

NAF Accounting Working Group Meeting Minutes
Thursday, January 26, 2017
9:00 AM – 10:00 AM EST

Attendees

- MC&FP
 - Mike Curtis
- DFAS – Indianapolis
 - La Zaleus Leach
- Army IMCOM G9
 - Bryan Hartsell
- Air Force
 - Connie Lipko
 - Marcus Whitehead
- Air Force Secretariat
 - Lt Col Tom Esser
- USMC
 - Courtney Pulis
- DFAS – Texarkana
 - Lena Anderson
- Navy CNIC
 - Jennifer Wilkinson, Nancy Stephens, Julia Callaway, Carol Haynes
- Navy N4
 - Annie Fowler
- Grant Thornton (GT)
 - Jeremy Blain, Ariane Whittemore, Stephen Pomager, Jack Renner

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 noted from the December 15th meeting.

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

- Mr. Curtis mentioned that the charter for the NAF Accounting Standards Board is in progress, as is the update of the NAFSGL.
- Mr. Curtis noted that Mr. Anthony Kurta is now performing the duties of USD P&R. Ms. Stephanie Barna is now Acting ASD M&RA (replacing Mr. Weiler). Mr. Charles Milam is now Acting DASD MC&FP (replacing Mr. Keohane).
- Tableau Server Installation. Mr. Curtis reported that MC&FP is continuing the process of identifying and securing server space for hosting the Tableau capability. No specific timeline yet on when that will be secured.

FY 2016 NAF Program-Metric Report and NAFSG 2.0 – Mr. Mike Curtis, MWR & Resale Policy

- Mr. Curtis noted that the date for submission of the NAF Program-Metric Report and the executive-level briefings on MWR to MC&FP has been postponed two weeks (at the OSD level). Check with your Military Department Secretariat staff for any change in your suspense date.
- Mr. Curtis emphasized that quality data is top priority, with goals of submitting the annual Report to Congress in May. He asked that the Services submit as early as possible so that data may be reviewed and aligned with the OP-34 numbers.
- Ms. Fowler noted the importance of program performance in addition to meeting metrics.
- Ms. Pulis brought up three issues regarding the Program-Metric Report:
 - NAF Program-Metric Data tab: Cell E62 may need to be white, Cell H62 should likely have formula “E62+F62”.
 - Mr. Curtis agreed and stated that the total should belong in Cell H62 and may include UFM/USA/MOA for Direct Overhead/ Pro-rated Common Support Functions (WFS).
 - NAFI Data tab: The Acid Test Ratio (Row 34) does not subtract prepaid-expenses.
 - Mr. Curtis stated that this change has not yet been officially promulgated in DoD policy. Needs to be submitted to DFAS to change the FMR. When the update is made, MC&FP will revise the calculation without needing re-submissions from the Services for fiscal years 2015 and 2016.
- Mr. Hartsell noted that for future iterations of the NAF Program-Metric Report, the Army would like a continuation of discussion on minor resale activities in Category A. Further, in Category B activities, entrepreneurial services that generate profits have expenses incurred that are great enough to impact APF and NAF funding ratios and therefore affect ability to meet mandated metrics. Army would like to develop program codes that are descriptive of service but allow Services flexibility to determine Category, in order to assist with matching of accounting and financials to the end NAF Program-Metric Report.
 - Mr. Blain proposed that Grant Thornton review all Activities and Cost Centers, focusing on Cost Centers to set them up explicitly and exclusively Category A, B, or C. We could create new (somewhat duplicative) Cost Centers if necessary to allow Services flexibility to run reports on the appropriate MWR Category.
 - Mr. Hartsell said that Cost Centers should be generic so they can cross programs (e.g. total snack bar cost regardless of Category). Recommends focusing on Category differentiation at the Activity-level. For example, we could look at Category B operations that could cross Categories and create new Activities for those.
 - At a larger garrison, a carwash is almost stand-alone but is part of auto center. Mr. Hartsell proposed creating a stand-alone Category C resale Activity, Car Wash. This would align Category C car wash with Category B auto activities.
 - Mr. Hartsell and the Army plan to scrub garrison services at the Activity level.

- Mr. Curtis noted MC&FP and Grant Thornton will look at the NAFSGL Activities and Cost Centers and propose the creation of new Category C Activities and move appropriate Cost Centers to these new Activities (and still have ability to report cost for total Activity). Examples:
 - Juice bar at fitness center
 - Carwash at auto craft shop operation
- The proposed new Activities would be discussed at the next Working Group meeting.

NAFSGL Implementation Update – Mr. Jeremy Blain, Grant Thornton

- Mr. Blain thanked the Services for meeting with the Grant Thornton team and expressed the desire to move forward in order to help find common lessons learned and foster cooperation while recognizing that each individual Service is different and may face unique challenges.
 - He summarized the meetings' initial common themes in an attachment provided as a read ahead, which fall in 3 major buckets:
 - Systems: Mr. Blain noted that this is a multi-year process; there is need for continued cross-walking and opportunities for improvements along the way.
 - Organizational awareness: Grant Thornton will create a pilot for common NAFSGL training.
 - NAFSGL utility: Updates to the NAFSGL and the creation of the NAF Accounting Standards Board offers potential to update cost centers and gain buy-in from new leadership.
- Grant Thornton would like to continue to work with each Service individually to highlight and address specific areas of concern, as well as identify common issues that may find similar solutions across Services.

Wrap Up

- Mr. Curtis noted that Grant Thornton will transfer submitted data in the NAF Program-Metric Reports into the repository, and MC&FP will set up one-on-one meetings with Services in April/May to review data, identify trends, and help ensure accuracy.
- Mr. Curtis summarized the topics noted above and concluded the meeting, commenting that next month's NAFSGL Working Group session will be held on February 23, 2017.

Action Items Summary – Current Meeting

- MC&FP and Grant Thornton will examine creating new Activities to give Services more flexibility reporting by MWR Category.