



CHAPEL TITHES & OFFERINGS FUND BASELINE OPERATING PROCEDURES

VOLUME 2 ISSUE 1 (MARCH 2021)

The Office of the Chief of Chaplains (OCCH) issues this guidance on Chapel Tithes & Offerings Fund (CTOF) administrative and functional updates to Volume I Issue I of this SOP (February 2015), pertaining to nonappropriated fund (NAF) requirements. Unless subsequently revised by this office, these baseline operating procedures will be in effect until formal changes have been published in updates to AR 165-1, Army Chaplain Corps Activities.-

Purpose

This document establishes guidance for implementing policy related to applicable regulations governing Chaplain Corps nonappropriated fund instrumentalities (NAFIs) and the unique requirements of CTOFs. It sets standards and gives direction for managing CTOF resources.

References

- a) 10 U.S.C. § 2783, Nonappropriated fund instrumentalities: financial management and use of nonappropriated funds.
- b) Department of Defense (DoD) Instruction (DoDI) 1015.15, Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources (31 October 2007, Incorporating Change 1, 20 March 2008).
- c) DoDI 1300.17, Religious Liberty in the Military Services, 1 September 2020.
- d) DoDI 4105.67, Nonappropriated Fund (NAF) Procurement Policy and Procedure (February 26, 2014, Incorporating Change 2, December 1, 2017).
- e) DoD 7000.14-R Department of Defense Financial Management Regulation (DoD FMR), February 2021.
- f) DoDI 7600.06, Audit of Nonappropriated Fund Instrumentalities (NAFI) and Related Activities (November 5, 2012, Incorporating Change 1, Effective April 20, 2020).
- g) Army Federal Acquisition Regulation Supplement (AFARS) Part 5101, 23 September 2020.
- h) Defense Finance and Accounting Service (DFAS), Policy Execution Procedures, Chapter 32, Accounting Procedures for Army Nonappropriated Fund Instrumentalities, June 2019.
- i) Army Regulation (AR) 11-2, Managers' Internal Control Program (4 January 2010; RAR 26 March 2012).

- j) AR 11-7, Internal Review Program, 29 March 2017.
- k) AR 165-1, Army Chaplain Corps Activities, 23 June 2015.
- l) Army Regulation 215-1, Military Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities, 24 September 2010.
- m) Army Regulation 215-4, Nonappropriated Fund Contracting, 29 July 2008.
- n) Defense Finance and Accounting Service – NAF Financial Services (DFAS-NFS) Support Agreement KDD-OT-19-0-077, 1 October 2018.
- o) Memorandum of Agreement, SUBJECT: Reimbursable Support Agreement between IMCOM AD, NAF Contracting Division and IMCOM Chaplain HQ RSO, 8 April 2020.

1.0 Introduction

Every CTOF is legally constituted as an instrumentality of the U.S. Government. Funds in CTOF accounts are U.S. Government funds, and CTOF property is U.S. Government property. As fiscal entities, CTOFs maintain custody of and control over their assets. The CTOFs have no independent organizational existence apart from their relationship to the mission of the Chaplain Corps. CTOFs operate under the authority of the U.S. Government in accordance with applicable Federal laws and departmental regulations.

CTOFs are not part of the Army's Morale, Welfare, and Recreation (MWR) system and are specifically exempted from MWR oversight in DODI 1015.15 and AR 215–1, paragraph 1–7b(14), unless stated otherwise in other applicable regulations. The CTOF is not controlled, managed, or supervised by the MWR Central Accounting or Purchasing Offices, or similar activities on installations.

The Chief of Chaplains (CCH) is the proponent for CTOFs and exercises responsibility for CTOF operations. The CTOF structure maintains funds at the local garrison level. Fund management functions may be consolidated at higher echelons for efficiency and improved management control. DFAS-NFS maintains bookkeeping, accounts payable, and disbursing functions under a centralized accounting system of record. CTOFs are identified as the 400-fund at DFAS-NFS. The only balance of the fund that has legal existence is the total liabilities and fund equity balance reported on the DFAS-NFS balance sheet. It represents the cash on hand or cash in the bank for the CTOF during a particular period in time or reporting period.

2.0 General

CTOFs exist to facilitate the giving of tithes and offerings as an essential element of religious service in support of the free exercise of religion. CTOFs support the mission of the Army Chaplain Corps – building Army spiritual readiness to deploy, fight, and win our Nation's wars. CTOFs provide supplemental resources for religious support and care for all of America's Soldiers, all of their Families, and all of our Army's Civilians.

2.1 Vision

Maintain a spirit of harmony while generously resourcing religious support, meeting the financial, accounting, and business management needs of a diverse and dynamic military community with quality performance and in a professional, courteous, and service-oriented manner.

2.2 Mission

Resource a culture of performance and service across a globally dispersed religious support community, allowing members of the Army family to engage in the spirit of giving through the tenants of their respective faith. Provide oversight and management to ensure the fiscal integrity of all CTOFs. Actively promote and monitor compliance with appropriate laws and regulations that govern CTOF business and financial activities.

2.3 Core Values

OCCH is committed to "Caring for the Soul of the Army":

Invest in PEOPLE, Connect them in SPIRIT, and Cultivate COMMUNITY!

3.0 Definitions

Chaplain Corps Automated Religious Support System (CCARSS): The only CCH-approved system to accomplish the overall strategic communication objectives of the Army Chaplain Corps. OS56 at <https://os56.army.mil> is the current CCARSS.

Accounting Classification Code: The NAF accounting classification code is a 12-position code. This code identifies the major command or installation, the NAFI, the program, location, and department codes, and the general ledger account code related to the transaction. It is comprised of a line of accounting and a general ledger accounting code.

Line of Accounting (LOA): LOAs are accounting and bookkeeping structures. CTOF LOAs exist only in the accounting and management of documents of a fund. The LOA is a nine-position alphabetic/numeric code. This is the portion of the accounting classification code that identifies the CTOF geographical location, the NAFI, the program, location, and department codes. It consists of five parts, in the following order:

- **Garrison Code:** A two-position Installation code. This two-position alphabetic code shows the installation, military community, or other area within the command.
- **NAFI Code:** The one-digit NAFI code immediately follows the garrison code. This code identifies the NAFI. The number will always be **4** for CTOFs. (**NOTE:** The full NAFI Code for CTOFs is 400. 4 = the abbreviated version of the full NAFI Code)

- **Program Code:** A two-position program code. This code contains two letters identifying the higher Command of the CTOF (HQDA, IMCOM, & MEDCOM).
- **Location Code:** The location code is a two-position code that immediately follows the program code. Formerly identified as your sub-account prefix number (e.g. 01-XX, 02-XX, 03-XX, 04-XX), location codes are a two-position alphabetic code for religious services and activities. Each religious service or activity is assigned a unique location code. The location codes are assigned to encompass religious services and activities locally.
- **Department Code:** The department code is a two-position code that immediately follows the location code. Department codes are a two-position alphabetic/numeric combination and shows the activities of a NAFI for which income and expenses are recorded and reported on the NAFI Income Statement and links income or expense transactions to the proper department (service/activity). Department codes are restricted for use, but are assigned locally to each income producing service or activity. Request for additional department codes will be sent to HQDA, Office of the Chief of Chaplains, for approval.

Garrison	NAFI	Program	Location	Department
[2]	[1]	[2]	[2]	[2]
FD	4	CI	RC	KB
Fort Carson	CTOF	IMCOM Religious Support	Roman Catholic	Catholic Service #2

Figure 3-1. Sample LOA.

General Ledger Account Code (GLAC): The GLAC is a three digit numeric code that immediately follows the department code. DFAS-NFS uses GLACs to show the general ledger account for income, expenses, and internal transfers. CTOF income (credit) transactions are recorded with a 500 series code. CTOF expense (debit) transactions are recorded with a 600 or 700 series code.

Commonly Used GLACs for CTOF Operations:

INCOME

- 511 Adjustment in Favor of Fund
- 515 Rebate/Reimbursement Income
- 580 Regular Chapel Offerings
- 581 Receive Designated Offerings
- 582 Donations
- 583 Program Grants
- 584 Drawdown Surcharge (HQs Level)
- 598 Inter-Fund Transfer (Income)

EXPENSE

- 663 Bank Charge
- 686 Contractual Services
- 691 Supplies (Meals & Snacks)
- 696 *Grant Expense (HQs Level Only)*
- 726 Supplies (All Other)
- 733 Insurance Service Expense
- 739 Adjustment Against Fund
- 781 Pay Designated Offering
- 783 *Community Account Tax (no longer used)*
- 784 30% Drawdown Surcharge
- 785 1.5% Quarterly Transfer

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786	Travel & Transportation of Persons
787	Travel & Transportation of Things
798	Intra-Fund Transaction (Expense)

NOTE: GLACs **599/799** (miscellaneous income/expense) are reserved to record CTOF unidentified or improper transactions. Using these GLACs requires an explanation in the footnotes and will require further action on the part of the fund manager to resolve.

Fund Manager (FM): A Chaplain, Religious Affairs NCO (in the rank of SSG or above), or DA Civilian (GS-09 or higher) whose position is coded Defense Financial Management Certification (DFMC) level 2 or higher, who is a graduate of the USACHCS CRM course. The Fund Manager, who is appointed on orders by the Commander:

- Prepares, submits, and maintains the annual CTOF operating budget.
- Implements CTOF Internal Control Plan (see AR 11–2 and appendices of AR 165-1).
- Certifies availability of funds to support GPC or Contract purchase requests IAW the approved CMRP CTOF program budget(s) and overall fund balance. Serves as the property accountability officer for CTOF.
- Serves as the information management officer for CTOF.
- Manages CTOF assets.
- Reviews and digitally signs the Balance Sheet provided by DFAS-NFS after the end of each accounting period.
- Maintains adequate bonding and property insurance through the risk management program in accordance with the Army Central Insurance Fund.
- Supervises the CTOF fund technician.
- Recommends the community program budget participation percentage to the Garrison Chaplain and Chaplaincy Program Budget Advisory Committee (CPBAC).

Fund Technician (Tech): A Religious Affairs Specialist in the rank of SGT or below, or Department of the Army (DA) civilian employee possessing specialized training in religious support procurement procedures, contract management, and the CMRP annual budget process. The Fund Tech must be a graduate of the USACHCS Fund Clerk and/or Technician Course and appointed on orders by the Commander. The Fund Tech's position should be coded Defense Financial Management Certification (DFMC) level 1 or higher.

Garrison Chaplain:

- Is the assessable unit manager (AUM) for the CTOF Internal Control process. (If Garrison Chaplain is O-5 or below, SrCH or first O-6 in chain-of-command will be AUM.)
- Oversees the operations of the Garrison CTOF.
- Chairs the CPBAC and determines frequency of CPBAC meetings.

- Appoints members to the CPBAC.
- Approves the CPBAC minutes and sends to the Commander for review.
- Ensures monthly verification of CTOF reconciliation and informal review reports.
- Trains the CPBAC in the legal and fiduciary obligations and responsibilities for accounting for Government funds.
- Publishes an annual stewardship report which explains the income and expenditures of the CTOF, and community programs supported.
- Establishes the community program budget participation percentage.

4.0 Methods of Authorization and Applicability

Chaplains are required by regulation to plan intentional ministry and identify those activities required, as a minimum, to assist commanders in the development of the Command Master Religious Plan (CMRP). The CMRP is the beginning of life for all religious programs and activities.

4.1 Command Master Religious Plan (CMRP). The CMRP is the primary document used by the Chaplain Corps to plan and track religious support programs at all levels of the Army. Chaplains annually prepare the CMRP for their Commander's authorization. The CMRP helps identify, validate, and synchronize appropriated funds (APF) and NAF (CTOF) resource requirements to support religious support program requirements with projected funding. The CARSS CMRP tool in OS56 is a computer software decision support program that informs leadership's resource allocation decisions. Use of the OS56 CMRP tool eliminates the need to manually forward CMRPs to higher headquarters for consolidation, review, and reporting.

The Chaplain Corps uses the CMRP to formulate APF budget input to Command Budget Estimates (CBEs), which help Commanders prioritize and allocate resources to approved religious support programs, subject to the availability of funds. Additionally, at the Garrison level, the OS56 CMRP tool allows consolidation of NAF CTOF funding requirements from all unit CMRPs within the Garrison Commander's area of responsibility (AOR) to support the Garrison Chaplain's and Chaplain Program Budget Advisory Committee's (CPBAC) development of the annual CTOF Budget.

At the Garrison level, the CPBAC compares actual CTOF performance against previously established CTOF budget targets (not less than quarterly) and recommends necessary adjustments to avoid possible funding crises and ensure the accomplishment of the religious support mission. This ongoing budget review and analysis (R&A) program is a critical evaluation tool for the Commander and the staff chaplain.

4.2 Income. The income audit trail starts with the essential task of "safeguarding an offering/donation." The income audit trail offers opportunities as the weakest management control point and presents the highest risk for potential loss of funds and

errors in accounting for receipt of funds. It is imperative that management controls be followed and periodically inspected to protect this essential element of worship. The key points of the Income Audit Trail (Collection, Detailed Income Record, Safeguarding, Deposit, Voucher, and Reports) are described below:

a. Collection. The actual collection of offerings starts the income audit trail even though the first piece of paper does not appear until the receipts are counted and recorded on an offering count sheet. The government's interest for safeguarding assets begins once a donation is placed in the offering plate. The offering plates must be kept in plain view of the congregation until removed for counting. At all times, the offering should be in line-of-site of at least two individuals to avoid reproach.

b. Detailed Income Record (DIR). Offerings will be recorded on the CTOF DIR produced by the CTOF Resource Management (RM) team using OS56. The DIR is an accountable form and must be physically signed for from the Fund Manager (FM) by the Religious Affairs Specialist on duty or NCOIC of a chapel. DIR page 1 serves as an offering count sheet.

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CHAPEL TITHES OFFERINGS FUND (CTOF)		CMRP Number: CMRP2100085N	
RELIGIOUS SERVICES DETAILED INCOME RECORD (DIR)		Issued To: Wright, Jacklyne K	
SECTION I - ADMINISTRATIVE DATA			
1. DIR CONTROL NUMBER D21TB003753	2. GARRISON [TB] USAG Fort Benning	3. TYPE OFFERING Regular	4. TYPE OF INCOME 580
5. DATE OF SERVICE OR ACTIVITY 10/18/2020	6. LOCATION [PG] General Protestant	7. DEPARTMENT MP - Gen Prot Svc 3	8. SERVICE / ACTIVITY ATTENDANCE 1,201
9a. DESIGNATED OFFERING COLLECTED FOR			9b. DESIGNATED OFFERING AUTHORITY
Note: Designated offerings must be announced to congregation before collection.			
SECTION II - OFFERING CONTROL RECORD			
10a. U.S. DOLLARS - CHECKS		10b. U.S. DOLLARS - COIN	
CHECK NO./NAME	AMOUNT	DENOM	QTY
1.		\$.01	
2.		\$.05	
3.		\$.10	
4.		\$.25	
5.		\$.50	
6.		\$1.00	
7.		TOTAL COIN	
8.		10d. U.S. DOLLARS - CURRENCY	
9.		\$1.00	
10.		\$2.00	
11.		\$5.00	
12.		\$10.00	
13.		\$20.00	
14.		\$50.00	
15.		\$100.00	
16.		TOTAL CURRENCY	
17.			
18.			
19.			
20.			
21.			
22.		10f. OTHER FOREIGN CURRENCY	
23.		10g. TOTAL U.S. DOLLARS	
24.		10h. TOTAL FOREIGN CURRENCY	
24.		COIN	
25.		CURRENCY	
26.		CHECKS	
10i. TOTAL CHECKS		10j. TOTAL U.S. DOLLARS	10k. TOTAL FOREIGN COLLECTION

Figure 4.1 – Sample DIR page 1

(1) The offering is counted by at least two members of the congregation, and the results are recorded in SECTION II – OFFERING CONTROL RECORD on the first page of the DIR. The Religious Affairs Specialist assigned to the service verifies the count and transfers the totals to page 2 before the counters sign it.

(2) Make sufficient copies of the DIR to allow distribution as follows: The original of page 1 is sealed or locked in the bank deposit bag along with the offering and deposit slip. A copy of both pages is filed in the chapel files. A third copy is forwarded

to a subaccount (PE) administrator if required by local SOP. The original page 2 (signature page) is forwarded directly to the FM (along with a copy of page 1). The FM checks the serial numbered sheet back into the log book. A copy of page 2 is retained by the chaplain who signs it (as described in paragraph g below).

(3) A DIR is also an attendance record. A sheet must be filled out for every service whether or not an offering is received. Annotate that no offering was received on the face of the sheet.

(4) The FM will maintain a list of all scheduled services and must assure that a DIR is prepared, issued, and received back for every scheduled service. In the event no service is conducted or no offering is taken, a DIR must still be completed and maintained for the purposes of accountability. Copies of the DIR are not authorized as supporting documents for vouchering and accountability purposes. The original DIR is the only document acceptable by the CTOF RM team to scan as supporting documentation to DFAS.

c. Safeguarding. Once it is counted and recorded on a DIR, an offering is kept in a standard safe until it can be directly deposited in the bank. Whenever possible, a night depository at the bank will be used instead of keeping offerings overnight.

d. Deposit. Offerings are deposited within one banking day of receipt. A standard deposit slip is completed to verify the deposit amount and included in the deposit bag along with the offering and page 1 of the DIR.

e. Income voucher. The completed deposit slip and DIR are reviewed by the FM after retrieval from the bank. The FM prepares an MFR documenting any material discrepancies noted. The FM also completes SECTION V – VERIFICATION OF DEPOSIT on DIR page 2, updates the OS56 DIR record by adding the attendance and total offering information in the CTOF DIR module before scanning and uploading DIRs into DFAS-NFS' Electronic Document Management (EDM) portal. DFAS-NFS's accounting technicians then voucher the total amount of each offering by sub-account into the accounting system.

f. Reports. The income audit trail is completed when each sub-account receives its reports and verifies the accuracy of the income received by cross-checking the deposit with other supporting documents such as the sub-account copy of the DIR.

g. Supervisory responsibility. Supervising the safeguarding of an offering is an inherently governmental responsibility and cannot be delegated to or performed by a contractor. The chaplain in charge of the service is ultimately responsible for the process of safeguarding the offering until it is deposited in the bank. The chaplain in charge (or appropriate designee) for each service verifies that a service was conducted, an offering taken, and that appropriate management controls were in place by completing and signing SECTION IV – CERTIFICATION on page 2 of the DIR (Figure 4.2). This certification must be done in the presence of the two members of the congregation who counted and recorded the results of the offering and signed blocks 11a and 11b in SECTION III. The chaplain in charge will maintain a suspense copy of each DIR they sign until they verify the total vouchered by DFAS-NFS matched the DIR.

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5. DATE OF SERVICE OR ACTIVITY 10/18/2020	6. LOCATION [PG] General Protestant	7. DEPARTMENT MP - Gen Prot Svc 3	8. SERVICE / ACTIVITY ATTENDANCE 1,201
9a. DESIGNATED OFFERING COLLECTED FOR		9b. DESIGNATED OFFERING AUTHORITY	
SECTION II - OFFERING CONTROL RECORD (Totals from previous page)			
TOTAL U.S. DOLLARS		TOTAL FOREIGN CURRENCY	
COIN		FOREIGN COIN	
CURRENCY		FOREIGN CURRENCY	
CHECKS		OTHER CURRENCY	
TOTAL U.S. DOLLARS		TOTAL FOREIGN COLLECTION	
SECTION III - AUTHENTICATION			
11a. COUNTED BY (Printed name and signature)		11b. COUNTED BY (Printed name and signature)	
11c. VERIFIED AND SECURED BY (Printed name and signature)		11d. DEPOSITED BY (Printed name and signature)	
SECTION IV - CERTIFICATION			
12. Was the Service / Activity conducted? <input type="checkbox"/> Yes <input type="checkbox"/> No		13. Was an Offering received? <input type="checkbox"/> Yes <input type="checkbox"/> No	
I certify that the offering has been counted by at least two members of the congregation and the results have been accurately recorded.			
_____		_____	
Printed Name of Chaplain in Charge of Service or Designee		Signature of Chaplain In-Charge of Service or Designee	
SECTION V - VERIFICATION OF DEPOSIT			
14a. AMOUNT FROM VERIFIED DEPOSIT SLIP		14b. DATE VERIFIED	
_____		_____	
Printed Name of Funds Manager		Signature of Funds Manager	

Figure 4.2 – Sample DIR page 2

Individual donations may be received by the garrison, provided the donor is informed that the donation will be used as approved by the Garrison Chaplain. Donations may be given for specific program activities or services approved in the CMRP. A DIR must be generated for donations. A receipt book (similar to Figure 4-2) must be filled out as a receipt to the donor. The receipt should produce copies in triplicate with distribution as follows:

- Donor = Original Copy
- DFAS-NFS = Second Copy (scan to DFAS-NFS)
- CTOF RM Team = Third Copy remains in book



Figure 4-2. Sample Receipt Book.

4.2.1 CTOF Income Packet. CTOF income packet(s) must be forwarded to DFAS-NFS within **two (2) business days** from the receipt of offering/donation (IAW reference n). The following identifies the minimum documentation requirements to accurately process and record CTOF income with DFAS-NFS:

Regular/Designated Offerings

Income Transmittal Cover

Detailed Income Record (DIR) *(Page 2 – fully signed and FM verified in Section V)*

Deposit Slip (certified slip from local bank)

Bulletin/Program (Designated Offerings Only)

Donation

Income Transmittal Cover

Detailed Income Record (DIR) *Page 2 (May have only Fund Tech or FM signature in Section III and FM verification in Section V)*

Donation Receipt *(Receipt Book Slip)*

Deposit Slip (certified slip from local bank)

4.2.2 Digital Giving. Army-wide CTOF Digital Giving was launched in 2020 with support from IMCOM G9 using the RecTrac web application. Donors can access CTOF Digital Giving from mobile phones by using the QR code below or by web browser at <https://www.armyctofdigitalgiving.com/> or <https://webtrac.mwr.army.mil/digitalgiving/>.



Figure 4.2.2 – CTOF Digital Giving QR code

CTOF Digital Giving allows donors to select the CTOF and subaccount to receive their gift. Donations are received through the HQDA Chaplains Fund (BE4) account in the Army Banking and Investment Fund (ABIF). Monthly reconciliation of CTOF Digital Giving is prepared at OCCH and submitted to DFAS-NFS for vouchering and to the ABIF for distribution to the individual CTOFs as selected by the donors.

The initial configuration of CTOF Digital Giving supports only regular offerings. Thus, when designated offerings are collected at in-person worship services, congregation members who wish to contribute to the general fund always have the option to do so using digital giving.

4.3 Acquisition (purchasing and contracting). Procurement of supplies, non-personal services and equipment must be made IAW Army NAF purchasing regulations.

Authorized methods of procurement include the Army NAF Government Purchase Card (GPC) and contract. All purchases over the relevant GPC micro purchase limit will be procured utilizing contracting procedures detailed below.

a. Acquisition policies. All NAFIs within DOD are subject to the NAF acquisition policies and guidance contained in DODI 4105.67. These policies and the implementing procedures have been published by the Army in AR 215–1 and AR 215–4. These acquisition regulations apply to CTOFs.

b. Acquisition guidelines. CTOF contracting will be accomplished by trained procurement personnel. CTOF FMs may approve and/or purchase only within the authorizations established by AR 215–4 unless otherwise stated herein. Beyond these limited authorizations, the servicing DA or Defense agency contracting office will be used.

c. Servicing Contracting Office. In accordance with the MOA (Reference o), IMCOM Acquisition Directorate (AD) Nonappropriated Fund (NAF) Contracting Division is the servicing contracting office for all Army CTOFs. All contract actions must be executed using the Standardized Nonappropriated Contracting System (SNACS) and assigned a standardized contract number issued by IMCOM AD NAF Contracting Division.

d. SNACS Role Assignment for CTOFs. Workflow roles in SNACS include requestor, division chief, and financial manager. All contract purchase request route through the division chief to the financial manager for final approval before Contracting Officer review. *(Currently, the fund manager/chaplain resource manager fills the division chief role, and the IMCOM HQ RSO performs the financial manager role)*. Each CTOF should strive to maintain primary and alternate appointees in the SNACS requestor and division chief roles for continuity purposes.

e. Advance approvals required. All CTOF purchases must comply with an approved CMRP. Requestors must obtain funding approval from the FM and purchase authority from the Contracting Officer or GPC Approving/Billing Official (A/BO) before obligating the fund to pay for any goods or services. Unauthorized persons may not enter the CTOF into any obligation.

f. Signature authority. All Fund Managers (FMs) must have a **DD Form 577 (Signature Card)** on file with DFAS. The completed DD Form 577 must contain the Appointee's digital and manual signature. FMs will ensure DD Form 577s are updated and sent to DFAS when there are changes in personnel with CTOF signature authority. Pay documents cannot be processed unless a DD Form 577 is on file at DFAS containing the official's signature signing as the CTOF FM. Appointment orders identifying the signer as the FM must also be on file at DFAS. If the appointment is for a temporary period (e.g., actual FM on leave for two weeks), then the appointment memorandum should specify the appointment duration.

4.3.1 Army NAF GPC. The Army NAF GPC provides a simplified method of purchasing commercially available supplies and services within delegated purchase authority limits. IAW the MOA (Reference o.), IMCOM AD, NAF Contracting Division provides GPC oversight A/OPC for serviced CTOFs.

a. CTOF FMs, A/BOs, and Cardholders will follow guidance in AR 215-4, Paragraph 3-16 and the IMCOM NAF Government Purchase Card and Convenience

Checks *Supplemental Guidance to the Army Federal Acquisition Regulation Supplement, Part 5113.2, Appendix EE, 26 January 2018. **NOTE: Notwithstanding any other authority, CTOFs are not authorized to use convenience checks.**

b. Upon receipt of a GPC Purchase Request (PR) signed by an authorized signer of a Program Element (PE), the CTOF FM will approve the request (if budget authority exists in the approved CMRP and funds are available). FM-approved requests will be routed to the approving/billing official (A/BO) for approval. Cardholders will not make any purchase without an approved PR signed by the CTOF FM and A/BO. Any purchase made before authority is granted is illegal. Cardholders will be held liable for those unauthorized expenses and are subject to UCMJ punitive action.

c. GPC statements will be certified through Access Online (AXOL). Once certified, AXOL forwards the file to DFAS for an automatically generated payment as expressed with identified LOAs and GLACs through the certification process.

d. FMs and A/OPC must ensure that lines of accounting are established on AXOL for all operating programs of the CTOF before authorizing purchases.

4.3.2 Contracts. CTOFs may contract for supplies or services.

4.3.2.1 Supply Contracts. Supply purchases that exceed the GPC threshold must be requisitioned **through** SNACS. Contracts may be used for one time purchase or perishable items that are delivered on a regular basis (e.g., flowers).

4.3.2.2 Non-personal Services (NPS) Contracts. NPS Contracts are only for professional services and are only obtained on an intermittent/temporary basis. The contract base period will not exceed one (1) fiscal year. NPS Contracts are intended to enhance mission-essential religious activities. All service contracts are issued as Blanket Purchase Agreements (BPA). The BPA caller (FM/CRM) ensure funds are available before requesting services from a vendor.

Once a NPS Contract is awarded, IMCOM Acquisition Directorate Contracting Division will file the signed contract and Form W-9 with DFAS-NFS prior to the first request for payment. This allows time for the Vendor Pay department to establish the contractor as a payee in DFAS-NFS' systems. DFAS-NFS will maintain a copy of the contract for the term of the contract. The contract will not have to be submitted with each request for payment.

The following identifies the minimum documentation requirements for NPS Contract payments:

- Payment Transmittal Cover
- Blanket Purchase Agreement (BPA) request and call log
- DD250
- Vendor Invoice/Receiving Report
- Contract (signed file copy--with/before first payment in a fiscal year)
- W-9 (only submit with the first payment in a calendar year)

4.4 Honorariums. Payment for expenses associated with honoraria (guest speaker fees) is allowable for individuals who are not government personnel. Honoraria are *ex gratia* payments and are made to a speaker who has discretion concerning the content of a speech, presentation, or panel discussion on a general topic. To avoid excessive payment of honoraria, amounts greater than \$2000 must be approved IAW the Component's established procedures. The Army's established procedures are described in AR 1-50, Paragraph 6-5 which is excerpted below.

6-5. Honorariums and speaker fees

In most cases, honorariums and fees for speakers are limited to \$2,000 a speaker (see DOD 7000.14-R, volume 10). For organizations within HQDA, the AASA is the approval authority to exceed \$2,000 for a speaker; for all other organizations, the VCSA is the approval authority. Organizations must route a separate request to exceed the threshold to the appropriate approval authority before submitting a conference request. Submit the signed approval to exceed the honorarium threshold with the conference request.

Honorariums request are submitted utilizing SNACS, please allow 30 day to process request. (Recipients of honorariums will be required to obtain a Data Universal Numbering System (DUNS) number prior to award). The following identifies the minimum documentation requirements for payments of honoraria:

Payment Transmittal Cover
Direct Vendor Payment Form
Honorarium Certification Form
W-9 (only submit with/before first payment in a calendar year)

5. Designated Offerings. A payment request for designated offerings (GLAC 781) must be submitted to DFAS-NFS NLT three (3) business days following receipt of the designated offering. This request for payment will indicate disbursement required NLT five (5) business days following satisfactory submission of supporting documentation to DFAS-NFS. At the close of each business month, Fund Managers must verify that financial income statements bring into balance GLACs 581 and 781 (view current month column on the income statement to ensure GLACs 581 and 781 equal the same amount).

Payment methods for Designated Offerings: *(DFAS-NFS treats designated offering recipients as vendors for payment purposes).*

EFT. Those vendors that desire payment via EFT must provide:

- a) Name of their financial institution
- b) Bank routing number
- c) Bank account number

d) Additional information/requirements from the financial institution

Check. Payment by check can be requested through DFAS-NFS. FMs must verify that the vendor's mailing address is complete and correct prior to sending documentation to DFAS-NFS. Failure to verify the address will result in delays of the vendor's payment.

The following identifies the minimum documentation requirements for designated offerings payments:

Designated Offerings (External)

Payment Transmittal Cover

Detailed Income Record (DIR) *Page 2 Only (DIR serves as "invoice" for payment)*

Direct Vendor Payment Form

Designated Offerings (Internal)

Payment Transmittal Cover

Detailed Income Record (DIR) *Page 2 Only (DIR serves as "invoice" for payment)*

Memorandum for Record (*indicate LOA transfer from with GLAC 781 and LOA transfer to with GLAC 598*)

6. Tax Responsibilities. The DoD FMR, vol. 13, chapter 7 requires reporting payments to an individual over \$600 using an IRS Form 1099 MISC (Miscellaneous Income) to IRS and state tax offices. Cumulative payments made under service contracts of \$600 or more to anyone during a calendar year will be recorded and reported by DFAS-NFS. The IRS Form 1099 MISC will be provided to the individual or firm and the IRS by 31 January of the year following the calendar year of payment.

If a single payment to an individual is less than \$600, but the total payments made by DFAS-NFS reach or exceed the \$600 threshold during the calendar year, DFAS-NFS must file IRS Form 1099 MISC. Therefore, Form W-9 (Request for Taxpayer Identification Number and Certification) must accompany the first request for payment to a firm or individual.

For additional details on the reporting requirements, see AR 215-1, Chapter 4, Section III (Tax Requirements), and reference h, Chapter 32, paragraph 321007 (Reporting to the IRS).

7. CTOF Structure, Budgeting, Cash Management Policy, and Mandatory Transfers.

a. CTOF Structure. Each CTOF is a single fund entity. Sub-accounts are cost collectors in the accounting system used for budget tracking and are not separate and distinct funds.

b. Program Element (PE) or congregational sub-accounts—

(1) Facilitate stewardship on behalf of individual programs within the CMRP by enabling tracking of operating income and attendance data to inform the budget development process.

(2) Are accounting entities and do not have an organizational existence apart from their inclusion in CTOF.

(3) Cannot obligate or spend more than PE budget guidance approved by the Garrison Chaplain and authorized by the Commander.

(4) Have income statements but not balance sheets.

c. The community subaccount—

(1) Is a required sub-account of CTOF.

(2) Is managed by the CTOF manager.

(3) Is reviewed and analyzed by the CPBAC.

(4) Is funded by the community program budget participation percentage calculated by the CTOF manager through analysis of all operating income and the garrison community program requirements, as established by the Garrison Chaplain. This percentage is established by the Garrison Chaplain, as advised by the FM and CPBAC, and is the same for all CTOF Program Elements (LOAs) that participate in a particular fund. Other sources of income may also be included as recommended by the CPBAC and approved by the Garrison Chaplain.

(5) Provides a source of funds for programs that feature a community-wide focus or are sponsored jointly by multiple PEs.

(6) Provides a source of funds for CPBAC-validated and Garrison Chaplain-approved programs within the CMRP that do not have their own source of income.

(7) Receive and disburse funds to support religious activities that require an accumulation of dollars over time or that require the consolidated handling of registration and participation costs.

(8) Fund special projects representing innovative and dynamic opportunities to extend religious support to the broadest Army audience.

d. CTOF Budgeting. CTOF budget guidance will be established as part of the annual CMRP development process. Budget guidance is based on the going concern principle. Total annual budget guidance for a garrison CTOF will not exceed the sum of operating income for the most recent four quarters for which complete financial statements are available from DFAS-NFS. Budget guidance will be revised based on quarterly review and analysis to account for changes in income levels.

e. Cash Management Policy. Garrison CTOFs will maintain a cash (retained earnings) balance between three (3) and six (6) months of budget guidance.

f. Mandatory Transfers. Transfer to HQDA Chaplain Fund (BE4) of 1.5% of Operating Income from each Sub-Account will be done quarterly using GLAC 785. Transfers of cash exceeding six (6) months' budget guidance to the HQDA CTOF (BE4) will be initiated periodically using GLAC 784. Both types of mandatory transfer will be initiated centrally by the HQDA CTOF FM or CTOF Program Manager.

8.0 Internal Controls Evaluations and Inspections.

8.1 Formal Inspections and Audits. CTOF FMs may seek the advice of specialists in audits, as appropriate to CTOF operations. For vouchered income and

expense documentation, DFAS-NFS maintains the official records of the CTOF. Local Garrisons maintain the official documentation for the CTOF GPC program IAW NAF Government Purchase Card and Convenience Checks (Supplemental Guidance to the Army Federal Acquisition Regulation Supplement, Part 5113.2, Appendix EE). Local copies of all CTOF documentation must remain on file IAW Army Records and Information Management System (ARIMS) and GPC management controls (disposition=six years and three months).

Formal inspections must be conducted IAW AR 1-201, Army Inspection Policy, using the principles outlined in AR 11-7, Internal Review Program, and at times determined by the Commander and:

Every two years

Upon Change of CTOF Fund Manager

Prior to consolidation, transfer, or disestablishment of a fund

These inspections are to be performed by officers and/or noncommissioned officers (SFC and above) appointed by the Garrison Chaplain.

A formal audit may be required if an inspection result identifies a material weakness.

8.2 Informal CTOF Inspections. Assessable Unit Managers (AUMs), Internal Control Administrators (ICAs), and Chaplain Corps Resources Managers (CRMs) are critical to the success of CTOF management controls. Refer to AR 165-1, Appendix D (Internal Control Evaluation) for test questions and safeguards for CTOF operations.

Two disinterested officers will conduct an inspection of the CTOF at least quarterly, to verify adherence to established procedures for safeguarding funds, recording income and expenses, and CTOF GPC operations.

The CTOF FM, CRM, Garrison Chaplain NCOIC, and Deputy Garrison Chaplain should make unannounced spot checks during worship services to determine if offering accountability and counting procedures are being properly followed.

8.3 Staff Assistance Visits (SAVs). HQs IMCOM Command Chaplain Office will make annual SAVs to their respective Garrisons to discuss CTOF operations with their staffs and interested PEs. Inspections of the CTOFs may be conducted during the SAV, refer to AR 165-1, Appendix D (Internal Control Evaluation) for test questions and safeguards for CTOF operations. In conjunction with the visit, CTOF property should also be inventoried.

8.4 Audits and Reviews. Audits and reviews are implemented by DODI 7600.6 and DODI 1015.15.

a. The Army NAF Audit Committee, under the auspices of the ASA(FM&C), is composed of senior officials, independent of NAFI/entity management, and oversees

NAFI/entity audits. The committee establishes audit requirements based upon risk assessments, identifies contract deliverables, and monitors the contracts for certified public accounting firm's execution of financial statement audits.

b. U. S. Army Audit Agency (USAAA) audits will be conducted in accordance with AR 36–2. Internal Review Office engagements will be conducted per AR 11–7. Procedures for conducting internal audits/reviews of DOD operations, systems, programs, and functions are in DOD 7600.7–M.

c. CTOFs may be audited or reviewed as a system or on a functional basis. An audit of cash controls would be an example of a functional audit.

d. Annual financial audits or reviews will be conducted on all CTOFs with annual revenues or expenses that exceed \$10 million. The Office of the DOD Inspector General will be the approval authority (in writing) for any exceptions to the dollar limitation. Other audits or reviews will be completed as deemed necessary by management based on risk assessments and within resource availability.

e. When contracting with a certified public accounting firm, the Army Auditor General must approve the solicitation before its release and contract award. Contracts will comply with Generally Accepted Government Auditing Standards as well as other applicable DOD or Office of Management and Budget audit standards and will include a provision to allow for technical review by USAAA when deemed necessary. USAAA will make the decision whether a technical review is required. Internal review offices may act as the Contracting Officers Representative. OCCH will schedule and coordinate the contracting for CTOF audits and related activities with USAAA.

f. Internal review or USAAA personnel, rather than certified public accounting firms, will be used for reviews or audits involving potential fraud or other serious improprieties.

g. Terminal audits or reviews must be performed for all CTOFs being disestablished.

h. If evidence of a criminal offense, fraud, gross mismanagement, wrongdoing, or misconduct is detected, notification will be made to the installation provost marshal's office and/or the Army Criminal Investigation Command.

Additionally, theft, suspected theft, negligence, conflict of interest involving appropriated or nonappropriated funds or property valued at more than \$100,000 will be reported as a Category 2 Reportable Serious Incident. A Serious Incident Report (SIR), if applicable, is submitted per AR 190–40 to the Provost Marshal General, ATTN: DAPM–OPS, within 24 hours of discovery or notification at the installation level. After a SIR is submitted, the local garrison commander may conduct an investigation to determine the cause and fix responsibility.

i. All documents which CTOF managers submit to DFAS-NFS become part of the audit trail for the centralized accounting system of record and are subject to review as part of annual Independent Public Accounting (IPA) Firm audits of DFAS-NFS.

8.5 Investigations.

a. Investigations into CTOF losses will be conducted per AR 215-1 appendix M using AR 735–5 as a guide and initiated when—

- (1) Prescribed by a relevant Army regulation.
- (2) Directed by a commander or approving authority.
- (3) Required to establish proof of loss for CTOF RIMP insurance purposes as prescribed in AR 215-1 chapter 19.
- (4) Cash or CTOF property losses over \$2,000 are a result of—
 - (a) Apparent theft when there are no visible signs of breaking and entering.
 - (b) An unexplained disappearance of cash or CTOF property.
- (5) Circumstances indicate—
 - (a) A lack of or disregard for management control procedures.
 - (b) Fraud, dishonesty, willful misconduct, recklessness, or wanton disregard for the safekeeping of CTOF assets.
- (c) Individual actions are beyond the scope of employment or permitted use.
- (6) Second or succeeding loss occurs at the same location under similar circumstances.

b. In lieu of AR 215-1 appendix M procedures, garrison commanders may adopt the procedures for financial liability investigations of property loss (FLIPL) as prescribed by AR 735–5.

c. An AR 15–6 investigation will be required where circumstances exist as outlined in AR 735–5.

9. Role & Responsibility Changes. All roles and responsibilities outlined in AR 165-1 remain applicable except that CTOF FMs (except the HQDA CTOF Manager) remain the custodians/fund certifiers for the CTOF but no longer have the authority to act as contracting officers. ***CTOF FMs may still enter into agreements with MWR NAFs on the local garrison for supplies and/or services paid by inter-fund transfer through DFAS-NFS.*** All other CTOF purchasing and contracting will follow Army NAF standardized procedures IAW paragraphs 4.3 through 4.4 above.

10. CTOF/DFAS-NFS Communications.

- a. Each CTOF FM communicates directly with their respective DFAS-NFS team.
- b. Documentation being sent to DFAS-NFS should be uploaded to the electronic data management system (eFile Room) as the first option. Emails are an authorized document source with prior coordination.
- c. Issues/Concerns requiring escalated assistance:
 - (1) DFAS-NFS technician notifies Supervisor, Supervisor contacts IMCOM Directorate (ID) or Headquarters IMCOM respectively.
 - (2) CTOF Fund Manager notifies ID and/or Headquarters IMCOM respectively, ID or Headquarters IMCOM contacts DFAS-NFS Supervisor on behalf of the CTOF concerned.
 - (3) All courtesy copy email (or notify via voice communication) next higher headquarters/management.
- d. Escalated issues/concerns to Management:
 - (1) DFAS-NFS Supervisor notifies Director of Accounting, Director of Accounting contacts HQDA OCCH.
 - (2) ID contacts Headquarters, Headquarters contacts HQDA OCCH, and HQDA OCCH will contact Director of Accounting on behalf of the CTOF concerned.

11. Alternate Methods of Compliance

All limitations and procedures presented in this guidance document are to be considered as general guidelines only. Each application is evaluated on its own technical merit based on its own set of operational parameters and proposed operational profiles, mitigations, and systems. As such, deviations and alternate methods of compliance may be approved and may differ from the information presented in this document. Therefore, if the applicant makes a case for change and presents sufficient data for an alternate means of compliance, then this data should be taken into consideration and evaluated for possible approval. Change request should be forwarded through the appropriate technical chain for religious support, to the Office of the Chief of Chaplains, ATTN: CTOF Program Manager, 2700 Army Pentagon (1D143A), Washington, DC 20310-2700.

12. Non-Compliance with Policies. Due to the serious implications surrounding public trust of CTOF business functions, the following measures shall be enacted if policies and regulations are repeatedly violated:

- a) Program element accounts may be frozen.
- b) Letters of concern addressing the issue(s) from the Command Chaplain through the Chain of Command of the person(s) involved.
- c) Suspension of privileges to receive offerings.
- d) Remedial training.
- e) Removal of the Pastor/DFGL.
- f) Other punitive actions as deemed appropriate for the incident(s).

13. Points of Contact. Please be certain to use your Chaplain Corps technical chain of concern for inquiries. Feel free to contact the Office of the Chief of Chaplains, Resources Division, CTOF Program Manager, Mr. Bruce Snowdeal, at (703) 403-9002, or email bruce.d.snowdeal.civ@mail.mil.

THOMAS L. SOLHJEM
Chaplain (MG) USA
Chief of Chaplains