



READINESS AND FORCE
MANAGEMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

INFO MEMO

FOR: ASSISTANT SECRETARY OF DEFENSE (READINESS AND FORCE
MANAGEMENT)

FROM: Rosemary Williams, Deputy Assistant Secretary of Defense for Military Community
and Family Policy

Rosemary Williams 17 Oct 2013

SUBJECT: Calendar Year 2012 Annual Review of Nonappropriated Fund Treasury
Management

- Request ASD(R&FM) accept on behalf of PDUSD(P&R) this summary of results of our annual review of calendar year 2012 nonappropriated fund (NAF) treasury management, as required by DoD Instruction 1015.15 *Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources* (TAB A).
- The DoD Components have primary fiduciary responsibility for NAF investments, and each designates an oversight group to review portfolio objectives and results, determine compliance with policy, and address corrective action. Each respective group then submits an annual report of NAF cash and investments, borrowing, and hedging as of December 31, a summary of which appears at TAB B (full copies of all 2012 reports are available in the SACCP file associated with this action, but are not included here due to their volume and the lack of any significant issues.)
- A meeting was held on September 20, 2013, where representatives from OUSD(P&R) and OUSD(Comptroller)/Chief Financial Officer reviewed these annual reports with designated representatives from the DoD Components and Military Service headquarters, including their respective treasury managers. TAB C contains that meeting's agenda and the list of attendees. Noteworthy again this year is that the majority of attendees participated in the three hour meeting via video-conference from five remote locations in Texas and Virginia. This increased emphasis on using technology continues to save scarce travel dollars.
- In advance of this meeting, a thorough review of detailed report submissions found that there were no serious policy lapses or issues of non-compliance. Additionally, during 2012, there were no significant occurrences of losses of principal or circumstances where investments produced no yield, either of which would be required to report. Finally, there were no prior corrective actions pending from 2011.

Attachments:
As stated

Prepared by: Mr. Rogers Patrick, Resale Activities and NAF Policy, 703-588-0564