO personnel and handles no money, makes no notes.

One should be able now to walk straight into an org, straight up to the Accounts Cashier near the entrance and get an Accounts Clearance. This is a white invoice slip. Accounts receives any payment and issues the "white copy" to the person. If it is a

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credit sale, the person must sign the white while it is still on the Invoice machine but this is not necessary on a credit mail order from an org.

This is all the procedure for the person. He or she then takes the "Accounts Clearance" to the division giving the service and

gets it then and there. If one is buying a membership and then processing or training or books, one goes to the Accounts Cashier first, then to Division 9 nearby and gets the Membership issued, then with their membership card returns to Accounts for the "Accounts Clearance" for the next service. Reception near Accounts is ready to direct anyone to Membership Issue or the HGC or Academy interviewers. If a member requiring processing or wanting training wants advice, a registrar is available. But actually all the necessary advice is posted beside the Accounts Cashier window complete with Membership descriptions and costs and all prices including book, meter, tape and insignia prices. A floor plan is in plain sight in reception if one wants to find one's own way. Therefore there is no waiting.

THE NEWCOMER

If a person comes in asking "What is Scientology", reception instantly says, "That is very well covered in a book. Here is the correct book for you and it will tell you all about it. The price is " Reception, via Accounts, sells the person the public book and reserves all other books for members only. Thus nobody there explains Scientology. They sell him a book. The Registrar does not talk to newcomers and indeed is forbidden to try to explain Scientology or processing to a completely uninformed person. If they didn't know, she like everyone else, sells the newcomer the public book.

There is no brochure given out in Reception, no PE brochure. Only book ads.

In the back of the book the newcomer buys, an inserted card fastened in, invites him to a PE Course. This card must be discovered only by someone who has read that far in the book - it mustn't merely fall out and no such cards may be placed about in reception. PE is for book finishers. If they can read a book we want them. If not, we don't as they'll only fog others in the class. The passport to PE is "Have you read a book?" That alone is

what we require before we will put in Admin time on them.

There is a formula and drill for use on public persons on personal contact. We don't use it at the front door of the org. We use it through members of our Field Division only-the Field Auditors.

This handling of the newcomer is based on 15 years of experience. The Field Auditor can handle him best. Only when the newcomer has read a book or been audited or trained by a Field Auditor can he or she be entered into an org at any higher level than "Buy a Book". What you have to do to sell the Newcomer a book is another thing and is technology, not policy and so is not covered here. The policy is the Newcomer must buy a book and that's it. Otherwise an org tends to develop a psychiatric type practice that wears everyone out. Orgs are live activities, not morgues. Admitting the Newcomer who has not read a book into PE or the HGC or Academy is pure nonsense. Scientology is aimed at the able. When you curve it toward the unable, your dissemination programme will go all awry as it is no longer reaching the able public for which it is designed and you will get into the org a lot of fringe that breaks the instructors' and staff auditors' hearts and breaks the economics of the org as well.

Scientology is for Scientologists, not for the person in need of daily nursing. You can't build a new civilization with dead meat. You tend to them afterwards when you've time and money to burn.

The simple selection is, Can they read a book? If they can't they'll take far too much time and effort and will only distract the main body. There's plenty who can read a book and if you only handle them you'll handle more and more of them. If you even try in an org or a practice to handle people too distracted to do so you'll handle less and less. That formula alone is the determining force of whether an org auditor goes up in activity and numbers or down. If you accept only those who can read a book you will grow. If you ever accept those who can't you will shrink. There are no

exceptions.

Leave it to me to give them the book they can read. You tend the store and we'll have a rush hour 24 hours a day and the staff to handle them.

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Advertise and sell books hard. Then service those who could read.

Book prices of public books will be such as to permit the book to sell. There will only be 3 or 4 public books in all. You don't have them yet. Meanwhile sell Problems of Work or old Dianetics or Scientology Evolution of a Science or the Original Thesis. The real Public Book #1 will be out before the end of 1965 by the thousands. It's already outlined and mostly written. It will probably cost the public \$5 in the US and 30s. in England and some round equivalent in the Australian or SA market, whole paper money in every case, post paid, even Airmail. So don't use up too much public medium ad money yet for old books. Just feel your way around until we shoot the works on Public Book #1. We have to groom up our orgs first anyway and get them booming by existing actions alone and clearing up their existing public. They better come in and get clear now because next year will find a jam for service no matter how many we have on staffs. Tell them so.

PROFESSIONAL RATES

Old time Professional Rates are back for the HPA/HCA or above (classed or unclassed). If he or she has an International Annual Membership in good standing (current year and unexpired) intensives cost only 25% of the public list. Cash only. HQS, HAS are not eligible when not actually in the Academy. However an HAS or HQS student, only if ordered by the D of 1' to an Intensive may also be given the Professional Rate if they have also an International Annual Membership.

This is an excellent chance and should receive wide publicity. However, trip up HAS/HQS students who enroll on course only to get HGC student rates. For the D of T may not order a student to processing if he suspects the enrollment was only for that purpose.

HAS PRICES

HAS prices may be too low to take a 50% cash discount in some areas. If so, raise it. Continental Director has that authority. It still gives a 25% refund if the course is finished by the student.

These HAS courses can be weekend courses, too, you know. Or night courses, 160 course hours, I think.

COURSE TIMES

All courses in all orgs enroll every Monday. No special courses for certain dates will be tolerated in any org. Magazines should say "Enrolls every Monday" after every course in every Academy Ad. If you don't you go mad trying to get pcs every week for ad money and wind up with a psychiatric ward for an HGC. The check sheet system used now at Saint Hill for levels fits every course nicely and requires no "every 4 weeks". Saint Hill enrolls all week long! Further, Instructors in Scientology must not personally lecture students on technology. Instructors only do this when they don't know their HCO Bulletins and the same instructor is always giving squirrely unusual solutions in answer to student questions rather than answer them accurately or get the student to find the answer in his student materials. If you want a current check sheet for a level write your comm-member (HCO Pol Ltr of March 13 '65) at Saint Hill.

PROCESSES TO USE

Break down the Q and A that Class VI auditors run Class VI only on all pcs. It isn't so. Pcs not trained don't get enough TA and

Class VI caves them in, quite. Same pc gets as much as 75 TA Div per session run on Level 0 where he should start. A Class VI auditor can do better Level 0. One audits always where the pc is. Never only where the auditor is. That error alone stops you from making clears.

CLEARs

Clears are bobbing up routinely now. They release these days at Level 0 or Level I and begin to clear at Level II free needle. However Levels III and IV stabilize them very well and they really go very clear if the auditing is good and smooth.

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Sell Release and Clear with confidence. Only squirrelling on levels and rough ARC Break handling can prevent it. The total rundown of processes is easy to groove in in an HGC and should be adhered to violently if you want to get results and releases and clears. It's no myth now.

A person who clears at Level II can be audited on Level III and IV providing you don't do subjective processes-only CT work. And the clear can (and must) audit others subjective and objective.

PC GRADES

Pc Grade Certificates as already outlined in recent awards HCO Policy Letters will save your bacon on odd demands for hidden standard type results and save you as well from HGC squirrelling.

A pc is given his Grade Certificate when he has finished all the processes of a level. Some new auditor may try to do this in 20 minutes. But it really takes about 3 twenty-five hour intensives on a lower level to do all the processes of that one level and flatten them.

This is easy, easy. Don't strain anyone's brain. Just use a check sheet on the processes run in the HGC for each level. It's a form. The auditor has to certify each process has no more TA in it when left. It also finally says the pc has no ARC Breaks now and is very okay. The pc must also agree and sign the sheet. When done, the Grade check sheet goes rapidly to Certificates and a Grade Certificate (a letter) is signed by the HCO Area Sec and is issued to the pc. The pc only now can go on to the next grade.

Where a pc gets to a Grade in the middle of an intensive and has no more bought (and particularly where he has this one on credit) spend the last few hours of any Grade doing Itsa in all his treatment, auditing and other solutions. Now that he's loosened up by the Grade, you may be astonished to see your meter needle start to float. Clearing has always been easy. People mainly were too rough on pcs or tried too strenuously. The Grade Sheets (and the pcs) must all begin at Level 0 and go on up no matter who the pc is or what old certificate he or she has or how horribly urgent it is that OT be reached last week. HGC processing must now be all by Grade Certificate.

The Grade Certificate says on appropriate stationery, "Let it be known this day of...that John Doe has completed all processes of this Grade as a Preclear in the Hubbard Guidance Centre and has successfully completed Grade and is now fully qualified to be processed on Grade (next grade) processes. Signed HCO"

The sooner that system is in - check sheet, grade carts - the quicker you'll start making Releases and Clears. Release and Clear are Honorary not technical awards. Release is simply "Know now I won't be getting worse" and Clear is a Meter condition of near TA position and a floating needle. You can't miss it when you see it. Some meters aren't dead centre on the clear read. But it's near 2 or near 3 and all meter needles float.

Just because a person attains release or clear is no reason to

halt either an intensive or a grade. Let the pc have a win on the process if he or she insists that one is flat now. But go on to the next process. You only begin to skip subjective (figure or think) processes (except pure Itsa). All Clay Table work is objective.

STUDENTS

Let a student "finish his course" (such as complete his own case for grade) if he insists but a course completion is a check sheet not a condition or classification.

It is now a crime to run a course without a check sheet or to change a check sheet on a student after it's issued. A different check sheet can be issued to the next student that enrolls on that very same course. But once issued, the same one is completed for a course completion of that course and the student gets his certificate for the Level when it is and can take his exam for class. There are 3 check sheets actually - Theory, Practical and Auditing. There is no Academy check sheet for student's own case but an HGC case check may be used but not taken much account of. All 3 should be complete

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before you let a student go up for classification. A grade certificate is only issued a student who has had all the processes run, not because he finished his study of the level. The Grade Certificate, if issued, says Loudly Academy and may have no weight in an HGC or Saint Hill.

CLEARED STUDENTS

Students who are clears have to do all the required auditing as an auditor. And get it passed. Clear is an honorary, not a technical award. But a truly floating needle clear may not be audited on involved subjective processes. This doesn't get him off

any CT work at all. He or she may not be jumped a grade or a course. (One course early on in clearing they panicked and urged promotion of a student to high levels at once from an incomplete Level II, were refused and in CT work the student cleared more clear.) A student doesn't know more about Scientology just because he's clear. He just learns faster. So the cleared student must do all his auditing on pcs, subjective and objective, clear or not If you don't have any raw meat for a student to do all his levels on, make the student scrounge his own pcs off the street or city dump. Remember, don't panic on clear. It means the student like any other student must do all his required check sheets and go on up, level by level just like every other student. Just don't run any further subjective processes or he'll key in. CT will only key him out more if properly done.

SAINT HILL PRICES

Saint Hill is being careful not to undercut anybody and won't give credit in order to prevent orgs from losing out.

Saint Hill auditing prices are same as US Professional discounts and student discounts apply at the Saint Hill HGC.

The Saint Hill Course was doubled in price and then halved for International Members just to be able to grant the discount like anybody else.

Saint Hill books, tapes, meters, insignia, are all 50% off for internationals. 20% for all Lifetime if cash Not additive now. Just like in other orgs.

This standardizes the shape and activities of Saint Hill and makes it the same as other org boards. This makes its advices more real too. Saint Hill has the world's most experienced people in Central Org activities so don't be misled about the advice you get-it's hot and good.

MAILING LISTS

The elementary Emergency formula for a down org is:

1. Promote Promote Promote.
2. Then change bad spots and re-organize.
3. Then economize, cut off all Purchase Orders except postage, communications and rent.
4. Get ready to Deliver to the people who will be coming in as a result of the promotion and deliver.

To promote you must have a full mailing list. Anyone who failed to get his mailing list back off old invoices will probably make about thirty or forty thousand pounds less between now and Christmas-which is punishment enough for not following my late '64 orders where the job was skimped.

I see two orgs that are limping also have a very small mailing list. Any connection?

Rush the project ordered in '64 wherein you culled your addresses back from old invoices and you'll have lots of people and money again. Scientologists never get truly lost.

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Then get onto Book Promotion, put a return self-address card for "more info" in the back of every book you sell and get your list up both from the book sale and the card. Omitted that?

Look over the earlier 1965 Policy Letters that define promotion. That's all it is.

But promotion is successful when you use books to front for you and a flop when you don't. If you think promotion is costly it's because the money isn't invested in getting books sold. Books are your first line of promotion.

Re-organize your book department if it doesn't slam back a book at every orderer within 24 hours of the receipt of the order. Why be poor all the time?

1. Place ads.
2. Get mailing lists from anywhere.
3. Get mailing lists by selling books.
4. Sell more books to them.
5. Have good processing available for them and say so loudly.
6. Have good training available for them and say so loudly.

Do just those things and do only those things and you'll be 10 times your size with a lot more pay.

It's very easy. Why keep doing it the hard way?

I'm interested in review that only those orgs are poor which haven't been following my direct orders. Well, anybody has a right to be poor, I suppose, if he has an appetite for it. Personally I don't care for it. It must be a carefully acquired taste. As a brand new idea in those orgs that are struggling, why not get rich by doing what Ron says?

L. RON HUBBARD

LRH:jw.rd

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[Important. See also HCO P/L 18 April 1965, page 93.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 MARCH 1968

Remimeo

STUDENTS: STUDENT & STAFF PROGRAM

Students will now have an opportunity to earn free Level Courses.

Any student who is presently on a Level Course and brings in 5 students for HAS or above may have his next Theory or Practical Course free.

He may do this as often as he likes.

This offer only applies to students actually on a Levels Course (HRS to HAA), now or in the future (in other words, this does not just apply to those presently on a course, but to future enrollees as well).

The award is given for actual people brought in who signed up and paid.

Five HAS courses sold should equal the cost of a Levels Course. If it does not in your Org, then change the number of people the student must bring in until it does.

STAFF:

If RAP finds a student who shows himself to be intelligent and responsible (up stat) or an untrained or partially trained staff member who has the same indicators, RAP may offer that person his or her Levels up to and including HAA free of charge in return for a one year contract.

The contract is specifically for auditing - we want trained and experienced auditors from this. We want them in the Tech division or in Qual.

The contract commences after the training has been completed.

Later, the staff member may be offered his Class VI or VII in return for a 2 1/2 year contract. This contract would include getting his Power free. This contract requires him to be Staff Status II.

Inter Org arrangements and agreements re awards will have to be made between those concerned. The outer Org would pay unless specifically awarded by the Guardian, or unless it fell in to some other award system.

These programs are designed to increase Org flow, speed movement upwards, expand staffs, and increase the number of trained auditors in the world. We are beginning to have much larger flows and must get trained staff quickly to handle it.

LRH:jc.cden

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Lt. Fred Payer

Sea Org

Approved by -

L. RON
HUBBARD
Founder

[This policy was cancelled by LRH in HCO P/L 27 September 1970, issue II, Volume 3-page 136, being in direct violation of HCO P/L 27 April 1965, issue II, Price Engram. Volume 3 - page 91; which forbids cutatives in prices as damaging to expansion.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 SEPTEMBER 1970
Issue II

Remimeo

CANCELLATION

HCO Policy Letter of 15 March 1968 "Student and Staff Program" which advises many give aways, issued by Fred Payer, is cancelled.

It is in direct violation of HCO P/L 27 April AD 15 Issue II "Organizational Price Engram" which forbids cutatives in prices as damaging to expansion.

Covert Price Cuts by orgs are directly responsible for low staff pay.

L. RON HUBBARD
Founder

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 27 APRIL 1959

WHY NEW BOOKS ARE FEW

The income I am supposed to derive from Scientology should pay for research, investigation, my promotional time, the writing of books and my living expenses. At present it does not.

We are short of new books because I haven't had the time or the place to write them and do not even have a transcription secretary.

Clear results were delayed and released incomplete because research funds were missing and I had to do it all on the cuff. I couldn't pay auditors to assist me.

Right now I am buying a home in England which will be a research centre and am faced with getting another house in the U.S. soon.

Basically the 10% paid as royalty by Central Orgs is looked on as my income. It is not income. It pays for HCO personnel in most places who are more and more doing the administrative and promotional work vital to keep the lines flowing. HCO is worth, in income to Central Orgs an enormous amount just for these things.

I have a need for help here. Research and writing, on which we exist, is not being paid for. Therefore it is very hard for me to get it done. It would not be unusual for 10% to be paid for these two items. On the contrary. But the 10% is absorbed in paying for

administration-and vital administration it is! Magazines, promotion, organizational data, to name a few, come under the 10%.

We are in for a boom. You may not see it in your area yet but HAS Co-audit well run has begun the project "Clear Earth". HGCs have already begun Theta Clearing. And hotter stuff is to come

But unless I can up my income for writing, research and living, we are somewhat slowed down.

My program has gone as far as this: I have bought, with my own money and whatever I could gather, a place in Sussex that's quiet enough and remote enough for research and in which I can get lost enough to write. I emptied out all my loose cash, sold my boats and made my credit creak but we have a writing and research centre for the U.K.

The place belonged to an important person and is itself more or less self supporting as to upkeep.

I want to get a research centre for the U.S., equally remote and later on for each continent. In such places research records can be safe and the kind of research which now has to be done can be done.

This will take several years. I am perfectly willing to do and finance any and all of this out of my 10% royalties from Central Orgs.

If HCO personnel can be paid out of Congresses, books, tapes, records and memberships, if certain HCO services can be nominally charged for, and if Central Orgs can help out by paying HCOs where needed, then I can get every one into a position through writing, research and planning to take all the strain off by increasing book sale volume and general volume.

Right now we are doing things a bit backwards. I am having to bolster and plan to keep things afloat without the whereabouts or

wherewithal to do the writing and research that will make floating easy.

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HCO is vital to keep us going. So is writing and research.

I am truly and honestly concerned with all our incomes and work ceaselessly in an effort to raise yours. Only recently did I realize that I was having a hard time raising yours because my own income was too low, despite the overall high current and steadily increasing income of Scientology, to pay for the things I have always paid for from any income or money I received - research and writing. In establishing HAS Co-audit in London I found ads to be fabulously expensive. I realized suddenly that I could get plenty of press with books and book reviews. I abruptly cognited that "Have You Lived Before this Life?" was our first new book in two years. And "All About Radiation" was our first new book for two years. As we did in AAR, we sell from 6,000 to 9,000 new books worldwide, every new one I write The market we have is steady. Only old books reprinted cost heavily. New books get their cost out in about 80 days and make us thousands in friends and money. Our book market would take a new book every six months. These, sent to reviewers widely in every area would give us plenty of press. And we'd have data in usable form. And 9 to 25 people read every book printed!

HCO has taken off a heavy administrative burden to a great extent, freeing the time. This leaves lacking (1) Finance for research (testing and leg work), (2) A place I can do research and do the actual writing, (3) Book transcription.

If we want a boom, it's vital to free the income needed to create it. And this will up all our incomes, as well as get the job done.

My book schedule is now

1. Have You Lived Before this Life? (I rewrote it in the last 2 weeks amongst doing the new HCA/HPA series. It's now at the printers.)

2. The Elements of Scientology. (Needed as the new course book to fit with the tapes. It's partially compiled-has been for a year and a half but needs complete redoing.)

3. The Criminal Mind. (To give us a whole prison clearing program.)

4. The Mentally Retarded Child. (The text for the Society for Mentally Retarded Children program we are now piloting in the U.K.)

5. Great Men of the Mind. (The biographies of mental healers, a missing text in psychology courses in universities.)

You maybe sometimes wonder why I don't write more new books. For a research confirmation, to whom do I say "Audit Bill on so and so" (HGC processes are too stable now for research). To whom do I say, "Run down to the local library and find out...". Whom do I pull off post and say "Type up these 80,000 words of dictation tapes I've done?" Why me, of course. And I just can't get it all in. So - no new books.

But 10% devoted to these and the cash I need can do it easily.

Any comment or suggestion any secretary or executive in Central Orgs would care to make would be very welcome. I would find your views very helpful.

P.S. Only the F.C.D.C. bears the cost and more of writing and research at this time.

P.P.S. You didn't realize I too had problems, did you?

LRH:cden

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Best,

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

37 Fitzroy Street, London W.1

HCO POLICY LETTER OF 21 MAY 1959

(Convert to Sec ED)

HCO MONIES AND BOOK STOCKS

Effective now.

All monies received by reason of book sales, ACCs, Congresses, tapes, records and memberships shall be invoiced to the credit of and deposited in the accounts of the Hubbard Communications Office.

All book printing, bills for tapes, records, Congresses but not magazine printing or postage costs, shall be paid by HCO save only where Central Organizations need tapes, etc., which they then buy from HCO.

All book stocks are now the property of HCO and Central Organizations obtain books at 50% discount.

Exception: The sums advanced by Central Organizations for copies of "Have You Lived Before This Life?" to HASI London, will be credited to them and all sales of this book will be paid into Central Organizations, not HCOs until Jan 1, 1960.

L. RON HUBBARD

LRH:mp.cden

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 28 MAY 1959

Central
Convert to
Sec ED

PROMOTIONAL WRITING FUND

Pursuant to the HCO Policy Letter of April 27, 1959, it is now generally agreed that the suggestion of Jack Parkhouse is best.

He suggested that instead of 20% or 15% of the proportional income going into the Building Fund of each Central Organization that 15% or 10% be so deposited and the other 5% be made available to me for promotional writing.

This 5% of the proportional income would then immediately be applied to the expenses mentioned in HCO Pol Ltr of April 27. Any part of the regular HCO 10% would be applied directly to research expenses.

However, New Zealand and others suggest 12 1/2 percent. Let us do it this way. We make it 8% now and drop it to five when our income is all brought up by all our actions and my promotional writing.

All Assoc Secs should get the immediate opinion of staff and if

favourable should then at once begin the regular, routine weekly transfer of 8% of the proportional income to "Special Fund HCO WW, National Provincial Bank Ltd., 6 Fitzroy Sq. London, W. 1 " and delete the sum from the Building Fund.

It should be clearly understood that this money and any funds that can be salvaged from the HCO 10% (which is spent locally in most Central Organizations) will help pay the expenses of the new promotional writing and research centre, located at Saint Hill, East Grinstead, Sussex.

If this money can assist promotional writing, we will all experience an increase in income since it is promotional writing that carries most of the public interest and I am currently too pressed by other things to do it to an adequate extent.

We can continue with other financing plans for research, many of which are quite good.

I have been paying for and shoe-stringing research for so long that an enormous backlog has developed needful to be done now to advance the whole picture of Scientology.

So if we can get this 8% coming in very soon, and gather up what HCO cash is about and send it in we can get both promotional writing and research going with attendant rise in income everywhere.

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 9 JUNE 1959

HCO SPECIAL FUND

Scientology Research and Investigation Fund is the name of the HCO Special Fund to which the following monies should be transferred:

1. All sterling area HCO 10% except where needed for office and salary expenses to finish out CBM deficiencies.
2. All HASI and other Central Organization 8%.

The only exceptions are the 10% from US organizations which go to LRH Founder personally.

This means that all HCO surpluses anywhere above immediate office needs should be now transferred routinely to HCO WW Research and Investigation Fund as well as all Central Organizations' 8%.

L. RON HUBBARD

LRH:gh.pm.cden

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W.1

HCO POLICY LETTER OF 24 JUNE 1959

All Franchise Holders in US

All HCO

STATUS OF HCO OFFICES AND HCO
SECS
AND HCO VOLUNTEER SECS IN US

The status and duties of HCO Secs and HCO Volunteer Secs in the US are not changed by the fact of HCO WW mailing bulletins to HCO Franchise holders except as follows:

There is no need to duplicate the mailing by sending HCO WW bulletins again to HCO Franchise holders. However, special bulletins from US HCO offices will still be sent to Franchise holders by HCO Secs and Volunteer Secs as appears needful. They themselves can author needful bulletins or add data from bulletins not mailed by HCO WW to Franchise holders but mailed to HCO offices only by HCO WW.

There will be no need to collect money directly as all 10% will be sent direct by the Franchise holder to HCO WW and all accounting will be done by HCO WW. However there will be many collection items (delinquent payments, checking income, etc) that will be handled by US HCO Secs and Volunteer Secs as requested by HCO WW. The US HCO offices are still in the financial picture but relieved of funds handling and accounting.

Funds for HCO office operation in the US where very dependent upon the 10% from the Franchises, should be solved by giving Congresses, tape plays for charge, book sales, and the revenue of a model HAS Co-audit Course.

Relieved of mimeographing, mailing and invoicing, the HCO Secs in the US can devote time to personal service for Franchise holders, and more vitally, promotion.

We are now looking at HCO Secs US for front line promotion and keeping Franchise holders in line on ethical and technical standards.

Central Orgs in DC and LA and HCO Area offices are in no way changed in their contracts and relations with HCO WW by reason of this change of handling Franchise holders.

Where financial duress is created for HCO Secs by this by-pass of the ten percents, HCO WW will handle the situation on an individual basis. However, tapes, congresses, books and other means are looked to to support HCO offices not attached to Central Orgs.

The collection arrangements to HCO WW are after all only temporary to get the show rolling and HCO US organized meanwhile to cope.

L. RON HUBBARD

LRH:mp.aap

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 22 JULY 1959
(Reissued from Washington DC)

CenO

MONIES INTENDED FOR

SCIENTOLOGY RESEARCH AND INVESTIGATION
FUND

The following type monies are deposited to Scientology Research and Investigation Fund-therefore, the checks should be made out not to L. Ron Hubbard or HCO, but to "Scientology Research and Investigation Fund" and sent directly to HCO WW, Saint Hill, East Grinstead, Sussex, England:

1. Any Central Organisation 8% checks (such as Founding Church, Washington DC- 8% is deducted weekly specifically for this Fund).
2. Any HCO 10%s.
3. Any 10% monies from Franchised Auditors.

LRH:hlc:gh.rd

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Mildred Galusha for
L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 25 JULY 1959

CenO

MEMBERSHIP MONIES

No monies received for memberships in HASI U.S. or HASI U.K. may be used for proportionate pay but must be kept in a sealed account.

LRH:brb.cden

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L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East, Grinstead, Sussex

HCO POLICY LETTER OF 10 AUGUST 1959

To All US and UK Franchise Holders

This Policy Letter cancels all previous Policy Letters which you might have received referring to your gross weekly income from Scientology and Dianetics.

All 10%s are to be sent to HCO WW Saint Hill Manor, East Grinstead, Sussex. This is directly to Ron and HCO WW who need your 10%s to disseminate Scientology in the field for you.

Do not send any 10%s to your Central Organization-send all 10%s to HCO WW, Saint Hill, East Grinstead.

HCO Secretary WW
for L. RON HUBBARD

NW:brb.rd Copyright (c)
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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 AUGUST 1959

All HCO Offices
and Assoc Secs

HCO FINANCIAL ARRANGEMENTS

ALTERED

Effective on receipt to the nearest prop income Thursday, the following financial arrangements will be in effect.

On all new franchises including those now being drafted for Central Organizations, and all permanent franchises, any office which has the personal services of an Area HCO office shall pay 15% of its gross income and no other sums to HCO. (It is now 18%.)

This will be apportioned as follows: 5% will be held by the area office for its own payroll and expenses. This 5% as a separate cheque shall be deposited to the local HCO Acct and will have as its signatories, L. Ron Hubbard, Mary Sue Hubbard, and the HCO Secretary in that area. To this same account will be added, books, tapes, special events and any other sums.

The other 10% will be transferred directly as royalties from the organization or franchise holder as a royalty payment to HCO WW, Barclays Bank, East Grinstead, Sussex and the transfer will be weekly.

If any franchise holder is granted the presence and majority service of an HCO Office his franchise payment shall be increased to 15%. If he has no HCO local office, he may not train above the level of HAS as the professional course could not be properly certified examined and assisted.

In the case of an HCO City Secretary devoting full time to HCO

duties, it is necessary to attach the office of HCO to the largest franchise holder in the city and increase the franchise payment from 10% to 15% and handle the matter as above.

This applies worldwide. All transfers of funds and arrangements of these matters is the responsibility of the Treasurer of HCO, Mary Sue Hubbard, and the HCO Area Secretary in the organization involved.

I feel these are fairer terms

All Central Organizations should return to 50% of their prop income for their salary sum and HCO should now pay its own personnel.

Responsibility for solvency of any HCO Area Office now rests wholly with the HCO Area Secretary.

HCO AREA EXISTING ACCOUNTS

All HCO Area Accounts balances not due on immediate HCO Area bills should be forwarded at once as collected royalties to HCO WW, HCO Sec This means send HCO WW your full account balance as of effective date.

EXISTING DEBTS NOT ALTERED

This arrangement does not in any way alter existing debts to HCO. These should be computed and collected at once and forwarded to HCO WW as soon as possible.

COLLECTIONS FROM STERLING AREAS

Regular royalty payments have been found to be feasible to obtain government permits for.

However, if this is found completely impossible the HCO Area Secretary is authorised to employ a shares broker to regularly buy bonds for shipment to England which can be sold for a similar price in London, providing this is not specifically legislated against by the government.

COMMUNICATION EXPENSES

Central Organizations or franchise holders are to bear communication costs in their own areas for HCO. HCO WW will in its turn pay its costs of communications to HCO office and Central Organizations.

Any Telex installations and costs are included in this arrangement.

LRH FOUNDER CHEQUES

L. RON HUBBARD

All cheques for LRH Founder 10% including U.S. organization cheques for LRH are now to be made out to "Hubbard Communications Office Royalties", instead and mailed to HCO WW.

CHEQUES DESIGNATIONS

All cheques, regardless of for what, are to be made out to Hubbard Communications Office. They can be further designated, "Royalty 10%" or "Area Office 5%" or "Book Refund" or whatever. But Payee in all cases is: Hubbard Communications Office.

Any cheque to be signed as a disbursement by an HCO Office anywhere must be entered first on a disbursement voucher machine (exactly like an invoice machine except it says "Disbursement Voucher With the Compliments of the Hubbard Communications Office"

instead of "Invoice".

Any cheque made out by an HCO office may be signed only as follows:

Hubbard Communications Office by L. Ron Hubbard

Hubbard Communications Office by Mary Sue Hubbard

or: Hubbard Communications Office (signature of HCO Secretary) by the Authority of L. Ron Hubbard

No other types or styles of signature will be permitted.

HCO ACCOUNT SIGNATORIES

withdrawal:

All HCO Bank Accounts must carry each of the following signatures for any

L. Ron Hubbard - singly. Mary Sue Hubbard - singly. HCO Area Sec singly or with another.

LRH:cden

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by L. Ron Hubbard

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L. RON HUBBARD

HCO POLICY LETTER OF 3 SEPTEMBER 1959

Ltd

HCO Offices

HCO BOOK ACCOUNT

On receipt of this Policy Letter, HCO Secretaries everywhere are to make arrangements to open a new account in the HCO Account called the "HCO Book Account". In this account must be placed all monies obtained from the sale of books and tapes.

This will enable us to see at a glance what sums are available for the printing of new books. Hitherto this money has apparently often been swallowed up in running expenses.

From time to time surpluses will be used for printing new books and other promotional projects, both local and worldwide.

The Account should have the same signatories as the regular HCO Account.

PH:brb.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO BULLETIN OF 9 SEPTEMBER 1959

CenOCon

CBMT ACCOUNT

Peter Hemery

HCO Communicator WW

[This P/L was also reissued from Washington as
HCO B 9 September 1959.]

NOT HCO POLICY LETTER
ORIGINAL COLOUR FLASH NOT
GREEN ON WHITE

It has been stated in the past that all Sterling area HCO offices would pay London and any other bills on the Central Organization's CBMT account, in return for receiving all book stocks of the Central Organization. However, Jack Parkhouse has suggested a more equitable solution to this situation and his suggestion has been passed by Executive Director.

All HCO Sterling Area offices will now submit a report to each Central Organization of the total stocks which it received from the Central Organization and the pound value of such stocks based upon the prices which were charged by London to the Central Organization.

The Central Organization shall then do an accounting of how much was owed on by the CBMT account to London and to other firms up until the time HCO took over the book stocks.

The two amounts obtained from doing the above shall then be subtracted one from the other. HCO shall be responsible for paying to London that portion which represents the amount of the book stock it received and the Central Organization shall be responsible for paying the remaining amount.

Have this done as soon as possible and submit an accounting of this to the Treasurer, WW.

In the meantime, the Central Organization and HCO shall send weekly payments on amounts owed to London to HCO, WW. We would like

to clear these debts up as rapidly as possible.

MSH:iet.rd

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MARY SUE

HUBBARD HCO

Treasurer WW

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HUBBARD COMMUNICATIONS OFFICE

23 Hancock Street, Joubert Park, Johannesburg

(Issued Saint Hill)

HCO POLICY LETTER OF 14 OCTOBER 1959

HCO Offices only

plus Vol Secs

DIVISION OF HCO PERCENTAGE

REVISED

(Cancels earlier directives on this subject)

In order to assist offices in giving service to Franchise Holders, the following arrangements are now finalized on franchise monies.

America

There is no HCO Continental Secretary or Office, U.S., except in Sussex, England.

Therefore the full 10% of HCO Franchise monies is to continue to

be sent to HCO Sthil.

Where an Area, City or Vol HCO Office exists, arrangements must be made, in finalizing franchises particularly, to receive another 5% of the Building Fund of any franchise holder nearby to support that Area, City or Volunteer Office.

Provision will be made for this in awarding permanent franchises. Local arrangement can predate final franchise.

United Kingdom

America.

As the U.K. Continental Office is at Sthil. the same arrangements apply as for

South Africa, Australia and New Zealand

As these areas have Continental HCO Offices, the following arrangements should be put in force the nearest Friday to the date of receipt of this letter, but in no case later than Nov. 1, 1959.

The Continental Office of S. Africa, Australia or New Zealand collects 100% and retains 66.2/3rd of ail franchise 10%s. The remaining 33-1/3rd is to be sent to HCO WW.

This is arranged because the burden of franchise management falls on the Continental Offices in the mentioned areas.

When a franchise is finalized, as in the case of Central Orgs, they will have to have Area HCO Offices.

A permanent franchise holder is to pay 10% of his gross and 5% as in Central Orgs for his privileges, which will include training. The 5% is to remain with his Area Office along with book sales, etc.

When a franchise is made permanent, 5% of the gross 10% is to be retained by the Continental Offices in S. Africa, Australia and New Zealand, and the other half of the 10% is to be sent to HCO WW.

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This arrangement will continue with permanent franchise holders until such time as they are surviving well as permanent franchise holders, at which time they will assume the same percentile plans as is in force at Central Orgs at that time.

PERMANENCY DECLARATIONS

All permanent franchise awards are made by HCO WW only, therefore the financial arrangements of interim franchise holders are in force in the case of each holder until a permanent franchise is awarded, at which time the above percentile arrangements for permanent holders will go into force for that awarded centre only.

Central Org
Percentiles

The current percentile arrangement of Central Orgs with HCO are:

-

10% of gross goes to HCO WW the same week as earned by the Central Org.

5% of the Building Fund to the HCO Area Office plus Book Sales, Special Events and ACC Collections.

This is modified as follows for the Sterling Area only:

In any week that the Central Org makes a gross in excess of £1,000 the Continental HCO Office of that place receives 5% of that gross, HCO WW receives 5% of that gross, and the Area HCO Office

receives 5% of the Building Fund as before.

This arrangement will also go into force with permanent franchise holders at such time as they are sufficiently stable to warrant it, but will not be in force for another two years at least.

Excess Funds

All HCO Area, City and Continental excess funds should be forwarded to HCO WW for research.

By Excess Funds is meant monies not immediately needed in running expenses and publication.

L. RON HUBBARD

LRH:dd.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 OCTOBER 1959

CenOcon
Assoc Secs
HCO Secs
Dir Ace

INTERNATIONAL
MEMBERSHIP

International Membership money has been handed over to the HASI and should be entered into a special account from which all printing expenses on the Minor Magazine should be made.

LIFETIME MEMBERSHIPS

Lifetime Membership money is to be entered into a special account and is not to be touched at any time unless with direct consent or authorization of the Executive Director himself.

HCO Secretary WW
for L. RON
HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 NOVEMBER 1959

CenOCon

HCO CENTRAL ORG-FINANCIAL MODIFICATIONS

On advices from HCOs the following financial modifications are made:

The HCO of any Central Org will collect and bank any and all

membership monies (but not lifetime members or shares money) received by any Central Org and will use this money to pay for the make-up, printing and postage of the monthly magazine, the Central Org furnishing addressing and enveloping services only.

Further HCOs will cease on receipt of this letter to pay 10% of local HCO income to HCO WW. Central Orgs will continue to remit 10% of their gross income to HCO WW direct. Central Orgs will pay 5% of their Building Fund to the local HCO.

All books will be sold by HCO (excepting American College, Perth, and Franchise Holders with no HCO). HCO will give a 20% discount to all members of whatever class on books, tapes, congresses and special events but the discount applies to cash sales only. Whole or partial credit sales carry no discount.

A lifetime member or shares member may not be promised a magazine as part of his membership in any literature.

A lifetime or shares member who also buys an annual membership gets an additional 10% discount on all books and tapes purchases and gets both magazines (Continental Monthly and PAB Monthly). This gives him a 30% discount on all book and tape record purchases.

HCO receives therefore the whole of C.B.M.T., pays the whole of printing and posting (but not addressing) books, magazines and pays the whole of recording and selling tapes and pays for its supplies, desks, machines (but not address machines which must be owned and paid for by the Central Org); HCO pays for its personnel, (but not Sec ED) transport, legal fees, etc., but does not pay rent for offices contained in a Central Org's quarters, it being of value to Central Orgs to have HCO on the premises; HCO pays for any offices it rents outside Central Org premises.

HCO Continental offices where they exist retain 66 2/3% of all Franchise Holder 10% (not true of U.S. or U.K.) 33 1/3% of such money goes to HCO WW.

Since HCO is a profit company unlike HASI its excess funds are quarterly sent to HCO WW for disposition. By excess is meant monies over and above all expenses and not to be used for local investment.

L. RON HUBBARD

LRH:js.cden

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 DECEMBER 1960

HCO Offices plus

Vol Secs

REVISION OF HCO PERCENTAGES

(Cancels HCO Policy Letter of October 14, 1959)

Because PE Foundation has proved successful and \approx 1,000 weeks will be more evident in the future, HCO Policy Letter of October 14th 1959, "Division of HCO

Percentages Revised" is herewith cancelled and the usual percentages will go to HCO WW and the Area.

LRH:js.des,cden

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 APRIL 1961

Central Orgs

All HCOs

City Offices

WW

Do not Remimeo

REMITTANCE OF HCO MONIES TO HCO

Due to the difficulty of collecting large sums of money from various Commonwealth countries, the policy of sending weekly to HCO WW the 10% of all book sales and 33 1/3% of all weekly Franchise income from the local HCO is re-instated.

Monetary restrictions are more difficult on large sums of money than on regular payments of small sums of money; therefore, upon receipt of this Policy begin sending weekly to HCO WW the following:

1. The regular 10% of HASI's weekly income.
2. The 10% of all book, tape, records, Congress, Special Events, in other words, 10% of all its weekly income excepting its 5% income from the Central Organization, ACC income, and income from Franchise Holders.
3. The 33 1/3% of all weekly Franchise income. This applies to all HCO Offices throughout the world where applicable.

LRH:jl.cden

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Mary Sue Hubbard

Treasurer for

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 JULY 1962

Accts Depts

HCO Secs

Assoc Secs

ACCOUNTS: BANK CHARGES ON

REMITTANCES

Orgs remitting 10%'s to WW by bank draft or credit transfer must bear the cost of transmission and any bank charges.

E.G Melbourne's 10% for week = Australian £100 - which is equivalent to £80-British Sterling. Bank charges amount to £1-British Sterling. WW must actually receive £80 - and not £79 (i.e. British Sterling equivalent less charges).

WW must receive the exact equivalent of the Org's 10%, and not this amount less bank charges.

This policy letter is effective on receipt and is not

retroactive.

Central Organizations routinely bear HCO's costs in postage, mailing, telex, telegraph, cable and equipment, and should bear as well, cost of transmission of funds as a routine administrative cost.

Issued by: Mike Rigby.

Director of Accounts WW

for

L. RON HUBBARD

LRH:jw.cden

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 SEPTEMBER 1962

Assoc Secs

HCO Secs

Accts

HCO WW FORM AC 1

HCO WW Form AC 1 is the only Proportionate Breakdown acceptable to HCO WW Accounts.

No exceptions will be acceptable unless specific written instructions to the contrary are received by the Director of Accounts WW from the Treasurer WW and OK'd by either L. Ron Hubbard

or Mary Sue Hubbard. So if you require an exception communicate direct RUSH to Treasurer WW.

Commencing week ending 4th October 1962, HCO WW Form AC 1 (one sheet lightweight Pink Foolscap, green printing) will be the only acceptable form. This Form AC I is to be remitted direct to Accounts Department WW with cheque each week, plus a copy for LRH info Treas WW.

LRH:gl.pm.rd

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Issued by: H.G. Parkhouse

Treasurer WW

Authorised by:L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 SEPTEMBER 1962

Assoc Secs

HCO Secs

Accts

HCO WW FORM AC I

(Changes HCO Pol Ltr of Sept 19, 1962)

In accordance with HCO Policy Letter of September 26, 1962, entitled "Memberships", HCO WW Form AC 1 will be amended as follows:

Line G. Delete Memberships.

Beneath Line B write Line B1 Memberships.

Line R. Change to read:

Add B, B1, C and D, put total here and on the line to the side.
(Put down twice.)

LRH:lw.rd

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by L. Ron Hubbard

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Issued by: H.G. Parkhouse

Treasurer WW for L. RON

HUBBARD

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(Use Green Ink on light-weight pink paper)

HCO WW FORM AC 1 (Org name)(In Capitals)

PROPORTIONATE INCOME BREAKDOWN WORK SHEET WEEK ENDING

.....

I.

- A. GROSS INCOMEPut down total.
- B. DONATIONS RECEIVED ..Put down total
- B1. MEMBERSHIPSPut down total
- C. RENT COLLECTEDPut down total
- D. LOANS COLLECTEDPut down total
- E. PHONE CALLS COLLECTED Put down total
- F. REFUNDS GIVENPut down total

G. Put down the total of all Congress, books, tape
monies & special event monies if any were

V. TOTAL SUM TO AREA HCO. Add T & U. put total here & on the line to the side. (Put down twice)

BALANCE

CHECK

AA. Put down total Gross Income from line A

BB. Put down total refunds from line F

CC. Put down HCO WW 10% from line K

DD. Put down Salary Sum from line M

EE. Put down Total Disbursement Sum from line P

FF. Put down Total Building Sum from line S _

GG. Put down Total HCO Area Sum from line V _

HH. Add BB, CC, DD, EE, FF, GG & put total here & on

the line to the side (Put down twice) _

II. Subtract HH from AA & put down here (There should be NO BALANCE)

SIGNATURE & TITLE

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 SEPTEMBER 1962

HCO Secs
Assoc Secs
Accts Depts

ACCs AND SPECIAL EVENTS

COURSES

All ACCs and Special Events Courses have been, and are currently, run under the auspices of HCOs.

As of this date all monies received for such future Courses must be totalled on the last day of the Course and the running costs deducted; any excess of income will be dispatched to the "L. R. Hubbard Trustee Account".

With regard to past and future ACCs and Special Events Courses, any and all payments received from this date forward from past and future ACCs and Special Events Courses will be paid in full to the "L. Ron Hubbard Trustee Account".

This money will be remitted WEEKLY and on a SEPARATE cheque (not included with 10% etc).

This ruling is made in agreement with the Copyright Holders of such Technology Tapes and Literature originated by L. Ron Hubbard for use in these Courses, in as much as that all ACCs and Special Events Courses shall be run on a non-profit basis and that any excess of income over Expenditure shall be deposited with the "L. Ron Hubbard Trustee Account". This account is a Trust Holding pending the formation of the Hubbard Scientology Research Foundation.

Any accounts containing such monies shall now be closed and the balance sent to L. Ron Hubbard Trustee Account.

Issued by: H.G. Parkhouse
Treasurer WW for
L. RON HUBBARD

LRH:dr.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 SEPTEMBER 1962

HCO Secs

Assoc Secs

Accts Depts

MEMBERSHIPS

As of the date above all Membership monies will be received by HASI, (this does not apply to Share monies) and shall be deposited in the Building Fund where it will be allowed to accumulate. Such money as is deposited may not be used without direct orders from L. Ron Hubbard or Mary Sue Hubbard.

The costs of magazine mailings (i.e. Certainty, Ability, etc.) will be borne by HASI.

LRH:jw.cden

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Issued by: H.G. Parkhouse Treasurer

WW for L. RON

HUBBARD

[Important. See also HCO Policy Letter of 11 April 1963, Memberships, on page 252.]

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 SEPTEMBER 1962

CenOCon

HUBBARD SCIENTOLOGY RESEARCH FOUNDATION

This Foundation is to be formed with the purpose of receiving donations, gifts, dues, etc. and then disposing of such accumulated funds as grants, loans or gifts to further Scientology Research in accordance with its aims and purposes.

Any monies remitted to this proposed Foundation pending its formation should be made payable to the "L. Ron Hubbard Trustee Account".

H.G. Parkhouse
Treasurer WW

LRH:gl.rd
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for
L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 FEBRUARY 1963

Central Orgs
HCO Secs

Assoc Secs

HCO AREA 5%
(Cancels earlier directives)

Effective immediately the payment of 5% of the corrected gross income by the Central Organisation or City Office to its attached HCO Area Office is cancelled. As a corollary to this, the HASI or FC will pay the salary (units) of its attached HCO Staff Members. For the present this will also apply to HCO Continental Offices.

As a result of this, the area 5% sum is added to the Salary Sum which will now stand at 55% of the corrected Gross Income. An amended version of Form AC 1 is attached, the form of which should be introduced immediately in all orgs.

All routine administrative expenses of an area HCO and-where applicable-a Continental HCO, must be borne by the Central Organisation to which the HCO is attached. This would include cost and maintenance of telex machines, telegraphic and telephone charges, postal and mail charges, etc. The services which HCO provide and maintain, such as the telex, are for the benefit of the Central Organisation and should therefore be paid for by the Central Org.

Issued by: Mike Rigby

Director of Accounts WW

for L. RON HUBBARD

Authorised by: L. RON HUBBARD

LRH:jw.rd

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[Note: The error in the original mimeo issue Of Form AC1 opposite has been

corrected per HCO

P/L

6 February 1963, HCO Area 5%.]

(Use Green Ink on light-weight pink paper)

HCO WW FORM AC 1 (Org name)

PROPORTIONATE INCOME BREAKDOWN WORK SHEET WEEK ENDING

.....

- A. GROSS INCOMEPut down total _
- B. DONATIONS RECEIVED ..Put down total
- B1. MEMBERSHIPSPut down total

- C.....RENT COLLECTED Put down total
- D.....LOANS COLLECTED Put down total
- E.....PHONE CALLS COLLECTED Put down total
- F.....REFUNDS GIVEN Put down total
- G. Put down the total of all Congress, books, tape

monies & special event monies if any were
invoiced by Central Org for HCO

H. Put down total others.....

I. ADD B. B1, C, D, E, F, G, H &putdown total here &
on the line to the side. (Put down twice)

J. CORRECTED GROSS INCOME. Subtract I from A
& put down here

K.....HCO WW 10%.

Take 10% of J & put down here

L. PROPORTIONATE AMOUNT. Subtract K from J & put down here

M. SALARY SUM 55% of L. Take 55% of L & put down here

N. DISBURSEMENT SUM Take 30% of L & put down here

O. Add E & H & put total here & on the line E

to the side (Put down twice) ...

.....(In Capitals)

..... H

Total

P. TOTAL

DISBURSEMENT SUM.

Add N & O & put total here

Q. BUILDING SUM. Take 15% of L & put down here

R. Add B. B1, C & D, put total here & on the line ... B

to the side. (Put down twice) ..B I

C

D

Total

S. TOTAL BUILDING

SUM. Add Q & R & put total here

T. SUM TO AREA HCO.

Put G down here twice.....

BALANCE

CHECK

AA. Put down total Gross income from line A -

BB. Put down total refunds from line F CC. Put

down HCO WW 10% from line K DD. Put down

Salary Sum from line M EE. Put down Total

Disbursement Sum from line P FF. Put down Total

Building Sum from line S..... GG. Put down Total HCO
Area Sum from line I' HH. Add BB, CC, DD, EE,
FF, GG & put total here & on the line to the side (Put down
twice)

11. Subtract HH from AA & put down here (There should be NO

BALANCE)_

SIGNATURE & TITLE

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 FEBRUARY 1963

Australia Only
HCO Exec Sec ANZO
HCO Sec Perth
HCO Sec Sydney

HCO 10%s DUE TO WW

Effective immediately all HCO 10%s due to WW will be forwarded
directly to WW accompanied by copies of the appropriate form AC42.

These monies will not be sent to Melbourne HCO or to the HCO
Secretary ANZO. They must be routed to the Director of Accounts WW.

This directive applies particularly to HCO Perth and HCO Sydney.

LRH:dr.cden

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 16 APRIL 1963

HCO Secs

Assoc Secs

Accts Depts

REVISION OF CONGRESS PAYMENTS TO HCO WW

The payment to HCO WW of 50% of Congress gross takings is cancelled. Instead a payment of 10% of the gross takings will be remitted to HCO WW. This will appear on the revised HCO Accounts Form AC.43, Section B - part 4.

Personal Congresses given by L. Ron Hubbard are not included in this directive.

LRH:gl.cden

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Issued by: M.R. Rigby Director of
Accounts for L. RON
HUBBARD

Authorized by: L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 JANUARY 1964

CenOCon

CONTINENTAL AND AREA HCO FINANCE

POLICIES

All HCO Area and other offices excepting only HCO WW and HCO Sthil should be on the following salary and expense arrangements.

HCO Area and Continental personnel are paid from the Salary Sums of the Org to which attached.

All HCO Area and Continental expenses are paid from the Disbursement Sum of the Org to which attached.

There is no HCO Local 5% paid to Local HCO by the Org to which attached.

HCO Area and Continental have no separate accounts system of their own. All their accounts are handled by the Org to which attached.

Book Sales money and Special Events (such as Congress fees) are held and banked under the direction of the senior HCO official of the area to ensure that the Central Org does not use this money for operating expenses but for book, tape and film replacement and bills. The mailing costs, personnel handling such items and a quarters charge, as well as Congress costs, etc. may be deducted from book receipts by the Central Organization. Such receipts, books, tapes, film and special events must not be used for Central Org operating expenses as this would drastically reduce dissemination.

Membership monies are also separately banked.

The Salary Sum of Central Orgs has been increased to 55% to compensate paying HCO staff

All magazine costs and mailings are paid for by the Central Organization.

An additional 5% of the receipts of an organization is contemplated as payable to HCO (WW) Ltd. for administrative expenses now that HCO (WW) Ltd. is a separate corporation. Heretofore I have financed HCO WW's costs out of my 10% and own income. This 10% is desperately needed to help defray research costs and although still submitted as Administration Expenses will be used in research. I am engaged in the compilation, recording and preparation of the whole of Scientology, the most expensive step. Heretofore I have borne research costs out of income intended for me personally. I no longer choose to do so as the most expensive research step is just ahead of us - writing it all up and publishing it, a step which is the most expensive of all.

Therefore, financial reorganization is in order if we ever are to have all the data of Scientology in an organized codified and published state.

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 NOVEMBER 1964

Gen Non-Remimeo

HCO BOOK ACCOUNT

The handling of this account is of considerable interest in view of new membership and book ad policies.

As all corporations are now HASI, Inc of DC except in the US where they are churches, all HCO Book Accounts are of course under the same corporate name as the main organization. Thus even a church organization holds the HCO account in its own name.

For example: the Melbourne HCO Book Account would be called at the bank HASI, INC HCO DIV ACCOUNT.

For a Church, this would be FCDC HCO DIV ACCOUNT. "Div" of course stands for DIVISION.

The signatories of the account should be the HCO Area Sec and one other officer, not the Assn/Org Sec. and each cheque should bear two signatures to be valid. Three persons, the HCO Area Sec. and two others may be named of which any two out of the three signatures can be valid.

The account also carries as a signature my own name, that of Mary Sue Hubbard as Secretary and of Marilyn Routsong as Treasurer, any one of these three signatures being valid to withdraw.

The account is handled by the regular Accounts Unit of the organization, not by a separate system in HCO.

Invoicing to the HCO Account is, however, done on a separate invoice machine in the Accounts Unit. On this machine no other than HCO funds are invoiced. All membership receipts for Associate (5 shillings or \$1), international and Lifetime Memberships are invoiced only on this machine. All book, tape, meter and insignia sales are invoiced on this machine. All Congress and tape play receipts are invoiced on this machine.

There is also a separate disbursement voucher machine and all disbursements from the HCO Div Acct are disbursed only with a

voucher from the disbursement machine. Even when a cheque on the account is written a disbursement voucher is also written. If the voucher has on it a printed "HCO Division of HASI, Inc. With Our Compliments" no transmission letter is needed with the cheque as the data of what is being paid is on the voucher. Thus Accounts does not need an additional letter to go with a cheque.

An office which is too small to afford two invoice machines can do as well with a Sales Book for Income and a Disbursement Book for disbursements, such as they have in Department Stores, providing the books give adequate carbons and are used consecutively (one book completed before another is started). These books can also be printed and have carbon pages. One copy remains in the book and when finished that book becomes part of accounts records.

You must be very careful in Invoicing and properly depositing membership funds particularly as many states and countries have regulations concerning such records of membership

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No books may be invoiced to the Central Org or City Office general accounts for any reason. All book sales are invoiced only to the HCO Div Acct.

In some orgs, reception does all invoicing. When this is done, the same procedure applies, and the same invoice machines or books are used, but the disbursement machine or book is kept by the Accounts Unit.

No wages of any kind may be paid from the book account.

The only postage which may be paid from the account is book or magazine postage.

No correspondence postage may be paid from the account.

No rent may be paid from the account.

No loans may be made from the account.

Book and tape purchases may be made from the account.

Magazine printing and postage bills may be paid from the account, but no extravagant increases in printing quality or volume may be paid from it, nor may brochures or mailings announcing service be paid from it. Further, magazine bills for magazines which do not have half their advertising space taken up with book and membership ads may not be paid from the account.

The organization pays any salaries or space rental connected with books or tape handling. Congress hall space may, however, be paid from the account.

The above arrangement is equitable to the organization in that it receives without further cost to it all its training and processing ads in magazines and, the full benefit of the increased business.

Advertising fees may be paid from the HCO Div Acct but only for book ads. No general advertising of the org may be paid for from the account. No personnel ads or PE ads may be paid from the account or be included in ad coverage contracts. No advisory fees may be paid to advertising firms from the account.

In handling this account, great care must be taken to buy enough book stock so as to have stock available to mail in response to ads. Air freight of books is very dear from Saint Hill or Washington to Commonwealth countries and books must be ordered in time to arrive surface and pass through local customs.

No office should ever seek to enter books or meters into its country free of charge on grounds of "educational" or "religious" materials, as there is no surer way to stop receipt of books. Some

book departments are mad on the subject of "getting it in for free" and will doodle about for months, wasting ten times the price of the duty in lost book sales. The department seldom tells the Org/Assn Sec or the HCO Sec why the books aren't being let in. Customs is fast so long as you pay duty.

Local reprintings of books are now forbidden. New Zealand only is excepted from this but New Zealand may now not export books to other offices.

The HCO Div Acct should be opened at once and should be the only HCO Account operating in Central Orgs or City Offices.

L. RON HUBBARD

LRH:jw.cden

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 JANUARY 1965

General

Non-Remimeo

Sthil Executives

Franchise

FINANCE CURRENCY REGULATIONS AND 10%^s

It should be brought to notice that an old policy regarding currency regulations is in force.

When organizations such as New Zealand, or Franchise holders in currency restricted areas, are prohibited from paying 10% of their gross income to Saint Hill for their administrative expenses and services, the following procedure must be followed:

A bank account in the name of the International Organization to be called the HASI International Administrative Account must be opened in the local area of the Org or Franchise Holder.

Into this account must be deposited weekly 10% of the past week's gross income from Scientology.

TAX PICTURE

Once paid into the account, sums in it are the property and responsibility of the International Board and are an expenditure for administrative purposes by the local org or Franchise holder.

These sums cease to be part of the local org's tax picture as they are owed abroad and are accounted for abroad by the international Board in its own returns in its area.

The deposit slip must be sent to Saint Hill along with the weekly report.

SIGNATORIES

International Board Members, the Chairman, the Secretary and Treasurer, each one singly, are the only allowed signatories for the account. There may be, of course, local paying in or endorsement signatures on the account.

STARTING AN ACCOUNT

To start such an account it is only necessary to obtain the usual blank forms and cards from a nearby bank and airmail them to Saint Hill for signature and return to the bank.

Saint Hill gets these papers signed and airmails them to the designated bank and informs the org or Franchise holder of the action.

In returning the papers to the bank a cheque book is requested of the bank.

This cheque book and copies of all papers become part of the Treasurer's files at Saint Hill.

Deposit slips of monies paid into the account are handled as follows:

An org's local Saint Hill Account deposit slip is given to the International Org Supervisor and is noted in that Org's files and is passed on to the Treasurer.

Franchise holders' deposit slips into their local Saint Hill Account are sent to the Franchise Secretary, who notes them in the records of that Franchise holder and passes the slip on to the Treasurer.

Neither slip is invoiced for Saint Hill accounting. Instead it is invoiced by the Treasurer. The Treasurer sends the white copy of an org to the International Org Sec. who sends it to the org, or to the Franchise Sec. who sends it to the Franchise holder.

All deposit slips and other materials relating to the account are held by the Treasurer at Saint Hill.

All bank statements for the Account go only to the Treasurer at Saint Hill.

LRH:jw.rd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 MAY AD 15

Remimeo

HCO BOOK ACCOUNT POLICY
RECEIPT AND USE OF MEMBERSHIP MONIES

1. All membership monies shall be paid in to the HCO in the Area Office and deposited only and at once in the HCO Book Account, and shall serve, amongst other things, to defray magazine printing, handling and postage costs of the National magazine. All Memberships must be paid for in cash, (there are only Free Memberships, or Memberships paid for by cash) made out directly to HCO Book Account. Memberships shall be deposited only in the Main Book Account of the Area Office. The Continental Office may call on sums proportionate to the number of magazines (their cost of printing; handling and postage) mailed in the area of the HCO Area Office, but book ads saying books are available at the Area Office and the ads of the Area Office must be carried in the magazine. All sums additional to magazine cost in both the Area and Continental Office shall be used only to purchase more books, and tapes and to defray expenses of high quality facilities for tape playing and the expenses of Congresses. All Membership monies received by an Area Office, not called upon to defray magazine printing and postage may be retained in the Area Book Account.

CONGRESS FEES

2. All Congress fees shall be received into the Area Book Account of the area where held.

No Congress fees, membership fees, or book monies received may be used for the payment of units, rent (except for Congress Halls) or organization expenses.

USE OF CONGRESS, MEMBERSHIP AND BOOK MONIES

3. Congress, membership and book fees may be used for advertising Scientology books in magazines, but not for newspaper or magazine advertising of PEs, auditing or services.

FURTHER USE OF CONGRESS, MEMBERSHIP AND BOOK MONIES

4. Any further use or disposition of Congress fees, membership fees or book receipts shall be at the sole permission, personally signed, of the Executive Director.

HCO BOOK ACCOUNT SIGNATORIES

5. The HCO Continental Sec and HCO Area Sec or where the HCO Continental Sec is also an Area Sec. by the HCO Continental Sec and the HCO Communicator jointly, or the single signatures of LRH and MSH are requisite on any Book Account cheque for it to be valid and all bank mandates for that account must so state and must include the signatures of LRH and MSH and Marilyn Routsong.

BOOK PRICES

6. Book, tape and meter prices are not uniform, Continental Zone to Continental Zone. US and UK prices are on a parity of one pound equals three dollars for easy computation and to make up for exchange delays and fees.

Other Continental Zone book prices are computed on the cost of books generally in the area plus handling and shipping charges.

These prices are published from time to time in "The Auditor".

BOOK TEN PERCENTS

7. Washington and Saint Hill pay 10% of their gross book sales to the Research Fund Account of HCO WW, but only on books actually published and printing paid for by each area. If Washington publishes a book it pays 10% of the gross retail sales price as sold. If Saint Hill publishes a book it pays 10% of the gross retail sales price as sold. If Washington, for example, pays Saint Hill for a shipment of books and sells them from Washington, then Washington does not pay any 10% and vice versa. Although it is not policy at this time for other offices to reprint books, if one ever does get permission, it will also pay 10% to the Research Fund of HCO. WW.

RESEARCH TEN PERCENTS OF GROSS INCOME

8. Central Orgs, City Offices and Franchise Holders contribute 10% of their gross weekly income to various expenses and usages at Saint Hill or to L. Ron Hubbard as Director of Research. But this 10% shall not include payments received for books by anyone.

HCO AREA SEC BONUS

9. The HCO Area Sec is granted a bonus of 2 percent of the gross receipts of the local Book Account.

ASSN SEC/ORG SEC BONUS

10. The Association/Organization Secretary is granted 2 percent of the gross receipts of the HCO Book Account but may not be a signatory to that account.

HCO CONTINENTAL SEC BONUS

11. The HCO Continental Secretary is paid (c) of one percent of each Book Account in the Area, whether or not acting as an HCO Area Sec as well.

CONTINENTAL DIRECTOR BONUS

12. The Continental Director is paid i/, of one percent of the gross receipts of each Book Account in his continent, when acting as an Assn/Org Sec or when not.

MONTHLY PAYMENT OF BONUS

13. All such bonuses are payable monthly only, computed on the first of the month.

NO ADVANCES OR LOANS FROM HCO BOOK ACCOUNT

14. No person may be paid such a bonus in advance nor may any loan be made to any person from any HCO Book Account.

HCO BOOK ACCOUNT BONUS SUSPENSION

15. When a Book Account tends to become insolvent by reason of owing more than it receives, bonuses are suspended until the condition alters but in no event less than 60 days.

REGULATIONS CONCERNING HCO BOOK ACCOUNT

16. Book, Congress, Tape and Membership income may not be used or loaned for any salary sum, expense sum, building fund or past bills of the organization as a whole, but past book and tape bills are an exception.

HCO CHECK BOOK TO SAINT HILL

17. All HCO Area Officers are to send a check book for the HCO Book Acct to Saint Hill, and to keep St Hill apprised of the balance in the account monthly, and also to inform St Hill of any large amounts written against the account locally.

THE BOOM

The whole forward thrust of any boom depends upon:

1. Getting books to orgs.
2. Heavily, even extravagantly, advertising books and filling the orders.
3. Courses in and running per Gradation Chart.
4. Running an excellent Academy.
5. Running an excellent HGC.

Getting books to orgs depends on me, on Saint Hill and upon orgs making sure they're ordered and paid for. If we take care to do just those things we'll see (1) above hugely successful.

It will cost the Assn/Org Sec and HCO Sec money personally not to plaster the place with book ads. They are given no bonus on a net. Only a gross. They get paid a bonus from the book account based on volume not its profit. The Department Heads and Staff get their bonus indirectly by an org driving in a heavy volume through ads and books and the alertness of the Org/Assn Sec and the HCO Sec. Continental also has a vested interest in books flowing and is paid for it. Thus this point is cared for.

Advertising actions are arranged for in the above. Nobody expects magazines to cost any more than they have previously. Magazine cost and postage is dropped from org expenses.

Note also that under this plan the most neglected action in producing income in any area, BOOK ADVERTISEMENT, the No. 1 magic formula of dissemination, is pushed into being by restricting the expenditure of memberships and other HCO Book Account monies until, to get rid of the surplus, book advertisements nationally and locally on a large scale would have to be placed constantly. With quantities of book ads, income from students and pcs as well as books will flood in. It always has. This is the basic formula of the coming boom. Because they cost the org money it could spend and "needed" elsewhere, the number of national magazines printed was curtailed and book ads were dropped out and that has been the chief cause of any financial difficulty in any org.

As local offices and franchise centres become truly active, they will cease to drain off the old timers from the Central Org and stir up more local business of which the Central Org gets its part in courses and pcs.

This all looks pretty favourable to me. I hope it does to you.

LRH:wmc.rd

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HCO POLICY LETTER OF 9 DECEMBER 1965

Remimeo

HCO INCOME
MEMBERSHIPS - CONGRESSES - TAPE PLAYS

Money received for Memberships, tape plays and Congresses goes into HCO Dissemination, Division 2, income and is deposited into the HCO Book Account.

The use of these funds is outlined in HCO Policy Letter of May 11, 1965, "HCO Book Account Policy, Receipt and use of Membership Monies ".

This income is not part of the gross Divisional statistic and is graphed on a separate graph.

LRH:ep.kd

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AFRICA ONLY

Applies to

Johannesburg

Cape Town

Durban

Port Elizabeth

Franchise Holders SA

(Info Saint Hill)

South Africa 10% will not be forwarded straight to Saint Hill as from this date. Johannesburg, Cape Town, Durban, Port Elizabeth and

Franchise Holders will forward their 10%s weekly to the LRH Communicator AFRICA where the 10%s will be invoiced and put into LRH No. 2 Account for "MISSION AFRICA".

OFFICE OF LRH
27 Hancock Street, Joubert Park
Johannesburg, South Africa

HCO POLICY LETTER OF 26 APRIL 1966

SOUTH AFRICA
10%s
(Effective at once)

White Invoice will go to the Org concerned.

Blue Invoice will go to Saint Hill.

Yellow Invoice remains in the book.

Pink Invoice to Org Exec Sec AFRICA.

Org Exec Sec AFRICA will make out a deposit slip and bank the money. This invoice will then be filed in Continental files. This will be forwarded by LRH Communicator AFRICA to "MISSION FILES".

Any funds so invoiced may be held by the LRH Comm AF in a Johannesburg account designated "HCO Mission Account".

LRH:cdem

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 MAY 1966

Gen Non-Remimeo

RESERVE FUND

1. Every Scientology organization must accumulate a

GENERAL LIABILITY FUND

The fund is to be built up against claims made against organizations or any Scientologist by the public or governments for legal costs, libel and slander costs, defence funds, destruction of repute and restraint of trade. Uninsured risks to buildings, lapsed insurance policies, acts of God, war, riot and civil disorder, usurpation of power, restraint of princes, radioactive fallout, atomic destruction, salvage of persons and property, reorganization costs due to departure or demise of founder.

This fund is computed by taking the number of Scientologists on the mailing list and the value to each Scientologist is assigned at the manager's discretion. It is computed every year and added to the fund.

Refuse to breakdown the calculations on how the fund is computed if demanded by an insurance inspector or tax collector, instead obtain an estimate of coverage cost from Mecca (Brokers) Ltd London, to confirm our cost assignment to fund. It should not be less than £5/- /- per year per Scientologist on our list.

This fund may be kept as a reserve.

A special bank account must be opened to care for this fund called "The General Liability Fund" account to which is added the local name of the organization. The signatories on this account are the Board members of the controlling Scientology organization.

Money is paid out of this fund only on claims and demands approved by the Board of Directors on subjects or requirements as covered in the description of the fund above.

The Fund may be retrospective - which is to say calculated for former years. Income Tax reports should be refiled for the former years.

L. RON HUBBARD

LRH:lb-r.cden

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 OCTOBER 1966

Issue II

Remimeo

ADDITION TO HCO DIV ACCOUNT

POLICY

(Amplifies HCO Policy Letter of 11 May 1965)

The HCO Div Account (Old Book Account) has very rigid policy on how its money can be spent. The reason for this is that money must be safeguarded to provide for adequate promotion and sale of books. BOOK SALES have always been your FIRST LINE OF DISSEMINATION and

will always be so.

Improper use of this money has resulted in depletion of the HCO Div Account in some orgs leaving insufficient funds to order adequate book stocks, print and mail the magazine and provide for other vital book promotion. Book promotion and book sales are an absolute must for the continued health of any org. The most important and successful dissemination line is book sales and about three months later the buyers come in for service. To cut this line by reducing book sales will seriously damage the org income three months later.

NEW POLICY

Because poor book sales could result in a collapse of the org and misappropriation of the HCO Div Account can make it impossible to buy and promote books, violation of HCO Div Account policy now becomes a HIGH CRIME.

HCO Div Accounts are now to be monitored by WW. Each Org Exec Sec is to see that an exact accounting of the HCO Div Account expenditures and deposits with full information on who, what for, how much and when monies are paid into and out of the account are sent monthly to the ES Comm Treasury WW. Failure to comply with this order and other orders regarding bank mandates, sending of cheque books, etc., will result in immediate Ethics action being called for by ES Comm Treasury WW.

POLICY ON USE OF THE HCO DIV ACCOUNT

Following is an exact list of items that the HCO Div Account may be used for. No others are allowed: -

1. Books ordered from Saint Hill or DC (other orgs when and if allowed to print).
2. Meters and material for resale only ordered from Saint Hill or

DC.

3. Authorized book printing, meter and material manufacture.

4. Books, meters and material packing, shipping costs.

5. Printing or ordering of books, meters and book flyers, and book promotion material.

6. Assist in defraying the costs of the printing and mailing of continental magazines. (This does not mean that the HCO Div Account is obligated to pay any amounts for such.)

7. Ads and promotion for books in newspapers and magazines.

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8. Mailing list purchase and rental for book promotion purposes only.

9. Special book promotion projects other than the above. (Not usual, but possible if approved for project status by WW.)

10. Direct Congress expenses for items used specifically and only for a Congress. Examples: hall rental, sound equipment rental, program printing, advertising, ES Comm WW speaker fees to WW, hall decoration, visual aids, tape and film charges.

11. Printing membership cards, applications for memberships, and membership promotion expenses for the sale or renewal of memberships.

12. Tapes for org use.

Examples of illegal uses of HCO Div Account monies in the past are: Staff member fares from Saint Hill, ES Comm Qual WW expenses and fares, Release pins and course certificates and flowers for

staff members having babies.

To be paid into the HCO Div Account are:

1. All receipts for books, meters and material sales, (called Gross Book Sales).

2. All membership fee receipts.

3. All Congress receipts.

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L. RON HUBBARD

Founder

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 FEBRUARY 1967

Remimeo

All Staff

Treasury Hats

ALLOCATION OF INCOME

(Cancels HCO Pol Ltr 6 Feb '63, "HCO Area 5%'s")

All orgs allocate their income as specified in this Policy Letter unless specifically exempted from doing so by The Guardian WW. (At present Saint Hill is the only org managed under different financial arrangements.)

The basis of the proportionate income breakdown is only changed in that:

1. The allocation between Salary Sum, Disbursement Sum and Building Sum reverts to 50%, 35% and 15% respectively.

2. Minor changes have been made in the AC 1 report form to bring it into line with Policy changes since 1963.

(Note - all additional information regarding the AC1 form must be written on a separate sheet and not on the form.)

The increase in the Disbursement Sum from 30% to 35% of Corrected Gross Income has been found necessary to keep orgs solvent.

As income expands, bills expand and if a sufficient proportion is not allotted to Disbursements, some bills cannot be paid, and debts accumulate.

However, whatever the allocation to Disbursement Sum, IT IS THE PRIMARY RESPONSIBILITY OF FINANCIAL PLANNING TO SEE THAT THE TOTAL OF EXPENDITURE APPROVED IN ANY PERIOD IS LESS THAN THE FUNDS AVAILABLE FOR EXPENDITURE IN THAT PERIOD.

This of course includes making allowances for routine expenditure on electricity, telephone, telex, postage, and other utilities; it is part of each staff member's hat to see that no wasteful use of such utilities occurs.

In order to improve the Cash-Bills ratio of an org, the local Executive Council may propose on lines to the Executive Council WW a further change towards reducing the percentage of the Salary Sum, while increasing the Disbursement Sum percentage. It is expected that the better the ratio of Cash-Bills of an org and its solvency is permitted to develop, the more scope there will be for expansion as well as an increase of pay. This is with reference to HCO Policy Letter "Financial Planning" of 15 December 1966.

And if anyone commits the org to expenditures that have not been approved, this must be immediately reported to the Ethics Officer, who must see that the org is reimbursed out of that person's own pocket.

SALARY SUM

The reduction of Salary Sum to 50% of the Corrected Gross Income should make no difference at all to staff member incomes.

If the org is kept solvent by having funds to pay bills, Execs will be able to put their full attention on (1) making Scientology more widely known, (2) promotion to

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Scientists, and (3) excellent delivery; the more efficient and effective the org becomes, the greater the flow will become and the faster Org and staff pay will rise-provided the number on staff is not increased beyond what is necessary to handle the increased flow efficiently.

NUMBER ON STAFF

Too many people on staff in relation to the rate of delivery bogs an org down with Dev-T and poor rewards for good statistics.

Too few people on staff in relation to the flow they have built up of services signed up results eventually in stagnation: the flow jams, efficiency falls off and the flow tends to dwindle and not increase, because THE FLOW OF PEOPLE DEMANDING SERVICES IS MONITORED SOLELY BY THE EXCELLENCE OF DELIVERY.

Thus the optimum number on staff depends on the efforts of the whole org: THE OPTIMUM NUMBER ON STAFF IS WHEN EACH MEMBER OF TECH AND QUAL STAFF IS WORKING FLAT OUT AT HIGH EFFICIENCY AND THE

TECH/ADMIN RATIO IS 1: 1. (Tech/Admin ratio = number in Tech & Qual: number in all other Divisions.)

This does not mean that orgs must get rid of half their staff. It means that they must dismiss any deadwood (chronic low statistics personnel) and then get moving to increase the effectiveness of Distribution, Dissem, Tech, Qual, and all other org functions.

Technology is firmly established, stable, and works when applied exactly. All that is needed for a fantastic boom is to get your job done well.

Written by Ralph Percy, A/Div Org Treas WW

George Galpin
Dalene Regenass
Brian Livingston

Joan McNocher)
Otto Roos
Ken Delderfield
Betty James

Leon Steinberg)

Fred Hare)

Philip Quirino
Mary Sue Hubbard
The Guardian WW
for
L. RON HUBBARD
Founder

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Qual Sec SH

HCO Area Sec SH

Chairman

Ad Council SH

Exec Council SH

LRH Comm SH

Chairman

Ad Council WW

Exec Council WW

LRH Comm WW

Div 3 WW Form AC 1 Pol Ltr 15 Feb 1967) Org

PROPORTIONATE INCOME BREAKDOWN WORK SHEET FOR WEEK
ENDING

Put down total

A. GROSS INCOME

B1. DONATIONS RECEIVED A1 . ADVANCE PYMTS

B2. MEMBERSHIPS....._ . REC'D

C.....RENT COLLECTED A2. Subtract A1
from A.

D.....LOANS COLLECTED... A3. ADV.
PAYMENTS

E.....PHONE CALLS USED ...

COLLECTEDA4. ADD A3 to A2

F. REFUNDS GIVEN

FI. REPAYMENTS_

F2. FSM COMMISSIONS

PAID

Put down the total of all Congresses, books, tape monies and special event monies if any were invoiced by the org for HCO

H. Put down total others

I. ADD B1, B2, C, D, E, F. F1, F2, G. H & put total here and in right-hand column (put down twice) ..

J. CORRECTED GROSS INCOME Subtract I from

A4 and put down here

K. HCO WW 10% Take 10% of J and put down here

L. PROPORTIONATE AMOUNT Subtract K from J and put down here

M. SALARY SUM: 50% of L Take 50% of L and put down here ...

N. DISBURSEMENT SUM Take 35% of L and put down here

O. Put down amount from line E

Put down amount from line H

Add E and H and put total down twice

P. TOTAL DISBURSEMENT SUM Add N & O and put total here

Q. BUILDING SUM Take 15% of L and put down here

R. Put down amount from line B I

Put down amount from line C

Put down amount from line D

Add and put total down twice S. TOTAL BUILDING
SUM Add Q & R and put total here T. SUM TO AREA HCO Put
down amount from line G

Put down amount from line B2
Add G & B2 and put total down twice

BALANCE

CHECK

AA. Put down Gross Income corrected for Advance
Payments from line A4

BB. Put down Total Refunds from line F

CC. Put down Total Repayments from line F1

DD. Put down FSM Commissions Paid from line F2 ...

EE. Put down HCO WW 10% from line K

FF. Put down Salary Sum from line M

GG. Put down Total Disbursement Sum from line P ...

HH. Put down Total Building Sum from line S

II. Put down Total HCO Area Sum from line T

JJ. Add BB, CC, DD, EE, FF, GG, HH & II and put down
total here and at right-hand side

KK. SUBTRACT JJ from AA and put down here (there
should be NO BALANCE)

ATTESTED BY

(Signature and Title)

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 MAY 1968
(Reissue and Amendment to
HCO Policy Letter of 3 May 1966)

Gen

NonRemimeo

RESERVE FUND

1. Every Scientology Organization must accumulate a

GENERAL LIABILITY FUND.

The fund is to be built up against claims made against organizations or any Scientologist by the public or governments for legal costs, libel and slander costs, defence funds, destruction of repute and restraint of trade. Uninsured risks to buildings, lapsed insurance policies, acts of God, war, riot and civil disorder, usurpation of power, restraint of princes, radioactive fallout, atomic destruction, salvage of persons and property, reorganization costs due to departure or demise of Founder.

This fund is Computed by taking the number of Scientologists on the mailing list and the value to each Scientologist is assigned at the manager's discretion. It is computed every year and added to the fund.

Refuse to breakdown the calculations on how the fund is computed if demanded by an insurance inspector or tax collector, instead

obtain an estimate of coverage cost from brokers recommended and approved by Legal WW, to confirm our cost assignment to fund. It should not be less than \$5.0.0 per year per Scientologist on our list.

This fund may be kept as a reserve.

A special bank account must be opened to care for this fund called "The General Liability Fund" account to which is added the local name of the organization. The signatories on this account are the Guardian WW and the Treasurer WW, these being Mary Sue Hubbard and Denny Gogerly jointly.

Money is paid out of this fund only on claims and demands approved by the Board of Directors on subjects or requirements as covered in the description of the fund above.

The fund may be retrospective - which is to say calculated for former years. Income Tax reports should be refiled for the former years.

LRH:js.rd

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Proposed by

Lola Rossouw

Denny Gogerly

Kevin Kember

Lenka Marinko

Exec Council WW

Allan Ferguson: O.E.S. WW

Tony Dunleavy: P.E.S. WW

Anne Tampion: D/HCO E.S. WW

Ken Delderfield: LRH Comm WW

Joan McNocher: D/Guardian WW

: Treasury Liaison Off. WW
: The Treasurer WW
: Qual Sec WW
: HCO Area Sec WW

Mary Sue Hubbard The Guardian WW (Policy Review
Section)
for

L. RON HUBBARD
Founder

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 MAY 1968

Limited Non-Remimeo

BOOKS

ALL STOCK NOW BELONG SH AS BEFORE ALL INCOME PUBS ORG
SHOULD BE BANKED BY PUBS ORG AS SH ORGANIZATION BUT SEPARATE
ACCOUNTS SH PAYS FOR AUDITOR AND PROMOTION AND SUBSIDIZES
FUTURE BOOKSTOCKS PUBS SHOULD BE SOLVENT ON ITS OWN BUT LACK
OF FUNDS SHOULD NOT MAKE PROMOTION, METERS OR BOOKSTOCKS
BEHIND HAND AS THESE FORM THE FUTURE INCOME OF SAINT HILL. SH
CONTINUES TO PAY FOR ITS BOOKS AND PRINTING.

LRH:js.rd

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L. RON HUBBARD

Founder

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 JUNE 1968
(Corrects HCO Policy Letter 23 May 68
paragraphs 10 and 11 only)

Remimeo

HCO BOOK

ACCOUNT

HCO Book Account Pol Ltr restored.

No book meter etc monies subject to allocation of percentile and must be kept separate as is foremost dissem line. Books must be subsidized by adding reserve monies to HCO book from time to time.

LRH:js.rd

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L. RON HUBBARD

Founder

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO WW POLICY LETTER OF 24 JULY 1959

HANDLING OF MONIES

Any cheques or postal orders coming in to HCO WW should be taken personally and handed to the person doing the invoicing.

Once the money is invoiced it should be taken to Mrs. Shorney who deposits all monies in the bank.

Never leave money on desks or in filing baskets over night. Always place the money in the safe or at least in a desk drawer.

HCO Secretary WW

NW:brb.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 JUNE 1961

sthil

PURCHASE ORDER

SYSTEM

(Re-issued from Aug 25, 1959)

Effective September 1st, 1959 and continuing, nothing may be bought for the Manor, Grounds or HCO Activity by any domestic or office staff at Saint Hill Manor without a purchase order made out and okayed before the purchase is made.

Copies of these forms will be found in the domestic staff message center and in the staff office.

This form must give the person or firm from which the purchase is to be made. It must give the item, quality, description and actual or estimated cost. If the item is for food, house supplies or such activities it is given the word "Domestic".

All food, dishes, Calor gas, coal, petrol, garden supplies, seeds, paper, ink, stationery, printing, repairs, building materials, salaries on a continuing basis, casual labour and any and all items subject to being paid for are included in this Purchase Order system.

Every Purchase Order must bear the initials of myself or Peter Hemery before the order can be phoned or placed.

When bills are presented for payment each and every item on every bill must be covered by a Purchase Order. If it is not then the purchase shall be considered unlawful and may have to be paid for by the staff member who placed the order without authority.

No cheque will be signed unless the bill it is paying and all Purchase Orders appertaining thereto accompany the cheque.

The salary sum cheque likewise must be accompanied by a Purchase Order giving the pay rates and numbers of all persons.

L. RON HUBBARD

LRH:jl.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 OCTOBER 1959

STHIL

INVOICING, ACCOUNTS PROJECT 12
(Cancels Earlier Directives)

Project 12 is assigned herewith to Mr. Godfrey in all aspects to permit Mrs. Shorney to assist me in correspondence and purchasing.

All invoicing and disbursements must be done on proper machines.

RULES GOVERNING
ACCOUNTING

All income from whatever source is banked.

All funds are disbursed by cheque even when disbursed again by cash.

All transactions are recorded in full, and all invoices and disbursements are given any history known about them on the invoice or the voucher. There is no reason for making accounts history a matter of memory.

All financial receipts and disbursements are reported weekly (by Monday 2 p.m.) by Accounts to the Executive Director. These are also reported by Project Supervisors on their Income and Disbursement Sheets.

All purchases require purchase orders before made. If a purchase is made for Sthil with no order, the staff member making it must pay for it.

The Accounts Project is responsible for enforcing financial policy on staff.

CURRENT BILLS FILE

Every firm or person - even staff members, has a place in our accounts files in a separate file folder One firm or person = one folder. All records, bills, letters, etc relating to such are placed in one file. Any bank or other loan has its own file.

Cancelled cheques and bank statements are kept in their own files by account. But a photostat of each cheque back and front is made and filed with the firm folder to which it was issued. So are Invoices and Disbursement copies also filed as they apply in these files.

A summary sheet of billing and payments is kept in each folder.

These folders are retired to dead file each year when actually dead.

STATEMENTS FILES

Each debtor of any company we are handling has his own file.

All invoices and papers relating to such debtors are kept in this file folder.

A statement sheet is also kept.

A copy of the contract (photostat) is kept in this file. The original is kept in a Valuable Document file in the safe.

This applies to any company, firm or person who sends us money or owes us money.

INVOICING

All monies received are invoiced with full data. The white goes to the payor as a receipt. The yellow goes to the Project Supervisor or person most interested. The red goes to Accounts for filing in folders. The blue stays in the machine and is never detached from its consecutive pad of

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voucher.

Invoices are used to sort out banking, reports, statements, etc.

DISBURSEMENT VOUCHERS

All disbursements, whether by cash or cheque, are written on a disbursement

Payroll vouchers are signed while still on the machine by the recipient.

Cheque numbers, a firm's bill number, any data applying, is written on a voucher

The white goes as a complimentary statement to the firm, obviating letters or other papers. It is all that goes with the cheque (we keep all bills)

A copy of a voucher goes to the Project Supervisor most interested.

A copy goes to Accounts for filing in the folders of the firms or persons.

A copy remains in the machine and is not disconnected from its pad.

BANKING

All monies are placed in the safe once they are invoiced and are only removed to be banked.

The Accountant is responsible for them from the moment the mail is delivered to him until they are banked.

The Accountant should be bonded.

All money banked is recorded on deposit slips stamped by the bank. These are filed then with bank records along with statements and cheques.

Collections done by the bank are recorded with new invoice and must be sent to us by the bank.

Adjustments and transfers in Accounts are subject to Disbursement Voucher recording and should be so recorded. These are done by cheque, not letter.

PROJECT FILES

When a Project Supervisor receives his invoices and vouchers, he records these on appropriate sheets and presents them by 2.00 p.m. Monday for the week passed to the Executive Director who then passes them to Accounts.

These are filed by Accounts in appropriate folders. Supervisors may have access to these folders.

Accounts also presents its own report.

PAYING BILLS

A cheque is made out on an account and is presented with the full folder of the firm or person to receive it.

The total of cheques are added up on a separate slip.

Current bank statements are also presented.

These items are necessary to the payment of any bill.

All bills being paid by bankers order are recorded routinely in the folders.

Bills being paid by cash require the initials of the Executive Director on an authority to do so.

GENERAL

All tapes of addition and other accounting records and all rough computations are kept by Accounts and appropriately filed.

LRH:dd.prd.rd

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L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 MARCH 1960

Sthil only

All personnel

ECONOMY WAVE

Until the low collection period of November-December-January is cancelled out, strict economy of materials and contracture must be carried out at SthiL

I will not sign any purchase orders except food, vital office supplies, needed petrol, enough sand and gravel and cement to complete construction using our night casuals. Conserve existing supplies. Scrounge what you can.

No further contracts or major purchases will be undertaken until further notice.

This does not mean we are suddenly poor or broke. It means that I want Sthil to run on available routine income without incurring capital losses.

Please assist to wipe out the income - outgo inequality now existing.

LRH:cden

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 31 MARCH 1960

sthil

ACCOUNTS LINES

All purchase orders, cheques and disbursements will be handled by myself until further notice and all such reports or requests should be sent to me.

All income matters should be sent to Mrs Hubbard, with proper reports. She is responsible for income and collections, but for no other accounts, or administrative action.

Each Monday I should be supplied, by accounts, with:

1. Income sheet for preceding week, general and books income;
2. Deposit slips of past week;
3. The most recent statements; and
4. Bills summary report, made fresh each week.

We will only then disburse on bills. No bills except as below may be presented at other times or in any other manner.

The only cheques that I will sign on other days than Monday are postal cheques and cheques to prevent shut-off of communications, lights or fuel but the last only if the shut-off is actually occurring; threats have no value.

I wish to get the accounts up to the level of £4,000 or £5,000 and until I do all economy measures will remain in effect.

LRH:cden

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L. RON HUBBARD

HCO POLICY LETTER OF 28 JULY 1960

Sthil

LOSSES

HCO WW is receiving about £600 per week and is spending about £700 per week. This data is gained from a review of the last year of operation and of current bills.

Nobody's job is threatened by this providing it is resolved.

Here are the plans for solvency and reduction of loss.

We will cut £150 per week from the domestic bills and office supplies, postage and telex.

We will increase our income £200 a week.

By doing both we should have a 'black' in short order.

Therefore, note that the following bills are too high.

Postage

Office Paper

Electricity

Office Supplies

Contracts

Food

Soap

Outside Laundry

Peter Cowell is appointed Director of Economy to eradicate these overages, to remove three telexes and reduce supplies, paper and office costs.

Antonio will do all food and service buying for cash and all such accounts will be cleared.

By installing our new information centre and giving better service we can, by making an effort, increase income £200.

These improvements and other economy actions are up to the staff to implement.

LRH:dm.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 AUGUST 1960

Sthil

PURCHASING

Until further notice, all Purchase Orders for all needed materials, except kitchen and household supplies, must be passed to Dr Hubbard via Peter Cowell, who will review and co- ordinate the purchasing line as Director of Economy.

LRH:js.rd

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Issued by: Peter Hemery HCO

Secretary WW for L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 JULY 1961

Sthil for Action HCOs and HASIs for info Only ACCOUNTS

Modifies Earlier Directives - EFFECTIVE AT ONCE

Two Accounts Divisions are created herewith. These are the Income Division and the Disbursement Division. They are in separate areas and are run by different persons. They must be kept separate.

INCOME
DIVISION

The Income Division performs the following actions:

A folder is made for every organization or person who pays HCO WW money. This includes all HCOs and all HASIs and all these income accounts are kept in no other place nor by any other person.

The income Division sees that Statements, pre-addressed by Address on proper envelopes, go out to each foldered person or organization once each month. This is a Thermofax of the summary sheet in each folder, stuffed in these Pre-Addressed envelopes. New addresses for this list are routinely forwarded to address to be put on a silk screen stencil. Old addresses withdrawn are also routinely passed to Address to be deleted from the stencil file and sent to be re-silked.

No ledgers are kept by the income Division. No notebooks or Journals are kept. All data is retained in folders. Each folder has a summary sheet for Thermofaxing. All accounts are written on this sheet.

All invoicing is done by the income Division.

Notice of all bank payments paid in go to Income Division and all Bank Statements.

When invoicing, mark each invoice for what it is - Franchise, Books, Royalty, T HCO Payment, Training, etc.

White copy goes as receipt in the next statement mailing.

Next copy goes to the Department concerned. Next copy goes to basket for Income Summary and when summarized is filed in folders.

Final machine copy is retained as income summary, not torn but kept consecutive.

On Monday following a week, the basket copies are sorted into boxes, Franchise, books, etc. Each box is totalled and given an adding machine Tape which is marked Franchise, etc. The Tapes are then totalled and marked, the cash deposited or received in the bank must equal the final total.

These tapes are stapled together and passed to LRH, MSH and Peter Hemery as income information. When returned to Income Division they are stapled to the machine copies. These are put in an envelope, dated for the week and filed. This is total accounting record.

The basket copies are now filed in the folders and each figure is entered on the statements sheet in the folder. The filing is done all at once. Once a month the statements sheets are brought to date from these invoice slips. When a slip is put on the statements sheet an X is put on the invoice slip to show it is entered.

On receipt of Adcomm reports, the 10% due HCO WW is calculated and the sum owing is written on the statements sheet in the folder as a debit. The filing and the entries are separate. The filing is done at one time, every week, the entries are done at another, every month. The Adcomm Accounts type report is filed in the

folder. The other Adcomm type reports are filed for OIC elsewhere. The Income Division has only to do with the general accounts Department part of the report.

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It does not matter if all statements are up to date when Thermofaxed for mailing. Bring them routinely to date as a continuing activity, not in a monthly rush. Folder statements sheets not up to date one month as to debit and credit, will be up to date the next.

The Folder Statements sheets are mimeographed in general and lettered in particular.

On invoicing books, this is the first operation of the day. The invoices go at once by hand to Shipping so books may be mailed same day. This is a rush invoice item.

Folders are filed alphabetically by Class, which is to say Orgs form a group. Franchise forms a group, books form a group, etc.

It is the responsibility of the Income Division to know what HCO WW is owed and to see that it is collected.

The Income Division must insist on a disbursement copy of monies sent being forwarded us by each org when it is sent. This copy is never entered on our statements sheets, but is kept in the folder. It is Info Only. Only money received in our banks is entered.

The income report from the income section also includes the amount shown on the last statement for each bank account. There is no further attempt to balance cash deposited but not shown on statement or cheques issued but not cashed in by the person or firm who received them. This weekly report is the Money On Hand report. It goes to LRH, MSH, then Peter Hemery. It is then filed with the

week's income report. It is compiled and despatched when all statements for the week are in. It is not attached to the Income Report but is separate. In practice, if convenient, it could be so attached.

The Income Division retains and has all invoicing machines but no Disbursing Machine.

DISBURSEMENT

DIVISION

The Disbursement Division has the responsibility of correctly disbursing the money of HCO WW such as bills, wages, mortgage payments, etc.

Each creditor, including staff members, has a red folder. Each folder has a statements sheet in it.

Whenever a cheque is disbursed or a wage or cash is paid out, a Disbursement Voucher must be written giving all particulars.

The White Voucher is sent to the creditor, the next copy is filed in the statements folders. The Machine copy is retained unseparated and filed in an envelope dated as of the week disbursed.

The copy of the Disbursement Voucher for filing is placed in a basket for filing and then is filed without entering it at that time on the Statements Sheet in the folder of the firm or person disbursed to.

All incoming bills are placed in a basket along with the Disbursement Vouchers. They are all filed at once at the same time as the Disbursement Vouchers. They are not entered on the statements sheet at that time.

Once each month minimum or every two months maximum, the folders' Statements Sheets are brought to date. This is a routine and continuing action. All debits and credits are entered on the Statements Sheet. These sheets are kept in the folder.

When Disb Voucher or a company's bill is entered on the Statements Sheet a large X is drawn on it. It is returned to the folder.

These folders when brought up to date are brought up on the not X'ed bills and vouchers.

The Purchase Orders are filed in these folders and bills are checked against them.

Disbursement is from 30 to 60 days on bills.

Wages are paid now by cheque. The cheques are signed by Peter Hemery over the stamp "On Authority of L. Ron Hubbard".

Cheques are given out late Friday afternoon.

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We will cash our own cheques but not on pay day, only the following week.

Each cheque issued for wages or bills must be written on a disbursement voucher.

Persons receiving wages do not have to initial or sign the voucher. They receive the White Copy. The Folder copy is filed in their folder. Their pay books, etc are kept in their folders not in any separate file.

The Government has a folder of its own, one for each department

of the Government to which we pay out. Other pay papers than in the folder are kept in the Government folder for pay. This folder is filed adjacent to the pay folders of staff. There must be no loose tables, folders or booklets kept anywhere but in folders. There may be no "miscellaneous" folders.

BANK STATEMENTS are filed in folders provided for the banks. There is one folder for each bank account. The cheque books are in the same file drawer but not in the folder.

Cancelled cheques are filed loose in the bank's folder for each account until a cheque book is empty. Then each cheque is scotch taped, not stapled, to its counterfoil.

Counterfoils are kept only in date, and no other data (not even amount), as Disbursement Vouchers are used for record, not Counterfoils.

Cheques may not be taped into cheque books in use, neither voided nor cancelled cheques.

There is only one report and that is monthly. Mimeographed sheets carrying each Company's name to whom we disburse is marked with the last debit figure on the Statements Sheet and how long the amount is owing. It is expected that all such statements will be brought to date before the monthly report is made. This report totals all bills owing. When executive directions are given on them cheques are issued as directed against this monthly report.

There are no other reports except when requested on some firm.

SUMMARY

The Disbursement Division makes no income reports or reconciliation of bank statements. The Income Division makes no reports on disbursement.

Every quarter an accountant audits the books and submits a quarterly report in summation form. He does not make books. The law requires records be kept. We keep records. Actually we keep books as above, but their pages are folders.

HISTORY: The bugbear of accounting is the failure to record all one knows about each transaction. An executive is later expected to remember it all and spend two or three weeks going over tangled

accounts with each audit. This is circumvented by writing all you know about the transaction on the Disbursement Voucher or on the Invoice. We are at this writing being a lot too brief on our History. If you know something about the transaction related to what it's for and why, or what's odd about it, put it on the Invoice or Disb machine, not in a despatch or in memory. Example: Joyce Bibbin orders £2 worth of books but sends £3,10.0. She wants us also to retain £1.10.0 for a future purchase. Make out one invoice for £2.0.0 and one for £1.10.0 but say on each what and why, and that it came out of £3.10.0. Also if you know a purchase was for the garden, when the bill is paid, put it on the Disb Voucher. This way we'll not be racking our brains and can have an audit without the place being torn down.

The person doing the Audit should do it here. Do not part with folders and records.

All correspondence relating to a firm or person and all data on that person is kept in the same folder. There are no "Business Files".

LRH:imj.cden

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by L. Ron Hubbard

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 JULY 1961

Sthil

PURCHASE ORDERS

All authorities to sign purchase orders are hereby revoked.

Only my signature and that of Mrs Hubbard may validate a purchase order before a purchase is actually made anywhere whether for cash or for charge account.

This includes food and all petty cash.

LRH:jl.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 4 AUGUST 1961

Sthil

Staff and Students

PRIVATE MAIL AND TELEPHONE CALLS

L. RON HUBBARD

All private telephone calls, telegrams and cables, of Staff members or Students, must be paid for in cash at the time of making the call or sending the telegram, etc.

The charges for such services are obtainable from the operator.

Private letters may also be stamped or franked on payment of the correct amount.

These services may be extended as a courtesy, but it is understood that there is no obligation to do so. As far as possible, please use the ordinary public services in the town.

During business hours, cash may be handed direct to the Switchboard operator in the front office. Outside of business hours, when the switchboard is unattended, place the cash in an envelope in the Switchboard operator's basket in the comm centre, with a note detailing the amount of the charge, and the exchange and number, or nature of Service. This facilitates the eventual checking of the account. If you have not the exact amount, place enough to cover it, and the Switchboard operator will hand back change next day.

Students wishing to use the telephone must always obtain the help of the Switchboard operator, during business hours. At other times, they must ask an instructor or other Staff member.

LRH:imj.rd

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RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 16 OCTOBER 1961

Sthil Each Central
Org for info
Accounts Section

INCOME RECORDS

The following is advices and procedure and policy on Income
Records at Saint

TO THE INCOME SECTION:

You should have a way of dividing up all incoming data so you can
summarize it readily on to reports.

For instance, DCI Tape Inv. These should be filed as they arrive.
All data should be filed as it arrives, as fast as it's received or
invoiced. Therefore, you need a big

TO BE FILED

Basket in which to dump your filing copies.

Then you should have a

RECEIPTS Basket in which to dump all your invoices for summary at
end of week.

One copy of invoices you write goes into each. Everything you
need for the week's summary goes into RECEIPTS.

Then at week's end, Wednesday? Thursday? you only have to separate out the contents of Receipts to do an Income Report. For this you need a basket (cardboard box will do) for each type of thing you summarize in the Income Report. You add up each box. Then add up all totals and you have your report.

You must have in your possession a folder for each Central Org, each City Office, each HCO. Into these and Franchise you file the contents of your

TO BE FILED basket every few days.

Only when your filing is up, you summarize these folders. You will have a complete Bills Statement in each folder. This is brought up to date before mailing any bill.

Invoice everything you get from bank by way of info on deposits. Only file in these Org folders what is actually paid. Always invoice anything paid, whether to us directly or to bank.

Always file in Org folders all DCI tape shipment copies of invoice.

File in folders constantly. Then each month take a folder and enter on its Statements Sheet:

1. Each 10% reported from Adcomm reports.
2. Each DCI invoice of a tape shipped or any estimate of tapes sent if invoices are missing. 1 and 2 are in foreign currencies, dollars or rands or whatever.
3. Enter in your own paid invoices in pounds sterling in paid column.
4. Total each column in its own currency and/or dollars for DCI.

5. Thermofax the resulting sheet and send it to Org.

NOTE: Whenever you enter an invoice or an Adcomm report put an X across the income or Adcomm report. Then leave them in file.

TO BE FILED

basket contains or receives:

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All material to go in Org folders.

Every Adcomm financial report form received here. (Without correction or marking.)

Every Invoice we write for books shipped to them.

Every invoice we write of money received by them, either directly or through the bank.

All Protest forms.

RECEIPTS

basket contains:

All data on money actually received by Org, directly or through bank.

Another copy of every invoice form we write on monies received from each Org directly or via bank.

A copy of every invoice we write.

TO BE FILED

basket contents is filed every few days into Org folders.

RECEIPTS

basket contents are dealt into boxes each end of financial week.

Each box is totalled.

All totals are totalled.

Income report consists then of the total of each box and its category; total of all totals; actual money banked.

The report is made to be received on Monday by me. When report is looked over, it and all the contents of the boxes are put in a large envelope and marked for that week and filed separately.

The Receipts basket stays empty of last week. This material waits in cardboard boxes until enveloped. Current week is filed in Receipts basket and only current week ever.

No partial accounts may be sent to Orgs. I must see accounts statements of each org before it can be Thermofaxed.

No correspondence may be engaged in with any org except DCI and then only to get complete tape records for collection.

All efforts to collect are done by myself. All I want is complete data sheets.

The Income Div is a recording, compiling and billing section, and attends to banking and bank records. It is not a collection activity.

A file section exists in the Income Division for each of the

following:

1. A folder for each organizational creditor.
2. By extension, a folder for each Franchise holder into which is filed their invoices.
3. A file for envelopes in series for each week's banking material.
4. A section for each separate bank account in which all statements. bank correspondence, etc. is filed.

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An org folder contains:

1. A WW Statement Sheet. And all previous Statement Sheets.
2. Every Adcomm pink on finance received by Saint Hill.
3. A copy of every invoice we write for books shipped.
4. A copy of every invoice we write for money received.
5. Copies of every protest.
6. Copies of financial correspondence.

We compile a Statements Sheet for a Central Org or City Office as follows:

1. Enter at the top Accumulated Debt.
2. Enter at the top right Accumulated Income

3. Enter in the left column for each consecutive week 10% of the adjusted gross from each Adcomm report. If a report is missing enter 10% of £750 arbitrarily.

4. Enter all Tape, E-Meter and books shipments if to the Central Org (not HCO) in the same column as 10%.

5. Total the columns at the bottom when it is reached.

6. Use foreign currencies dollars and their national currency for left hand column.

7. Use pounds Sterling always in right hand column.

Just because you are sending them a bill is no reason to total.

An HCO organizational Statements Sheet contains:

1. All debits and credits cumulative at the top.
2. All debits in the left hand column in their National currency.
3. All receipts in the right hand column in pounds Sterling.
4. Every book, tape and E-Meter invoice of our shipment goes in left hand column with date and item.
5. 33 1/3% of all Franchise money they have collected (S.A., Australia, New Zealand only).
6. 50% of every special course or Congress gross.

If statements do not now reflect this, at least get a current

statement going without a top summary. This avoids backlog.

Catch up backlog by filing, not by recording. When all filing is done as above, then do a complete Statements Sheet.

Never record before you file. Never short cut or add to above procedure.

No further "books" or files or notations should exist in the Income Division. If they do, something is being done wrong.

To lose track or to not have this system costs HCO WW a very large amount of money. Without money nobody can be paid at HCO WW, even the Accounts Department.

L. RON HUBBARD

LRH:imj.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 SEPTEMBER 1962

PART-TIME STAFF AND OVER-

TIME

(For St Hill Staff only)

Recently several upsets and emergencies have arisen over salaries. These upsets and emergencies have occurred because wages are collected from the Bank on Thursday afternoon or Friday morning

in order for wage packets to be made up, but reports of overtime or exact number of hours of work done in the week were not submitted in time for inclusion in the wages cheque. These upsets and errors arose through poor timing and administration. In order to provide a service to you that is workable with the minimum or no upset or emergencies the following Policy will be in force from Friday, 21 September 1962.

PART-TIME STAFF

Part-time staff will be employed for a minimum number of hours per week. These hours are fixed and will therefore allow us to pay that person a fixed wage each week. Any work done in excess of these minimum hours will be called "Overtime" and as such will be paid the following week.

OVERTIME

Overtime will not be paid in the week in which it is earned, but will be paid the following week.

OVERTIME CLAIMS

Any person claiming Overtime must fill in a time sheet and hand this time sheet to their Dept Head by Friday 12.00 (noon). The Dept Head will then make out the required Purchase Order for signature of LRH or MSH (provided the work was authorized and a true record) which must be submitted before the 1.30 p.m. basket post collection of that day. Upon receipt of the signed Purchase Order the accounts dept will draw the money due and pay it out the following Friday.

The purpose of this Policy Letter is to enable the accounts department to provide you with a service. Give us the data in time and we can give you the service.

Issued by: H G. Parkhouse HCO

Treasurer WW for

L. RON HUBBARD

LRH:dr.cden

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Sthil

HUBBARD COMMUNICATIONS
OFFICE Saint Hill Manor, East Grinstead,
Sussex

HCO POLICY LETTER OF 4 OCTOBER 1962

SIGNING POs AND
CHEQUES

Effective immediately, Peter Hemery is authorized to sign routine cheques and Purchase Orders.

All cheques and Purchase Orders should now be routed direct to Peter Hemery via the normal comm lines.

Weekly account breakdowns and the monthly bills statement should be routed as before to me and Mary Sue Hubbard, and to Peter Hemery in addition.

LRH:jw.rd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 OCTOBER 1962

Sthil

ACCOUNTS
IRREGULARITIES

Specific, precise and definite policy in policy letters govern Accounts Income and Accounts Disbursement at Saint Hill.

The only reason someone would not follow these simple procedures and think other procedures were needful would lie in a failure to examine the policy letters.

If Saint Hill Disbursements and Income Systems are not followed to the letter, we could be cost hundreds of needless expenditures and gain a poor credit rating all because of careless accounting practice.

Henceforth, if I find at any time that accounts policies are not being followed and legible records are not being kept, I shall dismiss all persons at once from that department and acquire new staff.

LRH:gl.rd

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Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 JANUARY 1964

sthil

PAYMENT OF MONIES FOR OVERTIME AND/OR
MATERIEL

All Staff are asked to note that no payments can be made, for overtime (where applicable) or materials, unless a Purchase Order for same is submitted to, and approved by, the Saint Hill Administrator.

In the case of overtime, such Purchase Orders must tally with the time sheet which must also be submitted in respect of the overtime.

For materials, Purchase Orders MUST be submitted, and approved, BEFORE a purchase is made, and the APPROXIMATE cost AND THE PURPOSE of the materials must be stated on the Purchase Order-or the exact cost is to be stated, if it is known.

The correct use of the Purchase Order system is essential to the financial "health" of Saint Hill, and it is therefore very important to all Staff-in the interests of their own security as employees-to help in preserving that "health".

PLEASE NOTE, THEREFORE: ACCOUNTS-PERSONNEL ARE NOT EMPOWERED TO PAY OUT ANY MONIES FOR OVERTIME OR MATERIALS UNLESS A PURCHASE ORDER FOR SAME HAS BEEN SUBMITTED AND APPROVED. FURTHER, AS FROM THIS DATE, ANY EMPLOYEE MAKING A PURCHASE OF MATERIALS WITHOUT FIRST HAVING AN APPROVED PURCHASE ORDER, RENDERS HIMSELF OR HERSELF LIABLE TO PAY - BY WAGE-DEDUCTIONS - FOR SUCH MATERIALS.

LRH:dr.rd

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Issued by: Saint Hill Administrator

Re-statement of existing policy.

Authorized by: L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 2 MARCH 1964

HCO (WW) Ltd

HCO (Sthil) Ltd

Scn Library & Res Ltd

CONTRACTS AND
SERVICES

Contracts for services require the signed approval of the Executive Director.

No existing contract may be extended for purposes beyond its original intention without the signed approval of the Executive Director.

All types of contractual relations between the corporation and other companies, firms, banks, or individuals are included. Solicitors, service companies, architects, banks, typewriter service, lift service, etc. and any other type of binding contract involving expense to the corporation are included.

Particularly included are contractors to be engaged for construction of any kind or services connected with construction.

The Completed Staff Work and any papers for signature must accompany all requests for contractual approval.

No requests for contractual approval will be entertained unless passed upon in the affirmative by the administrative head of the corporation requesting.

LRH:gl.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 8 MAY 1964

Sthil Students

Saint Hill.

TRANSPORT

Students desiring noon transport week days from Saint Hill to East Grinstead at noon and return at 12.50 may have it by procuring an invoice from the Income Section costing 5 shillings per week.

The invoice should be plainly dated and displayed to the driver on departure from

The reason for the charge is the limited transport space available.

There is no charge for staff members.

LRH:gl.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 MAY 1964

Sthil

TRANSPORT

(Adds to HCO Policy Letter of May 8, 1964)

Regarding HCO Policy Letter of May 8, 1964, it should be clearly understood that there is no contract to carry passengers on the staff bus for fares.

The 5/- payment by students should be invoiced by Accounts as a contribution to the upkeep of the bus. The student is then privileged to ride on the bus as and when available for one week.

LRH:gl.rd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 JUNE 1964

Sthil Staff Only

STAFF BONUSES

(Effective Monday July 6, 1964)

The following trial bonus plan is hereby released, to be effective from Monday July 6, 1964, and if found effective will be confirmed from that date.

DEFINITIONS:

HEAD OF DEPARTMENT:

Head of a Production Department and of only that Production Department regardless of other appointments or appearance of name on the Organization Board.

DEPARTMENT STAFF MEMBER:

A member of a Production Department staff as posted on the Organization Board as different from a unit staff member.

UNIT STAFF MEMBER:

A staff member who is not a member of a production department but appears somewhere else on the Organization Board.

THE ORGANIZATION SECRETARY:

The person in general charge of all departments and units and the organization at Saint Hill, as listed on the Organization Board.

THE EXECUTIVE DIRECTOR:

The person in charge of all Scientology Organizations including Saint Hill.

GENERAL BONUS:

An amount of money paid in excess of salary on a six months or yearly basis.

CHRISTMAS BONUS:

One week's salary formerly paid at the discretion of the Executive Director at Christmas time and which is cancelled by this directive in favour of a larger and different bonus.

NET PROFIT:

The "net profit" of an organization is the amount an organization makes above its income that is then paid out to directors or stockholders as a profit. Net profit forms no. part of this directive or its calculations, and the general bonus is not paid on the basis of net profit as Saint Hill is not run on a profit basis. Net Profit also means taxable profit, which is not part of the plan, being a matter of accountancy.

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CASH DIFFERENTIAL:

This is a phrase used to describe the difference between what a department or organization receives in income and what it directly spends in costs. It does not include funds for research or the support of non-profit activities, gifts, royalties or other matters. It is a clean statement of SO many pounds received due to a department's or an organization's activities less how many pounds that department or organization spent for salaries, materials, supplies, printing, advertising, maintenance and a general share of quarters, utilities, and general service.

DEPARTMENTAL CASH DIFFERENTIAL:

The exact difference between the cash received by or for a

Production Department and the cash spent by or on behalf of that department plus its share of the general cost, so long as the result shows receipts greater than expenses.

ORGANIZATION CASH DIFFERENTIAL:

Same as the Departmental Cash Differential but for the whole, organization.

GENERAL SHARE:

The cost of all personnel and activities which are not assigned to Production Departments.

NEGATIVE CASH DIFFERENTIAL:

Where a department or the organization receives less cash than its costs. In this the general share is taken into account as well as direct costs.

ADMINISTRATIVE EXPENSE:

Research, general managerial and administrative expenses on a broader basis are not included in Cash Differentials, thus making the Cash Differential quite different from "net profit". Thus we are not concerned with the corporate accounts but only with cash income and cash expenses in the bonus plan.

DESCRIPTION

At the end of every six months period, those staff members who have been with the organization for one year will receive a bonus based on certain percentages of the cash differential of a department or the organization.

Those heads of departments who are in charge of Production Departments will receive 20% of the cash differential for that

period, based on weeks, they are or have been the head of that department, providing the post was occupied for more than six months and providing that they have been with the organization in any capacity a full year and that they remain in any capacity with the organization for a minimum of six months after having ceased to be head of that department. A fraction of a six months period, in cases of removal as head of department before six months have been served is not then payable as such after removal and only for those weeks actually in charge of that department. This applies only to Production Departments, not to units.

The staff member employed in a production department receives his share of 10% of that Department's Departmental Cash Differential. The exact share is arrived at by taking 10% of that Department's Departmental Cash Differential and dividing it by the number of staff members in that department who have been with the organization for one year. In case of a partial period with one department the bonus is paid on the basis of weeks of service in that department, the weeks being those actually served and the bonus being based generally on the cash differential of those weeks and the number of staff members in that department at that time.

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A staff member who is a member of a unit, not a department, receives his or her share of 5% of the Organizational Cash Differential for the weeks in the six months employed on a unit, providing the unit staff member remains with the organization. Where a staff member is transferred from a unit to a Production Department the unit bonus is paid for the weeks on a unit and the Production Department bonus is paid for those actual weeks in the Production Department. A unit staff member's share is calculated by taking the Organization Cash Differential for any week and dividing it by the number of unit staff members on staff at that time.

To arrive at a weekly departmental Cash Differential for any one

department one takes the weeks of that month, adds the total cash receipts of the department for that month, subtracts the salaries and bills of that department and its general share for that month and divides the difference between receipts and expenses by 4 or 5 depending on whether the month covered more nearly 4 weeks or 5 weeks, a fact which averages. This becomes the Cash Differential Percentage for that week for that department. The actual calculation is done by that department.

Similarly the Organization Cash Differential for any given week in the year is determined by adding up the cash receipts of the organization and its expenses for a month and dividing it by 4 or 5 as above.

The Organization Secretary receives 10% of the Organizational Cash Differential.

The head of Department One receives no bonus and staff members of Department One are considered Unit Members except where they also belong to other departments

A full time staff member is one who works a minimum of 40 hours in a week, not including the lunch hour. A part time staff member is one who works less than 40 hours a week. A bonus is calculated and paid on the basis of a full time staff member Part time staff members, regardless of what part of the 40 hour week worked are counted as half a bonus, and are paid half a bonus. In calculating the amount of the bonus part time staff members are used as half a staff member.

No bonus is paid anyone for weeks he is on vacation or out sick for any part of the week, or weeks in which any part of a day was taken off.

No person may receive a general bonus for two or more departments or a unit and a department share for the same week.

The existence of the bonus in no way deprives management of transferring or dismissing personnel at its own discretion.

All existing bonus or commission arrangements including the Christmas Bonus are cancelled.

No monies received by myself personally or not paid for actual service or commodity given by the Saint Hill Organization form no part of this bonus plan. It applies only to cash received for service or commodities delivered at or by Saint Hill, such as Training books or percentages for service. It does not include US organization percentages.

Any liability for Income Tax by reason of general bonus lies entirely with the receiving individual and not with the organization and acceptance of a general bonus is accepted only with this condition.

The organization takes no responsibility for any matters of tax on the bonus and must report it when paid, by law.

No advances on bonus owing will be paid.

Heads of departments who serve less than 6 months in that capacity will be paid

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only on the unit staff member basis from the percentage he would otherwise receive, and if departing from employ forfeits bonus.

The General Bonus comes under the heading of a gift and is not owed to the employee as it forms no part of his work contract. This scheme may be altered or withdrawn at any time by the Organization at its discretion.

It will be found that 3% of a Departmental Cash Differential is quite a sizeable

It will also be found that 2% of a Departmental Cash Differential is a very goodly amount even when divided by the number of persons on that department's staff (less the head of department).

It will also be found that 2% of the Organizational Cash Differential divided by unit staff members will be found to be a very nice amount of money. It does not matter whether they are in Department One or a unit as they would be part of the same bonus system even though domestic was transferred out of Department One.

This is my answer to your rising living costs, tax troubles, desires to make more money and have a bigger share in things.

If you make more money in a Department or help the organization make money by doing your job or promoting better or working harder and help the organization do its work at less cost, then you will receive your ample share of that difference. The earning potential of Saint Hill is high.

If at the end of the first 3 months period this system is found ineffective or undesirable, it will be cancelled and no bonus for the trial period of 3 months will be paid, but if found effective and workable it will be confirmed and paid from July 6, 1964.

L. RON HUBBARD

LRH:jw.oden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 NOVEMBER 1964

Sthil Staff only

BONUS

In accordance with the last paragraph of HCO Policy Letter of 26 June 1964, the Bonus System is modified as per this Policy Letter.

All departments and the organization were deeply in debt as per July 6, 1964. This fact was only known partially at that time. In the ensuing months large numbers of bills were discovered and paid that had not been suspected.

In April, when I resumed active management, the organization had been permitted to sink in very deep.

Industrious promotion and reorganization in the following months began to bear fruit and when Mrs. Hubbard took over as Organization Secretary in mid-June and began to reorganize the actual activities of each department, the organization climbed well out of the crisis area.

Thanks to the co-operation of each staff member and his or her excellent work in the past few months, expenses have fallen and income has risen.

As we still have a long way to go before any department or the organization is out of the red, the bonus plan as such cannot yet be put into full effect as there is no excess with which to pay it.

However, because the staff has co-operated so very well and done such a fine job helping us handle this, even though it drops the financial position back a bit, Mrs. Hubbard and I wish to show our gratitude by:

1. restoring the Christmas bonus as per the original policy letter covering it so that the staff will at least have a bonus at Christmas, and

2. doubling that bonus just to show that we really do appreciate the splendid effort everyone is making.

Our review of the situation, undertaken on the 16th, shows that in September 1965, the organization, continuing at the same level of economy and income, will be level and able to pay a bonus from its overages, which should then exist.

However, with good work and co-operation and great care in economy on the part of everyone, that date can be brought back many months, perhaps even to April 1965.

When that date is reached, a bonus system based on a percentage of an easily computed ratio between amount owed and disbursed and amount received, will be put into effect for departments and general staff. As we are daily improving our effectiveness and as new promotional plans for overseas are right now going into effect, we should do very well if we all pull together.

Meanwhile we hope you will have a Merry Christmas.

LRH:jw.pm.rd

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L. RON HUBBARD

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 NOVEMBER 1965

St Hill only

TRANSFERS FROM SHSBC TO SOLO AUDIT
COURSE

Students wishing to transfer from the SHSBC to the Solo Audit Course may do so

Only with permission of LRH.

Full credit is allowed for any sums not consumed by the Saint Hill Special

Briefing Course.

Compute as follows-Number of weeks on SHSBC times £11.9.2 subtracted from

£275 equals amount to be credited toward the Solo Audit Course.

LRH:ml.kd

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HCO POLICY LETTER OF 6 JANUARY 1966

Gen Non-Remimeo
Applies to SH only
Registrars
Cashier
Invoicing and
Qual Div
Info other orgs

CREDIT AND DISCOUNTS

DISCOUNTS

Relatives of staff and students are not entitled to discounts.

Discounts are not additive on courses and processing. A person does not get a 50% discount as a student and then 50% of that as a staff member. Only one discount counts at a time. Also one cannot have a 50% discount as a student or staff member and then 20% more as a Life Member.

The person receives only one discount on courses and processing. It may however be the largest single discount to which he is entitled.

At Saint Hill Membership discounts count only on sales items such as books, insignia, meters. But if a student discount also exists it is not added to. The largest single discount only is given.

DEBIT INVOICES

Students and pcs may not be extended into unpaid courses or hours of processing by debit invoice. When a person's paid processing is consumed, and he requires more he or she pays for it before being given more.

ORG CREDIT

Only credit for the Interneship was given to some orgs.

No other courses or intensives are given for credit to org staff from other orgs.

The Org Executive Course is awarded occasionally by SEC ED. Otherwise it is paid for.

When an org has been given special credit for a certain Saint Hill service it is in writing and specifically arranged by the Executive Director beforehand. Unless this evidence is presented no org gets any credit.

CREDIT PROCESSING

No further credit pcs, in whole or in part, will be accepted at Saint Hill, excepting only those specifically promised credit in writing or booked as credit pcs prior to this date.

As with courses, processing is paid in full in advance.

Further processing must also be paid in full in advance.

QUAL CREDIT

Qualifications (Review) actions may he signed up for credit hut only to the sum

No certificates or awards are issued until a person has an Accounts Clearance marked paid in full at Saint Hill.

COURSE CREDIT

Credit for courses has never been permitted at Saint Hill.

No Saint Hill course may be had on any credit, part or full. This

applies to the SHSBC, the Solo Audit Course and the Clearing Course.

REASON

No organization can exist extending credit in vast quantities and the policy at Saint Hill has always been no credit.

Therefore anyone extending credit at Saint Hill for Courses or the HGC Service after this date is liable to an Ethics charge of a crime as it is detrimental to the survival of this organization no matter what arrangements are made.

Aside from material reasons when we give credit service-training and processing - we deny full attention to those who are paying. Thus we cannot but give poorer service all around if we give credit service

Our purpose in this is to keep service quality at Saint Hill very very high. To do that we have to provide that service When we give credit, we spread ourselves too thin for quality.

LRH:ml.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 JANUARY 1966

Issue II

Gen Non-Remimeo

SH only

SH students

Info other orgs

CREDIT

(Modifies HCO Policy Letter
6 Jan 66 Credit and Discounts)

Credit may be extended for Review actions without limit.

Credit may be extended for small Tech and Qual Division specialities like S & D or Rehab when a person is ordered to it.

Credit may not be extended for major courses or Power Processing Intensives.

Credit is extended staff for their courses and unawarded processing and is deducted normally from weekly pay.

Credit is extended to Orgs for Internship but only when specifically arranged with the org itself by the Executive Director.

No other credit is extended orgs.

Orgs do not have to pay for awarded Executive Courses but have to pay any travel or living expenses involved.

No certificate or award may be issued unless suitable financial arrangements have been made and an accounts clearance is then shown by the applicant.

LRH:ml.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 FEBRUARY 1966

Remimeo

SH and WW only

Executive Hats

All HCO Mail Point Hats

All 'Phone Point Hats

To be enforced by

Dir Comm and Ethics

IMPORTANT

LEGAL, TAX, ACCOUNTANT

AND

SOLICITOR, MAIL AND

LEGAL OFFICER

There is all manner of legal type letters, government letters, accounting notices, assessments and such and phone calls received by persons in the org and this Pol Ltr FORBIDS it being routed all over the org to anyone and everyone.

IT ALL GOES TO THE LEGAL OFFICER

I don't care who it is addressed to, or who is being called for if it looks or sounds lawyer or legal or tax or T & C Planning or Council or anything like legal or government IT MAY NOT BE ROUTED TO ITS ADDRESSEE but must FIRST go to the Legal Officer only.

Anyone found holding or receiving or finding any legal or tax or planning matter or letter or phone call without its being routed first and at once to the Legal Officer will be reported at once to

Ethics and Ethics is to hold a hearing.

The Legal Officer is hereby authorized to have a clerk. The clerk is to keep legal files and is to receive all such legal matters, letters, summonses, etc.

The Legal Clerk may then Xerox a copy and send the copy only to the addressee. But must keep the original and must show it to the Legal Officer before even a copy is sent.

ALL OUTGOING MAIL to attorneys, tax creds, the alleged government, the Council, etc. AND A FULL RECORD OF EVERY VERBAL CONFERENCE ON SUCH MATTERS must be sent to the Legal Officer BEFORE MAILING or before being held binding and must not be sealed or ratified before so sending it to the Legal Officer.

NO STENO may mail a legal type letter or get it signed unless it is FIRST SENT TO THE LEGAL OFFICER FOR OK.

Without that okay it may not be signed or mailed.

No officer, executive or person in the organization may make legal contacts or commitments or arrangements that are not approved by the Legal Officer.

Any phone or Telex operator receiving a request from an Executive for a legal or government outgoing connection must route it instead to the Legal Officer.

RECEPTION MUST ROUTE ALL LEGAL TYPE BODIES ONLY TO THE LEGAL OFFICER AND TO NOBODY ELSE EVER.

Note: The government is so dispersed it mails anyone's mail to anybody (absolute fact) and the most dangerous notices may get sent to the most unlikely places and parts of the org. In the recent accountancy emergency it was conclusively proven that a suppressive always selects wrong targets and that includes wrong addressees.

The most vital notices were being sent to anyone whose name was handy.

THE LEGAL OFFICER

The purpose of the Legal Officer is to help LRH handle every legal, government, suit, accounting and tax contact or action for the organization and by himself or employed representative, to protect the organization and its people from harm and to bring the greatest possible confusion and loss to its enemies.

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This purpose can only be carried out if every piece of mail incoming and outgoing that has to do with legal matters, tax matters, Town and Country Planning matters, government matters, solicitor matters of any kind passes through his hands and is fitted by him into the tactics and strategy agreed upon or formulated by the Legal Section.

The Legal Officer may not take direct orders from anyone but myself, Policy Letters and SEC EDs, and obstructing him in the performance of his duty is a crime and must be followed by a Committee of Evidence.

LRH:ml.rd

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L. Ron Hubbard

To be enforced by LEGAL, TAX, ACCOUNTANT AND SOLICITOR

Dir Comm & Ethics MAIL INCOMING AND OUT-GOING

(Amends HCO Policy Letter of 3 February 1966)

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 OCTOBER 1966

Remimeo
SH & WW only
Exec Hats
All HCO Mail
Point Hats
All HCO Phone
Point Hats

IMPORTANT

Any legal, accounting or governmental communication must be Xeroxed (duplicated) upon receipt with copies sent to the Guardian WW, the Board of Directors and the addressee BEFORE the original is routed to the Legal Officer. The responsibility for such Xeroxing and routing is directly that of the Internal Comm Flow Section.

This responsibility for routing and informing of all terminals involved by Xerox copies is being turned over to the Internal Comm Flow Section as it has been seen that a breakdown within the Legal Section itself can cause urgent matters to be neglected and unhandled. This, therefore, changes the HCO Policy Letter of 3 February, 1966 where such Xeroxing was the responsibility of the Legal Clerk.

No legal, accounting, or governmental communication can leave the organization which has not been approved by the Legal Officer AND SIGNED BY THE SECRETARY OF THE BOARD OF DIRECTORS. A copy of such communications is sent to the Guardian WW and to the addressee. This changes HCO Policy Letter of 3 February, 1966 in which the Legal Officer approved such Communications and such communications were then signed by the originating terminal. Now, no matter who originates such a communication, it is to be signed only by the Secretary of the Board of Directors as a communication from the

Board of Directors, all Directors knowing about such.

In this way the Guardian WW, the Board of Directors, and the addressee can be certain that ALL incoming matters of a legal, accounting, or governmental nature have been received and handled and that outgoing communications on these subjects are according to policy.

L. RON HUBBARD

Founder

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 FEBRUARY 1966

Issue III

Saint Hill

Only

BONUSES FOR SERVICE
DELIVERY
(Effective 25 February 1966)

TECH BONUSES
Staff Auditors and Internes

Every HGC completion passed by the Qual Examiner awards the staff auditor who completed that, a bonus of £1.

Additionally each HGC completion awards the Case Supervisor, D of P and Tech Sec 2 shillings each.

Course Supervisors

Every Course completion passed by the Qual Examiner awards the Course Supervisor under which it was done £1 for each certificate or class awarded by Qual.

Additionally 5 shillings is awarded the D of T and the Tech Sec each for every completion, (certificate or classification) awarded by Qual.

QUAL BONUSES

Pc Examiner

Every pc completion flunked and sent to Review for Review auditing awards the Preclear Examiner £1.

Additionally the Qual Sec and Director of Review are awarded 5s. each.

Additionally each pc completion successfully completed by a Review Auditor awards that auditor £1.

Student Examiner

Every student flunked by the Qual Student Examiner awards that examiner £1 for every student sent to Cramming.

Additionally the Director of Review and the Qual Sec get 5 shillings each for each student flunk.

Additionally the Cramming Supervisor who completes the student so that the Examiner will pass him receives £1.

The Director of Tech Services gets 10% of the total student and pc sum awarded the Tech Division each week.

Dir Certs and Awards

The Director of Certs and Awards in Qual is awarded 10% of the total Qual Bonuses awarded each week.

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CLAIMS AND DISPUTES

All Claims and Disputes must be referred to the Director of Inspection and Reports, HCO, who may Convene a Board or hear personally all disputes arising because of the bonus arrangements in this Sec ED.

A False Claim for bonus only may be referred to Ethics. Otherwise no dispute because of these Bonus Arrangements may be made a matter of Ethics.

Any disputants must abide by the decision of the HCO Area Secretary acting through the Director of Inspection and Reports.

OTHER DIVISIONS

It is obvious that if Results in service are improved by this Bonus System all other staff members in all other Divisions will benefit by less frequent emergencies and more frequent affluences as technical service quality monitors income.

RIGHTS TO BONUS

These bonuses are not a right. Voluntarily extended, the - system may be withdrawn without notice by the Executive Director.

No pay claims may be made on the org by reason of this bonus or errors therein and no error may become a matter for "back pay".

Those receiving such bonuses by accepting them agree to this clause.

NON-PAYING PCS OR STUDENTS

This Bonus System is not extended to cover non-paying pcs or students.

CALCULATION

As all completions are invoiced in Qual, the Disbursement Section must receive copies of all such invoices which clearly state what they are and must evolve a ready accounting system to care for their payment.

Disbursement must be careful not to pay doubly on the same person at the same time, pc or student, to both Tech and Qual.

The Org Sec. Tech Sec and Qual Sec form a Committee to establish and correct the methods of calculation of these bonuses.

The bonuses are paid one week late in every case. The wages and tax of the recipients is adjusted each week accordingly.

All bonus records become part of the pay file of the recipients, and methods of duplicating records to permit cross filing must be evolved.

The Bonus Week runs the same as the Accounting Week;

Thurs 2.0 p.m. to

Thurs 2.0 p.m.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 MAY 1966

Gen Non-Remimeo

St Hill Only

BONUSES ADJUSTED
(Correction to Bonuses For service Delivery
HCO Pol Ltr of 10th Feb 1966)

HGC

1. Internes are awarded 30/-d for successfully completing a preclear to Grade V without re-assignment. For completing a preclear to Grade VA - £1.
2. Internes are awarded 10/-d for rehabilitating a pc to any Grade of Release, which is passed by the Examiner.
3. 10/-d for each S & D successfully completed. There will be a two week delay on claims for S & Ds complete, and evidence must be presented to the Examiner that the pc has not Roller Coasted in that period.
4. Where an auditor is re-assigned on Grade V, the auditor who completes the pc successfully will be awarded 15/-d. Where an

auditor is re-assigned on VA, the auditor who completes is awarded 10/-d.

5. Auditing a pc to Release on Levels 0 to IV £1 each level.

REVIEW

1. Review auditor completing a pc on Grade V - £1.

2. Review auditor completing a pc on Grade VA - 10/-d.

3. Completing a pc who has flunked a Grade check 0 to IV - 10/-d.

CRAMMING

Cramming Officer is awarded 10/-d for each student passing his first re-exam. If he flunks re-exam no bonus awarded.

EXAMINATIONS

Pc Examiner is awarded 10/-d for each HGC pc flunked and 5/0d for any subsequent re-flunk when the pc comes from Review.

Student Examiner is awarded 10/-d for each student flunked and 5/-d for any flunk on a student coming for re-exam from Cramming.

COURSE

Dir of Tech Services is awarded 5% of the total student and pc sum awarded the Tech Division each week.

Dir of Certs & Awards is awarded 5% of the total Qual Bonuses awarded each week.

Course Supervisors are awarded £1 for each student successfully passing Exam for Certification Classification, and Clear Checkout.

Course Supervisor is awarded 2/-d for each Grade VI passed by Examiner.

Other bonuses are unchanged.

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L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 JULY 1966

Sthil

Only

All Staff

DISMISSAL OF STAFF

When a Staff Member is dismissed, he or she must be given:

1. One week's notice if employed continuously for more than one week, and up to one year; or given one week's pay in lieu of notice.

Two weeks' notice if employed continuously for 2 years or more; or given two weeks' pay in lieu of notice.

3. Four weeks' notice if employed continuously for 5 years or more; or given four weeks' pay in lieu of notice.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 AUGUST 1966

Issue II

GenNon-Remimeo

St Hill

Only

BONUSES ADJUSTED

(An amendment and an addition to
HCO Policy Letter 9 May 1966)

The Clearing Course Supervisor is awarded £1/10/0 and the Assistant Clearing Course Supervisor is awarded 10/-d for each student successfully passing the Clear check-out.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 OCTOBER 1966

(Cancels HCO Policy Letter of 12 January 1966, Issue II)

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St Hill only

Receptionist

Org Div

All Personnel

INVOICE ROUTING

All Invoicing Stations

Invoice copies are distributed as follows:

WHITE

PINK

YELLOW

To the customer.

To the department concerned with the service or item purchased.

Debit and credit invoices are kept in the Department of Income for collection purposes.

YELLOW -NOT debit or credit invoices for students and pcs are routed to Address then to CF via Reception, so that Reception can check the invoices against the In the Org List. Other not debit or credit are routed from Address straight to CF.

BLUE

GREEN

LRH:rd

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To the Department of Records, Assets and Materiel for record purposes.

Consecutive series to be kept in the machine until the end of the accounting week.

L. RON HUBBARD

Founder

[Note: HCO P/L 12 January 1966, Issue II. invoice Routing, differed from the above as follows it gave 1 January 1966 as the starting date for the system, an said "YELLOW - NOT debit or credit invoices are routed to Address and then CF."3

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 OCTOBER 1966

Issue II

Sthil Only

BONUSES

REVIEW AUDITORS, STAFF AUDITORS AND INTERNED

Review Auditors, Staff Auditors and Internes are awarded for each completion as passed by the Qual Preclear Examiner as follows: -

10/- Per Grade Rehab, S & D, Assist or Sec Check

20/- Per audited Grade of Release - 0, I, II, III, IV or VA

30/- Per audited Grade V Release.

Further, Review Auditors, Staff Auditors and Internes are fined for each completion failed by the Qual Preclear Examiner as per the scale above.

COURSE SUPERVISORS AND CRAMMING OFFICER

Every course completion passed by the Qual Student Examiner awards the Course Supervisor or Cramming Officer under whom it was done 20/- for each certificate or class awarded by Qual or a 20/- fine for each certificate or class failed by the Qual Student Examiner.

TECH SEC

The Tech Sec is awarded a bonus of 10/- for each Completion on a rising graph and no bonus for any completion on a falling graph, this graph being the total completions of preclear and student examinations passed by Qual for the week.

CASE SUPERVISOR AND D OF P

The Case Supervisor and the D of P are each awarded a bonus of 5/- for each completion on a rising graph and no bonus for any completions on a falling graph, this graph being the total HGC completions passed by Qual for the week.

D OF T

The D of T is awarded a bonus of 5/- for each completion on a rising graph and no bonus for any completion on a falling graph, this graph being the total completions of students examined and passed by the Qual Student Examiner for the week.

DIR TECH SERVICES

The Director of Tech Services is awarded a bonus of 5/- for each completion on a rising graph and no bonus for any completion on a falling graph, this graph being the total completions of preclear and student examinations passed by Qual for the week.

QUAL SEC

The Qual Sec is awarded a bonus of 1/- for each £1/-/- rise in income on a rising graph and no bonus for any income on a falling graph, this graph being the total monies collected for Qual Services performed for the week.

DIR OF REVIEW

The Director of Review gets an award of 5/- for each completion on a rising graph and no bonus for any completions on a falling graph, this graph being the total completions of preclears and students handled in Review by the Case Section or the Cramming Section and passed by Qual Examiners.

QUAL PRECLEAR AND STUDENT EXAMINER

The Qual Preclear and the Qual Student Examiner are each awarded a 5/- bonus for each preclear flunked on a rising statistic and no bonus for any preclear flunked on a falling statistic for the Qual Preclear Examiner or a 5/- bonus for each student on a

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rising statistic and no bonus for any student on a falling statistic for the Qual Student Examiner.

DIR OF CERTS AND AWARDS

The Dir of Certs and Awards is awarded a bonus of 6d for each £1/-/- rise in income on a rising graph and no bonus for any income on a falling graph, this graph being the total monies collected for Qual Services performed for the week.

CLAIMS AND DISPUTES

All claims and disputes must be referred to the Director of Inspections and Reports, HCO, who may convene a Board or hear personally all disputes arising because of the bonus arrangements.

A false claim for bonus may only be referred to Ethics, otherwise no dispute because of these bonus arrangements may be made a matter of Ethics.

Any disputants must abide by the decision of the HCO Area Secretary acting through the Dir of Inspections and Reports.

RIGHTS TO BONUS

These bonuses are not a right. Voluntarily extended, the system may be withdrawn without notice.

No pay claims may be made on the org by reason of this bonus or errors therein and no error may become a matter for "back pay".

Those receiving such bonuses by accepting them agree to this clause.

NON-PAYING PCS OR STUDENTS

This Bonus System is not extended to cover non-paying pcs or students.

CALCULATION

As all completions are invoiced in Qual, the Disbursement Section must receive copies of all such invoices which clearly state what they are and must evolve a ready accounting system to care for their payment.

Disbursement must be careful not to pay doubly on the same person at the same time, pc or student, to both Tech and Qual.

The Org Sec. Tech Sec and Qual Sec form a Committee to establish and correct the methods of calculation of these bonuses.

The bonuses are paid one week late in every case. The wages and tax of the recipients is adjusted each week accordingly.

All bonus records become part of the pay file of the recipients, and methods of duplicating records to permit cross filing must be evolved.

The Bonus Week runs the same as the Accounting Week: -

Thursday 2.00 p.m. to

Thursday 2.00 p.m.

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L. RON

HUBBARD Founder

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 NOVEMBER 1966

Sthil
only

ADDENDUM TO HCO POLICY LETTER
OF
17 OCTOBER 1966, "BONUSES"

Fines for Review Auditors, Staff Auditors and Internes for each completion failed by the Qual Preclear Examiner as per the Scale given in HCO Policy Letter of October 17, 1966 may not exceed the weekly basic pay of the Review Auditor, Staff Auditor or Interne.

Such excess fines are carried forward from week to week and deducted from bonuses awarded.

It was never thought possible that any Saint Hill Auditor could possibly have more failed completions than passed completions in any given week; however, this policy establishes how such can be handled when it does occur.

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Mary Sue Hubbard

The Guardian WW

L. RON HUBBARD

Founder

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 NOVEMBER 1967

Gen Non-Remimeo

WW Only

BONUSES ADJUSTED

(Addition to HCO Policy Letter 17 October 1966

Issue II, Cancels HCO Policy Letter of

22 August 1966, Issue II)

The Chief Supervisor of Advanced Courses is awarded 10/- and the Clearing or OT Course Supervisor or Assistant Supervisor who supervised the case, is awarded 10/- for each student successfully passing the Clear Check-out, and 15/- the Section I or Section II OT Check-out.

Chief Supervisor Advanced Courses: Janet Guilford Qual Sec SH:
Helen Pollen HCO Area Sec WW: Len Regenass Exec Council WW: Tony
Dunleavy Eunice Ford LRH Comm WW: Ken Delderfield D/Guardian WW:
Joan McNocher

Mary Sue Hubbard
The Guardian WW
for

L. RON HUBBARD
Founder

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HCO POLICY LETTER OF 18 NOVEMBER 1967

St Hill only

Treas Div

BLUE AND GREEN ACCOUNTS INVOICES

(Amends HCO Policy Letter 13 October 1966 'Invoice Routing')

Due to the expansion and volume of traffic through Saint Hill, it is not practical to clear the accounts invoice machines of green invoices once a week only. It is also impractical to bank weekly. These actions will now be done daily. The green invoices will be kept continuous and removed from the machines at the end of each day and at 2 p.m. Thursdays. The money will be removed from the machines at the same time (leaving only the float). The in-series green invoices are used for the banking record per HCO Policy Letter 13 January 1966. The additional set of invoices which are separated and used for income analysis by separating into income types is the Blue set and are placed in the folder with the green invoices and Bank deposit records at the end of each week.

Blue invoices will be routed with FSM Commission routing forms per HCO Policy Letter 9 January 1967, 'FSM Administration in Organizations'. The costly and time consuming practice of Xeroxing these invoices is to cease. When the FSM commission cheques have been signed at the end of the week, the Disbursements Officer detaches the Blue invoices from the routing forms and delivers by hand to the Records Officer in the Dept of RAM for inclusion in the set. If for any reason the weekly income sheets from departments do not add up to the gross income for the week, the Blue invoices may be divided into boxes with adding machine tapes taken as a quick method of checking the income reports. The Blue invoices are then returned to the appropriate folder.

In the event of an FSM commission payment being queried by the Cheque Signers, the Blue invoice will be detached on return to the

Disbursements Officer at the end of the week and replaced by a Xerox copy.

This resolves the confusions which have persisted on accounts invoice policy at Saint Hill since SH have been banking daily and returns invoice usage to the way it was when the extra (Blue) copy was introduced and HCO Policy of 13 January 1966 written.

Treasury Sec SH

Qual Sec SH

HCO Area Sec SH

Advisory Council SH

Executive Council SH

LRH Comm SH

Executive Council WW

LRH Comm WW

D/Guardian WW

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Mary Sue Hubbard

The Guardian WW

for L. RON

HUBBARD

Founder

: Brian Livingston

: Helen Pollen

: Bene Neal
: Helen Pollen
: Barbara Gentry
J.J. Delance
: Irene Dunleavy
: Tony Dunleavy
Eunice Ford
: Ken Delderfield
: Joan McNocher

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 NOVEMBER AD19

Remimeo
Public Divisions
Hats
Accounts Hats

PES ACCOUNT VERSUS
HCO BOOK ACCOUNT

Since the beginning of Scientology no real special allocation has ever been made to promotion that the Public Division could call their own. The "PES ACCOUNT" is now created based on the idea that:

IF THE PUBLIC DIVISIONS MAKE IT THE PUBLIC DIVISIONS GET IT TO
MAKE

MORE OF IT.

MONIES THAT GO INTO THE ACCOUNT

Dept 16 Ethnic

Dept 17 Public Planning

Membership fees.

"FSM Magazine" Sales

Dept 18 Public Communication

\$1 or 5s per New Name to C/F. (Emphasize that it is someone who has actually bought something from the Org.)

Dept 19 Public Contact

Congress profits and 25% of all services (except Pub Div services which go 100% into the PES Account) sold on the congress floor for cash at that congress, plus 10% of all booksales made at the congress.

Ron's Journal Congress = 40% of the Org's income rise plus 10% of the booksales made for the congress.

25% of Org signups made from monthly film presentations, tape presentations, RJ weekly presentations, open evenings, and testing.

Income from the test centres other than book sales which go to the HCO Book Account.

Dept 20 Public Supervision

HAS Course fees, HQS Course fees, Anatomy of the Human Mind Course fees, Franchise Training Course fees, Extension Course fees, Basic Management Course fees, Personal and Family Management Course fees. Children's Course fees.

Dept 21 Success

Review fees for any pc not passing the 2 Key Questions, 10% of Org signups made due to a success story and success book sales.

Dept 22 Clearing

5% of signups for every selectee arriving at the Org for services. Field membership renewal fees, 10% of profits made from public programmes actually co-ordinated by the Programme Officer. (The rest going to the Gung-ho Groups who earned it.)

Dept 23 Expansion

Profits made from special projects, 5% on signups made of every franchise selectee arriving at the Org.

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Dept 24 Public Relations

Donations, 10% of signups from persons brought in by PRO TV, Radio and press, Marriage counselling fees, Chaplain's Court fees.

USE OF THE ACCOUNT

Public Divisions promotional mailings, congress promotion, congress hall rental, Public Events, financing test centres, or testing, service and PE lecture Ads, success story publications, membership cards and promotion, Public Programmes, Public Division magazine printing and posting, Continental Mag printing and posting, financing open evenings, PRO Appearances and PRO Activities. Note: FSM Commissions are NOT paid out of the PES Account.

BONUSES

Two percent of the monthly gross income to the account goes to the PES of the Org. 1/2% goes to the PES Continental. In the case of an AO the (c) does not apply.

ITEMS ALLOCATED FOR BY FP

Income from the sale of the bookstore items such as scarves, Scientology jewelry, insignia may be applied for by the Dissem Sec for use in purchase of more such items and would be subject to approval or not by FP.

SIGNATORIES

The signatories to the account are the PES, PAS and the OES jointly. Singly LRH and MSH are made signatories. Jointly the 2nd Guardian Finance and the PES WW. In the case of AOs, CS3 and the SBO are joint signatories instead of the latter.

OPERATION OF THE ACCOUNT

The account is operated as any other account, by Division III. Every month Division III forwards an exact accounting of the PES Account expenditures and deposits to the PES of the Org. In AOs this is done weekly and copies of the summaries go on usual lines via FBo to the SBO. For other Orgs copies of summaries go to the 2nd Deputy Guardian for Finance and the PES WW for their information. A cheque book is also forwarded to the PES WW via Treasury Sec WW,

PUBLIC DIVISION PRICES

The prices of Public Division Services are all specified in policy. Follow these prices. As a guide HCO P/L 23rd September 1964 outlining costs should be followed.

HCO BOOK ACCOUNT

Into this account now goes booksales and E-Meter sales. The use of this account is solely for books and their shipping and E-Meters and their shipping and book promotion. HCO Policy Letter of 11 May

65 basically stands. HCO Policy Letter 6 October 66 is hereby cancelled.

POLICING ACTION

PES's to ensure their account is paid its due, should make close liaison to the cashier and if he's really smart, make a short questionnaire for the Registrar to use in finding out what brought the public body to the Org.

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Lt. Cmdr. Diana Hubbard

CS-6 for L. RON

HUBBARD Founder

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 DECEMBER 1969

Issue III

Remimeo

Franchise WW

Franchises

PES WW

ACCOUNT

The Franchise Section WW by reason of good stats, and on the recommendation of CS- 6, are authorized to have a Bank Account of their own. Such an Account will be called the PES WW Account.

PURPOSE

The purpose of this Account is to enable the Franchise Section WW, through the availability of funds, to expand and improve their services with regard to Franchises in the field.

PERCENTAGE

Of the total monies received from Franchise 10%'s at WW each week, 5% of the total amount is automatically deposited to this Account.

SIGNATORIES

The signatories for this Account are L. Ron Hubbard, Singly, and any two of the following: PES WW, Distribution Sec WW or Franchise Officer WW, the Account is operated as any other Account by Division III.

USE OF THE ACCOUNT

The allocation of monies from this Account lies at the discretion of the PES WW, Distribution Sec WW and Franchise Officer WW with regard to what promotional action will boost stats such as the mailing of an FSM Advice Letter or FSM Material Packs.

NO MONIES MAY BE USED FROM THIS ACCOUNT OTHER THAN FOR OPERATING EXPENSES OF THE FRANCHISE SECTION WW AND IMPROVEMENT OF SERVICES TO FRANCHISES.

Lt. Robin Roos CS-3
for L. RON
HUBBARD Founder

LRH:RR.rs.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 DECEMBER 1969

Remimeo
Public
Divisions Hats
Accounts Hats

PES ACCOUNT

AMENDED

The use of this account for the Org's magazine is hereby cancelled and the Policy Letter of 12 November 1969, PES ACCOUNT VERSUS HCO BOOK ACCOUNT, is hereby amended. The duty of mailing and preparing the Org mag has never been a function of the Public Divisions. The finance for this will be allowed for by F/P.

Lt. Cmdr. Diana Hubbard
CS-6 for L. RON
HUBBARD Founder

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 APRIL 1970
Cancels HCO PL 10 Dec 69, issue III

Non Remimeo
WW Only
Franchise WW

PES WW
ACCOUNT

The previous now cancelled PL allowed Franchise WW 5% of the 10% received at WW from Franchise to expand services.

The former PL proved unworkable due to reported denial of the 5% to F/O WW which was heavily involved in defense expenses.

Two changes in this arrangement are therefore ordered effective on receipt of this

FSM SUM

The Franchise Officer WW is to have the sole management of an account which is to be used for additional expansion over and above the cost of running Franchise WW.

The amount to be paid into this account each week from Franchise 10% receipts shall be computed on the basis of 5% of the total sums of FSM commissions received by Franchises from orgs reported at WW in that week.

ENFORCEMENT

The Franchise Officer WW may appeal to the nearest station ship for assistance in the event the sum is not paid over.

COMPUTATION

It is clearly understood that the FSM sums are not themselves received but that only the 10% are received at WW. The 5% is in the amount of 5% of the reported FSM receipts, but is paid from the 10% receipts.

The expenditure of this 5% is outside FP. The 5% is included in FP.

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L. RON HUBBARD

Founder

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 APRIL 1970

Remimeo

Public Divisions

Treasury Division

FBO Hats

PES ACCOUNT REVISED

(Cancels HCO PL 12 November 1969,

"PES Acct vs HCO Book Acct")

The principle of the PES Account is that:

IF THE PUBLIC DIVISIONS MAKE IT, THE PUBLIC DIVISIONS GET IT TO MAKE MORE OF IT.

To reinforce that principle and the major actions of Public Divisions and to more closely align PES Acct income with the disbursement percentiles of orgs, PES Account policy is revised as follows:

WHAT GOES INTO THE PES ACCOUNT

1. \$2.00 for every New Name to CF which has newly bought something from that org that week.

2. \$1.00 for every \$10.00 paid that week in FSM commissions (except Sea Org orgs which get 81.00 for every \$15.00 paid in FSM commissions).

3. All course fees from Public Division courses and income from test centres (except booksales).

4. All ticket sales from congresses and ticket sales from any public event financed by Public Divisions.

5. Sea Org orgs running Goodwill tours may deposit to their PES Accounts 2% of income they collect for their own org while on tour, provided that all tour expenses are paid by the PES Account.

Memberships and donations, assigned previously to the PES Account are reassigned as follows:

As book profits are affected by membership discounts, membership fees revert to the HCO Book Account. Donations belong to the Building Fund.

USE OF THE PES ACCOUNT

Public Divisions promotional mailings, congress promotion, congress hall rental, and congress expenses for items and facilities used only for a congress, financing test centres or

testing, newspaper ads for service or PE lectures, success story publications, public programmed printing and posting of Public Division magazines and advice letters, financing open evenings, PRO appearances and PRO activities.

FSM Commissions may not be paid from the PES Account. Membership cards and promotion costs are payable from HCO Book Account.

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BONUSES

2% of the month's total deposits to the PES Account goes as a bonus to the PES of the org. (c) goes to PES Continental. These bonuses are not paid in Sea Org orgs, which are on a different pay scale.

SIGNATORIES

Signers on the PES Account are the PES, PAS and OES of which any two may sign. LRH and MSH sign singly and the Dep Guardian Finance WW with the PES WW jointly. Check signing policies apply to the PES Account as to any other. For Sea Org orgs, CS-3 and CS-6 sign jointly in place of 2DGF WW and PES WW

OPERATION OF THE ACCOUNT

PES Accounts are operated as any other account, by Division 3. A monthly accounting of all deposits to the account and expenditure from it goes to the PES of the org, with copies to the PES WW and Dep Guardian Finance WW. Sea Org orgs send the copies instead to the FBO (Flag Banking Officer) and via him one to CS-3.

PES WW should have one spare checkbook for the PES Account of each org. CS-3 holds one for each SO org.

PUBLIC DIVISION PRICES

Prices of Public Division services are given in policy and HCO PL 23 Sept 1964 may be used as a guide.

HCO BOOK ACCOUNT

HCO Book Account Policy has been restored. HCO PL 6 October 66 ADDITION TO HCO DIV ACCOUNT POLICY applies except where specifically in conflict with this policy letter, as in Congress costs

INCOME ALLOCATION

PES Account income is not subject to percentile allocation but is among deductions made in calculating corrected gross income on the weekly AC-I form. This also applies to Sea Org orgs.

The attached form is mimeoed on the reverse side or as an attachment to the org's AC- I form to provide a breakdown of PES income that week.

A wise PES will establish a close liaison with the cashier and check the PES figure against invoices from time to time.

In a SO org the FBO checks it against invoices every week.

LRH:VP:nt.ei.rd

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for L. RON HUBBARD
Founder

PES INCOME
BREAKDOWN

W/E_

1. \$2 for every New Name to CF which has newly bought something from this org this week.

TOTAL _ 2. \$1.00 for every \$10.00 paid this week in FSM Commissions (except Sea Org orgs which get \$1.00 for every \$15.00 paid in FSM Commissions). TOTAL

3. All course fees from Public Division courses and income from test centres (except booksales).

TOTAL

4. All ticket sales from congresses and ticket sales from any public event financed by Public Divisions.

TOTAL _

5. Sea Org orgs running Goodwill Tours may deposit to their PES Accounts 2% of income they collect for their own org while on tour, provided that all tour expenses are paid by the PES Account.

(SO orgs only) TOTAL

TOTAL DEPOSIT TO PES ACCT

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 JUNE 1970

(Cancels HCO PL 12 Nov AD19,

PES vs HCO Book Acct

and HCO PL 29 April 1970,

PES Account Revised)

Remimeo

Pub Divs

TREAS SEC

PES ACCOUNT

(Two PLs [as above] sought to resolve the problem that orgs did not give their public divisions sufficient funds to promote. They are cancelled.)

The basic outness in orgs is that they have in the past sought to economize by saving on promotion.

Establishing a PES account was supposed to merely implement sums normally given in FP for promotion.

A rough estimate of the amount of the money that should be allocated to promotion in a Class IV org would be about 40% of the Disbursement Account which is 35% of the gross income. This is about 14% of the corrected Gross income of the org (In an SO org it would be 14% of a sum allocated for the total bills of the org.)

This is minimum promotion.

Therefore, no FP can be considered passed or valid that does not provide 14% of the Corrected Gross Income for Promotion Expenses.

In an org which has three public divisions and is running public service services and courses such as Testing (free), HAS, HQS, Group Auditing and Co-auditing and Congresses the small fees for

these courses and larger Congress fees should be earmarked for and assigned to the cost of materials, advertising, quarters especially procured, Supervisors and other expenses directly related to giving these courses and services, (understanding that the public divisions stress Div IV training courses in their larger sales to such public). This is to prevent mobs of people being serviced free to such a degree that the org would become financially unable to continue such services.

The full intention of this PL is to finance promotion and inhibit "saving" money at the expense of promotion.

Complaints arising from unreal denial of promotional funds to Public Divisions which limits org income should be addressed to CS-6, Flag for arbitration.

The continuance of PES accounts as such should be established after study of their use or value by the D/Guardian for Finance. Until so decided they may be used.

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Founder

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 APRIL 1969

Issue II

(Reissued from LRH ED 146 SH)

Remimeo
Accounts Hats
Star Rate

ORG DIVISION

Income Dept.

The income Dept has three sections which must not tangle and cross.

These are Area Cashier and Collections Section, invoicing Section and Collections

The Area Cashier and Collections is total body traffic. It takes in all payments and collections in the area-meaning people who are on the premises. It must have its window, its own invoice machine, its own cash box and records, independent of the other sections.

The invoicing Section handles the letter mail and sent in payments. It has its own invoice machine and records. It only receives money.

Neither Area Cashier and Collections or invoice bank money. Banking is handled by the Dept of Records.

The Collections Section sends out all mailed statements to individuals and statements to ores and acts and writes to collect any money owed the org from any source. It has its own statements books and files and receives whatever Area Cashier and Collections has uncollected when a person leaves the area. Collections can advise Area Cashier and Collections that a person now on the premises owes money and that Area Cashier and Collections might collect it. Usually files of people now on the premises are turned over by Collections to Area Cashier and Collections and are turned back when they leave, care being taken not to lose track of such files in making statements and mailing them. Collections should have a statement sheet for every person who owes the org money.

The income Dept turns over all its funds to Records for safeguarding and for banking, bank reconciliation, etc. at the end of each day. Dept of Records attends to deposits, clean and streamline the flow lines of income and you raise gross income.

Leave a lot of details belonging to other depts in the income Dept and you reduce income.

Even where 1 person wears 2 income hats, the desks, files and equipment and actions must be separate for the Sections.

Arrange the flow lines so Area Cashier and Collections does not trip up anywhere or the other two sections and can collect money in the area.

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HUBBARD COMMUNICATIONS OFFICE

37 Fitzroy Street, London W. 1

NOT HCO POLICY LETTER

ORIGINAL COLOUR FLASH

BLUE ON GOLD

ADMINISTRATIVE DIRECTIVE OF 10 APRIL 1958

RE: 5TH LONDON ACC

A DScn is charged full fee for lower courses than an ACC. ONLY ACCs are free to DScns. "Testing fee only" applies only to ACCs for DScns. Lower courses than ACC are paid for by DScns, as they can receive same instruction on an ACC.

Assoc Sec per LRH comments to Tech Dir

223

HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HASI POLICY LETTER OF 22 SEPTEMBER 1958

Distribution:

ACC Admin

Treasurer; Treasurer's Sec

Registrar

Association Secretary

HCO

ACC ACCOUNTS AND
PAYMENTS

1. All ACC cash payments shall be paid into Account No. 1 in HASI's London Bank. These sums are to be left intact until further [disposition is made].

Banker's Order payments by ACC students after beginning of course shall be paid into Account No. 1 until further disposition is made.

2. No student may be admitted to the ACC (save staff as per below) either retread or new student for a price less than £40 cash before course beginning. No credit is allowed on retreads and no student is to be admitted who has not paid £40 cash or more

(preferably a cash payment for course in full) before the course actually starts. This does not apply to "staff members", see below.

3. All payments to be made by reason of notes incurred by course must be in the form of a banker's order. No other payments of any kind are acceptable. No notes of hand are acceptable to the Registrar on any processing or training except banker's orders in any event.

4. "Staff Members" may enroll in the 5th London ACC only on the basis of special arrangement as given here.

Definition: A "staff member" is one who holds a permanent staff certificate. This does not apply to persons on staff who do not hold such a certificate. Such a "staff member" may take the 5th London ACC by paying a deposit of £10 and by having deducted from his salary 20% per week until full amount of ACC fee is paid. The "staff member" must guarantee to work for the HASI until the full sum is paid and is to sign a contract to do so. A provision of the contract shall state that on leaving the employ of the HASI the full remaining sum shall become due and owing at once. No pay shall be paid a staff member during his time spent on course. All staff of whatever category may attend the lectures given by me-during the course as a precedent of some standing but this shall not constitute an enrollment or give the person attending the lectures any credit toward a degree.

Any person not a permanent staff member who wishes to enroll in course must abide by all the provisions of paragraphs (2) and (3) above.

5. All students of the 5th London ACC must be enrolled before 10.30 a.m. Monday October 20th, 1958. Publicly we want them enrolled before 8.30 a.m. but there are always stragglers and people who have not signed up everything. These will be sent back to the Registrar as soon as they appear. They must have a HASI white invoice receipt stating terms of sign-up which they will be

required to show the ACC Administrator, Dr. Jan Halpern at 7 Fitzroy Street Monday morning. Yellow copies of these invoices, showing everyone enrolled, shall be delivered to Dr. Halpern Monday morning.

6. The HASI Registrar and The Assistant to the Treasurer shall have full enrollment and financial responsibility in enrolling the 5th London ACC.

L. RON HUBBARD

LRH:rs:cden

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W I
HASI POLICY LETTER OF 19 JANUARY 1959

EXTRA WEEKS ON HPA
COURSE

The following is policy in relation to students who could not make the grade in the eight weeks HPA Course:

If the course was paid in whole, in advance, the student is entitled to free weeks to finish his training.

If he has not paid in advance he is only permitted eight weeks.

Extra weeks will cost £7.10.0 per week.

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 11 MAY 1959
(Convert into a Sec'l ED)

HPA/BSCN "RETREADS"

There is no such thing as an HPA/BScn retread fee.

If an HPA wants to retread to new HPA course, he can pay the usual price per week for training (about 15 gns).

I know there is now a mish-mash in training because of a new course more basic than old courses. We'll just have to cope.

LRH:cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 OCTOBER 1959

CenOCon

PROCESSING OF CHILDREN ON THE HGC

Children are to be charged full rates on the HGC. They are pretty difficult to audit so should be charged as much as grown-ups, unless there has been confirmation on this from LRH to do otherwise.

The only exception to full rates would be auditors, their husbands/wives and children.

LRH:js.fd

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HCO Secretary WW

for L. RON

HUBBARD

HUBBARD COMMUNICATIONS OFFICE

37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 29 MARCH 1960

Reissued in Stihl

CenOCon

HGC AND ACADEMY PRICES FOR MINORS

(Cancels and replaces HCO Policy Letter of 27 October 1959)

The following two categories of minors are instituted for Academies:

1. A minor below the age of eleven (11) is not eligible for training at the Academy except by special permission of LRH.

2. A minor, to qualify for training at the Academy, must have

reached his/her eleventh (11th) birthday and not have reached his/her eighteenth (18th) birthday.

The minor's training fee for the HPA and B.Sc. (HCA and HCS) courses shall be two thirds of the adult fee, whatever fee is in force.

The reason for disallowing minors below the age of 11 to attend the Academy is that such beings are, usually, still in need of special attention that would normally tend to create a situation of specialized care that would consume too much of the instructor's time.

HGC PRICES FOR MINORS

HGCs may accept a child of any age for processing (except psychos as per present policy).

Below the age of 14 years, a child will be charged full price at HGCs. They are pretty difficult to audit, so should be charged as much as grown-ups, unless there has been confirmation on this from the Executive Director to do otherwise.

SPECIAL CATEGORY

Between the ages of 14 and 18, minors will be charged two thirds of the HGC processing prices. (After the age of 14 children are easier to handle, and this price reduction is an encouragement to teen-agers to get processing.)

In the case of minors directly related to Certificated Auditors (their immediate family), the current discounts apply as before.

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Peter Hemery HCO
Secretary WW for
L. RON
HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 MAY 1960

CenOCon

EXTENSION COURSE PRICES

(Corrects HCO Policy Letter of May 20, 1960, same title)

HCO Policy Letter of May 20, 1960, contained incorrect information. Please amend as follows:

Prices for the Extension Course are as follows:

HPA/HCA Extension Course - £12.0.0 or \$34.00 B.ScN/HCS Extension Course - £12.0.0 or \$34.00

This course may be bought in units, one unit at a time. The price of each unit of each course is £3 or \$8.50 per unit.

Usual discounts allowed for cash payments. Lifetime Members/Shareholders are allowed to have the HPA/HCA Extension Course free, but must pay the normal fee for the B.ScN/HCS Extension Course.

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Peter Hemery HCO
Secretary WW for
L. RON
HUBBARD

[Note: Revision was change of price from £15 or 542 to £12 or 534,
also addition of second last paragraph.]

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 2 NOVEMBER 1960

HCOs
Central Orgs

HPA/HCA COURSE

To avoid any confusion that may exist, it is emphasized that the
Academy HPA/HCA Course is basically an eight week Course, and is
sold as such. The student pays for any extra weeks he may take.

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Issued by: Peter Hemery
HCO Secretary WW

for

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 FEBRUARY 1961

HCO Secs
Assoc Secs
Registrars
Dir PrR

FREE COURSES

The only free course given is where the student signs a contract to audit HGC preclears under the D of P for at least one year.

The penalty if they refuse to carry this out is 250 guineas for the training they receive.

L. RON HUBBARD

LRH:js.rd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 MARCH 1961

HCO Secs
Assoc Secs
Registrars
Dir PrR

FREE COURSES

(Revises HCO Pol Ltr of February 27, 1961, same title)

This Policy Letter applies only to professional auditors and night training courses.

The only free course given is where the student signs a contract to audit HGC preclears under the D of P for at least one year.

The penalty if they refuse to carry this out is 250 guineas for the training they receive.

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LRH:ph.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 DECEMBER 1961

CenOCon

INTER-ORG EXCHANGE OF STUDENTS

The following Policy Letter is written and requested to be issued by Assoc Sec London and is issued herewith:

4.

LRH:esc.cden

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1. A student starting the Course in an Org, whose account has been paid for, can without further payment carry on in another Org to complete a Course begun but not finished.

2. If his account has not been completely paid, then balance due is to be cancelled by the Org he is leaving and taken over by the Org he is joining. The necessary papers to be completed thoroughly.

In the case of (1) above, no funds need to be transferred from one Org to another. In the case of (2) above, each Org will receive what is obviously in the books, without any transfer of funds except the transfer of papers.

In the past, a gentlemen's agreement was arrived at between D of Ts or Assoc Secs but it can create randomities about Accounts, transfer of currencies, right unexpired portion of Course (this is unworkable now) for assessing costs, etc.

We have had three cases on hand - Joburg/London, London/Melbourne, London/Washington. Those here have spent 14 weeks on Course. If they finish in Melbourne, we would feel upset in disbursing some portion of what was paid for, and for which we have given 14 weeks. On the other hand, Melbourne will feel upset if in turn they had to give themselves another 10 weeks for example.

On the other hand, only London and Washington could transfer monies, whereas the other Orgs are under strict exchange control.

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 FEBRUARY 1962

Sthil
HCO Secs
Assoc Secs

SAINT HILL RETREADS
(Amends HCO Pol Ltr of December 19, 1961)

If a student has exceeded eight weeks initially on the Saint Hill Special Briefing Course, he or she must pay for weeks of retread, if returning to Course for further training, at the rate of \$50.00 or £18.0.0 per week, which is half the weekly cost of the original course.

When a student has been terminated he or she has the right to extend by paying the weekly retread fee from the date of termination.

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[Note: The amendment is the addition of the last paragraph. - Ed.]

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 JULY 1962

Franchise

ACADEMY
EXTRA WEEKS

Any extra week payment being required of Academy students in any Organization is abolished herewith effective on receipt of this Policy Letter.

The mission of an Academy is to make Auditors who can audit, and issue them their certificates.

Should a student leave the Course and return after two weeks a retread fee of 30% without further grant or discount of the original HPA/HCA full course fee shall apply.

The Academy course has no finite duration but every effort should be made to graduate the student at the end of twelve weeks.

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Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 NOVEMBER 1962

CenOCon

Franchise

Field

SAINT HILL RETREAD FEE

The retread fee for Saint Hill Special Briefing Course is 50% of the regular course

A retread is sixteen weeks long.

Weekly retread fees are discontinued.

Once terminated, a student may only retread.

There are no special arrangements for retread or less time offered.

There is no time interval specified before a retread can be had.

Acceptance of retread on the course follows routine channels just as in original

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 MAY 1963

CenOCon

SA Orgs

STUDENT RATES FOR HGC AUDITING IN SA

ORGS

Students on professional level courses in the Academy may be

ordered to processing by the Director of Training if such processing is necessary to enable the student to complete his training.

This processing may be supplied by the HGC at R100 per 25 hours (no further discounts).

Processing of students in an HGC is always secondary to the processing of regular pcs in case of auditor scarcity

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Issued by: Jack Parkhouse

Continental Director Africa

Authorized by: L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 JULY 1963

Orgs

Sthil

Franchise

RETREADS ON SAINT HILL

SPECIAL BRIEFING COURSE

Students on the Special Briefing Course who require leave of absence for emergencies may do so under the following conditions, otherwise they will be charged a re-tread fee irrespective of the

length of time they have already been on Course.

2 weeks absence (with permission only)

3 months (by very special arrangements beforehand).

Other than that, any student leaving Course for any reason whatsoever will be charged a re-tread fee on returning. No part of the original fee is returnable.

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Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 8 OCTOBER AD 13

Central Orgs

Franchise

Field

NEW SAINT HILL CERTIFICATES AND COURSE

CHANGES

Without changing the curriculum, units or instructors, on 1st December AD 13 the Saint Hill Course will be divided into two certificate levels and the cost will be reduced.

Many Auditors have not been able to take the course because of fear they will be held over beyond the time they can afford

As clearing has returned as a reality at Class III and as this was the basic purpose of the course, two certificates will now be issued

HUBBARD SENIOR SCIENTOLOGIST (ST. HILL). This certificate will be issued to any student attending the course 16 weeks. If all course requirements are also met a Class III will be awarded. An additional four weeks only will be allowed for completion of check sheets, but no student enrolled will be held beyond sixteen weeks or extended on course more than an additional four weeks. The cost of the course has been dropped to £250 Sterling (\$700). The student so enrolled is then assured of being able to return home after 16 weeks of intensive training and is assured of receiving the certificate of HUBBARD SENIOR SCIENTOLOGIST (ST. HILL). HPA or HCA is prerequisite to enrollment. Our experience has been that nobody can go through the Saint Hill Course, whatever he or she did with grades, without becoming a remarkably superior auditor.

The second course begins with the completion of the HSS (ST. HILL) Course, an HSS (ST. HILL) being prerequisite to it. This course is scheduled as a 20 week course It awards the certificate HUBBARD GRADUATE AUDITOR and, if all check sheets are completed, Class IV is also awarded. Class III may also be awarded on this certificate. This course takes the student from clearing to auditing to OT. Its subject materials are those now existing as Level Four. The cost of this course is additional to the HSS Course. The cost is £250 Sterling (\$700) with a £50 grant available from Mary Sue to those she especially wants on this course.

During the past year the original 20 week SHSBC has been extended in subject materials to cover all levels of auditing and as such has exceeded the original requirements.

Students enrolled before 1st December, 1963 will receive the original course at the original cost and may extend into the second course at option without further cost.

Retread students will be honoured as having completed the first course regardless of units they are assigned to and their cost will be that of the second course.

Course materials have been stable for some time.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 JULY 1965

Remimeo

RELEASES

When any pc signed up and being audited on any 25 hour intensive reaches the state of First Stage Release, the processing is immediately ended (with a gentle That's It). The intensive is not completed. However, as the goal of the processing has been achieved, the money of the balance of the intensive is not refundable.

However, in celebration of the person having reached the State of Release, the org may credit the person with that amount (of the unused balance of the intensive) toward training. If no training is going to be undertaken by the person, then, of course, there is no

crediting. Training should be heavily encouraged since that is the route to Cl VI and Clear and it is not envisioned that there will not be plans on the part of the person for training.

The fact that, in the case of Releasing the person before the completion of the 25 hours, the money will not be refunded, due to the goal of the processing having been achieved, should be added to the HGC Contract.

L. RON HUBBARD

LRH:mh.kd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 SEPTEMBER 1965

Issue VI

Gen Non-Remimeo

SAINT HILL SERVICES AND
PRICES

(Preserved policy from former Policy
Letters which have been cancelled)

Saint Hill has just opened its Hubbard Guidance Centre in order to be in line with all orgs over the world in all departments.

The Saint Hill Course now handles all levels of Training but these courses are review courses at the lower levels and HCA (classed or unclassed) or old Commonwealth HPA (classed or unclassed) remain the entrance requirement. Students go through all

levels, usually the lower ones very rapidly, and are Classified for each Level with a Saint Hill Classification.

Saint Hill Classification takes precedence over all other Classifications in any level. A student's own Classification is not taken away but for the duration of the course is invalid but may be resumed on departure from the course. However the student usually has a far higher Saint Hill Class on leaving.

The purpose of the Saint Hill Special Briefing Course remains the same-to make the auditors and instructors who make the auditors and instructors over the world and to put the final polish on auditing. As auditors sometimes do not realize that an auditor of a higher level always audits at the pc's level, seeing and getting lower level results and clearing with them is very revelatory. One does not expect a Class VI auditor to run only Level VI. Quite the contrary. A Level VI auditor should be able to do Level 0 work superlatively well. Many release today at only Level 0; much less IV. So the Saint Hill Course enters all students today at Level 0 and rapidly moves them right on up in quick time. Students who know the lower material of course get it checked out very readily.

SAINT HILL COURSE

Any part of the Saint Hill Course or retread is £275 cash. There is no credit extended, no discounts. Credit is allowed on auditing and Review to Saint Hill Course students when on course.

SAINT HILL HGC

Prices are 5500 or £180 public, \$250 or £90 student and professional rates.

Other HGC Grade Certificates are honoured in the Saint Hill HGC, but the holder is carefully checked and any unflat auditing detected and repaired before the pc is allowed to go on to the next certificate.

NO CREDIT

Credit is not extended at Saint Hill or Washington to Franchise Holders or members on books, tapes or meters, as it makes too much accounting.

LRH:ml.rd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 JANUARY 1969

Remimeo

ADVANCED-ORG

AWARDS

When an AO service is awarded a staff member from another Scientology Organization for a job very well done, the org awarding the course forwards payment to the respective AO.

Once payment is received the person will be enrolled on the course.

An AO does not deliver such services free.

The only exception is when an AO course is awarded by LRH

personally.

LRH:ei.rd

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Lt. Robin Roos

CS-3

for

L. RON

HUBBARD

Commodore

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 JUNE 1969

Remimeo

DIANETIC COURSE
PRICING

The cost of the Hubbard Dianetic Counsellor Course (HSDC) remains as already issued - \$500 00 U.S. dollars and £125.0.0 UK sterling.

The cost of the Supervisors Course (with an HDC, the graduate of this course becomes a Hubbard Dianetic Graduate) is 3125.00 U.S. dollars or £30.0.0 in UK sterling.

LRH:ei.kd

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L. RON HUBBARD

Founder

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 2 SEPTEMBER 1969

Remimeo

BPI

Auditor

OLD ACC STUDENTS

Any and all persons who have ever enrolled in an ACC (Advanced Clinical Course) providing only that a fee was paid in full, is entitled to the following:

1. Full training as an HDC in the DAC of his nearest org or an SH or an AO.
2. Student Auditing in Dianetics and org reviews to resolve any possible case difficulties.
3. Assistance in obtaining any medical treatment indicated as necessary by competent medical examination.
4. A retread to Class VI in a modern SH Course.

No fees, except for any medical treatment indicated, may be charged for any of the services above.

All orgs, AOs and SHes are ordered to deliver the above services.

The Public Executive Secretary is to cause his division to unearth all past ACC records for names and addresses and to have his divisions send copies of this Policy Letter to all such former ACC students.

Those ACC students who have recently paid for the new Standard Dianetic Course may have the amount credited to AO levels or AO reviews on presentation of invoice to AOs.

It is the full intention of this Pol Ltr to ensure that old ACC students receive full benefit of modern technical developments. These students were once promised they would not have to pay for further training and this favour is offered to redeem that promise at least in part if not in full. I want them to be well and happy beings wherever they may not have fully achieved that goal.

L. RON HUBBARD
Founder

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HCO POLICY LETTER OF 3 SEPTEMBER 1969

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The Auditor

FORMER HDAs,
HPAs

All persons who had achieved prior to the advent of Standard Dianetics, the certificate of HDA (Hubbard Dianetic Auditor) or HPA (Hubbard Professional Auditor) and who paid in full for the course

are awarded as follows:

1. A Standard Dianetics Course at their local org full or part time.

2. Student Auditing and Reviews in their local org.

Both at 50% of the existing Standard Dianetics Course and Review fees.

Any person who has paid for a new Standard Dianetics Course in full who had already paid for an old HDA or HPA Course in full MAY HAVE THE FULL AMOUNT PAID FOR THE STANDARD DIANETICS COURSE CREDITED TO SCIENTOLOGY ACADEMY COURSES, TO A SH COURSE IF HE HAS HAD THOSE OR TO A CLASS VIII COURSE OR AN AO GRADE.

It is the full intention of this Policy Letter to assist any Dianetic Auditor to become an HDC and obtain thereby the excellent results available in using Standard Dianetics.

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HCO POLICY LETTER OF 3 SEPTEMBER 1969

Issue II

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SUCCESSFUL CLASS VIIIs

Any Class VIII auditor may have the new Standard Dianetics Course free of charge at his nearest org or an AO.

The additional certificate of HDG is required of Class VIIIs so they can handle Case Supervision and Standard Dianetic Auditing as well as audit well in Standard Dianetics.

The certificate of HDG is a prerequisite (along with a Class VI) for all new AO Class VIII enrollees after the date of receipt of this Policy Letter.

STANDARD DIANETICS

The Course is available at AOs and SHes.

It has been found that the ability to audit Standard Dianetics well in its simplicity speeds Academy, VI and VIII training greatly and reduces failed students in the Academy, VI and VIII Courses to zero.

It is not the intention of this Pol Ltr to interrupt the plans or activities of Scientology Classed Auditors or applicants and all possible adjustment will be made in orgs to accommodate Scientology Classed Auditors to quickly obtain their HDG during this period of adjustment.

We now have a smooth flowing tech training line and have found there are no failed cases where training is good and which follows this gradient.

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HCO POLICY LETTER OF 15 NOVEMBER 1969

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Auditor

CLASS VIII RETREAD

Retread of the Class VIII Course is free of charge to VIIIs who are actively working (whether on Tech duty or not) in a Central Org, Saint Hill Org, AO Org, Franchise or a Dianetic Counselling Group.

Class VIIIs on the other hand who are not active-meaning not working at any of the above - are charged half price (\$750.00) for retread of the Class VIII Course.

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Lt. Robin Roos CS-3 for

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HCO POLICY LETTER OF 28 NOVEMBER 1969
(HCO Policy Letter of 15 November 1969 Corrected)

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Auditor

CLASS VIII RETREAD

Retread of the Class VIII Course is free of charge to VIIIs who are actively working (whether on Tech duty or not) in an Outer Org, Saint Hill Org, Advanced Org, Franchise or a Dianetic Counselling Group.

Class VIIIs on the other hand who are not active - meaning not working at any of the above - are charged half price (3750.00) for retread of the Class VIII Course.

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for L. RON
HUBBARD Founder

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HCO POLICY LETTER OF 6 DECEMBER 1969
(Clarifies HCO P/L Dec 7, 1961)

Remimeo

INTER-ORG EXCHANGE OF

STUDENTS

Orgs who transfer monies received for Scientology or Dianetic services to another org are doing nothing but GIVING AWAY THEIR INCOME.

Students and preclears having paid for services at one org may receive or continue service elsewhere if they have:

1. Paid in full for services whether begun or not.
2. Partly paid for services.

The rule is: THE MONEY WAS COLLECTED BY REASON OF GOOD WORK AND PROMOTION AND THEREFORE THE ORG THAT COLLECTED EARNS THE RIGHT TO KEEP IT.

It might first seem unfair to the org delivering the service for which another org has collected the Income, but it should be remembered that the org delivering the service has the benefit of the body in the shop with all that this implies in terms of potential future sales of service to him, his family and friends.

It is a Comm Evable offense for an org staff member to prevent a student from taking a service because funds were paid in at another org.

NO ORG OR FRANCHISE MAY INTENTIONALLY COLLECT MONIES WHICH WOULD NORMALLY BE PAID TO ANOTHER ORG. SUCH MONIES MUST BE FORWARDED IMMEDIATELY TO THE ORG CONCERNED.

NO ORG OR FRANCHISE MAY COLLECT MONEY FOR SERVICES DELIVERED ONLY BY HIGHER ORGS.

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HCO POLICY LETTER OF 10 DECEMBER 1969

Issue II

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STUDENT RESCUE INTENSIVE
PRICING

The cost of a five hour Student Rescue Intensive is \$225 U.S.
Dollars, or the Sterling equivalent.

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Lt. Robin Roos
CS-3

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for
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Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 DECEMBER 1969

Remimeo

Div 1's Div

2's Div 3's

ORG PROTECTION

Orgs who send their staff for training to a higher org, must first demand of the staff member that he sign a Note to the extent of \$5,000 in order that he may commence the course. (Each course received by the staff member at org expense, is priced at the value of \$5,000.)

Such a Note, as mentioned above, must be legally binding in that if he breaks his Contract, he is automatically in debt to the org for \$5,000. Legal action is taken in the case of refusal to pay this debt, or failure to adhere to regular payments until the debt has been paid off fully. His Certs and Awards are suspended, and further training or processing is denied until the matter is handled. SH & AO Registrars are informed by the org of Contract breakers.

Val Docs, Div 1, Dept 3, receives the original of the Note once it is signed and witnessed, and Accounts receives a copy for filing in the staff member's Accounts folder. A copy is retained by the staff member and presented to the Registrar prior to being enrolled on the course NO NOTE = INELIGIBLE FOR THE COURSE.

The note is withdrawn and cancelled when the staff member has completed his Contract.

It is the intention of this Policy Letter that before Contracts are signed and services taken at Org expense, due consideration is given to the consequences of Contract breakage.

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HUBBARD Founder

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Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 JANUARY 1970

Remimeo

Div 1

Div 2

PRICING - RESCUE INTENSIVES
(Cancels HCO PL 10 December 1969 STUDENT
RESCUE INTENSIVE PRICING)

Every 5 hour Rescue intensive (whether a Dianetic or Scientology intensive) is priced at S 125.00 US or £22.10.0. sterling.

Five-hour Student Rescue intensives fall under this category of service and anyone having purchased a Student Rescue intensive at the previous price of \$225 may have the balance in excess of the new price credited to his account for future services.

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W/O Vicki Polimeni

CS-3

for L. RON HUBBARD
Founder

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HCO POLICY LETTER OF 20 JANUARY 1970
(Corrects HCO Policy Letter of 28 November 1969
and HCO Policy Letter of 15 November 1969)

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CLASS VIII RETREAD

Retread of the Class VIII Course is free of charge to VIIIs who are actively working (whether on Tech duty or not) in an outer org, Saint Hill Org, Advanced Org or any Sea Org Unit, Pubs Org or World Wide.

Class VIIIs who are not active or are working in a Franchise or independently - meaning not working at any of the above - are charged half price (\$750.00) for retread of the Class VIII Course.

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W/O Vicki Polimeni
CS - 3 Materiel Aide
for L. RON
HUBBARD
Founder

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Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 JULY 1970

Remimeo

RETREADS

Academy Course retreads and retread packages are 50% of the current course or package price.

SHSBC and Interneships give no discount for retread. However, Academy payments are credited to SHSBC retread as they would for any enrollee on SHSBC.

Class VIII retread is as per HCO Policy Letter 20 Jan 1970, CLASS VIII RETREAD, free to org staff members, half price to others.

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CS-3 for L. RON

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Auditors

HCO POLICY LETTER OF 20 JULY 1970

(Amends HCO P/L 13 Nov 1969 by adding Class 0, I, II, III, IV and VI CS Internships and HCO P/L 18 Apr 1970 Iss II which corrects HCO P/L 13 Nov 1969)

INTERNSHIPS AND CASE
SUPERVISORS

Due to the necessity for skilled Case Supervision in all orgs. franchises and groups, the following Internships are established in Advanced Orgs, Saint Hills and Class IV Orgs respectively.

CLASS VIII CS INTERNSHIP

Class VIII CS - Requires an Internship in an Advanced Org after completion -of the Class VIII Course for a period of at least another six weeks.

During this time the Interns do the Class VIII CS Internship Checksheet. On completion of the Checksheet the Interns do a daily training period, learn and do high level auditing, study Case Supervision under an expert Class VIII. Case Supervisors do actual Case Supervision and on successful completion are granted a Hubbard Scientist of Standard Tech Certificate. No Contract required. (Prerequisite: HDG and Class VIII.)

CLASS VII CS INTERNSHIP

Requires an internship in a Saint Hill Org for a period of at least six weeks. Studies and does Power Processing and audits Dianetics, Progress and Advance Programs and Expanded Lower Grades.

Completes or does the Org Exec Course. Studies and does the CSing of Power, Dianetics, Progress and Advance Programs and Expanded Lower Grades.

No contract required. (Prerequisite: HDG and Provisional Class VI.)

CLASS VI CS INTERNSHIP

Requires an Internship in a Saint Hill Org for a period of at least four weeks. Studies Progress and Advance Programs. Audits all Class VI actions including Expanded Lower Grades in the HGC and as a Review Auditor. Studies and does the CSing of Progress and Advance Programs and Expanded Lower Grades.

This Internship consolidates SHSBC training through practical application under a Class VIII.

No contract required. (Prerequisite: Provisional Class VI.)

CLASS V CS INTERNSHIP

Requires an Internship in a Saint Hill Org for a period of at least two weeks. Studies and does CSing of Progress and Advance Programs and Class V actions under Class VIII supervision.

This Internship may be awarded if the Class V CS Checksheet is done well.

No contract required. (Prerequisite: Class V Expanded Release.)

CLASS 0, I, II, III or IV CS INTERNSHIPS

Requires an Internship at a Central Organization for a period of at least two

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weeks for each level. Studies and does CSing of actions applicable to the Classification attained.

Learns Tech and Qual Services and Admin.

These internships may be awarded if the applicable Class 0, I, II, III or IV Checksheets are done well.

No contract required. (Prerequisites:

Class 0	Grade 0	for Class 0	CS Internship
Class I	Grade I	for Class I	CS Internship
Class II	Grade II	for Class II	CS Internship
Class III	Grade III	for Class III	CS Internship
Class IV	Grade IV	for Class IV	CS Internship)

HDC CS INTERNSHIP

Requires an Internship at any official Scientology Org which teaches HDG; Interning for a period of at least four weeks. Studies and practises Dianetic Auditing. Studies and learns to Case Supervise Dianetic sessions. Learns the handling and direction of other auditors. Studies Staff Status II to become familiar with general Administration.

(Prerequisite: HDC with an excellent record of auditing.)

HDG

Requires taking the Hubbard Dianetic Graduate Course. Qualifies a person to teach the Hubbard Dianetic Counselor Course in orgs, franchises or groups and obtain certificates for his students from an official org. According to existing prices.

(Prerequisite: HDC with an excellent record of auditing.)

NOTE: All these Internships are taught in the Correction Division of the org, except HDG.

INTERNSHIP PRICES

US, EUROPE,
DK, AFRICA UK, ANZO

CLASS VIII C/S INTERNSHIP	\$500	£200
CLASS VII C/S INTERNSHIP	\$500	£200
CLASS VI C/S INTERNSHIP	\$250	£100
CLASS V C/S INTERNSHIP	\$125	£50
CLASS 0 - IV INTERNSHIPS (per level)	\$50	£20
CLASS 0 - IV C/S INTERNSHIPS (package rate for all 5 level internships)	\$200	£80
HDC C/S INTERNSHIP	\$125	£50

DISCOUNTS

All Internships offer 50% discount to contracted staff of
official Scientology orgs.

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D/CS - 5 for L. RON HUBBARD

Founder

[See also HCO P/L 6 November 1971, Issue II, Selling Internships,
Volume 5 - page 325.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 26 OCTOBER 1959

CenOCon

MEMBERSHIPS

As of this date only memberships as follows may be sold:

Associate Member - No discounts or services, Pin and Card only - 5s. or \$1.00.

International Member - PAB Magazine, Continental Magazine, 10% discount on books, tapes and possibly congress. (Cash purchases only) - 5 gn. or \$15.

Lifetime Membership - PAB Magazine as available, Continental Magazine as available, 20% discount on Training, Processing, Books, Tapes. (Discount valid on cash purchases only) - £25 or \$75.00.

It will be seen that participating memberships will not now be sold and will vanish when expired. No magazine subscriptions may be sold.

All members now on rolls except Associate Members will get the PAB Magazine until their memberships expire.

B/A AND REGISTRAR NOTE

Note that no discounts are allowed on any but full cash purchases. In other words full or part credit purchases are not now subject to any discounts. If you have allowed discounts on credit purchases previously, it is condoned but no such discounts may be allowed in the future.

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HCO POLICY LETTER OF 28 DECEMBER 1959

CenOCon

MEMBERSHIP DISCOUNTS

Issue the following as a Sec ED.

Only Lifetime Members, Shareholders, and International Members are entitled to discounts and only when the purchase is totally cash.

Associate Members, Sustaining Members do not get any discount on anything.

This cancels any earlier inference as to ALL members getting discounts.

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Executive Director

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 MAY 1960

CenOCon

KEEPING MEMBERSHIPS IN FORCE

In order to deal with the problem of professional auditors who

allow their memberships to lapse, the following routine action is authorized:

When a membership lapses, the memberships clerk should write three reminder letters. If the membership is not renewed HCO Area Sec should then be notified by the memberships clerk. The HCO Area Sec will then write a letter informing the person that if he does not renew his membership within one month, his Certificate will cease to be valid. If the membership is still not renewed, Memberships and Addressograph must then be notified by the HCO Area Sec. Addressograph should then remove the person's HPA or other qualifying letters from his Address plate. However, the tab should not be changed; in this way the person will still receive mailings to auditors, and there is still a chance that his interest will be revived and that he will eventually renew his membership.

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Peter Hemery HCO
Secretary WW for
L. RON
HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 6 JULY 1960
Reissued from Sthil

CenOCon

LT MEMBERSHIP

PRIVILEGES

Some confusion may exist with regard to the privileges entailed in a Lifetime Membership. The purpose of this Policy Letter is to clarify the situation after review of this problem in various areas.

It is possible that the details as indicated here will not coincide with the actual position in your area, or it may conflict with existing privileges which have actually been granted hitherto to the Life Members. However, since the advantages and privileges must be the same in any area of the world it will be necessary for all Scientology Orgs, in all areas to conform eventually to the rundown as shown here. Life Members in your area should be informed of any changes which may affect them as soon as possible.

A Lifetime Member gets 20% discount on Processing, Training and Books. He does not get a discount on tapes or E-Meters or any other materials which may be supplied by a Book Department, but on books only. He does not get a discount on ACC fees, as the ACC is a specialized HCO activity. The discount on Training is given on any training taken in an Academy, including the Extension Course.

If a LT Member is also an International Member, he receives a 30% discount on books instead of 20% (so long as he retains both memberships). The 30% discount applies only to books, not Processing or Training.

If an International Member becomes a LT Member, he receives a refund of the unused portion of his International Membership (unless he wishes to retain the Int. Membership)

Neither an International Member nor a LT Member receives any discount on Congress entrance fees.

A LT Member gets the HPA/HCA portion of the Extension Course free, but pays the normal fee for the B.ScN/HCS portion of the

Extension Course (less discount).

The LT Membership does keep a Certificate in force. A professional Scientologist who is a LT Member does not need to take out an international Membership in order to keep his certificate valid.

The LT Member receives the area magazine (Certainty, Ability, etc.) as he is on the mailing list (not because he is a LT Member). He does not receive the PAB magazine. The PAB magazine is sent only to the international Members. Addresso Departments should therefore not include the LT Members in the addressed envelopes or stickers which they send to HCO WW for the PAB mailings.

All discounts are for cash purchases only. This Policy Letter does not countermand the usual rule that book discounts are not allowed on books costing 5/or less.

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Peter Hemery HCO
Secretary WW for
L. RON
HUBBARD

[Note: Paragraph 4 has been amended by the addition of "The 30% discount applies only to books, not Processing or Training" per HCO P/L 13 July 1960.]

HCO POLICY LETTER OF 28 JULY 1960

(Reissued from Sthil)

CenOCon

INTERNATIONAL MEMBERSHIP

PRIVILEGES

The privileges and discounts entailed in an international Membership at present are as follows:

International Members receive the PAB Magazine monthly, and also the Continental Magazine (Certainty, Ability, etc.) monthly.

International Members receive a discount of 20% on all books, charts and scales except those priced at 5/- (\$1.25) or less. There is no discount on testing materials.

International Members receive a 20% discount on tapes, and also 20% discount on E-Meters supplied by HCO WW.

If an International Member also holds a Lifetime Membership, he receives a 30% discount on books, charts and scales instead of 20%. The 30% discount applies only to books, charts and scales, not to tapes and E-Meters.

International Members do not receive any discount on Congresses.

All discounts are given on cash purchases only.

This Policy is not intended to affect the discounts already in force for Lifetime Members and Franchise Holders, which remain unchanged.

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Secretary WW for L.
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HCO POLICY LETTER OF 25 OCTOBER 1960

CenOCon

MEMBERSHIP
RESTRICTIONS

Effective 20th February 1961 no person may be retained as a professional certified member of Scientology organizations whose case level is that of the mentally deranged and/or who makes no arrangements with a Central Organization to improve an undesirable case level.

Professional membership shall replace "International membership" on January 1, 1961.

Professional memberships shall be annual.

Professional membership is not covered by a share in HASI Ltd.

No certificate may be considered in force if professional membership lapses.

The price of a professional membership shall be the same as International Membership was.

A certificate of any level or grade is required for a professional membership to be held.

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HCO POLICY LETTER OF 22 NOVEMBER 1960

SA only

Info Cen Orgs

There will be no professional rates allowed for processing as of February 1st, 1961.

This does not affect special auditing rates to HASI Staff Members which will continue.

Alison Parkhouse

Dir Prom Reg SA

for L. RON HUBBARD

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HCO POLICY LETTER OF 29 DECEMBER 1960

Re-issued from Sthil

Central Orgs

MEMBERSHIP

CHANGE

HCO Policy Letter of October 25, 1960 is now null and void.

Due to the many complaints of people desiring to get the PABs under an

International Membership, the International Membership is re-instated.

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Mary Sue Hubbard Deputy

Executive Director for

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 OCTOBER 1961

BPI

PROFESSIONAL RATES

RESTORED

Concurrent with an intense campaign to maintain Central Organization and HGC staffs as the finest auditors in Scientology, we announce the following:

Effective on Receipt, all persons holding a valid, in force, and in hand professional certificate in Dianetics or Scientology shall be entitled to a 50% discount on all HGC processing.

This will be mandatory of acceptance by all HGCs.

We have been clearing for some time. Clearing has certain preliminary steps. It is best to get these out of the way first. Further, nearly all offices have or will have in the very near future graduates from Saint Hill, qualified to find correct goals and terminals. It is very dangerous to run an incorrect goal and terminal. The ones found and run must be right. Only Saint Hill graduates are qualified to verify a pc's goal and terminal.

Therefore this is the optimum solution - to restore professional rates so that all auditors can take the first and at last the final steps to clearing in fully competent hands.

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HCO POLICY LETTER OF 29 MAY 1962

BPI

PROFESSIONAL RATES
(Adds to HCO Policy Letter of October 27, 1961,

Professional Rates Restored)

Professional Rates for auditing in the HGC are hereby restored to the immediate families of professional auditors, as formerly.

Registrars should use their discretion as to what constitutes "Immediate family", though normally it is taken to mean wife, husband or children of the professional auditor.

All professional rates apply only to auditing in the HGC.

The rate is 50% of the full rate for the first 25 hours, without any membership or Shareholder discount. There is no reduction by reason of buying more than one week.

Professional rate is always 50% of the full rate of the 1st 25 hours, never 50% of the 3 or 5 week rate.

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HCO POLICY LETTER OF 5 JUNE 1962

CenOCon

PERMANENT STAFF

PRIVILEGE

Staff Members who complete Permanent Staff requirements may receive the benefit of International Membership while they are on the staff of a Central Organization or City Office.

A N/C invoice is made out by Accounts (so that records exist) upon application by a staff member.

If a Permanent Staff Member leaves the Org voluntarily or is dismissed for a valid reason, the International Membership fee becomes payable (part of a year's membership to be worked out pro rata).

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HCO POLICY LETTER OF 11 APRIL 1963

HCO Secs

Assoc Secs

Accts Depts

MEMBERSHIPS

(Cancels HCO Pol Ltr of September 26, 1962, same title)

HCO Policy Letter of September 26, 1962, Memberships, is cancelled.

All International Membership monies will be received by HASI, and used as formerly to defray the cost of magazine mailings

(Certainty, Ability, etc). HASI continues to pay for all expenses of the magazine.

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HCO POLICY LETTER OF 21 APRIL 1965

BPI

Gen Non-Remimeo

MEMBERSHIP
ATTESTATIONS

Notary and Justice of the Peace notarizations are no longer necessary on any member application forms.

These have been made unnecessary.

A simple signature is adequate.

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HCO POLICY LETTER OF 1 SEPTEMBER 1965

Gen Non Remimeo
Franchise

CURRENT POLICY - FRANCHISE
(Preserved policy from former Policy Letters
which have been cancelled)

Stable Franchise Centres are expected to become City Offices, and other Franchise Holders are expected to build stabilized Centres toward the end of becoming City Offices. Those not doing so may become individual Field Staff Members.

FRANCHISE BECOMING CITY OFFICES

Successful Franchise Centres may become City Offices on application if their record and activity as a Franchise Holder is adequate.

The requirements of a City Office are (a) corporate regularity by which is meant their incorporation must be passed up and in accordance with policy, (b) adequate premises, (c) the presence of a full time HCO Area Sec. (d) training of someone in org administration at their Central Org.

MEMBERSHIP SALES

No Franchise Holder may sell memberships. Memberships may be sold only by City Offices or Central Orgs.

All Membership money received by a Central Org or City Office

must be paid into the HCO Book Account of that office and this money is used for dissemination. Salaries and general org bills may not be paid from the HCO Book Account.

Franchise Holders receiving requests or monies for membership must forward the matter to the Central Organization, referring the requests and sending the money in its entirety.

Franchise Holders who are Field Staff Members may, however, select members and receive FSM commission on such selections.

A Franchise Holder should advise memberships as he will receive the benefit of it directly, membership monies being invested mainly in advertising of books and assisting his own sale of these as well as bringing other indirect benefits.

FRANCHISE HOLDERS MUST CHARGE CENTRAL ORG PRICES

Franchise Holders must keep to the scale of processing fees announced by Central Orgs for each year. These are precisely calculated.

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HCO POLICY LETTER OF 1 SEPTEMBER 1965

Issue V

Gen Non-Remimeo

MEMBERSHIP POLICIES

(Preserved Policy from former Policy
Letters which have been cancelled)

Memberships

Members enrolling must be furnished their cards at once. However, this is also done by application form and on that form the person signing must pledge himself to abide by the rules, codes and policies of the organization and that he understands there is no refund of membership and that he does not belong to or work for any hostile organization or group or any group undisclosed to us that is dedicated to the harming of Mankind.

Only a signature is required, not a notary.

Pins

Wherever possible, make it easy for persons to obtain and wear Scientology pins, the S and double triangle.

Such a pin as available should be given new members. Pins should be purchasable for a small sum along with books in the reception office.

Policy as to who wears a Scientology pin is governed only by their being a member and subscribing to the membership application statement. However there is no penalty for non members wearing general pins that do not bear notation of class for grade or state of case.

Membership Not Part of

10%

No 10% administrative percentage is to be sent to Saint Hill on memberships sold. It all goes into the HCO Book Account in the area

where the membership is bought and is not part of the organization's weekly gross income. Membership monies go to dissemination.

Memberships Non-
Refundable

No membership monies are ever refundable even for a portion of a year since the purchaser of one usually receives many times its value in discounts within a few days or months.

International Membership for Staff
Members

Staff members, full or part time, continuously employed and under contract are given their International Membership yearly without charge. Their Lifetime Membership must be purchased by themselves. On departure from staff a staff member's International Membership is cancelled as of that date, but may be renewed on proper payment.

LRH:ml.kd

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FOUNDING CHURCH OF SCIENTOLOGY
WASHINGTON, D.C.

FC POLICY LETTER OF 1 APRIL 1957

ALWAYS REGISTER AND
INVOICE

All students and pcs for whatever brief training or processing, must be registered by Registrar whether charge is made or not. All books issued anyone must be invoiced whether charged for or not.

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

LONDON

HASI POLICY LETTER OF 21 APRIL 1957

INCOME

The horrible truth about HASI income is that it comes from

1. The Outflow of the Registrar and CF auditors;
2. The expert handling of people by the Registrar and from her comm lines;
3. Sale of books, memberships and tapes;
4. Good ARC with the world;
5. Good Service in training and processing.

Thought you'd like to know -

RON

HUBBARD COMMUNICATIONS OFFICE

LONDON

HCO POLICY LETTER OF 16 MAY 1957

INVOICING
ITEMS

No services, goods, memberships, books, tapes or any other item on which there would ordinarily be a financial transaction may be given or released without being invoiced even if the invoice states "no charge".

This means that a free week of processing given to an outside preclear must be invoiced by the Registrar. This means that any item for which there would ordinarily be a charge must be invoiced before Shipping may ship or the service unit such as Academy or HGC may deliver or perform.

There are no exceptions to this. It applies to all processing of staff and issuance of books to students.

copy to all staff copy
to HCO London

L. RON HUBBARD

FOUNDING CHURCH POLICY LETTER OF 23 MAY 1957

ORDERING PEOPLE TO PROCESSING OR
TRAINING

When staff is to be processed or other people have special arrangements made for them, a pink slip must be originated and sent to the Registrar so that all terms of the processing or training may be expressed on an invoice.

When I tell the Organization Secretary or the HCO Board of Review to send somebody to training or processing, the person told should originate a pink slip and get my initials on it. All terms and conditions and payments of the processing or training must be clearly expressed on the pink slip and the person ordered to

training or processing should be informed.

LRH:md.rd

5-23-57

L. RON HUBBARD

255

HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W.1

HCO POLICY LETTER OF 4 JUNE 1959

Convert to

Sec ED

INVOICING AND COLLECTION OF
MONEY

Income apparently suffers in some instances by the failure of staff members to receive money for the organization from preclears and students of the Academy and PE Foundation.

Incredible as it may seem this fundamental is sometimes overlooked to the embarrassment of the unit.

Money must be taken at once on sign up always. The note if any and receipt invoice are made up. The money is taken, the note if any signed, the receipt given and then the pc or student is sent to processing, training or HAS.

Even a no charge activity such as the first week of PE is given an invoice, even if it is "no charge". How else can you demonstrate value, collect the name and address and know if the person did enroll in the PE.

All activities must invoice properly.

Further, the D of T. the D of P and the D of PE must have an invoice copy for every person sent.

If no invoice copy, no training or processing. No signed contract and release, no invoice, Accounts must require the note, contract and release to be in a signed form before any invoice can be written for pcs and pre-course students.

No HAS or co-audit instructor may permit a student in his class, even a staff member, without receiving the yellow invoice copy of enrollment from them.

In a matter of "lots of people to invoice before class begins" don't just collapse and let them m and "get it later" - what apathy. Put a Congress type multiple clerk line at the entrance point. Have more people there to do it and more machines. Cope. Give the enrollee their white and their yellow.

Instructors in HAS and co-audit should collect the yellows rapidly at the start of class on the first night of the week and pass to the PE Fnd Director. Require the students to bring the white to show on other nights.

The D of P and D of T should always receive the yellow from the enrolling pc or student and it must be right or no processing. On "later in the week payment" the invoice must be marked "later in the week such and such a sum" and it must be remembered and collected. A staff auditor should ask to look at the pc's white receipt before auditing begins.

The Registrar has been found to do less well when the Registrar does not make out the note, contract and release and receive the cash. The Accts dept can invoice the cash then, but only if the note, contract and release are in order. Accts gives the white and

the yellow to the pc and the pc is escorted to the D of P or D of T not left to wander.

We spend vast sums to disseminate and get people in. Our solvency and size of

256

unit depends on precise 8C on the finance line.

Note: Permitting a person to be trained, processed or co-audited without proper invoice or payment can result in deduction of the fee from pay. All HCO Area Secs see that this line works.

ALL STAFF

Get at cause over income lines and raise your unit.

CREDIT

Credit may not be extended to HAS co-audit people or book buyers.

Credit may not be invited on pcs and students in any written form or literature. High interest rates should be used always on notes. No sum "as a minimum deposit" on training or processing may now be advised to a pc or student.

Do not invite credit. We are a financial institution not a bank.

Credit may not be extended to bad credit risks. The Registrar should be provided with a bad risk list by Accounts.

Badly overdue accounts must now be sued.

If you have to waste money, collect it and then buy white china dog doorstops for the coalheavers union. Don't waste it before it

is paid out as a unit.

LRH:mp.cden

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 27 JUNE 1959

Issue II

CenOCon

INVOICING

All invoicing is to be done hereafter by reception, modifying earlier directives.

Only one invoice station will be used and that is reception.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 OCTOBER 1959

Convert

Sec ED

ATTENTION REGISTRARS AND BOOK
ADMINISTRATORS

Discounts by reason of memberships, status as pro auditors or any other reason do not apply to credit purchases.

Discounts may be given on cash sales only and sales or service paid in full. No businesses anywhere give discounts on credit purchases.

LRH:js.cden

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BOOK ORDERS

L. RON HUBBARD

The following LRH order is taken from a despatch, date approx 1960:

IT IS IMPERATIVE THAT ALL BOOK ORDERS BE INVOICED RAPIDLY AND THAT THE APPROPRIATE COLORED INVOICE SLIP BE PASSED AT ONCE BY HAND TO THE BOOK SHIPPING SECTION. ORDERS ARE FILLED THE SAME DAY THEY ARE RECEIVED FIVE DAYS PER WEEK. THEREFORE THERE MUST BE RAPIDITY IN INVOICING AND GETTING THE SLIPS TO BOOK ADMIN FOR SHIPPING VERY EARLY IN THE DAY.

LRH

HCO POLICY LETTER OF 9 AUGUST 1961

CenOCon

BOOK SALES

All book sales of whatever nature are handled by HCO and none are handled by any Central Organization.

This Policy Letter, therefore, strictly prohibits the sale of books in Reception by any Central Organization. All Reception book sales shall be done by HCO and HCO only.

This changes the Proportionate income Breakdown Work Sheet to the degree that all books sold in Reception are now added in with the HCO Area 5%.

If this policy is not in effect in your area, please put it into effect immediately. No Central Organization is exempt from this ruling.

LRH:jl.cden

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 31 OCTOBER 1963

HCOs

Central

Orgs

Reception

[Excerpt]

INVOICING

FOUR: INVOICING (HCO WW note: These instructions may not be applicable to your Org.)

All invoicing is done at Reception except Testing Materials which is handled by Julia Salmen or the Director of Accounts

A. What is Invoiced.

1. Anatomy of the Human Mind Lectures.
2. Communication Course.
3. Co-Audit Course.
4. Books.
5. Donations to the Church.
6. Hubbard Guidance Center Processing.
7. Academy of Scientology Training Courses.
8. How to invoice.

1. The final figure at the bottom right hand corner of the invoice should always equal the exact amount received. (Cash, cheque, or whatever.)

2. The invoice should contain all pertinent data.

(a) Buyer's name, address, phone number, date of purchase

(b) Total charges, total on account, amount received, terms of payment.

(c) Invoices should show clearly whether payment is for: Spiritual Training, Spiritual Processing, Books, or whatever. In addition to written words explaining the sale a large letter "B" is put on a Book Sale Invoice, a large letter "T" is put on a Training Invoice, a large letter "P" is put on a Processing Invoice.

(d) On Book sales the retail price of the Book should be shown, any discounts deducted from that, charges, tax, etc. There is a tax table on the Invoicing Machine. You should also indicate that the Book was delivered to the person, or that the Book is to be mailed.

(e) Invoices should show whether payment is by Cheque, Cash or Money Order.

(f) If purchaser is making use of credit we owe him, it should be shown where this credit originated.

(g) Initial every invoice written so that any question arising may be traced to the writer of the invoice.

(h) Discounts:

1. International Members: Get a 20% discount on books and tapes costing over 51.25; 20% discount on E-Meters.

2. Franchised Auditors: Get a 40% discount on books costing over \$1.25, and a 20% discount on E-Meters.

3. Lifetime Members: Get a 20% discount on books, tapes, processing and training. Not on E Meters.

4. Lifetime AND International Member: Gets a 30% discount on books and tapes, 20% discount on E-Meters.

5. Staff Members: Get a 40% discount on books and tapes only.

DISCOUNTS FOR ANY CATEGORY OF MEMBERSHIP APPLY TO CASH PURCHASES ONLY. THEY DO NOT APPLY TO CREDIT PURCHASES.

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(i) Examples of Invoices

1. Book Invoice:

QUAN.

DESCRIPTION

PRICE

4.00

1.25

5.25

1.05

4.20

Tax

Total

Mary Reception

AMOUNT

— (c)

17

4 37

Dianetics, MSMH
Problems of Work

Less 20%
(Tax on this amount)

Delivered: Date (or)

To be mailed:

Received By

2. Processing Invoice. Payment data taken from contract.

QUAN.

PRICE |

700 _

200

—

500

Tax

Total _

MR

DESCRIPTION

25 Hours of Spiritual

Guidance

Cash down

Balance due

AMOUNT

200

200

11 pays \$4 1.00

1 pay \$49.00

First payment Jan 0, 19XX

Received By_

3. Training Course Invoice. Payment data taken from contract.

QUAN.

-

PRICE AMOUNT

750.00

250.00 250

500.00

Tax

Total 250

DESCRIPTION

PICA Course

Spiritual Training

Cash down

Balance due

11 pays \$41.00

1 pay \$49.00

f

First payment August X,19XX

00

00

Received By_

3. Distribution of Invoices.

(a) White copy goes to the purchaser.

(b) Yellow copy is put in a basket at your desk. When you have time, distribute Book invoices to the Comm Center basket of the Book Administrator; Training Invoices to the Comm Center basket of the Director of Training; Processing Invoices to the Comm Center basket of the Director of Processing; Memberships and other Invoices to the Director of Accounts.

(c) Pink Copy goes to Central Files (Addressograph) for address check and inclusion in the person's CF folder.

MR

(d) Goldenrod copy remains in the machine, undetached, and is collected after 2 p.m. each Thursday by the Director of Accounts. Dir Accounts will give you the invoice number starting the new week. Record this number on your desk calendar for the appropriate date.

4. Incorrect Invoices.

When an invoice is written incorrectly, void it and write one correctly. Don't try to make complicated corrections. VOID ALL COPIES, including the copy in the invoicing machine (Goldenrod copy). Write VOID in large letters across the face of the invoice, and in small letters across the final figures at the bottom right of the invoice. ALL copies of voided invoices including the white copy must go to the Director of Accounts. Failure to include all copies may result in difficulties in auditing the books.

LRH:lr.rd

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Issued by: Peter Hemery
HCO Secretary WW
for
L. RON HUBBARD
Authorized by: L. RON HUBBARD

[Excerpted from HCO Policy Letter 31 October 1963, Reception Hat.
A complete copy can be found in Volume 1, pages 64-72.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 SEPTEMBER 1965

Remimeo
Tech Div
Qual Div
Dissem Div

FREE RELEASE
CHECK

When a person comes in for a Free Release Check only, the invoice is to be clearly marked FREE RELEASE CHECK, NO CHARGE.

When a person comes in for a Free Release Check and Rehabilitation, the invoice is to be clearly marked FREE RELEASE CHECK AND REHABILITATION with the proper price for such invoiced.

This is necessary so that no-one can be declared RELEASE unless signed up for Rehabilitation.

LRH:ml.kd

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 FEBRUARY 1966

Gen Non-

Remimeo

Org Secs

Dissem Secs

Dir Pubs

Dir of income

Shipping Officer

Income invoicing

Officer

SHIPPING

CHARGES

For any books or supplies sold at a 50% discount, the receiver must pay for any postage or shipping charges.

The receiver is to pay for any special shipping costs, such as air mail, at any discount.

Taped lectures are shipped airmail at no extra charge as per HCO Policy Letter 17 Dec 1964 "Tape Prices".

To ensure this, the following procedure must be adhered to:

1. Invoice and order is routed to Shipping Dept.

2. If 50% discount or special shipping is indicated on the invoice, the Shipping Officer fills out a P O. indicating total postage costs, service performed, Invoice No.

3. This is routed to the Org Division on normal P.O. lines.

4. The Income Invoicing Officer fills out a "Debit invoice" for the receiver, indicating total postage, service performed, and invoice No. of the material ordered.

Receipt of postage payment as noted in step (3) is not a requirement for shipping material. Orders are filled and shipped swiftly.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex
HCO POLICY LETTER OF 16 FEBRUARY 1966

All orgs except
Saint Hill
Info SH Secs

INVOICE ROUTING
FOR ALL ORGS EXCEPT SAINT HILL
(For SH Invoice Routing - see HCO Pol Ltr
of 12 Jan 66 Issue II)
All Invoicing Stations

From 1 January 1966, for all orgs except Saint Hill, new invoice packs are introduced which have 5 invoices, the original and 4 copies.

These invoice copies are distributed as follows:

WHITE

YELLOW

BLUE

BLUE

To the customer.

To the department concerned with the service or item purchased.

Debit and Credit invoices are kept in the Department of income for collection purposes.

NOT debit or credit invoices are routed to Address and then CF.

GREEN - To the Department of Records, Assets and Materiel for record purposes.

Consecutive series to be kept in the machine until the end of the accounting week.

PINK

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 DECEMBER 1966

Gen Non-
Remimeo
Treasury Sec
Dept Income
Hats

ACCOUNTS

INVOICES

NAMES ON INVOICES

In writing invoices, the Area Cashier and the Mail Invoicing Officer PRINT IN CAPITALS the person's name in the form the person would use for formal documents, e g., in signing cheques or legal documents.

If the person is known in the org by a nickname this may be added in parentheses. Examples: John William (Bill) Jones, Herbert (Bert) Garfield Smith, etc.

INVOICE ROUTING

Each terminal which originates Accounts Invoices is to have a stack of baskets, one basket for each separate destination to which invoices are routed.

Immediately after writing an invoice, all the copies are torn off and distributed, the top copy to the person taking the service and

the others to baskets for the correct terminals as per current Policy on invoice routing. The In-Series copy stays in the machine.

Bundles of invoices are routed to their proper destinations from the baskets when convenient but at least once a day and at 2.00 p.m. Thursday. The bundles are secured by a rubber band or paper clipped together, with a piece of despatch paper on top giving a clearly written and arrowed routing and the date.

Written by a Board of Investigation

David Ziff

Otto Roos

Ralph Percy

George Galpin Qual Sec SH

Gareth McCoy HCO Area Sec SH

Ken Delderfield LRH Comm SH

Philip Quirino LRH Comm WW

Sheena Fairchild Guardian Comm WW

Mary Sue Hubbard

The Guardian WW

for L. RON HUBBARD

Founder

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Gen Non-
Remimeo
Treas Sec
Income Dept

SECURITY OF
INVOICES

Invoices are the means of crediting someone with monies paid and thus the right to take services on the strength of these, or receive items from the Bookstore. As such they are, prima facie, worth something in terms of cash. Thus if invoice packs are not administered carefully then it is open to anyone to pick up an invoice and credit himself for some goods or service.

Invoices are the record, in time sequence, of monies received and unless the numbers of the Cashier's fourth and machine copies are seen to follow through consecutively, then there is no certainty that all monies are accounted for.

Treasury invoice packs should be kept separate from any such packs used by other divisions such as Qual, and such divisions should arrange for the purchase of their own invoice packs (submit their own requisitions and not depend on Treasury Division supply). Also such other divisions using invoices such as Qual, for routing slips, should make sure that their invoices do not look like the invoices used by Treasury Division, in order to keep Treasury Division invoices completely unconfused. Otherwise the ease of checking through the consecutive numbers of Cashier's invoices is interrupted and made more difficult.

From the viewpoint of the outside professional Accountant doing the Audit, the control of the invoicing system is fundamental to his check of monies received and he will expect it to be carefully controlled and in date and numerical sequence.

The control of Voided invoices is also important and in these cases the original white copy and ALL duplicates should be retained and attached to the machine copy in the complete series. Without this there is no evidence that a top copy has not been given to a client in lieu of cash and duplicate copies only marked 'Void'.

If the invoices are kept properly it will increase the speed of an audit and decrease accounting costs.

Thus INVOICE PACKS MUST BE CONTROLLED AND ACCOUNTED FOR DOWN TO THE LAST INVOICE. Therefore:

1. The Dir of Income is to keep a book detailing all the stocks of invoice packs and their numbers. Such packs in stock are in his charge and are to be kept under lock and key.

2. He issues and books out new packs as needed, in the series of numbers following the just-completed pack. He issues the pack to the Cashier in those orgs where the Cashier does all the invoicing and, of course, in those orgs having also a Mail Invoicing Clerk, he may issue new packs to him as needed.

3. He issues the new packs on request, but must check that the previous used series - the fourth copy and the machine copy - are all accounted for and that they were used, and that any Voided invoices are attached with duplicates to the machine copy.

4. Thus his book should show three things under three separate columns.

- (a) The stocks of packs, plus the additions of new packs coming into stock. The stocks of packs are entered in the book by number per pack, i.e. No. 062501-62750, if those were the series numbers in one pack.

(b) New packs issued to the invoicing section(s) during the week.

(c) In the last column is the actual invoices used by the section(s) in the week. The recording of the packs is obviously done by the numbers of the invoices and invoice packs concerned.

Thus a complete accounting for every invoice can be easily maintained and its history of issue and usage traced. The second and third columns would show that invoices had been issued in consecutive series numbers and the third column not only shows the actual usage week by week but also enables one to see that the succeeding week follows on with the next number in series.

The Dir of Income, in doing this, must not be content to make the entries in the above book only. He must actually physically check by examining the 4th copy and machine copy invoices for the week to see that the book actually records what happened with invoices during that week. Thus, what is recorded in column three for invoices used in the week must be the actual numbers of the 4th copy and machine copy put away in the weekly folder with the adding machine tape of income, and the paying in slips recording its banking.

Marilynn Routsong

Joe van Staden

Dalene Regenass

Brian Livingston

Otto Roos)

Joan McNocher)

Ken Delderfield

Betty James

Treasurer WW

Qual Sec

HCO Area Sec

Chairman,
Ad Council SH

Exec Council SH
LRH Comm SH
Chairman,
Ad Council WW

Fred Hare)
Leon Steinberg) Exec Council WW
Philip Quirino LRH Comm WW
Mary Sue Hubbard
The Guardian WW

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 MARCH 1971
Issue I

Remimeo
Exec Dirs
Prod Officers
Org Officers
Dissem Hats
Registrar Hats
Treas Hats
CLOs for Compliance

REGISTRAR INVOICING LINE

(Cancels HCO PL 3 August 1970
"Registrars May now Talk Money
Only Accounts Talks Money Details"
Modifies HCO PL 15 Sept 65
"Only Accts Talks Money")

Note: This P/L does not apply to Public Regs in Division 6 and does not change. existing Public Lines.

Department 6 is now responsible for Income Greater Than Outgo Plus Reserves

Gross Income is a stat of Department 6 and is the stat for the Registrar

The Registrar, to control her stat and to achieve the Valuable Final Product of Income Greater than Outgo plus Reserves, obviously must talk money and collect it in bucketsfull.

The way the line is set up now Bodies get lost somewhere between the Registrar and Cashier and because of this orgs are losing between \$500 and \$1000 daily.

In one org there is known to be a one foot stack of sign-ups who never got to Cashier from the Reg!

So where does all this lead us?

It leads us back to the former successful line of the late '50s and early '60s when the Registrar would interview people, sign them up, AND TAKE THEIR MONEY for individual training and processing.

This is the way the line was in in the first very affluent foundation.

The line was changed, probably on a wrong WHY, and since then has only worked on personality and proximity of Registrar and Cashier.

As evidenced at SH through 1965-67.

Responsibility for the org's GI has been too long resting on the Dir Income's shoulders.

With the way it is set up now, Department 7 mostly operates at the irreducible minimum of collecting cash over the counter, while its vital admin functions would be in total neglect.

The point is, ALL ORGS HAVE DEBTORS, be it only Qual Services, and Freeloaders. Partially paid Advance Payments are also truly a debt to the org - they must be followed up and collected. And it is Dept 7's major action to see that ALL funds for org services and sales get collected.

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It is a fact then that money worries begin when one doesn't produce and then when one doesn't collect what one is owed.

From the above, we therefore get a split in Income functions:

1. Dept 6 collects new Cash.
2. Dept 7 collects Credit Owed and Advance Payments

The Registrar is beefed up as an income Producer and Treasury is freed up to get in its standard collection actions.

It now doesn't become a question of who takes in the most Income.

BOTH DEPTS TAKE IT IN IN BUCKETLOADS.

THE NEW INCOME PRODUCING

LINE

1. The Registrar has an Invoice Machine on her desk. She is hatted on the subject of making out invoices.
2. The Registrar must be totally familiar with all pricing and price structures of the Org.
3. The Registrar has an Org Price List and Refund Notice posted by her desk.
4. The Registrar is totally money-minded and gets that body into the shop. She is a cracker-jack at handling the Public Individual and producing Income.
5. The Registrar has her lines fully in so that she never misses a Hot Prospect from the Public Divs or the Div 2 lines. She signs them up and takes their money.
6. The Registrar interviews public pcs and students after training and processing and re- signs them up and takes their money and usually nets some 50% of the Org's Income for additional sign-ups in these "after Interviews".

ADMIN SET-UP

1. Dept 7 is responsible for the admin set-up necessary to Cash Collection for the Registrar.
2. Invoice Packs are issued the Registrar by the Cashier and standardly logged in and out.
3. The Registrar Invoices all monies received by her over the counter.
4. The Cashier and Registrar work in close liaison. One could even set up a buzzer system between the Cashier and Registrar's office so that the Cashier could be called upon at a moment's notice to serve the Registrar.

5. The Cashier makes change for the Registrar. The money and any notes are handled by the Registrar.

6. The Registrar turns over to the Cashier the fourth copy of her invoice and any note, and the money received. As usual, Dept 7 also gets the 3rd copy of any Debit/Credit invoice for collection purposes.

7. The Cashier then checks for correctness of invoice, and sees that it matches the money received.

8. The Cashier keeps the money until picked up by the FBO or RAM for banking.

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9. Dir income remains responsible for doing weekly income breakdowns, combining Registrar takings and Income Dept receipts for the week.

10. Body Collections are done by the Cashier on past due payments locally, and may also be done by FSMs.

11. The Income Dept is mainly concerned with getting in monies owed to the org and advance payments through standard collection actions and monthly statements

12. The above is done with a routine admin set-up which uses the xerox and address machine, but entails NO letter writing or typing statements. (Collection letters can of course be written to debtors who are not answering up to statements.)

13. The Income Dept has a series of income folders. Each folder has in it a summary sheet for that account.

14. Invoices are posted by hand to the summary sheets routinely.

15. Once a month, summary sheets are xeroxed for statements.

16. Dept 7 also uses a billing slip, which bears a "PLEASE REMIT" in bold letters, and which has a blank space to write down the balance of account.

17. Dept 7 keeps in its own area and under its own control, a tray of address plates which matches exactly the set of collection folders.

18. The billing slip gets run through the address machine and matched to its corresponding xeroxed summary sheet Both get stuffed into a pre-addressed envelope and sent out!

19. When receiving a Debit-Credit invoice from the Registrar, the Cashier makes an address plate for the person's permanent address and makes up a folder and a statement form if one doesn't already exist in the file.

20. An address check basket is set up in Income Dept. Before filing, all Debit/Credit Invoices, whether written on Reg lines or by the income Dept, and all other Income mail particles go through this basket so that plates can be checked and changed as needed or new plates made up.

21. A whole Advance payment billing layout parallels the above. The same system with summary sheets and billing forms is used, but the full run off is sent to Advance Reservations Reg in Dept 6 so she can nudge along with the statement and mail the statement and letter out.

This new line is guaranteed to raise your Org's Gross income, and if putting an Invoice Machine on the Registrar's desk doesn't do it, then she sure needs hatting and drilling on the subject of

Producing Income.

Do the above and become a Member of the BE VIABLE CLUB!

LRH:RR:LQ:mes.rd

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Written by Dissem &

Treas Aides from the notes of

L. RON HUBBARD

Founder

HUBBARD COMMUNICATIONS OFFICE LONDON

HCO BULLETIN OF 3 AUGUST 1956

MAIL LINE

NOT HCO POLICY LETTER

ORIGINAL COLOUR FLASH NOT

GREEN ON WHITE

As the mail line contains money, preclear and student applications and is in effect the income line of the organization, it must be secure in the extreme. Only the Accountant must originally touch the mail box and mail. He shall be provided with the single key to the box. While he may collect the mail from the box oftener, the Accountant's invoicing day begins at 10:30 a.m. and all mail is invoiced prior to that hour once per day.

The Accountant opens all mail, whether personal or otherwise and no matter how marked on the cover, which is addressed to the

organization or its personnel-excepting only mail for students and/or preclears, and packages. Example: Any letter addressed personally to a staff member and received at the HASI, even though marked personal, would be opened. (This regulation has been found important in this London operation three years ago.) (This discourages receipt of personal mail by staff at business address.)

L. RON HUBBARD

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NOT HCO POLICY LETTER
ORIGINAL COLOUR FLASH NOT
GREEN ON WHITE

HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO PROCEDURE LETTER OF 15 MAY 1957

METHOD OF OPENING & INVOICING MAIL,
MODIFIED

All Mail goes only to Accountant. Accountant opens all mail from whatever source.

Accountant's first interest in mail is whether or not it contains money. Therefore, he rapidly opens mail and places it in either of two baskets.

Basket No. 1: Accountant to Comm Centre. Receives all mail not containing money.

Basket No. 2: Accountant to Invoice Clerk. Receives all mail and

money (as further described).

Basket No. 3: invoice Clerk to Comm Centre. Receives all mail as fast as invoiced.

Cash Box: Beside invoice Clerk, receives all money.

Accountant uses a stapler in fastening letters to envelopes. He staples all envelopes to their letters. He uses paper clips to fasten money and cheques to letters.

Invoice Clerk never uses a stapler, always uses paper clips.

Accountant does no further separation of mail than (1) mail with money or orders in it and (2) with no orders or money in it. He does not stamp mail as received.

Mail with money orders in it is placed by Accountant in Basket No. 2. Invoice Clerk only invoices. Does not otherwise process mail. He writes name and address very clearly. He marks the invoice number on the order letter and with a paper clip attaches the white and the yellow to the letter. He writes any special directions about the order on the invoice slip. He puts any money in the cash box. He handles each order letter one at a time. He takes order letter from Basket No. 2, writes invoice, verifies sum of money, notes any discrepancy on the invoice or any credit due or amount still owing, marks number of invoice on the letter, removes money from order letter and puts money in cash box, clips white and yellow to the order letter and places it in Basket No. 3 before he touches another order from No. 2.

When invoicing to more than one organization the money is invoiced to the organization giving the service, not necessarily the organization mentioned in the letter or on the cheque or money order. Such mis-naming on cheques or money orders by public is straightened out by Accountant at time he deposits by simply adding his pinks for any organization and taking that much money from cash

box and depositing it to that organization. Cheques can be cross-endorsed as needed to make this balance. It is balanced with cash, not at time of invoicing. Further, a split of a cheque where part is a payment for a book on one corporation and part is a processing payment on another is simply invoiced with the proper amount to each corporation and the cheque placed in cash box.

The moment the Accountant has finished with mail (he sets an hour such as noon for end of mail day and keeps all mail arriving after this hour to the next morning-thus invoicing only once a 24-hour day), he takes everything in Basket No. 1 to Comm Centre and gives it to Reception.

The moment the Invoice Clerk is finished he takes everything in Basket No. 3 to Reception.

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Neither the Accountant nor the invoice Clerk distribute. Reception distributes.

Receptionist, being in charge of Comm Centre, does all distribution of mail.

On receipt of any mail from Accountant or Invoice Clerk, Reception stamps it with receipt time. We only now consider it to be in the Comm lines of organization.

Reception places the yellow and white Invoice slips only in -

1. Shipping (books and tapes)
2. Memberships (for membership payments)
3. Accountant (payment on bills and notes)

Reception places no letters in these three baskets. Only white and yellow invoice

Reception detaches letters and places them in the indicated baskets.

All letters accompanying orders or other such letters not prospect or applicant go to Central Files in Charge who herself writes answers to them while CF Clerk carries on CF.

All applicant letters, meaning people who apply for training or processing, go to the Registrar.

All prospect letters, people who are merely interested maybe, go to the auditor to whom they are addressed or, in case of doubt, to Registrar.

Technical question letters go to the Registrar who tells them to come in for training.

Complaints go to Director of Processing always.

Business letters go to Director of Administration. HCO Letters or letters to LRH go to HCO. Non-classified letters go to CF in Charge for procurement purposes.

This HASI Policy Letter is prompted by the following discoveries: (1) Everyone in an organization tries to act as a Comm Centre to some degree. (2) Comm Centre belongs to Reception. (3) Mail routing is not the business of the Accountant beyond finance.

I expect this procedure to be adhered to. If it needs clarification or change, tell me.

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 31 AUGUST 1965

Gen Non-
Remimeo

MAIL OPENING

The opening of mail is to be done in the Dept of Communications - HCO Division 1. Dept 2. Mail is opened and distributed only once a day which is after the first delivery. Any other deliveries of mail by the Post Office are to be kept locked up in a safe place until the next day.

In opening mail, follow this procedure: first divide the mail into three categories:

(a) letters into org (b) packages and parcels for the org (c) students' and pcs' letters and parcels.

The mail is counted and the count is noted in the mail log.

The students' and pcs' mail is sent to Tech Services for distribution. Org mail is opened and each despatch is date-stamped. If letters contain a cheque, money order, postal order, cash or any other negotiable form of money, they are to be logged in the mail log book with the name of the remitter, exact amount of money, what form the money takes and the letter is to be date-stamped in the usual way. When this has been done, distribute all the mail into the comm centre with the exception of mail with money. This is taken by hand to the invoicing cashier in Dept 7 Org Division.

LRH:ml.rd

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L. RON HUBBARD

[Note Practice since 1966 has been for Dir Income or Invoicing
Officer to be
present when org
mail is opened by Mail Opening Clerk. - Ed. (c)

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 7 DECEMBER 1970
(Amends HCO PL 31 Aug 1965, Mail Opening)
(Amends HCO PL 7 Oct 1970, Issue II, Mail Line)

Gen Non-
Remimeo
HCO Hats
Gdn Office Hats

GUARDIAN'S OFFICE MAIL

Mail to any Guardian's Office or its personnel is not opened by
Dept of Comm, but is distributed directly to the Guardian's Office.

This is for security reasons.

LRH:MSH:JK:LW:nt.rd
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Leif Windle D/G Policy
Knowledge WW for

Jane Kember The
Guardian WW for Mary
Sue Hubbard The
Controller for

L. RON HUBBARD
Founder

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A 1957 Letter issued by HASI Accounts, London

WHAT YOUR MONEY HAS
BOUGHT

NOT HCO POLICY LETTER
ORIGINAL COLOUR FLASH
NOT GREEN ON WHITE

A research organisation functions first on intelligence, second on carefulness and, in this society, third on money.

With research nearing fruition of the deepest understanding Man has ever possessed of Man, we must not falter now or fail to codify and disseminate what has been learned because of the lack of a few pounds.

Night and day, thirty days a month, for more than six years L. Ron Hubbard and back of him the organizations of Dianetics and Scientology have laboured to give Man a chance. No other man or organizations on Earth have advanced so far or come so near completing Man's civilization.

Measured in money this work, by all earlier standards, should have cost billions of pounds. It has not, even though the rigors and discipline have been far superior to earlier work.

If we were to tell you now that this work, by the omission of a few to pay their organizational debts, has been seriously impeded, it might startle you. Perhaps you did not realise that these organizations were not selling service. They were giving service to obtain money for research, research that is being better done than that of the Atomic Energy Commission, we assure you.

To codify this period of L. Ron Hubbard's work of the past three years, and to put it in proper book form, the HASI London needs only £5,000 or about a tenth of the money spent in the last hour by the public on pills.

Additionally the HASI London, "camped out" for years, has been forced to find new staff headquarters and by October will need another £2,500 for its new building or conduct its business on the curb.

Our staff has been cut to a bare operating minimum to accomplish what we must do. Yet this is not enough.

Probably the most valuable work ever done by Man is being scanted by a lack of funds.

Research, you see, doesn't consist of a random group of auditors getting some "hot ideas" and rushing them to the field. It consists of L. Ron Hubbard summing and mathematically predicting findings and finding them, then placing very exact codifications in the hands of staff auditors who test them against exact preclear result tests. No work undertaken by Man has been more carefully or successfully done. Thus we double, treble, quadruple older results-thus we advance, solidly, with care, with finality.

As this work reaches a zenith, we must not now fail to support it.

We are succeeding.

Don't let us fail for lack of funds, withheld because it is not understood what is being done with those funds.

Your intensive or course helped pay for this research and its dissemination.

If Man succeeds on Earth it will be because of this work. We are certain of that now. Would you please do your part?

Accountant for
Hubbard Association of
Scientologists Int
Brunswick House, 83 Palace Gardens Terrace,
London.

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1
HASI FINANCE POLICY LETTER OF 9 DECEMBER 1958

REGARDING ACCOUNTS
RECEIVABLE

1. Find out how much is on Bankers' Orders.

NOT HCO POLICY LETTER ORIGINAL COLOUR FLASH BLUE ON PINK

2. Find out how much is on Bankers' Orders only the person is no longer having his Bank pay out.

Find out what statute of limitation of debt is.

4. All those which are approaching statute of limitation should be turned over to Attorney for suit. What arrangements can be made

on such suits? It is usual to pay filing fee for suit and Attorney keeps half of fees collected. In other words, the suit is done on a percentage basis.

5. Also investigate possibility of selling notes-sometimes bank or collection agencies actually buy notes at 50% off.

In other words, let's roll on this and see what we can do and how.

L. RON HUBBARD
Executive Director
HASI London

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HUBBARD COMMUNICATIONS OFFICE
1812 19th Street N.W., Washington, D.C.
HCO SECRETARIAL LETTER OF 26 DECEMBER 1958

Distribution HCO
Personnel Only HCO
London for release to
Sterling HCOs Sec'l ED
for conversion

COLLECTION OF ACCOUNTS

NOT HCO POLICY LETTER
ORIGINAL COLOUR FLASH
NOT GREEN ON WHITE

(This supersedes all earlier directives on the collection of delinquent accounts.) All accounts collections that are delinquent stem from two sources:

1. ARC Breaks

2. Premeditated fraud.

ARC BREAKS

Most failures to collect fall in category one. ARC Breaks received during training or processing or through the mails or errors in accounts cause a person to terminate the communication called money as well as other kinds.

Suing such people does not collect money. Suits of this kind over a period of the last two years cost more money than they collected and worsened the ARC Break.

The remedy of delinquent accounts depends on the following steps:

1. Accounts prepares a list of delinquent debtors every thirty days. This list is sent by Accounts to the Assistant Registrar. (It is done at the same time as statements.)

2. The PR Communicator gathers up the files to go with the list and gives to the Assistant Registrar.

3. The Assistant Registrar writes these people on the basis of ARC Breaks (TRSN). No money is mentioned.

The Assistant Registrar pulls these people into communication and repairs the breaks by continued correspondence at the time of each new list submission.

Statements to the people are still sent out each month independent of the Assistant Registrar.

No further action is taken than the above.

PREMEDITATED FRAUD

In the case of Premeditated Fraud we have a person who at the beginning never intended to pay, but intended to defraud.

Such persons can usually be spotted by an insistence on courses and processing with no down payment. This is their hallmark.

Records should be combed for a list of such names and each time a request for

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totally credit arrangements is made by anyone, that name should be added tentatively to the list. This list is called the "Questionable Risk List", or the Q. R.

Of these people must be demanded a payment adequate to cover the real cost of the training, processing or service and no departure from this may be made.

In the cases of persons with proven past credit this caution may be relaxed.

Suit of such persons is useless. They have, on the whole, no credit or possessions.

The question now arises, when do we sue? We sue only when we have had to guarantee a credit company that we would, which does not apply in the United States.

On the whole in the matter of credit, the registrar and accounts must learn to say, "This is a religious institution, not a credit agency. We are not interested in credit and indulge in such credit activity only for your convenience."

It is not true we lose money by extending credit. We make money

by doing so. Thus, cancellation of all credit - as has been tried - is a serious mistake. We can cut our income 2/3rds by trying to run on cash only. This is a tested fact, so credit problems will be with us for a long time.

I believe that if we collect only 50% of our allowed credit, we are justified in advancing credit. To cut our losses from advancing credit, use the above procedures

If a person is profiting by Dianetics or Scientology and has not paid his share in it and he owes us money and won't pay it, refer the matter to HCO for certificate cancellation. A great many such persons now exist. If they are an ARC Break with us they will harm us with the public. If they are a premeditated fraud they will harm us with the public. Therefore, if all efforts to collect do not avail, do the following:

1. In the matter of a trained auditor, cancel his certificates and rights and sue him for illegal practice via a local HCO.

2. in the matter of a pc, inform the person that the name will be published, forbidding all further processing by anyone. And sue.

In other words, as a general financial policy, "Extend credit only when the down payment covers all cost or the past credit record guarantees future payment. Handle all failures to make payments as ARC Breaks and stretch patience to the limit in seeking to collect. When all else fails and apparently will never work out, play rougher than anyone would believe possible."

L. RON HUBBARD

HCO POLICY LETTER OF 16 AUGUST 1965

Issue II

[Excerpt]

Gen Non-Remimeo

COLLECTION FROM SPs AND
PTsS

On any Declared Suppressive Person an additional condition for return to status (Steps A to E of HCO Pol Ltr 1 March 1965) is Step B(1) which is the requirement that the SP pay off all debts owed to Scientology organizations.

Any Potential Trouble Source owing money to any Scientology organization is handled the same as any other Scientologist. Failure to discharge a financial obligation becomes a civil Ethics matter after normal, within-org avenues of collection have been exhausted.

Civil Court action against SPs to effect collection of monies owed may be resorted to.

LRH:ml.rd

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L. RON HUBBARD

[Note: The full text of this Policy Letter is found in Volume 1, page 430.]

HCO POLICY LETTER OF 13 FEBRUARY 1968

Gen Non-Remimeo

Income Hats

COLLECTIONS LETTERS

An important function of the Income Department is to write letters encouraging payments. The Department of income must not depend entirely on the Dissemination Division to promote income. Dissem gets the person reaching for services, Treasury collects the fees and Tech Services then get the person in to take the services. The Dept of income writes letters as follows:

1. After Dissem have interested a person in taking service and have sent an advance registration packet, the name and address is sent to income Dept. The Director of Income writes to the person establishing the post as a terminal for receipt of the fees, offering to answer any queries the person may have concerning fees, payments, or discounts, and expressing pleasure at the prospect of soon seeing the person at the Org taking services on their route to Clear.

If the person has not paid within a few weeks, then send another letter telling the person to pay so that they may commence services. Keep the letters light and with high ARC. Remember that by collecting their money you are enabling them to advance on the only route to freedom.

2. When a person makes a deposit payment in advance always send a letter out with the white copy of the invoice thanking them for the payment and encouraging further payments at an increased rate; again establishing Dir of income as a personal friendly terminal who is there to help the person get Clear.

3. When sending out monthly statements send a personal letter with the debit statements but do not delay monthly statements by

the action. The letter can be quite short but provides a terminal to which money can flow. If the person does not reply after several statements have been sent, then look through the correspondence in the CF and accounts files, check that you have the correct address and pick up the dropped comm. (The question the person asked that was never answered.) If there is no dropped comm and the address is correct, then inform the ARC Break Reg and send the account for FSM collection.

The important thing is for the Dir of Income to establish the post as a terminal with

(a) Affinity - a safe helpful terminal that does not make the person wrong for owing money.

(b) Reality - correct account and data concerning payments. Give prices for courses that are within the person's reach and reality.

(c) Communicate - write to the person and invite them to write to you. Establish the comm line then have them put money on that line. Keep your communication TRs well in.

Treas Sec SH

Qual Sec SH

HCO Area Sec SH

Ad Council SH

Exec Council SH

LRH Comm SH

Ad Council WW

Exec Council WW

LRH Comm WW

D/Guardian WW

LRH:jp.rd

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Brian Livingston: Helen
Pollen: Bene Neal : Helen
Pollen: J.J. Delance : Irene
Dunleavy: Mike Davidson :
Tony Dunleavy Lenka
Marinko: Ken Delderfield :
Joan McNocher Mary Sue
Hubbard The Guardian WW
for L. RON HUBBARD
Founder

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FOUNDING CHURCH OF SCIENTOLOGY
1812 19th Street N.W., Washington, D.C.

FOUNDING CHURCH POLICY LETTER OF JANUARY 1957

MASS PURCHASES AND WORK
CONTRACTS

Any and all mass purchases or contracts for work should be submitted in writing by the other party and signed by him before any mass purchase is engaged or work is done.

L. RON HUBBARD

LRH:rd

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

(Issued at Washington)

ASSOCIATION SECRETARY DIRECTIVE OF 17 JUNE 1957

(Revised for HASI SOUTH AFRICA)

NOT HCO POLICY LETTER

ORIGINAL COLOUR FLASH

NOT GREEN ON WHITE

AUTHORIZATION REQUIRED FOR ALL
EXPENDITURES

No purchases may be made or orders given for materials, or equipment, or supplies, or paid overtime on behalf of the HASI without prior written authorisation being obtained from the Assistant Secretary.

Should the Assistant Secretary doubt the necessity of any item or service requested the Department Head will be required to demonstrate the need. Any purchase made, or orders placed, without the prior authorization of the Assistant Secretary will be at the responsibility of the person so ordering and HASI payments for them will not be authorised.

Jack Parkhouse

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37 Fitzroy Street, London W. 1

NOT HCO POLICY LETTER

ORIGINAL COLOUR FLASH
BLUE ON GOLD

HASI LONDON ADMINISTRATIVE DIRECTIVE OF 1 JUNE 1958

PURCHASE ORDERS
Effective 20 June 1958

There are instances of foolish expenditures and bad accounting in the organization's past. This hurts the survival of Scientology. No Bill may be paid by Disbursement without the following checkup:

Is the bill correct and not composed of bills already paid?

2. Was the work actually ordered by an executive? Purchase or authorization record must come to hands of Disbursement Clerk before cheque may be written. Action to be taken if expenditure not authorized - deduction from pay of offender.

3. Were the goods received or the work done? No bill can be paid without a slip from an inspecting executive certifying the goods are on hand or the work completed and satisfactory.

4. In a circumstance of fund shortage, is payment of the bill necessary in order to continue an organization project - do we need further services of firm? If not, backlog bill behind more urgent bills.

A check sheet should be made out at once by the Dir Admin, giving all above points. It originates as a Purchase and Service Order from any department, to which these slips are made available. It must then be okayed by head of that department requiring the goods or services. It must be okayed and ordered by Dir Admin. It must be inspected by the executive of the ordering department and/or the Dir Admin or the Org/Assoc Sec. or the Treasurer or the Executive Director. It must be certified as a proper billing by the Accountant or Disbursement Clerk. This slip, properly initialed in

all places must accompany the made-out cheque for signature and must be inspected before signed. This applies as well to routine bills. It does not apply to salaries. These cannot be paid without the okay of the payroll by the Assoc/Org Sec and/or the Executive Director.

These persons are responsible for correct paying of bills for supplies and services: (1) Assoc/Org Sec (2) Treasurer (3) Dir Admin (4) Disbursement Clerk or Accountant (5) Head of dept ordering goods or service. Any of these may have his pay checked if the goods or services are not considered needful and are ordered on a by-pass of the routine herein laid down. The person whose pay is checked must have been responsible for the irregularity.

This directive applies to all purchases, demands for service and repairs and applies as well to goods or services ordered from businesses with which Organization has an account. This means oil, office supplies, long-distance phone, gasoline, furniture, et al and all services required. The only routine bills which can be run up without authorization at this time are local phone, already contracted, and rents, lights. New rents are by purchase order. The regular comm lines of the org must be used for transmission of such authorizations.

The HCO Sec will check from time to time to see if this system remains in use and is to report to me at once if it does not.

An additional form is provided for requisition of materials from Dir Admin. This is not a purchase order and is for use internally in the organization. Purchase Orders are external.

LRH
President

CONVERT TO

SEC. E.D.

HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 2 JUNE 1959

PURCHASING LIABILITY OF STAFF
MEMBERS

All purchases by a Scientology organization must be done by purchase order, duly agreed upon and signed by those in authority before any purchase or contract may be binding upon the organization.

Should a purchase be made or a contract entered into for the organization by a staff member with no purchase order, the Association Secretary, Organization Secretary, HCO Secretary or person in overall charge of that organization may refute the purchase or contract and may require the offending staff member to pay for the purchase or contract out of his own pocket as a personally entered into arrangement.

L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 DECEMBER 1969

Remimeo

Exec Secs

Asst Guardians

Finance

TRADING
PROHIBITED

Reports received from Mission Finance US have brought to light some orgs have been trading Dianetic and Scientology services in return for mest, or services from the business world.

Up until now there has been no Policy regarding the above - hence the reason for this Policy Letter.

RULE: EXCHANGING DIANETIC OR SCIENTOLOGY SERVICES IN RETURN FOR MEST OR SERVICES FROM THE BUSINESS WORLD IS STRICTLY FORBIDDEN.

REASON: The income of an org is allocated to cover the expenses of the Org as per the AC 1 form. By trading Scientology or Dianetics for other services, you not only violate the allocation set-up, but put the whole income of the org into its own pocket book, and rob WW of their 10% plus the Building Fund Account.

Really amounts to over-spending!

LRH:RR:rs.ei.rd

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Lt. Robin Roos CS-3

for L. RON

HUBBARD Founder

SEC ED

HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 5 JUNE 1959
Issue II

HANDLING OF
BILLS

When a bill is received it is the property of the Accounts Dept.

The bill is instantly that moment recorded in the current bills book under the firm or person's name submitting and is filed "waiting payment".

The bill must be reviewed against payments already made to that firm or person by the organization.

Payment cheques on bills are made out from the current Bills Book only when verified and the cheque number and amount is entered on the firm or person's page in the current bills book and also on the Ledger Sheet.

At once enter on the actual bill the amount paid and cheque number and date and send bill to Business Files.

Business Files files it under the firm name for the year it is paid.

Penalty.

LRH:gh.pm.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 SEPTEMBER 1961

CenOCon

PAYMENT FOR
MATERIALS

It is a stable datum that the Central Org (HASI, FC, etc) pays for all materials which are used in or for the benefit of the Central Org, even though they may be supplied to the HCO and the HCO then forwards or takes care of them.

At present, tapes are being copied and sent to the HCOs by the DCI in Washington D.C. These tapes are being invoiced to the HCO, since all books, tapes, and other such materials are always invoiced to HCO. All such invoices should be passed at once to the Central Org accounts dept for prompt payment. In the Commonwealth and Sterling area, all such payments should be made to HCO WW, who will pass the credit on to DCI in Washington D.C.

In future, all such invoices will be marked "for the HASI". All past and future transactions which come into this category will be recorded on a separate sheet in the Central Org's title at HCO WW, so as to provide an up to date check on the payments.

LRH:jl.cden

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Issued by: Peter Hemery

HCO Secretary WW

for
L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 APRIL 1964

Central
Orgs

ORG PAYMENTS FOR TAPE-RECORDED
LECTURES

As certain Scientology Organizations owe large sums of money to HCO at Saint Hill for tapes previously supplied, such Orgs will, as from this date, be levied an additional 5% of their corrected gross income until this debt is paid in full.

Further, in order that this debt does not increase, all tapes to Orgs will henceforth be sent on a CASH ON DELIVERY basis.

LRH:jw.rd

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Issued by:HCO Tech Mat Sec WW

for

L. RON HUBBARD

Authorized by:L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 11 JUNE 1964

CenOCon

CENTRAL ORGANIZATION & CITY

OFFICE

TAPE SERVICE

Those organizations which have complied with HCO Pol Ltr of April 21, 1964, which required 5% of the Disbursement fund applied to old tape bills, and are paying cash for current tapes, will continue to receive their tape lectures.

Those organizations and offices which have not complied may not receive further tapes until satisfactory arrangements have been made with Saint Hill's Scientology Library and Research.

Only those lectures which apply directly to general auditing and can be used by an organization will be sent as at this time Level VI materials are of no direct use to an organization. This reduces the cost of tapes by reducing the number sent.

No Central Organization or Continental Headquarters may now recopy tapes and send them to smaller offices. All offices must procure their tapes directly from Saint Hill. The reason for this is tape quality. Only Saint Hill uses one for one speed Ampex professional copying.

Current basic tapes are of great interest to HGCs and Academies, particularly since up to Grade III Saint Hill materials are now being written up in full with bulletins and check sheets for Grades I, II and III for Central organization use. Current basic tapes of the type that is being shipped are part of this programme.

LRH:jw.cden

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L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

Gen Non-Remimeo HCO POLICY LETTER OF 21 OCTOBER 1965

HCO Exec Secs (c) --

Org Exec Secs

Org Sec

Dir Disb

Dish Hats

Issue II

Org Division

BILLS PAYMENTS

(This is a summary of existing policy and has nothing new in it except penalty.) No executive may sign any cheque unless:

1. All cheques for a period are presented en masse;
2. The cheques are accompanied by a tape showing their amounts and total amounts;
3. The current bank statement of the account on which the cheques are being drawn;
4. The current monthly bills statement;
5. Each cheque bearing on its face a brief description of what it's paying;

6. Each cheque accompanied by a Disbursement Invoice giving everything known about the transaction.

ISOLATED CHEQUES

No accounts personnel may present isolated cheques for signature to executives for in this action all financial planning is thrown out.

CONSEQUENCES

Where the above steps are avoided, endless memory is demanded of the cheque signer even up to 3 years after. What was it for? Why?

Credit standing evaporates on such accounts omissions. Bank accounts get overdrawn. Bills get overpaid. People you don't have to pay get paid and people you should have paid are neglected.

The final penalty is destruction of credit and invalidation of the cheque signer's integrity.

ROUTINE OF PAYING BILLS

A monthly bills statement for that month only is prepared by Disbursement. To it is attached all earlier monthly bills statements which contain unpaid accounts.

All unpaid bills are totalled.

A total of monies in banks is listed at date of the Bills statement.

These are sent to the Financial Planning Hat who then designates what is to be paid. Financial Planning sends this to any cheque co-signer for agreement.

It then goes to Disbursement who prepares the cheques. These are prepared as per the first part of this Policy Letter.

Each cheque signer sees that steps 1 to 6 above are in order and then checks off the cheques against the tape to be sure they are all there and no extra cheques are present (extra cheques to the tape can cause fatal errors).

Only then does one sign the cheques.

WEEKLY CHEQUES

There are some bills that run weekly.

These are prepared for payment exactly as above but handed in with the past monthly statement.

There is no difference of procedure. There must be no rush cheques.

PENALTIES

personnel avoiding this procedure are liable to Ethics actions which can order losses incurred by avoidance be paid by the offender.

LRH:ml.rd

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Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 NOVEMBER 1965

Gen Non-
Remimeo

Executive Division

Org Division

CHEQUE SIGNING

(Modifies existing policy)

Effective at Once

No cheque of any kind for any purpose no matter how reasonable or rush may be signed in any org without the following data before the eyes of the signing person each time any cheque is signed, for each cheque or any batch of cheques.

1. The Total debts of the Org, every one listed;
2. The total cash in bank;
3. The total cheques being signed in that week from accounts;
4. A tape giving the total of the cheques being presented for signature in the batch.

The signer of the cheques:

1. Checks to see what the total owed is and if all debts are on it and how many are already overdue;
2. Looks over the bank statements and cash statement to see what the ratio of indebtedness and money assets really is at the moment;
3. Counts the number of cheques listed on the tape and compares it to the number and amounts of the cheques submitted.

Then and only then may one sign a cheque.

This does not cancel the monthly bills statement or any other proceeding. It does not cancel dateline paying of bills.

It does cancel and forbid any practice of putting before a cheque signer isolated batches of cheques or single cheques because they are "routine" or "rush"

An org cannot conduct its business sensibly if its financial authorities do not know the above data every time a cheque is signed.

It is a bit more trouble for Disbursement but it is a lot less trouble for the org.

Did you know you could become insolvent by too sweepingly retiring debts?

Do you know how fast small cheques add up to huge sums?

And do you realize that the cheque you may be signing for Jiggs & Co is spending money which if paid to Gosh & Co would prevent suit?

Credit and solvency depend upon sensible money handling. One can't handle money sensibly unless he knows how much he owes, what he has got, what he is paying and the correctness of the cheques.

I saw London go £22,000 in the red in 1959, Washington \$20,000 in debt in 1959, and Saint Hill go £18,000 in the red in 1963 all because the policy laid down herein was constantly violated by cheque signers. The accountants in every case had a practice of dropping casual cheques before cheque signers. And those cheques when signed and sent were in excess of income or any sensible procedure. Economy in each case should have started long before. But for lack of continual advices and because of casually presented

and casually signed cheques the affairs of the org were suddenly exposed as in terrible condition, long after ordinary means would have salvaged them.

It took in every case nearly a year and a half of furious work to save the above orgs.

We must not keep repeating the error.

We must be sensible.

LRH:ml.rd

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L. RON HUBBARD

[Note: A typographical error in the original mimeo issue of this Policy Letter has been corrected per HCO P/L 31 Dec. 1965.]

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 30 JANUARY 1966

Issue IV

Remimeo

Exec Sec Hats

Org Sec Hat

Org Div Staff

ACCOUNTING

CHEQUE SIGNERS

CHEQUE SIGNING PROCEDURE

(Modifies all earlier Pol Ltrs and
SEC EDs on the subject of cheque signing)

An executive with the authority to sign cheques must for his own protection and that of the org, know and have the following BEFORE SIGNING ANY CHEQUE OF ANY KIND FOR ANYTHING:

1. Amount of bills owed by the org, total and since when;
2. Amount of cash in the bank by bank statement (not by adjustment of outstanding cheques);
3. The adding machine tape of the cheques being presented;
4. A disbursement voucher white clipped to each cheque.

With these data one can see whether or not it is safe to sign a cheque or whether instead one must carefully plan one's way out of an impasse and preserve credit.

Accounts presentations can be so complex the executive does not know what he is signing.

Bank statements, huge folders, etc. are not needed by the executive. He or she only wants 1 to 4 above and in a very concise form.

The totals of dateline paying sheets to date (monthly bills mimeo sheets) show the gross amount owed.

A written list of bank accounts and the amount in each as per last statement is adequate. Adjusted or reconciled statements down to an hour ago are a waste of time - it all averages out if one always takes the sums on the statements with no adjustment for "outstanding cheques". "Adjustments" are often inaccurate and are a lot of needless work.

The tape of the cheques to be signed should always be counted by the executive for the number of cheques on it and then the cheques should be counted before signing. The number should be the same. If one wishes one can also check the amounts on the cheque and the tape. By comparing the total to be signed to the amount in the bank one can see if it's safe to sign.

By requiring that the white disbursement voucher be clipped to each cheque one cures any tendency to omit writing vouchers and fouling up audits of accounts (missing vouchers raise the mischief in an audit).

Voided cheques should always be shown to the cheque signers so they can tear off the signature line and send the cheque back. One doesn't otherwise deface the cheque but Accounts personnel should write VOIDED across it.

Every voided cheque is accompanied by a MINUS VOUCHER white copy showing a voucher has been written to subtract it. This is not the original disbursement voucher but a new one, called a MINUS VOUCHER which clearly has MINUS printed on it in caps.

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Anyone who has a cheque signing power has his or her neck away out anyway, so be careful to adhere to the above.

The skill of handling money to make an org solvent and its credit good are covered in Pol Ltrs of 1965. Anyone who signs cheques should know those Pol Ltrs. Dateline paying, how to bring about assets, these are very important.

Money is a symbol. It represents success when you have it and defeat when you don't, no matter who is putting out propaganda to the contrary.

Any cheque signer should be alert for rumours that "the accounts system is no good" or "everything is in a muddle" or "we need real books" or "we can't comply with policy because " for right away the cheque signer's neck is away away out.

Somebody is making big errors and trying to cover them up. Or somebody is stealing. Or some nutty accounts firm is trying to make a million from the org by installing needless complexities the cheque signer won't ever grasp and so can't manage.

When you can't get your cheque signing line in, promptly call in Ethics and start investigating. You won't ever be wrong.

As in the old Chinese Proverb:

He who sign cheque is person who hang, not clerk. Clerk, he always innocent. Cheque signer bad man even if just plain stupid.

So don't say I didn't tell you.

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 6 FEBRUARY 1971

Issue I

Remimeo

Exec Dir Hat

Treas Sec Hat

Dir of Disb Hat

Cheque Signer Hat

Guardian Hat

D/A/G Fin Hat

FBO Hat

TRANSFERRING FUNDS

In transferring monies from one account to another account or from one organization to another organization, all such cheques must either be made out to the organization or to the account concerned.

NEVER ARE SUCH CHEQUES MADE OUT AS PAYABLE TO ANY INDIVIDUAL WHETHER A STAFF MEMBER OR A NON-STAFF MEMBER.

The reasons for this policy are:

1. A cheque made out to an individual, if lost, can more easily be cashed.
2. A cheque made out to an individual can legally be cashed by that individual and the sums lost to the organization.

Therefore, this policy must be applied by anyone on cheque lines.

L. RON HUBBARD

Founder

LRH:sb.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 31 JULY 1962

Accts Depts

Assn Secs

HCO Secs

ORG PAYMENTS FOR ST HILL
STUDENTS

Before a prospective student, sent by a Central Organization or City Office at organization expense, can be enrolled on the St Hill Special Briefing Course, one of the following financial arrangements must be made.

EITHER: -

OR: -

OR: -

(a) His or her course fee, in full, must have been paid for in advance by the organization concerned. (The current fee is £285.15.0. British Sterling or \$800 U.S. or equivalent.)

(b) The prospective student must bring the full course fee with him/her (in the form of cheque, bank draft or other suitable means), and pay this amount to Accounts WW before enrolling.

(c) The organization concerned may make special arrangements for payment at the discretion of L. Ron Hubbard or Mary Sue Hubbard, before the prospective student is sent. These arrangements may only be made through L. Ron Hubbard or Mary Sue Hubbard and are rarely granted.

Failure to comply with this policy will result in the prospective student being debarred from the course until one of the above arrangements have been completed.

We, by turning out St Hill graduates, are supplying you with fresh lifeblood and raised incomes. You will benefit from the increased prosperity brought by St Hill graduates.

Then, do not force us to be debt-collectors from our friends.

Issued by: Mike Rigby
Director of Accounts WW
for
LRH:dr.cden
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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex.

HCO POLICY LETTER OF 14 FEBRUARY 1963

CenOCon
Franchise

SAINT HILL SPECIAL BRIEFING
COURSE
REIMBURSEMENT ARRANGEMENTS

Any Saint Hill Special Briefing Course Graduate, who has been classified minimally Class III after 30th June, 1962, and who paid for the Course, fares, etc., at his own expense, may apply for a reimbursement of these costs from his Area Org on the following conditions:

1. That all arrangements are at the discretion of the HCO Area Secretary and the Association/Org Secretary of the applicant's Area Org.

2. That he is a full-time Staff Member of that Org at the time of application for reimbursement.

3. That he signs a 2-year Staff contract with that Org from the date of acceptance of application for reimbursement.

4. That he receives reimbursement for Course expenses exactly similar as though he had attended the Course as a Staff Member from that Org, i.e.

(a) Fares costing same as usual method for sending Staff students from that Org, providing that the applicant was resident in that area when he took the SHSBC. (Fares to another country made after completion of the SHSBC do not come under this agreement.)

(b) Course fees at actual cost to student.

(c) Expenses during Course at the standard Staff student pay allowance of £10 p.w., or as arranged between the applicant and Assoc/Org Sec and HCO Area Sec. but for a maximum period of sixteen weeks only.

5. That reimbursement is made over a period of time at a fixed weekly rate, this amount being debited to the disbursement account. The rate of reimbursement to be at the discretion of the Assoc/Org Sec who, whilst every endeavour is made to maintain a fixed rate of reimbursement, has the right to temporarily stop payments should he consider it necessary owing to disbursement fund levels. However, this should not be found necessary except very infrequently if at all.

6. That, if the applicant is unacceptable to his Area Org, or if that Org has no vacancy, or it deems that it is not in any position to reimburse the applicant in question, the applicant may then apply to another Org for acceptance on Staff and Course reimbursement.

L. RON HUBBARD

LRH:dr.cden

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 MAY AD13

Orgs only

Not Students

or Franchise

SEC ED

STAFF MEMBER ENROLMENTS

Issue the following Secretarial Executive Director. It expands a cable already sent.

Staff Member Enrolments on Saint Hill Special
Briefing Course

Under the general direction of the Association (Organization) Secretary and the immediate supervision of the Letter Registrar, and with the help of the Director of Training and the Director of Processing, the following programme is instituted.

In that it is desirable to increase the number of Saint Hill graduates in any organization and area, and in that Saint Hill training costs for staff members should be less of a strain on an organization:

For every four paying students sent by an organization from the public or field in the organization's geographical area, one staff member of that organization may be enrolled on the Saint Hill Course without course fee.

Field or public prospective students who have already signified their purpose of enrolling on the Saint Hill Course to the Saint Hill Course Administrator are not to be included in the required number of students.

This does not mean that for every four staff members sent to Saint Hill, one may be sent without fee. This does not mean that an organization may not send additional staff members and pay their fee.

It does mean that if an organization is instrumental in enrolling four non-organization auditors on the Saint Hill Course, one staff member may also be enrolled from the organization without fee.

Evidence of enrolment will be course fee received at Saint Hill.

The staff member so enrolled may have his expenses paid, including any small salary for maintenance here, from the building fund, thus relieving the salary sum and disbursement account of any expense.

Other staff members sent with fee paid will have their travel expenses taken from Disbursement Account and their salary (which includes their expenses at Saint Hill) taken from the salary sum.

This has been instituted not because Saint Hill enrolments would not remain up, but to increase the number of Saint Hill graduates in each area and to make it easier on orgs to get trained staff. I also feel this may end any possibility of a games condition building up whereby individuation occurs.

In getting people to enroll in the Saint Hill Course, remember that an HPA/HCA/HDA is a necessary requirement. However, there are not other burning rules such as age or field experience. People aren't too old or too inexperienced as auditors to enroll. The Course has gotten easier and is making excellent auditors out of its students regardless of age or experience.

In selecting an organization staff member to come to Saint Hill, pick your better auditors, please. They finish faster. However, give priority to any staff member who overtly finds four enrolments for Saint Hill on his or her own. It is however to the benefit of all staff members to promote this programme as it means no loss of pay and a technical boost for the organization. This is my own training programme for raising technical and clearing people.

LRH:gl.cden

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L. RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W.1

PROPORTIONATE PAY PLAN
PROPOSAL

5 April 1957

NOT HCO POLICY LETTER
ORIGINAL COLOUR FLASH NOT
GREEN ON WHITE

THE SITUATION:

The Board cannot raise wages as such since it is also afraid that in some slack period, the payroll would swamp the Association. Thus even in a good period it cannot raise wages. All management is in this situation-hence its attitude on wages.

WAGES:

Working for a wage is one of the deadliest control mechanisms since it brings about an irresponsibility in the person for his job. Fixed wage is a means of suppressing a person into a slavery class, pegging him at no hope. This mechanism is one of the best modern society has for keeping people down. It is artificial and arbitrary and denies a person the fruits of his labour.

THE ASSOCIATION:

Since the publication of two new books and after a year and a half of hard work by myself and council and staff, the Association is a new organization. Its earning potential has not been realized yet. It is not the old Association. Its income is already rising above old levels.

However the Association is stable. It has been here and functioning for 5 years without a falter and it is winning all the time.

SCIENTOLOGY:

While we have for years been far ahead of any of Man's earlier technology on the mind, new certainty and ease of auditing have been added in the past three months which eclipses earlier strides. That is why I am here. Had I not had so much to impart I would possibly not be here for this Congress.

I am confident as never before concerning lower level and higher

level cases. With what we know we can expect a soaring climb of Association business which has always been just as good as the subject worked. Today we have four times the preclears we had to this period last year. We're doing four times better.

ORGANIZATION:

With the proper organization of a procurement section, Association business is expected to rise.

PAYROLL:

As the Association books will show, wages comprise an average of about 44.89% of the Association's gross income.

As the book sales of the Association are a minor part of its income, these can be and would be omitted from the gross on which this is based.

With book sales omitted from income, the figure could be estimated at around 48% of the whole gross.

With this pay plan proposal I am prepared to make the amount to be spent on wages 50% of the gross income less books and tapes. This would prove considerably more than it has been.

THE PAY PLAN:

Pegging salaries in proportion where they are and then using this as a unit value, we could divide these units into 50% of the gross income less books and tapes each week and pay on that basis the following week. This would then give each staff member or employee the benefit of any increases in income as are expected. There is no reason for the Association to pay it to Inland Revenue in profit tax.

In this way the Board would not be worried about salary increases. And the salaries would increase to the degree that the Association earned.

Further, this is not a firm or corporation run for the profit of a small group at the top, What it earns should be shared since it is the product of the effort of all of us.

PROPORTION OF PAY

Of the gross income less books and tapes, we would use all of 50% always for pay purposes. This would never be cut into for any other purpose or changed from "50% for pay.

We would take 25% and pay from it the bills of the Association - utilities, building costs, supplies, phone, payments on property, etc as well as old bills of all kinds including books and printing. (Books, a small income factor, are really advertising.)

We would take the remaining 25% of the gross and use it as an accumulating fund for new quarters outside London, for royalties and a sinking fund.

All these percentiles are on the gross less books and tapes.

The Book and Tape income we would set aside and out of it buy new book stocks, pay old printing bills and, in general, use it as though it were part of the expense 25% to which it would be weekly added.

EXAMPLE

We would take the pound as par. If one were now getting $\pounds 8$ a week, he would have 8 units. If one were getting $\pounds 6.10.0$ he would have 6.5 units, etc.

We take all the pay for a week in terms of units. Let us say we have a gross of 250 units Let us say we have a week's income of £500. 50% of £500 would be £250. We divide the units 250 into the 50% 250 and we have pay for that week of par-unit is one pound.

Now let us say we have an income of £630 for one week. We would take 50% of this and we would have £315. Divide 250 units into £315 and we have a unit value of 1.26. This gives us a pay unit of £1.26. Multiply this times 8 units for a person getting 8 units of pay and we have a pay for that week for that person of £10.1.3.

What Pay Would Be Under This Plan

We would hold staff units of pay between 200 and 225 (see staff meeting minutes on pay plan), this being the margin necessary for management to operate.

We would convene regular staff meetings and change the number of units only on staff majority vote-a necessary restriction on management which could not be permitted to rearrange pay units so as to compensate for increased income. Management would only have power to adjust units within the 200 to 225 but not to go above or below without a majority vote.

HISTORY OF THIS PLAN

This exact plan has gone into use in Washington. The staff there voted to go all out on this. They have been paid about 10% better for the first few weeks of the plan but income is just now beginning to rise.

RECOMMENDATION

I recommend that you study this well. You should realise your pay could go down as well as up. The primary reason this plan is advanced by me is to raise pay. However, a great change of

operating could take place by reason of this plan. Think well. Then we'll have a staff meeting and vote on it. I've made my bid here to better things. Hope you see it that way too.

RON

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HASI POLICY LETTER OF 19 APRIL 1957

PROPORTIONATE PAY PLAN

The staff of the organization except for "Part time" staff is paid in units under the following system.

Staff is paid 50% of the gross income less Congress fees, books and tapes, of the organization.

A Staff member is assigned units of pay. The value of the unit varies from week to week but is par at one pound.

This system was proposed by the Agent for Great Britain, and accepted by a regular staff meeting on April 18, 1957, was endorsed by the Advisory Committee, and the staff minutes were legalized by the Agent for Great Britain.

This system means in fact that an employee for the duration of his employment only is actually, with his fellow staff members, a proprietor of half a £500,000 organization, a gift from the Agent for Great Britain in recognition of the fine work done by HASI staff.

The Computation, minutes and endorsements follow.

PROPORTIONATE DISBURSEMENT PLAN
COMPUTATION

We compute the following figures to be called the Gross Income, the Building Fund, the Royalty Sum, the Congress Books & Tapes Sum, the Expense Sum, the Salary Sum, the Emergency Sum, and the Allocation Sum.

DEFINITIONS:

Gross income: is the complete income for any given week for the HASI less repayment of loans to HASI.

Allocation Sum: is the gross income less the Congress, Books & Tapes Sum.

The Building Fund: is 12 1/2% of the Allocation Sum.

The Royalty Sum: is 12 1/2% of the Allocated Income plus 12 1/2% of the Congress, Books & Tapes Sum or 12 1/2% of the Gross Income.

The Congress Books & Tapes Sum (The C B. T.): is the total receipts of Congresses, Book and Tape sales before any expense deduction is made.

The Expense Sum: is 25% of the Allocation Sum plus the C.B.T. Sum less 12 1/2% of C.B.T.

The Salary Sum: is 50% of the Allocation Sum (which is Gross Income less C.B.T.). This is calculated by first deducting part time staff and then proportioning balance to staff by units.

The Emergency Sum: is 5% of the Expense Sum.

PROCEDURE

(a) Deposit all sums received from whatever source into Account No. 1.

(b) Deposit Building Fund into new Building Fund Account.

(c) Deposit Royalty Sum into Royalty Account (Account No. 2).

(d) Transfer entirety of remainder less loans repaid to Account No. 3 Disbursement Account.

(e) Transfer 5% of Expense Sum to Emergency Account.

(f) Calculate the Salary Sum which is 50% of the Gross income less C.B.T.

(g) Deduct Part Time payroll from Salary Sum.

(h) Add up the total of units for week. Divide remainder by this unit number to find unit value.

(g) Multiply unit value by number of units to which staff member is entitled to get his gross individual pay for week.

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(k) Deduct National Insurance and P.A.Y.E. from gross individual pay and this gives him his check and the government its hogshead of blood.

MINUTES OF STAFF MEETING, 18 APRIL, 1957

The Staff Meeting scheduled for April 18, 1957 convened at 5 p.m.

Whereas the Association Secretary is normally Chairman, the chair was taken on this occasion by the Agent for Great Britain, L. Ron Hubbard, at the Association Secretary's request and with the approval of all members.

The purpose of the meeting was given, which was:

To discuss the Proportionate Pay Plan, the acceptance or rejection of it, to discuss the number of units permitted to operate without the further consent of staff and whereafter there would have to be a staff meeting if the number is to be exceeded; and to discuss the point "What is a permanent staff member" and "What is a temporary staff member".

The meeting was informed that each week the following would be posted:

The number of units for the week, Gross Income for the week, Allocation Sum, etc. as laid out in the "Computation", and that when these were returned to Accounting they would be there for inspection by any staff member.

Question: Are the amounts to be posted on the public board?

Answer: They should be posted where the staff can see them.

After due discussion a motion was then called for on the acceptance or rejection of the Pay Plan.

It was proposed by Dr. Herbie Parkhouse and seconded by Dr. Johann Tempelhoff that the Proportionate Pay Plan as advanced, posted and discussed, be accepted. The motion was unanimously passed.

A motion was called for regarding the maximum and minimum number of units to be maintained. Two figures of 200 minimum and 280 maximum were suggested.

It was proposed by George Gallifant and seconded by Rhona Swinburne that these figures be approved with the understanding that we try for at least the minimum figure. This was unanimously passed.

A proposal was then made by Michael Pernetta that the plan go into operation starting 2 p.m. today. It was seconded by John Swinburne and passed unanimously.

The status of the three types of staff member: "permanent", "temporary" and "part time" were then defined as such:

A "part time" staff member is one who is brought on for a short period and who will be paid in pounds.

A "temporary." staff member is one who is brought on and is going to be or has been here for some time and will be paid in units. He or she would be dismissible by the Association Secretary.

A "permanent" staff member is paid in units and will be in the future taken on only at a staff meeting by majority vote. It was agreed that the Association Secretary in the first instance should designate which members of staff are to be regarded as permanent at this time and that thereafter the status of permanent staff member shall be granted only upon majority vote at a staff meeting and is then dismissible only upon majority vote at a staff meeting or by a unanimous vote of the Advisory Committee, both subject to further appeal and approval by the Association Secretary and the Agent for Great Britain.

It was proposed by Eileen Hibberson that the above definitions be accepted. This was seconded by Bob Davies and passed unanimously.

Shirley Marks nominated Jack Parkhouse as permanent Chairman of the Staff Meeting. This was seconded by John Swinburne and unanimously passed.

A proposal that the Association Secretary be permitted to adjust unit pay comparable with the development of the position and the individual, subject to

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ratification by the Agent for Great Britain or the Treasurer, but without prejudice to the right of the staff to recommend further consideration, was then made. It was moved by Patsy Dooley that this proposal be accepted. This was seconded by Mike Pernetta and unanimously passed.

The matter of the proportionate pay plan then being settled to the great satisfaction of all present, Shirley Marks proposed that the staff meeting be brought to a close. This was seconded by Patsy Dooley and passed unanimously.

The staff meeting was brought to a very successful conclusion at 7 p.m.

Signed:

ADVISORY COMMITTEE ENDORSEMENT

To: Association Secretary From:
Chairman, Advisory Committee.

Jack,

CHAIRMAN

17 April, 1957

The Advisory Committee wholeheartedly endorse L. Ron Hubbard's proportionate pay plan.

Best,
Chairman
(signed) John Northwood

HASI POLICY LETTER OF 19 APRIL 1957

I, the Agent for Great Britain, custodian and trustee of the HASI do hereby ratify for the Treasurer and myself the minutes of the Staff Meeting of April 18, 1957 and do pronounce them valid and in full force.

The Treasurer and the Association Secretary are directed herewith to take these measures and continue them.

LRH:rs.cden

truth:

L. RON HUBBARD
Agent for Great Britain
L. RON HUBBARD
19 April 1957

Now that the Proportionate Pay Plan is in effect you should realize the horrible

The Income of the HASI largely depends upon the outflow of Department of the Registrar and accurate, skilled handling of returns and the highest possible level of service by the Training and Processing Departments.

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HASI POLICY LETTER OF 14 MAY 1957

HAT TURNOVER

When you change or leave a post, your HAT FOLDER must be turned over by you to Accountant. He only then will give you your current or final cheque. Accountant turns folder over to Association Sec who then gives it to person taking over the post. The Association Sec. when he turns over folder, dispatches HCO for Organizational Board change.

LRH:rd

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
LONDON (Issued at Washington)

ORGANIZATION POLICY LETTER OF 10 JANUARY 1958

INSPECTION OF HAT FOLDERS

Any trustee or Organization Secretary or Assistant Secretary may call upon any staff member at any time to deliver up his hat folder in person at once for inspection.

If the hat folder does not completely describe the post it covers and the duties and procedures thereof or if it is incomplete, or if it is in gross error, the officer inspecting the hat may direct the accountant to debit the offender's pay £1.-- in London or 310 in the U.S. If the folder is missing entirely, the fine shall be

æ2.10- in London or \$25 from the U.S.

There is no limit to the number of times a folder may be called for or the number of fines save only that only one fine may be levied for each offense. Recentness of appointment shall be no excuse.

The Accountant is authorized herewith to so deduct funds from pay on order of the fining officer.

Any funds so derived shall be made part of the Building Fund after being deducted from the pay check of the person fined.

Definition: A "hat" is a permanent folder, in the possession of a staff member, which describes his duties on that post in full and which contains general organization orders. The folder must be complete and up to date.

Scientology Organizations are complicated structures. The know-how is contained in its hats. The structure becomes unworkable when posts and duties become lost.

L. RON HUBBARD

LRH:bt.rd

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[See also HCO P/L 1 January 1968, Vol. 0 - page 68.]

D of M FOUNDING CHURCH POLICY LETTER OF 26 MARCH 1958

D of Accts

D of P

D of T

D of PrR & Registrar

Disbursements

HCO info

SALARY AND UNIT PAY

Hereinafter only maids, janitors and maintenance and part time accounting may be paid salary-all others are on unit pay.

Policy - "Outside people" and Scientologists are paid alike.

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HUBBARD COMMUNICATIONS OFFICE

37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 27 NOVEMBER 1958

Effective Dec 1, 1958

First Pay Day: Dec 5, 1958

PAY LIST

Unit pay is proportional to HASI Unit for same week that 10% of gross was

Allowed Units:

Rhona Swinburne, HCO Exec Sec World - 25u

Peter Hemery, HCO Communicator - 18u

Gladys Wichelow - 16u

HCO Steno - 15u

Joan Ferguson- 16u

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HASI FINANCE POLICY LETTER OF 9 DECEMBER 1958

Dear Department Head,

STAFF LIST
NOTIFICATION TO
PAYROLL

L. RON HUBBARD

NOT HCO POLICY LETTER
ORIGINAL COLOUR FLASH

NOT GREEN ON WHITE

You are responsible for seeing that notification of all persons on staff under you is sent promptly to the Accounting Department.

There have been several mistakes lately when notice was not received that someone was put on the payroll and that someone was not on payroll, the latter having occurred more frequently.

As failure to send notification of your weekly staff can affect the cheques of all, plus or minus, please see that you do not

neglect this.

LRH:rd

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L. RON HUBBARD

Executive Director

HASI London

FOUNDING CHURCH OF SCIENTOLOGY

WASHINGTON, D.C.

FOUNDING CHURCH POLICY LETTER OF 9 JULY 1958

All clears on staff will draw an extra one-half unit in addition to regular units. Pay starts on receipt of clear bracelet by staff member.

LRH:bt.rd

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 APRIL 1960

CenOCon

YEARLY SALARY INCREMENTS

It has been proposed and is now to be policy that the yearly increment of salary units for consecutive service in the Central

Organization and HCO Office shall be limited to five yearly increments only.

It is assumed by the end of a period of five years work with the Organizations that an individual staff member should have obtained adequate promotion because of his capabilities and thusly, no further increases in salary are necessary.

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Sthil

Mary Sue Hubbard
Organizational Supervisor
for L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 JULY 1960

SICK LEAVE

Staff members who are paid on a weekly basis are entitled to 2 days sick leave with pay each month.

Sick leave is not cumulative from month to month.

To qualify for sick leave, a doctor's certificate should be produced.

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Peter Hemery HCO
Secretary WW for
L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 OCTOBER 1960

sthil

HOLIDAY PAY AND SICK LEAVE
(Reissued)

This Policy Letter is intended to summarize and clarify the schemes for holiday pay and sick leave in operation at Saint Hill. Both schemes are in line with similar schemes which apply in other Scientology Organizations all over the world.

HOLIDAY PAY

Holiday pay is allowed to all staff who work full time on a weekly wage, on the following scale:

3 months' service
6 months' service
9 months' service
1 year's service

3 days 5 days 7 days 10 days

The "days" referred to are working days. For each year of continuous service, therefore, a staff member would receive two full weeks' holiday pay. Each day's pay for lesser periods would be estimated as one-fifth of the gross weekly wage.

A full time staff worker is one who works 35 hours or more per week regularly.

A part time staff worker is one who works less than 35 hours per week regularly

Part time workers, or those who work on an hourly rate, do not normally receive any holiday pay.

Holiday pay is not normally granted unless the staff member has been employed continuously for at least a year, even though a holiday may be taken by permission. In all such cases, special permission must be obtained before any holiday pay is granted. On leaving the organization, a staff member is not entitled to any holiday pay unless he has been employed continuously for at least a year.

When taking a holiday, staff members who normally work Saturdays or Sundays should do so before starting on holiday, or have their pay docked for the time lost.

SICK LEAVE

Sick leave with pay is allowed to full time staff members at the rate of 2 days in every calendar month. Sick leave is not cumulative from one month to another. Such pay is granted upon the presentation of a Doctor's certificate.

Issued by: Peter Hemery

LRH:js.pm.rd

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HCO Secretary WW
for L. RON
HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 19 FEBRUARY 1961

HCO Secs
Assoc Secs
Dir Accts
Master File
Do not remimeo

ACCOUNTS: HOW TO DO A
PAYROLL

Under the four-file accounts system, all monies received are invoiced. Every sum expended including petty cash is put on the Disbursement Voucher Machine. This means that payroll goes through the Disbursement Machine.

There are two maxims that regulate this: One: The less copying from one piece of paper to another that an accountant does, the greater the resulting accuracy - entering or cross-entering of figures should be abolished as far as possible. Two: If you want to speed up a Communication Line you take MEST out of it. Thus in accounts, the use of long sheets of payroll computations and lists should be minimized.

VOUCHER COMPUTATION

The Accountant knows the number of people he will have to pay, their names and

In a small organization he has a list. In a large organization he obtains it from the weekly departmental report (which arrives in his hand TUESDAY after Ad Comm) which lists personnel in each dept and their pay (Part of the One Departmental Report per week system).

The Accountant has in the back of his creditor file a file for every active staff member. This file contains (in the Commonwealth) all the government books for the person as well as all papers and invoice copies relating to pay plus his staff application sheet.

The first action in preparing a payroll is to take these folders out of the file cabinet and make sure that one has a folder for every active staff member to be paid and that any departed staff member file has been relegated to Inactive and is not included. This is done by checking them off against the personnel list of last week's Departmental Reports.

Lay this mass of folders on a table and make up a folder for any new staff member and put in inactive files any folder for a departed staff member. Add up the number of units by going through the folders and complete salary sum calculations, obtaining the value of the unit. Carefully cross-check unit value to make sure it is absolutely right and that units x unit value equals salary sum before you go further.

Take the Disbursement Voucher machine and place it to your right, leaving a blank area between machine and folders.

Take file number one. Open it. Knowing the units of the person, the unit value and having any deductions to hand in the folder on the voucher in the machine do any and all calculation. If a

calculator is used, put down its results on the voucher. Do not use scrap paper. Use the Disbursement Voucher in the Machine.

Make any Govt calculation from any government tables and put the results down on the Voucher and in any Govt book from the person's folder.

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Add up the pay and deductions on the voucher in the machine arriving at any amount the Govt gets, any amount deducted for the organization, and the actual money now coming to the person.

Pull the machine handle. Bunch up the three vouchers to begin a pile away from the folders and machine. Put the folder that has been calculated furthest from you.

Take the next folder and repeat the operation with it, again making all calculations on the new voucher in the machine. Even scribbles must be put on the voucher since we want accuracy and legibility not neatness.

Crank the second three out of the machine and lay them on the first voucher crosswise. Put the second folder at the back of the pile.

Repeat this operation throughout the folders.

When all folders are so calculated and completed, put all the folders back in the file cabinet and close it. There are now no folders or books on the table, only the machine and the criss-crossed pile of vouchers. Take your data from the white. Do not separate other copies.

Remove the Disbursement Machine.

Put an adding machine in its place.

Clear the adding machine.

Take up the pile of vouchers. First add up the total of monies, if any, to be paid to the Govt by going through the vouchers. Get this or these final figures on a tape. Mark what the tape is on the tape with a pen. Put the tape aside for later reference.

Go through the vouchers again, putting any Organization Deduction for each person on the adding machine.

Total the figure. Extract the tape from the machine and mark it as Org Deduction.

Lay the tape aside.

Take the voucher pile again, and again from each white, put the pay of each person on the adding machine.

Total and remove the tape. Mark it Pay.

Total the three tapes and see if they compare with the salary sum you started with.

If they do not, count the number of vouchers and the number of figures on the tape. Count the Org Deductions and the number of vouchers with Org Deductions. Count the number of Govt deductions and the number on that tape. If the error is not found by reason of an omission, start at the beginning as above, pulling out the folders and once more re-calculating the number of units and pay and the amount of a unit. Continue on through all calculations until error is located.

If error means correction of a voucher have loose pieces of carbon paper to correct them with and be sure to correct the copy still in the machine. It is doubtful if more than one or two vouchers would have to be so corrected as they do not accumulate

the error, each one being a separate computation.

Take the three machine tapes, add them carefully

Make out a cheque to this sum only. Enter cheque, its description and purpose on

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the Disbursement Machine, giving on the voucher any Govt sum, Org sum and actual pay.

Make out a separate cheque for any petty cash. Put its full description and purpose on the voucher.

Take these two cheques and these two vouchers AND ALL VOUCHERS FOR PAY to cheque signing persons for their inspection.

To get the exact right change for a payroll make a table before going to bank. Write down left to right across a sheet of plain paper pounds, ten shilling notes, two shilling coins, one shilling, sixpences, threepences, pennies, or in U.S., Ten Dollar Bills, Five Dollar Bills, One Dollar Bills, fifty Cent pieces, quarters, dimes, nickels, cents. Take the vouchers and do a sight breakdown of each pay sum to be paid in cash. Put down the number of pound notes etc it will take to pay that person and mark each monetary piece under the appropriate column. Then add up each column, which will give the exact number of each monetary piece required from the bank. Needless to say, addition across the bottom should add up to the amount of the gross pay cheque As you will also have coins in your petty cash cheque errors in pay-out can be remedied.

Cash cheque at the bank, making sure you obtain enough change. Do not get the money in packets for each person. Just get a lump sum.

Buy Govt stamps or postal order to give the Govt the amount it

has coming from the cash you have in hand.

The Org deductions are now invoiced on the invoice machine as loans or income. The money for this sum is taken from the cash you received at the bank and placed in the usual income cash box.

PAY DAY

All Disbursement copies and cash are laid out on a table.

Persons to be paid come in person to the accountant or cashier.

The person is given his white Disbursement voucher for inspection.

By use of a carbon between them he signs the yellow and blue copies.

The person is paid the pay sum from the Disbursement copy.

The person retains the white.

The accounts officer tosses the yellow and blue into his file basket as soon as that payment is done.

All persons are paid. Anyone not there to be paid has the three vouchers and the cash placed in an envelope. It is sealed and left in cash box until picked up, at which time the yellow and blue must be signed as before.

FILING

The signed yellow copy is filed in the creditor folder of the staff member.

The signed blue copy is filed in the weekly pay breakdown envelope.

PAYING BY CHEQUE

No staff member may be paid by cheque.

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HOLDING PAY

No staff member may leave his pay to accumulate on the books of the Org. If he is saving pay for something in the Org, he hands the amount he requires held back to Accts who at once invoices it saying exactly what it is on the invoice and gives the staff member the invoice white. Such a staff member should also be given a Debtor Folder at once. A copy of the invoice is then filed in it, since debtor folders may be plus or minus with the Org.

U.S. MODIFICATION

As in the U.S. some Orgs may not pay the government anything, go over the above with a pencil and score out all references to Govt payments.

COMMONWEALTH

ACTION

The Govt stamps bought as above should be posted to the books when the yellow is filed.

Any Govt sums should be postal ordered as we don't want the amount going back through our system. The receipt for the order is filed in the creditor file marked Govt with all other bills, the Govt being only a creditor after all.

ADDITIVES

Additional files to handle pay other than those mentioned above are not allowed. Paybooks are not kept. Only pay folders, themselves complete.

REPORTS

If a payroll report person by person is required by an executive other than the departmental reports that come to accounts it is not made by copying or typing. The weekly pay blue vouchers, signed, are enveloped and sent to the executive who sends them back.

A much better executive report is the weekly large envelope that contains the financial breakdown sheet for the week. (This does not exist in fixed pay Organizations. The blues should be sent instead.)

FIXED PAY ORGANIZATIONS

Any Organization not on units but paid on fixed pay should go over the above and pencil out all references to unit calculation to simplify the use of this directive.

COMPLIANCE

This system is effective at once upon receipt. Make up creditor folders for staff members, obtain any of the above mentioned equipment and get this system in because it will save you time.

If you are keeping pay books, etc. etc. drop them and file them in an extra folder at the back of the staff creditor folders so that they can be used for staff that wants yearly summations. All such summations should come in the future from the folder of the staff member since that will now contain all future data.

Please realize it is easier to do this and that this is more accurate than the system you are using and get it in action now.

LRH:js.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 24 MARCH 1961

HCO Sec

Assn Sec

City Office Assn Sec

City Office Area Sec

UNITS FOR ASSN SEC AND HCO SEC

Each City Office Scientology Org shall add the Assn Sec Continental to its payroll to the sum of 2 units in the Commonwealth Area and 8 units in the dollar area.

This shall be regularly paid to the Assn Sec Continental.

Each HCO Area Office of a City Office shall add the HCO Continental Sec to its payroll to the sum of 2 units for the Commonwealth area and 8 units in the dollar area.

This shall be paid regularly to the HCO Continental Secretary.

The purpose of this is to increase the interest of Continental Assn Secs and HCO Secs in the problems and well being of City Offices.

For the purposes of this directive at this time, Continental Assn Secs are designated as follows:

FCDC, Washington: Senior Central Organization Assn Sec in the US is paid also from New York, Chicago when set up and any other City Office East of the Mississippi.

C of S. California, Los Angeles: Continental Assn Sec West Coast is paid also from San Diego, Seattle and any other City Office set up West of the Mississippi.

HASI Africa, Johannesburg: Continental Assn Sec Africa is paid also by Durban, Capetown and any other City Of fire in Africa.

HASI Australia, Melbourne: Continental Assn Sec Australia, New Zealand and Oceania, is paid also from Perth, Sydney and Auckland and any other City Office that IS set up.

HASI U.K., London: Assn Sec would also be paid if any other City Offices existed in its Continental Zone.

For the purposes of this directive at this time HCO Continental Offices are designated as follows:

HCO Continental US Washington DC: Senior US executive, HCO Continental Executive Secretary, is paid also from New York and Chicago when it exists and from any other east of the Mississippi City Office that is set up.

HCO Continental West Coast: HCO Continental Secretary, West Coast, is paid also from Seattle and San Diego and any other West Coast City Office that is set up.

HCO Continental Africa, Johannesburg: HCO Continental Secretary Africa is paid also from any City Office existing or to be set up in Africa.

HCO Continental Australia, New Zealand and Oceania, Melbourne:
HCO Continental Executive Secretary, is paid also from Perth,
Sydney, Auckland, and any other City Office set up in this Zone.

HCO Continental England, Wales and Scotland would be paid if any
other City Offices existed.

Effective on the week after receipt.

L. RON HUBBARD

LRH:jl.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 28 MARCH 1961

CenOCon

PERSONNEL POLICIES
STAFF POST QUALIFICATIONS
PERMANENT EXECUTIVES TO BE

APPROVED

(Modifying HCO Pol Ltr of Feb 17, 1961)

I desire now to approve of all executives appointed to post in
Central Organizations, before the appointment is given permanent
status.

I desire a full report from HASI attendant to the dismissal of

any permanent executive before the dismissal occurs.

The data to be submitted to me, to qualify a department head as a permanent holder of post includes:

1. A minimum of 45 days successful performance of duty on post
2. A statement from the D of P taken from pc graphs of the Auditor quality and ability of the person being appointed.
3. The appointee's own graph and IQ.
4. A summary of his Scientology career.
5. A security check sheet on the person.
6. An E-Meter assessment, particularly on Help and Control.
7. His exam results for permanent Staff Member.
8. Report on Hat Check of post by HCO Sec.
9. SOP Goals procedure fully flattened.

No new executive, not approved by myself on the above basis, may draw the salary of his executive post, but only the salary formerly drawn on a non-executive post until my approval is received by the Assn Sec. effective on receipt of the letter.

No executive may continue as an executive on permanent status, unless approved by myself, on or after 1 August 1961, and if not approved will revert to pay as a leading auditor even while retaining post.

For the purpose of this Policy Letter the following posts are defined as Executive Posts:

In HASI:

Association (or Organization) Secretary

PE Director

Director of Training

Director of Processing

Director of Promotion and Registration

Chief Registrar (Body)

Letter Registrar

Director of Material

Director of Accounts.

In HCO:

HCO Continental Secretary

HCO Area Secretary.

All persons permanently so appointed by myself shall be given a small certificate to that effect.

The assembly of the materials required, 1 to 9 above, is solely the responsibility of the person being appointed.

The HCO Continental Secretary must pass upon any temporary appointment of an executive, before the person is given post. This does not mean such temporary appointment may receive the pay of the post.

The authorization to appoint a temporary executive may be refused only on the following grounds:

1. Past unsuccessful experience with the appointee on that post.
2. Graph points lower than centre.
3. IQ less than 120.
4. Security check not passed.
5. Control and help buttons get very bad reaction on E-Meter.
6. Examination of staff profiles and longevity show other persons better qualified for post.

If no person can be found who qualifies for the temporary executive post, it may not be filled.

In event of abuse or confusion of this section the Assn Secretary may stop any action in progress and send full details to me for decision.

Temporary and Permanent Defined

A Temporary Executive fills the post on a temporary basis, using the word Temporary in the post title. He or she does not draw the executive post's units, but draws former units or the units of a leading auditor, whichever is higher. He or she may be removed from post with or without cause by the Assn Sec at any time, or a

qualified HCO Sec during the time that HCO Sec is handling a State of Emergency.

A Permanent Executive uses the full title of and draws the full units of a post.

He or she may be transferred to a similar post by the Assn Sec. or by the HCO Sec who is handling a state of emergency that applies to that department. He or she may be suspended for no longer than two weeks in any three months from post without pay, to be processed in event of a consistent failure in that department. He or she may be removed from post only by myself after due investigation, and reports are received by me.

Appointment to Staff Posts

No appointment may be made to any post on staff until the following procedure has been followed.

An application form (green ink on pink since it belongs to Accounts and affects pay) is made available at the office of the Assn Sec's Secretary.

People desiring employment are directed by Reception to the Assn Sec's Secretary (or a small stock of forms may be left with Reception).

The application form is self-directing. The person fills in his own various qualifications and vital statistics. It then sends the person directly to Test in Charge to be given a test or (as is more likely) to receive the test from his files. The person then goes to the HCO Sec. The HCO Sec marks the application form in spaces to review the test, makes a brief security check and marks in that result and then states either (a) The person is employable on staff or (b) This person cannot be employed on staff until processed or (c) This person cannot be employed.

If the results are (b) or (c) the person is so told at once. If the results are (a) the person is sent to the Assn Sec (or his Secretary) for interview and results of Interview are marked. The person is then told when to come to work or that he or she will be informed if there is an opening.

If the person is employed (now or later), the application has the units or pay marked on it by the Assn Sec's Sec and is sent to the Accts Dept, when employment is begun.

The Accounts Dept makes a folder for the person in the creditor file.

Accounts may not pay out a cheque until the form is in the Accounts Dept, and is initialled OK, throughout.

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The routing of the form is written on the left margin in each case.

Important: After August 1, 1961 the Accounts Dept may not pay out pay even to old staff unless an application form is in the Accounts file.

Termination of Employment

When employment is terminated, the person terminating, to receive his or her final pay, must be routed on a similar form.

The form is obtained from the Assn Sec's Sec. who is custodian of all forms, by the Dept Head of the leaving person's department or by the Assn Sec.

The form is self-routing on the left-hand margin. It is green ink on pink paper.

The form is headed:

Termination Form

Without this form you cannot receive your final pay
or any recommendation to future employers.

The leaving person fills in name and date and writes his given reason for leaving.

He gives the form to Dept Head for his or her remarks.

The leaving person then reports to HCO and gets checked out for ARC breaks and withholds, and may be ordered to processing at Organization expense, but not longer than 12 1/2 hours, preferably 5 hours,

If the leaving person then changes his or her mind about leaving the form is destroyed by the Dept Head.

The person reports again to Dept Head for the form to be continued, or destroyed in event of person staying, and then takes the form to Director of Material to turn in his supplies and any equipment, and get an initial. This includes E-Meter and any such and in the case of a Dept Head or an Assn Sec may require a full inventory by a paid company if the amount is great.

The person now goes to Accounts with the form and receives with the form his or her final pay.

Accounts, while keeping the creditor folder of the person in a "dead file" at the back of creditors file, until the year's storage of files is made, places the person's original application for employment and the termination form (stapled, termination at the back) into Comm lines to the Assn Sec's Sec who files.

The person's final pay cheque is sent to HCO by Accounts and may

not be paid directly by Accounts to the person. HCO hands over the final cheque when the person has been checked out by HCO or has received any auditing recommended.

Seeking
Personnel

Dept Heads seeking personnel may procure it wherever they wish, and however they wish, but must first look in the job application file of the Assn Sec's Sec in order to save time.

To keep the file straight, the Assn Sec's Sec should divide the file into live (with 3 months) and inactive segments.

In times of expansion a mailing can be sent to the whole list. This would serve to freshen the file and the replies can be filed with the original applications. Until they lose a body, these applicant people do not get "dead filed".

Keeping this application file up prevents the randomness of Emergency Hiring and by-passes of security.

The most fruitful sources of new personnel are the PE and Academy, and permanent help wanted notices should be posted in each

LRH:ph.cden

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[This 28 March 1961 reissue of HCO P/L 17 February 1961 added the parts shown in this type style.]

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 JULY 1961

EXECUTIVES' PAY

HCO Policy Letter of March 28, 1961 is modified as follows:

All permanent Executives (who were to meet the August 1, 1961 deadline or have their pay revert) are extended to October 1, 1961.

SOP GOALS CLAUSE

The qualification of persons having to be flat on SOP Goals by August 1, 1961 as per HCO Policy Letter March 28, 1961, is changed to "Must be flat on Routine IA by October 1, 1961."

LRH:jl.rd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 OCTOBER 1961

CenOCon

PAY OF EXECUTIVES

(Modifies HCO Policy Letter of 22 July 1961)

The deadline of executive pay is extended to February 1, 1962.

The process to be flattened now is "Problems Intensive" as per

Saint Hill data of October, 1961.

LRH:iet.rd

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 APRIL 1963

Assn Sec To be
passed by full staff
meeting before
implementation

AUDIT OF ORGANIZATIONAL BOOKS

Here is a suggestion to help out those Orgs that get into deep water over the paying of their auditor's (book-keeping) annual fees. It is only a suggestion and carries no weight unless it is approved by a full staff meeting.

Let's take a look at the situation. Our accounting system is ridiculously simple - it has to be or we'd need highly trained and very expensive personnel to keep it going. It is not our policy to do this. Much better to have a simple system that any reasonably intelligent person can operate efficiently and easily. This way we cut hundreds, even thousands, of pounds off the payroll each year by doing away with the necessity of having to employ highly skilled personnel.

However, our system has this drawback - we have to (by law) in all countries, have balance sheets drawn up, audits done etc. for

the Org. These balance sheets can also be of considerable help to ourselves by providing useful information, and to have these things done, we must employ professional accountants, who cost money (probably the equivalent of six or seven hundred pounds sterling per year). Now as these accountants are - in effect - taking the place of staff we should otherwise have to employ, I suggest that we, in effect, put them on the payroll!

In other words, say the average annual audit fee is £520 we put aside each week £10 from the salary sum, to accumulate in the salary account until such time as the accountants present their bill, at which time a cheque is drawn on the salary account for the amount involved (£10 x 52 = £520). Alternatively, if the account is to be paid by instalments, cheques could be drawn once a month or as necessary.

Alternatively we hire as regular staff a permanent accountant.

This Policy Letter is offered as a possible solution to a problem that has been upsetting some orgs for quite a while. I hope it helps.

Issued by: Mike Rigby

HCO Director of Accounts WW

for

L. RON HUBBARD

Authorized by: L. RON HUBBARD

LRH:dr.aap

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 4 NOVEMBER 1963

Central Org
Accounts

PAY CARD

The following pay card developed by HCO Area Sec. New York, is recommended for accounts use in Scientology Organizations. (Note: Card as used in New York is about 8 inches by 5 inches, made of light card, and is printed or mimeoed on two sides, as below.)

NAME

ADDRESS

STAFF MEMBER PAY CARD

CLASSIFICATIONS AND AWARDS-

BASIS FOR PAY COMPUTATION

STARTING DATE ON STAFF 1/1761

STARTING POSTAccts Clk (Admin Clerical!

DATE

RAISE

RECD

7/1/61

10/1/61

1/1/62

4/1/62

7/1/62

10/1/62

7/1/64

DATE OF BIRTH_ SEX _

SIDE I

STARTING UNIT PAY 60

POST

HELD

Accts Clk

Dir of Accts

Dir of Accts

Dir of Admin

Org Sec

Org Sec

Org Sec

TYPE

OF

POST

HELD

Admin, Clerical

Dept Head

Dept Head

Dir of Admin

Org Sec

Org Sec

Org Sec

UNIT

RAISE

RECD

10

10

10

15

15

10

REASON

FOR

RAISE

3 Mos.

Becoming Dept Head

3 Mos.

Becoming Dir Admin

Becoming Org Sec

Bonus - Theta Clear

Service Units - Perm

Staff Eff 7/1/64

TOTAL

UNITS

RECD

70

80

90

105

120

125

135

DATE

RAISE

RECD

POST

HELD

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TYPE

OF
POST
HELD

UNIT
RAISE
RECD

312

REASON
FOR
RAISE

L. RON HUBBARD

SIDE 2

TOTAL
UNITS
RECD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 29 APRIL 1965

Remimeo
Staff Hats

ALL DIVISIONS

BONUSES

The only bonuses which may be awarded staff members shall consist
of courses and intensives.

Courses awarded will consist of one course under the Academy system employed after this date.

Intensives shall consist of 12 1/2 hour or 25 hour intensives according to the bonus awarded.

STAFF CO-AUDIT

All routinely scheduled staff co-auditing is cancelled effective 1 July 1965, except for assists including ARC Break, PTP and Missed W/H assists.

Solo auditing successfully carried out, but subject to D of P supervision, is permitted, and solo auditors are permitted to do auditing by list to give each other assists.

REVIEW

Bonus auditing award may include Department Review auditing to handle various case types and ease scheduling.

GRADES

Staff Members must be audited up through the Grades properly in the HGC or in

The additional processes of a Grade may also be run.

POWER PROCESSES

No staff member may be run on a Power Process except by an auditor properly qualified in the Review Case Cracking Unit.

EMERGENCY

No staff member or executive of a section, department or division or org under Emergency Condition may have auditing.

AFFLUENCE

Staff members in a section, department, or division designated as in Affluent Condition are favoured in bonus awards.

FIELD STAFF MEMBERS

A Field Staff Member who has sent twenty persons into the org may have a course or a 12 1/2 hour intensive at his or her election.

EXTRA STAFF

Enough Tech or Review extra staff must be on hand to give every staff member in the org a 12 1/2 hour intensive every 6 weeks

But this staff may not be counted in computing the tech-admin ratio. These are the staff staff auditors.

This balance may not be cancelled out by overload. But other auditors may be used, such as Review Auditors in this programme.

QUALITY

Staff members should have fully qualified auditors in their auditing.

To qualify additionally as a staff staff auditor, a staff auditor must also have an

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excellent record of personal case gains and good T.A.

STAFF STAFF AUDITORS DURING EMERGENCY

When an entire org is under Emergency, staff staff auditors are assigned to promotion duties such as mailings, etc.

COURSES

A staff member awarded a Course instead of an intensive may have only one course and may be only on quarter pay or units for that period.

SAINT HILL COURSE AWARD

Only the higher status staff member may be sent to the Saint Hill Course as an award and only for a very praiseworthy accomplishment.

The Saint Hill Course is awarded a staff member only by the Office of LRH.

This does not prevent staff members from undertaking their own training at Saint Hill with some org assistance on expenses.

SAINT HILL AUDITING

A staff member of very high status in any org may be awarded auditing at Saint Hill, but only for praiseworthy accomplishments.

This award is only at the personal orders of LRH.

LIMITED AMOUNTS

A staff member may only have 12 1/2 hours at a time in the HGC from staff staff auditors of the HGC or, in Review, only to a result, which may vary from 8 hours to 50. But unless specified no staff member may be awarded Review auditing more than once in an org which has a Case Cracking Section.

There are no Review staff staff auditors. Auditing there is done only by the regular Review staff.

PARTIALITY

Aside from Emergency and Affluent Conditions the bonus of auditing and courses should be spread evenly.

No executive has any right to order a staff member to auditing for several intensives at the expense of other staff.

Staff of portions of an org in other Conditions than Emergency and Affluence should be treated fairly.

STAFF MEMBER FAMILIES

No members of families of staff may have staff staff auditing. They may however, as a special favour, be given professional rates. An org does not owe auditing to a staff member's family.

The Hardship Section of the Department of Certificates and Awards often will have auditors on list for the auditing of the staff members' families.

COMM EV

No Comm Ev or Court or executive may after this date sentence anyone to auditing.

Such Ethics bodies may, however, deprive a person of auditing or training or technical communication or any communication.

RECORDS

All records of course and auditing awards and rotation thereof amongst staff are kept by the Department of Certificates and Awards.

AUTHORITY OF AWARDS

All authorities for bonuses for intensives or courses must stem only from the Office of LRH in the org.

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 14 SEPTEMBER 1965

Issue II

GenNon-

Remimeo HCO

Exec Secs Org

Exec Secs

UNITS AND BONUSES FOR ORG EXEC
SECS
AND HCO EXEC SECS
(Revises HCO Policy Letter 24 March 1961:
Units for Assn Sec and HCO Sec)

Each City Office Scientology Org shall add the Org Executive Secretary of the Continental Org of the zone to its payroll to the sum of 2 units in the Commonwealth area and 8 units in the dollar area.

This shall be regularly paid to the Org Exec Sec of the

Continental Org.

Each HCO Area Office of a City Office shall add the HCO Exec Sec of the Continental HCO of the zone to its payroll to the sum of 2 units for the Commonwealth area and 8 units in the dollar area.

This shall be paid regularly to the HCO Exec Sec of the Continental HCO.

The purpose of this is to increase the interest of the Continental Org Exec Secs and HCO Exec Secs in the problems and well being of City Offices.

For the purposes of this directive at this time? Continental Org Exec Secs are designated as follows:

FCDC, Washington, DC: John Higginbotham, senior Central Organization Acting Org Exec Sec in the US, is paid also from New York, Miami, Twin Cities, Detroit, Chicago (when set up) and any other City Office East of the Mississippi.

C of S. California, Los Angeles, Org Exec Sec West Coast is paid also from Hawaii, Portland and any other City Office set up West of the Mississippi.

HASI, Africa, Johannesburg: The Org Exec Sec is paid also by Durban, Cape Town, Port Elizabeth and any other City Office set up in Africa.

HASI, Australia, Melbourne: Denny Gogerly, Acting Org Exec Sec. is also paid from Perth, Sydney, Adelaide and any other City Office that is set up in continental Australia.

HASI, New Zealand, Auckland: The Org Exec Sec Auckland is also paid if any other City Offices are set up and exist in New Zealand.

HASI, UK, London: The Acting Org Exec Sec. Ray Thacker, would

also be paid if any City Offices existed in its continental zone.

For the purposes of this directive at this time HCO Continental Offices are designated as follows:

HCO Continental US, Washington, DC, Donna Fisk Reeve, Acting HCO Exec Sec. is paid also from New York, Miami, Twin Cities, Detroit and any other East of the Mississippi City Office that is set up.

HCO Continental West Coast: The HCO Exec Sec of Los Angeles is paid also from Hawaii, Portland and any other City Office that is set up West of the Mississippi.

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HCO Continental Africa, Johannesburg: The HCO Exec Sec is paid also from Cape Town, Durban, Port Elizabeth and any other City Office set up in Africa.

HCO Continental Australia, Melbourne: Catherine Layton, Acting HCO Exec Sec. is paid also from Perth, Sydney, Adelaide and any other City Office set up in Australia.

HCO Continental New Zealand, Auckland: The HCO Exec Sec would be paid if any other City Offices existed in New Zealand.

HCO Continental UK, London: Joan De Vuelle, Acting HCO Exec Sec. when on the post would be paid if any other City Offices existed.

HCO BOOK ACCOUNT POLICY
(Corrects HCO Policy Letter of 11 May
AD15)

HCO EXEC SEC
BONUS

The HCO Exec Sec is granted a bonus of 2 percent of the gross

receipts of the local Book Account.

The HCO Exec Sec of a Continental HCO is paid 1/2 of one percent of the gross receipts of each Book Account in his or her continental zone.

ORG EXEC SEC

BONUS

The Org Exec Sec is granted 2 percent of the gross receipts of the HCO Book Account, but may not be a signatory to that account.

The Org Exec Sec of a Continental Org is paid 1/2 of one percent of the gross receipts of each Book Account in his or her continental zone.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 OCTOBER 1965

Remimeo

ADVISORY

COMMITTEES

It is up to AdComms to assign conditions of Emergency to Departments.

If the ADVISORY COUNCIL discovers an even slightly down statistic in the Gross Divisional Statistic and finds that that AdComm in its meeting the previous Friday did not locate the cause and assign an emergency to it, the Advisory Council may assign a Condition of Emergency to the entire division regardless of the slightness of the gross drop.

AdComms must establish and assign statistics for their departments and sections or units and individuals.

An AdComm may assign a personal state of emergency to any person in that division.

PAY ADJUSTMENTS

Applies to all orgs on Unit Pay

An individual, unit, section, department or Division will, effective 15 November 1965, have a unit pay reduction of 20% of its units if it is assigned a state of emergency.

An individual, unit, section, department or division, effective 15 November 1965, will receive an increase of 20% of its units if assigned a state of affluence.

STATES ASSIGNMENT TABLE

Exec Division - States assigned for the whole Exec Division by Saint Hill only in accordance with gross income.

Divisions - States assigned by the local Advisory Council on the basis of the Gross Divisional Statistic.

Departments - States assigned by the Advisory Committee of that Division, by the Advisory Council or the HCO Secretary.

Sections: - States assigned by the AdComm of that Division or by

the Advisory Council or by the HCO Secretary.

Units - Same as sections.

Individuals - Same as sections.

POLICY

No org, portion or individual in an org may be without an assigned state. No states may be assigned anything or anyone save on the basis of a graphable statistic.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 21 JULY 1966

St Hill Manor

Remimeo

Area Orgs

Pay Roll

Preparation

Dir Disbursement

Org Sec

Org Area Sec

All Staff except

SH

PROPORTIONAL PAY PLAN 1966

The basic basis of pay in terms of units shall be by post, on the basis of the post held being 'Acting'. A Deputy retains the pay of his former post, (or his last post held just prior to his most recent promotion if he is promoted to Deputy before being confirmed as Acting on a post), and receives an increase in units appropriate to the post when and if he is confirmed in the post as 'Acting'.

The basic units shall be as follows:

Executive Director Guardian
Acting Executive Secretary
Acting Secretary Acting Director
(except LRH Communicator)
LRH Communicator Acting
Officer Acting In Charge
Provisional non-executive staff
Temporary staff (any staff prior
to attaining Staff Status I)

Units

200

175

150

120

100

110

85

75

65

60

Increase in a staff member's units may only be by his having been promoted, with the exception of the following:

1. For being in continuous service on staff - 5 units for each

year up to five years. To receive service units the staff member must have Staff Status 2.

After a staff member has been in continuous service for 10 years he receives an additional bonus of 10 units. However, he must have Staff Status 2.

A leave of absence, if granted by the area Advisory Council and confirmed by the Advisory Council WW for a specific period, does not break the continuity of service IF such leave of absence has been granted "with no loss of seniority".

By continuous service is meant CONSECUTIVE SERVICE OVER A PERIOD OF TIME in any Scientology official organization - i.e. City Office, Central Org (Day or Foundation) or Saint Hill. In other words, if a staff member transfers to another org, his service time in the previous org does count.

2. For Staff Status. For a non-executive post, attainment of Staff Status I raises his pay by 5 units. For any current executive from Officer up who does not have Staff Status I, his pay is to be reduced by 5 units until he achieves it.

For attainment of Staff Status 2, the staff member's units are raised by receiving his service units for whatever period he has served on staff continuously.

As other Staff Status check sheets are issued, attainment of those status numbers will draw additional units, the amount to be stated when the check sheet is issued.

3. Staff who are trained in Scientology will receive additional units as follows:

a) Old HDA, IF the staff member has attained Staff Status 2, has had continuous service for at least 5 years, and has had Scientology training to at least Level II Classification. (This would mean the staff member was a veteran.)

b) Had attended ACCs

c) Has a Level II Classification

d) Has a Level III Classification

e) Has a Level VII Provisional Classification 6

f) Has a Level IV Classification

g) Has a Level VI Provisional Classification

h) Attains Clear

The above are additive The intention here is to reflect in the units of staff members their experience in Scientology.

TECH AND QUAL PERSONNEL

Staff auditors, the Case Supervisor, the D of P. Course Supervisors, the D of T and the Tech Sec. the Qual Sec. D of Review, D of Examinations, Pc and Student Examiner(s), Review Case Officer, Review Auditors and Cramming Supervisors are to receive an additional 5 units for being in Tech and Qual. These additional 5 units are per personnel and are not additive in the event 2 or more posts mentioned are held by one person.

In the event that-an Exec post held as 'Acting' is confirmed at the end of a year's successful service, the staff member holding the post in full (would have to have the Staff Status number of the post to qualify), is granted an additional 5 units with the confirmation, which must be confirmed by the HCO Exec Sec at WW.

LEAVES AND VACATION PAY

A staff member is eligible for vacation after he or she has worked one year on staff. After he or she has worked one full (continuous) year a vacation with pay of 2 working weeks is allowed. This is non-accumulative (i.e. a staff member may not skip vacation one year and be granted 4 weeks the next year). No vacation time is collectible except in the one year period. However, after the year is worked, the vacation itself may be split-one week taken separately from the other week, but may not be further split than one week at a time. A staff member may be granted an advance against his vacation pay just prior to his leaving for his vacation and at no other time. Such an advance is based on the unit value of the last week before his vacation and is to be adjusted up or down according to the units of the following week, or two weeks, such adjustments to be immediate and not long and drawn out. He may not otherwise draw against vacation pay. No staff member may be paid double for two weeks in lieu of vacation. If he or she doesn't take it, he or she merely loses out.

All vacation time (as to dates of vacation) must be okayed by the staff member's seniors up to Secretary (Secretaries by Exec Secs and Exec Secs by Ad Council) and must also be OK'd by HCO Personnel Control, who is responsible for scheduling the times of vacation granted so as not to endanger the org through having insufficient personnel on post to handle the org functions and activities.

PART TIME STAFF

Part time staff are paid on the basis of 1 1/2 units an hour or 2 units an hour for Tech and Qual personnel. Orgs should not be heavily staffed by part time staff.

FIXED PAY

Only the following posts may be paid on the basis of fixed pay

and this should be discouraged. However, sometimes it is hard to fill these posts except on the basis of fixed pay.

319.

1. Janitors or Cleaners.
2. Typists for Letter Reg. It is often more expedient to pay typists at a fixed rate per letter, rather than by time.
3. Construction personnel, in the event buildings are being built.
4. Accountant, if the org is okayed to have one.

A Staff member does not receive multiple basic units if he holds more than one post. He receives the basic units of the highest post held.

FOUNDATION UNITS

If a Foundation is in FULLY - i.e. nights and weekends, (the same staff working both nights and weekends), then the pay is the same as in the Day org.

If a Foundation is evenings only, or weekends only, or if the staff of evenings and weekends are different, then the units are as follows:

Acting Exec Sec Acting
Secretary Acting Director (LRH
Communicator) Acting Officer
Acting In-Charge Provisional non-
executive staff Temporary staff
(any staff prior to attaining Staff
Status 1)

50

40

33

36

28

25

22

20

Increase in units may be only on the basis of promotion except for the following:

1. Continuous service (only if the staff member is Staff Status 2)-2 units per year. By continuous service here is meant continuous service in the Foundation only since the staff member working also in the Day Org is paid his service units for such in his Day pay.

2. Staff Status. For a non-executive post, attainment of Staff Status I raises his pay by 2 units. For any current Exec from Officer up who does not have Staff Status I, his pay is to be reduced by 2 units until he achieves it.

Staff Status achieved in the Day Org, of Course, counts in the Foundation.

As other Staff Status check sheets are issued, attainment of these status numbers will draw additional units as announced with issuance of check sheets.

3. Staff trained in Scientology will receive additional units as follows:

The above are additive.*

a) Old HDA IF the staff member has attained Staff Status 2, has worked in a Day or

Foundation for at least 5 years, and has at least Level II Classification b) Had attended ACCs c) Has Level II Classification d) Has Level III Classification e) Has Level IV Classification f) Has Level VI Provisional Classification g) Has Level VII Provisional Classification h) Attains Clear

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Units

2

The Introductory Lecturer receives an additional 5 units.

For having an Exec post held as 'Acting' confirmed as in full (same requirements as Day Org apply)-2 units additionally.

For staff to work only part time in the Foundation seems an unlikely situation. However, if there is such, they would receive an hourly rate of 1 unit.

There is no fixed pay in the Foundation except, if necessary, Letter Reg Typists.

Vacation and leave rules are the same as for the Day org.

NO DAY ORG PERSONNEL, EXEC OR OTHERWISE, MAY BE PAID AS FOUNDATION, WHO ARE DOING THEIR DAY WORK DURING THESE HOURS. TO BE PAID ON THE FOUNDATION, THE STAFF MEMBER MUST WORK ON FOUNDATION DUTIES EXCLUSIVELY. THIS INCLUDES EXEC SECS.

Scientology executives do not receive overtime pay for extra hours worked on their posts, as they are paid for being responsible for the duties of the post, which includes management of work loads

and management of posts and lines under them. Any Exec having to work overtime for many hours routinely should analyze his lines for Dev-T, or off- line work, or he should shed some hats. When one has to work late and long, it means that the lines at that point are jamming or that the work is being handled inefficiently and ineffectively. This should serve as an indicator for investigation.

The intention of the system outlined here, in addition to paying for the responsibilities entailed in the rank of the post, is to pay staff on the basis of experience in the org and experience in Scientology. As this is the Day of Expansion for Scientology, it is conceived that persons new on staff will be promoted (and hence increase their pay) on the basis of their statistics and will improve their level of training in Scientology both technically and administratively through taking courses at night and through the attainment of staff status.

(c) In the event training took place in the period that lower levels were not being classified, or the SHSBC - only the top level achieved, a VI or VII, is understood to include the lower levels and these are to be added in as per above.)

L. RON HUBBARD

LRH:lb-r,cden

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Remimeo

Div 3 Dept 8

Div 5 Dept 13

EXAMINER BONUSES
(Effective 15 Oct 67)

(Cancels any and all local or Pol Ltr or ED Examiner Bonuses)

The Clear who is chosen as an Examiner in the Pol Ltr Issue I of this date is entitled to the following bonuses on preclears only (not Academy students study awards):

For every Correct examination for grade for any grade of release or Clear, whether passed or failed by the pc, the Examiner shall receive personally the sum of æ1 or \$2.50 US or similar sum in other currencies of an even amount.

If at any time within 90 days after-examination the examination is found to be incorrect the Examiner shall pay the org æ5 or \$12.50 or similar sum but always 5 times the examination fee received.

The sum is paid by the Org not the pc and is paid for any declaration examination including multiple declares. The 5 times fine is paid to the org not to any person.

The examination fee is paid even when the org offers free examination. It is free to the public but the org pays the Examiner.

The fee is paid (or 5 times it is forfeited) on re-examinations also.

The Examiner receives the fee regardless of whether the result is a declare or a flunk. If the pc passes and is certified in grade or if the pc does not pass and is not certified makes no difference -

the fee is still paid.

The forfeit for a misdeclare or failure to declare is paid by the Examiner if he declares a pc to have made it who has not or who fails to declare a pc who has made it. Either one is an INCORRECT examination.

The way an Examination is found to be incorrect is if the pc, within 90 days:

1. Becomes the subject of an Ethics Order of any kind; or
2. Fails to carry on with further processing or fails to signify he is going to; or
3. Does not signify his intention to get training or further training; or
4. Becomes the subject of a review for case; or
5. Is found by a board to have been the subject of an examination leading to an incorrect result; or
6. Goes out of comm with the org.

If the pc by any subsequent Examiner at the next or higher grade or grades is found to have been incorrectly declared or incorrectly denied a declare, at ANY FUTURE DATE, the Examiner who did the incorrect examination shall pay the forfeit to the org. The Examiner threatened with such a penalty by reason of this paragraph only, may ask for a Board of Investigation on the matter.

The full intent of this policy letter is to make it worthwhile for an Examiner to make a completely honest examination without regard to anyone's statistic and to be immune from any pressure to declare or not declare, the whole repute of Scientology depending as it does in HONEST examination.

This system is also aimed to make it worthwhile for a Clear to be an Examiner and provide adequate reward for same.

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L. RON HUBBARD

Founder

[See also HCO P/L 2 March 1968, Qual Sec
Must Be Clear, Volume 5 - page 74.]

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NOT HCO POLICY LETTER

CORRECT COLOUR FLASH

BLUE ON WHITE

EXECUTIVE DIRECTIVE FROM L. RON HUBBARD

LRH ED 64 INT

Date 10 December 1968

The attached is a Proposed Policy Letter. It is for staff examination and discussion all orgs save WW, SH and Asho which are already more or less doing it.

Staffs should be given this data and it should be

(a) found acceptable

(b) amended by specific suggestions or

(c) rejected.

All in open staff meeting which only staff members may attend.

The EC should then advise the Deputy Guardian for Finance WW via EC WW.

If a majority of orgs favour this, it will then be implemented as an actual Policy Letter by WW and other Pol Ltrs amend

[seal]

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L. RON HUBBARD
Founder

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 DECEMBER 1968

Remimeo
All Staff
Treas Hats
Guardian
Fin. Hats

ADJUSTMENTS

PERCENTAGE ADJUSTMENTS AND FIXED

SALARIES

(Effective 1st January 1969)

(Cancels HCO Pol Ltr 3 May 1966 Reserve Fund)

(Cancels HCO Pol Ltr 21 July 1966 Prop Pay Plan)

(Cancels HCO Pol Ltr 15 Feb 1967 Allocation of Income)

The current financial structure of outer orgs has been partly successful but on an overall basis, has failed to:

1. accumulate a large reserve to handle unexpected financial needs and ensure solvency;
2. provide staff with a reliable and stable source of personal income;
- 3 permit long range financial planning with any degree of certainty.

Saint Hill and the Sea Organization on the other hand have succeeded very well in all three of the above, and upon inspection the most successful aspects of financial procedures in these orgs were found to be:

1. fixed salaries as opposed to proportionate pay;
2. a disbursement sum well below the gross income of the organization.

To bring outer org finance in line with the above the following changes are made, effective 1st January, 1969.

All orgs are required to operate on a fixed sum.

This sum is derived from a percentage of past quarterly Corrected Gross Income of the organization. This figure is then set as a ceiling for expenditure for the coming quarter and is obtained as follows:

(a) Add the Corrected Gross Income each week for the past quarter Day and Foundation combined.

(b) Divide this figure by the number of weeks in this period.

(c) 70% of the figure in (b) above establishes the ceiling for expenditure in the coming quarter.

THE TERM "CEILING" IS DEFINED AS THE SET FIGURE ON WHICH AN ORGANIZATION OPERATES WEEKLY, REGARDLESS OF THE INCOME.

The day org being the senior org handles the Financial Planning for both Orgs (Day and Fdn) based on the allocated amount.

The ceiling figure once established, would normally remain the same throughout the quarter but, in actual practice, a major increase or decrease in average income during the quarter could warrant a change of the ceiling amount if the established figure proved unworkable. Any proposal for such a change would be approved at the discretion of the Deputy Guardian for Finance WW.

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While the ceiling establishes how much can be spent it would be wise for the Executive Council to bear in mind that the corrected Gross Income for any week may go below the allowed amount. Provision for this is made by always spending less than the allocated amount.

FIXED SALARIES

In an org which pays wages on a unit system (proportionate pay) the wages vary wildly from one week to the next, a factor which in itself discourages expansion-while at the same time a large percentage of weekly income is consumed by payroll.

Fixed salaries, as currently paid by Saint Hill and the Sea Organization, provide a stable wage for staff members, while consuming a smaller portion of gross income, thereby permitting the

accumulation of a substantial reserve.

It is the function of the Executive Council to set the basic salary for each staff member within the allotted percentage. This is then approved by the Assistant Guardian for the org or the Continental Assistant Guardian for Finance.

No wage scale will be approved which consumes the entire salary amount thereby leaving no room for expansion.

RESERVE ACCOUNT

This account replaces the General Liability Fund and Building Fund Accounts.

The Reserve Account has a purpose similar to the General Liability Fund and Building Fund Accounts, and is established for organizations to put aside monies for Legal Fees, new buildings, Mission Payments to Sea Org, etc. It is also designed to provide a cushion of cash for organizations to fall back on if ever needed.

This account is set-up to be a Trustee Account for the outer orgs which is controlled by the Guardian's Office WW and the Sea Organization. The weekly deposits are considered disbursements to the Sea Org but the money, in actual fact, still belongs to the org for the purpose of its Cash-Bills statistic.

As will be seen from the new AC 1 Form, the weekly deposit to reserve consists of the difference between the established ceiling figure and the week's Corrected Gross Income less the WW 10%. This figure will vary considerably from week to week.

Orgs which are not restricted by Exchange Control remit their weekly cheque made payable to the OTS service Account, to the Reserve Liaison Officer Sea Org for deposit.

The Reserve Account for South Africa orgs is situated in

Johannesburg, for Australian orgs in Sydney, and New Zealand org in Auckland. Cheques for deposit to the Reserve Account of these orgs are forwarded to the respective Assistant Guardians for Finance for banking, who forwards a copy of the weekly deposit slips and vouchers to the Reserve Liaison Officer. It is the responsibility of the Assistant Guardians for Finance of the above mentioned orgs to open such a bank account.

As of 1st January, 1969 the General Liability Fund and Building Fund Accounts will be closed and the monies transferred by cheque to the respective Reserve Accounts via the Reserve Liaison Officer.

Monthly rent payments for those orgs which currently pay their rent from the Building Fund Account will be handled exactly as before except the rent payments will come from the Reserve Account.

SIGNATORIES

The signatories for the Reserve Accounts are L. Ron Hubbard, Mary Sue Hubbard, singly, or CS-3 Material Aide with anyone of the following-2nd Deputy Guardian for Finance WW, Treasurer WW and the Reserve Liaison Officer.

THE LRH GOODWILL PAYMENT ACCOUNT

The weekly deposit to this account (which comes from the allocated disbursement sum) is a set figure determined by the org's Executive Council and approved by the Assistant Guardian for Finance of the org, or by the Assistant Guardian for Finance of the Continental Office.

The 10% routinely sent by orgs to WW remains unchanged.

It is the intention of this Policy Letter to bring about a substantial Reserve for Scientology organizations which is controlled by the Guardian's Office and the Sea Organization, and secondly to establish in the outer orgs a financial structure

similar to that which has proved successful at Saint Hill and WW.

L. RON HUBBARD

Founder

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GFC 12

NOT HCO POLICY LETTER

ORIGINAL COLOUR FLASH

BLUE ON PINK

GUARDIAN FINANCIAL ORDER

HCO POLICY LETTER 10 DECEMBER 1968

PERCENTAGE ADJUSTMENTS AND FIXED

SALARIES

31st January 1969

Following the non acceptance by the Majority of Orgs at Staff meetings of the above Policy Letter all Orgs will retain the Proportionate pay Plan as before with the exception of WW, SH, ASHO and Pubs who remain on fixed pay.

H.G. Parkhouse Second

Dep/Guard F WW for

[seal]

Jane Kember

The Guardian WW

WW Form AC 1 Pol Ltr 10 December
1968 Amends Pol Ltr 15 February 1967

Org

PROPORTIONATE INCOME BREAKDOWN WORK SHEET FOR WEEK ENDING

.....

Put down total

B1. DONATIONS RECEIVED A. GROSS
INCOME

B2 MEMBERSHIPS A 1ADVANCE PAYMTS

C.

D.

E.

F.

F1.

F2.

G.

MEMBERSHIPS

RENT COLLECTED REC'D _

LOANS COLLECTED A2. Subtract A1 from A

PHONE CALLS COLLECTED A3. ADV PAYMENTS USED _____

REFUNDS GIVEN A4. ADD A3 to A2

REPAYMENTS

FSM COMMISSIONS PAID _____

Put down the total of all Congresses, books, tapes, monies, and
special event monies if any were invoiced by the org
for HCO

H. Put down total others I. ADD B1, B2, C, D, E, F. F2, G, H and put total here and in right-hand column (put down twice)

J. CORRECTED GROSS INCOME Subtract I from A4

and put down here

K. HCO WW 10% of J and put down here

L. Subtract K from J and put down here

M. Take ceiling figure for this quarter and put down here

N.

O.

RESERVE AMOUNT - Subtract M from L.

Put down amount from Line B1 Put down amount from Line C Put down amount from Line D ADD and put total down twice

P. TOTAL RESERVE SUM Add N and O

Q. Put down amount from Line M

R. DISBURSEMENT SUM Take 45% of Q and put

down here

S. Put down amount from Line E Put down amount from Line H ADD E and H and put total down twice

T. TOTAL DISBURSEMENT SUM Add R and S and put down here

U. SALARY SUM Take 55% of Q and put down here

V. SUM TO AREA HCO Put down amount from Line

G.....

.. Put down amount from Line B2 ADD G
and B2 and put total down twice

BALANCE

CHECK

AA. Put down Gross Income corrected for Advance

Payments from Line A4

BB. Put down total refunds from Line F CC. Put

down total repayments from Line F1 DD. Put down

FSM Comms paid from Line F2 EE. Put down HCO

WW 10% from Line K FF. Put down Reserve sum

from Line P GG. Put down total

Disbursement sum from Line T ... HH. Put down total

Salary Sum from Line U II. Put down total sum to

Area HCO from Line V JJ. Add BB, CC, DD, EE, FF,

GG, HH & II and put down total here and at right-hand

side

KK. SUBTRACT JJ from AA and put down here (there

should be NO BALANCE)

ATTESTED BY

(Signature and Title)

HCO POLICY LETTER OF 9 MAY AD I5
(Revised & Reissued 14 January 1968)

Remimeo
Franchise
Saint Hill Students
Post Public B. Board

FIELD AUDITORS BECOME STAFF
(Cancels HCO Pol Ltrs March 26 '65 & March 30 '65)

All field auditors of the level of HBA and above are appointed herewith FIELD STAFF MEMBERS of their nearest Scientology organization.

Their rank is FIELD STAFF MEMBER (Provisional).

They come directly under the Department of Clearing, Director of Clearing of their nearest org.

The purpose of the Field Staff Member is:

TO HELP LRH CONTACT, HANDLE, SALVAGE AND BRING TO UNDERSTANDING THE INDIVIDUAL AND THUS THE PEOPLES OF EARTH.

Their pay shall be in terms of commissions and therefore should be equal to that of general staff members in the orgs themselves, depending only on the activity of the Field Staff Member. The Field Staff Member is not on proportionate pay and is not on payroll for tax purposes.

The situation is this: the idea of the practitioner setting up a practice to audit preclears must be wrong because it is used with poor success by new doctors and psychiatrists; it also has worked poorly for doctors as groups as they more and more require government subsidy, personally require large borrowed sums to set

up new practices and depend for affluence on laws passed to protect them and give them a monopoly; a monopoly held in place by force alone soon vanishes. Further, their system took over 700 years to establish them to a point where they could demand the legislation needed to protect them - proof: examine the status of a medical man in the centuries between the Great Plague and today century by century and see the tiny progress each century in the standing of their profession and their security.

We neither have nor need 700 years.

Civilization is successful only because it is a team. The individual in our present society has a rough time.

We are a team. We have a big job to do. We need every one aboard. Hence the appointment.

This appointment should come as no surprise as we were waiting only for the completion of technology to press the boom buttons. And one of them was to reclaim and enrol as staff members everyone we have ever trained.

COMMISSIONS

The official Scientology Organization to which the Field Staff Member is attached will pay the Field Staff Member a percentage of all training and processing fees received by that organization through its Field Staff Members.

This system has already been piloted some years ago and its administration design is now smoothed out. However it must be followed closely.

The Field Staff Member selects the person to be trained or processed after direct personal contact with the person and issues to that person a paper stating the contacted person has been selected. This paper bears the HOUR, DATE and PLACE of the

selection.

The paper is in quadruplicate. The original goes to the person selected (selectee), the second copy is sent promptly to the Field Staff Member's org's Advanced Booking Registrar, the third to the Director of Clearing and the fourth copy is held by the Field Staff Member.

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If the selectee appears at the org, presents the SELECTION PAPER to the Cashier and enrolls for training and processing, and pays, the org sends at once a commission of 10% for total cash. There is no waiting in sending the commission. The org sends the sum at once. 10% is also paid in memberships bought by the selectee if accompanied by another selection paper marked Membership also issued by the Field Staff Member.

Example of Commission: A selectee presents the Selection Paper at the Org Accounts Office and pays for the services bought totally in cash. The org promptly sends the Field Staff Member 10% of the whole payment. Example: A selectee presents the Selection Paper of the Field Staff Member at the org accounts office and pays for the service in cash. The org promptly sends the Field Staff Member 10% of the total sum. These both end the transaction. There is no later amount owing the Field Staff Member when the credit extended is paid off. If any Field Staff Member gave the selectee another later paper the selectee then used, again commission would be paid by the org.

The person selected is directed by the Field Staff Member to Reception at the nearest organization, the name and address of which is given to the selectee.

No cash for memberships may be taken by the Field Staff Member as Memberships must be paid for only to the org Accounts Cashier.

The preclear or student may be selected as often or as many times as the Field Staff Member can do so.

If the person is not, however, selected again by the Field Staff Member after training or processing, the org may select the person once more and no commission is paid. The org does not have to have a selection paper to train or process a person.

The org will honour and pay commission on the selection papers presented to Accounts by the selectee. It is the responsibility of the Field Staff Member to inform the selectee to present his or her selection paper.

EXISTING CENTRES

Existing Scientology Centres are not official orgs. The Field Staff Member is not attached to unofficial orgs. However, a centre or group or group of auditors may send a selectee as a student or PC providing it is a Field Staff Member that signs the selection form. Centres may not have Field Staff Members of their own unless the Centre is owned and operated by Scientology, and Field Staff Members may not send PCs or students to any but official orgs. To do so constitutes suppression of Scientology official orgs as this is a Scientology org activity not designed for centres or franchise holders to use until they are officialized and their service can be supervised. Remember, to use this system all a centre has to do to use the Field Staff Member system is become official and meet requirements for a new org.

FORMS

Where no forms exist the Field Staff Member can write on plain paper, preferably pink (the org flash colour for Accounts matters) and using carbon or hand copying can make the forms himself.

The form must bear the HOUR, DATE and PLACE, the block printed

name and address of the selectee and the block printed name and address and certificate initials and certificate number of the Field Staff Member and what the selectee is selected for (membership, training or processing) and some approximation of arrival date at the org.

Orgs may care to furnish forms, but this is all they contain.

MEMBERSHIP AND RATE CARDS

The Field Staff Member should be supplied with book lists, membership descriptions and the org rate card. He or she should give copies of these to the selectee if the Field Staff Member has them.

BOOKS

The Field Staff Member may buy books from an org and sell them for his own profit. Any discounts are arranged with the org and regulated by the Director of Publications, Saint Hill.

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ORG MEMBERS

Other org staff members may not use this system as they are general, not field, staff members but where they have had personal PCs before taking org employment they may handle the matter as a Field Staff Member would if done within the first three months of Org employment and the selection was done before org employment.

CERTIFICATE REQUIRED

Any auditor who has any certificate including Hubbard Book Auditor may become a Field Staff Member.

No classification is required.

No other stipulations may be locally made.

PITFALL

This is all taken from my own experience when I was the only field auditor there was.

I was hammered at by many to process them and became quite overworked. I was only saved by org formation to which I could turn over my traffic.

The moment a field auditor starts individual processing he becomes too pinned down to promote and in a year or so fails therefore or has to turn to other activities.

I got my PCs by casual personal contact and by letting a book circulate (the Original Thesis) and by local personal promotion. I ran a PE type course (not as high as an HAS) and at one time had even psychiatrists demanding I process their wives after they had heard one lecture.

The demand for my own processing cut back my time and nearly stopped everything until I turned everyone over to the org and got on with my local public promotion.

I refused to process people myself and therein lies the secret of expansion. Only an org, with its organization and facilities and teamwork can handle PCs and students. Even a very small org doesn't dare process PCs or train students. It does best when it only promotes. And it should send its PCs to a bigger org. It should limit itself as I did after orgs took my PCs over, to short assists, PE courses and small co-audits.

DISSEMINATION FORMULA

I've now discovered the Dissemination Formula we've wanted so long and it's easy. Central orgs have it and train Field Staff Members on it in the staff training programme. Being tech it has no part of this Policy Letter. It takes four or five hours to learn, theory and practical. The org will have all such programmes of staff training.

PAYMENT OF COMMISSION

Accounts receives the selectee's Selection Paper from the selectee when that person arrives at the Accounts window. Accounts must write on the invoice the auditor's name who did the selection.

Accounts will at once (or within a week of registration) make out a cheque for 10% of the cash payment made to the Field Staff Member and mail it to him or her.

When the commission is paid, Accounts sends an invoice copy of the payment and of the PC or student's training, processing or membership payment to the Dept of Clearing. The department staples these to the Field Staff Member's copy and files it under the Field Staff Member's name.

The commission is only given on the actual amount the selectee paid. In intensives this should be for at least one intensive. However if at that appearance the selectee bought several grades worth of intensives or several courses, the commission is also given for those.

TIME

There is no time stipulation as to how often selectees may be selected and the org has no period of grace wherein a person may only be selected by the org itself. If an org procures a PC or student however, directly, the org, not one of its general staff members, gets the commission.

PROFESSIONAL RATES

Commission is also paid on professional rates but not to the auditor himself or a "friend" who will refund the commission. The professional rate applies only to auditing. There is no professional rate for training or courses.

DISPUTES

Where one Field Staff Member claims he or she sent in a PC or student and another also claims it, the Director of Clearing should be appealed to to settle the dispute.

The org always pays on the selection paper handed in by the selectee, not on the earliest contact.

At least one of the claims must be paid. Two commissions may not be paid on the same matter to settle a dispute.

A Field Staff Member who feels an error has been made can write the Director of Inspections and Reports in his nearest Org who will handle it.

DISPUTES BETWEEN FIELD STAFF MEMBERS

In any disputes between two Field Staff Members, either may appeal to the Chaplain's Court, Department of Success, in their nearest org, which may "hear" the matter by mail and render a decision. Such an action does not make any Scientologist liable to further action.

FORMING ORGS

As official orgs are now on the lookout to form orgs, and as

distant service is not as easy as close service, the HCO Area Sec should be approached concerning the formation of a new local org. Such an org would be owned and operated by Scientology from Saint Hill. The HCO Area Sec will base decision upon the amount of traffic coming from that area and the successfulness of the Field Staff Members there. Final permission for a new Org must come from Saint Hill. The new org will be only a Class Zero org at first with very limited services but all orgs grow. Such an org must be formed and conducted like any other official org. It is prohibited for an old org to finance a new org in any way.

The new org pays a percentage of its gross to the founding official org. And the new org pays 10% commissions as above to the Field Staff Members on its staff but only if it is fully official and only when authorized to have an HGC. Until it has an official HGC it continues to operate on commissions and pays no percentage to the forming org, but still receives them. Its PE and Co-audit activities and commissions paid, in students and PCs sent into the founding org, support it.

HGCs AND ACADEMIES

Hubbard Guidance Centres of official orgs only may be sent PCs and Academies of Scientology only may be sent students by Field Staff Members as long and arduous experience has determined that great quantities of trouble can come from courses and clinics which are unofficial and usually official orgs have to clean the resulting mess up. Notable examples were Sydney, and the US Pacific North West in '54. There have been dozens of such instances with many people hurt. The names Hubbard Guidance Centres and Academies of Scientology are protected by law. Only their service is supervised by Saint Hill or myself.

FIELD STAFF MEMBER REGULATION

A Field Staff Member comes under the same discipline as any other org staff member and is subject to the same codes of ethics.

Auditing org PCs or students is forbidden to all staff members.

ACCEPTANCE

The field auditor should write his or her nearest official Organization addressing his letter to the Director of Clearing, who would be his superior in an org, giving his acceptance of appointment or declining it. In return he will receive his credentials as a Field Staff Member (Provisional) which consist of a letter signed by the HCO Secretary signifying his or her appointment, to be followed after a year by more formal credentials. In writing the Director of Clearing head the letter "Re Field Staff Member

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Appointment" and give current address and any other particulars. If there are any questions or hitch, write to me at Saint Hill.

PROVISIONAL

The first appointment is PROVISIONAL-meaning "not permanent". At the end of one year, the appointment expires unless renewed. On being confirmed at the end of one year, the "Provisional" is removed and more extensive credentials are issued.

When a Field Staff Member (Provisional) has been one for ten months, he or she should write the Director of Field Activities requesting the full appointment be made and giving any evidence of good work. At that time the Director of Clearing will cause to be issued a new set of credentials to the Field Staff Member, declaring him or her to be a Field Staff Member. Activity is the criteria of issuing full credentials. If any difficulty develops in obtaining full credentials, contact me at Saint Hill.

The names or short lists sent to the Field Staff Member for

selection or collection are considered to be org prospects. The Field Staff Member may only select them to the org or collect from them for the org, and if the Field Staff Member processes or trains for his own fee prospect names sent by the org he is subject to discipline by the Distribution Secretary.

PRIVATE PRACTICE

Any field auditor with a private practice who wishes to retain it should advise his Organization or Association Secretary of the nearest official org and explain why.

CENTRES

Any Centres wishing to become Class Zero orgs should advise the HCO Area Sec of their nearest org. They are accepted when authorized by the Office of LRH and when the earlier mentioned conditions for a new org are met. Meanwhile they operate in relation to their nearest org as a group of Field Staff Members if they accept appointment as Field Staff Members...

FRANCHISE HOLDERS

Existing Franchise Holders may retain their franchise and status so long as they remain in good standing at Saint Hill.

NEW COURSES AND PROCESSING

Field Staff Members HCA and above may have the professional rate now for HGC intensives if International Members in good standing.

Courses for Field Staff Members are given at the same fees as for any other International Member or Staff Member. There is no professional rate for courses, only for intensives. They are however given short briefings on pertinent subjects at such times as the secretary of their org makes it available. However, the better trained a Field Staff Member is, the better he will succeed

and therefore this appointment should not interrupt training plans.

DEBTS

Field Staff Members may be requested by the Department of Accounts to collect overdue accounts on which 10% commission of any sums collected will be paid by the org. But they may not be ordered to do this.

Accounts may release to Field Staff Members in an area lists of overdue accounts in that area. By using ARC Break technology and assists the Field Staff Member may collect the sums in cheque form only payable to the org and forward it with any details to Accounts in the org. Accounts must inform Inspections and Reports of any such issue of lists or any collections received by this method. All such assists are given at the Field Staff Member's own discretion without org reimbursement.

GENERAL AND EXECUTIVE STAFF MEMBER SELECTIONS

The general staff member of any org may select students or PCs or memberships applicants by issuing them Selection Papers to their own orgs. In this case any commission is paid to the staff member's own org and the Selection Paper is of a different appearance. The general or Executive staff member receives any benefit through org pay along with the rest of staff

SAINT HILL FIELD STAFF MEMBERS

Any auditor trained to any level at Saint Hill is similarly appointed by this Policy Letter. All "Saint Hillers" are therefore appointed FIELD STAFF MEMBERS SAINT HILL. When working as a general staff member or executive for an org, the 10% is paid to that org, not the staff member personally so that all its staff may benefit.

They may select to the Saint Hill Course or HGC.

The same stipulations and procedures as for other orgs (as above in this Policy Letter) apply to Saint Hill Field Staff Members.

Commissions are paid on the Saint Hill Briefing Course and Saint Hill HGC if the student or PC sent is sent expressly to Saint Hill as above.

Acceptance of appointment from Saint Hill does not prohibit being as well a Field Staff Member of a local org.

SENIOR ORG PREFERENCE

A Field Staff Member trained and certified at a senior org may be a Field Staff Member of that org even while employed on staff by a junior org but the commission is paid to the junior org. The junior org is paid the commission on any PC or student he sends to the senior org (not his own). Memberships alone are denied commission in such a case as the junior org can also sell them.

Such a Field Staff Member for a senior org employed in a junior org must not distract students or PCs already selected by a Field Staff Member of the junior org before they can present selection papers.

BEING ON TWO STAFFS

Any field auditor can be a Field Staff Member to more than one org but is actually on the staff of the nearest org to his address and may not use another appointment to another org or Saint Hill to set aside the nearer org's requirements of him or her. In changing location the Field Staff Member must inform the Director of Clearing of the Org he has been nearest to and inform the Director of Clearing of the Org he will now be nearest to. In case he is a Field Staff Member Saint Hill also he should inform the Director of Clearing Saint Hill.

LRH:Jwjp.rd

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex
HCO POLICY LETTER OF 30 AUGUST 1966

Addition to HCO Policy Letter of
26 March 1965, Field Auditor

Remimeo

Org Sec

Registrar

Area Cashier

Dist Sec

Dir Clearing

SELECTION REGULATIONS

L. RON HUBBARD

Founder

The following regulations are laid down as regards the payment of commissions in the Field Staff Member programme:

1. A husband and wife cannot cross-select each other for commission purposes.

2. Once a student or preclear arrives in an organization for a service or services, no other student or preclear may select him or her for commission purposes.

The reason for such regulations is that the Field Staff Member programme was not intended as a means of obtaining a 10% discount on a cross-selection basis.

LRH:Ib-r.rd

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L. RON HUBBARD

[See also the section entitled FSM PROGRAMME-The
Field Staff Member System, Volume 6, pages 304-349.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 OCTOBER 1965

Remimeo

Dist Div Hats

Registration Hats

Income Hats

Dish Hats

Every Field

Staff Member

FIELD STAFF MEMBER
SELECTION PAPERS AND
COMMISSIONS

The Field Staff Member gives a selection paper to prospective students and preclears he or she selects to go into a Central Org or Saint Hill.

Previously the Selectee was supposed to present this paper to the Cashier of the org when signing up and only then was a Commission paid.

I now find the selectee seldom remembers to present the paper in

the hurly-burly of arrival at an org.

Therefore policy on this is modified as follows:

The preclear or student may, but need not, present the selection paper personally to the cashier of the org for a commission to be paid. The Field Staff Member's commission will be paid anyway. In the event of two Field Staff Members selecting the same person, the paper the selectee acted upon will be credited. In case of disputes Ethics is to settle the matter equitably between Field Staff Members involved.

The procedure is changed only as follows:

The Commission of the Field Staff Member is paid when the selectee signs up. Payment is on the same terms as before. But the responsibility for the payment of commission lies with the Director of Clearing.

FIELD STAFF MEMBERS MUST SEND AN ADDITIONAL COPY OF THE SELECTION PAPER TO THE ADVANCE SCHEDULE REGISTRAR, DEPT OF REGISTRATION, DEPARTMENT 6, DIVISION 2.

The Advance Schedule Registrar notes it in her Advance Schedule book and gives the Selection Paper Copy to the Body Registrar. These copies of the Selection Paper are kept by the Body Reg in a file alphabetically arranged. This is the SELECTEE FILE.

When any person comes to sign up who might be a selectee, the Body Registrar looks for the person's name in the Selectee File and if it is there marks the conditions of sign up on the Selection Paper from the file and sends it to the Disbursement Dept for commission to be paid. Disbursement pays the commission on the basis of this copy.

The Field Staff Member also sends his usual copy of the Selection Paper to the Director of Clearing, Dept 17, Division 6,

Distribution Division.

This means then that the Field Staff Member selects a student or preclear to an org, the Field Staff member must also send two copies of the selection paper to the org, one to the Advance Schedule Registrar and one to the Director of Clearing.

In this way there is a cross check possible and none will lose out on commissions.

An org, as a Field Staff Member, selecting to another org or Saint Hill follows the same procedure - original to the selectee, a copy to the Advance Schedule Registrar and a copy to the Director of Clearing of the org to which the person is selected.

DIRECTOR OF CLEARING

Each week, on Friday before attending his divisional AdComm meeting in the last hours of that day, the Director of Clearing must obtain a list of every student and pc signed up that week and compare these to his complete file of selection papers and find if they have been selected. He notes which ones have and sends this list to Disbursement for guidance.

DISBURSEMENT ACTION

Disbursement checks off the commissions it is paying and how much and sends the list back to the Director of Clearing. This is used in the AdComm of the Dist Div to quote as a statistic.

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RECONCILIATION

If there is a difference in the lists Disbursement receives from the Registrar, the amount of money received by income or the list

submitted by the Director of Clearing, Disbursement informs the Director of Clearing during the following week.

Whether informed or not, the Director of Clearing must make sure that there is no error or omission in paying commissions.

If Disbursement does not pay commissions properly owed Field Staff Members the Director of Clearing makes a statement to that effect in his Dist Div AdComm meeting for inclusion in the minutes and also reports it to Inspection and Reports and does not rest on the matter until he is sure his Field Staff Members have all been paid.

If it comes to anyone's attention that a selectee is in the org taking service on whom no commission has been paid, then it must be reported at once to the Director of Clearing. The Director of Clearing must then follow through to make sure that a commission is paid.

Policy is: No Field Staff Member who selects a person for training or processing may remain unpaid.

The Field Staff Member is responsible for sending in two copies of any Selection Paper to the org and giving one to the selectee. He may keep a copy for himself. Any pieces of paper serve so long as they have the selectee's name and address and date of selection, for what selected and the name of the Field Staff Member.

Proper forms may be furnished, proper routings on them, by the Director of Clearing to the Field Staff Members.

UNPAID FIELD STAFF MEMBERS

If a Field Staff Member finds a person he or she selected has actually entered an org for service and no commission has been received within three weeks, the Field Staff Member must report the omission to the Ethics Officer of the org who should investigate

and see that the matter is cared for. The Ethics Officer must report the matter and its final disposition to the AdCouncil as soon as findings and actions are complete.

Errors in payment must also be so reported by the Field Staff Member to the Ethics Officer.

The gravest possible view will be taken of any irregularities in Field Staff Member commissions resulting in incorrect or non-existent payment of Field Staff Member Commissions and should the Registrars, Disbursement or the Director of Clearing especially become lax in this matter Ethics action must be taken and reported as well to the Office of LRH, Saint Hill.

FIELD STAFF MEMBER APPOINTMENTS

Any eligible person may become a Field Staff Member. A Provisional Appointment must be sent promptly to any eligible person applying.

Furthermore, as some auditors being eligible take their appointment for granted and simply send in selection papers, the Director of Clearing on receiving a selection paper from a person not on his list must at once establish the eligibility of the person and if eligible must send an appointment as Provisional Field Staff Member to the person at once, although no application was made.

SUMMARY

Field Staff Members' Commissions do not depend upon administrative facts but upon the actual presence of a student or pc in an org taking service and directed there by the Field Staff Member.

To guarantee speed and smoothness in receiving commissions the Field Staff Member should do all possible to help by sending in two

legible copies of a selection paper to the org and giving one to the selectee and keeping a record himself.

The proof of an owed commission is however the presence in the org, taking service of a selectee sent by a Field Staff Member.

LRH:ml.bp.rd

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L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 10 NOVEMBER 1966

Issue III

Remimeo

FIELD STAFF MEMBER

(Corrects HCO Pol Ltr 26 Mar 1965, Field
Auditors Become Staff, Page 3, 5th Para
from top of page.)

The paragraph which reads "The Commission is only given on the actual amount the selectee paid or obtained credit for on his first appearance at the org-" and the remainder of this paragraph is cancelled.

It is changed to read as follows:

The commission paid the Field Staff Member will be paid on all services consecutively bought during one appearance at the org.

This means that after reporting in to an org and signing up for and paying one service or more, if the selectee on the completion of that service buys another service, the FSM Commission will be paid on the second service and so on. If, however, there is no re-sign and the selectee departs from the org as a completion, he or she must again be selected with a fresh selection slip and must come to the org again and sign up before another commission can be paid the FSM.

This does not include Review services, books or meters or insignia. It does apply to memberships bought. An FSM may, however, send a person to an org for an S & D and receive a commission thereon. This means that an FSM's selection slips of a selectee become out dated and invalid after the departure of the selectee from an org after buying service. The selectee may then at once be re-selected for his next or additional services.

L. RON HUBBARD

Founder

LRH:jp.cden

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[Note: HCO P/L 26 March 1965, corrected by the above, can be found in the FSM System section of Volume 6.]

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 JANUARY 1967

Gen Non-Remimeo

Reg Hats

Income Hats

Dish Hats

Dept Clearing Hats

FSM SYSTEM ADMINISTRATION IN
ORGANIZATIONS

(Modifies the following HCO Pol Ltrs:

9 May '65 Field Auditors Become Staff

15 Oct '65 FSM Selection Papers and Commissions)

COMMISSIONS

The important points to be covered in administration of the FSM system within an org, as regards Commissions, are:

1. The Registrar having selection slips to hand when the selectee appears at the org, and signing the person up for as many services as possible;

2. The Registrar finding ding out, when the selectee has been selected by more than one FSM for services, which FSM the selectee considers selected him or her;

3. The Registrar informing the Area Cashier as to whether the person signed up was selected by an FSM;

4. The Area Cashier writing invoices clearly showing whether a service has been fully paid for;

5. The Director of Tech Services noting that the person has started taking services in the org;

6. The Director of Disbursements getting written attestations from the Registrar as to what was signed up for and when, and whether the service was selected and when and by whom; from the Area Cashier that the service was fully paid for or (exceptionally) that proper credit arrangements were made; and from Tech Services

that the person has started taking services in the org, and when;

7. The Dir of Clearing and the Dir of Disbursements each independently keeping a record of all FSM payments made, so that there is a double check on possible double or incorrect payments of commission;

8. Full CSW including attestations as above being available to the Cheque Signers who sign the FSM Commission cheques;

9. The Dir of Clearing being vigilant that no valid FSM Commission remains unpaid.

RESERVATIONS I/C

The Reservations I/C notes the selection in his Advance Reservations book and thus reserves for the person an appropriate date.

He has the Letter Registrar write to the selectee a personal letter (not a form letter) on the lines that he is "pleased to hear that you have been selected by (FSM) for(services selected) on about (approximate date given on the selection slip)", and that he has provisionally scheduled the person forservice starting on (date). The Letter Registrar asks for confirmation of the reserved date and adds that Reservations I/C will be shortly sending a packet of information material (which is later done).

The Reservations I/C acknowledges the selectee for setting a date but encourages him to come earlier. The Reservations I/C should drive in as much business as possible on the Tech Division as soon as possible without regard to overloading the Tech Division.

The Reservations I/C then initials the selection slip, with date, and routes it to the Body Registrar.

BODY REGISTRAR

The Body Registrar keeps a file of all selection slips received from the Reservations I/C, filed alphabetically for easy access.

When a person comes to him to sign up for a service the Body Registrar takes from the file all selection slips relating to that person and uses them as a guide to the person's interests. But of course the Body Registrar from her interview with the person and her knowledge of org services decides what services the person should take, always encouraging the person to sign up for many services

When the person has signed up, if there are selections by more than one FSM, the Body Registrar asks the person whom he considers selected him or her.

SELECTION ROUTING FORM

The Body Registrar initiates a Selection Routing Form, which is a document routing form, not a body routing form. A separate form is used for each service signed up.

The form has spaces to be filled in by the Body Registrar as to person's name; service signed up for; hour and date of sign up; name of FSM who selected the person for that service date service is to start; and initials of the Body Registrar attesting to these data.

The Body Registrar staples the selection slip to the appropriate Selection Routing Form and hands it to the Area Cashier when passing the person on for him to pay for the services signed up.

When there is only one selection slip and more than one service

signed up, the Body Registrar attaches the slip to the Selection Routing Form for the first service to be taken, and notes on the other Selection Routing Forms that this has been done. Thus later recipients of the Form know where to find the slip if needed.

If there are no selection slips to hand, the Body Registrar asks the person if he has been selected by a Field Staff Member, and if so, gets details and writes these on the Selection Routing Form, noting on it that there was no selection slip and getting the selectee to attest on the form in the space provided that the details given are correct.

The Body Registrar keeps a record of all sign ups, Selection Routing Forms started, and whether a selection slip was attached. Thus when the person comes back for re-sign up, Body Registrar has a record of what was done at previous sign ups.

AREA CASHIER

The Area Cashier gets the person to pay in full for all the services signed up for. If an Advance Payment has partly paid for the services this is of course taken into account.

Any service must be fully paid for before the person starts taking it, unless credit is specifically permitted by Policy and proper arrangements (note signed) have been made for payment, or unless it is Review auditing.

If the Area Cashier fails to persuade the person to pay for the other services signed up, he tries to get a partial payment in advance. But FSM COMMISSION IS NOT PAYABLE UNTIL THE SERVICE IS SIGNED UP AND FULLY PAID FOR, AND THE PRECLEAR OR STUDENT IS IN THE ORG TAKING A SERVICE.

The Selection Routing Form for each service has a space for the Area Cashier to write the date, amount paid, invoice number, and "Yes" to the question, "Is this service fully paid for?", and to

attest with initial and date.

If the service is one for which credit is permitted by Policy, the Area Cashier, having made the necessary arrangements, writes "Credit" in answer to the above question. If credit is not permitted for the service, the Area Cashier does not write on the form but tells the person that the service cannot start until payment is complete. In

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such a case the Area Cashier files the form in the person's Advance Payment folder or in his Collections folder.

If the service is fully paid for or if credit has been allowed, the Area Cashier routes the Selection Routing Form with the blue copy of the invoice to Tech services. If more than one service has been signed up and paid for, all the relevant Selection Routing Forms are routed to Tech services.

TECH SERVICES

The Director of Tech services attests on the Selection Routing Form that the person has started taking a service in the org. This is done on each form that has been received from the Area Cashier at that time, even though only one service is being taken and the other forms relate to services to be taken later (but before the person leaves the org as a completion).

If the person is delayed in starting taking service the Director of Tech services holds the Selection Routing Forms pending, but completes the attestation immediately the person starts taking service and ensures that the Forms do not get overlooked.

The Director of Tech services routes the completed forms to the Director of Disbursements.

DIRECTOR OF DISBURSEMENTS

The Director of Disbursements checks from the selection slip and the Selection Routing Form that the Commission to the FSM is valid as per current Policy, and that there is a complete set of attestations on the form.

He also checks from a record kept by the Disbursements Officer of all payments made to FSMs, filed alphabetically under names of persons taking service, that no previous payment has been made in respect of the service detailed on the Selection Routing Form. He attests on the Form that this is all in order.

He then passes the documents to the Disbursements Officer.

DISBURSEMENTS OFFICER

The Disbursements Officer prepares a cheque for presentation to the Cheque Signers and attaches it to the documents, having entered on a space provided on the form the amount of the commission, cheque number and date, name of bank and bank account, and having attested to these with initial and date.

Since FSM Commissions may not be budgeted but must be permitted to rise to any level as long as the commissions are valid, no Purchase Order or Financial Planning approval is needed.

All the prerequisites as set in in HCO Pol Ltr of 30 Jan 1966, Issue IV, "Cheque Signing Procedure", must be provided to the Cheque Signers with any FSM Commission cheques.

When the Disbursements Officer receives the signed cheque, he immediately mails the Cheque to the FSM and the Selection Routing Form and attached selection slip are routed to the Director of Clearing, together with the second copy of the Disbursement Voucher.

The Director of Disbursements must report via the Treasury Sec to Inspections and Reports and to the Advisory Council for inclusion in their minutes any effort by the Director of Clearing to falsely pay any commission not allowed by Policy or which may appear contrary to Policy.

DIRECTOR OF CLEARING

Whether informed or not, the Director of Clearing must make sure that there is no error or omission to paying commissions.

If it comes to anyone's attention that a selectee is in the org taking service on whom no commission has been paid, then it must be reported at once to the Director of Clearing. The Director of Clearing must then follow through to make sure that any commission, validly due according to Policy, is paid. This is done by originating the

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Selection Routing Form, clearly marked "Originated by Dir of Clearing", with the Director of Clearing's copy of the selection slip to the Body Registrar, who must fill in the details, and similarly for all the other terminals indicated on the Selection Routing Form. Some students and preclears may not have been selected. It is not the job of the Director of Clearing to force selection upon them.

If Disbursements does not pay commissions properly owed FSMs, the Director of Clearing makes a statement to that effect in writing to his Secretary, who must report it at the next Ad Council meeting for inclusion in the minutes. The Director of Clearing also reports the matter to Inspections and Reports and does not rest on the matter until he is sure his Field Staff Members have all been properly paid. Likewise, the Director of Clearing must be sure no

false commission or commission contrary to Policy is paid.

The Director of Clearing is also responsible for seeing that the line as described above flows smoothly and that papers are not backlogged anywhere. However, he is not to abuse this authority and Dev-T personnel solely to obtain inclusion of any FSM payment in an earlier week's statistic. But he must certainly see that there is no tardiness in payment of FSM Commissions.

WEEKLY LISTS

In order to assist the Director of Clearing in this duty, the Body Registrar prepares each week a list of all students and pcs signed up during the week, and routes it to the Director of Clearing as soon as possible after 2.00 p.m. Thursday.

Certs and Awards similarly prepare a weekly list of all Memberships sold and route it to Director of Clearing each Thursday.

The Director of Clearing compares these lists with the second copies of selection slips, which have been routed to him by FSMs, and if it appears that commissions properly due have not been paid he follows the matter up.

The Director of Clearing also gets the Selection Routing Forms after the cheques have been mailed, and files them alphabetically by name of FSM.

He uses the file of Selection Routing Forms as a record of FSM activity and in answering queries from FSMs.

The following Selection Routing Form is to be mimeoed with black ink on pink paper and one copy used for every FSM Commission to be paid.

Written by a Board of Investigation

Monica Quirino
Graham McNamee
Ralph Pearcy
George Galpin Qual Sec SH
Gareth McCoy HCO Area Sec SH
Ken Delderfield LRH Comm SH
Ad Council SH
Philip Quirino LRH Comm WW
Ad Council WW

Sheena Fairchild Guardian Comm WW

Mary Sue Hubbard The Guardian

WW for L. RON HUBBARD

Founder

LRH:jp.rd

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SELECTION ROUTING FORM

for routing documents for FSM Commission payments

A. BODY REGISTRAR

Name of Selectee-

service Selected (each service on a separate form)

Name of FSM

Date of Selection Hour Place

Date signed up for service Hour

Attested (Body Reg)

Selection slip attached not attached-

why not

Selection attested (Selectee)

B. AREA CASHIER

service

Invoice Number(s)

AND date(s)

Amount paid for this service

Attested (Area Cashier) Date

C. DIRECTOR OF TECH SERVICES

Date Selectee started taking a service

(First service of current appearance at org)

Attested (Dir Tech Services) Date

..... -

D. DIRECTOR OF DISBURSEMENTS

FSM Commission valid on current Policy

Above attestations in order No previous FSM Commission

paid for this service

Blue copy of Income Invoice attached in proof of money having been received

Initial

Attested (Dir Disbursements) Date

Is this service fully paid for? _

E. DISBURSEMENTS OFFICER

Cheque Number

Amount of Cheque

Attested

_ Bank Account

Date of Cheque

_ (Disbursements Officer) Date_

F. CHEQUE SIGNER

Cheque Signed Date Initial_

G. DISBURSEMENTS OFFICER

FSM Commission mailed Date _

Dish Voucher attached

Address commission mailed to

Initial _

_ (staple copy for Dir
Clearing to this form)

Copy of blue Invoice routed back to Department of RAM Initial

H. DIRECTOR OF CLEARING

Payment on this service complete Date

Initial

_Attested

(Dir of Clearing)

Date

Not double paid _

(Form to be filed by Director of Clearing under name of FSM)

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 17 FEBRUARY 1968

Execs

Distr

Treas

Franchise

FSM

FIELD STAFF MEMBER
COMMISSIONS

Advanced Org FSM commissions can on application be credited towards the account of the FSM.

Treasury in such case sends the white invoice copy to the FSM as a receipt, clearly showing the credit transfer to account.

O.J. Roos, Org Exec Sec AO for
LRH:MSH:OJR.adv.rd
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Mary Sue Hubbard
Flag Banking Officer
for

L. RON HUBBARD
Commodore

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 5 JUNE 1968
Issue III

Remimeo

F.S.M.
COMMISSIONS

F.S.M. percentages are corrected and established as follows.

15% will be paid for any selectee routed on for auditor training.

10% will be paid for any selectee routed on the solo line.

Auditors route has not been promoted heavily enough and thus this additional award is made.

Auditors are needed.

The planet needs Clears.

The 4th Dynamic needs auditing.

Get auditors in.

LRH:js.rd

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L. RON HUBBARD

Founder

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 27 FEBRUARY 1962

Franchise

CenOCon

REFUND OF FEE POLICY REVISED

(Revised from HCO Policy Letter of 12 October 1961, which it replaces)

A Central Organization is bound by the Code of a Scientologist. If a person has not received any results from processing, his fees, as paid, may be refunded.

The following STRICT POLICIES govern fee refunds and must be followed implicitly by HCO, the Assn Sec. the D of P and the Chief Registrar on all such cases. I will make no exceptions.

Policy 1: Processing refunds may never be given until the person has completed all the hours for which he is signed up, even if he has not paid for them.

Policy 2: Anyone asking for money back who has no more hours signed for may have his money back.

Policy 3: No person who refuses a Processing Check devised by the Tech Director during processing or before refund may have his or her money returned as processing is thereby refused.

Policy 4: Persons buying processing and then refusing processing may not have a refund.

Policy 5: The organization may give any past failed case a Processing Check, standard processes only, at organization expense but not more than 25 hours.

Policy 6: All organization release forms and contracts must contain these clauses above signature.

L. RON HUBBARD

LRH:sf.rd

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[Note: The above HCO Pol Ltr was originally issued on 4 June 1961 and revised on 12 October 1961.

Policy 3 in both the 4 June and 12 October issues stated, "No

person who refuses a Joburg Security Check during processing or before refund may have his or her money returned as processing is thereby refused."

Policy 5 in the original stated, "The organization may give any past failed case a Joburg Security Check HCO WW Form 3 (or higher form number as issued) at organization expense." This was changed in 12 October 1961 revision to, "The organization may give any past failed case a Problems Intensive, HCO Auditing Form type only, at organization expense but not more than 25 hours."

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 23 OCTOBER 1963

Franchise
CenOCon

REFUND POLICY
(Cancels HCO Pol Ltrs of October 12,1961
and February 27,1962)

REFUNDED MONIES

In a careful review of refunds and in the light of my own experience with persons demanding refunds, and due to two recent upsets in organizations (Australia and London) regarding refunds, the following data may be of assistance.

In 13 years involving hundreds of thousands of hours of processing and millions of dollars of income, in any organization where I was assuming direct command I have always promptly and immediately caused to be refunded every penny of the money paid by

any person who was dissatisfied with his or her processing. This has been the Consistent policy I myself have worked with.

In all that time I have only refunded about \$3,500.

This is due in part to ensuring a certainty of results in any HGC and working hard to make sure the pc gets results, regardless of the current style or mode of processing.

This low amount of refund is also due in part to my firm policy that persons who demand refunds may have them exactly according to the Code of a Scientologist, but that any person demanding or accepting refunds thereafter shall be refused as an HGC preclear and posted for the information of field auditors.

I have only worked then with these three policies:

1. Refund at once in full any refund demanded;
2. Work hard with tech staff to ensure good results;
3. Forbid the sale of further processing to anyone receiving a refund and make the case known to Scientologists.

It is notable that all but one refund were made to persons with histories of insanity who had been accepted unwittingly for processing.

Recently Australia was sufficiently remiss in following the Code of a Scientologist as to incur potential legal action. I did not understand why and investigated. The facts resulted in my sending a cable to the Continental Director requesting that he do the usual-Refund the money and locate the by-passed charge. The case promptly resolved. What was shocking to me is that he had not immediately refunded, whatever else he did. Of course he was absent when the incident occurred, but still his first thought on finding the matter out should have been to refund the money, not because of

threatened legal action, but because AN ORGANIZATION IS BOUND BY THE CODE OF A SCIENTOLOGIST.

A Central Organization is as successful as it gives good technical service.

A tough refund policy injects aberrated stable data against the confusion of bad or poor technical service. A mild refund policy keeps technical on its toes.

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The world of Scientology is based on ARC and held together with ARC. Bad technical and tough attitudes concerning the remedy of poor service break down this world.

My own often repeated policy to my personal staff is "Give them what they want and keep them happy." That sounds like a very indefinite policy indeed. But it makes people face up to and handle individual confusions as they occur, each on its own merits, it presupposes people are basically good and it is successful.

The more thetan you have present, the less policy you need and the better things run. Only a thetan can handle a post or a pc. All he needs is the know-how of minds as contained in Scientology. That was all he ever lacked. So, given that, sheer policy is poor stuff as it seeks to make a datum stand where a being should be. That's the whole story of the GPM's. So why not have live orgs?

Policy is only vital where agreement must exist between two or more thetans working together. Beyond that it fails. A needful policy is "We'll start work on time" since without it the org goes ragged. A useless policy would be "The registrar must always smile at an applicant" for that puts a datum where a person should be.

So there are two kinds of policies-those needed to obtain

work-together ease and those which seek to put a datum instead of a being in a position. The less you have of the latter the better things will get. The more reasonable the former, the more work will be done.

A refund policy is an agreement type policy. Needful. But it must be very mild indeed or it will stand in lieu of good service.

The new policy then is:

Refund any fees when and as demanded whether for training or for processing;

2. Refuse further and all future training or processing to anyone demanding a refund as the condition of refund;

3. If (2) is not acceptable to the person demanding the refund, then do all possible to smooth out the case or training situation;

4. Count only on high technical results in the HGC and Academy to inhibit or reduce demands for refunds.

L. RON HUBBARD

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Gen Non Remimeo

Tech Div HATS

Registrar HATS

ACCTS HATS REBATES

No rebate may be given any preclear for any reason on his or her processing.

Some cases are more difficult than others and give auditors more trouble.

A case can be sufficiently enturbulative that an auditor can be diverted from his task and commit minor errors resulting in an apparent loss of time.

The more resistive case also causes a D of P to fumble on occasion.

The auditors and case supervisors try their best and do the best possible under the circumstances.

To claim a pc "lost time" in auditing because of an error in choosing processes or having to reflatten one, is highly fallacious.

The usual pc does not lose such time under the same auditors and D of Ps.

We do our job as best we possibly can and when we know more we do more.

We are already the only agency anywhere that can increase IQ and resolve human problems.

We handle a living thing-life.

We do our best.

Sometimes a pc throws us a curve with a rough case, bad between session behaviour, roughing up auditors and D of Ps. It is natural that goofs occur on such cases.

We retrain auditors who are routinely erring and we do all we can to ensure good case gains. We don't permit squirreling. Our Ethics are stronger than any other organization's.

Pcs who claim "lost time" or ask for rebates of part of their auditing time for any reason except no auditing whatever (meaning no session of any kind, no auditor or pc in the room) should be turned over to Ethics. They are rough cases and tend to be suppressive.

We are selling hours of auditing and what that is is for us to judge.

Further, no auditor may rebate any part of a pc's fee personally or be made to rebate it, as to do so is to shatter any possibility of delivering auditing at all.

Auditing is already the cheapest form of treatment there is. It is cheaper without any argument in favour of time taken to get a result - that is bonus. Medicos, surgeons, psychiatrists, psycho-analysts charge the Moon for nothing or even for damage. We are not in their line of business. But fees can be compared. It is nothing for a psycho-analyst to charge €9,000 for a course of treatment! A US surgeon thinks nothing of a \$5,000 bill. The Mayo Clinic doesn't think twice to send a bill for 335,000 or more to the widow of their patient.

The government pays in some countries. And that too is high.

By rights our minimum fee for a 25 Hour Intensive should be €250 or in the US \$820. If we only processed, we would have to charge that. It takes several people to deliver real auditing to a

preclear The field auditor usually goes broke even on high fees. He just doesn't pay out the salary needed to give the pc proper service.

How much is a man's life worth to him? How much is it worth not to die at all? I'm afraid it has no price tag.

We are selling actual salvage from Death itself.

Rebate. How silly. The person was lucky we were around at all and took an interest. We don't have to do anything for anybody. Remember that. We can lose interest in certain people, too, you know.

No org has to accept anyone it doesn't want to for training or processing.

No Auditor has to accept a pc he doesn't honestly want to help.

No Supervisor has to train any student he doesn't want to train.

We sell pearls for pennies already.

LRH:mh.rd

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L. RON HUBBARD

Gen Non-Remimeo

HCO Exec Sec

Org Exec Sec

HCO Area Sec

REFUND NOTICE

It is IMPORTANT that every posted scale of fees and every rate card bear the following notice prominently displayed at the bottom:

FEEES PROMPTLY REFUNDED TO
ANY DISSATISFIED STUDENT
OR PRECLEAR

The full regulation of this is not varied except that no Grade VI or VII fee will be refunded as this is the student as his own auditor and is his own responsibility which is somewhat beyond our control in some cases.

The person requesting refund must sign a guarantee that he will not further undertake or apply for training or processing from any org or auditor and even if later reinstated may not ever enroll for Grades VI and VII.

The reason for this is that our rate cards and boards attract attention from the press and by adding this line their story goes sour on them.

We only refund the current fee paid and orgs never refund private auditor fees but may help recover them from private auditors.

DO NOT OMIT THIS ACTION.

Remimeo

Junk all rate cards that do not carry it or stamp or type it on them while ordering

L. RON HUBBARD

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 1 AUGUST 1966

REFUND ADDITION
(Adds to HCO Policy Ltr of
31 July 1966, Refund Notice)

TIME LIMITATION

No refund may be applied for successfully after three months from the end of the last service rendered.

This means that a refund applied for three months after the end of an intensive's last auditing session or last day of attendance on a course may NOT be granted.

MEMBERSHIP REFUNDS

There are no membership refunds of any kind as refund policy applies to service and as membership holders usually have already realized discounts.

LRH:lb-r.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 2 APRIL 1968
(Cancels HCO Policy Letter 13 June 1966)

Remimeo

SIGNATORIES ON BANK ACCOUNTS
(Modified. The second paragraph has been added
to the original. Cancels ED 16 US and 1075 WW.)

As Financial Planning is the Exec Council, all bank accounts except those on which only the Guardian and Treasurer WW sign, must have the Exec Council as check signatories. These accounts are: The Main Account, The Salary Account, The Disbursement Account, The Reserved Payment Account and the HCO Div Account. The signatories for these Accounts are Mary Sue Hubbard and The Treasurer WW singly, and jointly the HCO Exec Sec and the Org Exec Sec.

Continental Exec Secs are jointly signatories on all accounts in orgs in that Continental Area. Only the Guardian WW and Treasurer WW are signatories in the Building Fund Account and the LRH Goodwill Payment Account.

Although signatories, in the event of the absence of one of the above, are the Treasury Sec and HCO Area Sec (these being deputies to the Org Exec Sec and HCO Exec Sec), the alternates would only sign in the absence of the Exec Sec they are a Deputy to, i.e. while they were acting as Deputy.

In any org whose bank signatories are not as outlined in this Policy Letter, the Exec Council is to take immediate action to put this Policy Letter into effect.

LRH:jc.rd

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L. RON HUBBARD

Founder

[Note: The Disbursement Account is added in the first paragraph per correction in HCO PL 3 August 1966.]

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 JUNE 1968
Issue III
(Modifies HCO Pol. 1 September 1966,
HCO Pol. 2 April 1968)

Remimeo

COMMODORE AND FOUNDER AS
SIGNATORY ON EVERY BANK
ACCOUNT

As the omission of including me as a signatory on an account has resulted in unnecessary Dev-T, I have decided to remain as signatory on every account which exists in the organizations in order to assist directors when signatories are otherwise unavailable as has recently occurred.

The Treasury Secretary, Director or Officer as the case may be is to immediately on receipt of this Policy Letter obtain the necessary forms making me a signatory and to submit these to CO OTL WW: The Banking Officers of the Advanced Organisations and Sea Organisation are to take similar action as per FO 916.

As signatory of the Account I demand and expect that exact Scientology Treasury Policy be followed.

LRH:js.rd

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L. RON HUBBARD

Founder

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HUBBARD COMMUNICATIONS OFFICE
37 Fitzroy Street, London W. 1

HCO POLICY LETTER OF 23 APRIL 1959

JACK PARKHOUSE WRITES FROM SOUTH
AFRICA

"In letter from our Insurance Broker he mentioned possibility of 'hidden costs' which could be involved in re-writing records, etc in the event of fire. This made me think as I don't know what we would re-write such records from if the originals were destroyed by fire.

"I think the two main lines we should afford ourselves protection on are:

1. Names and addresses (in addition to Membership lists)
2. Financial Records.

"For instance on item 2. HASI SA has about æ5,000 in Bills Receivable and HASI US has I believe about \$100,000 on record and London about æ8,000. No doubt other offices have large amounts owing to them also. The system I advise for a modicum of protection on this would be merely that when the monthly statements are prepared we should prepare them with 2 carbon copies - one copy to remain with the Accountant the other set of copies to be shipped by registered mail to the nearest HASI office for safe keeping. This

set of copies to be destroyed on receipt of the following month's set.

"In this manner the most we could lose record of would be the current month's business and most of that would be sufficiently fresh in staff's minds that most of it would be remembered.

"On item 1. when Addresses is preparing the sticky labels of new addresses they merely make one extra copy and ship all the new ones off weekly to another HASI office. This would not involve much work as there would be no expiries as in Memberships.

"Then should the records of any office be destroyed, the other office could immediately post all labels and make up a mailing list from them - send out a mailing to everyone on the list giving any necessary information such as new temporary address of the unlucky office, etc. Love. Jack."

I approve of this.

L. RON HUBBARD

LRH:mp.cden

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 25 SEPTEMBER 1959

HCO WW
London Accts
Assn Sec
London HCO Sec
All Personnel
St Hill House

dr Office

ACCOUNTING RECORDS AND
BILLS

Any and all items that may be considered to be Accounts Records,
meaning: -

Bills
Cancelled cheques
Invoices
Receipts
Chits
Lists
Record Books

and any other item that may be considered by you to have to do
with accounts:

MUST BE GIVEN IN AS
SOON AS RECEIVED
TO THE ACCOUNTANT.

Any records you have on hand at this moment should be turned over
to Accounts. Any cancelled cheques should be turned over to
Accounts. Any bank statements that have anything to do with HCO or
LRH should be turned over to Accounts.

Our whole accounts system is based on the collection and
compilation of records. Therefore we must take the first step of
pulling all accounts data together in one pile at HCO WW.

This has nothing to do with HASI Accounts Records; these belong
to the Dept of Accounts HASI. This has to do with Accounts HCO, and
anything with HCO on it belongs at Saint Hill.

Only if we all co-operate in giving Accounts all our records when

we receive them, as well as records we are now holding, can we the rest of us be relieved of accounts problems.

If you know of any accounts records send them to Accounts HCO.

There will be a project supervisor income and disbursement reporting system, but even these go to Accounts when complete.

LRH:iet.cden

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 13 JUNE 1960

Assoc Secs

HCO Secs

Accounts Dept

ACCOUNTS PROCEDURE

The Hubbard Communications Office is considered, as far as tax purposes is concerned, to be part of the organization to which it is attached; therefore, for example, the income, expenditures, the assets, and the liabilities of the HCO Office in Melbourne, would be reported as part of the income, assets, and the liabilities of the Hubbard Association of Scientologists, International, Melbourne in the latter's report to the tax authorities. It has been considered so in London by Inland Revenue, and as such, has set the pattern for the Commonwealth, which can not be escaped, at least

not until HASI, Ltd. and HCO Ltd. have been completely established.

As to the matter of reporting the payments of 10% to HCO WW, it should be reported as an expenditure for overseas administrative costs and management. From a tax viewpoint and factually, HCO WW is the office of the governing Directors of the Hubbard Association of Scientologists, International.

All taxation matters and queries should be addressed to me, as
Treasurer

Mary Sue Hubbard
Treasurer for L.
RON HUBBARD

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 9 JANUARY 1966

Issue III

Gen Non-Remimeo
Exec Secs Hats Org
Secs Hats HCO Secs
Hats Ethics Hats

ACCOUNTS, INVALIDATING

I have just noted an accountant racket that may have injured your
org.

The accountant or firm declares your records are "unauditable" unless very expensive bookkeeping is done.

The harm of this is that they excite tax people and our attorneys against us by making us look poor as record keepers and all because they want work or a fee or an award from the government by forcing us to pay illegal tax assessments "because our records are bad".

Beware of any person invalidating your accounts records or saying they or your system is bad.

This is only done for three reasons:

1. When done internally, to cover pilfering or mistakes by convincing executives they haven't any good accounts records that will detect them;

2. When done externally, to drive us into expensive useless bookkeeping actions and collect large fees;

3. To prevent us from making up tax accounts and get a portion of the penalty and fine or assessment from the government that results from our failure to file.

All three have the common denominator "to make money by slandering our records system".

Ours is the most basic system. It can be audited easily if properly kept. We bank all our money and we pay everything by cheque. We invoice all we get. We file all our bills. Out of this we can make up any record or balance sheet required quickly.

I will not manage an org that "keeps books" only such as "double entry" as such systems can be "fiddled".

Our system is so easily investigated the dishonest hate it. So do

it.

Keep good records. Adhere efficiently to our system.

And act fast and hard if anyone is invalidating your accounts records or saying they cannot be made up into balance sheets. That statement, if you use our system, will uncover one of the ulterior motives listed above.

Instances of the above have occurred in Washington DC and England that had far reaching consequences.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

Remimeo

Org Exec Sec

Org Secs

Div 3 Personnel

HCO POLICY LETTER OF 13 JANUARY 1966

Issue II

RECORDS OF BANK

DEPOSITS

As the importance of keeping proper records is so vital for

accounting purposes, it will be a crime for personnel responsible to fail to keep in consecutive date order duplicate deposit slips of all weekly deposits of money into any organizational bank account and to fail to keep a copy of such deposit slips along with the weekly invoices and adding machine tapes of these invoices in envelopes for the week.

PROCEDURE FOR RECORDS OF SUCH

A. 1. All the invoices for the week in consecutive numerical order are placed in brown envelopes for the week.

2. Put into brown envelopes all adding machine tapes of such invoices for the week.

3. Put into the brown envelopes a duplicate of all deposit slips for all accounts for the week. Duplicates of such deposit slips can easily be made by placing a piece of carbon paper and a pink slip of paper under the bank deposit slips in the bank deposit books or bank deposit slip forms (for countries where banks do not supply bank deposit books).

Be sure that all pertinent information goes on to the pink slip:

- (a) Date of deposit
- (b) W/E date for the accounts period
- (c) The name of the account into which the deposit is made
- (d) The full record of cash, postal orders and cheques being deposited.

B. Always have in the bank deposit book the original deposit slip and keep these books as a full record of weekly deposits for all accounts, a separate deposit book for each account.

If your bank supplies no bank deposit book, keep the weekly bank deposit slips provided by the bank in consecutive order, either pasted into a note book or kept in a ringed note book for each

account.

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HCO POLICY LETTER OF 21 JANUARY 1968

CHARTERED
ACCOUNTANTS

THE USE OF OUTSIDE CHARTERED ACCOUNTANTS IS FORBIDDEN IN

ENGLAND. SIXTEEN YEARS OF PANICS AND CATASTROPHES IS ENOUGH.

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L. RON HUBBARD

Founder

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO BULLETIN OF 11 AUGUST 1959

CenOCon

COST OF SUPPLIES

NOT HCO POLICY LETTER

ORIGINAL COLOUR FLASH

GREEN ON GOLD

In Washington, a price list of the most necessary supplies was drawn up for issue to all staff, giving supplier and the price of each item.

This was done in an effort to give everyone a better reality on supplies and their cost and to cut down supply requisite from people who "need" things in order to do.

People who "need" supplies are those people who waste a lot and require reams of paper in their desk, ten boxes of paper clips, and so forth. It is a certainty that Directors of Materiel in organisations are continually surprised at how fast supplies disappear and how upon the removal of people from different posts, supplies en masse are returned to him for his stocks.

Each Central Organisation should prepare such a list for their staffs. The following should be filled in by the Director of Materiel of each organization and submitted to the Sec'l ED to make out and route to all staff members:

PRICE LIST OF SUPPLIES

Mimeo Paper and Supplies:

Company

Stationery

Supplies

Blue Mimeo Paper

8 1/2 X 11 sub 20

8 1/2 x 14 sub 20

8 1/2 x 11 sub 24

8 1/2 X 14. sub 24

Goldenrod

8 1/2 X 11 sub 20

8 1/2 X 14 sub 20

White

8 1/2 X 11 sub 16

8 1/2 X 11 sub 20

8 1/2 14 sub 20

8 1/2 X 11 sub 24

8 1/2 14 sub 24

Ink (black) one tube

Ink (green)', (c)

Ink (blue)

Stencils

.....

one quire (24)

HASI letterhead

HASI envelopes

Dispatch Paper (green,
goldenrod, pink, yellow,
white)

per ream ...

per ream

per ream

2000

1500

1000

500

2000

per ream

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Staples

File Folders

Typewriter Ribbons

Duplistickers

Typewriter Erasers

Carbon Paper

Paper clips

Wire Baskets

Large

Small (regular size)

Set of 4 Connectors

Window Envelopes

Sealing Tape for packages

2" roll

3" roll

Coloured pencils

Ball Point Pens

Scotch Tape

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Ltd.

box of 5000

box of 100

each

per box per

dozen per

box per

carton

each each

set of 4 box

of 500

per roll per

roll per

box per

dozen per

roll

HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex
HCO POLICY LETTER OF 7 JANUARY 1960

Mary Sue Hubbard

Treasurer WW

HCO
INVENTORIES

Every year on 1st January, or as soon as possible after that

date, the HCO Area Sec should make up a complete inventory of HCO furniture and equipment. This includes furniture, office equipment, approximate stationery stocks, every MEST article which the HCO owns, including LRH office equipment.

Keep one copy of the HCO Inventory in the HCO Area files, and send another copy to HCO WW, Saint Hill.

Make up your own inventory this year as soon as you receive this Policy Letter. Thereafter it should be made every year on 1st January, to reach Saint Hill not later than 31st January.

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Peter Hemery
HCO Secretary WW

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 FEBRUARY 1960

CenOCon

HCO KEYS

HCO keys of whatever kind are issued only to HCO personnel. A Central Organization does not issue or list HCO keys. The HCO Secretary issues HCO keys to HCO personnel. HCO Secretary keeps a list of HCO keys and has the person sign for them. If a personnel leaves HCO he must turn over his keys to the HCO Secretary, who

then records this HCO Secretary may keep a key list m HCO files.

HCO door keys are issued to all HCO personnel. Keys to Petty Cash Box are issued only to person handling petty cash. Keys to LRH personal office are issued only to LRH, LRH Personal Secretary, HCO Communicator and HCO Secretary. File keys are issued only to HCO Communicator and anyone else designated by the HCO Secretary.

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Peter Hemery HCO

Secretary WW for

L. RON

HUBBARD

HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 12 MARCH 1961

Issue II

CenOCon

SUPPLIES OF

CENTRAL ORGANIZATION

FORMS

All supplies of organizational forms shall be kept and stored ready for issue by the Assn Sec's Secretary, or if such post is vacant, by the Assn Sec.

Staff personnel requiring such forms shall obtain them from the Assn Sec's Sec. or from the Assn Sec if he has no secretary.

The Assn Sec's Sec. or in his or her absence, the Assn Sec. is responsible for getting such forms run off and replaced when about

to be out of supply.

A list of available forms should be posted on the staff bulletin board.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex
HCO POLICY LETTER OF 13 SEPTEMBER 1961

Sthil
Hills.

GENERAL OFFICE ORDERS

PHOTOSTATS

All use of the Polyprint Photostat machine should be done by only one person.

The machine should be kept clean.

The fluid must be emptied out after every use, into the plastic bottles.

Do not remove thin tubes from the plastic bottles. It is air that causes colour of fluid to darken.

If a fair copy is not obtained, or if figures are dim, or finished photostat is pink, it is operator error. Study the instruction book. If it's missing, get a new one.

Check all lamps when leaving room. Do not leave a safelight on by error. They are hard to see in a lighted room.

Don't splash fluid on yourself, table or floor. It leaves very dark stains.

Do not waste paper. It is very costly.

BOXES AND CARDBOARD

Do not throw away boxes and cardboard or brown paper.

Turn it all over to Shipping.

Shipping is to use as much used paper and cardboard as possible to reduce paper

POSTAGE

Careless use of postage can cause our postal bill to rise from \$25 a week to \$75 a week, all on the same volume.

Know your postal rates. Post airmail and surface rates prominently.

Use SECOND CLASS AIRMAIL wherever possible despite earlier orders.

Don't ever send a parcel by air unless you can collect back the postage.

Send heavy packets by surface mail only, cheapest rate.

SUPPLIES

Keep supply costs down by not losing ball points, by conserving paper and by making do.

Our stationer bills are fantastic. Cut them down.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 FEBRUARY 1964

All Heads of
Organizations HCO
Secs Dir Admin
Administrators and
Supervisors of
Companies.

THE EQUIPMENT OF
ORGANIZATIONS

The person in possession of organization equipment is responsible for the equipment. On its loss or damage through carelessness or neglect the person in whose charge it had been placed, not only the person who damaged or neglected it, is liable to have to recompense the company or myself for the cost of the repairs or loss of the equipment or some portion thereof.

Stock cards for all equipment possession or issue in organizations shall be prepared by the administrative head of the organization. If equipment is not so accounted for and is lost or damaged the administrator of the company, not having a stock card of issue on it, becomes liable financially to the organization or myself for its repair or replacement.

The idea of "company property" is both stupid and dangerous. That which is "owned by everyone" is actually owned by no one and falls apart. A company, corporation or state does not live or breathe and so it cannot care for anything. The doubtless noble experiments of totalitarian communal states such as Cuba or Russia starve and fail because of this one idee fixe: only the state owns. That leaves nobody to have or take care of anything. Their enormous five year plans never materialize because their tractors will not run. Their tractors won't run because they belong to nobody. Saying they belong to the state is a way of abandoning them. A company can't really own anything since it has no concept of ownership. And you see how "company property" falls apart.

Look at it this way: You own those things that are in your charge. When you take over a position you become richer by the things that go with it. You stay rich as long as you keep them in good shape. You get poor to the degree they go bad or won't work or get abused because you incautiously lent them to a careless fellow worker. Righteous indignation because "you messed up my typewriter" or "you scarred up my auditing table" is not peculiar, it's quite in order.

Look around you and see what you own in your position. If two people use it, only one, even so, can own it.

It is curious that around orgs my own personal possessions are given good care. I never worry about my Mest being in org hands. And a lot of it is. If it's Ron's, it's taken care of. That's a long standing observation. But "company property" gets badly abused

at times. If you figure that I own everything in Scientology and you own the things that go with your position, we'll have more and have it longer.

There are three kinds of possessions in Scientology organizations.

TITLE A: These are permanent installations, buildings, walls, radiators, anything fixed in place.

TITLE B: Valuable equipment which is not expendable. These are desks, typewriters, mimeo machines, blackboards, chairs, furniture, rugs, decorations, cars, etc.

TITLE C: These are expendables. Office supplies, paper, chalk, stencils, dust rags, mops, etc. They are issued on the understanding they will get used up.

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In inventorying and making up cards of issue to persons in charge, Title A is issued to the head of the organization or department exclusively using them. Title B is made up to the head of the department or the person who is actually using them. Title C is issued to the person using the material.

Stock cards are kept on Title A and Title B. The administrative head has to have a signature for Title A and Title B as having given it to somebody who then signs for it.

No stock cards may be written or "Issued to Training Dept" or "Director of Training". They are issued to Richard Roe, the person himself. The main building is not issued to "Organization Secretary". It is issued to George George, a person who happens also to be organization secretary. A car is not issued to "Department of Materiel". It is issued to John John, who happens

also to be Director of Materiel.

When a person is transferred, his possessions are signed for by the person, as a person, who takes over that position. And so long as the person who owned them has failed to transfer them to the new person, he or she can be charged up for them. Regardless of post transfers, the person on the Stock Card remains the owner and is liable for any loss or abuse until the possessions are actually signed for by somebody else.

If it exists somebody owns it and has signed for it. And until a new person signs for it the old owner is liable for it regardless of his whereabouts or new post.

Until it is signed for initially it is owned by the administrative head and if anything happens to it or it is lost, the administrative head is liable for it.

The stock cards should be stiff cards of good size kept in a box that fits them. There is only one card per piece of equipment. The card says where it is and what it is and when bought and has ample area for owning and transferring signatures.

Cards are prepared from inventory and are checked by Accounts records.

A new acquisition brings about a new card which is then signed for.

The head of the organization is accountable personally for any losses up to July 1, 1964, which occurred during his term of office.

To dispose of Title A or Title B. or account for its loss, it is necessary to survey it. This is done by a board of three executives of departments who must see the equipment being disposed of or certify it as lost. A Survey Board is liable for any falsification

of records.

In organizations that have no Director of Administration, the head of the organization acts in his capacity and is responsible for having Stock Cards.

We are pretty good withal on the subject of equipment. Its loss or damage is not one of our major problems. Only one organization, Johannesburg, has gone mad on the subject where one Senogles, temporary head of it, had a passion for "losing tapes and tape recorders".

However, we are expanding. Expansion needs some orderly ownership. There is not very much Title A and Title B about so it is not a very heavy task to organize it. If we straighten this out now, we'll save ourselves a mess later.

Further, at this time inventories for corporation transfers have to be done anyway, so we may as well get it all done at once.

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HUBBARD COMMUNICATIONS OFFICE

Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 20 AUGUST 1965

Gen Non-

Remimeo Applies

to Saint Hill

Specifications
apply to all orgs

SCIENTOLOGY ORG UNIFORMS

SAINT HILL

(Other orgs may follow, if and when their Income warrants it.

Only the specifications below may be used.)

Every permanent staff member is to wear a uniform.

For Male staff members the uniform is grey trousers, Scientology ties and a navy blue blazer with preferably a white shirt and black shoes with dark socks.

The Ladies' uniform is a grey straight skirt with a box pleat at the back and a box jacket loosely cut in navy blue with lapels. The buttons the same as on the men's blazers. There are no pockets.

The men will wear a badge on the breast pocket and the ladies will wear a badge on the top left hand side of the jacket. Badges will be for HCO personnel (Divisions 7, 1 and 2) the HCO badge. For the org personnel (Divisions 3, 4, 5 and 6) the HASI badge.

All executives have the word "Executive" matching the badge set in a curved bar under the badge.

On the left sleeve of both jackets and blazers appears the number of the division in the division colour. The numbers are made in felt about an inch in height and are worn on the outside of the sleeve and about three inches above the cuff. These numbers have no background material but are sewn on just as themselves.

Division 2 staff members in charge of the Mimeo machine and also in charge of the actual packing for shipping will wear a khaki overall made of drill material.

All household staff in Division 7, Department 21, will wear white overalls made of drill material, and also the appropriate traditional domestic dress.

Outside staff, such as gardeners and constructions workers, etc will wear a bib and brace of blue drill material. This outfit is comprised of over-trousers and a bib attachment which continues up from the trousers to cover the chest, and is kept in place by straps which are attached to the back of the over-trousers. With this is a short coat in the same material.

Any photographic staff wear an overall of blue drill material.

ISSUANCE

Permanent staff members will be issued an outfit.

The clothing remains the property of the org and is turned in on leaving. It may not be sold or pawned or loaned. Loss of items will require reimbursement. Ordinary wear and tear is excepted.

The khaki, blue, and white working uniforms are turned in weekly to the Supply Officer for fresh issue. Failure to turn in such working clothes weekly as scheduled can result in being docked for their value.

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QUANTITY

The standard blazer and trouser uniform will have two pairs of trousers. One should be more carefully guarded than the other to save it for "best". This also applies to skirts two of which will be issued each girl.

The working uniforms will be issued one set each week on the turn

in of the other set. Two sets may not be held by a staff member and all spares will be kept under lock by the Supply Officer.

If things go well, a yearly issue of a blazer or a jacket and another pair of trousers or a skirt will be made.

CHARGES

No charges may be laid against a permanent staff member for his or her uniform on its original issue. Pay may be withheld on failure to turn in one's uniform if leaving or on failure to turn in one's working clothes weekly for a fresh set.

ALL CLOTHING ISSUED MUST BE SIGNED FOR BY THE STAFF MEMBER and the receipt carefully preserved in Valuable Documents.

Each staff member to whom a uniform or clothes are issued is responsible for their good care and upkeep. Except for working clothes, cleaning and pressing of uniforms is borne by the staff member as well as any repair. If a staff member severely damages any clothing issued he must pay for a new issue himself and must obtain it. If the damage was unavoidable and in the line of duty, the matter, investigated and attested by Ethics, may be adjusted and new clothing replacing the lost or damaged items may be issued.

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HCO POLICY LETTER OF 8 SEPTEMBER 1965

Gen Non-Remimeo

SUPPLY OFFICER

All divisions should have a quantity of Internal Requisition Forms to be filled in whenever supplies are needed.

The person who requests the goods, signs his name at the bottom of the form and so does his department head. The exact reason why these goods are required should also be included on the Internal Requisition Form.

Only one type of requirement should be asked for on one form, e.g. "A Black Biro and a Red Biro". This would be OK as it is just on the subject of pens. But "A Black Biro and a ream of foolscap paper" should be entered on two forms. This shows how many items each division orders per week.

Do not order extravagantly - you can only write with one pen at a time; otherwise the Supply Officer has to do the cutting down of requirements and this can lead to unnecessary ARC breaks.

All Internal Requisition Forms should be in the Supply Officer's basket by 12.00 p.m. each day. If you have ordered goods since 12.00 p.m. the previous day, then you or a representative should go to the place appointed by the Supply Officer between 1.00 p.m. and 1.30 p.m., where the Supply Officer will issue the requirements.

The Supplies that are available at short notice are such items as: Folders of each division colour, paper of each division colour, black, red, green Biro pens, felt pens for poster work and make-up department, most envelopes, paper clips, drawing pins, typewriter ribbons, Sellotape, foolscap paper, ink for stamp pads, rubber bands, gummed labels and carbon paper.

However, if in doubt, present yourself at the appointed place between 1.00 and 1.30 p.m. The Supply Officer will then inform you if the requirement is in stock or if it has had to be ordered.

When a requirement has to be ordered, the Supply Officer will inform you when it arrives at Saint Hill. If it is a rush item, it can be issued as soon as it arrives, otherwise it is collected at the correct time.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 22 SEPTEMBER 1965

Gen Non-Remimeo

KEYS

When a person receives a key from the Key Officer, he or she must immediately sign for it in the key book.

If at any time a person leaves that space for which he or she has a key, then sometime during that same day, that person MUST take the key back to the Key Officer, who will then give the key to the new occupier who then signs for it.

If the Key Officer finds that a space has been taken over by someone and that he or she has a key which has not been signed for in the key book, then the previous owner of that space gets fined 10/- as he did not return the key to the proper source.

The new owner also gets fined 10/- as he is using the space illegally.

A person is also fined 10/- if he or she loses a key.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 3 NOVEMBER 1965

EQUIPMENT

Equipment of all types in HCO and the Org must be specifically assigned to divisions and departments and the Inventory Officer must have a signature for every piece of equipment in the organization.

No single piece of equipment may be across two or more divisions. Each piece must be wholly in one.

By equipment is meant any item costing more than ø5 or \$10.

If a piece of equipment is lost or damaged or neglected there must be a division, department and a person that can be named.

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 15 NOVEMBER 1965

Remimeo

All Staff

REPORTING OF THEFT AND
ACTION
TO BE TAKEN

When a theft occurs in the Organisation, a routine set of actions should occur. These actions are as follows:

1. The person discovering the theft goes immediately to the Ethics Officer and makes a full verbal report of the article/articles stolen, when they were last there - who was responsible for their safety - and any further data that he has on it.

2. The Ethics Officer writes down all details of the theft and the articles stolen.

In the cases where large objects such as a machine, car, or the building has been broken into and something taken, he calls the Police immediately giving full details of the theft.

3. The Ethics Officer then makes a Xerox copy of the details of the theft and takes it to the Insurance Officer, Dept of Records, Assets and Materiel, Org Division.

4. The Insurance Officer takes the Report and immediately notifies the Insurance Company with which the article was insured.

These actions should be done speedily as in some cases unless a theft is reported immediately to the Police and the Insurance Company, the Insurance is not collectable.

It is the responsibility of the Insurance Officer to see that all articles of value are insured.

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HCO POLICY LETTER OF 18 NOVEMBER 1969

Issue IV

Remimeo

OEC

Finance Course

Chksht

OES Hat

Treas Sec Hat

Dir RAM Hat

Salvage Officer Hat

DISPOSAL OF ORG ASSETS

It should never be possible for the property of the organization to be disposed of with consequent loss to the org, without the knowledge of Dept 9, Treasury Sec or Org Exec Sec.

Items which are routinely intended for sale or distribution (bookstore items, mailings, info packs, etc) are not subject to this policy inasmuch as such are issued against an invoice. Publications items are issued to other departments for distribution against a No Charge invoice authorized by a signed PO for the items concerned, and Bookstore Sales are made against cash invoices.

But where actual property belonging to the organization and property kept within the organization's premises for use, such as equipment, tools, furnishings, fixtures and fittings, are to be removed from the org premises for sale or transfer elsewhere, it MUST be made known to and AUTHORIZED by Dept 9 and FP.

Where an item is to be sold, Dept 9 arranges the sale. The sale is made against a PO which (a) authorizes the sale, (b) gives an okay on the selling price before any action is taken.

Where an item is to be transferred elsewhere (a CF file for example), Dept 9 raises a PO stating what is going where and why, and its value, which MUST be okayed by FP before the item is removed.

PC Folders are logged out in Tech Services, so an inspection point already exists for them. Ethics folders do not get moved out - summaries or copies are sent as required.

Items paid for out of the PES Account remain under the PES, subject to this same policy.

The Org Exec Sec of every org is well advised to check on and make a list of every article except communication particles such as dispatches, authorized Mimeo items, which each department is selling or giving away, and to see how many of such are listed in the Department's inventory.

It will surprise him to find out how many of his assets can disappear without his knowledge.

CF folders, for example, could have been stopped from leaving the org had proper note been taken of such action.

No legitimate outflow from the org is included in this policy. But the Org Exec Sec sure better know what is going out.

K. Urquhart CS-7
for L. RON HUBBARD
Founder

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