



DoD NAF Accounting Working Group Meeting Minutes

Thursday, July 25, 2019

0900-1000 EDT

Attendees

- OSD – MC&FP
 - Mike Curtis
- DFAS – Indianapolis
 - Maranda Summers
- DFAS – Texarkana
 - Lena Anderson, Randy Rodgers
- Army IMCOM G9
 - Paul Burk, Bryan Hartsell
- Marine Corps – MCCA
 - John Johnston, Pat Craddock
- Navy – CNIC (Millington)
 - Nancy Stephens, Jennifer Wilkinson, Jeff King
- Navy – CNIC (Washington)
 - Marsha Adams
- Navy – Secretariat
 - Nancy Pasternack
- Army – Secretariat
 - Eric Alberts
- Army – ACSIM
 - Elizabeth Femrite
- Grant Thornton
 - Ariane Whittemore, Mary Saldivar, Vishal Ayyagari

Welcome and Introductions – Mr. Mike Curtis, MWR & Resale Policy

- Mr. Curtis welcomed everyone, acknowledged all the Services were present and thanked everyone for participating.

Updated Disposition of Position Papers – Ms. Ariane Whittemore, Grant Thornton

- Ms. Whittemore proceeded to the first topic up for discussion: Depreciation Allocation Position Paper (PP#17). The Position Paper is almost complete. The Air Force needs to provide their depreciation allocation process.
- Ms. Whittemore then proceeded to the next Position Paper for discussion: Unemployment Insurance Position Paper (PP#34). This position paper recommends the NAFIs record a standard liability at the time of the bill being provided by the SESAs or Department of Labor.
 - Mr. Hartsell expressed concerns with the addition of a new GLAC to record the expense. Mr. Hartsell recommended the expense be recorded under wages or benefits as a subaccount rather than adding a new GLAC at the OSD level.
 - Ms. Stephens shared the Navy would like to track the expense separately but does not necessarily need a new GLAC at the OSD level.
 - Mr. Curtis noted a new GLAC was not something MC&FP required. Since the Air Force was not in attendance, he will ask them their preference via email before the next Working Group meeting.
 - Mr. Curtis noted three Services agreed with not adding an OSD-level GLAC. If the Air Force agrees, the Position Paper recommendation will be updated.



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NAFSGL 3.0 Update and Discussion – Mr. Mike Curtis, MWR & Resale Policy

- Mr. Curtis explained the OSD & Grant Thornton team have made updates to the detailed GLAC structure.
 - Mr. Curtis inquired if the Army had their installation list updates. Mr. Hartsell explained he would touch base with Mr. Blain soon.
 - Mr. Curtis indicated that, to his knowledge, the Air Force was going to set up a meeting with Mr. Blain in order to complete their detailed GLAC structure. Mr. Curtis then inquired about the Marine Corps. Ms. Craddock said MCCS will provide the updated GLAC list for review by next NAF Accounting Working Group meeting.
 - Mr. Curtis explained that once all of the inputs have been received, he will share a draft of the NAFSGL 3.0 with the Services during a future NAF Accounting Working Group meeting.

GLAC Structure Discussion – Detailed vs General GLAC structure review (Follow-Up from June meeting) – Mr. Mike Curtis, MWR & Resale Policy

- The purpose of this discussion pertains to the proposed addition of general GLAC digits to the NAFSGL.
- Mr. Ayyagari explained that including a general account would reduce the number of duplicate accounts within the detailed GLAC structure. Mr. Ayyagari concluded by noting the new general digits would increase the current total GLAC digit total from 7 to 8.
 - Mr. Hartsell stated he believes adding an additional layer to the GLAC structure would create unneeded complexity. Mr. Hartsell noted having a general GLAC would aide with duplications, however, the Army believes this can be done sufficiently under the detailed section.
 - Ms. Stephens concurred with Mr. Hartsell and the Army and stated the Navy also believes having an additional General column is not required.
 - Ms. Craddock agreed with the Army and Navy that the General column is not required. Ms. Craddock explained that while they agree the duplications and detailed account can be shown in a more efficient way, they believe the addition of another account is unneeded.
 - Mr. Curtis thanked the Army, Navy and MCCS for their discussion and would set up a meeting between the Army and OSD/Grant Thornton to further discuss the topic.

Open Discussion – Mr. Mike Curtis, MWR & Resale Policy

- Mr. Curtis then proceeded to the topic of the sale of NAF long-term assets.
 - Mr. Curtis asked the services if they typically realize gains or losses on the sale of NAF long-term assets.
 - Ms. Stephens stated the Navy realizes predominantly losses.
 - Mr. Johnston noted the sale is a natural credit (revenue). If the sale happens to result in a loss, then it could be reclassified as an 'expense. In either case, it is "non-operating".
 - Mr. Curtis inquired what the experience has been for each Service with the Sale of Assets. Mr. Johnston explained that when MCCS sells a NAF asset, then there will



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typically be no useful life left, so the sale amount is usually immaterial. Mr. Hartsell explained the Army typically fully depreciates their NAF assets.

- Ms. Stephens indicated that, over the last 5 years, navy has had losses (vice gains) from the sale of NAF assets.
- Mr. Curtis thanked the group for their discussion and inquired as to whether the Services had any additional comments or topics to discuss
- Ms. Stephens requested an update on the NAF Accounting Website MC&FP is currently developing. Mr. Curtis explained there is a new DoD NAF accounting website and was shared with DFAS for their recent administrative updates of Volume 13 of the FMR. The website is being updated with additional content and will be shared with Working Group soon.

Wrap-up & Action Items – Mr. Mike Curtis, MWR & Resale Policy

- Mr. Curtis said the next Working Group meeting will include an update from Mr. Johnston on the MCCS Kansas City FM Shared Services center as well as an ERP implementation update. Mr. Curtis requested Mr. Hartsell also provide an update on the Army's ERP Implementation at the meeting. Mr. Hartsell agreed.
- The next Working Group meeting is August 22, 2019