

Religious Ministry Support
REFERENCE / AUTHORITYSOURCE DOCUMENT
Information Sheet

Document Designation: SECNAVINST

Number: 7010.6

TITLE: RELIGIOUS OFFERING FUND

Date: 27 APR 90

Purpose: To establish policy and procedures for the administration of Religious Offering Funds (ROF) authorized by references (a) and (b).

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DEPARTMENT OF THE NAVY
Office of the Secretary
Washington, DC 20350-1000

SECNAVINST 7010.6
OP-972
27 April 1990

W/CH-1
3/27/90

SECNAV INSTRUCTION 7010.6

From: Secretary of the Navy
To: All Ships and Stations

Subj: RELIGIOUS OFFERING FUND

Ref: (a) DODDIR 1015.1 of 19 Aug 81
(NOTAL)
(b) SECNAVINST 1730.7 (NOTAL)
(c) NAVSO P-3520 (NOTAL)
(d) SECNAVINST 7043.5A (NOTAL)

Encl: (1) Religious Offering Fund
Procedures

1. **Purpose.** To establish policy and procedures for the administration of Religious Offering Funds (ROF) authorized by references (a) and (b).

2. **Applicability.** This instruction applies to all persons in the Department of the Navy responsible for providing and administering ROFs.

3. **Policy.** Department of the Navy policy is to authorize ROFs for use by those faith groups who wish to emphasize voluntary contributions and benevolences as integral to worship and religious life.

a. As prescribed in reference (b), ROF funds will be used only for projects of religious benevolence beyond the limits of the Command Religious Program, not as an alternative to support for the Command Religious Program. The ROF is the only nonappropriated fund (NAF) authorized for Command Religious Programs (CRPs). Memorial and endowment funds are prohibited.

b. Commanders/commanding officers shall establish an ROF when faith groups which are part of the Command Religious Program desire

to contribute and disburse offerings as an expression of their worship and religious life. Commands without a chaplain assigned shall not establish an ROF.

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5-29-98

c. The procedures for ROF administration, which comply with the requirements of references (c) and (d), are prescribed in enclosure (1).

d. Commanders/commanding officers shall inform members of each faith community with an ROF sub-account about ROF policies and procedures and ensure each faith community receives a monthly report on the financial status of their sub-account.

4. **Responsibility**

a. The Chief of Naval Operations (CNO) and Commandant of the Marine Corps (CMC) shall ensure that commanders/commanding officers authorize and administer ROFs following this instruction.

b. The Chief of Chaplains (OP-097) is the program manager for ROFs.

5. **Reports.** The requirement for reports contained in the enclosure are exempt from reports control by SECNAVINST 5214.2B.

BARBARA SPYRIDON POPE
Secretary of the Navy
(Acting)

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CHAPTER 1

PROGRAM GUIDANCE

1. Type of Fund. A Religious Offering Fund (ROF) is a nonappropriated fund (NAF) established by a commander/commanding officer as authorized by reference (b).

a. The primary sources of income for an ROF are the voluntary contributions and benevolence received as part of worship and religious life.

b. Any other income received by an ROF (e.g., an unsolicited check received in the mail or interest from a checking account) is incidental.

c. ROF shall not substitute for nor compete with the objectives of the Navy and Marine Corps Relief Society or the American Red Cross and their established authority to provide for emergency and basic subsistence needs of service families. (A)

2. ROF Accounts. Only one ROF may be maintained at a command. A separate ROF "sub-account" shall be established for each faith group active in the Command Religious Program (CRP) which receives offerings as part of its worship or religious life. The frequency with which these offerings are collected is immaterial. No limit is placed on the number of sub-accounts which may be established except that there may only be one sub-account per faith group.

3. Disbursements. Disbursements from the ROF shall be approved by the commander/commanding officer following the guidance in this instruction. Commanders/commanding officers may delegate this approval authority to the ROF administrator. Disbursements shall generally be made to a variety of recipients, usually religiously oriented non-profit organizations, in order to ensure that funds are used according to the intent of the donors. Donors, whose intent is also governed by this instruction, shall be informed about ROF disbursements. (R)

a. Permitted. Disbursements permitted from the ROF include:

(1) Charitable contributions to religious missions and organizations. (R)

(2) Donations to non-governmental benevolent, charitable, and relief projects of non-profit organizations.

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- R) (3) Purchase of food items for fellowship and appreciation dinners associated with worship in support of the faith group's religious life.
- R) (4) Token gifts of appreciation for command religious program volunteers not to exceed \$50 dollars, annually, per individual.
- R) b. Prohibited. ROFs do not have contracting authority, nor are they a resource for entertainment needs. The following disbursements are specifically prohibited:
- R) (1) Loans, salaries, scholarships, honoraria, service fees, rental fees, tips, and retirement funds.
- (2) Investments of any type (excluding interest bearing checking accounts and the minimum balance required in a share account in order to have a credit union checking account).
- (3) Obligations or commitments in excess of current assets of the fund.
- R) (4) Gifts to individuals (except token gifts of appreciation). Chapel staff and other paid personnel shall not receive token gifts.
- R) (5) Expenditures for CRP staff coffee messes or social events organized primarily for chaplains, Religious Program Specialists or CRP staff.
- R) (6) Expenditures for plant property, real property or maintenance of real property.
- (7) CRP requirements authorized for procurement with appropriated funds under reference (b).
- A) (8) Chaplains Religious Education Development Operation (CREDO) program items and retreats.
- A) (9) Transfer of funds from one ROF to another except for provisions noted in paragraph 8, "Designated Successor Fund."
- c. Requests. A designated faith group representative, the fund administrator, the executive officer/chief of staff, or the commander/commanding officer shall initiate all disbursement requests.
- A) 4. CRPs shall be operated at the level which appropriated funds will support. The ROF is not an alternative source of funds.

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5. Undesignated and Designated Offerings

a. Undesignated Offerings. All moneys contributed to the ROF or any sub-account are undesignated offerings with the exception of named offerings as defined below. A donor's request that a gift be used for a specific purpose does not create a designated offering.

b. Designated Offerings

(1) Definition. A designated offering is a collection of moneys which is earmarked for a specific purpose within the guidelines of paragraph 3, and which exceeds the fund administrator's spending limit. A designated offering must have the written approval of the commander/commanding officer prior to publicizing the offering or receiving funds. A sample designated offering request is provided in appendix B.

(2) Disbursement. A designated offering shall be disbursed only for the specific purpose authorized, within the limits of paragraphs 3 and 4 above. Unless the offering's purpose is exclusively a contribution of all funds collected, the requesting letter shall specify disposition of any excess funds collected. Disbursements shall be made expeditiously.

6. Internal Controls. Commands shall establish and maintain effective internal controls: separation of disbursement approval from the actual disbursing of funds, two people conducting all deposits of cash counts, regular and independent audits, expeditious deposit of cash, one person ordering and another receiving (if staffing allows). Implementation of the procedures specified in this enclosure constitutes adequate internal controls. The effectiveness with which these policies and procedures are implemented is measured through management control reviews. The ROF shall be included in any CRP vulnerability assessment.

7. Maximum Balance. Maintaining a large fund balance is inconsistent with the ROF's purpose. Commanders/commanding officers shall ensure that at least 1 day in January and 1 day in July the ROF balance is the minimum required for prudent ROF management (e.g., on those days the balance shall not exceed the greater of the following: the minimum balance required by the bank for free checking plus \$500 dollars; or \$1,500 dollars). R)

8. Designated Successor Fund. When an ROF or a sub-account is dissolved, all remaining assets shall be transferred to the Chief of Chaplains Fund, the designated successor fund.

27 APR 1988

CHAPTER 2

ADMINISTRATOR

1. Appointment. The command chaplain shall serve as the ROF administrator, the commander/commanding officer's direct representative, responsible to the commander/commanding officer for all matters pertaining to the ROF. The administrator shall be appointed in writing. The appointment letter shall include the elements of the sample letter in Appendix A.

2. Responsibilities

a. Approval of Disbursements. The administrator shall approve a request for disbursement when the request meets all of the following conditions:

(1) Is in keeping with policy governing ROF's.

(2) Is in keeping with the intent of the faith group.

(3) Does not exceed the spending limit established by the commander/commanding officer.

(4) Does not exceed the appropriate sub-account's available funds.

(5) Is not explicitly prohibited or contrary to good order and discipline.

b. Sub-Account Administration. The administrator shall ensure that disbursements which involve more than one faith group are apportioned equitably among sub-accounts. The basis of this apportionment will vary. For coffee after worship, attendance is the appropriate basis. For a charitable donation the amount requested by each designated faith group representative is the appropriate basis. For most banking fees, the Fair-Share method from chapter 6 is the appropriate basis.

3. Acting Administrator. In the absence (leave, Temporary Additional Duty, hospitalization) of the administrator, the next senior chaplain shall serve as acting administrator under the terms specified in the administrator's letter of appointment. No separate appointment letter is necessary. When only one chaplain is assigned to a command, the commander/commanding officer shall approve disbursements in the absence of the administrator or may delegate the authority to serve as acting administrator to the executive officer/chief of staff.

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CHAPTER 3

CUSTODIAN

1. Appointment. The ROF custodian and alternate custodian shall be appointed in writing by the commander/commanding officer (see sample letter in appendix A.) The custodian shall be responsible to the administrator for the efficient and effective operation of the ROF. The custodian and the alternate must be members of the command, preferably Religious Program Specialists (RPs). The custodian and alternate shall not serve as administrator or as a designated faith group representative.

2. Responsibilities. The ROF custodian shall:

a. Ensure that ledgers for each sub-account and the consolidated fund are kept following this instruction.

b. Ensure that a complete and accurate audit trail exists for all transactions.

c. Provide for the counting, safeguarding, depositing and accounting of all ROF monies and assets.

d. Assist designated faith group representatives in preparing disbursement requests.

e. Review disbursement requests for completeness, appropriateness and availability of funds before forwarding the requests to the administrator.

f. Disburse proved expenditures.

g. Maintain files showing command approval for the collection, solicitation and disbursement of designated offerings.

h. Ensure reconciliation of the checkbook to the bank statement within 3 working days of receipt of the bank statement.

i. Ensure preparation of a monthly report for each sub-account.

j. Ensure that a current signature card/ownership card is maintained at the bank.

k. Maintain files for a minimum of 4 fiscal years at Navy commands and Marine Corps commands (current year plus 3), including but not limited to:

(R)

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- (1) All ledgers.
 - (2) All bank statements.
 - (3) All returned canceled checks.
 - (4) All ROF audit reports.
 - (5) A copy of each disbursement request submitted.
 - (6) All offering records with deposit slips attached.
 - (7) All designated offering request/disbursement forms.
 - (8) Copies of all appointment letters for the administrator, custodian/alternate custodian and designated faith group representatives.
 - (9) Copies of all relevant correspondence, memoranda for the record, etc.
 - (10) Copies of all pertinent instructions and directives.
1. Provide all information on the ROF requested by the commander/commanding officer, ROF administrator, designated faith group representatives, the ROF audit board and any others approved by the administrator.
 3. Alternate Custodian. The alternate custodian shall carry out the custodian's responsibilities only in the absence (leave, TAD, hospitalization) of the custodian.

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CHAPTER 4

ROF AUDIT BOARD

1. Membership. The commander/commanding officer shall appoint an ROF Audit Board consisting of at least two active duty service members attached to the command using the sample letter in Appendix A or the command's collateral duty list. Commands which utilize a single audit board for all NAF audits may assign that board the additional duty of auditing the ROF. Under no circumstances shall chaplains, RPs, designated faith group representatives or the custodian/alternate custodian serve on an ROF Audit Board. Audits of ROFs at Marine Corps commands shall be conducted by the Marine Corps Non-Appropriated Fund Audit Service (MCNAFAS).

2. Responsibilities. The senior member of the ROF Audit Board shall ensure that the Board:

a. Is familiar with, and guided by, the provisions of this instruction and references (b) and (c).

b. Audits the ROF using the checklist/report in Appendix B of this manual:

(1) Quarterly.

(2) Upon change in banking facilities.

(3) Upon appointment of a new custodian or alternate custodian.

(4) Upon appointment of a new administrator.

(5) When directed by the commander/commanding officer.

c. Reports to the commander/commanding officer the results of all audits. A copy of the audit report shall be provided to the ROF administrator and custodian.

d. Recommends corrective action(s) for all discrepancies found.

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CHAPTER 5

DESIGNATED FAITH GROUP REPRESENTATIVES

1. Appointment. The command chaplain shall appoint, using the sample letter in Appendix A, a designated faith group representative for each sub-account. The designated faith group representative shall be the senior chaplain of that faith group at the command. The fund administrator shall not serve as a designated faith group representative unless the administrator is the only chaplain of that faith group assigned to the command. Contract and auxiliary clergy shall not serve as designated faith group representatives. A command may not always have an assigned chaplain for each faith group which has an ROF sub-account. In that case, a Lay Reader, appointed under reference (b), shall be appointed as the designated faith group representative for that faith group.

2. Responsibilities. The designated faith group representative is the primary advisor to the administrator on that faith group's sub-account. The designated faith group representative shall recommend sub-account disbursements based on the intent of the donors.

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CHAPTER 6

ACCOUNTING PROCEDURES

1. Requirements. This chapter specifies minimum ROF accounting procedures. Local commands may impose additional requirements.
2. Banking. Proper banking requires a systematic approach tailored to the local situation. This systematic approach shall be documented as a "Standard Operating Procedure" or incorporated into the custodian's "Turnover" file. The following shall be included:
 - a. Documentation. Banks (commercial bank, savings and loan, credit union) generally require both an organizational ownership card and a signature authority card. Copies of both cards shall be maintained in the ROF files. For ROFs, the commander/commanding officer shall be reported on the organizational ownership card as the President, the administrator as the Vice President and the custodian as the Secretary/Treasurer. The authorized signature card shall be submitted such that only the custodian and the alternate custodian are authorized to sign checks.
 - b. Check Security. Checks shall be stored in a locked container, with access limited to the administrator, the custodian, and the alternate custodian.
 - c. Check Preparation. Checks shall be prepared in ink only after approval of the disbursement request. Blank checks shall never be signed. Checks shall not be made payable to "cash." The check's memo section shall reference the number of the disbursement request.
 - d. Check Register. Computerized registers are encouraged.
 - (1) Timely Recording. Entries shall be made when deposits or disbursements are made. The practice of "saving" entries until a later date is not permitted.
 - (2) Accuracy. 100 percent accuracy shall be maintained. Every entry shall be verified immediately after posting. A calculator or a computer should be used for all calculations, no matter how simple.
 - (3) Description. The register must contain a complete record, showing the amount, the number of the disbursement request, the date and the payee.
 - e. Reconciliation. Bank statements shall be reconciled to the check register using the form in Appendix B.

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3. Safeguarding Funds. Funds shall be safeguarded so as to ensure reasonable safety against theft and fraud. Any money not in the bank must be kept in a locked money bag in a safe. The money bag shall have only two keys. Additional security practices shall be established at the command level.

4. Funds Received Ashore

a. The custodian shall ensure that two unrelated adults (over age 18 or active duty member) count each collection at the conclusion of worship and all other donations when received. The custodian shall not participate in this initial count.

R) b. In the presence of the specified duty person (normally the duty RP), two adults shall count the money using the Offering Receipt found in the Appendix B. The receipt is to be completed in ink. Check-numbers and amounts shall be listed. Paper and coin monies received shall be recorded as indicated. The type of offering, faith group to whose sub-account the money is to be credited and the date are to be recorded. Each counter shall sign the receipt. The funds and the Offering Receipt shall then be sealed in an envelope and the counters shall sign across the seal. The envelope is then given to the specified duty person who shall secure the envelope in a locked money bag in a safe.

A) c. Individual donations of \$250 or more shall be acknowledged by an official receipt signed by the fund administrator or custodian. The official receipt shall be provided on or before: (1) the date the taxpayer files an original return for the taxable year in which the contribution was made, or (2) the due date (including extensions) for filing the taxpayer's original return for that year. The official receipt shall include the following:

- (1) the name of the donor,
- (2) the date of the donation,
- (3) the dollar amount of the donation, and

(4) the statement, "The Religious Offering Fund does not provide any goods or services in consideration, in whole or in part, for any donations it receives, other than intangible religious benefits as described in Internal Revenue Code Sec. 170(f)(8)." Appendix B includes a sample receipt.

d. Prior to the deposit of funds in the bank, the custodian shall "certify" the offering by recounting it, resolving any discrepancies and recording on the Offering Receipt all corrective actions taken. The custodian then signs each Offering Receipt, stapling the deposit slip to the Offering Receipt(s). (R)

e. Funds received from more than one offering may be consolidated into a single bank deposit. Use of security escorts for large sums is encouraged. Funds shall be deposited in the bank no later than the first working day following receipt. Use of night depositories, where feasible, is encouraged. (R)

5. Funds Received Afloat

a. When in homeport, funds shall be counted, certified and deposited in the same manner as for shore units.

b. When away from homeport, all procedures remain the same as ashore except that the custodian shall turn in all monies to a disbursing officer for an "Exchange for Cash Remittance (EX-CASH REMIT) "U. S. Treasury check payable to the ROF's bank. The Treasury check shall be sent to the bank by certified mail, with copies of the mail stub and check attached to the retained copy of the deposit slip.

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6. Disbursement Procedures. The disbursement request form in appendix B shall be used for all disbursements:

a. The designated faith group representative, fund administrator, or executive officer/chief of staff initiates the disbursement request by completing section one. Usually the person initiating the request will not be the person approving it.

b. The custodian shall review the request and complete section two.

c. The administrator shall complete section three approving, disapproving, or forwarding the request to the commander/commanding officer.

d. If approved, the custodian shall serially number the request and make the disbursement. Cash disbursements are prohibited.

e. If disapproved, the form shall be returned to the requestor and a copy placed in the files.

f. If the requestor disagrees with the disapproval, the request may be submitted via the ROF administrator to the commander/commanding officer for final disposition.

7. Ledgers

a. Format. Locally designed formats are permissible. Computerized spreadsheets are encouraged. Manually maintained ledgers shall be kept in ink. Ledgers shall be closed at the end of each quarter. Appendix B includes a sample ledger.

b. Subsidiary Ledger Required Elements. Each sub-account shall maintain a "subsidiary ledger" or a "subsidiary ledger to the receipts ledger" to record individual donations of \$250 or more. The subsidiary ledger shall be reconciled with the respective sub-account ledger monthly. Appendix B includes a sample subsidiary ledger for recording donations of \$250 or more. (A

(1) Each page individually numbered as "(page number)" of "(total pages for the quarter)."

(2) The calendar period covered.

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- (3) Name of the donor.
- (4) Date of the donation.
- (5) Dollar amount of the donation.
- (6) Column total (calculated monthly).

c. Sub-account Ledger Required Elements

(1) Each page individually numbered as "(page number)" of "(total pages for the quarter)."

- (2) The calendar period covered.
- (3) Date of each transaction.
- (4) Description of each transaction.
- (5) Check number issued.
- (6) Number of the disbursement request.

(7) Undesignated offerings, designated offerings and interest recorded in separate columns.

(8) Disbursement columns for charitable contributions and any other disbursement category greater than or equal to 5 percent of that sub-account's annual receipts. (The intent is for donors to know where their money went. Charitable contributions are defined as disbursements permitted in subparagraphs 4a(1) and 4a(2) of chapter 1.)

- (9) Column totals for all columns (calculated monthly).
- (10) A running balance for each sub-account.

d. Composite Ledger Required Elements

(1) Each page individually numbered as "(page number)" of "(total pages for the quarter)."

- (2) The calendar period covered.
- (3) Date of each transaction.

(4) The running balance of the composite account. (For computerized spreadsheets, the composite ledger may be shown as the right most column of the spreadsheet.)

8. Fair-Share

a. Definition. "Fair-share" expenses/income are items which cannot properly be attributed to any sub-account(s), e.g., checking account interest and donations from an anonymous donor. When possible expenses/income should be attributed to a specific sub-account.

b. Method. Estimate each sub-account's average balance by averaging the beginning and ending balances for that sub-account for the past month (the sum of all sub-account average balances equals the composite average balance.)

$$\text{Sub-account Fair-Share percentage} = \frac{\text{Sub-account average balance}}{\text{Composite average balance}} \times 100$$

Use the Fair-Share percentage to calculate the amount of the expense/income attributable to each sub-account.

9. Reports. The fund administrator shall provide each faith group designated representative a monthly report for its sub-account. Widest possible dissemination of the reports within the faith groups is encouraged. A statement of net worth and operations for the consolidated fund shall be prepared quarterly by the custodian for the fund administrator and commander/commanding officer. Sample report forms are found in appendix B.

10. ROF Property. Property previously purchased by an ROF shall be transferred to appropriated property accounts within 90 days of issuance of this instruction. Property purchased under chapter 1, paragraph 3 of this instruction shall be transferred to appropriated property accounts within 90 days of acquisition. A letter of disposition signed by the commander/commanding officer (or designated representative) shall be sufficient documentation for this transfer.

11. Fiscal Year. The fiscal year for the ROF shall be the same as for appropriated funds.

12. Accounting Basis. A cash accounting basis shall be used for the ROF.

13. Petty Cash. Petty Cash is prohibited.

14. Credit Cards. The use of ROF credit cards is prohibited.

SECNAVINST 7010.6

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APPENDIX A

SAMPLE APPOINTMENT LETTERS

Appendix A
to Enclosure (1)

27 APR 1990

SAMPLE APPOINTMENT LETTER
RELIGIOUS OFFERING FUND ADMINISTRATOR

COMMAND LETTERHEAD

7010
Code 00
(Date)

From: Commanding Officer
To:

Subj: APPOINTMENT AS RELIGIOUS OFFERING FUND ADMINISTRATOR

Ref: (a) SECNAVINST 7010.6

1. You are hereby appointed the (insert name of command) Religious Offering Fund administrator.
2. You will be guided by reference (a) in the exercise of your assigned duties.
3. You are authorized to approve disbursements from the Religious Offering Fund not to exceed (specify amount, e.g., \$500.00) in accordance with reference (a).

(Commanding Officer)

Copy to:
ROF Audit Board
ROF Custodian

SECNAVINST 7010.6

27 APR 1990

SAMPLE APPOINTMENT LETTER
RELIGIOUS OFFERING FUND CUSTODIAN

COMMAND LETTERHEAD

7010
Code 00
(Date)

From: Commanding Officer
To:

Subj: APPOINTMENT AS RELIGIOUS OFFERING FUND CUSTODIAN

Ref: (a) SECNAVINST 7010.6

1. You are hereby appointed as the (insert name of command)
Religious Offering Fund (ROF) custodian.

2. You shall be guided by reference (a) and the ROF
administrator in the exercise of your assigned duties.

(Commanding Officer)

Copy to:
ROF Audit Board
ROF Administrator

(Addition of "alternate" makes this letter appropriate for the
alternate custodian.)

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SAMPLE APPOINTMENT LETTER
SENIOR MEMBER ROF AUDIT BOARD

COMMAND LETTERHEAD

7010
Code 00
(Date)

From: Commanding Officer
To:

Subj: APPOINTMENT AS SENIOR MEMBER RELIGIOUS OFFERING FUND
AUDIT BOARD

Ref: (a) SECNAVINST 7010.6

1. You are hereby appointed as the Senior Member of the (insert name of command) Religious Offering Fund Audit Board.
2. (Insert name) and (insert name) are the other members of the Board.
3. Audits shall be conducted in accordance with reference (a).

(Commanding Officer)

Copy to:
ROF Administrator
ROF Custodian
ROF Audit Board Associate Members

SECNAVINST 7010.6

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SAMPLE APPOINTMENT LETTER
ASSOCIATE MEMBER RELIGIOUS OFFERING FUND AUDIT BOARD

COMMAND LETTERHEAD

7010
Code 00
(Date)

From: Commanding Officer
To:

Subj: APPOINTMENT AS ASSOCIATE MEMBER RELIGIOUS OFFERING FUND
AUDIT BOARD

Ref: (a) SECNAVINST 7010.6

1. You are hereby appointed as an associate member of the
(insert name of command) Religious Offering Fund Audit Board.
2. You shall be guided in the performance of your duties by
reference (a).
3. (Insert name), the senior member of the Religious Offering
Fund Audit Board, will provide you with additional instructions.

(Commanding Officer)

Copy to:
ROF Administrator
ROF Custodian
Senior Member, ROF Audit Board

A-4

Appendix A
to Enclosure (1)

27 APR 1990

SAMPLE APPOINTMENT LETTER
RELIGIOUS OFFERING FUND DESIGNATED FAITH GROUP REPRESENTATIVE

7010
Code
(Date)

MEMORANDUM FOR (Insert name of appointee)

Subj: APPOINTMENT AS DESIGNATED FAITH GROUP REPRESENTATIVE

Ref: (a) SECNAVINST 7010.6

1. You are appointed as the Designated Faith Group Representative for the (insert name of faith group) Religious Offering Fund (ROF) sub-account.

2. Reference (a) provides guidance on the exercise of your assigned duties. (Insert name), the ROF custodian, and I stand ready to assist you at all times.

(Command Chaplain)

Copy to:
ROF Audit Board
ROF Custodian

SECNAVINST 7010.6

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APPENDIX B

SAMPLE ACCOUNTING FORMS

Appendix B
to Enclosure (1)

27 APR 1990

RELIGIOUS OFFERING FUND (ROF) AUDIT CHECKLIST/REPORT

Date of Audit: _____

ROF Audit Board Members:

=====|
 REASON FOR AUDIT:
 _____ QTR _____ Change Bank
 _____ Change Administrator
 _____ Change Custodian/
 _____ Alternate
 _____ Command-directed
 =====|

 Senior Member

 Associate Member

 Associate Member

AREA TO BE INSPECTED	INSPECTOR'S COMMENTS	INSPECTOR INITIALS
Copies of all appointment letters are maintained on file by custodian.		
Designated faith group representatives are appointed for each faith group with an ROF Sub-account.		
A completed offering receipt is on file for each offering which was received.		
Offerings were counted in accordance with SECNAVINST 7010.6		
Offerings were verified in accordance with SECNAVINST 7010.6		
Adequate physical controls are in place to protect the check book and cash received awaiting deposit.		
Deposits were made in accordance with SECNAVINST 7010.6		
Offering records have accompanying deposit slips attached.		
Custodian has signed offering receipts after deposit was made.		
Custodian reviews all disbursement authorization requests.		
All disbursements authorized by SECNAVINST 7010.6		
Disbursements were within the spending limit established for the administrator or approved by the commander/commanding officer.		
A completed disbursement request is on file for each disbursement made or requested.		
Custodian signed checks/made actual disbursements. Custodian disbursed only after request was approved.		

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ROF AUDIT CHECKLIST/REPORT (CONTINUED)

AREA TO BE INSPECTED	INSPECTOR'S COMMENTS	INSPECTOR INITIALS
Alternate custodian signs checks only when custodian is TAD, on leave or hospitalized.		
No cash disbursements		
Written approval was obtained from command before the publicity, solicitation or receipt of designated offerings.		
Disbursement of designated offerings were made in accordance with the authorization of the offering.		
ROF ledgers are maintained in accordance with SECNAVINST 7010.6 for sub-accounts and the composite fund.		
Bank statements were properly reconciled.		
All checks are accounted for.		
Monthly reports for each sub-account were accurately prepared and properly distributed.		
Quarterly Statement of Net Worth and Operations is accurate and complete.		

Date _____

From: ROF Audit Board
 To: Commander/Commanding Officer, _____

Subj: ROF AUDIT REPORT

Ref: (a) SECNAVINST _____

1. The ROF audit was completed on _____ following reference (a). The ROF books present a complete and accurate picture of the fund status except as noted below. No/_____ discrepancies were found. Recommendations to correct discrepancies are attached.

Signatures:

 Senior Member Associate Member Associate Member

Copy to:
 ROF Administrator
 ROF Custodian

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RELIGIOUS OFFERING FUND OFFERING RECEIPT

1. OFFERING/DESCRIPTION:
 a. UNDESIGNATED DESIGNATED

b. DATE

c. TIME

d. FAITH GROUP

2. OPTIONAL DATA:

a. ATTENDANCE

b. RECEIVED COMMUNION

3. COUNTED BY:

(Signature)

(Signature)

4. DEPOSITED BY:

(Signature)

5. CERTIFICATION:

DATE

Custodian Signature

MEMORANDUM

CHECKS RECEIVED					
CHECK		CHECK		CHECK	
NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
SUBTOTAL: <u> </u>		SUBTOTAL: <u> </u>		SUBTOTAL: <u> </u>	
TOTAL CHECKS RECEIVED: <u> </u> \$ <u> </u>					
=====					
CURRENCY					
DENOMINATION	x	NUMBER	=	VALUE	
		RECEIVED		COUNTED	
\$ 100.00's	x	<u> </u>	=	\$	<u> </u>
\$ 50.00's	x	<u> </u>	=	\$	<u> </u>
\$ 20.00's	x	<u> </u>	=	\$	<u> </u>
\$ 10.00's	x	<u> </u>	=	\$	<u> </u>
\$ 5.00's	x	<u> </u>	=	\$	<u> </u>
\$ 2.00's	x	<u> </u>	=	\$	<u> </u>
\$ 1.00's	x	<u> </u>	=	\$	<u> </u>
\$.50's	x	<u> </u>	=	\$	<u> </u>
\$.25's	x	<u> </u>	=	\$	<u> </u>
\$.10's	x	<u> </u>	=	\$	<u> </u>
\$.05's	x	<u> </u>	=	\$	<u> </u>
\$.01's	x	<u> </u>	=	\$	<u> </u>
TOTAL CURRENCY RECEIVED:				\$	<u> </u>
=====					
TOTAL COLLECTED:					
CHECKS:				\$	<u> </u>
CURRENCY:				\$	<u> </u>
TOTAL:				\$	<u> </u>
				\$	<u> </u>
				\$	<u> </u>

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RELIGIOUS OFFERING FUND (ROF) DISBURSEMENT REQUEST
(Front)
(ONLY ONE DISBURSEMENT PER REQUEST)

(Date of Request)

From: _____
(Title of Requestor)

To: ROF Administrator

Via: ROF Custodian

Subj: REQUEST FOR DISBURSEMENT FROM _____ SUB-ACCOUNT
(Faith Group)

1. Request this disbursement from the sub-account:

<u>AMOUNT</u>	<u>DATE DESIRED</u>	<u>INTENDED RECIPIENT/VENDOR AND ADDRESS</u>
_____	_____	_____

2. Purpose:

_____ CHARITABLE CONTRIBUTION _____
_____ OTHER _____

Signature

FIRST ENDORSEMENT

Date: _____

From: ROF Custodian
To: ROF Administrator

1. This request does/does not meet the criteria of
SECNAVINST____. Explanation: _____

2. Funds are/are not available to meet this request.

Signature

Appendix B
to Enclosure (1)

27 APR 1990

ROF FUND DISBURSEMENT REQUEST
(Back)

SECOND ENDORSEMENT

(Date)

From: ROF Administrator
To: ROF Custodian

1. This request is:

- Approved and forwarded to the custodian for disbursement.
- Disapproved and returned to the designated faith group representative. Reason for disapproval: _____
- Recommended for approval and forwarded to the commanding officer for action because it exceeds my approval authority.

Signature

USE THIRD ENDORSEMENT ONLY IF COMMANDER/COMMANDING OFFICER APPROVAL IS NECESSARY.

THIRD ENDORSEMENT

Date: _____

From: Commander/Commanding Officer
To: ROF Administrator

1. This request is:

- Approved
- Disapproved
- Returned; further discussion desired.

Signature

 Disbursement Request Number _____ Date: _____
 Check Number _____
 Amount _____
 Payable to _____
 Sub-account _____ Amount _____

(Custodian)

(Attach receipt, if appropriate)

SECNAVINST 7010.6

27 APR 1980

LEDGER FOR _____

RELIGIOUS OFFERING FUND _____
(NAME OF COMMAND)

QUARTER OF FISCAL YEAR _____

(SUB-ACCOUNT/COMPOSITE)
PAGE ____ OF ____ FOR _____

MONTH _____

DATE	DESCRIPTION	DISB REQ #	RECEIPTS(+)			EXPENDITURE (-)		BALANCE
			CHK #	UNDESIG OFFERINGS	DESIG OFFERINGS	INTEREST	CHARITABLE CONTRIBS	
	BALANCE FORWARD							
							TOTALS	

Appendix B
to Enclosure (1)

27 APR 1990

BANK STATEMENT RECONCILIATION FORM

Check book balance \$.

Subtract:

Deposits not on bank statement \$.

NO.	AMOUNT
	.
	.
	.
	.
	.
	.
	.
	.

Banking fees \$ _____

Total to subtract \$ _____

Subtotal \$ _____

Add:

Interest \$.
Outstanding Checks \$ _____

NO.	AMOUNT
	.
	.
	.
	.
	.
	.
	.
	.

Total to add \$ _____

Statement Balance \$ _____

(Custodian)

(Administrator)

(Date)

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FAITH GROUP MONTHLY REPORT
 _____ SUB-ACCOUNT
 OF THE _____ RELIGIOUS OFFERING FUND
 FOR _____ 19__

Balance at beginning of month:		\$	
Receipts: Undesignated Offerings	\$.	
Designated Offerings		.	
Interest		.	
Total Received:			.
Total Available:		\$	
Expenditures: Charitable Contributions	\$.	
Other Expenditure Categories:		.	
_____		.	
_____		.	
_____		.	
Total Expenditures:			.
\$ _____			
Balance at end of month:			
\$ _____			

Prepared by:

Approved by:

Received by:

 Custodian

 Administrator

 Designated Faith
 Group Representative

DESIGNATED OFFERING REQUEST

(SSIC)
(Code/Serial)
(Date)

MEMORANDUM FOR THE COMMANDER/COMMANDING OFFICER, _____
(Command)

Subj: REQUEST FOR PUBLICITY, RECEIPT AND DISTRIBUTION OF
DESIGNATED OFFERING FOR THE RELIGIOUS OFFERING FUND

Ref: (a) SECNAVINST 7010.6

1. Approval, under reference (a), is requested for a designated offering for _____ to be used for/given to _____. Any funds over this amount will be given to _____. This offering will be taken by the _____. faith group during the period _____. to _____.

ROF Administrator

Date: _____

FIRST ENDORSEMENT

From: Commander/Commanding Officer
To: ROF Administrator

_____ Approved
_____ Disapproved

(Commander/Commanding Officer)

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STATEMENT OF NET WORTH AND OPERATIONS
RELIGIOUS OFFERING FUND

FOR THE QUARTER (Command) _____ TO _____ 19____
(Beginning month) (Ending month)

Beginning Balance	(Sub-account)	(Sub-account)	ROF (Composite)
Receipts	\$.	\$.	\$.
Total Available	\$.	\$.	\$.
Expenditures	\$.	\$.	\$.
Ending Balance	\$.	\$.	\$.

Net Worth: Assets:	Checking Account	\$.
	Petty Cash	\$.
	Other*	\$.
Total Assets		\$.
Liabilities*		\$.
Net Worth		\$.

*Must be itemized

Custodian _____ Administrator _____ Date _____

(Insert a separate column for each sub-account.)

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NAME OF COMMAND & SUB-ACCOUNT
RELIGIOUS OFFERING FUND
RECEIPT

NAME: _____

ADDRESS: _____

DATE: _____

AMOUNT OF DONATION: _____

RECEIVED BY: _____

TITLE: _____

The Religious Offering Fund does not provide any goods or services in consideration, in whole or in part, for any donations it receives, other than intangible religious benefits as described in Internal Revenue code Sec. 170(f)(8).

SAMPLE RECEIPT

Appendix B
to Enclosure (1)

SUBSIDIARY RECEIPT LEDGER FOR _____ RELIGIOUS OFFERING FUND _____
(Sub-Account) (Name of Command)

Month _____ Page ___ of ___ for ___ Quarter of Fiscal Year ___

Date	Name of Donor	Address of Donor	Dollar Amount
Total			

Appendix B
to Enclosure (1)

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* U.S. GOVERNMENT PRINTING OFFICE: 1986 - 405 - 191 / 20030

SECNAVINST 7010.6

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APPENDIX C

GLOSSARY

Appendix C
to Enclosure (1)

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ACCOUNTING BASIS. The accounting basis determines when transactions will be recorded. A cash accounting basis shall be used for the ROF.

ACTING RELIGIOUS OFFERING FUND ADMINISTRATOR. In the absence (leave, TAD, hospitalization) of the administrator, the next senior chaplain shall serve as acting administrator under the terms specified in the administrator's letter of appointment. When there is only one chaplain assigned to a command, the commander/commanding officer may authorize the executive officer/chief of staff to serve as acting administrator. No separate appointment letter is necessary.

ALTERNATE RELIGIOUS OFFERING FUND CUSTODIAN. The alternate custodian shall carry out the custodian's responsibilities only in the absence (leave, TAD, hospitalization) of the custodian. The alternate custodian must be a member of the command, preferably a Religious Program Specialist (RP). The alternate custodian shall not serve as administrator or as a designated faith group representative.

AUDIT TRAIL. An audit trail is the documentation of funds from receipt to deposit or from request for disbursement to completion of the disbursement.

COMMAND RELIGIOUS PROGRAM (CRP). A Command Religious Program is the commander/commanding officer's program to provide for the free exercise of religion by all personnel of the command.

DESIGNATED FAITH GROUP REPRESENTATIVE. The designated faith group representative is the primary advisor to the administrator on that faith group's sub-account. The designated faith group representative shall be the senior chaplain of that faith group at the command. The fund administrator shall not serve as a designated faith group representative unless the administrator is the only chaplain of that faith group assigned to the command. Contract and auxiliary clergy shall not serve as designated faith group representatives. A command may not always have an assigned chaplain for each faith group which has an ROF sub-account. In that case, a Lay Reader, appointed in accordance with reference (b), shall be appointed as the designated faith group representative for that faith group.

DESIGNATED OFFERING. A designated offering is a collection of monies which is earmarked for a specific purpose and which exceeds the fund administrator's spending limit. Designated offerings require written approval from the commander/commanding officer prior to publicizing the offering or receiving funds. Unless the offering's purpose is exclusively a contribution of all funds collected, the requesting letter shall specify disposition of any excess funds collected.

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DESIGNATED SUCCESSOR FUND. The designated successor fund for all ROFs is the Chief of Chaplains Fund. When an ROF is dissolved, all remaining assets are transferred to the designated successor fund.

DISBURSEMENT. A disbursement is an expenditure of funds from the ROF.

DISBURSEMENT REQUEST. A disbursement request is the process by which funds are expended from an ROF.

FAIR-SHARE. Fair-Share expenses/income are items which cannot properly be attributed to any sub-account(s), e. g., checking account interest and donations from an anonymous donor. When possible expenses/income should be attributed to a specific sub-account.

FISCAL YEAR. A fiscal year is the twelve months used for a complete accounting cycle. The fiscal year for the ROF shall be the same as for appropriated funds.

INTERNAL CONTROLS. Internal controls are the steps taken to prevent theft, fraud, waste or abuse.

LEDGER. A ledger is the accounting document on which receipts, expenses and balances are recorded.

NONAPPROPRIATED FUND (NAF). A nonappropriated fund is a fund from sources other than congressional appropriations.

RECONCILIATION. Reconciliation is the process of comparing the bank statement with the custodian's financial records in order to insure that no discrepancies exist.

RELIGIOUS OFFERING FUND (ROF). A religious offering fund is a consolidated nonappropriated fund established and maintained by the commander/commanding officer under reference (b). Many of the policies and procedures governing ROFs are unique. A command may have only one ROF.

RELIGIOUS OFFERING FUND ADMINISTRATOR. The command chaplain shall serve as the ROF administrator, the commander/commanding officer's direct representative, responsible to the commander/commanding officer for all matters pertaining to the ROF. The administrator shall be appointed in writing.

RELIGIOUS OFFERING FUND AUDIT BOARD. The Religious Offering Fund Audit Board is responsible for auditing the ROF. The command ROF Audit Board shall consist of at least two members assigned by the commander/commanding officer using the sample letter in Appendix A or the command's collateral duty list. Commands which utilize

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a single audit board for all NAF audits may assign that board the additional duty of auditing the ROF. Under no circumstances shall chaplains, RPs, designated faith group representatives or the custodian/alternate custodian serve on an ROF Audit Board.

RELIGIOUS OFFERING FUND CUSTODIAN. The custodian is the person responsible to the administrator for the efficient and effective operation of the ROF. The custodian must be a member of the command, preferably a Religious Program Specialist (RP). The custodian shall not serve as administrator or as a designated faith group representative.

SUB-ACCOUNT. A sub-account is that portion of a consolidated ROF which pertains to a specific faith group. The sum of all sub-account balances must always equal the consolidated ROF balance. Separate financial records are maintained for each sub-account. A faith group may have only one sub-account.

TRANSACTION. A transaction is any action which changes the balance of the ROF or of a sub-account.

UNATTAINABLE. An unattainable item is an item which cannot be obtained through appropriated channels because of Department of Defense or Department of Navy procurement policies. Lack of proper planning or lack of appropriated funds is not sufficient justification for declaring an item unattainable.

UNDESIGNATED OFFERING. An undesignated offering is any money contributed to the ROF or any sub-account which is not part of a designated offering (defined above). A donor's request that a gift be used for a specific purpose does not create a designated offering.

VULNERABILITY ASSESSMENT. Vulnerability assessments are the formal evaluation of internal controls.

