



URANTIA FOUNDATION
533 DIVERSEY PARKWAY CHICAGO ILLINOIS 60614

August 28, 1990

Dear Reader of *The URANTIA Book*:

Enclosed is information about a new discount policy for sales of *The URANTIA Book*, including a forty percent discount for individuals. The suggested retail price of *The URANTIA Book* is still \$34.00, as it has been since 1979.

We have also enclosed an explanation of the perpetual printing fund and other aspects of book marketing expenses, as well as a statement about the Foundation's obligation to defend the copyright and registered marks.

We welcome your comments and questions.

Cordially,

The Trustees of URANTIA Foundation



URANTIA FOUNDATION

URANTIA FOUNDATION
533 DIVERSEY PARKWAY CHICAGO ILLINOIS 60614

URANTIA FOUNDATION SALES AND PRICE GUIDELINES

URANTIA Foundation's price guidelines for *The URANTIA Book* are as follows:

1. Distributors may purchase it for \$17.00 per copy.
2. Bookstores and libraries may purchase it for \$20.40 per copy.
3. All other persons may purchase it for \$34.00 per copy, except that at the discretion of the Trustees, individuals and URANTIA Societies may make a purchase in each calendar year of five (5) books in a single sale for \$20.40 per copy.

All copies of *The URANTIA Book* are sold f.o.b. from URANTIA Foundation's warehouse.

These guidelines are not binding on URANTIA Foundation and are subject to change at any time without prior notice.

URANTIA Foundation reserves the right on a case-by-case basis (a) to sell or refuse to sell books or any other publication to any individual or organization; (b) to increase or decrease the price and the number of books or any other publication available for sale to any potential purchaser; (c) to determine the category of each potential purchaser.

The Trustees of URANTIA Foundation

July 1990



THE PERPETUAL PRINTING FUND

Income to the perpetual printing fund is based on books sold. But URANTIA Foundation gives away approximately 1,000 copies of *The URANTIA Book* each year, mainly through the library placement program. Since stock from each printing lasts about three years, the net result is that about 3,000 copies are given away rather than sold.

Because of this, the perpetual printing fund cannot be relied on to meet the full cost of printing *The URANTIA Book*. That is the underlying situation, but the exact outcome for a particular printing is strongly affected by variations in the number of copies ordered.

In 1987, at the time of the 9th printing, the shortfall was increased by the higher number of copies that were being printed. The 8th printing (1984) had involved 25,000 books, but in 1987 the Trustees decided to increase the quantity to 30,000. Thus, it is not surprising that the amount of money in the fund did not cover the cost of the 9th printing, which was 20 percent larger. F.E.F.'s statement in its letter of June 15, 1990 to readers of *The URANTIA Book* that the perpetual printing fund had fully underwritten the cost of the 9th printing is simply not true.

On page 16 of their April 1990 Special Report to the Readers of *The URANTIA Book*, the Trustees of URANTIA Foundation made the following comments about the 10th printing (March 1990):

Despite past donations that established a perpetual printing fund, each new printing of *The URANTIA Book* costs more than what remains in these donated funds. The Trustees, therefore, have to use donated and invested funds to supplement the perpetual printing fund. The tenth printing of *The URANTIA Book* was delivered in March 1990, at a cost of about \$250,000. Of that amount, only about \$195,000 is available from previously donated resources in the perpetual printing fund.

This was the situation at the time the Trustees prepared their special report. In May, after the Foundation's annual audit of 1989, an additional \$103,000 was transferred to the perpetual printing fund. This completed the adjustments for 1989 sales. It meant that the adjusted income to the fund, together with a special donation of \$7,000 which occurred in 1988, totaled somewhat more than the cost of the 10th printing.

To understand this, it is important to know that the number of books involved in the 10th printing (25,000) was fewer than the quantity sold in the intervening three years (27,000). Out of the 9th printing's 30,000 copies, about 3,000 had been given away and the perpetual printing fund had been reimbursed for the sale of the remaining 27,000. This favorable outcome thus stemmed from unusual circumstances which are unlikely to be repeated.

How the Perpetual Printing Fund Operates

When a copy of *The URANTIA Book* is sold, the projected cost of printing a replacement for that book is reserved for the perpetual printing fund. The current amount is \$12.52; that represents our estimate of what each book will cost at the time of the next printing, which will be the 11th. The figure we used in 1989 was \$10.25, which represented our 1987 estimate of what the 10th printing would cost us for each book. (In fact, the cost of the 10th printing was \$10.35 per book, which means that our 1987 estimate proved to be accurate.)

That is how the fund works. We assure you that there have never been -- and never will be -- any withdrawals from the perpetual printing fund except to pay for printing *The URANTIA Book*.

Other Costs of Selling *The URANTIA Book*

Printing costs are only part of the Foundation's expenses related to the distribution and sale of *The URANTIA Book*. During the first ten months of 1989, when the former URANTIA Brotherhood was serving as the Foundation's authorized agent for book sales, sales agent costs (*i.e.*, staff salaries) averaged \$3.55 per book. Since November 1989, when URANTIA Foundation took charge of book sales, sales agent costs went down to \$3.10 per book, which amounts to a savings of 12.7 percent. But this \$3.10 does not come from the perpetual printing fund; URANTIA Foundation must pay it out of its regular budget.

URANTIA Foundation's sales and distribution program involves a number of other costs. The printing company charges us for storage of books held at the central depot, plus shipping and handling to our headquarters in Chicago; all of this, together with the corresponding insurance we carry, costs about \$1.27 per book. The Foundation's promotional mailings to bookstores and participation in book shows cost about \$0.57 per book. If administrative costs associated with gift book programs are likewise divided by the total number of copies sold each year, that amounts to about \$0.51 per book. Taken together, these sales program expenses, over and above sales agent costs, amount to approximately \$2.35 per book (*i.e.*, \$1.27 + \$0.57 + \$0.51).

We can now calculate URANTIA Foundation's total direct cost in selling a copy of *The URANTIA Book*:

Estimated printing cost to replace current stock (<i>amount placed in the perpetual printing fund for each book sold</i>)	\$12.52
Current sales agent costs (<i>from Foundation revenues</i>)	3.10
Estimated program costs (<i>from Foundation revenues</i>)	<u>2.35</u>
TOTAL DIRECT COST PER BOOK	<u>\$17.97</u>

For a more complete understanding, indirect costs should be taken into account. These indirect costs include in-house storage, auditing and accounting, building maintenance, and consumable supplies. All of this costs about \$1.81 per book and does not include legal expenses. If these indirect costs are added in, we can work out URANTIA Foundation's total cost per copy of *The URANTIA Book*:

Direct costs (<i>\$12.52 to perpetual printing fund; \$5.45 from Foundation revenues</i>)	\$17.97
Indirect costs (<i>all from Foundation revenues</i>)	<u>1.81</u>
TOTAL COST PER BOOK	<u>\$19.78</u>

Although the suggested retail price of *The URANTIA Book* is \$34.00, URANTIA Foundation receives far less from each book sold. Because of the normal discounts given to wholesale distributors and retail stores, the average payment that URANTIA Foundation received during the first half of 1990 was \$18.58 per book.

Overall, we can draw two conclusions:

1. The perpetual printing fund cannot be relied on to cover the cost of printing, and URANTIA Foundation must often make up the difference out of contributions and other income. It will cost \$37,560 to replace the 3,000 books which the Foundation plans to give away before the next printing is ordered, and the perpetual printing fund is unlikely to meet this expense.

2. When the Foundation's net receipts of \$18.58 per book are compared with its total cost of \$19.78, it becomes very clear that URANTIA Foundation is *subsidizing* the sale of *The URANTIA Book* out of its regular budget. In other words, each time we sell a copy, we lose \$1.20. For the 22,000 copies from the 10th printing that we expect to sell, we will thus lose \$26,400.

When these two factors are added together, they mean that distribution of the 10th printing of *The URANTIA Book* will probably impose a burden of about \$64,000 on URANTIA Foundation's general budget. This is over and above receipts from book sales and resources made available because of the perpetual printing fund.

The Accounting Implications of The Perpetual Printing Fund

It is important to understand that even if the perpetual printing fund reimbursed URANTIA Foundation for the full cost of printing -- which, in fact, it does not -- that would represent only about 63 percent of the Foundation's overall expenses in publishing and distributing *The URANTIA Book* (i.e., \$12.52 divided by \$19.78). The sale of each book is associated with \$5.45 in other direct costs, plus \$1.81 in indirect costs. This amounts to \$7.26 per book, or a total of \$159,720 for the 22,000 copies which will be sold out of the 10th printing.

If we add this expense of \$159,720 to the \$37,560 which we expect it will cost us to replace books given away, this means that for the budget of URANTIA Foundation, the 10th printing of *The URANTIA Book* can be considered a liability of \$197,280. Further, the perpetual printing fund does not reimburse URANTIA Foundation for any portion of this \$197,280.

PROJECTED NET LOSS TO URANTIA FOUNDATION FOR THE 10TH PRINTING OF THE URANTIA BOOK	
<u>ESTIMATED RECEIPTS</u>	
Gross Receipts: 22,000 books sold times average price paid of \$18.58 per book	\$408,760
Less Contributions to Fund: 22,000 books sold times contribution to the perpetual printing fund of \$12.52 per book	- \$275,440
Estimated Net Receipts	\$133,320
<u>ESTIMATED COSTS</u>	
Agent Costs: 22,000 books sold times \$3.10 per book	\$ 68,200
Program Costs: 22,000 books sold times \$2.35 per book	\$ 51,700
Indirect Costs: 22,000 books sold times \$1.81 per book	\$ 39,820
Printing Costs to Replace Gift Books: 3,000 books to be given away times \$12.52 per book	\$ 37,560
Total Estimated Costs	\$197,280
<u>PROJECTED NET LOSS</u>	
Total estimated costs of \$197,280 minus estimated net receipts of \$133,320	\$ 63,960*
* This figure is not adjusted for anticipated inflationary cost increases.	



URANTIA FOUNDATION
533 DIVERSEY PARKWAY CHICAGO ILLINOIS 60614

DEFENDING THE COPYRIGHT AND THE REGISTERED MARKS

The accounting data about URANTIA Foundation's direct and indirect expenses associated with the sale and distribution of *The URANTIA Book* are interesting in themselves, but they provide an incomplete picture of what it costs URANTIA Foundation to promote the teachings and encourage all thinking human beings to consider and accept them. As a practical matter, the Trustees' pursuit of these goals requires that we devote considerable energy and substantial financial resources to the task of defending the copyright and the registered marks. This frequently involves obtaining the advice and services of experienced legal counsel, who are entitled to appropriate compensation for their expertise and time.

Most readers of *The URANTIA Book* have a keen grasp of the need to defend the copyright. But since the importance of defending the Concentric Circles and other URANTIA marks does not seem to be as well understood, we will devote a few paragraphs to that.

The registered marks have various purposes. In relation to *The URANTIA Book* and its translations, the marks serve to identify the text as published by URANTIA Foundation: the authentic original version, complete in its own right, unmixed with personal interpretations or texts of lesser standing. Even after the copyright expires, the registered marks will continue to afford this assurance.

In addition, the URANTIA trademarks and service marks serve as symbols that identify the authorized activities of URANTIA Foundation and its licensees. This function of theirs is firmly linked with active support for URANTIA Foundation's long-established policies and principles for the dissemination of the teachings.

In effect, URANTIA Foundation's policies and principles have created a worldwide and universal framework that is not associated with any particular culture or religion. We submit that this neutral and independent stance is altogether necessary. The teachings of *The URANTIA Book* and the social and fraternal activities of those who are authorized to use the URANTIA marks must be understood to embody universal ideals that benefit all nationalities and races, rather than be seen as curious artifacts of Western culture or eccentric offshoots of Christian tradition.

As Trustees responsible for certain administrative and managerial tasks, we must pay close attention to a remark of the midwayers that appears on page 1670 of *The URANTIA Book*: "The well-meant efforts of Jesus' early followers to restate his teachings so as to make them the more acceptable to certain nations, races, and religions, only resulted in making such teachings the less acceptable to all other nations, races, and religions."

We will do all we can to prevent a similar outcome. And this commitment to promoting worldwide acceptance of *The URANTIA Book's* teachings requires that the Trustees remain energetic and vigilant in defending the independent role and universal significance of the Concentric Circles and other URANTIA marks. If those endeavors increase our need for the advice and services of experienced legal counsel, so be it.