



DoD NAF Accounting Working Group Meeting Minutes

Thursday, April 23, 2020

0900-0930 EDT

Attendees

- OSD – MC&FP
 - Ms. Paulette Freese
- DFAS – Indianapolis
 - Ms. Susan Haines
- DFAS – Texarkana
 - Ms. Lena Anderson
- Air Force Secretariat – Pentagon
 - Mr. Michael Coltrin
- Air Force – San Antonio
 - Mr. Marcus Whitehead and Mr. Marivic Penman
- Army Secretariat – Pentagon
 - Mr. Gerald Holliday and Ms. Karan Reidenbach
- Army DCS, G-9-IS Pentagon
 - Mr. Bill Sewell and Mr. James Matthews
- Army IMCOM G9 – San Antonio
 - Ms. Sonia Daugherty
- Marine Corps – Quantico
 - Mr. John Johnston and Mr. Pat Craddock
- Navy – CNIC (Millington)
 - Ms. Jennifer Wilkerson and Ms. Nancy Stephens
- Navy Secretariat
 - Ms. Nancy Pasternack
- Grant Thornton (GT)
 - Ms. Ariane Whittemore, Mr. Jeremy Blain, Mr. Dirk Casson, Ms. Mary Saldivar, Mr. Matt Thompson and Mr. Vishal Ayyagari

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

- Ms. Freese welcomed everyone, acknowledged that all Services were present and thanked everyone for participating.

OSD Updates – Ms. Paulette Freese, MWR & Resale Policy

- COVID-19 Pandemic OSD Temporary Waiver to offset NAF with APF
 - Ms. Freese informed the working group that MC&FP is finalizing coordination on COVID-19 policy memo. Expect memo signed by Ms. Penrod soon.
- CARES Act Appropriations
 - Ms. Freese addressed the Coronavirus Aid, Relief, and Economic Security (CARES) Act appropriation which provides relief to agencies affected by COVID-19. Ms. Freese noted that Mr. Curtis previously requested Service submit their potential requirements for the CARES Act and thanked the Air Force for providing information on how their department has handled the appropriation.
 - Ms. Reidenbach and Ms. Pasternack stated that the Army and Navy, respectively, had not received any official guidance or feedback on this topic. The Army

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received input from Installation Management Command (IMCOM) and Army and Air Force Exchange Service (AAFES).

- Mr. Johnston stated that the Marine Corps has been working with Marine Corps Installations Command (MCICOM) to secure additional APF funding but stated that the Marine Corps situation is different than other Services, as they are working with a combined organization.
- NAF Expense Tracker
 - Mr. Blain stated that the GT team has been working with Mr. Curtis to develop COVID-19 cost tracking aides. GLACs have been developed that may aide the Services in keeping track of COVID-19 revenue and expense impacts. Ms. Whittemore asked whether Ms. Freese thought the FY20 NAF Program-Metric Report should have the ability to collect the revenue and expense from COVID-19 separate from other revenue and expense. Ms. Freese thought this would be valuable and requested Grant Thornton work with Mr. Curtis to see how FY20 NAF Program-Metric Report could be modified to capture COVID-19 revenue and expense.

Financial Evaluation of NAF Construction Projects – Mr. Dirk Casson, Grant Thornton

- Mr. Casson stated, to his knowledge, MC&FP has not received responses from any of the Services regarding the request for additional information on how the Services perform their financial evaluation of NAF construction projects, particularly in relation to the definition of the hurdle rates.
 - All Services confirmed they had not submitted a response but would submit one as soon as possible.
 - Ms. Freese noted that there is still a need for a proper definition for the hurdle rate as the current definition is only a placeholder. MC&FP will continue to refine the definition.

Wrap-up and Other Topics – Ms. Paulette Freese, MWR & Resale Policy

- DoDI 1015.15
 - Ms. Freese informed the Working Group that OSD plans to finish the DRAFT rewrite by May 15th.
- Working Group members did not raise any additional questions and Ms. Freese concluded the meeting.
- The next NAF Accounting Working Group is scheduled for June 18, 2020 (no May meeting).

Action items

- The Services will provide NAF construction project responses to MC&FP as soon as possible.
- Grant Thornton will work with MC&FP to determine whether/how to reflect COVID-19 revenue and expense in the FY20 NAF Program-Metric Report.