



# **DoD NAF Accounting Workshop Meeting Minutes**

## **Thursday April 20<sup>th</sup>, 2023**

### **0900 – 0950 EST**

### **Virtual Meeting Using Microsoft Teams**

#### **Attendees**

- OSD – MC&FP
  - Mr. Gerald Holliday, Mr. Mike Curtis
- Air Force AFSVC – San Antonio
  - Mr. Roger Wong, Ms. Marivic Penman, Ms. Connie Lipko, Ms. Danielle McCutcheon, Ms. Sharon Rivera, Ms. Lisa Hughes
- Army IMCOM G9 – San Antonio
  - Ms. Renee Keys
- DFAS- Indianapolis
  - Mr. Robert Haines, Ms. Tina Roberts, Ms. Lena Anderson
- Army DCS, G9 – Pentagon
  - Ms. Elizabeth Femrite
- AAFES
  - Ms. Denise Hunter, Ms. Melissa Sexton, Mr. Sedric Thomas
- Marine Corps MCCS – Quantico
  - Ms. Victoria Galloway, Ms. Pat Craddock, Mr. Anthony Piantieri
- Navy CNIC – Millington
  - Mr. Jeff King
- Guidehouse
  - Ms. Ariane Whittemore, Mr. John Johnston, Mr. David Skipper, Ms. Alexandra Tasits, Mr. Aimal Arsalla

#### **Welcome and Introductions**

- Mr. Holliday welcomed everyone, acknowledged that the Services were present, and thanked everyone for participating.

#### **OSD Updates**

- Mr. Holliday reminded the group to submit any updates on the MS Teams Site
  - He thanked the services for updating the POCs for this group
  - He received all the FY22 PMR and MWR briefs. Mr. Holliday noted that the submissions were informative and outstanding.
  - Mr. Holliday plans to reach out to the services as soon as their internal PMR analysis is complete.



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#### **NAF Accounting Workshop Format**

- Mr. Holliday began by giving thanks to Army and DFAS for hosting the Accounting Workshop.
- Mr. Holliday noted how effective the communication was at the meeting, which helped get plenty of work done.
- Mr. Holliday suggested having a smaller group meeting in the future but having it more frequently.

#### **Overview of DFAS NAF Financial Services**

- Ms. Keys referenced a DFAS customer portal. This SharePoint site will be used for the Army Garrison to upload documents that are normally uploaded in Army repositories. They believe SharePoint will provide a greater opportunity to interact with the customer.
- Ms. Keys also noted DFAS showed a demo on a fixed asset tool. The tool is in excel and helps to mitigate human errors or prevents it from getting lost in translation.
- Ms. Roberts added that they are also working on an AI solution within SharePoint. The goal is to provide transparency.

#### **Policy Updates**

- Mr. Curtis indicated that the 1015.10 (MWR Policy) is currently with the lawyers undergoing a Legal Objection Review (LOR).
  - They did notice that combining Civilian and MWR policy is problematic. Mr. Curtis noted that Mr. Christopher Wright will remove the Civilian MWR policy from the document.
- After the LOR, the document goes to Formal Coordination. Mr. Curtis hopes to have an update within a month after sending.
- Mr. Curtis provided good news on the 1015.15 first draft and it's currently within review.
- Mr. Curtis updated that the 1015.16, which is over a year old since submission, is going through a Change 1. The document is in Formal Coordination.

#### **Military Services NAF FM Systems/Program Initiatives**

- Navy's Ms. Pasternack provided notes to Mr. Holliday. The Navy has updated the point-of-sale system. They have 523 sites migrating in FY2023
- Marine Corps Ms. Galloway did implement a financial system in 2021. They are back on a normal closing cycle.
- Air Force's Ms. Lipko informed the group that the USAF is using Oracle at the Shared Services Center, which is called AFSMFS. The end-of-life query is being replaced by the Oracle Analytical Server, which is a huge enhancement for the Service and the customer. From a NAF Standard Ledger viewpoint, they are working contract options



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for implementation. The key is the cleanups. The Shared Services Center is aggressively working on cleaning up the chart of accounts.

- Army is migrating their CYS (Child Youth System) to the cloud, which helps not having each Garrison on a separate server. Their ERP system is currently in a holding pattern until they receive more guidance from leadership.

#### **Updates to NAFSGL**

- Mr. Johnston (Guidehouse) provided an update on the changes to the NAFSGL.
- The NAF Accounting Working Group considered proposed changes to v4 of the NAF SGL at its August 2022 meeting. At the end of the August meeting, there were 19 P&L changes and 33 B/S changes which had not been adjudicated. These remaining proposed changes were considered at the Texarkana meeting.
- The workshop participants were detailed into small working groups to consider the changes and recommend resolution. Each small working group out briefed their recommendation to the larger audience for discussion and resolution of recommendation.
- For the 19 open P&L changes, 7 were successfully adjudicated and 12 changes required additional research with specific items assigned to the Service groups.
- For the 33 open B/S changes, 23 were successfully adjudicated and 10 changes required additional research with specific items assigned to the Service groups.
- Guidehouse will follow up with the Services to resolve the open items being researched.
- As soon as adjudicated is complete, the accepted changes will be made to the NAF SGL resulting in v5.

#### **Taking DoD NAF Financial Management into the Future**

- Mr. Holliday mentions an initiative to run a pilot about ADVANA account. The assumption is that all the data is present when you have an account, but that is not the case.
- Mr. Holliday noted that this is still in the initial stages but hopes to have a process to receive the data.
- Guidehouse's Ms. Tasits presented the PMR dashboards to the group.
  - Ms. Keys asked if this information will be provided. Mr. Holliday indicated that he is working with the IT team to get access to the server, which then should be available to the entire group.
  - Mr. Piantieri noted that his group isn't available on .mil. Mr. Holliday acknowledged that this is part of the conversation when he obtains full access to the server.



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#### **Information Brief**

- Ms. McCutcheon presented the SFFAS-54 to the group.
- SFFAS-54 is effective for fiscal years beginning after October 1, 2023.
- Under the new standard, agencies must report leases on the Balance Sheet as Right to Use assets with a corresponding liability at the Net Present Value of the lease payments. Intragovernmental lease expense will be reported in a financial footnote.
- The significant change is reporting is the identification and reporting of embedded leases, often contained within service contracts.
- The next step is for the Services to open informal discussions with their external auditors to explore applicability and scope.

#### **Methods to Record Real Property**

- Build with NAF – title goes to installation.
  - Issue is payment responsibility after moving in – APF/NAF.
    - Issue is APF office likes to hold APF to force NAF payment to preserve APF.
  - Recording asset retirement – use demo dollars, and who?
  - Army – evacuate building to re-purpose property while relocating into an alternate location.
  - With telework, buildings may not be re-purposed.
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