



DoD NAF Accounting Working Group Meeting Minutes

Thursday, August 22, 2019

0900-1000 EDT

Attendees

- OSD – MC&FP
 - Paulette Freese, Mike Curtis
- DFAS – Indianapolis
 - Susan Haines, Maranda Summers,
- DFAS – Texarkana
 - Jana Haynie, Lena Anderson, Randy Rodgers
- Army IMCOM G9
 - Paul Burk, Bryan Hartsell, Sonia Daugherty, Josh Gwinn, SGM Pinkston
- Army ACSIM
 - James Matthews, Bill Sewell
- AFSVC/SVFTP
 - Connie Lipko, Tom Marsh, Sonia Jones, Marcus Whitehead, Damian Gerena, Jane Belinfante
- Air Force – A1
 - Mike Coltrin, Lisa Hughes
- Marine Corps – MCCA
 - John Johnston, Pat Craddock
- Navy – CNIC (Millington)
 - Nancy Stephens, Jennifer Wilkinson, Jeff King, Julia Callaway
- Navy Secretariat
 - Nancy Pasternack
- Army Secretariat
 - Gerald Holliday, Karan Reidenbach, Eric Alberts
- Grant Thornton (GT)
 - Jeremy Blain, Ariane Whittemore, Mary Saldivar, Vick Ayyagari

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.
- Mr. Curtis provided some administrative updates:
 - Ms. Coleen Amstein (Army M&RA) has retired. Ms. Kimberly Castillo (Air Force M&RA) has left the Air Force for a job with the Department of Veteran Affairs.
- Mr. Curtis turned over the discussion to Mr. Johnston to provide an overview of the MCCA Shared Services Center and ERP Implementation.

Kansas City Shared Services Center Update – Mr. John Johnston, Marine Corps

- Mr. Johnston provided an overview of the progress of the Kansas City (KC) Shared Services Center:
 - The KC Shared Services Center supports both MWR and the Marine Corps Exchange and provides a plethora of options for user needs. Services such as back office support and payroll are all being transferred to the KC Shared Services center. Mr. Johnston explained that the center will handle all accounting and basic finance needs with around 125 employees (previously 250). Mr. Johnston noted that the Marine Corps explored both existing and commercial locations and decided on KC due to the local amenities. KC offers transportation, education, and has a GSC facility with excess



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space that gave MCCS the best operating model moving forward. The Shared Services Center also offers an open concept floor plan, two closed offices, and a variety of conference space. MCCS has installed white noise in the facility and has furnished the center with appropriate Marine Corps artwork. There is also a satellite shared services center in Camp Butler (Okinawa, Japan) to cover all OCONUS installations. The structure was carefully thought out as to which functions would migrate to KC and which functions would remain at the installations. MCCS decided that business analytics and some of the higher end processes stay at the installations and the more transactional processes will migrate to the Shared Services Center..

- Mr. Johnston then proceeded to share some of the challenges that they have faced in the move to Kansas City. Mr. Johnston noted that a challenge in being in KC is there are no military installations close by and his challenge was to integrate new personnel into the DoD lifestyle. In the past, MCCS has kept about 15% of management in order to ensure appropriate knowledge transfer. However, with this being a new location, they have faced challenges in getting some of the key personnel to move.
- Mr. Johnston believes that he is seeing great benefit with the Shared Services Center already and that over the next couple of years, he would like to see Robotic Process Automation (RPA) and more analytics implemented.
- Mr. Curtis asked what ERP system MCCS is using. Mr. Johnson said that MCCS is using an Oracle cloud platform and explained that they have two consulting firms assisting with the transfer and they plan on a full systems integration by summer 2020.
- Ms. Freese asked about the FedRAMP requirements. Mr. Johnston said that system is currently certified at DoD IL4.
- Ms. Freese asked when the new ERP will be fully operational. Mr. Johnston answered that in terms of Oracle fusion (cloud), the switch would likely happen next summer (2020) to ensure a smooth transition from the old platform to the new.

Service Enterprise Resource Planning (ERP) Implementation Discussion – Service Representatives

- Mr. Burk briefed the group on the Army ERP Implementation. On the payroll side, Army is implementing an Oracle solution that they will pilot in February 2020. The Army is currently working on configuring and changing their business processes. Mr. Burk explained that they also are currently FedRAMP certified to DoD IL4.
 - Mr. Johnston asked Mr. Burk about the timeline of their implementation. Mr. Burk said that they currently plan on payroll being done by the beginning of next fiscal year (2019) and hope to implement the accounting software by late 2020 and into 2021.
 - Mr. Johnston asked Mr. Burk if they would share information on the amount of Army's investment in their ERP implementation. Mr. Burk stated that he would email that information to Mr. Johnston at a later time.
- Ms. Belinfante stated that the Air Force is making continual updates to their Oracle system.
 - Mr. Curtis asked the Air Force if they were planning to go to the cloud. Ms. Belinfante stated that they have a server based solution and will migrate to the cloud at a later date (to be determined).
- Ms. Stephens stated that the Navy is currently finishing the roadmap for payroll implementations and were planning to switch to SAP networks in 18 months. SAP is cloud based and the current network received an initial 3 year ATO. Ms. Stephens explained that the next step is the PSO/RMF process.



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- Mr. Curtis asked about the accounting side of the implementation. Mr. King stated that accounting would be rolled out after the payroll implementation.

NAFSGL 3.0 Update – Mr. Jeremy Blain, Grant Thornton

- Mr. Blain thanked the Services for all of the hard work in getting through most of the due-outs. Mr. Blain explained that updates have been made to the installation list, detailed GLAC items/structure, and activities, and just need a few small items to finalize NAFSGL 3.0. Mr. Blain provided a brief overview of the remaining position papers:
 - Depreciation Allocation (PP #17): We received the depreciation allocation process summary from Air Force. The summary has been added to the position paper. All services concurred.
 - Unemployment Insurance (PP#34): Based on service one-on-one meetings, the position paper now includes a minor update that the accrued liability related to unemployment insurance may be based on prior historical performance regardless of whether prior bills or an actuarial is used. Mr. Blain stated that MCCS did not concur due to their unique organizational structure but they will comply with the position paper by cross-walking their financials. Overall, no other issues were raised. Mr. Blain stated that due to time constraints, they will work to finalize the paper by the next NAF Accounting Working Group.
 - Mr. Blain noted that the Grant Thornton team currently has a meeting scheduled with MCCS to complete their review of the Detailed GLAC's.

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

- Working Group members did not raise any additional questions and Mr. Curtis concluded the meeting.
- The next NAF Accounting Working Group meeting will be September 19, 2019.

Action items

- Final review of Unemployment Insurance (PP #34)