ORGANIZATION OF
FINANCIAL AFFAIRS AND PLANNING DIVISION

GOALS OF DIVISION

ONE: To oversee the right and prudent accounting and disbursement of all funds in accordance with overall corporate policies, following all legal requirements and generally accepted accounting principles.

TWO: To provide for general and administrative supporting services that the organization needs to carry out its primary goals.

GENERAL SERVICES

LANDSCAPE DEPARTMENT

The general care and maintenance of the College grounds is the responsibility of the Landscape Department under the direction of Mr. Ellis LaRavia. The department is made up of twenty-four fulltime and twenty-five student employees who have grown into a close-knit team that is fulfilling the requirements of the high standards established by Mr. Armstrong. The department's goal as expressed in its Policy and Procedures Manual is ". . . to dress and to keep the Ambassador College campus and grounds as beautifully and as naturally as humanly possible."

CUSTODIAN DEPARTMENT

Mr. Marvin Lindsey is Department Head for the Custodian Department. He has spent seventeen years as manager of a department responsible for a complete range of cleaning services from shampooing carpets and washing windows to supplying paper and linens.

Each fulltime custodian is in charge of anywhere from one to six buildings. He must carry out all cleaning and setup for his assigned buildings with the help of student labor. All the building space has been surveyed and catalogued by type of construction as a

measured maintenance program is recognized by service engineers as the only economical and reasonable way to approach the cleaning of a facility.

SECURITY DEPARTMENT

The Security Department is comprised of eight employees whose job is to secure our many campus buildings and properties. In addition to being monitored by electronic alarm systems, our campus buildings are checked at periodic intervals by one of our campus patrolmen. All College properties are patrolled continuously by uniformed security guards trained to watch for unusual circumstances, safety hazards, and any potential security problems. Sabbath and Holy Day security duty is performed by an auxiliary force made up of College employees who volunteer their time every sixth Sabbath. In addition, the Security Department maintains the College parking system and controls campus lock combinations and keys.

MACHINE MAINTENANCE DEPARTMENT

The purpose of the Machine Maintenance Department is to provide maintenance and service for our office machines and equipment. Their conscientiously-trained staff maintains a preventive maintenance schedule to minimize emergency breakdowns, assists other departments in evaluating new equipment, confers with Financial Affairs regarding

the advisability of maintenance contracts, and provides technical assistance in the installation or modification of electronic equipment. Nelson Doucet is the Machine Maintenance Department Head.

COMMUNICATION SERVICES DEPARTMENT

Communication Services Department is the newest one in the Finance Division. It is responsible for handling all campus PBX and Telex service; monitoring all campus fire, maintenance, and security alarms; acting as a telephone clearance house much the same as an answering service; installation, moving, and maintenance of our campus telephone system; distributing inter-campus and business mail; and providing duplicating service for all on-campus offices. Communication Services is headed by Fred Gilreath.

TRANSPORTATION DEPARTMENT

During 1974 God's ministers will drive over 9 million miles to do their job of visiting, counseling, preaching, teaching, helping the brethren! That's the equivalent of more than eighteen round trips to the moon!

Mr. Leonard Schreiber has been managing the Transportation Department since 1967. Presently this includes the following five sections:

DISPATCH -- primarily for pick up and delivery of everything from T.V. tapes to people.

HEAVY EQUIPMENT -- which handles household goods in moves, printed material, and other cargo for the College and Church.

MAINTENANCE SECTION -- which provides care and servicing of our fleet at Headquarters, including mechanical maintenance and body shop repairs.

SHIPPING & RECEIVING -- on a routine basis they receive approximately 60 shipments per day from single packages to truckloads of furniture and custodial supplies. The shipping aspect includes ministerial supplies, parcel wrapping, air freight shipments, and bulk literature.

FLEET OPERATIONS -- this is the one most are familiar with. Fleet Operations acquires, manages, and disposes of the automobiles, trucks, vans, and carts used by the ministers across the country and at Ambassador College, Pasadena.

PHYSICAL PLANT OPERATIONS DEPARTMENT

The Physical Plant Operations Department, under the direction of Mr. Bob Ashland, provides landlord service to all operating departments on the campus. The purpose of the Department is to provide the architectural, engineering, construction, remodel, maintenance, and support services required for the efficient operation of our buildings and associated equipment. This includes space planning; architectural design; electrical, mechanical, and structural engineering; contracting,

constructing, remodeling, maintenance, repair, and replacement; as well as fire prevention and safety coordination.

FINANCIAL SERVICES

PERSONNEL DEPARTMENT

The purpose of the Headquarters Personnel Department is to aid and assist the College and Church in the procurement, development, maintenance and utilization of the manpower required to accomplish the goals of the Church and College. All industry is accomplished by and through people at work. Selection, placement and treatment of employees are keys to success. Keeping these things in mind, and expanding the awareness of them throughout the organization, the Personnel Department serves both the College and the Church.

The four major functions of the Personnel Department are:

1) Employment.
2) Wage and Salary Administration
3) Employee Benefits Administration
4) Record Keeping and Reporting

The first thing that comes to most people's minds when talking about a Personnel Department is . . . "it's a place that has something to do with hiring people." That's one thing we do.

We have many applicants for every job. A great many people say they will do "anything" to work here. Now, that's the kind of attitude we all should have -- but we try to be more realistic in our selection process than to hire a painter and expect him to program for the computer, or repair a typewriter.

The first step in the selection process is to measure what we call CAN DO factors. We ask "can this applicant do the job?" The CAN DO factors are described in a job description drawn up by the department where a job opening exists. CAN DO factors are comprised of such things as training, education, experience and physical fitness, etc. While screening for CAN DO factors, we narrow the field down considerably.

The next step is to measure the WILL DO factors or qualities. We need to determine which one of our applicants has the best chance to succeed on the job. Which one WILL DO the job and be happy doing it?

These factors are harder to measure. Does he have the right kind of personality for this job? Does he mix well with people? Does he work well alone? Does he have drive? -- too much?

After evaluating the can do's, and determining the will do's -- the final selection is made by the Department Manager of the department where the opening exists.

We have a selection tool that no one else has or at least we don't know of anyone else having it -- and that's the Ministerial Evaluation. Industry could probably save millions of dollars if they could get the information about job applicants that you men supply us with when we ask for it. When you understand the M.E. and use it properly, it is a tremendous asset. We are going to be asking for most of this information by telephone in the future. However, if we do send a form to you -- please answer the questions as thoroughly as possible -- information of a negative nature will be used as is necessary at the time it is given, but no longer will be maintained on file. The Personnel Department does not maintain a Black List!

Over the past several years, we have developed a systematic wage and salary program by which all employees can be equitably compensated.

Ambassador College is among the relatively small number of organizations that are termed "self-insured" in regards to Disability Insurance, Workmen's Compensation and Unemployment Insurance. Therefore, the Personnel Department is responsible for the reviewing, verifying and approving of all claims for payment while insuring accurate reporting of records and statistics to the State of California.

In today's society, record keeping is becoming an ever-increasing problem, yet federal and state regulatory agencies continue to require increasing numbers of reports and statistics. This is another function of Personnel.

Among the department's accomplishments are: Uniform job descriptions (of over 300 different jobs); standardized Wage and Salary Scales; low cost Disability Insurance; expanded Employee Life Insurance; computer generated employee profiles; new expanded vacation policy, and a just completed, long-needed revision to the Employee Relations Manual. This "new" manual was distributed to department managers on April 5th.

PURCHASING DEPARTMENT

Every enterprise, if it wishes to be successful, must unite two vital elements into its corporate life:

A. A healthy flow of income.

B. Prudent management of the expenditure of this income.

At Ambassador College that portion of the latter responsibility relating to the procurement of goods and services has been delegated to the Purchasing Department.

Purchasing also has the responsibility for relocation and disposal of capital assets. In 1973 the amount of used furniture and office equipment put to use in other areas avoided the expenditure of $90,000 for new equipment.

Beginning in 1974 that oft-quoted world and national nemisis also hit Ambassador College -- SHORTAGES. Delivery dates for critical items stretched out to three, six, or even nine months.

Shortages have compunded purchasing problems and brought about changes in buying techniques. Buyers now continually evaluate market conditions affecting their respective commodities. As in the cases of paper and petroleum products, orders must be placed well in advance to assure delivery at the required time. Because of shortages and rapidly rising prices, stocking of certain critical items may sometimes be advisable.

Central Stores, a branch of Purchasing, fulfills the role of an on-campus business. Here participating departments "buy" office supplies at an average of 41% under retail prices. In 1973 departmental savings totaled over $50,000.

The Purchasing Department is one of the service arms of Financial Affairs and Planning which contributes to the sound expenditure of the Work's funds.

PROPERTY MANAGEMENT DEPARTMENT

The primary function of Property Management, as a part of Financial Affairs, is to coordinate the purchase and sale of real property both for the College and the Church.

In order to meet the needs for more and more space as the Work has grown, we have had to coordinate the acquisition of additional properties to meet that need. We have pinpointed our efforts at Headquarters in the area that we call the Industrial Park. Properties have been acquired one by one on a similar basis as we acquired most of the main campus just to the west of the freeway. Contacting and negotiating with each individual property owner who, in some cases, may own only a tiny 30 x 70 lot is a slow and tedious process.

It is the responsibility of Property Management to coordinate and file the necessary reports to the County and City Tax Assessor for property tax exemption. As a result, the Work saved over $600,000 this past year. Property tax exemption is not a benefit we have arbitrarily acquired, but is granted according to the Revenue and Taxation Code of the Constitution of the State of California. We are simply taking advantage of what has been granted along with the thousands of other institutions who are eligible. To those people who say we are taking properties off the tax rolls, we can point out that the past year we paid over $625,000 in property tax alone.

Another important function of Property Management is to provide or locate housing through our Housing Office for those ministers and

key personnel who are transferred to Headquarters. The Housing Office maintains a file of properties available for rent or purchase and assists many employees and church members in relocating.

In 1973 we began the process of selling those homes occupied by our ministers throughout the United States. To date, a total of thirty-eight have been sold. The minister living in the home was given the first opportunity to buy, and in most cases, was able to do so. There are approximately twenty-five more homes that could be sold and many would have been sold in 1973 had interest rates and mortgage funds not made it prohibitive. In some instances, loans were just not available.

Should the Church decide to, and is able to build local church buildings, we would coordinate the acquisition of land and the building of these buildings. A big factor in determining whether to undertake a project of this magnitude would be the ability to find adequate financing. The questionnaire each minister will be asked to fill out will help determine whether it is at all feasible.

ACCOUNTING DEPARTMENT

The accounting function here at the headquarters of God's Work is to record and then report on the receipts, maintenance, and disbursement of all assets and resources that are donated or otherwise received by the Work. The auditing function is performed concomitantly with that of the accounting function, and it provides assurances that the accounting system is satisfactorily doing its job. In accounting,

reporting is the name of the game. Reports are required from all levels of operations to the higher levels of management. On the other hand, in auditing, integrity is the name of the game. Auditing tests the accounting system and provides assurances as to its integrity.

A brief definition of what accounting is and purports to do, and vice versa what it is not is as follows:

"Accounting is the act of recording, classifying, and summarizing, in a significant manner and in terms of money, transactions and events, which are in part at least of a financial character, and interpreting the results thereof."

RECORDING -- the process of recording all transactions that affect this business entity.

CLASSIFYING -- assigning account codes or cost center codes, etc., which is like hanging a label on each transaction.

SUMMARIZING -- the grouping together in a significant manner for reporting purposes.

Of course it must be stated in terms of money -- that way all activities are converted to a common denominator that is universally understood. And all events which have a financial character are to be recorded in the accounting process.

The Accounting Machine does not of itself generate income nor does it generate disbursements, but rather it is simply a matter of recording receipts and disbursements. And furthermore, all disbursements are made in accordance with the approved plan or budget. Therefore, the budgeting process is a primary control over expenditures.

Certain auditing functions are performed throughout the course of the year. We have an internal audit position which has the responsibility of auditing and making recommendations for improvements wherever needed in the accounting system. In addition to our own Internal Auditor, all our annual reports are certified by an independent firm of Certified Public Accountants. Our firm of CPA's is the firm of Rader & Cornwall. Also, Ambassador College and the Worldwide Church of God is periodically audited by state and federal auditors.

In summary, the accounting system supports the Work through maintaining financial reports of all financial transactions relevant to the Work and the auditing function assures the Work that the accounting system is operating completely and accurately in every detail.

LEGAL DEPARTMENT

DONATIONS

I. Important to have donor write-in or call legal department.

A. To avoid legal charge or even appearance of undue influence.

B. So that we will be able to fully process the donation.

C. So as to avoid adverse legal and tax consequences and to take advantage of favorable ones.

D. So we can furnish the donor (free of charge) the needed legal counsel and forms.

II. Basic Processing of Donations

A. When donation of specific asset-land stocks, cash, personal property, etc.

1. Return information sheet to obtain specifics on asset and intention.

2. Then send form to accomplish desire.

B. When donation by Will

1. Send form to aid in preparing or reviewing Will prepared by other attorney.

2. Obtain inventory of all assets to be willed.

III. By-passing Probate

A. Important to by-pass probate. One estate took 5 years to close, then only under pressure. Cost $6,000 in fees. Could have obtained title in 30 days, without fees, by a trust.

B. So even if person says they have named Church in their Will, request they send us copy.

C. By doing so, under certain conditions, donor may still keep receiving the income from the asset for life and obtain a tax deduction, so as to actually increase the income.

III. By-passing Probate (cont'd)

D. If person has a Will, as every donor should have, and a trust, it is great asset to defend against unfounded suit.

IV. Miscellaneous

A. No donation should be taken in your name or the name of any local group.

B. Don't assume the Work will not accept a particular donation and attempt to work something else out with the asset. Some have tried and resulted in lawsuit and a substantial loss of funds.

C. We regret that we can no longer type Wills for the ministers as we used to. The number of requests for Wills and changes have made this impossible. Write in and we will furnish necessary forms and information to aid in preparing your own.

D. Hall leases should be in the name of the Church, not that of an individual. Copies of the lease should be sent in to C.A.D.

E. Donations, of course cannot be returned.

F. If legal questions arise, write in, and if the same question appears to be common we will furnish the answer to the entire ministry.

The Legal Department offers various services to members and co-workers of the Worldwide Church of God. These services are as follows:

(1) Information and assistance on how best to make donations of real estate, stocks and bonds, or other property, in a manner to obtain the best tax savings. The information covers outright donations during life, as well as Wills and gifts in trust, whereby the donor can reserve the income for life.

(2) Information and assistance for those who are discriminated against in their employment due to keeping the Holy Days, weekly Sabbaths, or for any other religious reason.

(3) Information and assistance for men who are dealing with the Selective Service regarding their legal responsibilities in this regard.

(4) Information and assistance where the children of members have school problems because of being off for the Holy Days.

(5) Assistance in locating local attorneys to aid in various legal matters so as to assure representation of an attorney who is favorable.

(6) Information and assistance in any type of legal controversy in which the religious convictions are in question.

Correspondence to the Legal Department should be addressed to Ralph K. Helge, Attorney at Law, P. O. Box 111, Pasadena, CA. 91123. In an emergency, the phone number is (213) 577-5380.