

NAFSGL Working Group Meeting Minutes  
Thursday, September 24, 2015  
9:00 AM – 10:30 AM EST

**Attendees**

- MC&FP
  - Mike Kelly, Justin Hall, Paulette Freese, Mike Curtis
- Army Secretariat
  - Robert Pickering
- DFAS-Texarkana
  - Mitch Covington, Lena Anderson
- DFAS – Indianapolis
  - Lazaleus Leach
- Air Force Services Activity
  - Jane Belinfante, Katie Brindle
- Army IMCOM G-9
  - Bryan Hartsell, Tina Hudson, Sonia Daugherty
- USMC MCCS
  - Pat Craddock, Courtney Pulis
- Navy CNIC
  - Daryl Davis, Nancy Stephens
- Grant Thornton (GT)
  - Jeremy Blain, Sara Carver, Mike Casias

**Action Items from Previous Meeting**

- **Grant Thornton** will look at current GLAC groupings, specifically around operating expenses, non-operating income, and operating income, to renumber and add in breaks for each section. Upon completion, Grant Thornton will send to the group for review: COMPLETED
- **Grant Thornton** will send the updated decision document for depreciation to the Services for review and concurrence: COMPLETED
- **Grant Thornton** will work with Air Force to identify specific examples in dealing with closed clubs guidance: COMPLETED
- **MC&FP** will communicate the issue around consolidated operations with multiple programs to management and the MWR group to ensure awareness and if needed develop policy: COMPLETED

**Action Items Still Open**

- None

**Action Items Summary**

**Grant Thornton**

- Grant Thornton will adjust the GLAC grouping by moving *Travel Personnel Expense* and *Transportation Expense* from 505-519 to section 520-534. *Travel Personnel Expense* will also be changed to *Travel Expense* in order to not limit the account to only NAF civilian employees; definition will be adjusted in NAFSGL Chart of Accounts.

## **MC&FP**

- MC&FP will send out the group achievement award certificates and DVDs.
- MC&FP will send out communication of the change in GLAC mapping accounts referenced above.
- MC&FP will send out Enclosure 8 Section 3.3.2 which provides sufficient policy backing for cost allocation requirements.

## **Welcome and Introductions – Mr. Mike Kelly, Director, MWR & Resale Policy/ Mr. Justin Hall, Assistant Director of Business Policy, MWR & Resale Policy**

- Justin Hall started the meeting by introducing Ms. Paulette Freese, the new Assistant Director of the Nonappropriated Fund Policy for the MWR and Resale Policy Office.

## **OSD Update – Mr. Mike Curtis/ Mr. Justin Hall, MWR & Resale Policy**

- MC&FP informed the group that the NAF accounting website is up and running and ensured everyone was able to access the site. MC&FP will begin uploading the audited financial statements from all of the services.
  - MC&FP reminded Army and Air Force they are still waiting for their audited financial statements. IMCOM G9 is waiting to brief the IMCOM Commander before sharing their financials.
- MC&FP gave an update on the achievement award. Ms. Barna has signed the certificates and they are looking into the best way to present. Ms. Williams will record a short video describing the project and the successful work accomplished. They will then send the certificates and DVD to all group members.
- MC&FP is working on the update of the DoDI 1015.15 with assistance from Grant Thornton.
- MC&FP asked for the status of the following due outs from the last meeting:
  - Concurrence on the decision document re: Depreciation presentation on financial statements
    - Air Force and USMC have sent emails concurring.
    - Waiting on Army and Navy to formally concur.
  - Feedback from the revised GLAC numbering:
    - Per USMC, on the chart of accounts document, the way that the narrative reads, any personnel related to travel or transportation would be in 505. The transportation she is thinking of is freight which would be 516 which would be excluded from personnel. Grant Thornton recommends using supplies, repairs, utilities behind personnel; everyone agreed. Grant Thornton will move Transportation Expense section from 505-519 to 520-534.
    - Air Force asked where TDY expenses were included in chart of accounts. Grant Thornton recommended moving Travel Personnel Expense to 520s and expanding the definition to include travel expense for nonappropriated funds for conferences, etc. – to include staff and non-staff. Services can break out further internally. The new account will be called Travel Expense and the definition will remove its specification of NAF civilian employees.
  - MC&FP gave an update on the closed clubs issue. Grant Thornton worked with Air Force and proposed creating a minor change in the definition for the related cost center and activity to include standalone bar operations. Air Force believes this should be sufficient.

- MC&FP plans to put out communication around Enclosure 8 3.3.2 in DoDI 1015.15 which mentions allocating costs and current requirements. MC&FP will send out an excerpt of the section after the meeting and believes there is sufficient policy currently indicating a requirement to allocate costs. If base leadership provides push back, you can point to Enclosure 8 3.3.2. It was recognized that there will be substantial changes made to Enclosure 8 with the revision of the DoDI 1015.15, however, some of the details will stay the same.
  - Navy highlighted the significant workload to the accounting staff splitting out the costs for each installation and the various programs within. Grant Thornton recommended putting an allocation method in place that is manageable and as long as it is documented and consistent they can use any method on an annual basis which may significantly reduce time spent.

#### **Change Management – Mr. Jeremy Blain, Grant Thornton (GT)**

- Grant Thornton addressed plans to date for rolling out new financial management systems amongst each of the Services accounting for the new NAFSGL framework. Grant Thornton volunteered to help develop the materials for this implementation as well as the relevant training. Grant Thornton asked each Service to describe their implementation timeline, process, and if they have any change management or training procedures in place:
  - **Navy:** At this point they are more in the process stage than the actual action stage. They are contemplating how to move forward and will be on their way to implementation next year. They are upgrading their SAP accounting system and plan to fully implement the NAFSGL with the new upgrade. This will consist of various components – POS system, HR systems, procurement & inventory system, etc. The precursor to the system upgrade was standardizing organization wide. Standardization focused on fund configuration (financial structure) and is expected to be complete in October. They will still need the contracting piece for consultant support and procurement for financial system upgrades. Realistically, they should have contract implementation begun but not fully implemented next year. Initially, they hope to utilize the crosswalk and strive to have a test site operational by next fall.
  - **Air Force:** They recently went through an implementation and are only doing an upgrade. No further updates.
  - **Army:** Their implementation surrounds cross-walking and working on purchases of new accounting and payroll systems. There is uncertainty on how soon they can reach completion. The plan is to provide a large change management piece once they acquire a new system which will tie in the NAFSGL changes. They are starting communications with various parties who own the POS systems leading into the change. They are going to do everything on the backend to crosswalk to the new format in the interim.
  - **USMC:** In the short term, within the existing financial management system, they are moving forward with the implementation of a crosswalk in a year. Most data elements will be ready for review by the end of this calendar year. The goal is to provide the financial systems support team with all codes by the beginning of February. They recently provided them with a total number of alpha numeric characters they would require that serve as attributes so it would be transparent to the field. Vendor demos are coming in. In regard to long term goals, whatever system they acquire will have enough flexibility to intertwine a crosswalk. They need help providing the support team with reporting requirements to build set ups for NAFSGL to pull data for report requirements so they can build it into the system. MC&FP noted plans to roll out the

new standardize report which combines the program and metric report; need to focus on categories for the report to Congress.

**NAF Accounting Standards Board Charter Update – Mr. Mike Curtis, MWR & Resale Policy**

- The charter documentation is in the works. They are putting in the correct verbiage to assign the correct responsibilities and oversight of personnel for MC&FP. This will be out in the next few weeks for formal coordination.

**Wrap up – Mr. Mike Curtis, MWR & Resale Policy**

- Summary of action and due outs
  - Mike Kelly joined the meeting and thanked everyone for their hard work. He recommended defining the reporting requirements to the exact location the data needs to be pulled from.
  - MC&FP will send out the group achievement award certificates and DVDs.
  - MC&FP to send out communication in the change in GLAC mapping to move transportation and travel expense.
  - Justin thanked the group as it was his last meeting.
- Next meeting – 22 October 2015