



DoD NAF Accounting Working Group Meeting Minutes

Thursday, February 21st, 2019
0900-1000 EST

Attendees

- DFAS – Indianapolis
 - Maranda Summers
- DFAS – Texarkana
 - Randy Rodgers
- Army IMCOM G9
 - Sonia Daugherty, Renee Keys
- AFSVA FMAR
 - Becky Karnafel, Tom Marsh, Marcus Whitehead, Connie Lipko, Tina Hudson
- Air Force A-1
 - Lisa Hughes
- Marine Corps
 - Pat Craddock
- Navy – CNIC
 - Nancy Stephens, Jennifer Wilkinson
- Navy – OPNAV
 - Annie Fowler
- Air Force Secretariat SAF-MRR
 - Lt. Col. Carina Harrison
- Army Secretariat SAFM-FO
 - Gerald Holliday
- Navy Secretariat OASN (M&RA)
 - Evonne Carawan
- OUSD Comptroller
 - Kellie O'Mara-Gordon
- Grant Thornton (GT)
 - Jeremy Blain, Ariane Whittemore, Mary Saldivar, Vishal Ayyagari

Welcome and Introductions – Ms. Ariane Whittemore, Grant Thornton

- Ms. Whittemore (on behalf of Mr. Mike Curtis) welcomed everyone, acknowledged that all the Services were present and thanked everyone for participating.

NAF Employee Pilot, DoD Financial Management Certification Program – Ms. Kellie O'Mara-Gordon, USD Comptroller/CFO

- For discussion, Ms. Kellie O'Mara-Gordon began by providing the services with a website link for the DoD Financial Management Certification Program. Along with the link, Ms. O'Mara-Gordon introduced the program, noting it began in FY 2012 and is applicable to all DoD appropriated fund (APF) financial managers. Currently, the program is required for APF employees only and is a condition of employment for those in a 5XX series position. Ms. O'Mara-Gordon explained that the program is a two-year progression. There are approximately 80 web-based programs and 13,000 courses available to participants. Ms. O'Mara-Gordon noted USD(C) is conducting a pilot



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program to assess whether to include NAF financial managers in the program and the best approach to do so. Ms. O'Mara-Gordon explained there is a video on the website that explains the program in its entirety. Ms. O'Mara-Gordon then turned it over to the Services, asking for any comments.

- Mr. Holliday stated that he was personally interested in the program.
- Ms. Stephens asked whether the program would be geared towards NAF employees. Ms. O'Mara-Gordon explained that one of the benefits of the pilot program was to identify whether new courses need to be developed for NAF employees.
- Ms. Hudson voiced her support for the pilot. She is certified as an APF employee and has personal experience working as both an APF and NAF 5XX series employee. She explained that the program shares a majority of similarities applicable to series 5XX employees, regardless of funding source. Ms. Hudson noted that a specific NAF track would be ideal, but the intent of the current program is applicable for both APF and NAF 5XX series employees.
- Ms. Craddock asked whether the credits earned from the program would count towards the CPE requirements already in place. Ms. O'Mara-Gordon explained that some of the courses taken in the DoD Financial Management Certification program will count for yearly CPE requirements.
- Ms. Daugherty showed interest in the pilot program and asked about the start date of the pilot program. Ms. O'Mara responded that USD(C) the established working group, with Service participation, will design the pilot and it will begin once design is complete.
- Ms. Whittemore noted that the Grant Thornton team will pass this information to MC&FP to look for two volunteers from each service to be a part of the pilot program.
- Mr. Blain thanked Ms. O'Mara-Gordon for the briefing and noted that MC&FP and the Grant Thornton team can present the certification program at the 2019 ASMC PDI in May, since Ms. Whittemore, Mr. Blain, and Mr. Justin Hall, Director of MWR and Resale Policy, will be presenting at the PDI.

OSD Update – Ms. Ariane Whittemore, Grant Thornton

- Ms. Whittemore (on behalf of Mr. Mike Curtis) began the discussion by updating the services on a plan to formalize the process of updating the NAFSGL.
 - Ms. Whittemore noted that Mr. Curtis thought it was a good idea to have an established schedule to update the NAFSGL with an implementation date of October 1 of each year. From this date, the working group can backwards plan to establish a starting time for future NAFSGL updates. Ms. Whittemore requested the services review the DRAFT NAFSGL Annual Update Plan of Action and Milestones (POA&M) and come prepared to discuss at the March Workshop.



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NAFSGL Workshop Discussion – Ms. Ariane Whittemore, Grant Thornton

- Ms. Whittemore (on behalf of Mr. Mike Curtis) began the discussion by updating the services on a few tasks for the upcoming March Workshop.
 - Ms. Whittemore requested the services provide a list of participants to Mr. Curtis. Ms. Whittemore noted that Mr. Curtis has requested two participants from each service.
 - Ms. Whittemore requested the Services review the list of proposed topics and provide any additional topics for discussion at the workshop.
 - Mr. Blain noted that a review of the NAFSGL Installation List was added as an additional topic for the March Workshop.
 - Ms. Whittemore reviewed the Agenda for the March Workshop. Ms. Whittemore also requested the Services send any questions to Mr. Mike Curtis.

Position Paper (PP) discussion – Mr. Jeremy Blain, Grant Thornton

- Mr. Blain noted the goal of this review was to provide the Working Group members an opportunity to comment on the remaining position papers.
 - Mr. Blain began with the first set of position papers. There were three position papers that gained final concurrence from individual Services in one-on-one sessions. Services were provided one final opportunity for comment:
 - Donations In-Kind – PP #26 (Gained Army concurrence)
 - Workers' Compensation – PP #18 (Gained Army concurrence)
 - Revenue from Goods vs. Revenue from Services – PP #25 (Gained MCCA concurrence)
 - The services raised no additional questions and concurred on the three position papers.
- Mr. Blain then proceeded to the next set of position papers.
 - Mr. Blain noted that the next set of position papers had updates made per the last discussion and are ready for final concurrence:
 - Other Service Managed Revenue – PP #16 (Updated to eliminate Armed Forces Travel Program language)
 - Flexible Spending Plans – PP #30 (Updated per Service request)
 - Recycling – PP #32 (Updated per Service request)
 - Stale Checks – PP #33 (Updated per Service request)
 - The Services raised no additional questions and concurred with the set of position papers.
- Mr. Blain then proceeded to the final set of position papers.
 - There were two remaining position papers (excluding the two position papers' saved for the March Workshop) that still require approval and final concurrence:
 - Unemployment Insurance – PP #34 (Requires Air Force and MCCA approval)



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- Capital Project Accounting – PP #22 (Updated per MCCS Request, requires Navy approval)
- Mr. Blain proceeded with the first position paper up for discussion: Unemployment Insurance (PP # 34). This paper recommends that the Services treat Unemployment Insurance liabilities as contingent liabilities consistent with FASAB and GAAP 450.20 guidance. The paper also recommends the addition of a new account, “Post Employment Benefit Expenses”, to record expenses related to unemployment compensation.
 - Ms. Hudson concurred with the position paper, stating the Air Force reviewed their policy and is in line with the recommendation of the position paper. Ms. Hudson noted that the Air Force sent over their current policy to Mr. Mike Curtis.
 - Ms. Craddock also agreed with the position paper recommendation but wants to clarify with their senior leadership before offering final concurrence.
 - Mr. Blain thanked the services for their input. There were no additional comments on this paper.
- Mr. Blain proceeded to the final position paper up for discussion: Capital Project Accounting – PP #22. This paper recommends the Services use the restricted cash account for legally restricted funds only. Additionally, the Services should place funds that are set aside for future capital purchases or projects but not legally required to be spent on those projects in either Funds Held for Short-Term Capital Projects or Funds Held for Long-Term Capital Projects depending on when the funds will be used.
 - Ms. Wilkinson noted that they need clarification on the restricted cash element of the position paper. They will review and provide comments to Mr. Mike Curtis.
 - Ms. Craddock agreed with the position paper but will also need time to review with senior leadership before offering final concurrence.
 - Mr. Blain thanked the services for their input. There were no additional comments raised on this paper.
- Ms. Whittemore concluded the Position Paper update portion of the Working Group meeting. Mr. Whittemore noted that the plan is to update the position paper tracker and send the latest version to the working group.

NAFSGL 2.0 Financial Statement Mapping – Mr. Jeremy Blain, Grant Thornton

- Mr. Blain (on behalf of Mr. Mike Curtis) started out the discussion of the NAFSGL 2.0 Financial Statement Mapping by explaining that MC&FP and Grant Thornton had worked together to provide a financial statement mapping of the NAFSGL 2.0 for the services.
 - Mr. Blain noted that the goal of this review was to provide the services a tool for mapping the NAFSGL to the financial statements. Mr. Blain stated that MC&FP and Grant Thornton provided the services with a similar tool (for the NAFSGL 1.0) that cross-walked the general ledger to key financial statements such as the balance sheet and income statement. Mr. Blain explained that for each of the four key financial statements, there are instructions that show the GLACS incorporated



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into the statements. Additionally, the updated financial statement mapping was completed in tracked changes for easier visibility into the changes made from the NAFSGL 1.0 to 2.0.

- There were no questions or comments from the group

Update on Enterprise Resource Planning (ERP) Implementation – Mr. Jeremy Blain, Grant Thornton

- Mr. Blain (on behalf of Mr. Mike Curtis) asked the Services for an update on their ERP Implementations.
 - Mr. Holliday stated that the Army is currently in the beginning stages of a three-stage cycle for the ERP implementation: stage one is payroll, stage two is accounting, and stage three is HR.
 - Ms. Craddock stated that MCCA is in the middle of starting configurations on a new Oracle ERP system. Ms. Craddock noted that senior leadership will provide a further update at a later time.
 - Ms. Hudson stated that they have no version upgrades planned because of a recent upgrade to the version R12 Oracle Server platform.
 - Ms. Wilkinson noted that the Navy is currently in the process of working on their payroll and HR upgrades. The current timeline for the Navy is the beginning of next year to have all upgrades made to their SAP ecosystem.

Wrap-up & Action Items – Mr. Jeremy Blain & Ms. Ariane Whitemore, Grant Thornton

- Mr. Blain reminded the Services that the next Working Group will be during the week of the March Workshop (March 19th – 21st).
- The working group did not raise any additional questions and Mr. Blain concluded the meeting.

Action items

- MC&FP will provide the Services with the read-aheads for the March Workshop.
- The Navy will provide additional feedback regarding the Capital Project Accounting – PP #22.
- The Marine Corps will provide final concurrence regarding the Capital Project Accounting (PP #22) and Unemployment Insurance (PP # 34) position papers.
- All services will provide the list of members that are attending the March Workshop.