

## NAFSG Working Group Meeting Minutes

Thursday, January 14, 2015

9:00 AM – 10:30 AM EST

### Attendees

- MC&FP
  - Paulette Freese, Mike Curtis
- Army IMCOM G-9
  - Sonia Daugherty, Tina Hudson, Renee Keys
- DFAS-Texarkana
  - Lena Anderson
- Air Force Services Activity
  - Jane Belinfante, Katie Brindle, Tom Marsh, Judy Brown,
- Air Force A-1
  - Mark Montgomery
- USMC MCCA
  - Courtney Pulis, Pat Craddock
- Navy OPNAV N46
  - Annie Fowler
- DFAS – Indianapolis
  - Lazaleus Leach
- Grant Thornton (GT)
  - Jeremy Blain, Mike Casias, Sara Carver

### Action Items from Previous Meeting

- **Grant Thornton** will add a Category A/B/C summary column. COMPLETE
- **Grant Thornton** will fine tune and format the template to include locking the cells. COMPLETE
- **MC&FP** will send out the group achievement award certificates and DVDs. COMPLETE
- **Services** will reach out to their IT departments to see if there are any potential road blocks in acquiring the free Tableau Reader. COMPLETE

### Action Items Still Open

- None

### Action Items Summary

#### **Grant Thornton:**

- Grant Thornton will research what the industry does with stale, dated checks and provide guidance.
- Grant Thornton will try different scenarios for handling MIPRs on the MWR Program and Metric Report template and provide a recommendation to the group before the next meeting.
- Grant Thornton will add a sentence to cost center 10 to include a commercial name brand operation with MWR employees.

### Welcome and Introductions – Ms. Paulette Freese & Mr. Mike Curtis, MWR & Resale Policy

- Paulette Freese opened up the working group meeting and did a roll call and thanked everyone for calling in.

### **OSD Update – Ms. Paulette Freese & Mr. Mike Curtis, MWR & Resale Policy**

- Paulette Freese announced that the group achievement awards have been delivered to the respective Service Secretariats and hoped that everyone received the new NAF Program and Metric Report template. No issues were noted.
- Mike Curtis provided an update on the NAF Accounting Board charter. They are working on it now and once it is out for tasking and coordination it will be discussed at the Working Group level.
- Mike Curtis queried the group to see if anyone had any troubles getting Tableau Reader. USMC was able to get access however Navy and Army are working on it and Air Force has no issues but have not had it loaded yet. Mike Curtis discussed some of the capabilities of Tableau Reader as well as the potential to share the data and create reports for the Services in the future. Because of version issues, all should request the latest version of Tableau Reader – version 9.1.

### **MWR Program and Metric Report Template –Mr. Jeremy Blain & Mr. Mike Casias, Grant Thornton (GT)**

- MC&FP queried the group to see if any Services have issues or questions with the new MWR Program and Metric Report template and ensured everyone is working in version 10.
  - Army and Air Force have no issues and believe it is easy to fill out.
  - Navy has brought up questions to Mike Curtis via email. They have noticed a few formatting inconsistencies. One suggestion is creating a total column for all 3 Categories on the first page. No issues otherwise.
  - USMC asked where commercial sponsorship detail should be added in the footnotes. MC&FP noted this should go in the feedback/comments section.
- MC&FP discussed the following questions from the USMC with the group:
  - Exchange Dividends – The group consensus was that exchange dividends will be included as part of the overall “Other Non-Operating Income” element because we get the specific dividend information from another report. USMC believe the specification of just Category C limits the allocation of A’s & B’s. The recommendation is to put the dividends in the same element, “Other Non-Operating Income” for Category A, B, and C, depending on how your Service allocates it.
  - Accounting for appropriated fund MIPRs in the new template –
    - Per USMC, the December meeting minutes state that MIPR should go into the “Other Non-Operating Income” element in the MWR Program and Metric Report. However, if the formula is as it is, if the MIPR income is recorded in total non-operating income, that income will not be picked up and both netted against the expense related to the MIPR and picked up in the metric report. The group discussed modeling UFM income and including the MIPR in the NAF Operating Expense row so it would be pick up in the metric report.
    - Grant Thornton will try different scenarios and provide a recommendation to the group before the next meeting.
  - Food Delivery – USMC asked for the criteria in determining what the Exchanges record and report in terms of name brand fast food and what (if anything) do the Services record and report as fast food. The questions revolved around name brand fast food vs name brand casual dining. USMC asked the other services to explain their criteria (such as Subway or Starbucks) and some examples:
    - Grant Thornton noted that the cost centers in the new NAFSGL include cost center 09 – name brand casual dining, external dining such as Chili’s, and cost center 10 - themed food. Themed food is more direct MWR-owned and

operated activities like the Army's Java Cafe. Concessionaire income and royalty fees are included in the GLACs.

- Air Force calls their brands "signature brands" which has a separate designation. They can have any number of separate concession/food operations that are in a different GLAC.
- Army and Navy do not have anything that falls outside of these two category codes for food.
- USMC has a question around Starbucks – do any of the other MWR services run Starbucks or is that AAFES and NEXCOM because it is name brand and is it dining casual or fast food? Same questions for Subway.
  - Air Force says there is a distinction between a branded Starbucks and a "We proudly brew...Starbucks" and they do both. They have AF signature brands that they do We Proudly Brew and also have some installations with Starbucks proper and the same for Subway. They do this under arrangements with AAFES but run with MWR employees. AAFES has the fast food agreement but they use MWR employees therefore the income goes to MWR.
  - Army does not run any Starbucks or Subways with MWR – they are run by AAFES.
  - Navy is out of the Starbucks business and they are basically all operated by contract but perhaps some or all of operated as concessionaires.
  - Per Grant Thornton, the potential cost center options would be snack bar, name brand casual dining, themed food, and all other. Therefore, in the Starbucks example, if it's MWR it should go into themed food and if not its name brand casual dining. Grant Thornton will add a sentence to cost center 10 to include a commercial name brand operation with MWR employees.
- Stale, dated checks – USMC is interested in seeing how each of the Services handle stale, dated checks.
  - Air Force gives vendors 120 days and then voids them. For payroll checks, there is a date on the checks but cash is set aside in case someone comes forward because they will honor those checks
  - Army gives vendors 6 months (180 days) for outstanding checks before voiding and they put it in miscellaneous income and a footnote in the financial statements in case someone comes back in the future.
  - Navy gives vendors 180 days before voiding.
  - USMC also gives vendors 6 months. Their challenge is that they have been writing some off and their process has been questioned recently. They are looking for clear guidance. Grant Thornton will research what the industry does with stale, dated checks and provide guidance. Double check the Federal Acquisition Regulation (FAR) & statute of limitations on payments (if there is any). Per Ms. Leach, she thought the statute of limitations was 10 years.

#### **Wrap up –Ms. Paulette Freese and Mr. Mike Curtis, MWR & Resale Policy**

- Provided a summary of the action items / due outs that were determined during the meeting (see above)
- Next meeting –February 25, 2015