

# DoD NAF Accounting Working Group Meeting Minutes

Thursday, February 22, 2018  
0900-1000 EDT

## Attendees

- MC&FP
  - Mike Curtis
- DFAS – Indianapolis
  - La Zaleus Leach, Maranda Summers
- Army Secretariat
  - Gerald Holliday
- Navy Secretariat
  - Pam Beward
- Air Force Secretariat
  - Lt Col Chip Hollinger
- Army IMCOM G9
  - Bryan Hartsell, Sonia Daugherty
- Air Force A-1
  - Mark Montgomery
- AFSVA
  - Tina Hudson, Tom Marsh, Marcus Whitehead, Peter Nation, Marivic Penman, Becky Karnafel
- MCCS
  - John Johnston, Pat Craddock, Courtney Pulis
- Army – DFAS – Texarkana
  - Lena Anderson, Randy Rodgers
- Navy CNIC
  - Nancy Stephens, Jennifer Wilkinson, Jeff Potter
- Navy OPNAV N46
  - Annie Fowler, Katy Bloomberg
- Grant Thornton (GT)
  - Ariane Whittemore

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

- Mr. Curtis welcomed everyone, acknowledged that all the Services were present, and thanked everyone for participating.

## Action Items from Previous Meeting – Mr. Mike Curtis, MWR & Resale Policy

- No outstanding action items.

## OSD Update – Mr. Mike Curtis, MWR & Resale Policy

- Mr. Curtis noted that OSD has received all Services' input on selected enclosures of DoDI 1015.10 and the funding table of DoDI 1015.15. Grant Thornton has consolidated and organized the Service input to help MC&FP review the input and identify commonalities and differences. Once MC&FP has had a chance to review the input, they will meet with the Services to discuss.

- Mr. Curtis indicated MC&FP had received all inputs from the Services and DFAS on the Tasker for the NAFSGL 2.0 and proposed NAF Accounting Standards Board (NAFASB). Everyone concurred with the NAFSGL 2.0 and MC&FP is evaluating the best approach to address the “non-concurs” on the NAFASB. Mr. Johnston asked whether the “non-concurs” were based on the concept or the structure. Mr. Curtis explained the “non-concurs” were due to concerns over another NAF oversight board. An alternative may be to formalize and charter the NAF Accounting Working Group as the NAFASB. More to follow as MC&FP discusses the way ahead internally.
- Mr. Curtis requested a status from the Marine Corps and Navy on submission of the FY 2017 NAF Program-Metric Report. Mr. Johnston indicated the Marine Corps sent the “old style” Metric report to DoN Secretariat a few days earlier and expected the full report to be released by March 2 once he has had a chance to review with the MCCS Director. Ms. Beward indicated she hoped to send the Navy NAF Program-Metric report to OSD by February 23. Mr. Montgomery indicated the latest Air Force NAF Program-Metric Report report sent to OSD should be treated as the Final report.
- Mr. Curtis shared with the group that since USD(C) expects to have audited DoD Appropriated Fund Financial Statements for FY 2018, the requirements of Statement of Federal Financial Accounting Standards (SFFAS) 47: “Reporting Entity” requires disclosure of DoD NAFIs in the audited financial statements of DoD and each Military Department. USD(C) determined that the DoD NAFIs were not considered quantitatively material to the DoD APF Financial Statements, but were considered qualitatively material and they should be included as a disclosure in the footnotes. Grant Thornton’s commercial auditors reviewed and agreed, as did MC&FP. Mr. Curtis expects the footnote to be 2-3 paragraphs that explains the concept of NAFIs, provides Gross Revenues, and provides amount of APF support to MWR programs. Between now and the next NAF Accounting Working Group meeting, Mr. Curtis will share with the NAF Accounting Working Group: SFFAS 47 and USD(C)’s conclusion paper for review and feedback.

**March 20-22 NAFSGL Offsite Agenda and Logistics – Ms. Ariane Whittemore, Grant Thornton**

- Ms. Whittemore reviewed the Final Draft Agenda for the March NAFSGL Offsite with the NAF Accounting Working Group. There were no comments or concerns with the agenda. Ms. Whittemore stated that Grant Thornton was preparing an initial, draft NAFSGL 2.0 crosswalk for MCCS to use during the offsite. MCCS requested Grant Thornton provide them with the initial draft prior to the NAFSGL offsite. Ms. Whittemore agreed Grant Thornton would provide the draft crosswalk prior to the offsite for MCCS review/validation. Mr. Hartsell stated that the Army is still working with the Armed Forces Recreation Centers and the Army Recreation Machine Program to align their general ledger with the Army MWR general ledger. All Services agreed to provide Mr. Curtis with the names of their offsite attendees prior to the offsite.

### **Wrap Up**

- Mr. Curtis summarized the topics noted above and concluded the meeting, commenting that the next DoD NAF Accounting Working Group session will occur on Thursday, March 22. The meeting will focus on a brief-out to the entire NAF Accounting Working Group by the NAFSGL Offsite attendees.

### **Action Items Summary – Current Meeting**

- Grant Thornton to provide MCCA with initial draft NAFSGL 2.0 crosswalk prior to NAFSGL Offsite.
- Mr. Curtis to provide to NAF Accounting Working Group members SSFAS 47 and USD (C) conclusion paper for review and feedback.
- Services to provide Mr. Curtis with the names of their representatives to the March NAFSGL Offsite.