



## **DoD NAF Accounting Workshop Meeting Minutes**

**Thursday March 21<sup>st</sup>, 2024**

**0900 – 1000 EST**

**Virtual Meeting Using Microsoft Teams**

### **Attendees**

- OSD – MC&FP
  - Mr. Michael Curtis, Mr. Gerald Holliday
- AAFES
  - Mr. Brad Nisbett, Ms. Keri Lucas, Mr. Thomas Sedric
- DFAS – Indianapolis
  - Mr. Robert Haines
- DFAS – Texarkana
  - Ms. Lena Anderson, Ms. Alicia Fryer
- Air Force Secretariat – Pentagon
  - LtCol Megan Pflug
- Air Force AF-A1 – Pentagon
  - Ms. Connie Lipko, Ms. Lisa Hughes
- Air Force AFSVC – San Antonio
  - Ms. Kelly Kosiorek, Ms. Becky Karnafel
- Army Secretariat – Pentagon
  - Ms. Philanda Morgan
- Army DCS, G9 – Pentagon
  - Ms. Elizabeth Femrite
- Army IMCOM G9 – San Antonio
  - Ms. Renee Keys
- Navy OPNAV – Pentagon
  - Ms. Amber Ozawa
- Navy CNIC – Millington
  - Ms. Nancy Stephens, Mr. Timothy Pritchard, Ms. Jodi Sergeant, Ms. Jennifer Wilkinson
- Marine Corps MCCA – Quantico
  - Mr. Anthony Piantieri, Ms. Pat Craddock, Ms. Victoria Galloway
- Deloitte
  - Mr. Chris Crouse, Mr. Stedmen Washington, Ms. Judy Kim, Mr. Michael Peil, Ms. Molly Krajcik

### **Welcome and Introductions**

- Mr. Gerald Holliday welcomed everyone. He also thanked everyone for participating.



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### **OSD Administrative Updates**

Mr. Holliday announced the following:

- Ms. Pyper Brenner has accepted a new position as Associate Director of Business Policy and will depart from her Military Exchange Policy Analyst position. Her old position was posted to USAJobs, and the team is looking to backfill the position soon. Gerald encouraged anyone interested to apply.

### **Overview – DoDI Updates**

Mr. Mike Curtis provided the following updates to the group:

- DoDI 1015.15 is slowly moving forward. It is currently in the issuances portal. The next step for is stage 2A. This DoDI is a 100-page document that is broken up into three volumes. All three volumes went into informal coordination throughout OUSD (Personnel & Readiness [P&R]) offices in December 2023 for review. We were recently informed of a new form that needs to be signed by the OUSD (P&R) before it goes into formal coordination. The form has been returned to OUSD (P&R), but no action has been taken to date. The OSD team is hoping to see the 1015.15 in formal coordination by the next Quarterly NAF Accounting working group meeting.
- The NAF Procurement Policy (DoDI 4105.67) has been returned by OUSD (P&R) and will be in formal coordination soon.
- DoDI 1015.10 is currently in formal coordination. The related financial data on minimum percentages and categories has been moved from the 1015.10 to the 1015.15.

### **Announcement – NAF Accounting Workshop (22-26 April 2024)**

Mr. Holliday announced the following:

- Details:
  - Date: April 22<sup>nd</sup> – 26<sup>th</sup>
  - Location: Quantico, VA
  - Host: MCCS
- Mr. Holliday stated that there is a robust agenda and he is looking forward to working with NAF Accounting decision makers to make additional improvements to the Nonappropriated Fund Standard General Ledger (NAFSGL).



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### **Overview – DoD Financial Management Certification Threshold for NAF Employees**

- Mr. Holliday referred the group to an excerpt from DoDI 1300.26, “DoD Financial Management Certification Program” and highlighted the following policy updates:
  - NAF Employees **may** participate in the Financial Management (FM) certification program.
  - Each Military Service can decide if they will/will not participate in the FM certification program.
  - If additional details about the program are needed, the Services were encouraged to reach out to their respective organization’s Comptroller office.

### **Discussion – Increase of the Capitalization Threshold**

Mr. Gerald Holliday opened the floor for discussion on the increase of the capitalization threshold.

- Ms. Nancy Stephens, representing Navy CNIC, stated that the current threshold of \$2,500 causes issues with reporting items in the Navy’s asset listings. The increase of the threshold to \$5,000 will reduce the number of items that need to be reported and expensed. This change will potentially save time and resources.
- Ms. Renee Keys, representing Army IMCOM G-9, added that Army is having difficulties completing inventory because of the multitude of items that have to be included because of the current threshold. She expressed that increasing the capitalization threshold will save time and help the Army complete inventory requirements more efficiently.
- Mr. Anthony Piantieri, representing the Marine Corps MCCS, concurred with comments as stated by Ms. Nancy Stephens and Ms. Renee Keys. He further advised that similar businesses within industry have increased their capitalization threshold to \$10,000.
- Ms. Connie Lipko, representing Air Force/Space Force, stated that their organization recently increased their threshold from \$1,000 to the current threshold of \$2,500. She further stated they have not reviewed or conducted any analysis in support of an additional increase to the threshold.
  - Ms. Lipko added that she will get a pulse on where the Air Force stands on increasing the capitalization threshold.
- Ms. Lena Anderson, DFAS NAF Financial Services, asked Ms. Stephens how the Navy would reconcile previously entered items in asset listings after increasing the threshold.
  - Ms. Stephens answered that previously entered items would remain as they were originally entered. The new threshold would only apply to new items.



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### **Discussion – Increase of the Capitalization Threshold (continued)**

- Ms. Stephens also suggested that if the capitalization threshold were increased, the Air Force would not be forced to implement that increase. Increasing the capitalization threshold would simply help the other Services if they implemented an increase to their threshold.
- Mr. Holliday asked how long it would take to update the policy around increasing the capitalization threshold in the DoD FMR [DoD 7000.14-R, Volume 13, “Nonappropriated Fund Policy”].
  - Mr. Robert Haines, DFAS NAF Policy Division, offered that a memorandum could be issued to update the policy for the next cycle update. Otherwise, implementing the capitalization threshold could take several months to implement.
  - Mr. Curtis offered that updating the position paper would provide a quick solution for the Services. The addition to the paper could have a discussion section that rehashes what was discussed in this meeting. The new section would hopefully get full concurrence and the policy would be updated as soon as possible.
  - Ms. Stephens added that Navy could have materials ready for the next NAF Accounting working group meeting.
  - Mr. Piantieri added that the Marine Corps will also conduct a refresh of the capital analysis.
  - Mr. Holliday concurred with updating the position paper to reflect the \$7,500 capitalization threshold amount and advised that he would look to send out an email voting option that seeks the Military Services’ concurrence, with allowance for any discussions and capital analysis submissions to support the respective Services’ position.
- Mr. Holliday solicited the group for any other open forum discussions and received a negative response.
- The meeting adjourned.