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SAPC - 2423
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3 November 1955

MEMORANDUM FOR: Director of Administration
FROM : Administrative Officer (Finance)
SUBJECT : Finance - Project AQUATONE

1. The finance program of the Project is primarily a support function, established under the Director of Administration with present major plans, many of which have been initiated, as follows:

- a. Determine in light of known and anticipated concepts the amount of funds needed for the Agency's participation and assist the Project Director in explaining the needs.
- b. Devise and/or modify and establish flow channels for material, systems of process and procedures for allocating funds, establishing obligations, performing audits, maintaining recordings of all monetary transactions and preparing Financial Status Reports for information and use by the Project Director and other top management officials associated with the Project in planning and managing the Project.
- c. Establish systems necessary to permit prompt and accurate disposition of the accounts of all contractual transactions initiated in and/or at the direction of the Project officials. Presently, we are associated with roughly 16 suppliers, involving approximately 20 contracts and eventually plan for approximately 28 contracts, where payments are effected either on a weekly or monthly basis.
- d. Effecting mechanics for handling, in a secure manner, disbursements covering salary and per diem and/or allowances to approximately [] employees at the present time, and it is anticipated that this number may reach [] personnel when the Project is fully activated. Additionally, tentative arrangements have been made to handle disbursements to all contractor personnel participating at each forward facility. A procedure for this process is currently being devised which will cover each step to be taken for such personnel from the beginning until the Agency receives credit adjustments from the contractors concerned for the amounts expended.
- e. It is planned that finance and related administrative support will be furnished at each forward facility and the present concept is that one individual, with the aid of typing and stenographic service, will be able to perform the necessary services. However,

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if this proves insufficient our plans will be changed to meet requirements. It is currently expected that the Agency finance will not be required to effect salary payments to military personnel attached to the Project, but any travel directed by the Project is currently being handled by AQUATONE Finance personnel and it is expected this condition will continue.

f. In connection with paragraph e above, and since we have a centralized finance system established within Headquarters, it is essential that the Finance personnel for each forward facility be indoctrinated thoroughly within the Project Finance Office prior to departure to the forward facility. It is quite obvious, because of the security attached to the Project, that there are many departures from normal financial processes and it is believed that a strong government finance representative would require a minimum of 120 days training before departure. A longer period would be desirable.

h. A rather detailed financial process and the mechanics of gaining funds, rendering services, maintaining accountings, making and disposing of reports will be prepared prior to activating the first forward base.


2. Many problems have arisen and it is expected there will be many more requiring special system of handling, and we must be prepared to cope with these items as they arrive.



Project Comptroller

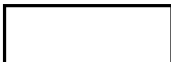
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Distribution:

- ① & 2 - Addressee
- 3 - AQUATONE (Finance)
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