OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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READINESS AND FORCE MANAGEMENT

AUG 23 2013

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY (CIVILIAN PERSONNEL AND QUALITY OF LIFE)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (MILITARY MANPOWER AND PERSONNEL)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (FORCE MANAGEMENT INTEGRATION)

SUBJECT: Department of Defense (DoD) Financial Management Regulation (FMR) Implementing a Nonappropriated Fund Standard General Ledger (NAFSGL)

Reference: DoD FMR 7000.14-R, Volume 13, "Nonappropriated Funds Policy and Procedures," Chapter 2, Section 0202, March 2011

The referenced regulation establishes a deadline of no later than January 31, 2015, to implement a nonappropriated fund standard general ledger (NAFSGL) numbering structure. The NAFSGL would apply to all nonappropriated fund instrumentalities (NAFIs) in DoD except the exchanges.

Recent efforts related to the ongoing Task Force on Common Services have provided new information and a general consensus at the action officer level on the need for implementing a NAFSGL. While all were in agreement concerning the imperative for such a standardized structure, the Services were also of the strong opinion the previously-proposed version would be unworkable and unlikely to achieve the desired purposes. I agree with their concerns, and support a concerted effort in the near term to rework the proposed NAFSGL structure so that it will better reflect end-user needs while achieving the original objectives for standardization.

Request each Service's nomination of two senior NAF accounting managers to participate on a working group to develop the definitive NAFSGL. In addition to the subject matter experts from the Services, the group will also include representatives from the Office of the Secretary of Defense and the Defense Finance and Accounting Services; we will obtain contractor support for project management. The initial meeting, targeted for the week of October 28, will be one full week here in the Washington, DC, area and our office will cover travel and per diem expenses for this meeting. We expect subsequent efforts to be done in a virtual meeting environment.

We anticipate that the new NAFSGL will be completed early next calendar year and then staffed for approval by the Services. We recognize that you will need sufficient time to convert to the new numbering structure. At our request, the Office of the Under Secretary of Defense (Comptroller) has agreed to extend the deadline for full implementation of NAFSGL to October 1, 2016, to coincide with the beginning of Fiscal Year 2017. This change will be reflected in the pending change to the FMR.

We would appreciate receiving your nominations for the working group by August 30. If you have any questions, please contact Rogers Patrick in the Resale Activities and Nonappropriated Fund Policy Office at (703) 588-0564 or e-mail rogers.patrick@osd.mil.

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