

DoD NAF Accounting Working Group Meeting Minutes

Thursday, March 22, 2018

0900-1000 EDT

San Antonio Attendees

- MC&FP
 - Mike Curtis
- Army IMCOM G9
 - Bryan Hartsell
- AFSVA
 - Connie Lipko, Marivic Penman
- MCCS
 - Pat Craddock, Courtney Pulis, Debbie Kastner
- Navy CNIC
 - Nancy Stephens, Jennifer Wilkinson
- Grant Thornton
 - Jeremy Blain, Stephen Pomager, Sumner Higginbotham

Other Attendees

- MC&FP
 - Paulette Freese
- Army Secretariat
 - Gerald Holliday
- Navy Secretariat
 - Pam Beward
- Air Force Secretariat
 - Lt Col Chip Hollinger
- Army IMCOM G9
 - Paul Burk, Sonia Daugherty
- Air Force A-1
 - Mark Montgomery
- AFSVA
 - Tina Hudson, Tom Marsh, Marcus Whitehead, Peter Nation, Becky Karnafel
- MCCS
 - John Johnston
- Army – DFAS – Texarkana
 - Lena Anderson
- Navy CNIC
 - Jeff Potter
- Navy OPNAV N46
 - Annie Fowler
- Grant Thornton (GT)
 - Ariane Whittemore

Welcome and Introductions – Ms. Paulette Freese, MWR & Resale Policy

- Ms. Freese welcomed everyone, acknowledged that all the Services were present, and thanked everyone for participating. Mrs. Freese then turned the meeting over to Mr. Mike Curtis to discuss the Working Group findings and areas of discussion going forward

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

- No outstanding action items.

San Antonio Briefing – Mr. Mike Curtis, MWR & Resale Policy and Mr. Jeremy Blain, Grant Thornton

- Mr. Curtis noted that the offsite had achieved significant progress in correcting misalignment of OSD GLACS, identifying issues with the current NAFSGL structure, and providing a collaborative venue for sharing information across the Services.
- Mr. Curtis strongly advocated for another in-person session with the Working group in the near future, as the progress was a significant improvement compared to conference calls. The Working group reiterated this sentiment.
- Mr. Blain began with a brief slide show presentation of the Working Group's accomplishments over the past two days.
 - Mr. Blain noted improvements to GAAP compliance, removal of superfluous OSD GLACs and addition of needed OSD GLACs. Mr. Blain noted that over half of the NAFSGL's OSD GLACs had been altered in some way, whether via definitional changes or service alignment concerns.
 - Mr. Blain noted the off-site schedule of progressing through position papers, as well as each component of the NAFSGL.
 - Mr. Blain highlighted the Activity and NAFI level changes, as well as the discovery of previously unidentified underlying issues such as Employee Insurance and Gaming proceeds treatment.

Next Steps Going Forward- Mr. Jeremy Blain, Grant Thornton

- Mr. Blain proceeded in the presentation to identify the following next steps. (Note: these are expanded upon and clarified in a later-developed document, which is a read-ahead for the April NAF Accounting Working Group Meeting.)
 - Clarify 1015.15 and 1015.10 position on NAFSGL-pertinent topics
 - Update existing position papers to reflect discussion (e.g. Assets Purchased in Quantity to reflect AF concurrence with \$2,500 threshold)
 - Develop new position papers on the following topics and present to Services
 - Base Closure / Realignment for OCONUS and CONUS
 - Overhead Allocation
 - Depreciation Allocation
 - Employer / Employee Insurance, Wages, and Benefits Payables and Liabilities
 - Recording of transactions when one Service operates program on behalf of other Services (e.g. Gaming)
 - MOA Assets
 - Revise Installation List, NAFI Program Lists, and Activity Lists
 - Revise OSD GLAC and accompanying Chart of Accounts for items discussed
 - Update Financial Statement Mapping documents
 - Research and try to better align Other Operating and Non-Operating Income
 - Analyze Activity and Cost Centers for duplication

Prospective Timeline for Completion of Tasks- Mr. Jeremy Blain, Grant Thornton

- Mr. Blain provided the following prospective timeline of tasks.
 - **GT:** Update NAFSGSGL, parking lot issues, and crosswalk structure, disseminate to Working Group
 - By April 26
 - **GT:** Draft and distribute new position papers
 - MOA Assets
 - Base Closure / Realignment
 - Overhead Allocation
 - Depreciation Allocation
 - Employer / Employee Insurance,
 - Gaming Income
 - By May 24
 - **Services:** Review NAFSGSGL changes and re-crosswalk to revised crosswalk structure
 - May 24
 - **GT:** Incorporate feedback, update NAFSGSGL and distribute for review as draft NAFSGSGL 3.0. Schedule one on one Service meetings for Position Paper review
 - June 28
 - **Services:** Review and comment on draft NAFSGSGL 3.0. Provide perspective on position papers in one on one meetings.
 - July 30
 - **OSD (with GT support):** Publish NAFSGSGL 3.0 in coordination with Services based on perspectives provided and final feedback. Recommend policy changes in coordination with Working Group.
 - August 30

Wrap Up

- Mr. Blain ended the presentation, and the working group in San Antonio continued to work on the UFM fund designation and proper place within the NAFSGSGL. It was determined that a single digit at the end of the code would likely be the solution, though the Marine Corps has an action item to provide its UFM matrix to Grant Thornton as part of this determination.

Action Items Summary – Current Meeting

- The off-site concluded with the Services reviewing their due-out list with Grant Thornton and Mr. Curtis.
- These due-outs can be found in the read-ahead documentation for the April 19 NAF Accounting Working Group meeting.