



CHAPEL TITHES & OFFERINGS FUND BASELINE OPERATING PROCEDURES

VOLUME I, ISSUE I (FEBRUARY 2015)

The Sustainment and Information Directorate, Office of the Chief of Chaplains' is providing this guidance on Chapel Tithes & Offerings Fund (CTOF) operations. These baseline operating procedures will be in effect until official changes are published in Department of the Army Pamphlet 165-18, Chaplaincy Resources Management, 21 January 2000.

Purpose

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

References

- Department of Defense Instruction (DODI) 1015.15, Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources, 31 October 2007, Incorporating Administrative Change 1, 20 March 2008.
- Department of Defense (DoD) Financial Management Regulation (FMR), Volume 10, Chapter 12, July 2010
- Defense Finance and Accounting Service (DFAS) Regulation 37-1, Chapter 32, Accounting Procedures for Army Nonappropriated Fund Instrumentalities (NAFI), 24 September 2009.
- Army Regulation (AR) 165-1, Army Chaplain Corps Activities, 3 December 2009.
- Army Regulation 215-1, Military Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities, 24 September 2010.
- Department of the Army Pamphlet (DA Pam) 165-18, Chaplaincy Resources Management, 21 January 2000.

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.
[AR 165-1, Chap 15]

CTOFs are not part of the Army's Morale, Welfare, and Recreation (MWR) system and is specifically exempted from MWR oversight in DODI 1015.15 and AR 215-1, paragraph 1-6. The CTOF is not controlled, managed, or supervised by the MWR Central Accounting or Purchasing Offices, or similar activities on installations.
[AR 165-1, Chap 15]

The Chief of Chaplains (CCH) is the proponent for Army CTOFs. The CCH directs and supervises all aspects of the CTOFs. Funds are managed locally utilizing the Chaplain Corps Income and Procurement System (CHIPS). Defense Finance and Accounting Services (DFAS)-Texarkana Nonappropriated Fund (NAF) Financial Services (NFS) is a centralized finance and accounting service for DoD and Army NAFIs. CTOFs are identified as the 400-fund at DFAS NFS. The only balance of the fund that has legal existence is the total assets, liabilities and fund equity reported on the DFAS NFS balance sheet. The income statement represents the revenue earned and expenditures expensed for the CTOF during a particular period in time or reporting period, normally referred to as a fiscal year.

2.0 General

CTOFs facilitate the giving of tithes, offerings and donations as an essential element of religious service in support of the free exercise of religion. CTOFs support the principals of the Chaplain Corps: Nurture the Living, Care for the Wounded, Honor the Fallen.

2.1 Vision

The vision of OCCH S&I is that all personnel managing CTOFs do so with financial excellence while generously resourcing religious support throughout the Army to meet the needs of a diverse and dynamic military community.

2.2 Mission

The mission of OCCH S&I is to provide oversight and management to ensure the fiscal integrity of all CTOFs. All levels of leadership shall actively promote and monitor compliance with appropriate laws and regulations that govern CTOF business processes and financial activities. Resource Management personnel shall maintain a culture of performance and service that exhibits professional expertise and responsive customer service.

2.3 Core Values

The S&I Directorate is committed to the following core resource management values:

Service – Meet and facilitate the religious support requirements of the military community with a focus on customer service.

Integrity – Conduct all exchanges and transactions in an honest and credible manner, by exhibiting ethical and moral standards.

Harmony – Create a fiscal environment that fosters cooperation, camaraderie and team effort. Strive for win-win solutions with customers.

Excellence – Perform responsibilities with pride, professionalism and enthusiasm.

Sensitivity – Demonstrate a sincere and caring attitude towards all. Promote dignity and respect.

Personal Growth – Cultivate an environment where Chaplain Corps Resource Management professionals are encouraged to grow professionally and personally.

3.0 Definitions

Chaplain Corps Automated Religious Support System (CARSS): The only CCH approved system to accomplish the overall strategic communication objectives of the Army Chaplain Corps.

Chaplain Corps Income & Procurement System (CHIPS): CHIPS is a centralized web-based system for tracking and managing CTOF business operations through outsourced accounting services with DFAS NAF Financial Services (NFS). CHIPS provide Commanders with improved CTOF resources accountability and oversight to business functions.

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 is made up 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 Accounting Code (GLAC): The GLAC is a three digit numeric code that immediately follows the department code. GLACs are used by DFAS to show the general ledger account for income, expenses, and internal transfers. CTOF income (credit) transactions will be recorded with a 500 series code. CTOF expense (debit) transactions will be 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

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

584 Drawdown Surcharge (HQs Level)
598 Inter-Fund Transfer (Income)

739 Adjustment Against Fund
781 Pay Designated Offering
783 Community Account Tax
784 30% Drawdown Surcharge

Commonly Used GLACs for CTOF Operations (continued):

785 1.5% Quarterly Transfer
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 require an explanation in the footnotes and will require further action on the part of the fund manager to resolve.

Purchase Card Online System (PCOLS): Government-wide commercial purchase card program created to provide an efficient means for federal agencies to purchase goods and services directly from vendors.

Fund Manager (FM): A Chaplain or Chaplain Assistant (**SSG** or above), graduate of the USACHCS CRM course and appointed on orders by the Commander. Serves as the sole purchasing agent and contracting officer for CTOF operations with authority for making single purchases or single contracts of \$25,000 or less as a government procurement officer.

Fund Technician (Tech): A Chaplain Assistant in the rank of SGT or below, or Department of the Army (DA) civilian employee possessing specialized training in religious support procurement procedures, Chaplain Corps Financial Accounting System (CFAS), contract management, and the CMRP annual budget process. The Fund Tech must be a graduate of the USACHCS Fund Clerk course and appointed on orders by the Commander.

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 process for supporting Chaplain Corps programs at all levels of the Army with APF and NAF resources. The purpose of the CMRP is to produce a plan and execute religious programs and events. The Chaplain Corps uses the CMRP to formulate budget input to Command Budget Estimates (CBEs), and manage the execution of programs. The CMRP supports the staff chaplains' basic administrative

process that is required of all staff activities to assess, plan and resource, and execute the staff program.

Funding is allocated to approved programs, pending the availability of resources for both appropriated funds (APF) and NAF. The CARSS CMRP tool is a computer software decision support program that produces products for leadership decisions in allocating resources.

Planning, Programming, Budgeting & Execution System (PPBES) is the Army's primary resource management system. A major decision making process, it supports Army planning, and program development and budget preparation at all levels of command. It supports execution of the approved program and budget by both headquarters and field organizations. During execution, it provides feedback to the planning, programming, and budgeting processes. PPBES ties strategy, program, and budget together. It helps build a comprehensive plan in which budgets flow from programs, programs from requirements, requirements from missions, and missions from national security objectives.

At the Garrison level, the primary method for better management of resources is the Review and Analysis (R&A) Program. The CPBAC has responsibility for R&A of the execution of the CMRP. Budget R&A is a continuous process by which financial managers and commanders compare actual performance against previously established budget targets and make necessary adjustments to avoid possible funding crises and ensure the accomplishment of missions. Budget R&A serves as an important evaluation tool for the commander and the staff chaplain.

4.1.1 CTOF Budget Tool

Each Program Element (PE) must be granted CHIPS access and inputs their NAF budget into CHIPS. The outputs from this program will assist in producing variance reports for each CTOF.

4.1.3 CTOF Rolling Profit (Loss) Tool

The Rolling Profit (Loss) Tool (RPLT) is the official method for managing lines of accounting (LOAs) or commonly called sub-account balances. This tool must be manually updated monthly to maintain an accurate account of income and expenses.

The RPLT offers the flexibility for each garrison to establish local SOP on the frequency of updating the values. It requires the fund manager to request a profit (loss) report from their assigned DFAS NFS accounting technician for the garrison. Weekly updates will be sufficient for most CTOFs. However, daily or monthly updates are viable options. Regardless, reports will be provided to each CTOF monthly. Refer to the CHIPS Rolling Profit (Loss) Worksheet presentation on creating/managing this tool.

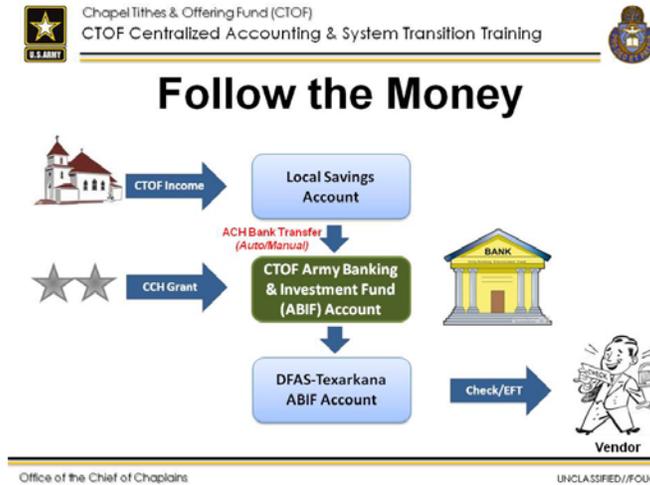


Figure 4-1. Follow the Money Chart.

4.2 Income

The income audit trail is introduced by the basic task of “safeguarding an offering/donation.” The income audit trail is normally the weakest management control process of the Fund and the process with the highest risk for potential loss of funds or for errors in accounting for receipt of funds. It is imperative that management controls be followed and periodically inspected to maximize protection of this essential element of worship. The income audit trail requirements outlined in DA Pamphlet 165-18, paragraph 4-68 are still valid management controls.

Offerings will be recorded on the CTOF Detailed Income Record (DIR) produced by the CTOF Resource Management (RM) team. The DIR is a standard, serial numbered and controlled form. They will be numbered consecutively within each fiscal year (e.g. FB4-15-01234). Serial numbers are assigned at the local garrison level. The FM maintains a log of the serial numbered sheets and who signed for them. The DIR is an accountable form and must be physically signed for from the FM by the chaplain assistant on duty or NCOIC of a chapel.

Copies of the DIR are not authorized. The original DIR is the only document acceptable by the CTOF RM team to scan as supporting documentation to DFAS. The FM must assure that a DIR is prepared and received for every scheduled service. In the event no service is conducted and no offering is taken, a DIR must be completed and maintained for the purposes of accountability.

The chaplain or denominational service leader (DSL) 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 of the service verifies that a service was conducted, an offering taken, and that appropriate management controls were in place. Pages two and three of the DIR mitigate this requirement. These pages must be filled out in the presence of the two members of the congregation who counted and recorded the results of the offering. The chaplain in charge will sign each page and maintain their copy as prescribed by local SOP.

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. DA Form 5766 or 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 = Second Copy (scan to DFAS)
- 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 **three (3) business days** from the receipt of offering/donation. The following identifies the minimum documentation requirements to accurately process and record CTOF income with DFAS NFS:

Regular/Designated Offerings

- Income Transmittal Cover
- Daily Activity Report (DAR)
- Detailed Income Record (DIR) *Page 1 Only*
- Deposit Slip (certified slip from local bank)
- Bulletin/Program (Designated Offerings Only)*

Donation

- Income Transmittal Cover
- Daily Activity Report (DAR)
- Detailed Income Record (DIR) *Page 1 Only with Fund Mgr or Fund Tech signature (Block 11b)*
- Donation Receipt (*DA Form 5766 or Receipt Book Slip*)
- Deposit Slip (certified slip from local bank)

Grants

No documentation required. The higher headquarters issuing the grant holds the responsibility of providing the documentation to DFAS. FMs will need to monitor financial statements once notified of grant disbursement to their respective CTOF.

4.3 Procurement

Procurement of supplies, non-personal services and equipment must be made IAW Army purchasing regulations. All CTOF disbursements must be in compliance with an approved CMRP. Requestors must obtain approval from the FM prior to paying for any goods or services. Unauthorized persons who enter the CTOF into any obligation are legally and financially liable for the costs IAW Title 31, Anti Deficiency Act. Ensure invoices include payment terms (e.g. NET 10, NET 15, NET 20, NET 30) allowing for timely payment to the vendor.

Methods of payment to vendors for goods or services include:

- Government Purchase Card (GPC)
- Electronic Funds Transfer (EFT)
- Check

Each person with signature authority on the CTOF's local bank account should also 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. Fund Managers 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 who is signing as the CTOF Fund Manager. Appointment orders identifying the signer as the Fund Manager must also be on file at DFAS. If the appointment is for a temporary period (e.g. actual fund manager on leave for two weeks), then the appointment memorandum should clearly indicate the time period of temporary appointment. Temporary appointments of seven (7) days or less may be granted by the Garrison/Medical Center Chaplain.

4.3.1 GPC

Upon receipt of a GPC Purchase Request (PR) form signed by an authorized signer of a Program Element (PE), the CTOF FM will approve the request (pending the availability of funds). This gives the GPC cardholder the authority to make the purchase. Cardholders will not make any purchase without an approved PR signed by the CTOF FM. 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.

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. In the event the correct LOA and/or GLAC cannot be assigned in AXOL, certify the statement and follow up with an email to the DFAS technician indicating the correct LOA/GLAC for a particular purchase. Notify your higher headquarters for assistance with obtaining the desired LOA/GLAC as an option in AXOL.

Refer to HQDA OCCH GPC SOP for additional GPC guidance.

4.3.2 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

NOTE: Foreign banking requirements may vary.

4.3.3 Check

Payment by check can be requested through DFAS. FMs must verify that the vendor's mailing address is complete and correct prior to sending documentation to DFAS. Failure to verify the address will result in delays of the vendor's payment. Checks can be sent express mail at an additional charge to the CTOF. Request for express mail must be annotated on the Direct Vendor Payment form. The express mail feature should be used as an exception, not the rule.

4.3.4 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 income statement to ensure GLACs 581 and 781 equal the same amount).

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

Designated Offerings (External)

Payment Transmittal Cover

Detailed Income Record (DIR) *Page 1 Only (DIR serves as "invoice" for payment)*

Direct Vendor Payment Form

Designated Offerings (Internal)

Income Transmittal Cover

Detailed Income Record (DIR) *Page 1 Only (DIR serves as "invoice" for transfer)*

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

4.3.5 Expenditures above \$3,000

All purchases over \$3,000 are subject to a competitive bidding process. This requires three bids or a sole source justification as specified in DA Pam 165-18. Verification of

such will be annotated with the request. Documentation will be maintained on file at the Garrison Chaplain's office.

All single purchase expenditures of \$25,000 or more, require HQs IMCOM or MEDCOM Command Chaplain approval, respectively.

The following identifies the minimum documentation requirements for vendor payments **BELOW** the **\$3,000** threshold:

- Payment Transmittal Cover
- Vendor Payment/Purchase Request Form
(Block 7 – Fund Manager Signature Only)
- Vendor Invoice/Receiving Report
- W-9 (only submit with first payment in a calendar year for each individual/business)

The following identifies the minimum documentation requirements for vendor payments **ABOVE** the **\$3,000** threshold, and **BELOW \$6,000**:

- Payment Transmittal Cover
- Vendor Payment/Purchase Request Form
(Block 7 – Fund Manager and Approval Authority [**CRM**] Signature)
- Vendor Invoice/Receiving Report
- W-9 (only submit with first payment in a calendar year for an individual/business)

The following documentation is the minimum requirements for vendor payments **ABOVE** the **\$6,000** threshold, and **BELOW \$25,000**:

- Payment Transmittal Cover
- Vendor Payment/Purchase Request Form
(Block 7 – Fund Manager Signature and Approval Authority
[**Garrison/Medical Center Chaplain**] Signature)
- Vendor Invoice/Receiving Report
- Contract (signed file copy)
- W-9 (only submit with first payment in a calendar year for an individual)

4.4 Tax Responsibilities

AR 165-1 provides a general reminder of the requirement to report 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 to 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 reaches or exceeds the \$600 threshold during the calendar year, DFAS NFS must file IRS Form 1099 MISC. Therefore, the first request for payment to a firm or individual must be accompanied with Form W-9 (Request for Taxpayer Identification Number and Certification), no matter if the payment is less than \$600.

For additional details on the reporting requirements see AR 215-1, Chapter 4, Section III (Tax Requirements), and DFAS Regulation 37-1, Chapter 32, paragraph 321007 (Reporting to the IRS).

4.5 Thirty percent drawdown and the quarterly 1.5 percent transfer

Policy concerning these categories is published each fiscal year.

4.6 Community Account Tax

The community LOA is a special account within the CTOF required by AR 165-1, Chapter 14. The community LOA provides a source of funds for programs that feature a community-wide focus, are sponsored jointly by multiple Program Elements (PEs), or come from PEs that do not have their own source of income.

The community LOA is funded by the transfer of a percentage of all regular offerings (GLAC 580) income. This percentage is established by the Garrison Chaplain, as advised by the FM and CPBAC, and is the same for all CTOF LOAs that participate in a particular fund. DFAS NFS will automatically record the calculation of this single percentage point against all Daily Activity Reports (DARs) received for GLAC 580.

CTOFs requiring multiple community account tax percentages to LOAs other than CA-JC are authorized to do so. A memorandum for record must be submitted to DFAS NFS detailing the specifics of the transfer. DFAS will not do the calculations of multiple percentages for community transfers.

4.7 Non-personal Services (NPS) Contracts

NPS Contracts are only for professional services and are only obtained on an intermittent/temporary basis. The contract period will not exceed one (1) fiscal year and no multi-year or multi-option contracts are permitted. NPS Contracts are intended to enhance mission essential religious activities. Contracts may also be used for perishable items that are delivered on a regular basis (e.g. flowers). All contracts must contain a standardized contract number that identifies the garrison, fund code, fiscal year, type of contract and sequential numbering system.

Use the following numbering convention for CTOF NPS Contracts:

NAF = Nonappropriated Fund

FD4 = (FD = Garrison Code)(4 = CTOF)

15 = Fiscal Year

M = Type of Contract (M = Musician)

0123 = Sequential Number of Contract for the Fiscal Year (0123, 0124, etc.)

Sequential Numbering beginning with the number "0001" for the first awarded contract

EXAMPLE:

NAF-FD4-15-M-0001 = Nonappropriated Fund-Fort Carson CTOF-FY15-Musician Contract-Contract #1 for FY15

The following are types of CTOF NPS contract codes available for use with standardized contract numbers:

- C = Child/Watch Care Services
- D = Catering Services
- F = Floral Services
- M = Musician
- S = Special Event/Project
- W = Wedding Coordinator

To obtain a CTOF NPS contract codes for a category that is not listed above, forward the request through Chaplain Corps technical channels to Office of the Chief of Chaplains, Director, Sustainment and Information, ATTN: CTOF Program Manager (DACH-ISZ-N), 2700 Army Pentagon, Washington, DC 20310-2700.

DFAS NFS will track the total amount paid to a vendor IAW paragraph 4.4 above, to ensure tax requirements are met. CTOF FMs must also monitor contractor payments to ensure the contract is not over spent.

Once a NPS Contract is awarded, the signed contract and Form W-9 should be filed 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' systems. DFAS 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
- Direct Vendor Payment Form
- Vendor Invoice/Receiving Report
- Contract (signed file copy--with/before first payment in a fiscal year)
- W-9 (only submit with first payment in a calendar year)

4.8 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, the Deputy Secretary of Defense has established a policy that honoraria amounts greater than \$2000 must be approved by the next higher organizational echelon.

[DoD FMR Vol 10, Chap 12, para 1208, dtd July 2010]

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)

5.0 Internal Controls Evaluations and Inspections

Refer to AR 165-1 for continued guidance on internal controls evaluations and inspections.

5.1 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. 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 using the principles outlined in AR 11-7, Internal Review and Audit Compliance Program 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/Medical Center Chaplain.

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

5.2 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 E (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 may make unannounced spot checks during worship services to determine if offering accountability and counting procedures are being properly followed.

5.3 Staff Assistance Visits (SAVs)

Pending the availability of funds, HQs IMCOM and HQs MEDCOM Command Chaplain Offices will make annual SAVs to their respective Garrisons/Medical Centers 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 E (Internal Control Evaluation) for test questions and safeguards for CTOF operations. In conjunction with the visit, CTOF property should also be inventoried.

6.0 Roles & Responsibilities

All roles and responsibilities outlined in DA Pam 165-1 are still applicable except as indicated below.

- a) Sub-accounts are now identified by lines of accounting (LOAs).
- b) The 30 percent drawdown is now identified as the annual fund adjustment (AFA). DFAS NFS calculates the AFA IAW calculations provided by OCCH.
- c) Fund Clerks are now identified as Fund Technicians.

7.0 CTOF/DFAS Communications

- a) Each CTOF FM communicates directly with their respective DFAS NFS team.
- b) Documentation being sent to DFAS 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 technician notifies Supervisor, Supervisor contacts Region or Headquarters IMCOM/MEDCOM respectively.
 - 2) CTOF Fund Manager notifies Region and/or Headquarters IMCOM/MEDCOM respectively, Region or Headquarters IMCOM/MEDCOM contacts DFAS Supervisor on behalf of the CTOF concerned. (**NOTE:** MEDCOM CTOFs go directly to HQs MEDCOM POC)
 - 3) All courtesy copy email (or notify via voice communication) next higher headquarters/management.
- d) Escalated issues/concerns to Management:
 - 1) DFAS Supervisor notifies Director of Accounting, Director of Accounting contacts HQDA OCCH.
 - 2) Region contacts Headquarters, Headquarters contacts HQDA OCCH, and HQDA OCCH will contact Director of Accounting on behalf of the CTOF concerned.

8.0 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.

8.1 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).

9.0 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, Sustainment & Information Directorate, CTOF Program Manager, Mr. Gerald Holliday, via telephone at (571) 256-0430, DSN 260-0439, or email gerald.l.holliday.civ@mail.mil.

FOR THE CHIEF OF CHAPLAINS:

YVONNE C. HUDSON
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