

FINANCIAL PLANNING

Based on the works of L. Ron Hubbard

NAME _____ SCHOOL _____

DATE STARTED _____ DATE COMPLETED _____

PREREQUISITES: Basics of Organization course; Improving Conditions course.

HOW TO DO THIS COURSE: Do the steps one at a time, in order. When you finish a step, put your initials and the date on the sign-off line on the right. A split line means to get a pass (and an initial) from another student (or your supervisor if it says that). A * means get a checkout. Essays are turned in to the supervisor.

PURPOSE: Learn to do correct financial planning for yourself and an organization.

ESTIMATED TIME: 15–20 hours. (Note: The student may need to begin another course while completing the final applications.)

MATERIALS NEEDED FOR THIS COURSE

Heron materials:

Heron study booklet, *Financial Planning*, with these data sheets (DS):

6644	5248	6645	6646	6647	6649	6648	6651
6652	6653	6658	6650	6654	6655	6656	

Exams: 5005, 6657 (review)

A. INTRODUCTION: MONEY AND EXCHANGE

1. READ: DS #6644 Two Definitions of Financial Planning. _____
2. DEMONSTRATE (with whatever objects you wish to use): The purpose of financial planning. _____
3. READ: DS #5248 Money. _____
4. DEMONSTRATE (with objects):
 - a) Show the relationship between financial planning and the first three truths of wealth. _____
 - b) Show how the definition of money relates to changes in the value of money. _____
5. ESSAY: What actions need to be done to have a solvent organization? How important is a Public Division to performing these actions? Why? _____
6. READ: DS #6645 Exchange (Advanced Version). _____
7. DEMONSTRATE (with objects): Three ways that money can be manipulated. (three demonstrations) _____

8. PRACTICAL APPLICATION: Think of a product you could sell. Survey people until you have a good idea of how you could create a demand for your product. Per the data you found out, make any needed changes in your product. Write a report of your actions and decisions and turn it in to your supervisor. **Supervisor pass.**

B. BEAN THEORY

- *1. READ: DS #6646 Bean Theory—Finance as a Commodity, to the heading “Income Sources.”

2. DEMONSTRATE (with objects):

a) The first rule of finance and any activity. _____

b) How to use “beans.” _____

3. ESSAY: How can you apply the Bean Theory in your life?

- *4. READ: DS #6646, sections “Income Sources” and “Costing.”

5. ESSAY: Consider an organization you are at least somewhat familiar with. Discuss what valuable final products and subproducts need to be taken into account in applying the Bean Theory to that organization.

6. READ: DS #6646, section “Lost Income” to end.

7. DEMONSTRATE (with objects): Each of the nine paragraphs preceding the horizontal line, beginning “One knows . . . ” (nine demonstrations)

8. ESSAY: How do you avoid “lost income?”

(See Practical Application Section G. Begin working on the first practical application now as you continue the course. You will sign this off in the Practical Application Section G when you have completed it.)

C. FINANCIAL MANAGEMENT

1. READ: DS #6647 Financial Management—Building Fund Account, to the heading “Demands for Funds.”

2. DEMONSTRATE USING CLAY: The primary purpose of the Building Fund.

3. ESSAY: How could you use a “building fund” type account for your own personal affairs?

4. READ: DS #6647, sections “Demands for Funds” and “Income Potential.”

5. ESSAY: Describe a situation you have knowledge of where collective-think was less wise than individual reason (omit names). _____
6. ESSAY: Why is it necessary to budget a surplus as part of the “needs” of a group? Give a real example of how this could be done. _____
7. DEMONSTRATE USING CLAY: How income potential is established. _____
8. READ: DS #6647, section “Organization Finance.” _____
9. DEMONSTRATE (with objects):
 - a) What financial policy is based on and why. _____
 - b) Why steps 1–3 in this section are necessary when an organization is approaching insolvency. _____
10. READ: DS #6647, section “Stable Data.” _____
11. DEMONSTRATE (with objects): Each of the 19 stable data. (19 demonstrations) _____
12. DRILL: Invent an organization you could run. How could you apply DS #6647 to have a surplus of money in your organization? Write up your plan and turn it in to the supervisor. **Supervisor pass.** _____

(See Practical Application Section G. Begin working on the second practical application now as you continue the course. You will sign this off in Practical Application Section G when you have completed it.)

D. CREDIT AND SOLVENCY

1. READ: DS #6649 How to Maintain Credit Standing and Solvency, to the heading “Solvency.” _____
2. DEMONSTRATE (with objects):
 - a) Show the result of letting your purchase order system break down. _____
 - b) Show how this result comes about. _____
 - c) Show what good credit comes from. _____
- *3. READ: DS #6649 How to Maintain Credit Standing and Solvency, section “Solvency.” _____
4. DEMONSTRATE (with objects): Application of each of the seven points under “Solvency.” (seven demonstrations) _____
5. ESSAY: Work out the similarities and differences between point 2 and point 3. Why do they both exist? _____

- *6. READ: DS #6649, section "Credit." _____
 7. DEMONSTRATE (with objects): How you would pay by dateline if you had backed-up bills and what the benefits would be of doing so. _____
 8. READ: DS #6649, section "Exceptions." _____
 9. DEMONSTRATE (with objects): How to handle creditors who must be paid immediately. _____
 10. DEMONSTRATE USING CLAY: How one creates or maintains good credit standing. _____
 11. READ: DS #6648 Reserved Payment Account. _____
 12. ESSAY: Work out a practical way you could apply the data from DS #6648 to your life right now. Explain the benefits you would receive by doing this. _____
 13. READ: DS #6651 Financial Planning Program No. 1. _____
 14. PRACTICAL APPLICATION: Work out Financial Planning Program No. 1 regarding your personal finances. _____
 15. ESSAY: How can you use Financial Planning Program No. 1 in planning for an organization? _____
- (See Practical Application Section G. Begin working on the third practical application now as you continue the course. You will sign this off in Practical Application Section G when you have completed it.)
16. READ: DS #6652 Solvency. _____
 17. DEMONSTRATE (with objects): Go over the last four data sheets and list the steps involved in becoming and remaining solvent. Demonstrate how you, as the manager of an organization, could apply each of these steps to your organization. _____
 - *18. READ: DS #6653 Financial Planning. _____
 19. DEMONSTRATE (with objects): What financial planning consists of. (15 demonstrations) _____
 20. DEMONSTRATE (with objects): How the financial planning in an organization is done. _____
 21. ESSAY: Go over each of the 15 actions of financial planning. Work out if and how each applies to your financial planning and how each could apply to your future financial planning. _____

E. PROMOTION AND PRO

1. READ: DS #6658 Introduction to the Promotional Actions of an Organization. _____
2. DEMONSTRATE (with objects): The importance of promotion in an organization. _____
3. ESSAY:
 - a) As a student, how could you promote your school? How would this help your school be solvent? _____
 - b) Explain how promotion could be valuable in your personal life. _____
4. READ: DS #6650 Accounts and PRO. _____
5. DRILL: Invent or recall an organization with bad PRO from its accounts actions. Create and write down a plan this organization could follow to restore its PRO regarding the finance or accounts. Turn this plan in to your supervisor. **Supervisor pass.** _____
6. DEMONSTRATE (with objects): The relationship between promotion, PRO and financial planning. _____

F. INCOME AND DISBURSEMENT

1. READ: DS #6654 First Financial Policy. _____
2. ESSAY: Why this is the first financial policy. _____
- *3. READ: DS #6655 A Comment on Finance. _____
4. ESSAY: Considering the third paragraph of DS #6655, how could you handle any personal money problems right now? _____
5. READ: DS #6656 The Governing Policy of Finance. _____
6. DRILL: Think of something fairly expensive you would like to own. Assuming you do not have the money for it at this time, what are the ways you could get money to buy it? List all the options you can think of. Which of your options makes the most sense? Why? Write down your decisions and turn the report in to your supervisor. **Supervisor pass.** _____
7. DEMONSTRATE USING CLAY: The basic idea behind these points by L. Ron Hubbard, *Organization Executive Course*, Vol. 3 and *Management Series 2*: (one demonstration)
 - 1) “Don’t ever borrow.” (quoted in DS #6656)

- 2) "But most important, I don't run up bills if I don't have the cash in sight to pay them." (quoted in DS #6655)
- 3) "... don't incur a single bill until you have the cash to pay it already in the bank." (quoted in DS #6655)

8. DEMONSTRATE USING CLAY: Using the data in this course, work out these two things: (two demonstrations)

- 1) An improper use of credit cards.
- 2) A proper use of credit cards.

Supervisor pass.

G. PRACTICAL APPLICATION SECTION

The student carries out the following actions. As he completes one, he writes what he did and submits it to the supervisor. **Supervisor pass** on each step. (The steps may be started earlier and may be completed in any sequence.)

1. I have applied DS #6646 Bean Theory—Finance as a Commodity and am able to produce an up-statistic by graph as a result.
2. I have applied DS #6647 Financial Management—Building Fund Account to my personal finances.
3. I have used the Financial Planning Program No. 1 (DS #6651) for my personal financial planning and improved my financial standing.

I have completed the steps of this course. I understand what I studied and can use it.

Student _____ Date _____

The student has completed the steps of this course and knows and can apply what was studied.

Supervisor _____ Date _____

The student has passed the exam for this course.

Examiner _____ Date _____

Grateful acknowledgment is made to L. Ron Hubbard Library for permission to reproduce selections from the copyrighted works of L. Ron Hubbard.

2 March 1988 Revised 30 October 2003
© 2003, Northwest Research, Inc.
ALL RIGHTS RESERVED