



DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000

SECNAVINST 7010.6A
N097
29 Oct 2002

SECNAV INSTRUCTION 7010.6A

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

Subj: RELIGIOUS OFFERING FUND

Ref: (a) SECNAVINST 1730.7B
(b) DOD Directive 1015.1 of 19 AUG 81 (NOTAL)
(c) SECNAVINST 7043.5B
(d) DOD Directive 5500.7 of 30 AUG 93 (NOTAL)
(e) SECNAVINST 5200.35D of 10 DEC 97
(f) SECNAVINST 4001.2G
(g) SECNAVINST 5214.2B
(h) MCO 7510.2E
(i) MILPERSMAN 1730-010

Encl: (1) Religious Offering Fund Procedures

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

2. Cancellation. SECNAVINST 7010.6.

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

4. Policy. This instruction authorizes a command to establish a ROF when faith groups, which are part of the Command Religious Program (CRP), desire to contribute and disburse offerings as an expression of their worship and religious life.

a. Reference (b) designates the ROF as a non-appropriated fund (NAF). A ROF is a government fund and is excluded from the requirements governing non-appropriated fund instrumentalities (NAFIs) as defined in reference (c). The ROF is separate and distinct from appropriated funds (APF).

b. A ROF is the only NAF authorized for CRPs to administer voluntary contributions given as acts of religious devotion.

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The distribution of ROF contributions shall be made for charitable and fellowship purposes and be governed and managed by this instruction.

c. As defined in reference (a), a CRP, as an essential element of command administration, planning, programming and budgeting activities, shall be supported by APF.

5. Action

a. Commanders or commanding officers, hereafter referred to as commanders, have a fiduciary responsibility to ensure funds contributed to a command ROF are properly accounted for, safeguarded and disbursed. Commanders shall:

(1) Assure ROFs are managed in accordance with this instruction.

(2) Not use ROFs as an alternative or supplement to support any command APF requirement. Refer to the Table of Authorization in chapter one of enclosure (1).

(3) Establish ROFs only in commands with an assigned chaplain and sufficient personnel to manage the ROF.

(4) Appoint the following in writing: the ROF Administrator, Alternate Administrator, Custodian, Alternate Custodian, Audit Board Members, and Faith Group Representatives.

(5) Disestablish ROFs or sub-accounts when appropriate and transfer all remaining assets to the Chief of Chaplains Fund.

(6) Issue implementing instructions, as necessary, in response to command interests.

(7) Ensure each faith group receives monthly notification of all receipts and disbursements from their ROF sub-account.

(8) Comply with the Standards of Conduct in reference (d) and the Standards for Management Control in the Federal Government in appendix A of reference (e).

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b. The Chief of Naval Operations (CNO) and the Commandant of the Marine Corps (CMC) shall ensure that commanders authorize and administer ROFs following this instruction. The CNO shall initiate action with the Commandant of the U.S. Coast Guard and the Administrator of the Maritime Administration to implement this policy when appointing Navy Chaplains to administer ROFs.

c. The Chief of Chaplains (N097) is the program manager for ROFs.

6. Reports. The ROF is not a NAFI as defined in reference (c). The reporting requirements contained in this instruction are exempt per reference (g). Every command with a ROF shall include in periodic Chaplain Corps reports to N097 via the chain of command:

a. The total amount of disbursements made to benevolent organizations.

b. Discrepancies noted during ROF audits with the course of action to rectify the discrepancies.



William A. Navas, Jr.
Assistant Secretary of the Navy
(Military and Reserve Affairs)

Distribution:
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RELIGIOUS OFFERING FUND PROCEDURES

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Chapter 1

PROGRAM GUIDANCE

1. Type of Fund. A ROF is the only authorized NAF established by a command for utilization within a CRP. A ROF neither substitutes for nor competes with the objectives of the Navy-Marine Corps Relief Society, the American Red Cross or Morale, Welfare and Recreation. A ROF consists:

a. Primarily, of voluntary contributions from worship services.

b. Secondarily, from any other income received by a ROF such as an unsolicited check received in the mail or interest from a checking account.

2. ROF Accounts. Only one ROF may be maintained at a command.

a. A separate ROF "sub-account" shall be established for each faith group active in the CRP, which receives offerings as part of its worship or religious life.

b. This instruction imposes no limit on the frequency of collections or the number of sub-accounts that may be established, except that there shall be only one sub-account per faith group.

3. Disbursements. Commanders shall approve ROF disbursements or delegate approval authority to the ROF administrator. Commanders shall ensure:

a. Donations to the ROF are used in accordance with the intent of the donors.

b. All disbursements supported by the ROF comply with the Table of Authorization in paragraph 9.

c. All sub-account disbursements are annotated on the Donation/Disbursement Notification in appendix B.

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4. Requests. A designated faith group representative or the fund administrator shall initiate all disbursement requests using the form in appendix B with an attached memorandum justifying the request.

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 designated offerings as defined below.

b. Designated Offerings. A designated offering is a collection of moneys authorized by the command and given by a faith group for a specific purpose. A donor's request that a gift be used for a specific purpose does not create a designated offering.

(1) Approval/Notification. Commanders shall issue written approval for a designated offering. A sample designated offering request is provided in appendix B. Upon approval, the ROF administrator shall notify faith group representatives as appropriate.

(2) Disbursement. The designated offering shall be disbursed expeditiously and only for the approved purpose. In the case of excess funds, the ROF administrator shall specify in writing the disposition of any excess funds collected.

6. Internal Controls. Commanders shall establish and maintain effective internal controls. Implementation of the procedures specified in this enclosure constitutes adequate internal controls. A ROF shall be included in any command vulnerability assessment.

7. Maximum Balance. Commanders shall ensure by 31 January and 31 July the ROF balance is not more than \$5,000.

8. Designated Successor Fund. The transfer of funds from one ROF to another is prohibited except when an ROF

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or a sub-account is dissolved. In this case, all remaining assets shall be transferred to the Chief of Chaplains Fund, the designated successor fund.

9. TABLE OF AUTHORIZATION:
GUIDELINES FOR ROF DISBURSEMENTS

RESOURCE ELEMENT	APPROPRIATED	ROF
1. RELIGIOUS MINISTRY FACILITIES SUPPORT		
Purchase	Y	N
Maintenance	Y	N
Development	Y	N
Renovation	Y	N
Relocation	Y	N
Restoration	Y	N
2. RELIGIOUS MINISTRY LOGISTICS		
Equipment	Y	N
Furnishings	Y	N
Worship Supplies (e.g., altar wine and juice)	Y	N
Religious Education Supplies	Y	N
Vestments (purchase and upkeep)	Y	N
Upkeep of Worship Supplies	Y	N
Religious Literature	Y	N
Sacred Texts	Y	N
Artificial Altar Floral Arrangements	Y	N
Altar Paraments (purchase and upkeep)	Y	N
3. RELIGIOUS MINISTRY PROGRAMS		
Religious Ministry Requirements and Programs		
Supplies and Materials for, but not limited to:		
Religious Ministry Social Events	Y	N
Mission Readiness Events	Y	N
Religious Ministry Award Dinners	Y	N
Vacation Bible School	Y	N
Training and Professional Development for:		
Chaplains and RPs	Y	N
CRP Personnel	Y	N
4. RELIGIOUS MINISTRY CONTRACTS		
Instrumental Musicians	Y	N
Music Directors	Y	N
Directors of Religious Education	Y	N
Resource Personnel as Youth Workers	Y	N
Civilian Clergy	Y	N

TABLE OF AUTHORIZATION

Cont.

RESOURCE ELEMENT	APPROPRIATED	ROF
5. CHARITABLE CONTRIBUTIONS (DOMESTIC AND INTERNATIONAL)		
Religious Missions	N	Y
Religious Organizations	N	Y
Benevolent Projects	N	Y
Charitable Organizations	N	Y
Humanitarian Assistance	N	Y
Disaster Relief	N	Y
Social Service Agencies	N	Y
6. FAITH GROUP SPONSORED FELLOWSHIP		
Food Items and Non-alcoholic Beverages	N	Y
Decorations	N	Y
Paper and Plastic ware and Coffee-making equipment	N	Y
Token Gifts of Appreciation for CRP volunteers (not to exceed \$50 per annum, per person)	N	Y
Live Floral Arrangements in support of faith group observances	N	Y
Transactions essential to the planning and coordination of fellowship events including fees, contracts, deposits and appropriate gratuities.	N	Y
7. MISCELLANEOUS		
Scholarships to individuals	N	N
Service Fees, gratuities, honoraria and rental fees (unless programmed through APF or authorized for fellowship events)	N	N
Loans	N	N
Memorials	N	N
Endowments	N	N
Individual Retirement Funds	N	N
Investments (except interest bearing checking accounts)	N	N
Gifts to individuals or families	N	N
RMT coffee messes or social events	N	N
NOTE: ANNUAL EXPENDITURES, FROM EACH ROF SUB-ACCOUNT, TO CHARITY SHOULD EXCEED DISBURSEMENTS TO ITEMS LISTED IN RESOURCE ELEMENT 6.		

CHAPTER 2

ROF ADMINISTRATOR

1. Appointment

a. The ROF administrator, the command's senior chaplain, functions as the command's direct representative, responsible to the commanding officer for all matters pertaining to the ROF. Appendix A contains a sample appointment letter.

b. If no chaplain is present due to a gapped billet, the commander may assign the executive officer or the chief of staff as the Acting Fund Administrator until the relieving chaplain arrives.

2. Responsibilities

a. Fund Administration. The ROF administrator shall:

(1) Manage the ROF in accordance with this instruction.

(2) Provide periodic training on ROF procedures for Command Religious Ministry Department personnel.

(3) Report, via the chain of command, to the respective Major Manpower Claimant Chaplain regarding the status of the ROF.

(4) Approve disbursements if the command has delegated disbursement approval authority to the administrator.

(5) Review ROF receipts, disbursements, ledgers, bank statements, accounting procedures, and safeguards with the custodian on a monthly basis.

(6) Reconciles the monthly checking account bank statement(s) to the checkbook and ROF ledger or appoints an individual, other than the ROF Custodian or an ROF Audit

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b. Sub-Account Administration. The administrator shall ensure that disbursements, involving more than one faith group, are apportioned equitably amount sub-accounts. The basis of this apportionment will vary.

(1) For coffee after worship, attendance is the appropriate basis.

(2) For a charitable donation, the amount requested by each designated faith group representative is the appropriate basis.

(3) For most banking fees, the Fair-Share method from chapter 6 is the appropriate basis.

3. Alternate Administrator. If the administrator is absent due to leave, Temporary Additional Duty, or hospitalization, commanders may:

a. Appoint in writing the next senior chaplain to serve as alternate administrator under the terms specified in the administrator's letter of appointment.

b. When only one chaplain is assigned to a command, approve disbursements in the absence of the administrator or delegate this authority to the executive officer/chief of staff.

CHAPTER 3

ROF CUSTODIAN

1. Appointment. The custodian, and the alternate custodian when directed, shall be responsible to the administrator for the efficient and effective operation of the ROF in accordance with this instruction. Appendix A contains a sample appointment letter.

a. The custodian and alternate custodian must be members of the command, preferably Religious Program Specialists (RPs).

b. Neither the custodian nor the alternate custodian shall 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 in accordance with this instruction.

b. Maintain a complete and accurate audit trail for all transactions.

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

d. Assist designated faith group representatives in preparing disbursement requests and the Donation/ Disbursement Notification form.

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

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- f. Disburse approved expenditures.
- g. Maintain files showing command approval for the collection, solicitation and disbursement of designated offerings.
- h. Ensure preparation of a monthly report for each sub-account.
- i. Ensure that a current signature card/ownership card is maintained at the bank.
- j. Maintain files for a minimum of 4 fiscal years (current year plus 3) at Navy commands and Marine Corps commands, including but not limited to:
 - (1) All ledgers.
 - (2) All bank statements.
 - (3) All returned canceled checks and voided checks.
 - (4) All ROF audit reports.
 - (5) A copy of each disbursement request submitted with supporting documentation.
 - (6) All offering records with deposit slips attached.
 - (7) All designated offering request/disbursement forms.
 - (8) Copies of all appointment letters for the administrator, alternate administrator, custodian/alternate custodian, designated faith group representatives, and audit board members.
 - (9) Copies of all relevant correspondence, memoranda for the record, etc.
 - (10) Copies of all pertinent instructions and directives.

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3. Alternate Custodian. If the custodian is absent due to leave, Temporary Additional Duty or hospitalization, the administrator shall direct in writing the alternate custodian to perform all of responsibilities of custodian in accordance with this instruction.

CHAPTER 4

ROF AUDIT BOARD

1. Membership. Commands with ROFs shall establish ROF audit boards on the basis of the following appointment options:

a. Appoint at least two members of the command to serve on the board. Chaplains, RPs, designated faith group representatives or the custodian/alternate custodian shall not serve on a ROF Audit Board. Appendix A contains sample appointment letters.

b. Utilize a single audit board, such as the Command Evaluation Office, for all NAF audits assigning that board the additional duty of auditing the ROF.

c. The Marine Corps Non-Appropriated Fund Audit Service (MCNAFAS) shall conduct audits of ROFs at Marine Corps commands in accordance with reference (h).

2. Responsibilities. The audit board shall:

a. Comply with this instruction and conduct audits:

(1) Quarterly or when directed by the commanding officer.

(2) Upon change in banking facilities.

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

b. Utilize the checklist/report in appendix B of this instruction.

c. Report to the commander the results of all audits and recommend corrective action(s) for all discrepancies.

d. Provide a copy of the audit report to the ROF administrator and custodian.

CHAPTER 5

DESIGNATED FAITH GROUP REPRESENTATIVES

1. Appointment. The ROF administrator shall appoint a designated faith group representative for each sub-account. Appendix A contains a sample letter.

a. The designated faith group representative shall be the senior chaplain of that faith group at the command.

b. The fund administrator may not serve as a designated faith group representative unless the administrator is the only chaplain of that faith group assigned to the command.

c. Contract and auxiliary clergy shall not serve as designated faith group representatives.

d. When a faith group, which has a ROF sub-account, does not have an assigned chaplain, the command may appoint a Lay Leader, governed by reference (i), to serve as the designated faith group representative.

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:

a. Initiate sub-account disbursements in accordance with this instruction and the intent of the donors.

b. Issue monthly notification to the faith group members of all ROF disbursements using the Donation/ Disbursement Notification in appendix B.

CHAPTER 6

ACCOUNTING PROCEDURES

1. Requirements. This chapter specifies minimum ROF accounting requirements.

2. Banking. The following shall be included:

a. Documentation. Banks (commercial bank, savings and loan, credit union) generally require an organizational ownership card and a signature authority card. Copies of the cards shall be maintained in the ROF files. The ROF organizational card shall:

(1) Identify the commander as President, the administrator as the Vice President, and the custodian as Secretary/Treasurer.

(2) Require the signature of the custodian or the alternate custodian to sign checks.

b. Check Security. Checks shall be stored in a locked receptacle, 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" or to an individual. The check's memo section shall reference the number of the disbursement request. Electronic checking is permitted where available.

d. Check Register. Computerized registers are encouraged.

(1) Timely Recording. Entries shall be made when deposits or disbursements are made. Postponing entries until a later date is not permitted.

(2) Accuracy. Every entry shall be verified immediately after posting. A calculator or a computer should be used for all calculations.

(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 ledger and check register using the format in appendix B or a computerized format. Maintain the reconciliation report in the ROF documentation files.

3. Funds Received Ashore and Afloat. Commanders shall implement the following ROF counting, security and deposit procedures:

a. At the conclusion of worship, the custodian shall ensure that two unrelated adults count the collection in the presence of the specified duty person.

b. The counters shall complete in indelible ink the Offering Receipt found in appendix B. The counters shall seal the collection and the Offering Receipt in an envelope and both counters sign across the seal. The duty person shall secure the envelope in a locked moneybag in a safe. The moneybag shall have only two keys.

c. Prior to the deposit of funds in the bank, the custodian, in the presence of a witness, shall certify the offering by recounting it, resolving any discrepancies and recording on the Offering Receipt all corrective actions taken. The custodian and witness shall then sign each Offering Receipt, stapling the deposit slip to the Offering Receipt(s). Funds received from more than one offering may be consolidated into a single bank deposit.

d. Use the Sub-Account ROF Receipt in appendix B to acknowledge individual donations equal to or greater than \$250 ensuring compliance with Internal Revenue Code Sec. 170(f)(B)." The custodian shall provide the official receipt to the donor prior to the due date for filing tax returns and maintain a copy of the receipt in the ROF files.

e. An escort shall accompany the custodian while making the 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.

f. In the case of afloat commands away from homeport, the custodian shall transfer all monies to the disbursing officer for a U.S. Treasury check payable to the ROF's bank. The custodian shall send the Treasury check to the bank by certified mail, with copies of the mail stub and check attached to the retained copy of the deposit slip.

4. Disbursement Procedures. Utilize the sample disbursement request in appendix B for all disbursement requests:

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

b. The administrator shall complete section three approving, disapproving, or forwarding the request to the commander.

c. If approved, the custodian shall serially number the request and make the disbursement. Cash disbursements are prohibited. The custodian shall complete the last section of the approved disbursement request form, attach the corresponding original dated and signed purchase receipt, and mark both the request and the receipt as "complete" or "paid."

d. If disapproved, a copy of the disapproved request

will be returned to the requestor, via the custodian. The custodian shall retain the original disapproved request in the ROF disbursement files.

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

5. Ledgers

a. Format. Locally designed formats are permissible. Computerized spreadsheets are encouraged. Manually maintained ledgers shall be kept in black 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 equal to or greater than \$250.

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

(2) The calendar period covered.

(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 indicating the amount of each sub-account's annual receipts disbursed to charitable contributions, fellowship, floral arrangements, and token gifts of appreciation. This provides the mechanism to inform donors regarding their contributions.

- (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).

6. 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 anonymous donors. When possible expense/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.

7. Reports. The ROF administrator shall:

a. Provide each designated faith group representative a monthly report for its sub-account. Refer to Donation/Disbursement Report in appendix B.

b. Ensure each designated faith group representative issues monthly notification, to members of the specific faith group, of all receipts and disbursements.

c. Ensure the custodian prepares a quarterly consolidated fund statement of net worth and operations for the fund administrator and commander. Appendix B contains a sample.

8. Safeguarding the Funds. Commanders shall establish safeguards including but not be limited to:

a. Restricted access to the safe, moneybags, and keys to the moneybag.

b. Locked receptacles.

c. Training on ROF security procedures for the administrator and custodian.

d. Implementation of additional security procedures as necessary.

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

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

11. Petty Cash. Petty Cash is prohibited.

12. Credit/Debit/ATM Cards. The use of ROF credit/debit/ATM cards is prohibited.

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APPENDIX A
SAMPLE APPOINTMENT LETTERS

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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 7010.6A

1. You are hereby appointed the (insert name of command) Religious Offering Fund (ROF) administrator.
2. As the administrator, you are responsible for the supervision and management of the ROF. You shall comply with 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

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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 7010.6A

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

2. As the custodian, you are responsible for the efficient and effective operation of the ROF. You shall comply with reference (a) and are responsible to 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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Appendix A to Enclosure (1)

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SAMPLE APPOINTMENT LETTER
SENIOR MEMBER ROF AUDIT BOARD

COMMAND LETTERHEAD

7010
Code
(Date)

From: Commanding Officer
To:

Subj: APPOINTMENT AS RELIGIOUS OFFERING FUND AUDIT
BOARD SENIOR MEMBER

Ref: (a) SECNAVINST 7010.6A

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. You shall conduct audits in accordance with reference (a).

(Commanding Officer)

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

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SAMPLE APPOINTMENT LETTER
ASSOCIATE MEMBER RELIGIOUS OFFERING FUND AUDIT BOARD

COMMAND LETTERHEAD

7010
Code
(Date)

From: Commanding Officer
To:

Subj: APPOINTMENT AS RELIGIOUS OFFERING FUND AUDIT BOARD
ASSOCIATE MEMBER

Ref: (a) SECNAVINST 7010.6A

1. You are hereby appointed as an associate member of the (insert name of command) Religious Offering Fund Audit Board.
2. You shall comply with reference (a) in the performance of your duties.
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

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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 7010.6A

1. You are appointed as the Designated Faith Group Representative for the (insert name of faith group) Religious Offering Fund (ROF) sub-account.
2. You shall comply with reference (a) in the exercise of your assigned duties.
3. (insert name), the ROF custodian and I shall provide you with additional instructions.

(Command Chaplain)

Copy to:
ROF Audit Board
ROF Custodian

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APPENDIX B
SAMPLE ACCOUNTING FORMATS

RELIGIOUS OFFERING FUND (ROF) AUDIT CHECKLIST/REPORT

Date of Audit: _____ ROF Audit Board Members:

Reason for Audit: <input type="checkbox"/> QTR <input type="checkbox"/> Change Bank <input type="checkbox"/> Change Administrator <input type="checkbox"/> Change Custodian/ Alternate <input type="checkbox"/> Command Directed

_____	Senior Member
_____	Associate Member
_____	Associate Member

AREA TO BE INSPECTED	INSPECTOR'S COMMENTS	INSPECTOR'S 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 7010.6A		
Offerings were verified in accordance with SECNAVINST 7010.6A		
Adequate physical controls are in place to protect the checkbook and cash received awaiting deposit.		
Deposits were made in accordance with SECNAVINST 7010.6A		
Offering records have accompanying deposit slips attached.		

Custodian reviews all disbursements authorization requests.		
All disbursements authorized by SECNAVINST 7010.6A and annotated on the Donation/ Disbursement Notification form .		
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.		
Individual other than the Custodian performed monthly reconciliation with bank statements.		
Ledgers and monthly reports are maintained in accordance with SECNAVINST 7010.6A.		

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

Subj: ROF AUDIT REPORT

Ref: (a) SECNAVINST 7010.6A

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
Copy to:
ROF Administrator
ROF Custodian

Associate Member

Associate Member

1. Offering Description:
 Undesignated Designated

Date: _____

Time: _____

Faith Group: _____

Attendance: _____

2. Counted by:

 Printed Name

 Signature

 Printed Name

 Signature

3. Certified by:

 Signature of Custodian Date

 Printed Name of Witness

 Signature of Witness Date

4. Deposited by:

 Custodian Signature Date

 Printed Name of Escort

 Escort Signature Date

5. Reviewed by:

 Administrator Signature Date

Religious Offering Fund Receipts

Checks Received:

Check		Check		Check	
Number	Amount	Number	Amount	Number	Amount

Subtotal _____ Subtotal _____ Subtotal _____

Total Checks Received: \$ _____

Currency:

Denomination	x	Number Received	=	Value Counted
\$100.00's	x	_____	=	\$_____.____
\$ 50.00's	x	_____	=	\$_____.____
\$ 20.00's	x	_____	=	\$_____.____
\$ 10.00's	x	_____	=	\$_____.____
\$ 5.00's	x	_____	=	\$_____.____
\$ 1.00's	x	_____	=	\$_____.____
\$.50's	x	_____	=	\$_____.____
\$.25's	x	_____	=	\$_____.____
\$.10's	x	_____	=	\$_____.____
\$.05's	x	_____	=	\$_____.____
\$.01's	x	_____	=	\$_____.____
Other	x	_____	=	\$_____.____

Currency (Cash): \$ _____

Coins: \$ _____

Checks: \$ _____

Total: \$ _____

RELIGIOUS OFFERING FUND (ROF) DISBURSEMENT REQUEST—Page 1

Date of request _____

From: Faith Group Representative
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 (check one & attach supporting documentation):

- Fellowship Charitable Contribution
- Floral Arrangements Token Gift _____

(SIGNATURE OF FAITH GROUP REPRESENTATIVE)

FIRST ENDORSEMENT Date of request _____

From: ROF Custodian
To: ROF Administrator

1. This request does/does not meet the criteria of SECNAVINST 7010.6A

Explanation: _____

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

(SIGNATURE OF ROF CUSTODIAN)

RELIGIOUS OFFERING FUND (ROF) DISBURSEMENT REQUEST—PAGE 2

Second Endorsement

(Date of request)

From: ROF Administrator
To: ROF Custodian

1. This request is:

_____ Approved and forwarded to the custodian.

_____ 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 of Administrator

Third Endorsement

(Date of request)

From: Commander/Commanding Officer
To: ROF Administrator

1. This request is:

_____ Approved

_____ Disapproved (reason: _____)

_____ Returned; further discussion desired.

Signature of Commanding Officer

Disbursement Request Number: _____ Check Number: _____

Amount: _____ Pay to: _____

Sub-account: _____

Check written & material received: _____

(Signature of ROF Custodian)

RELIGIOUS OFFERING FUND LEDGER
 (SUB-ACCOUNT/COMPOSITE)

Remarks: Each sub-account custodian is directed to add receipts rows and expenditure rows as required.

Command	Sub-Account	Month	FY QTR	Page: Of:

Receipts
 (+)

Row	Date	Description	A	B	C	D
			Balance Forwarded	Undesignated Offerings	Designated Offerings	Interest
1						
2						
3						
		Column Totals				

Note: Calculate the receipt total by adding the column totals of A, B, C, and D.

Column A: _____
 Column B: _____
 Column C: _____
 Column D: _____
 Receipt Total: _____

EXPENDITURES (-)

Note: Include the Disbursement Request Number [DR#] and Check Number [CK#] for each expenditure.

Row	Date	Description	DR#	CK#	A Charitable Contributions	B Fellowship/ Outreach	C Token Gifts (Not to exceed \$50)	D Floral Arrangements
1								
2								
3								
		Column Totals						

Note: Calculate the expenditure total by adding the column totals of A, B, C and D.

Column A: _____
 Column B: _____
 Column C: _____
 Column D: _____

Expenditure Total: _____

Balance

Note: Calculate the balance by subtracting expenditure total from receipt total.

Receipt Total	\$
Expenditure Total	\$
Balance	\$

Custodian Signature Date

Administrator Signature Date

SECNAVINST 7010.6A
29 Oct 2002

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 Signature Date Administrator Signature Date

DONATION/DISBURSEMENT
REPORT — Page 1

Name of Sub-account: _____

Month: _____

DONATION: Attach pamphlet describing organizational mission.

<u>ORGANIZATION</u>	<u>LOCATION</u>	<u>CONTRIBUTION</u>	<u>DATE</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

FELLOWSHIP: Attach flyer describing each fellowship event.

<u>EVENT</u>	<u>Total # of Attendees</u>	<u>DATE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL COST

Monthly amount toward:	Contribution	\$ _____
	Fellowship	\$ _____
	Floral Arrangements	\$ _____
	Token Gifts	\$ _____
	Total	_____

DONATION DISBURSEMENT REPORT—Page 2
 OF THE _____ SUB-ACCOUNT
 _____ RELIGIOUS OFFERING FUND
 FOR _____ 20 _____

Balance at the beginning of the month: \$ _____ .

Receipts:	Undesignated Offerings	\$.
	Designated Offerings		.
	Interest		.
			.

Total Received: \$ _____ .

Total Available: \$ _____ .

Expenditures:	Charitable Contributions	\$.
	Other Expenditure		.
	Categories:		.
	_____		.
	_____		.
	_____		.

Total Expenditures:
 \$ _____ .

Balance at the end of the month:
 \$ _____ .

Prepared by: _____	Date: _____	Approved by: _____	Received by: _____
		Date: _____	

_____ Custodian Signature	_____ Administrator Signature	_____ Designated Faith Group Representative
------------------------------	-------------------------------------	---------------------------------------------------

Note: Post this report prominently to inform all members of the faith group.

SECNAVINST 7010.6A
29 Oct 2002

DESIGNATED OFFERING REQUEST

(SSIC)
(CODE/SERIAL)
(DATE)

MEMORANDUM FOR THE COMMANDER/COMMANDING OFFICER, _____

Subj: DESIGNATED OFFERING FOR THE RELIGIOUS OFFERING FUND

Ref: (a) SECNAVINST 7010.6A

1. Approval, under reference (a), is requested to publicize, receive and distribute 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)

B-11

Appendix B to Enclosure (1)

STATEMENT OF NET WORTH AND OPERATIONS
 RELIGIOUS OFFERING FUND

 (Command)

For the Quarter _____ To _____ 20____
 (Beginning Month) (Ending Month)

	(Sub-Account)	(Sub-Account)	(Composite)
Beginning Balance	\$.	\$.	\$.
Receipts	+ .	+ .	+ .
Total Available	\$.	\$.	\$.
Expenditures	- .	- .	- .
Ending Balance	\$.	\$.	\$.
Net Worth:	Assets:	Checking Account	\$.
		Other*	. .
	Total Assets		\$.
	Liabilities*		. .
	Net Worth		\$.

* Must be Itemized

Custodian	Date	Administrator	Date
-----------	------	---------------	------

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

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. 70(f)(8).

SAMPLE RECEIPT

SECNAVINST 7010.6A
29 Oct 2002

SUBSIDIARY RECEIPT LEDGER FOR: _____
(Sub-Account)

RELIGIOUS OFFERING FUND: _____
(Command)

MONTH: _____

PAGE _____ OF _____ FOR _____ Quarter of Fiscal Year _____

DATE	NAME OF DONOR	ADDRESS OF DONOR	DOLLAR AMOUNT
TOTAL			

Custodian Signature Date

Administrator Signature Date

SECNAVINST 7010.6A
29 Oct 2002

APPENDIX C

GLOSSARY

APPROPRIATED FUNDS: Operation and maintenance funds made available by the Congress of the United States for the purpose of providing required logistical support for the free exercise of religion through the Command Religious Program.

AUDIT TRAIL: Documentation of funds from receipt to deposit or from request for disbursement to completion of the disbursement.

CASH ACCOUNTING BASIS: When applied to the ROF, the cash accounting basis is the entire process of accounting for offerings from the moment they are received into the ROF through such time as they are disbursed.

CHARITABLE ORGANIZATION: Institutions, organizations or funds established to help the needy, support religious groups, humanity and relief efforts, and protection of people, animals and the environment.

COMMAND RELIGIOUS PROGRAM (CRP): Command-sponsored religious ministry support for all service members, eligible family members, and other authorized persons.

FAIR-SHARE: Expenses/income items, which cannot be properly attributed to any sub-account(s) as checking account interest and donations from anonymous donors. When possible expenses/income should be attributed to a specific sub-account.

FAITH GROUPS: Religious organizations registered with the Department of Defense and other affiliated religious groups granted tax-free status by the Internal Revenue Service.

FELLOWSHIP: A faith group sponsored effort, coordinated by the respective faith group representative, to develop and promote faith group participation, cohesiveness, spiritual enrichment, or extend appreciation to volunteers. The following are examples of fellowship efforts: a congregational dinner with a guest speaker, musical/drama group, or film; youth group swim or bowling fellowship; faith reinforcement gatherings; and appreciation dinners for volunteers.

SECNAVINST 7010.6A
29 Oct 2002

FISCAL YEAR: The 12 months used for a complete accounting cycle. The fiscal year for the ROF shall be the same as for appropriated funds.

LEDGER: The accounting document on which receipts, expenses and balances are recorded.

NON-APPROPRIATED FUNDS (NAFs): Funds received from sources other than congressional appropriations. These funds are government funds, separate and distinct from appropriated funds.

RECONCILIATION: The process of comparing the bank statement with the custodian's financial records to insure that no discrepancies exist.

RELIGIOUS BENEVOLENCE: The selfless act of a faith group or chapel community to contribute a designated amount of the ROF to a charitable organization, cause or project.

RELIGIOUS OFFERING FUND: A NAF established by the commanding officer to provide a means by which voluntary contributions, as acts of religious devotion, are accounted for, safeguarded and disbursed.

SUB-ACCOUNT: That portion of a consolidated ROF pertaining 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.

TRANSACTION: Any action changing the balance of the ROF or of a sub-account.

VULNERABILITY ASSESSMENT: The formal evaluation of internal controls.