

## NAFSG Working Group Meeting Minutes

Thursday, November 19, 2015

9:00 AM – 12:00 PM EST

### Attendees

- MC&FP
  - Mike Kelly, Paulette Freese, Mike Curtis
- Air Force Secretariat
  - Lt. Col Sara Custer
- Army Secretariat
  - Robert Pickering
- Navy Secretariat
  - Pam Beward
- DFAS-Texarkana
  - Mitch Covington, Lena Anderson
- DFAS – Indianapolis
  - Lazaleus Leach
- Air Force Services Activity
  - Cheryl Basil, Jane Belinfante, Katie Brindle, Tom Marsh
- Air Force A-1
  - Mark Montgomery
- Army IMCOM G-9
  - Bryan Hartsell, Tina Hudson, Sonia Daugherty
- USMC MCCA
  - Courtney Pulis
- Navy CNIC
  - Daryl Davis, Robin Bedsole, Steve Williams
- Grant Thornton (GT)
  - Jeremy Blain, Mike Casias

### Action Items Still Open

- **MC&FP** will send out the group achievement award certificates and DVDs

### Action Items Summary

#### **Grant Thornton**

- Grant Thornton will research the potential to add row to capture non-cash actuarial costs in the new Program & Metric Report.
- Grant Thornton will “unlock” all the cells within the Overhead/Direct Support columns for Cat A/B/C within the new Program & Metric Report
- Grant Thornton will evaluate all formulas within the excel workbook to ensure quality calculations (row 34)
- Grant Thornton will evaluate the best options moving forward to capture the metric and income data in a consolidated report (Separate cat A/B/C lines, etc.)
- Grant Thornton to set up one-on-one follow-up sessions with each Service to further discuss the changes to the new combined Program-Metric report

## **MC&FP**

- MC&FP will follow-up with the MWR policy folks to provide an outlet for feedback from last year's annual briefings

## **Services**

- Services will reach out to their IT departments to see if there are any potential road blocks in acquiring the free Tableau Reader

## **Welcome and Introductions – Mr. Mike Kelly, Director, MWR & Resale Policy**

- Mike Kelly opened up the working group meeting by expressing his appreciation for all the hard work that the group is conducting with the NAFSGL implementation approaching in the next 11 months. He shared his excitement about the streamlining of financial reporting and the various data calls that MC&FP conducts throughout the years. He recognized the diligent work that the MC&FP and Grant Thornton Team put into constructing the first iteration of the standardized report.
- Mike Kelly recognized the retirement of Mitch Covington and on behalf of the entire working group expressed the great appreciation we all have for his contributions to his work at DFAS-Texarkana and his role in developing the revised NAFSGL.

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

- Mike Curtis began the update with a brief recap of the October Meeting Minutes and recognized that they are still working on sending out the group achievement award certificates and DVDs. The MC&FP team is considering sending the certificates separately and expects to make this decision within the next couple of weeks.
- MC&FP informed the group that they are still missing the audited financial statements for Army and Air Force. Once MC&FP receives all the audited financial statement they will then upload to the NAF Accounting Website.
- MC&FP addressed the changing of the WG date for next month from December 17<sup>th</sup> to December 10<sup>th</sup>. This was followed by a discussion on the changing of upcoming WG dates for the rest of FY 2016 in order to accommodate Mike Kelly's meeting with the Secretariat staff. The WG evaluated the dates and found no conflict with those proposed.

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

- The MC&FP and Grant Thornton team presented the new standardized Program- Metric Report which consolidates the old MWR Program Report and old MWR Metric Report templates. The presentation involved a discussion on the overall changes (corresponding benefits), new report features, NAFSGL crosswalk, and the next steps in the process.
  - **Navy:** On the topic of Net Income Before Depreciation, slide 15, the Navy expressed concerns on where the non-cash actuarial are captured within the report. The Navy uses cash-flow metrics for their internal operations and this variable is seen as critical to proper calculations. The USMC and Air Force teams also echoed their concerns as well if we are focusing on the cash flow aspects of the programs.
  - **USMC:** The USMC team wished to clarify the hierarchy of installations, sites, and activities (slide 16/17). Found the figure on slide 17 very helpful in understanding the hierarchy and appreciated the minor clarification.

- Discussion arose pertaining to Category A/B/C Direct Overhead/Pro-Rated Common Support function columns found within the report.
  - **USMC/Navy:** These teams would like to open up all the cells within this column in order to properly capture the information. They are able to run a report that captures all of the specified information.
- Questions arose on the formula used in row 34 in regards to making sure that the formula doesn't account for COGS in the percent APF support.
- Skipping ahead in the presentation, many of the Services wished to discuss the pros and cons of consolidating the income statement and program metrics in one report. One potential con was that some cost centers involved with the NAFSGL crosswalk are considered for Cat C, however, for income statement purposes are accounted for in the activity's column.
  - **USMC:** We need to ensure that the various cost centers associated with the income statement portion of the report to do not unintentionally skew the metric portion of the report. The new report is a great improvement from previous versions, however, there needs to be a way so we can separate out expenses for Cat A/B/C; for example, a Cat A activity with Cat C cost center expenses. AF agreed strongly with the issue raised by the USMC team.
  - **Army:** The army takes a different approach where they roll everything under the specific activity, even if Cat C cost center in under Cat A activity, due to the small fraction of the financials. Once the program grows that it could affect the metrics they then make that cost center an actual activity. The example used was that many Fitness centers also sell beverage/shakes for their customers, however, it is such a small fraction of the revenue/expense that they compile it under the Cat A activity. Once the Beverage/Food operation grows larger they then break it into its own separate activity (Java Café).
  - **Grant Thornton/MC&FP:** We will follow-up with the Service offline to discuss the available options to ensure data integrity for both the income and metric portion of the report. One proposed method was to have expenses broken out by Cat A/B/C lines.
- Feedback on the annual briefing process from last year
  - **Air Force:** Mark Montgomery expressed interest in discussing the previous year's annual briefing in anticipation of this upcoming year's event. In particular they would like to provide feedback on the operational logistics of the event and overall content displayed. Would like to have the opportunity to discuss before sending out this year's annual briefing report. The general consensus of the WG was that an opportunity to give and get feedback would be a very beneficial process.
- NAFSGL Crosswalk discussion
  - Cable and/or Community Television:
    - **Army:** transitioning towards handing that responsibility over to AAFES
    - **AF:** Cable TV offered in two or three installations in PACAF. Not reported separately because of immateriality
    - **USMC/Navy:** No, they do not offer the service
    - **All Services:** General consensus that the new activity code to the NAFSGL is acceptable.
  - Amateur Radio:
    - **All Services:** General consensus that no one offers this activity and the new activity code to the NAFSGL is acceptable. Moving forward that is an activity that the MWR policy team in MC&FP will seek to remove from the DoDI 1015.10 and OP-34.
  - Equipment Rental (other than outdoor recreation equipment rental):

- **Air Force:** Using equipment rental within their Outdoor Recreation Category B function and Category Rental of part C. They currently separate their cost centers by:
  - Equipment Rental = Equipment Rental Recreation
  - Equipment Loans = Equipment Rental Other
- **USMC:** Cat C rental, they use Activity Code 17 and map to Cost Center 006 equipment rental. There would be a need for an extra cost center if there is an issue between cat B & C.
- **Army:** Uses equipment rental and recreation
- **Navy:** They have CAT C rental activities that capture these income/expenses
- **Grant Thornton:** will evaluate the above notes and make the necessary adjustments to the NAFSGL crosswalk; following up with “one-on-one” sessions for further discussion.

#### **Data Repository Overview – Mr. Jeremy Blain, Grant Thornton (GT)**

- Jeremy Blain provided a brief overview of the recently created MC&FP data repository and the various benefits of utilizing a centralized database. The presentation involved discussions on how the repository was built, annual reports within the repository, usage of Microsoft Access to hold data, and the multiple capabilities Tableau offers to display information. An action item which stemmed from the discussion is for all Services to reach out to their IT POCs to ensure they can download Tableau Reader, which is available for free at: <http://www.tableau.com/products/reader>.

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

- Provided a summary of the action items / due outs that were determined during the meeting (see above)
- Next meeting –December 10, 2015 (*Changed from Dec 17<sup>th</sup>*)
- The entire Working Group recognized Cheryl Basil on her upcoming retirement and thanked her for all her contributions.